

NOTICE OF REGULAR MEETING OF BOARD OF DIRECTORS

DATE: Wednesday, September 16, 2026

TIME: 6:00 p.m. Closed Session
7:00 p.m. Open Session (time approximate)

LOCATION: Zone 7 Administration Building
100 North Canyons Parkway, Livermore

LIVE STREAMING: Comcast Channel 29
AT&T U-Verse Channel 99 (Livermore)
Streaming Live at tv29live.org

Any member of the public wishing to address the Board on an item under discussion may do so upon receiving recognition from the President. If a member of the public wishes to provide comment before the meeting, please email publiccomment@zone7water.com by 5:00 p.m. on the day before the Board meeting.

In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available at the Zone 7 Administrative Building lot. If you are a person with a disability and you need disability-related modifications or accommodations to participate in this meeting, please contact the Executive Assistant, Donna Fabian, at (925) 454-5000. Notification 48 hours prior to the meeting will enable Zone 7 to make reasonable arrangements to ensure accessibility to this meeting. {28 CFR 35.102-35, 104 ADA Title II}.

AGENDA

1. Call Zone 7 Water Agency Meeting to Order
2. Closed Session
 - a. Conference with Real Property Negotiators: Property: APNs 99-525-2, 99-550-2-3, 99-550-3-2, 99A-2700-2-5, 99A-2700-6-6, 99A-2700-9- 8, 99A-2700-10, 99A-2700-11-3, 99A-2700-12-6, 99A-2700-12-7, 99A-2420-4-13, 96-420-2, 96-420-3, 96-429-6, 99A-2701-1, 99A-2701-2, 99A-2701-3.
Agency Negotiators: Valerie Pryor/Rebecca Smith
Under negotiation: Price and terms
 - b. Conference with Labor Negotiators pursuant to Government Code § 54954.5:
Agency Negotiators: Valerie Pryor/Osborn Solitei/Shelisa Jackson. Employee Organizations: Alameda County Management Employees Association; Alameda County Building and Construction Trades Council, Local 342, AFL-CIO; International Federation of Professional and Technical Engineers, Local 21, AFL-CIO; Local 1021 of the Service Employees International Union, CTW; Unrepresented Management
 - c. Conference with Legal Counsel – Existing litigation pursuant to Government Code § 54956.9(d) (1): (1) State Water Contractors v. California Department of Fish & Wildlife (JCCP Case No. 5117), (2) Stark v. Alameda County Flood Control and Water Conservation District, Zone 7 (Alameda County Superior Court Case No. 22-CV-5837), (3) Bautista v. Alameda County Flood Control and Water Conservation District, Zone 7 (Alameda County Superior Court Case No. 22-CV-10679); (4) Tulare Lake Basin Water Storage District v. California Department of Water Resources, Sacramento County Superior Court Case No. 24WM000006 and related cases; (5) OSHA Appeal No. 1748050.
 - d. Conference with Legal Counsel (Anticipated Litigation) – Initiation of litigation pursuant to § 54956.9(d)(4) (two cases)
3. Open Session and Report Out of Closed Session
4. Pledge of Allegiance
5. Roll Call of Directors
6. Public Comment on Non-Agenda Items
The Public Comment section provides an opportunity to address the Board of Directors on items that are not listed on the agenda, or informational items pertinent to the Agency's business. The Board welcomes your comments and requests that speakers present their remarks in a respectful manner, within established time limits, and focus on issues which directly affect the agency or are within the jurisdiction of the Agency. The Board will not be able to act on matters brought to its attention under this item until a future Board meeting.

7. Minutes
 - a. Special Board Meeting Minutes of August 12, 2026
 - b. Regular Board Meeting Minutes of August 19, 2026
8. Consent Calendar
 - a. Declaration of Flood Preparedness Week: October 17-24, 2026
 - b. Authorize Voluntary Termination of the Zone 7 Labor Compliance Program
 - c. Amend the Contract for Hydrologic and Hydraulic Modeling Services for the Flood Management Plan Phase 2A
 - d. Award a Purchase Agreement for Cybernetics Storage Area Network Systems
 - e. Award a Contract for Flood Control Facilities Maintenance and Emergency Services
 - f. Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting
 - g. Award a Contract for Help Desk and Information Technology Services

Recommended Action: Adopt Resolutions

9. Proposed Treated Water Rates for Calendar Years 2027-2030

Recommended Action: Discuss and provide direction

10. Sites Reservoir Project Water Rights Process

Recommended Action: Information only

11. Committees
 - a. Legislative Committee Meeting Notes of August 13, 2026
12. Reports – Directors
 - a. Verbal Comments by President
 - b. Written Reports
 - c. Verbal Reports

13. Items for Future Agenda – Directors

14. Staff Reports
 - a. General Manager's Report
 - b. August Outreach Activities
 - c. Legislative Update
 - d. Monthly Water Inventory and Water Budget Update
 - e. Water Conservation Program Update
 - f. Investment Report as of June 30, 2026
 - g. Annual Pension Trust Fund Report
 - h. Endowment Trust Fund Annual Report

15. Adjournment

16. Upcoming Board Schedule: (All meeting locations are in the Boardroom at 100 N. Canyons Pkwy., Livermore, unless otherwise noted.)
- a. Finance Committee Meeting: September 24, 2026, 3:00 p.m.
 - b. Legislative Committee Meeting: October 8, 2026, 4:00 p.m.
 - c. Regular Board Meeting: October 21, 2026, 7:00 p.m.

MINUTES OF THE BOARD OF DIRECTORS
ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

SPECIAL MEETING / BOARD WORKSHOP

August 12, 2026

Directors Present: Alan Burnham
Sandy Figuers
Laurene Green
Jim Lehrman
Kathy Narum
Sarah Palmer

Directors Absent: Sean Roberts

Staff Present: Valerie Pryor, General Manager
Chris Hentz, Assistant General Manager – Engineering
Osborn Solitei, Treasurer/Assistant General Manager – Finance
Lizzie Foss, Financial Analyst
JaVia Green, Financial Analyst
Donna Fabian, Executive Assistant/Board Secretary

General Counsel: Rebecca Smith, Downey Brand

Item 1 – Call Zone 7 Water Agency Meeting to Order

The Zone 7 Water Agency meeting was called to order by President Green at 6:01 p.m.

Item 2 – Pledge of Allegiance

President Green led the Pledge of Allegiance.

Item 3 – Roll Call of Directors

Director Roberts was absent.

Item 4 – Public Comment

There was no public comment.

Item 5 – Board Workshop on Wholesale Treated Water Rates for Calendar Years 2027-2030

Financial Analysts JaVia Green and Lizzie Foss presented the results of the 2026 Wholesale Treated Water Rate Study and reviewed the process used to develop proposed rates for calendar years 2027 through 2030. Staff explained that the study included a 10-year financial plan incorporating projected operating costs, the Water System Capital Improvement Plan, anticipated debt obligations, water supply reliability projects, treated water demand, reserve requirements, and other financial assumptions. Although the financial plan looks ahead 10 years, staff recommended establishing rates for four years because of uncertainties that could significantly affect future costs and revenues.

Staff reviewed several financial scenarios based primarily on different levels of participation in the Sites Reservoir Project and different allocations of Sites costs between water rates and connection fees. The baseline scenario assumes approximately 30,000 acre-feet of Sites storage participation, with 34 percent of project costs funded by water rates and 66 percent by connection fees. Under this scenario, staff recommended annual treated water rate adjustments of 4.5 percent for calendar years 2027 through 2030. Staff also recommended retaining the existing rate structure of 55 percent volume-based and 45 percent fixed charges and using the Water Reliability Reserve over the 10-year planning period to help offset increasing water supply reliability costs and minimize sudden rate increases.

Staff explained that increasing Sites participation to approximately 62,000 acre-feet while maintaining the 34/66 percent cost allocation would require approximately 5.1 percent annual rate adjustments. If water rates ultimately became responsible for 100 percent of Sites costs, projected annual adjustments would increase to approximately 5.6 percent at the 30,000 acre-foot participation level and 7.1 percent at approximately 62,000 acre-feet. Staff noted that connection fee revenues are volatile and will eventually decline as the service area approaches buildout, making it important to evaluate scenarios in which water rates may need to assume a greater share of project costs.

Staff also discussed the Water Reliability Reserve, which is planned to be drawn down over the 10-year period to offset increasing Sites Reservoir costs. Staff stated that use of the reserve reduces the baseline rate adjustment from approximately 4.9 percent to 4.5 percent. A conservation sensitivity analysis assuming a 10 percent reduction in treated water demand for three consecutive years showed that the reserve would be depleted approximately two years earlier than planned and that future rate adjustments or other measures could be necessary.

During Board discussion, Directors asked about the Agency's ability to control operating costs and requested that information on cost-saving efforts be communicated more clearly. Staff discussed measures including solar energy, maintaining staffing vacancies, cooperative chemical purchasing, and other efforts that have helped moderate cost increases. The Board discussed the importance of providing the public with information demonstrating the Agency's

efforts to manage costs while also explaining the relationship between water rates and long-term water supply reliability.

The Board discussed the assumptions associated with Sites Reservoir, including projected water deliveries, storage participation levels, project costs, and the potential effect of declining connection fee revenues. Staff stated that the Sites delivery assumptions are based on the latest modeling information available from the Sites Reservoir Authority. The Board also discussed the relationship between the Agency's current approximately 62,000 acre-foot Sites subscription and the approximately 30,000 acre-foot participation level incorporated into the baseline financial plan. Director Narum expressed support for reducing the Agency's Sites participation to approximately 30,000 acre-feet, noting the need to balance Sites with other major investments, including the Chain of Lakes Conveyance and Delta Conveyance projects. President Green stated that she had not yet reached a conclusion regarding the appropriate Sites participation level and wanted additional information from the upcoming Board discussion on the project before deciding.

Additional discussion addressed the volatility of connection fee revenue, assumptions regarding future treated water demand, potential drought and conservation impacts, and the Agency's ability to respond through cost reductions, project deferrals, reserve use, or future rate adjustments if conditions change. The Board also discussed future Delta Conveyance Project costs, which are not incorporated into the 10-year financial plan beyond currently approved payments because the timing and amount of future payments remain uncertain. Staff explained that the Agency periodically reviews its financial projections and rates so that changing conditions can be addressed before they create significant future financial impacts.

Director Lehrman asked about recovery of PFAS treatment costs from parties responsible for contamination. Staff stated that the Agency has received settlement funds through litigation involving PFAS manufacturers. Director Palmer requested that future information include a summary of the Agency's fixed costs and suggested development of concise public information describing the Agency's water management and cost-control efforts. Director Figuers discussed climate change assumptions associated with Sites Reservoir and the potential storage capacity of the groundwater basin and Chain of Lakes, which President Green indicated could be considered in future studies.

President Green emphasized that the workshop was informational and that no decisions were being made regarding the proposed rates or Sites Reservoir participation. Staff indicated that the proposed rates would return to the Board in September for further consideration, with formal adoption anticipated in October and new rates effective January 1, 2027.

Public comment was received by Sudhir Kulkarni, a Pleasanton resident, Dawn Benson, a Dublin resident, and James Fong, a Pleasanton resident.

Item 6 – Adjournment

President Green adjourned the meeting at 7:57 p.m.

MINUTES OF THE BOARD OF DIRECTORS
ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

REGULAR MEETING

August 19, 2026

Directors Present: Alan Burnham
Sandy Figuers
Laurene Green
Jim Lehrman
Kathy Narum
Sarah Palmer
Sean Roberts

Staff Present: Valerie Pryor, General Manager
Chris Hentz, Assistant General Manager – Engineering
Ken Minn, Water Resources Manager
Elliott Levitsky, Associate Civil Engineer
Mariza Sibal, Associate Civil Engineer
Donna Fabian, Executive Assistant/Board Secretary

General Counsel: Rebecca Smith, Downey Brand

Item 1 – Call Zone 7 Water Agency Meeting to Order

The Zone 7 Water Agency meeting was called to order by President Green at 7:00 p.m.

Item 2 – Closed Session

The Board entered Closed Session at 6:05 p.m. Director Figuers arrived at 6:17 p.m. and Director Roberts arrived at 6:18 p.m. The Board adjourned at 6:40 p.m.

Item 3 – Open Session and Report Out of Closed Session

President Green stated that there was nothing to report.

Item 4 – Pledge of Allegiance

Director Palmer led the Pledge of Allegiance.

Item 5 – Roll Call of Directors

All Directors were present.

Item 6 – Public Comment

There was no public comment.

Item 7 – Minutes

Director Palmer moved to approve the minutes of the regular Board meeting held on July 15, 2026. The motion was seconded by Director Narum and approved by a voice vote of 7–0.

Item 8 – Consent Calendar

Director Narum moved to approve Consent Calendar Items 8a through 8i, seconded by Director Palmer. The motion was approved by a roll-call vote of 7–0.

Item 9 – Amend the Progressive Design-Build Services Contract to Authorize the Early Works Package for Long-Lead Electrical Equipment for the Mocho PFAS Treatment Plant

Mariza Sibal, Associate Civil Engineer, presented the item. She explained that the Mocho wellfield and Mocho Groundwater Demineralization Plant (MGDP) are currently offline due to PFAS, resulting in the loss of approximately 16 million gallons per day, or about 40 percent of Zone 7's groundwater production, as well as reduced system redundancy, water supply reliability, and salt management capability. The Mocho PFAS Treatment Plant (MTP) project will restore groundwater production and salt management and includes PFAS removal facilities, upgrades to the MGDP, electrical switchgear improvements, and replacement of aging well pumps. The adopted CIP budget for the project is \$55 million, and the Agency is pursuing grant and forgivable loan funding to offset project costs.

Ms. Sibal reviewed the Progressive Design-Build (PDB) delivery method being used for the project and explained that early contractor involvement allows long-lead equipment to be procured before final design, reducing schedule risk and accelerating project completion by approximately 9 to 12 months. Garney Pacific, Inc. was awarded the PDB pre-construction services contract in March 2026. The proposed Early Works Package would procure long-lead electrical equipment, including switchgear, transformers, motor control centers, and variable frequency drives, which have been identified as critical-path items. Competitive bids were received under an open-book pricing process, with suppliers evaluated based on technical compliance, cost, delivery schedule, reliability, and support.

Ms. Sibal noted that early procurement is important to maintaining DWR grant eligibility and explained that the project may receive more than \$26 million from a combination of DWR grant funding and the Emerging Contaminant Forgivable Loan Program. She stated that construction is anticipated to begin in 2027, with the MTP targeted for completion by the start of summer 2028.

In response to Director Burnham's question regarding whether the PDB approach results in higher project costs, Chris Hentz, Assistant General Manager – Engineering, explained that, in addition to the significant schedule advantage, the PDB approach allows the Agency to select a contractor based on qualifications and approach and provides a more collaborative process for addressing challenges. He noted that this reduces risk and the potential for significant change orders and delays. Valerie Pryor, General Manager, added that there is no evidence that alternative delivery results in higher costs and noted that recent Zone 7 projects using either delivery method have come in within budget. Director Burnham emphasized the importance of responsible stewardship of ratepayer funds and expressed his belief that the PDB approach represents proper stewardship. He also complimented the proposed facility design and asked about potential noise impacts from the facility. Ms. Sibal explained that noise would primarily be generated by the booster pumps, which would be housed within a noise-controlled building.

Director Lehrman asked about the MGD reverse osmosis system and its ability to remove PFAS. Ms. Sibal explained that reverse osmosis can remove PFAS; however, water from a bypass line is blended with the reverse osmosis-treated water, resulting in PFAS remaining in the treated water. Ms. Pryor added that 100 percent reverse osmosis water cannot be placed into the system because it would be corrosive and therefore must be blended. In response to Director Lehrman's question regarding anticipated funding sources, Ms. Sibal stated that approximately \$1.2 million is from DWR grant funding and approximately \$25 million may be available through the Emerging Contaminant Forgivable Loan Program.

Director Narum asked what would become the next critical-path item following authorization of the Early Works Package. Ms. Sibal stated that the next steps would be to continue with long-lead equipment submittals and procurement, followed by the construction phase, and that installation of the electrical equipment ultimately remains on the project's critical path. Director Narum also asked about the timeline for obtaining the necessary right-of-way or land easement. Mr. Hentz stated that the Agency is working with the City of Pleasanton to develop an easement agreement and associated documents and would like to have the agreement in place by the end of the year. He added that the necessary land rights should be in place early in 2027 to support construction.

Director Roberts asked about the status and timing of grant funding. Ms. Pryor stated that the grant funding for the electrical equipment has been secured and that the Agency expects to hear about the larger funding opportunity by the end of the year. President Green asked whether the \$1.2 million DWR grant deadline was a reason the electrical equipment was considered a critical-path item. Ms. Sibal stated that the grant deadline was a consideration but noted that electrical equipment has very long lead times, including approximately 52 weeks for switchgear, making early procurement essential to meeting the overall project completion schedule. In response to President Green, Mr. Hentz stated that approval of the proposed action would put the Agency in a position to meet the grant deadline.

President Green asked about the impact of the MGD shutdown on salt removal. Ms. Pryor stated that the Agency did not have a detailed estimate of the impact but would like to resume removing salts from the groundwater basin as soon as possible. President Green also asked whether any particular factors were contributing to the extended lead times for electrical

equipment. Ms. Sibal explained that the long lead times are attributable to current conditions throughout the electrical manufacturing industry.

Director Narum expressed strong support for the PDB approach, citing her experience with its successful use on school district bond projects, including cost savings and faster project delivery. She applauded the Agency for using the delivery method to advance important infrastructure projects more quickly and noted that accelerating the project by 9 to 12 months is significant.

Director Narum moved to adopt the Resolution authorizing the General Manager to negotiate and execute an amendment to Contract A26-67-GAR with Garney Pacific, Inc. Director Palmer seconded the motion. The motion was approved by a 7–0 vote.

Item 10 – Award a Contract for Preliminary Design and Owner’s Representative Services for the Regional Groundwater Development Project

Elliott Levitsky, Associate Civil Engineer, presented the item. He explained that the Regional Groundwater Development Project is a joint project between Zone 7 and the City of Pleasanton intended to increase groundwater production capacity in the Bernal subbasin and replace groundwater pumping capacity lost by Pleasanton when its three wells were removed from service due to PFAS. A joint feasibility study and basis of design were completed to evaluate a project that would meet both agencies’ needs while providing cost savings and long-term operational efficiencies. The project consists of two new groundwater wells in Pleasanton, approximately 4,000 feet of transmission pipeline to convey untreated groundwater to the Hopyard Chloramination Facility, and upgrades to that facility to accommodate the additional water supply.

Mr. Levitsky reported that the Board authorized the General Manager in May 2026 to negotiate and execute a cooperating agreement with the City of Pleasanton establishing project responsibilities, authorities, and cost sharing. The agreement was expected to be considered by the Pleasanton City Council in September. He explained that the project would use the Progressive Design-Build (PDB) delivery method to accelerate the schedule and allow early procurement of long-lead equipment. Luhdorff & Scalmanini, Consulting Engineers (LSCE), which was competitively selected for Phase I, would provide preliminary design and Owner’s Representative services for Phase II. The scope includes preliminary design, advancement of the electrical design to facilitate early procurement and PG&E service applications, CEQA and permitting, and PDB procurement and contracting.

Mr. Levitsky reviewed the project schedule and explained that following preliminary design, the Board would be asked to authorize the PDB contract, an Early Works Package for long-lead electrical equipment, and ultimately a Guaranteed Maximum Price (GMP) and construction phase. The PDB approach and early procurement are intended to support a target project completion date of December 2029. He recommended authorization of a professional services agreement with LSCE for preliminary design and Owner’s Representative services in an amount not to exceed \$2.25 million, including a 10 percent contingency.

Director Narum expressed concern about the December 2029 completion date and asked whether equipment other than electrical components was expected to have long lead times,

noting the importance of having the additional groundwater production available in the event of a multi-year drought. Mr. Levitsky explained that the project is at an earlier stage than the Mocho PFAS Treatment Plant project and that the primary critical-path items identified to date are electrical equipment and the PG&E application process. He noted that switchgear can have approximately 52-week lead times and that beginning the PG&E application process early would help mitigate schedule risk.

Director Narum asked about land rights for the proposed well sites. Mr. Levitsky stated that land rights were not included in the existing agreement and would need to be developed. Ms. Pryor explained that the proposed sites are located in City of Pleasanton parks and that Zone 7 would work with the City to obtain permanent easements and comply with applicable permitting requirements.

Director Roberts asked whether Zone 7 would wait for the Pleasanton City Council to approve the agreement before proceeding with the consultant. Ms. Pryor stated that the City Council was expected to consider the agreement on September 1, or September 15 if necessary. She explained that although Zone 7 would not proceed too far ahead of the City's action, there was a sense of urgency and the Agency did not want to unnecessarily lose one or two months of project progress.

Director Burnham asked whether the Owner's Representative would report to Zone 7 because Zone 7 would own the facilities and fund the larger share of the project. Mr. Levitsky confirmed that Zone 7 would execute the contracts and would have primary responsibility for implementing the project under the agreement with Pleasanton.

Director Palmer asked about construction of the transmission pipelines and whether permitting or underground conditions could delay the project. Mr. Levitsky stated that no major issues had been identified but noted that the project was just entering preliminary design. He explained that potholing and other exploratory work would be conducted to identify existing utilities and inform pipeline design, thereby reducing the potential for unforeseen issues. He added that Underground Service Alert would be used to identify utilities before exploratory excavation. Ms. Pryor emphasized that Zone 7 would work closely with the City of Pleasanton because the pipelines and well facilities would be located within City streets and parks and that both agencies have an interest in expediting the project.

Director Burnham asked why Zone 7's share of the Hopyard Chloramination Facility improvements would be 77 percent when its share of other project facilities is 64 percent. Mr. Levitsky explained that the 64 percent allocation is based on the proportion of anticipated project water allocated to Pleasanton, while the Hopyard facility is an existing Zone 7 facility whose upgrades will benefit Zone 7 and Pleasanton differently, resulting in the 77 percent allocation.

President Green asked why the PG&E application process could be lengthy. Mr. Levitsky explained that obtaining new medium-voltage electrical service requires multiple steps, including an application, detailed electrical drawings, PG&E review and comments, and potentially multiple rounds of revisions. He stated that PG&E is responsive but strictly applies its standards, which can result in substantial back-and-forth before approval.

Director Lehrman expressed concerns regarding the overall project, including unresolved financial, legal, and environmental risks and the potential for groundwater pumping to affect migration of the PFAS plume. He stated that the groundwater model and underlying geology are complex and expressed concern regarding assumptions involving the Bernal subbasin boundary and their potential effect on modeling PFAS plume migration. Director Lehrman suggested obtaining an independent third-party review of the groundwater model and potential PFAS plume migration before proceeding.

Director Burnham acknowledged the uncertainties associated with groundwater characterization but questioned whether the additional cost and time necessary to obtain a more detailed understanding of the geology would materially improve decision-making. He stated that potential adverse impacts could be mitigated if necessary and expressed support for the project while recommending that groundwater production be operated conservatively to provide an additional margin of safety given the uncertainty.

Director Narum expressed support for the PDB approach and the project, emphasizing the importance of completing the project to improve water supply reliability in anticipation of future drought conditions. She noted that numerous alternatives had been evaluated by Zone 7 and Pleasanton and stated that the proposed project appeared to be a cost-effective means of obtaining the needed water supply. She also expressed confidence in the groundwater modeling work completed to date.

President Green acknowledged the concerns raised but stated that the Board must consider geology together with the other factors involved in the project, including timing. She expressed confidence that the information currently available was sufficient to support the Board's decision, while recognizing that the groundwater model would continue to be refined over time. President Green expressed support for the project and encouraged opportunities to expedite the schedule where possible.

Director Palmer moved to adopt the Resolution authorizing the General Manager to negotiate, execute, and amend, as needed, a new contract with Luhdorff & Scalmanini, Consulting Engineers. Director Narum seconded the motion. The motion was approved by a 6–1 vote, with Director Lehrman dissenting.

Item 11 – Sites Reservoir Project Workshop #2

Valerie Pryor, General Manager, introduced the item and emphasized that the workshop was informational and that no Board action was requested. She explained that the Board is expected to make a final participation decision later in the year after additional workshops and receipt of updated information, including the revised water right order.

Ken Minn, Water Resources Manager, presented an overview of the Sites Reservoir Project and Zone 7's ongoing evaluation of the project's benefits and obligations. He explained that Sites would be a 1.5-million-acre-foot off-stream reservoir located northwest of Sacramento and would capture excess Sacramento River flows after senior water rights, environmental requirements, and other regulatory obligations have been satisfied. The project is fully subscribed with a waiting list and is currently targeted to become operational in 2034. Mr. Minn stated that Zone 7 has participated in the project since 2016 as part of its efforts to

increase water supply reliability, improve drought and climate resilience, supplement supplies for future build-out demand, obtain new water rights, and diversify its water supply portfolio.

Mr. Minn reviewed the evolution of Zone 7's participation, noting that the original project concept was based on an expected average annual water supply but shifted in 2022 to storage-based participation. Under the current structure, participants purchase a share of reservoir storage capacity and receive a proportional share of water diverted into Sites. Participants may manage their storage by holding, taking, selling, leasing, or exchanging water. He explained that Zone 7's current participation is 62,340 acre-feet (AF) of storage capacity.

Mr. Minn described how water would be diverted from the Sacramento River using the existing Red Bluff and Hamilton City pumping facilities and conveyed through existing canals and new project facilities into Sites Reservoir. When released, water would travel through the Tehama-Colusa Canal, the planned Dunnigan Pipeline, the Colusa Basin Drain, and the Sacramento River before crossing the Delta and entering the State Water Project system for delivery through the South Bay Aqueduct. He noted that use of existing facilities reduces project infrastructure needs but also subjects Sites deliveries to facility availability and operational constraints.

Mr. Minn explained that conveyance losses occur throughout the delivery process, including estimated Delta carriage-water losses of approximately 25 to 35 percent. As illustrated in the presentation, a 1,000-AF dry-year release from Sites could result in approximately two-thirds of the released water ultimately being available for delivery.

Mr. Minn reviewed several project elements that remain under development, including the final water right, facility-use and operating agreements, participant yield estimates, conveyance arrangements, and the Benefits and Obligations Contract. He explained that the final water right will establish the conditions under which Sites may divert water from the Sacramento River and that Zone 7 will continue evaluating how those conditions and other agreements affect expected project yield, conveyance losses, operational constraints, and financial considerations.

Mr. Minn then discussed the relationship between storage capacity and water yield. He explained that under the traditional Sites operating model, participants would fill their storage during wet periods, hold the water for several years, and take delivery primarily during dry years. Water held for extended periods would be subject to evaporation losses, estimated at approximately 8 to 12 percent annually, as well as subsequent conveyance losses. He stated that Zone 7 has a different opportunity because of its planned Chain of Lakes Conveyance System (COLCS) and local storage capacity. Rather than holding Sites water for several years, Zone 7 could take delivery more frequently in normal and other available years, move the water into local storage, and use and replenish that storage over time.

Mr. Minn stated that modeling by the Sites Authority indicates that coordinated operation with COLCS could increase Zone 7's Sites yield by approximately 20 percent. The presentation estimated that 62,340 AF of Sites storage would provide an average annual yield of approximately 5,000 AF without COLCS and 6,000 AF with COLCS, while 30,000 AF of Sites storage would provide approximately 2,500 AF without COLCS and 3,000 AF with COLCS. He

explained that regularly moving water out of Sites would also create additional vacant storage capacity, increasing Zone 7's ability to receive future inflows.

Mr. Minn discussed the benefits and challenges associated with continued participation. Benefits include access to a new water right, additional dry-year supply, diversification of Zone 7's water supply portfolio, storage and conveyance entitlements, and opportunities to coordinate Sites operations with local storage. Challenges include the need for excess Sacramento River flows to fill the reservoir, upstream and downstream conveyance constraints, limited transfer windows, conveyance and Delta losses, evaporation, and continued dependence on the Delta and State Water Project facilities for delivery to Zone 7.

Mr. Minn explained that increasing storage does not produce a proportional increase in water yield because conveyance capacity eventually becomes the limiting factor. He stated that operating within a smaller storage range and frequently moving Sites water into local storage could provide a more favorable balance between storage investment and water yield. Under the current financial projections, maintaining Zone 7's 62,340-AF participation would result in approximately \$1.11 billion in total debt service and average annual debt service of approximately \$27 million. A 30,000-AF participation level would result in approximately \$553 million in total debt service and average annual debt service of approximately \$14 million.

Mr. Minn reviewed the Agency's Urban Water Management Plan (UWMP), which found no projected shortages under current demand during a five-year drought. At the projected 2045 build-out demand of approximately 51,000 AF, assuming 30,000 AF of COLCS storage and 30,000 AF of Sites participation, no shortages are projected through the first four years of a drought, with a potential shortage of up to approximately 10,000 AF in the fifth year. He stated that future Chain of Lakes expansion, water banking, conservation, transfers, and the Delta Conveyance Project could provide additional options for addressing future shortages.

Mr. Minn stated that, based on the information currently available, a 30,000-AF participation level appears to provide an appropriate balance of cost, benefit, and risk and is consistent with the UWMP. He emphasized that no decision was requested at this workshop and that the Agency would continue evaluating new information before making a final recommendation. The Board is expected to receive an update on the revised water right in September, participate in a third workshop in October, and consider approval of the Benefits and Obligations Contract in November. He noted that execution of the Benefits and Obligations Contract would represent a long-term, approximately 50-year financial commitment to the project.

Director Figuers asked how water entering and leaving Sites would be allocated among participants, particularly during wet periods and during periods of limited conveyance capacity. Mr. Minn explained that the Sites Authority is developing formulas to allocate inflows based largely on the amount of vacant storage each participant has available rather than solely on total storage ownership. Once water is stored, individual participants will have considerable authority over whether to take, sell, trade, or exchange their water. He added that a separate allocation methodology is being developed for situations in which participants collectively request more conveyance capacity than is available. Director Figuers noted that allocation and conveyance constraints could become particularly important during extreme wet and dry conditions.

Director Narum asked about the estimated cost per acre-foot of Sites water. Mr. Minn stated that the unit cost has increased as total project costs have risen and projected water yield has declined due to water-right conditions, environmental requirements, and conveyance losses. He estimated that the unit cost could exceed \$3,500 per acre-foot, while noting that the Agency believes the project may prove to be a valuable long-term investment.

Director Narum also asked whether the Chain of Lakes would have sufficient capacity to accommodate Sites water along with other supplies, such as Article 21 water. Mr. Minn stated that approximately 29,000 to 30,000 AF of Chain of Lakes storage is currently anticipated, which is one reason the proposed Sites participation has been calibrated at approximately 30,000 AF. He explained that Zone 7 could cycle water through the Chain of Lakes into its treatment and distribution system, creating capacity for subsequent supplies. He added that additional Chain of Lakes storage is expected to become available over time.

Director Burnham asked whether the principal limitation on obtaining greater yield from a larger Sites participation level was local Chain of Lakes storage or the ability to convey the water from Sites. Mr. Minn clarified that the primary limitation is the delivery system. He explained that if Zone 7 cannot move water out of Sites quickly enough, it would both increase evaporation losses and reduce the vacant storage available to capture future inflows.

Director Burnham asked whether Sites could be considered an environmental benefit by replacing some of the natural snowpack storage being lost as the climate changes. Ms. Pryor stated that the project includes recognized environmental benefits supported by state and federal funding, including fisheries benefits, cold-water management, refuge water, flood protection, and recreation, while acknowledging that different organizations may characterize the environmental effects of the project differently.

Director Burnham also discussed the diminishing water-supply benefit of purchasing additional storage after conveyance constraints begin to limit yield. Mr. Minn agreed and stated that the most efficient participation occurs before that point on the storage-versus-yield curve. Director Burnham questioned whether reducing Sites participation could create additional risk if the Delta Conveyance Project is ultimately not constructed and asked whether that scenario should be analyzed. Ms. Pryor stated that the Agency was not planning a specific analysis of that scenario because Sites and the Delta Conveyance Project address different water supply needs. She explained that Sites provides new water and storage, while the Delta Conveyance Project is intended to preserve the reliability of the State Water Project. She added that if the Delta Conveyance Project is not built, another solution would ultimately be needed to address State Water Project vulnerabilities.

In response to a further question from Director Burnham, Ms. Pryor emphasized that regardless of the amount of water stored in Sites, Zone 7 must have a reliable means of moving that water through or around the Delta and into the State Water Project system. She stated that additional Sites storage would therefore not substitute for the reliability function of the Delta Conveyance Project or another future solution.

Director Lehrman asked about environmental concerns and opposition to the Sites Reservoir Project. Ms. Pryor stated that the project includes environmental benefits and mitigation

measures but acknowledged that organizations opposed to the project have raised concerns and that the Sites Project Authority disagrees with some of those positions. Director Lehrman also asked why some participating agencies may seek greater participation. Ms. Pryor explained that agencies have participated for many years and may adjust their desired participation as they refine their water supply modeling and evaluate other available opportunities.

Director Lehrman asked about the use of the Colusa Basin Drain and whether salinity could affect water quality. Mr. Minn explained that the drain is an unlined earthen facility and that improvements would be made as necessary to support Sites operations. He stated that salinity has not been identified as a significant concern, although participants have raised other typical reservoir water-quality issues, including algal blooms. Ms. Pryor added that water from the Colusa Basin Drain ultimately enters the Sacramento River, where it would mix with much larger river flows before reaching the Delta.

Director Lehrman also asked about evaporation from water stored in the Chain of Lakes. Mr. Minn stated that evaporation may be lower locally, but explained that the more significant distinction is that Zone 7 intends to turn over Chain of Lakes storage much more frequently rather than holding Sites water there for four to six years. Director Lehrman then asked about Zone 7's percentage ownership in Sites, and Mr. Minn stated that the Agency's current 62,340-AF participation represents approximately 4.5 percent of the reservoir.

At Director Lehrman's request, Mr. Minn summarized why the larger participation level carries greater risk. He explained that with approximately 60,000 AF of Sites storage but only approximately 30,000 AF of local Chain of Lakes capacity, Zone 7 could be unable to move all of its stored water locally at one time. The remaining water would remain in Sites longer, increasing evaporation losses and reducing available storage capacity for future inflows. A 30,000-AF Sites participation level would more closely match existing local storage capacity and allow the Agency to turn over its Sites storage more effectively.

Director Palmer observed that Zone 7's strategy of moving Sites water to local storage during years when other participants may not be taking deliveries could reduce competition for limited conveyance capacity and potentially allow deliveries under more favorable water-quality conditions. She expressed support for maintaining a diversified portfolio of water-supply projects, including Sites and the Delta Conveyance Project, and stated that reducing Sites participation to approximately 30,000 AF appeared to make sense from an operational and financial standpoint.

President Green confirmed that Zone 7 would have the ability to sell its Sites water and could also sell its participation interest in the future. Mr. Minn confirmed that participation interests could be bought or sold. President Green also asked about responsibility for maintenance of the existing canals used to convey Sites water. Mr. Minn stated that the specific obligations remain to be determined in the facility-use agreements, but participants would likely contribute toward maintenance. Ms. Pryor explained that the cost of using another agency's facilities is generally incorporated into a wheeling rate that includes operations, power, and a component for repair and rehabilitation.

Director Burnham reiterated concern about relying on the Delta Conveyance Project as part of long-term planning given the uncertainty regarding whether it ultimately will be constructed. He suggested that the Agency consider whether other combinations of Sites storage, Sites conveyance capacity, and expanded Chain of Lakes storage could provide an alternative if the Delta Conveyance Project does not proceed. He stated that additional consideration of such alternatives would help him evaluate the potential consequences of reducing Zone 7's Sites participation.

This was an informational item only. No action was taken.

Item 12 – Committees

There were no comments on the Water Resources Committee meeting notes of July 28, 2026.

Item 13 – Reports – Directors

Director Palmer reported on the July 31 ACWA Board meeting, including ACWA's Vision for Our Water Future initiative and development of criteria for identifying projects of statewide significance. She noted that ACWA is working to strengthen coordination among local, state, and federal agencies and improve consistency in reporting requirements. She also reported on the August 1 ACWA Region 5 meeting, upcoming Region 5 activities, and ongoing efforts related to modernizing water management.

Item 14 – Items for Future Agenda – Directors

There were no items for a future agenda.

Item 15 – Staff Reports

Valerie Pryor, General Manager, highlighted the FY 2025-26 Living Arroyos Program update, noting that the multi-agency program promotes community engagement, urban stream enhancement, watershed stewardship, and public awareness. She also highlighted the annual Strategic Plan progress report and noted that the Agency has made significant progress during the first year and a half of the five-year plan.

Item 16 – Adjournment

President Green adjourned the meeting at 9:52 p.m.

ORIGINATING SECTION: Office of the General Manager
CONTACT: Alexandra Bradley

AGENDA DATE: September 16, 2026

SUBJECT: Declaration of Flood Preparedness Week: October 17-24, 2026

SUMMARY:

- Zone 7 Water Agency is a participating member of the California Flood Preparedness Program, a statewide effort to educate the public about the dangers of flooding, how to prepare their homes and families for a flood, and plan for recovery.
- California Flood Preparedness Week began in 2012 with a single event in Sacramento County and is now in its fourteenth year. DWR supports events across the state, working with federal, state, and local agencies to inform Californians about flood risk and flood preparedness.
- The fourteenth annual California Flood Preparedness Week (2026) will be held during the week of October 17-24. The theme for California Flood Preparedness Week 2026 once again is "Be Aware, Be Prepared, and Take Action!"
- Joining other sponsors, such as California Department of Water Resources; Federal Emergency Management Agency; US Army Corps of Engineers; NOAA National Weather Service; County of Sacramento; and FloodSAFE California, Zone 7 Water Agency expresses support for increased public awareness of flood threats and encourages all Zone 7 residents to take action and prepare appropriately.
- Zone 7 will be running a digital flood preparedness campaign featuring our award-winning Flood Ready Freddy videos during Flood Preparedness Week.
- This year, Zone 7 will also be hosting an in-person Flood Preparedness Open House on Saturday, October 24 from 10:00am to 2:00pm. Participants will learn essential tips and strategies to protect their home and family during floods. They can explore interactive exhibits, engage with experts, and discover how Zone 7 is working to safeguard our community against potential flood risks. We will have sandbags, emergency preparedness tips, and information about our flood management efforts, as well as educational games and activities for all ages.
- Residents can learn more about Flood Preparedness at www.zone7waterca.gov/floodready or at the California Department of Water Resources' website: <https://water.ca.gov/What-We-Do/Flood-Preparedness>.

FUNDING:

There is no funding impact associated with this action.

RECOMMENDED ACTION:

Adopt the attached Resolution.

ATTACHMENT:

Resolution

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO. 26-

INTRODUCED BY DIRECTOR
SECONDED BY DIRECTOR

Proclaiming Participation in the California Flood Preparedness Week Program

WHEREAS, Zone 7 Water Agency recognizes the significant public safety threat flooding poses to the population, assets and economy of our community; and

WHEREAS, over the last twenty plus years, every one of California's 58 counties has experienced a federally declared flood disaster resulting in the loss of lives, homes, precious possessions and costing billions of dollars; and

WHEREAS, Zone 7 residents have endured numerous flood events over the years, including the historic, large-scale floods of 1955 and 1958. In recent history, Zone 7 applied for and received federal and state financial assistance for repair of damage from storm events during 1995, 1998, 2005, 2017, and 2023; and

WHEREAS, during California Flood Preparedness Week, local, state and federal agencies across the state work together to educate the public about the dangers of flooding, how to prepare their homes and families for a flood, and how to plan for recovery; and

WHEREAS, California Flood Preparedness Week 2026 will be held statewide during the week of October 17-24 with the theme, "Be Aware, Be Prepared, and Take Action!"

NOW THEREFORE, BE IT RESOLVED, that Zone 7 Water Agency will participate in California Flood Preparedness Week 2026, express support for increased public awareness of flood threats, and encourage all Zone 7 residents to be aware of flood risks, be prepared for potential flooding, and take appropriate action in times of flooding.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on September 16, 2026.

By: _____
President, Board of Directors

ORIGINATING SECTION: Water Supply Engineering

CONTACT: Lillian Xie/Mona Olmsted

AGENDA DATE: September 16, 2026

SUBJECT: Authorize Voluntary Termination of the Zone 7 Labor Compliance Program

SUMMARY:

- The proposed action supports Strategic Plan Goal F – Effective Operations.
- California law requires that anyone working on a public works project must be paid prevailing wages as determined by the California Department of Industrial Relations (DIR). The law defines the steps public agencies, public works contractors and DIR must take to ensure compliance. In addition, eligibility for some state-issued bond funding, including Proposition 84-funded projects, required public agencies to adopt a Labor Compliance Program (LCP) or pay certain fees. Therefore, the Zone 7 Board authorized establishment of an LCP in 2010 (Board Resolution 11-4023) that was subsequently approved by DIR in 2011.
- Updates to California law have narrowed the role of public agencies in ensuring prevailing wage requirements are met, shifting most responsibilities to public works contractors and DIR. Zone 7 fully meets its responsibilities by registering projects with DIR, requiring in agreements that contractors maintain registration with DIR and submit certified payroll to DIR, and auditing projects to confirm these steps are taken. Zone 7 also no longer has ongoing or anticipated future funding through Proposition 84 that would require an LCP.
- Maintaining the LCP requires ongoing administrative efforts to review and confirm certified payroll and to submit annual reporting. Voluntary termination of the LCP would eliminate unnecessary administrative and reporting obligations without affecting Zone 7's ability to meet its legal obligations or obtain state-provided bond financing or grants.
- Staff recommends that the Board authorize the General Manager to voluntarily terminate Zone 7's DIR-approved LCP.

FUNDING: Not applicable.

RECOMMENDED ACTION: Adopt the attached Resolution.

ATTACHMENTS:

1. Resolution
2. Resolution 11-4023

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO. 26-

INTRODUCED BY DIRECTOR
SECONDED BY DIRECTOR

Authorize Voluntary Termination of the Zone 7 Labor Compliance Program

WHEREAS, this action supports Strategic Plan Goal F – Effective Operations; and

WHEREAS, Zone 7 adopted a Labor Compliance Program (LCP) pursuant to Resolution 11-4023; and

WHEREAS, the California Department of Industrial Relations (DIR) approved Zone 7's LCP on January 25, 2011; and

WHEREAS, Zone 7 no longer has public works projects financed by Proposition 84 and no current or anticipated funding that would require an LCP; and

WHEREAS, an LCP is not required for Zone 7 to remain in compliance with DIR requirements and state law, and terminating the Zone 7 LCP will eliminate unnecessary administrative and reporting efforts.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to voluntarily terminate Zone 7's DIR-approved LCP (LCP ID 2010.00656).

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on September 16, 2026.

By: _____
President, Board of Directors

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO 11-4023

INTRODUCED BY DIRECTOR QUIGLEY
SECONDED BY DIRECTOR FIGUERS

Adoption of Zone 7's Labor Compliance Program

WHEREAS, California Labor Code (§1720 et seq) requires that contractors on State and Federally funded public works projects pay their workers prevailing wage rates established and issued by the Department of Industrial Relations (DIR) and employ properly registered apprentices; and

WHEREAS, the Labor Code requires; contractors to be informed of State requirements for paying prevailing wages, monitoring of compliance by obtaining and reviewing certified payroll reports, investigating complaints and other suspected violations and appropriate enforcement actions be taken should violations occur; and

WHEREAS, Zone 7 has developed a Labor Compliance Program for implementation which describes the above requirements and enforcements; and

WHEREAS, Staff shall implement the program for Public Works projects receiving State or Federal funds.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of Alameda County Flood Control and Water Conservation District does hereby adopt the Labor Compliance Program and authorize the General Manager to approve, enforce and modify, as needed to satisfy the DIR, the Zone 7 Labor Compliance Program.

ADOPTED BY THE FOLLOWING VOTE:

AYES: DIRECTORS GRECI, FIGUERS, MACHAEVICH, MOORE, QUIGLEY

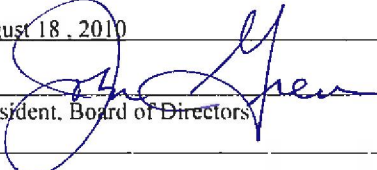
NOES: NONE

ABSENT: DIRECTORS PALMER AND STEVENS

ABSTAIN: NONE

I certify that the foregoing is a correct copy of a resolution
Adopted by the Board of Directors of Zone 7 of Alameda
County Flood Control and Water Conservation District on

August 18, 2010

By 
President, Board of Directors

ORIGINATING SECTION: Flood Protection Engineering**CONTACT:** Jeff Tang/Edward Reyes**AGENDA DATE:** September 16, 2026**SUBJECT:** Amend the Contract for Hydrologic and Hydraulic Modeling Services for the Flood Management Plan Phase 2A**SUMMARY:**

- The proposed action supports Strategic Plan Goal E, Initiative 12 – Complete the Flood Management Plan.
- The Flood Management Plan (FMP) is a risk-informed, system-wide planning effort to address current and future flood risks in the Tri-Valley area, consistent with the guiding principles developed during Phase 1 and adopted by the Board of Directors on August 17, 2022 (Attachment 1). FMP Phase 2A will complete the technical analyses based on the Objectives and Evaluation Criteria reviewed with the Board on August 20, 2025 (Attachment 2) to identify and prioritize future flood infrastructure improvements for inclusion in a Capital Improvement Plan and in funding and financing plans. A key element of the evaluation is the extensive ongoing hydraulic modeling used to compare alternatives and identify recommended improvements.
- In February 2023, the Board authorized a contract with Environmental Science Associates (ESA) for hydrologic and hydraulic modeling services in support of FMP Phase 2A, in a not-to-exceed amount of \$71,000. As the project has progressed, the contract has been amended three times, increasing the total contract amount to \$317,200, including a 10% contingency. These amendments supported calibration and refinement of the model using data from the 2023 storms, and the additional technical analyses required to evaluate system-wide improvements.
- Potential flood management projects have been identified and screened, and the most effective and feasible options are now being evaluated. Each requires iterative model runs to assess local flood protection benefits, followed by downstream modeling to determine system-wide flood risk changes, along with modifications to alternatives to improve their risk-reduction performance. The proposed amendment will cover the additional modeling runs.
- Staff recommends that the Board authorize the General Manager to amend the contract with Environmental Science Associates (Agreement A23-79-ESA), for additional hydrologic and hydraulic modeling services in support of FMP Phase 2A, in an amount of \$83,000, which includes a 10% contingency, increasing the total contract to a not-to-exceed amount of \$400,200.

FUNDING:

Funding is available in the FY 2026-27 Adopted Budget for Fund 200 – Flood Protection Operations and Fund 210 – Flood Protection Development Impact Fee Fund.

RECOMMENDED ACTION:

Adopt the attached Resolution.

ATTACHMENTS:

- Resolution
- Flood Management Plan Guiding Principles
- Flood Risk Reduction Objectives and Evaluation Criteria

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO. 26-

INTRODUCED BY DIRECTOR

SECONDED BY DIRECTOR

Amend the Contract with Environmental Science Associates for Hydrologic and Hydraulic Modeling for the Flood Management Plan Phase 2A

WHEREAS, the proposed action is in support of Strategic Plan Goal E, Initiative 12 – Complete the Flood Management Plan; and

WHEREAS, in February 2023, the Board of Directors authorized a contract with Environmental Science Associates (ESA), in the amount of \$71,000, and the General Manager executed Agreement A23-79-ESA for hydrologic and hydraulic modeling services to support the development of the Flood Management Plan Phase 2A; and

WHEREAS, the Board of Directors has authorized three amendments to Agreement A23-79-ESA, increasing the total contract to a not-to-exceed amount of \$317,200, which includes a 10% contingency; and

WHEREAS, ESA's performance under Agreement A23-79-ESA has been to the Agency's satisfaction; and

WHEREAS, the contract needs to be amended to provide additional hydrologic and hydraulic modeling support for the Flood Management Plan Phase 2A.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to execute an amendment to Agreement A23-79-ESA with ESA, to provide additional hydrologic and hydraulic modeling support for the Flood Management Plan Phase 2A, in the amount of \$83,000, which includes 10% contingency, increasing the total contract to a not-to-exceed amount of \$400,200.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on September 16, 2026.

By: _____
President, Board of Directors

Zone 7 Guiding Principles for Flood Management

Adopted July 21, 2021

1. Align with Zone 7's Strategic Plan (<https://www.zone7water.com/mission-vision-values>)

The flood management plan will be consistent with the agency's integrated water resource goals and initiatives.

2. Foster proactive public engagement

The flood management plan will promote open communication with community partners and stakeholders.

3. Do what is needed and practical to manage risks associated with flood management in the Zone 7 service area

The flood management plan will be developed with an approach that prioritizes projects in the Zone 7 service area that can be funded, implemented, and sustained.

4. Incorporate climate change uncertainty

The flood management plan will be based on well-supported analysis of future watershed conditions.

5. Be risk informed

The flood management plan will support risk-informed decision making and communication through evaluation of both a flood's likelihood of occurrence as well as its consequences.

6. Advance collaboration within the watershed

Successful implementation of the flood management plan is dependent on active participation among multiple agencies with flood management responsibility and/or impact.

7. Consider Multi-Benefit Solutions

The flood management plan will support the implementation of multi-benefit projects where flood risk reduction can enable the accomplishment of compatible water resource goals.

Attachment 2

Evaluation Criteria	
Primary Project Objectives	
1 Reduce impacts to public safety due to flooding from flows overtopping flood protection channels	1a Change in number of people that could experience flooding 1b Change in number of critical facilities that could experience flooding 1c Change in miles of primary or emergency roadway that could experience flooding
2 Reduce the risk of economic impacts due to flood damage within the Zone 7 service area	2a Flood damage reduced
3 Minimize lifecycle costs to Zone 7 and its customers	3a Combined capital and O&M cost over the 50-year planning horizon
Secondary Project Objectives	Evaluation Criteria
4 Use floodwaters to enhance water supplies in the Tri-Valley	4a Potential volume of flood flows diverted to locations that increase Tri-Valley water supplies
5 Reduce Zone 7 channel sedimentation and bank erosion risks	5a Linear feet of bank with scour protection or other countermeasures 5b Linear feet of Zone 7 channels designated as "High" sedimentation risk with reduced risk rating 5c Linear feet of Zone 7 channel banks designated as "High" erosion risk with reduced risk rating
6 Align investments with mitigation and permitting expectations.	6a Potential to secure permits for implementation
7 Align investments with potential funding and long-term management opportunities	7a Potential to incorporate multiple benefits and align with requirements of funding opportunities 7b Likelihood of potential funding with long-term management partner

ORIGINATING SECTION: Administrative Services
CONTACT: Osborn Solitei

AGENDA DATE: September 16, 2026

SUBJECT: Award a Purchase Agreement for Cybernetics Storage Area Network Systems

SUMMARY:

- This action supports the Agency's Strategic Plan Goal B – Reliable Water Supply and Infrastructure and Initiative No. 6 – Continue to effectively implement infrastructure projects in the Water System Capital Improvement Program.
- Zone 7's shared storage area network (SAN) supports the Agency's virtualized technology environment and critical operational and business systems, including SCADA, financial and business applications, GIS, remote connectivity, and employee communications. The existing SAN systems have been in service for approximately 12 years and are approaching the end of their useful life. Replacement will reduce the risk of hardware failure and potential disruption to critical Agency systems and allow for a planned migration.
- In accordance with the Agency's Purchasing Policy, staff issued a Request for Quotation and received 11 quotes for replacement SAN equipment, storage drives, and support services. Computer Business Solutions, Inc. submitted the lowest responsive and responsible quote of \$224,751.40, plus applicable sales tax.
- Staff recommends that the Board of Directors authorize the General Manager to negotiate, execute, and amend as needed a purchase agreement with Computer Business Solutions, Inc. for procurement of the Cybernetics SAN equipment, storage drives, and associated support services in an amount not-to-exceed \$244,000.

FUNDING:

Funding is available in the Adopted FY 2026-28 Two-Year Budget for Fund 100 – Water Enterprise Operations, Fund 120 – Water Enterprise Renewal/Replacement & System-wide Improvements and Fund 200 – Flood Protection Operations.

RECOMMENDED ACTION:

Adopt the attached Resolution.

ATTACHMENT:

Resolution

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO. 26-

INTRODUCED BY DIRECTOR
SECONDED BY DIRECTOR

Award a Purchase Agreement for Cybernetics Storage Area Network Systems

WHEREAS, the proposed action supports Strategic Plan Goal B – Reliable Water Supply and Infrastructure and Initiative No. 6 – Continue to effectively implement infrastructure projects in the Water System Capital Improvement Program; and

WHEREAS, Zone 7 relies on shared storage area network infrastructure to support critical operational and business systems, and the existing SAN systems have been in service for approximately 12 years and require replacement to reduce the risk of hardware failure and service disruption; and

WHEREAS, in accordance with the Agency's Purchasing Policy, staff conducted a competitive Request for Quotation process and received 11 quotes, with Computer Business Solutions, Inc. submitting the lowest responsive and responsible quote in the amount of \$224,751.40, plus applicable sales tax.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District hereby authorizes the General Manager to negotiate, execute, and amend, as needed, a purchase agreement with Computer Business Solutions, Inc. for the Cybernetics SAN equipment, storage drives, and associated support services in an amount not-to-exceed \$244,000.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on September 16, 2026.

By: _____
President, Board of Directors

ORIGINATING SECTION: Flood Maintenance
CONTACT: Michael Miller

AGENDA DATE: September 16, 2026

SUBJECT: Award a Contract for Flood Protection Facilities Maintenance and Emergency Services

SUMMARY:

- This activity is in support of Goal E, Effective Flood Protection, Initiative #13 – Continue to repair and maintain the flood protection facilities.
- Zone 7 has an ongoing need for construction services to perform as-needed improvements, maintenance and repairs to Zone 7's flood protection facilities and to the Chain of Lakes, and to respond in the event of an emergency. The scope of this contract includes making typical as-needed repairs to existing flood protection facilities, removing sediment from channels at several locations, pending receipt of permits, procuring materials, and installing temporary improvements.
- In anticipation of potentially heavy storms associated with forecasted El Niño conditions, the contractor will procure and install temporary precautionary flood barriers at multiple locations throughout the Zone 7 service area in advance of the upcoming 2026–2027 winter season. Locations for temporary improvements are planned where hydraulic modeling shows relatively high likelihood that flows could exceed the flood channel capacity and where temporary barriers may be effective at reducing embankment overflows.
- Staff conducted a formal request for quotation for Operated Equipment Supply Contract for Maintenance and Emergency Work for Flood Control Facilities (RFQ No. 2025-112), now titled Flood Protection Facilities Maintenance and Emergency Services, and received bids from three vendors. The Board originally awarded Contract No. A26-42-BRA on October 15, 2025, to the lowest responsive and responsible bidder. The contract was subsequently terminated on September 13, 2026.
- Therefore, staff recommends awarding a contract to KDW Construction, Inc., the second lowest responsive and responsible bidder.

- Staff recommends that the Board:
 - 1) Authorize the General Manager to execute a two-year contract with KDW Construction, Inc., in an amount not-to-exceed \$3,923,495 (including 10% contingency); and
 - 2) Authorize the General Manager to extend the contract for up to two additional one-year terms, based on satisfactory performance, for a total four-year contract in an amount not-to-exceed \$8,153,266 (including 10% contingency).

FUNDING:

Funding is included in the Fiscal Year 2026-27 budget for Fund 200 – Flood Maintenance. Funding for additional years will be requested in subsequent budget requests.

RECOMMENDED ACTION:

Adopt the attached Resolution.

ATTACHMENT:

Resolution

ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO. 26-

INTRODUCED BY DIRECTOR
SECONDED BY DIRECTOR

Award a Contract for Flood Protection Facilities Maintenance and Emergency Services

WHEREAS, Zone 7 of the Alameda County Flood Control and Water Conservation District has a need to contract for construction services to provide as-needed improvements, maintenance and repairs to Zone 7's flood protection facilities and the Chain of Lakes area and to respond in the event of an emergency; and

WHEREAS, the project is in support of Strategic Plan Initiative #13 – Continue to repair and maintain the flood protection facilities; and

WHEREAS, a Request for Quotation (RFQ #2025-112) was issued on September 4, 2025, to solicit bids for operated equipment, construction and repair and as-needed repair services, now titled Flood Protection Facilities Maintenance and Emergency Services; and

WHEREAS, Zone 7 awarded Contract No. A26-42-BRA dated October 15, 2025, to the lowest responsive and responsible bidder; and

WHEREAS, Contract No. A26-42-BRA was terminated on September 13, 2026; and

WHEREAS, KDW Construction, Inc., was found to be the second lowest responsive and responsible bidder in response to RFQ #2025-112.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District hereby authorizes the General Manager to negotiate, execute, and amend a contract with KDW Construction, Inc., for Flood Protection Facilities Maintenance and Emergency Services for a two-year term in an amount not-to-exceed \$3,923,495 (including 10% contingency); and

BE IT FURTHER RESOLVED that the Board of Directors does hereby authorize the General Manager to extend the contract for up to two additional one-year periods for a total four-year contract in an amount not-to-exceed \$8,153,266 (including 10% contingency) based on satisfactory performance.

ADOPTED BY THE FOLLOWING VOTE: AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on September 16, 2026.

By: _____
President, Board of Directors

ORIGINATING SECTION: Administrative Services
CONTACT: Osborn Solitei

AGENDA DATE: September 16, 2026

SUBJECT: Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting

SUMMARY:

The Certificate of Achievement for Excellence in Financial Reporting has been awarded to Zone 7 by the Government Finance Officers Association of the United States and Canada (GFOA) for its annual comprehensive financial report ("Annual Report"). This is the tenth consecutive year the Agency has received this esteemed recognition. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

This award represents a significant achievement as it reflects the commitment of Zone 7's Board and staff to the highest principles of governmental accounting and financial reporting. It also recognizes the Agency's commitment to public transparency and accountability. It supports Strategic Plan Goal H – Fiscal Responsibility: Operate the Agency in a fiscally responsible manner, and Strategic Plan Initiative No. 21 – Continue to effectively manage financial resources for the Agency. The annual audit process demonstrates good stewardship of public funds. In order to receive the award, the Agency had to satisfy nationally recognized guidelines for presentation of the Agency's financial statements.

The preparation of this Annual Report represents the culmination of a concerted team effort by the entire staff of the Finance and Accounting departments, Office of the General Manager, and other departmental staff, who have demonstrated their professionalism, dedication, efficiency, and transparency in the preparation of this report. We also thank the Agency's auditors, Maze and Associates, for their assistance and guidance. Finally, we wish to express our sincere appreciation to the Board of Directors for providing policy direction and a firm foundation of support for the pursuit of excellence in all realms of professional endeavors.

BACKGROUND AND DISCUSSION:

Upon the completion of the audit of the financial statements and preparation of the Annual Report, the Agency's Accounting Section submitted the Agency's Annual Report to GFOA to earn the Certificate of Achievement for Excellence in Financial Reporting. Management's goal in preparing the Annual Report is to meet the high standards of GFOA's Certificate of Achievement program.

The Annual Report has been judged by an impartial panel to meet the high standards of the GFOA's award program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential user groups or stakeholders to read the Annual Report to become more informed about the overall financial health of the Agency. This is a significant milestone in increasing the Agency's transparency to the public.

I would like to recognize the team that completed the fiscal year 2024-25 Annual Report. On behalf of Management, I would like to extend my appreciation for their continued hard work and dedication in achieving this distinguished recognition.

FUNDING:

N/A

RECOMMENDED ACTION:

Information only.

ATTACHMENT:

GFOA Certificate of Achievement



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Alameda County Flood Control & Water
Conservation District - Zone 7 Water Agency
California**

**For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended**

June 30, 2025

and issued to the public 162 days after the fiscal year end

Christopher P. Morill

Executive Director/CEO

ORIGINATING SECTION: Administrative Services**CONTACT:** Osborn Solitei**AGENDA DATE:** September 16, 2026**SUBJECT:** Award a Contract for Help Desk and Information Technology Services**SUMMARY:**

- The proposed action is aligned with Strategic Plan Goal H - Fiscal Responsibility: Operate the Agency in a fiscally responsible manner and Strategic Plan Initiative No. 21 – Continue to effectively manage financial resources for the Agency. In executing these fiscal responsibilities, the Agency leverages external professional service agreements to sustain daily technology operations, utilizing structured help desk and infrastructure support.
- To maintain this operational continuity, the proposed Help Desk and Information Technology (IT) Services agreement provides continuous end-user help desk support to troubleshoot and resolve immediate employee technical issues, ongoing server and network maintenance, and a structured transition and onboarding process to ensure a seamless implementation period and uninterrupted continuity of all essential IT services.
- Over the past three fiscal years, the Agency has spent approximately \$900,000 on Help Desk and Information Technology services, averaging approximately \$300,000 per fiscal year.
- The Agency's current contract with Quest Media and Supplies, Inc., for Help Desk and Information Technology services, expires on December 31, 2026.
- In accordance with the Agency's Purchasing Policy, which permits the procurement of professional services based on qualifications and experience, the Agency issued a Request for Proposal on June 22, 2026, for Help Desk and Information Technology Services. Twenty-three (23) proposals were received.
- Upon reviewing the proposals, the selection committee determined Nevtec, Inc. to be the most qualified vendor to provide Help Desk and Information Technology Services. This decision was based on the evaluation criteria, which included technical qualifications and relevant experience, scope of services, staffing and support team, and technical approach.
- Staff recommends that the Board authorize the General Manager to negotiate, execute, and amend, as needed, a professional services agreement with Nevtec, Inc., from October

15, 2026, through June 30, 2029, in an amount not-to-exceed \$845,000, which includes a 10% contingency.

- Staff also recommends that the Board authorize the General Manager to extend the agreement, subject to satisfactory performance, for up to two additional one-year terms from July 1, 2029, through June 30, 2031. The total five-year contract amount would not exceed \$1,531,000, which includes a 10% contingency.

FUNDING:

Funding is available in the Adopted FY 2026-28 Two-Year Budget for Fund 100 – Water Enterprise Operations and Fund 200 – Flood Protection Operations.

RECOMMENDED ACTION:

Adopt the attached Resolution.

ATTACHMENT:

Resolution

ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO. 26-

INTRODUCED BY DIRECTOR

SECONDED BY DIRECTOR

Award a Contract for Help Desk and Information Technology Services

WHEREAS, the proposed action is aligned with Strategic Plan Goal H - Fiscal Responsibility: Operate the Agency in a fiscally responsible manner and Strategic Plan Initiative No. 21 – Continue to effectively manage financial resources for the Agency.

WHEREAS, the proposed Help Desk and Information Technology (IT) Services professional services agreement will provide the Agency with primary help desk support and professional IT infrastructure services; and

WHEREAS, in accordance with the Agency's Purchasing Policy, a Request for Proposal was issued on June 22, 2026, for Help Desk and Information Technology Services. Twenty-three (23) proposals were received; and

WHEREAS, the selection committee determined that Nevtec, Inc. is the most qualified vendor to provide Help Desk and Information Technology Services based on its technical qualifications and relevant experience, scope of services, staffing and support team, and technical approach.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District hereby authorizes the General Manager to negotiate, execute, and amend, as needed, an agreement with Nevtec, Inc. from October 15, 2026, through June 30, 2029, for a not-to-exceed contract amount of \$845,000, which includes a 10% contingency; and

BE IT FURTHER RESOLVED, that the Board of Directors hereby authorizes the General Manager to extend the agreement, subject to satisfactory performance, for up to two (2) additional one-year terms, from July 1, 2029, through June 30, 2031, for a total potential five-year term and a not-to-exceed contract amount of \$1,531,000, which includes a 10% contingency; and

BE IT FURTHER RESOLVED, that the Board of Directors hereby authorizes the General Manager to negotiate and execute an agreement with the next-ranked, similarly qualified service provider if the General Manager is unable to successfully negotiate an agreement with Nevtec, Inc., or if, after implementation, Nevtec, Inc.'s services are determined to be unsatisfactory by the Agency.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on September 16, 2026.

By: _____
President, Board of Directors

ORIGINATING SECTION: Administrative Services
CONTACT: Osborn Solitei

AGENDA DATE: September 16, 2026

SUBJECT: Wholesale Treated Water Rates for Calendar Years 2027-2030

SUMMARY:

- The proposed action is aligned with Strategic Plan Goal H - Fiscal Responsibility: Operate the Agency in a fiscally responsible manner and Strategic Plan Initiative No. 21 – Continue to effectively manage financial resources for the Agency. In carrying out these fiscal responsibilities, Staff conducts a wholesale treated water rate study that involves analyzing various financial plan scenarios to develop wholesale treated water rates.
- In March 2026, the Agency and the rate consultant, Water Resources Economics, LLC, began the Wholesale Treated Water Rate Study (Rate Study) to set rates for calendar years (CYs) 2027, 2028, 2029, and 2030. The scope of work included two phases:
 - Phase I determined the treated water rates needed to fund the Agency's proposed Two-Year Operating Budget for Fiscal Years 2026-27 and 2027-28.
 - Phase II analyzed a longer planning horizon of ten years to determine the treated water rate revenue needed to fund the Agency's water enterprise operational and capital costs under different Sites Reservoir storage participation and cost allocation scenarios.
- On August 12, 2026, the Board reviewed the Rate Study findings and four rate scenarios, with potential annual rate adjustments ranging from 4.5 percent to 7.1 percent based on Sites Reservoir storage participation and cost allocation. Based on the Rate Study and Board input, staff recommends annual rate adjustments of 4.5 percent for each of the next four years. The resulting fixed charges and volume-based rates are presented in the following table:

Preliminary Wholesale Treated Water Rates for Calendar Years 2027-2030				
	CY 2027	CY 2028	CY 2029	CY 2030
Total Fixed-Charges ¹	\$34,784,754	\$36,350,068	\$37,985,821	\$39,695,183
Volume-based Rate per CCF (100 cubic feet) ²	\$2.59	\$2.70	\$2.82	\$2.95

¹Fixed charges are allocated annually to Retailers and Direct customers based on the two-year rolling average of actual usage.

²Volume-based rates are rounded to the nearest cent.

- At the upcoming October regular Board meeting, staff will bring forward the proposed Rate Study report with the recommended rates and a resolution for adoption based on the direction provided by the Board at this meeting. The Board resolution will include the following:
 - Fixed charges by Retailer and Direct Customer
 - Volume-based rates per CCF
 - All other treated rates and charges:
 - Recharge Fee
 - Temporary Treated Water
 - In-Lieu Water Rate
 - Initial Service Establishment Charge
 - Monthly Meter Service Charge
- The new rates will take effect January 1, 2027.
- In response to the Board's feedback from the August 12, 2026 workshop, staff have also provided additional analysis and supporting information on the following topics:

A) Agency Financial Structure:

1. Attachment C - FY 2026-28 Fund 100 - Operating Budget Details
Provides additional information on the adopted budget for Fund 100 – Water Enterprise Operations Fund.
2. Attachment D - Fixed and Variable Cost Structure
Describes the Agency's cost and revenue structure. Approximately 77 percent of operating and maintenance costs funded by water rates are fixed and do not vary with the amount of treated water produced.

B) Water Supply Costs and Reliability

3. Attachment E - Water Supply Costs
Provides information on water supply cost trends, escalation factors, and variations among water year types. Water supply costs total approximately \$53 million, or 28 percent of the FY 2026–27 operating budget.
4. Attachment F - Water Reliability Project Costs per Acre-Foot
Provides a comparison of Sites Reservoir costs with other water supply reliability projects.

C) Financial Stewardship

5. Attachment G - Establishment of the Water Reliability Reserve
Provides an overview of the Water Reliability Reserve, which was established in June 2025, as part of the Amended Reserve Policy.
6. Attachment H - Credit Rating
Summarizes the financing cost benefits of maintaining the highest possible credit ratings.
7. Attachment I - Cost Efficiency Strategies
Summarizes the Agency's strategies and programs used to maintain efficient and cost-effective operations.
8. Attachment J - Grant Funding
Summarizes recent grant awards and the Agency's efforts to secure outside funding for Agency programs and projects.

DISCUSSION

- The Agency's Rate Study was conducted in two phases. Phase I determined the rate adjustments needed to support the FY 2026-28 Budget. The Phase II analysis determined 10-year revenue needs under varying Sites Reservoir assumptions. Each scenario was structured to promote long-term financial stability, ensuring the enterprise remains fiscally sound with sufficient reserves to address future challenges. The scenarios aim to minimize rate impacts through the strategic use of the Water Reliability Reserve over the 10-year period.
- The following assumptions were incorporated into the financial plan scenarios:
 - **Future Sites Reservoir payments:** The Agency expects Sites Reservoir project payments to begin in FY 2028-29 with Fund 100 annual payments increasing from approximately \$1M to \$4.5M over the 10-year planning period. The current adopted budget assumes 50 percent of the current storage participation level (30,000 AF), with 34 percent funded by water rates and 66 percent of the costs funded by water connection fees. As part of Phase II, staff evaluated different storage participation and funding allocation scenarios (as shown on Attachment B). The Agency is currently developing a Water Connection Fee Study which will incorporate the Sites allocation of 66 percent to water connection fees.
 - **Mocho PFAS debt financing:** The FY 2026-28 Budget and the 2026 10-Year Water System Capital Improvement Plan (CIP) assume that \$25 million of the Mocho PFAS Treatment Plant project costs will be funded through forgivable loan proceeds.

If the forgivable loan is not received, staff will return to the Board with funding options, which may include issuing bonds.

- **Delta Conveyance Project:** Board approved payments for CYs 2026 and 2027 (Resolution No. 24-86). It is anticipated that additional funding will be required in 2028 but has not yet been determined.
- **Chain of Lakes Conveyance System:** Debt financing beginning in FY 2033-34 based on the cost allocations set forth in the CIP.
- **Treated Water Usage:** Total annual treated water demand is assumed to remain constant at 35,000 acre-feet (AF). This assumption is consistent with the FY 2026–28 Budget and the 2025 Urban Water Management Plan (UWMP). While treated water deliveries to the City of Pleasanton are expected to decline as its groundwater pumping is restored, those reductions are projected to be offset by future growth in water demand projected by the UWMP.
- **Rate Structure:** Current rate structure maintained at 55 percent volume-based and 45 percent fixed charges.
- **Inflationary Adjustments:** The first two years of the financial plan reflect assumptions made in the FY 2026-28 Budget. Various inflationary factors were then used to project years three through ten of the financial plan. These inflationary factors are shown in the following table:

Expense Category	Inflation Factor (FY 2029 - FY 2036)
General Services and Supplies	3%
Personnel	4%
Chemicals	4%
Water and Utilities	5%
Capital Funding	3%

- **Reserves:** All water enterprise reserves are funded at target levels and in compliance with the Reserve Policy.
 - › **Water Reliability Reserve:** The Water Reliability Reserve was established by the Board through Resolution No. 25-47 on June 18, 2025, using savings realized from several favorable water supply years that reduced operating expenditures. In all scenarios, the Water Reliability Reserve is drawn down by FY 2035-36 to offset the increasing Sites Project payments. For more information on the Water Reliability Reserve, see Attachment G.

- The table below provides a summary of the Phase II results. Based on the current funding approach, 34 percent of the project costs are allocated to water rates (existing customers) and 66 percent are allocated to connection fees (future growth). If future connection fee revenues are insufficient to fund the growth-related share of the project, a larger portion of the costs may need to be funded through water rates (Attachment B):

Phase II Results			
Sites Project Financial Plan Scenarios	10-Year Annual Rate Adjustment	Estimated Annual Sites Payment from Water Rates	Total Estimated Sites Payments from Water Rates through FY 2036
Storage Participation			
Baseline = FY 2026-28 Budget + Adopted CIP (30K Acre Feet (AF) Sites, 34 percent to Water Rates)	4.5%	~\$4.5M	~\$24.7M
With 62K AF Sites, 34 percent to Water Rates	5.1%	~\$9.1M	~\$49.4M
Cost Allocation			
With 30K AF Sites, 100 percent to Water Rates	5.6%	~\$13.7M	~\$72.6M
With 62K AF Sites, 100 percent to Water Rates	7.1%	~\$27M	~\$145.2M

- Based on the findings of the Rate Study and the Board's input from the August 12, 2026 workshop, this report recommends an annual rate adjustment of 4.5 percent for each of the next four years. The recommendation is designed to maintain long-term financial stability while funding ongoing operations, capital improvements, and water supply reliability initiatives. Staff also recommends the planned use of the Water Reliability Reserve over a 10-year period to fund the Agency's Sites Reservoir commitments and other strategic water supply reliability projects. The four-year proforma, reserves breakdown, and accompanying 10-year projected fund balances for the baseline scenario are shown in Attachment A.
- Phase II also evaluated the financial impacts of water conservation. Staff analyzed the impact of a 10 percent reduction in demand for three years (FY 2028 through FY 2030) under the baseline scenario. The result showed that if rates are maintained at 4.5 percent annually over the 10-year planning period, the Water Reliability Reserve is depleted two years earlier than planned, requiring higher rate increases in the future.
- The 10-year financial plan was developed to evaluate the long-term impacts of the recommended four-year water rate adjustments and to help ensure long-term financial sustainability. While the financial plan provides a long-term outlook, staff does not

recommend establishing water rates beyond the four-year period due to uncertainties that may significantly affect future costs and revenues.

- These uncertainties include evolving environmental and regulatory requirements, new drinking water quality standards, the increasing impacts of climate change, changes in land use and customer demand, and the continued development of major water supply reliability projects, including the Delta Conveyance Project.

FUNDING:

Not applicable.

RECOMMENDED ACTION:

Discuss and provide direction.

ATTACHMENTS:

Attachment A – Four-Year Proforma – Preliminary Wholesale Treated Water Rates (FYs 2027-2030) and 10-Year Projected Ending Fund Balances for Fund 100

Attachment B – Estimated Annual Sites Reservoir Project Payments (Storage Participation and Cost Allocation Scenarios)

Attachment C – Fund 100 Operating Budget Details

Attachment D – Fixed and Variable Cost Structure

Attachment E – Water Supply Costs

Attachment F – Water Reliability Project Costs per Acre-Foot

Attachment G – Establishment of the Water Reliability Reserve

Attachment H – Agency Credit Rating

Attachment I – Cost Efficiency Strategies

Attachment J – Grants

Attachment A

Four-Year Proforma – Preliminary Wholesale Treated Water Rates (FYs 2027-2030)

The table below shows the projected financial plan for the rate setting period of four years.

ProForma (\$millions)	FY 2027	FY 2028	FY 2029	FY 2030
Fund 100 Beginning Fund Balance¹	\$44.0	\$46.2	\$46.4	\$50.5
Rate Revenue Adjustment	4.50%	4.50%	4.50%	4.50%
Revenues²	\$75.5	\$78.8	\$82.3	\$85.9
Expenses				
Operating Expenses ³	\$52.0	\$56.9	\$54.3	\$57.4
Sites Payments ⁴	\$0.0	\$0.0	\$1.1	\$1.6
Debt Service ⁵	\$5.0	\$5.0	\$5.0	\$5.0
Capital Funding ⁶	\$16.3	\$16.8	\$17.8	\$18.8
Total	\$73.3	\$78.7	\$78.1	\$82.8
Net Cash Flow⁷	\$2.2	\$0.2	\$4.2	\$3.1
Fund 100 Ending Fund Balance	\$46.2	\$46.4	\$50.5	\$53.6
Reserve Targets & Balances				
Operating				
90 days of budgeted operating expenses	\$14.0	\$15.2	\$14.8	\$15.7
Emergency				
2.5% of the Agency's water system capital assets	\$8.9	\$9.0	\$9.1	\$9.2
Reserve for Economic Uncertainties				
15% of budgeted volume-based water sales	\$6.0	\$6.3	\$6.5	\$6.8
Section 115 Pension Trust Fund				
No minimum, target, or maximum	\$2.4	\$2.5	\$2.6	\$2.8
Total Target Reserves⁸	\$31.3	\$33.0	\$33.1	\$34.5
Water Reliability Reserve				
No minimum, target, or maximum	\$14.9	\$13.4	\$17.4	\$19.1
Total Reserves	\$46.2	\$46.4	\$50.5	\$53.6

Values may not add due to rounding.

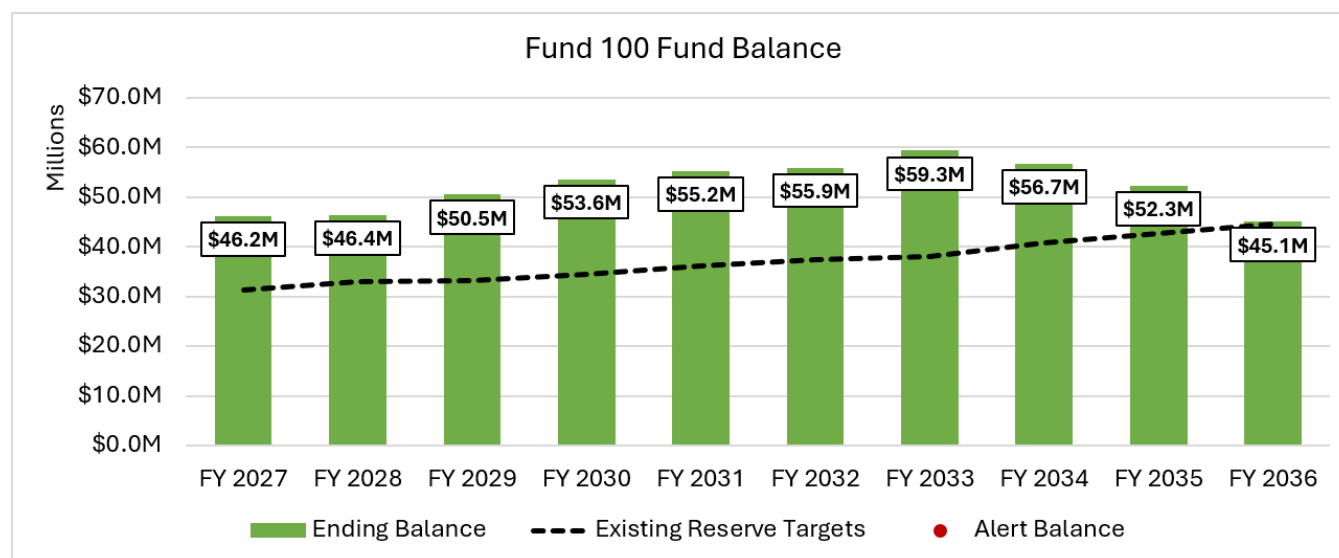
Notes:

1. The FY 2027 beginning fund balance is based on unaudited actuals for FY 2025-26.
2. Revenues include treated and untreated water sales revenue, interest income and other misc. revenue.
3. FY 2027 and FY 2028 Operating Expenses are based on the FY 2026-28 Budget; subsequent years are adjusted by inflation ranging from 3-5 percent.
4. Sites payments are based on a storage participation level of 30,000 AF and ramp up through FY 2036.
5. Debt Service includes the Agency's 2018 and 2023 bond payments.
6. FY 2027 Capital Funding is based on the CIP, subsequent years have been adjusted by 3 percent annual inflation.
7. Net Cash flow = Revenues less Expenses.

8. Total Target Reserves include the following reserves: Operating, Emergency, Reserve for Economic Uncertainties, and the Pension Trust Fund. While the Pension Trust fund has no minimum, target or maximum defined levels, it is included in the Target reserves as the balance is restricted and excluded from the Water Reliability Reserve balance. The Water Reliability Reserve receives the balance of reserves after all other reserves are funded.

Fund 100 - Water Enterprise Operations Ten-Year Projected Ending Fund Balances

The following chart shows the projected ending fund balance for Fund 100 (shown in the green bars), and the reserve policy targets (shown as the dashed line) over the 10-year period. The area above the dotted line represents the Water Reliability Reserve balance. As indicated in the chart, the Water Reliability Reserve is drawn down through FY 2035-36 to fund the increasing Sites Project payments. The establishment and use of the Water Reliability Reserve offset the need for higher water rate adjustments by 0.4 percent annually (4.5 percent vs 4.9 percent).



Attachment B
Estimated Annual Sites Reservoir Project Payments
(Storage Participation and Cost Allocation Scenarios)

The tables below summarize the Sites payments for the 10-year period under different storage participation and funding allocation scenarios. Projected Sites payments are based on the Sites Authority January 2026 Plan of Finance Update.

Storage Participation Scenarios

Baseline Scenario			
30,000 AF Sites Storage w/ 34 Percent to Water Rates			
	Fund 100 (Water Rates)	Fund 130 (Connection Fees)	Total Payment
FY 2026-27	\$0	\$0	\$0
FY 2027-28	\$0	\$0	\$0
FY 2028-29	\$1,070,000	\$2,076,000	\$3,146,000
FY 2029-30	\$1,629,000	\$3,163,000	\$4,792,000
FY 2030-31	\$2,230,000	\$4,329,000	\$6,559,000
FY 2031-32	\$2,704,000	\$5,250,000	\$7,954,000
FY 2032-33	\$3,301,000	\$6,407,000	\$9,708,000
FY 2033-34	\$4,672,000	\$9,069,000	\$13,741,000
FY 2034-35	\$4,533,000	\$8,800,000	\$13,333,000
FY 2035-36	\$4,538,000	\$8,808,000	\$13,346,000
10-Year Total	\$24,677,000	\$47,902,000	\$72,579,000

Sites Project Participation - Current Subscribed 62,000 AF Sites Storage w/ 34 Percent to Water Rates			
	Fund 100 (Water Rates)	Fund 130 (Connection Fees)	Total Payment
FY 2026-27	\$0	\$0	\$0
FY 2027-28	\$0	\$0	\$0
FY 2028-29	\$2,140,000	\$4,152,000	\$6,292,000
FY 2029-30	\$3,258,000	\$6,326,000	\$9,584,000
FY 2030-31	\$4,460,000	\$8,658,000	\$13,118,000
FY 2031-32	\$5,408,000	\$10,500,000	\$15,908,000
FY 2032-33	\$6,602,000	\$12,814,000	\$19,416,000
FY 2033-34	\$9,344,000	\$18,138,000	\$27,482,000
FY 2034-35	\$9,066,000	\$17,600,000	\$26,666,000
FY 2035-36	\$9,076,000	\$17,616,000	\$26,692,000
10-Year Total	\$49,354,000	\$95,804,000	\$145,158,000

Cost Allocation Scenarios

Baseline Scenario 30,000 AF Sites Storage w/ 100 Percent to Water Rates			
	Fund 100 (Water Rates)	Fund 130 (Connection Fees)	Total Payment
FY 2026-27	\$0	\$0	\$0
FY 2027-28	\$0	\$0	\$0
FY 2028-29	\$3,146,000	\$0	\$3,146,000
FY 2029-30	\$4,792,000	\$0	\$4,792,000
FY 2030-31	\$6,559,000	\$0	\$6,559,000
FY 2031-32	\$7,954,000	\$0	\$7,954,000
FY 2032-33	\$9,708,000	\$0	\$9,708,000
FY 2033-34	\$13,741,000	\$0	\$13,741,000
FY 2034-35	\$13,333,000	\$0	\$13,333,000
FY 2035-36	\$13,346,000	\$0	\$13,346,000
10-Year Total	\$72,579,000	\$0	\$72,579,000

Sites Project Participation - Current Subscribed 62,000 AF Sites Storage w/ 100 Percent to Water Rates			
	Fund 100 (Water Rates)	Fund 130 (Connection Fees)	Total Payment
FY 2026-27	\$0	\$0	\$0
FY 2027-28	\$0	\$0	\$0
FY 2028-29	\$6,292,000	\$0	\$6,292,000
FY 2029-30	\$9,584,000	\$0	\$9,584,000
FY 2030-31	\$13,118,000	\$0	\$13,118,000
FY 2031-32	\$15,908,000	\$0	\$15,908,000
FY 2032-33	\$19,416,000	\$0	\$19,416,000
FY 2033-34	\$27,482,000	\$0	\$27,482,000
FY 2034-35	\$26,666,000	\$0	\$26,666,000
FY 2035-36	\$26,692,000	\$0	\$26,692,000
10-Year Total	\$145,158,000	\$0	\$145,158,000

Fund 100 - Water Enterprise Operations

Primary Funding Source: Water Rates

The Water Enterprise Operations Fund ensures the delivery of high-quality drinking and irrigation water to the Tri-Valley. This operations and maintenance fund includes water treatment and distribution of potable water, distribution of untreated/agricultural water, and groundwater management. Activities include water treatment, water quality analysis, water resource management, groundwater management, maintenance, and water supply engineering.

Comprehensive Fund Summary

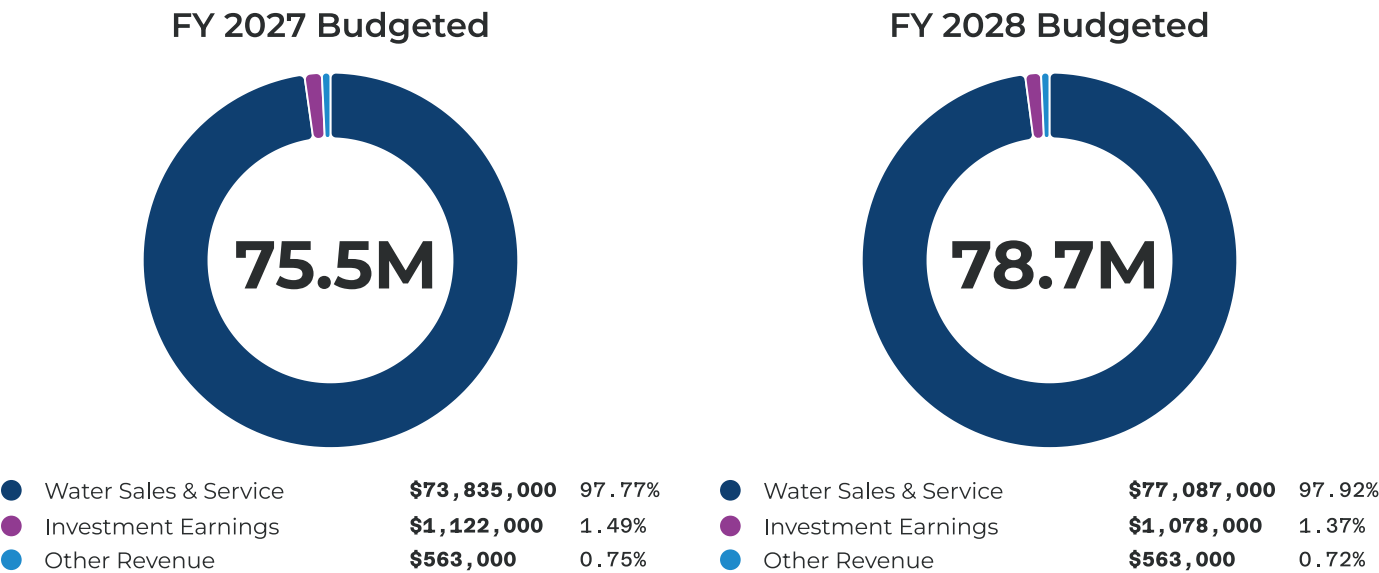
Details of Revenue and Expenses for Fund 100

Category	FY 2026 Projected Actual	FY 2027 Budgeted	FY 2028 Budgeted
Beginning Fund Balance	\$38,704,352	\$43,956,000	\$46,187,000
Revenues			
Water Sales & Service	\$72,427,000	\$73,835,000	\$77,087,000
Other Revenue	\$778,000	\$563,000	\$563,000
Grants	\$15,000	\$0	\$0
Investment Earnings	\$1,191,000	\$1,122,000	\$1,078,000
Total Revenues	\$74,411,000	\$75,520,000	\$78,728,000
Expenditures			
Personnel	\$22,364,000	\$23,485,000	\$24,542,000
Professional Services	\$3,249,000	\$4,055,000	\$3,148,000
County Services	\$1,936,000	\$1,471,000	\$2,384,000
Insurance Services	\$900,000	\$950,000	\$1,000,000
Legal Services	\$322,000	\$405,000	\$405,000
Water	\$4,987,000	\$4,976,000	\$7,951,000
Delta Conveyance Project	\$1,320,000	\$3,300,000	\$1,980,000
Chemicals	\$4,200,000	\$4,939,000	\$6,585,000
Utilities	\$3,775,000	\$2,806,000	\$3,510,000
Telecommunications	\$157,000	\$169,000	\$166,000
Maintenance Services	\$2,427,000	\$2,752,000	\$2,735,000
Rental Services	\$116,000	\$119,000	\$119,000
Office Supplies and Other Services	\$1,050,678	\$1,636,000	\$1,407,000
Organizational Memberships and Support	\$425,752	\$421,000	\$437,000
Training and Travel	\$60,000	\$187,000	\$187,000
Water Conservation Program	\$37,000	\$160,000	\$160,000
Equipment	\$43,000	\$0	\$0
Debt Service	\$4,976,000	\$4,978,000	\$4,981,000
Capital Funding	\$16,573,000	\$16,480,000	\$16,967,000
Total Expenditures	\$68,918,430	\$73,289,000	\$78,664,000
Total Revenues Less Expenditures	\$5,492,570	\$2,231,000	\$64,000
Ending Fund Balance	\$44,196,922	\$46,187,000	\$46,251,000



- 1. Values are rounded to the thousands.
- 2. The FY 2026 projected ending fund balance is based on the FY 2025–26 unaudited second quarter year-end projections. The FY 2027 Budgeted beginning fund balance accounts for approximately \$241K in budget carryovers from FY 2025-26 to FY 2026-27 for multi-year contracts.

Find 100 - Revenue by Source



Revenue

For fiscal years 2026-27 and 2027-28, proposed revenue is \$75.5M and \$78.7M, respectively. Revenue highlights and assumptions are described below.

Water Sales and Service: For budgeting purposes, annual treated water rate adjustments are assumed for calendar years 2027 and 2028 to meet short-term operating needs and regulatory requirements and maintain long-term financial stability in preparation for anticipated future water reliability investments. A summary of these assumptions is provided in the table below. The Agency will conduct a comprehensive wholesale treated water rate study in Fall 2026 to set treated water rates for calendar years 2027-2030.

Water Sales Revenue Assumptions	2027	2028
Treated Water Rate Annual Adjustment	4.5%	4.5%
Treated Water Demand ¹	35,000 Acre-Feet	35,000 Acre-Feet
Untreated Water Demand ¹	5,000 Acre-Feet	5,000 Acre-Feet

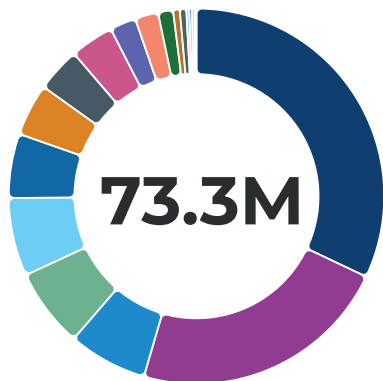
¹Projected demand is based on historical averages.

Investment Earnings: The proposed budget anticipates an investment return of 2.5% for both years.

Other Revenue: The proposed budget includes miscellaneous revenue such as permit fees and Department of Water Resources refunds.

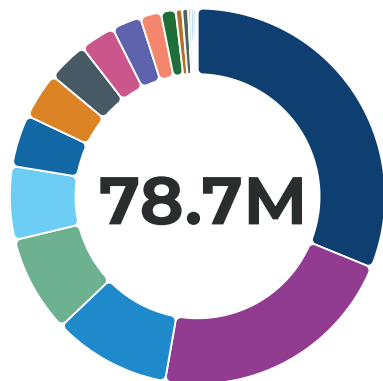
Fund 100 - Expenditures by Expense Type

FY 2027 Budgeted



Personnel	\$23,485,000	32.04%
Capital Funding	\$16,480,000	22.49%
Debt Service	\$4,978,000	6.79%
Water	\$4,976,000	6.79%
Chemicals	\$4,939,000	6.74%
Professional Services	\$4,055,000	5.53%
Delta Conveyance Project	\$3,300,000	4.50%
Utilities	\$2,806,000	3.83%
Maintenance Services	\$2,752,000	3.75%
Office Supplies and Other Services	\$1,636,000	2.23%
County Services	\$1,471,000	2.01%
Insurance Services	\$950,000	1.30%
Organizational Memberships and Support	\$421,000	0.57%
Legal Services	\$405,000	0.55%
Training and Travel	\$187,000	0.26%
Telecommunications	\$169,000	0.23%
Water Conservation Program	\$160,000	0.22%
Rental Services	\$119,000	0.16%

FY 2028 Budgeted



Personnel	\$24,542,000	31.20%
Capital Funding	\$16,967,000	21.57%
Water	\$7,951,000	10.11%
Chemicals	\$6,585,000	8.37%
Debt Service	\$4,981,000	6.33%
Utilities	\$3,510,000	4.46%
Professional Services	\$3,148,000	4.00%
Maintenance Services	\$2,735,000	3.48%
County Services	\$2,384,000	3.03%
Delta Conveyance Project	\$1,980,000	2.52%
Office Supplies and Other Services	\$1,407,000	1.79%
Insurance Services	\$1,000,000	1.27%
Organizational Memberships and Support	\$437,000	0.56%
Legal Services	\$405,000	0.51%
Training and Travel	\$187,000	0.24%
Telecommunications	\$166,000	0.21%
Water Conservation Program	\$160,000	0.20%
Rental Services	\$119,000	0.15%

Expenses

For fiscal years 2026-27 and 2027-28, proposed expenditures are \$73.3M and \$78.7M, respectively. Expense highlights and assumptions are described below.

Personnel: No new positions are requested within this fund. The personnel budget includes cost-of-living adjustments of 5% (effective June 21, 2026) and 4% (effective June 20, 2027), approved by the Board on June 18, 2025. The budget assumes a 10% vacancy rate in both years.

Capital Funding: FY 2026-27 reflects the approved asset management program capital funding of \$16.3M set forth in the 2026 Asset Management Program Update adopted by the Board on April 15, 2026 (Board Resolution No. 26-30). The FY 2027-28 proposed capital funding assumes a 3% increase.

Debt Service: The proposed budget includes annual debt service payments for the Agency's Water Revenue Bonds, 2018 Series A and 2023 Series A of \$4.9M annually.

Water Production: Includes water, chemicals, and utility costs. The proposed budget plans for drier conditions over the next two years, with total water production costs increasing from \$12.7M in FY 2026-27 to \$18.0M in FY 2027-28. The drivers for this increase are described below.

- **Water:** The proposed budget for water costs is \$4.9M in FY 2026-27, increasing to \$8.0M in FY 2027-28. As stated above, the proposed budget plans for drier conditions in 2027 and 2028, which may lead to low State Water Project allocations and a greater reliance on previously stored water or water transfers. The proposed budget for FY 2026-27 is close to the current year's budget due to the Agency's healthy water supplies heading into summer 2026. The proposed FY 2027-28 water budget increases by approximately \$3M to plan for water purchases through an agreement with Sutter Extension Water District and recovery of water stored in Kern County. A breakdown of the proposed water budget is shown in the table below.

Water Cost Category	Description	FY 2027 Budgeted	FY 2028 Budgeted
Variable Transportation Charges	State Water Project Conveyance Charges	\$3,100,000	\$2,800,000
Water Purchase/Transfer Costs	Yuba Accord, Dry Year Transfer, Other Water Transfers (Sutter Extension Water District)	\$50,000	\$2,850,000
Water Storage Purchases	Kern County Banks (Recovery/Stored Water)	\$1,000,000	\$1,500,000
Water Storage O&M/Exchange	Semitropic Water Storage District Fixed Annual Charge	\$600,000	\$600,000
Other Water Costs	Lake Del Valle Fixed Annual Charge, Municipal Water Quality Program, Quagga Mussel Program at Lake Del Valle	\$226,000	\$201,000
Total		\$4,976,000	\$7,951,000

- **Chemicals:** The proposed budget for water treatment chemicals is \$4.9M in FY 2026-27, increasing to \$6.6M in FY 2027-28. These costs include annual inflationary adjustments ranging from 6%–46% for chemicals used at the Agency's treatment plants. The primary driver for the increase in FY 2027-28 is the addition of approximately \$1.8M for the removal and replacement of ion exchange resin (PFAS treatment) at the Stoneridge and Chain of Lakes PFAS Treatment Facilities. This is the first removal and replacement of ion exchange resin since the PFAS treatment facilities came online.

- **Utilities:** The proposed budget for utilities is \$2.8M in FY 2026-27, increasing to \$3.5M in FY 2027-28. The drivers for the increase include estimated annual inflationary adjustments and increased energy usage from groundwater production due to projected drier conditions.

Professional Services: The proposed professional services are summarized below by Agency department/section.

Professional Services	FY 2027 Budgeted	FY 2028 Budgeted
Office of the General Manager (Legislative Services, IT Services, Contingency)	\$642,000	\$651,000
Communications (Agency Communications, Website)	\$330,000	\$280,000
Communications (Schools and Outreach Program)	\$277,000	\$284,000
Finance (Water Rates Study, Rates Outreach, External Auditor, Municipal Advisory Services)	\$264,000	\$132,000
Human Resources (Labor Relations Consulting, HR Support)	\$92,000	\$94,000
Facilities Engineering (As-Needed Engineering Support, Geotechnical, Surveying)	\$70,000	\$150,000
Groundwater (Groundwater Sustainability Plan, GIS, Water Sampling, Research Studies)	\$724,000	\$361,000
Water Quality (Analytical Services, Backflow Tester/Cross Connection Control Services)	\$271,000	\$228,000
Integrated Planning (Water Supply Evaluation & Model, Grant Support, Environmental Support)	\$730,000	\$520,000
Operations (Security Services, Database Support, SCADA Support)	\$335,000	\$343,000
Maintenance (Safety Training, Security Assessment and Plan, Environmental Health & Safety Consultant)	\$320,000	\$105,000
Total	\$4,055,000	\$3,148,000

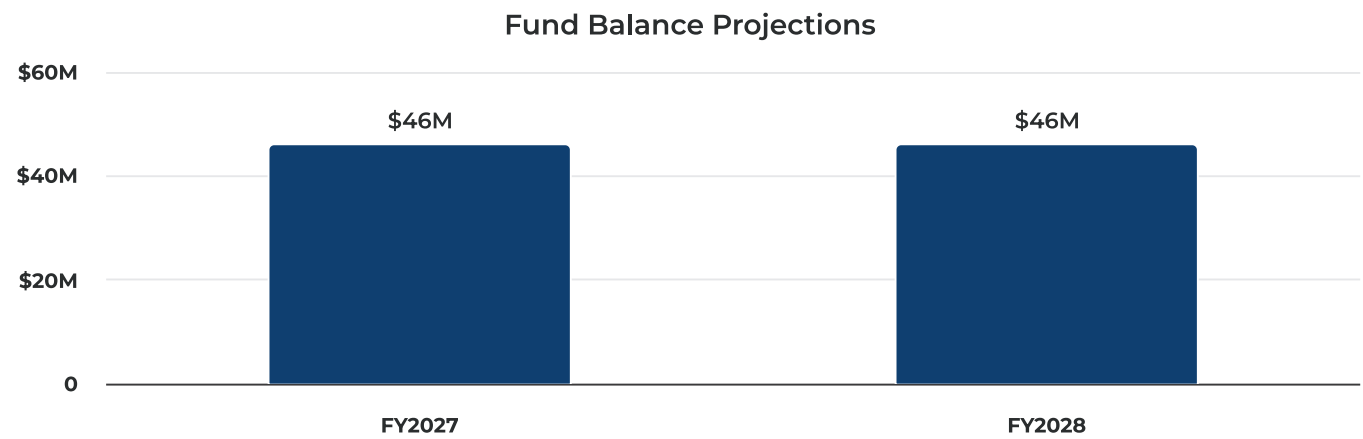
Delta Conveyance Project: In October 2024, the Board adopted Resolution No. 24-28 authorizing \$6.6M for pre-construction activities in calendar years 2026 and 2027. The proposed budget includes \$5.3M for costs incurred during FY 2026-27 and FY 2027-28.

Office Supplies and Other Services: The proposed budget allocates funding for general office and emergency supplies and services, annual software licenses, and state and local fees. The FY 2026-27 proposed budget includes additional one-time expenditures such as a new firewall and storage area network to enhance the Agency's cybersecurity and \$75K in funding for promotional materials to celebrate the Agency's 70th anniversary. The proposed budget also includes the new annual licensing fee for the Computerized Maintenance Management System of \$100K.

Water Conservation Program: The proposed budget allocates \$160K annually for the Agency's rebate program to continue efforts to incentivize the community to convert to water-efficient appliances and drought-resistant landscapes.



Fund 100 - Fund Balance



Reserves

This fund maintains several reserves as defined in the Agency's Reserve Policy (Resolution No. 25-47). Per Strategic Plan Initiative #21, the Agency shall continue to effectively manage financial resources by maintaining target levels of reserves. In the proposed budget, reserves are funded at target levels in both years. The Water Reliability Reserve does not have a defined minimum, target, or maximum level as this reserve was designated by the Board to address future water reliability investments, such as Sites Reservoir. This reserve holds the balance of funds once target levels are achieved. The corresponding target reserve requirements for the proposed budget are shown in the table below.

Fund 100 Reserves	Target Policy	FY 2027 Budgeted	FY 2028 Budgeted
Operating	90 days of the current year's budgeted operating expenses	14,008,000	15,213,000
Emergency	2.5% of the Agency's water system capital assets	8,932,000	9,289,000
Reserve for Economic Uncertainties	15% of the current year's budgeted volume-based water sales	5,774,000	6,037,000
Total Target Reserves		\$28,714,000	\$30,539,000
Section 115 Pension Trust Fund	No minimum, target, or maximum	2,399,000	2,524,000
Water Reliability Reserve	No minimum, target, or maximum	15,074,000	13,188,000
Total Reserves		\$46,187,000	\$46,251,000

Attachment D Fixed and Variable Cost Structure

Water rates revenue funds for the operations and maintenance of the water system. Approximately 77 percent of these costs are fixed and do not vary with the amount of treated water produced, while 23 percent of costs are variable. The table below categorizes the major costs funded by water rates revenue.

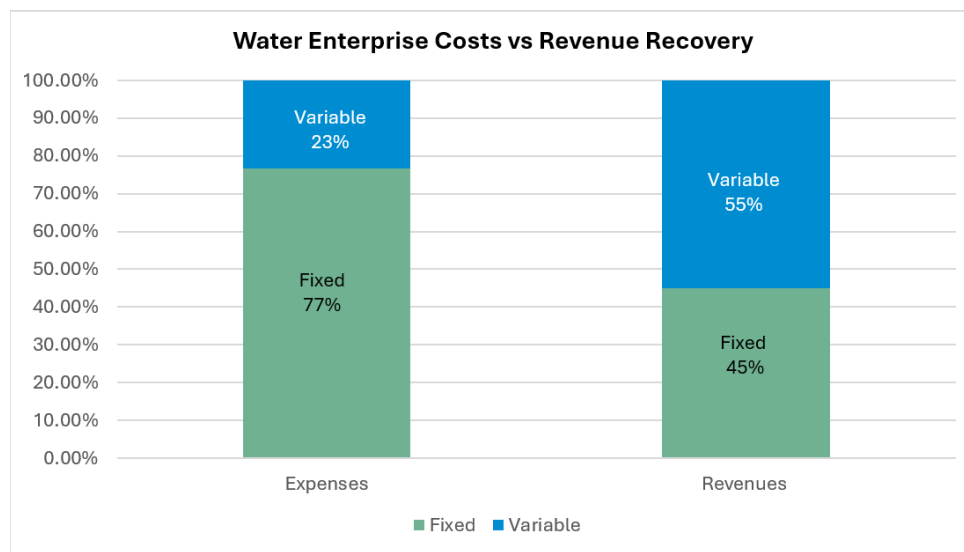
Fixed Costs

1. Personnel
2. County and Insurance Services
3. Office Supplies and Other Services
4. Maintenance, Telecommunications, and Rental Services
5. Debt Service and Capital Funding
6. Delta Conveyance Project (with Board Approval)

Variable Costs

1. Water
2. Chemicals
3. Utilities
4. Professional Services and Legal Services

The Agency's current rate structure recovers 55 percent of costs through variable (volume-based) rates and the remaining 45 percent through fixed charges. By collecting a portion of fixed costs through a fixed charge, the Agency reduces the uncertainty associated with fluctuating water sales and ensures a reliable baseline of revenue each month. The chart below compares the fixed and variable cost ratios with the current rate structure.



Attachment E

Water Supply Costs

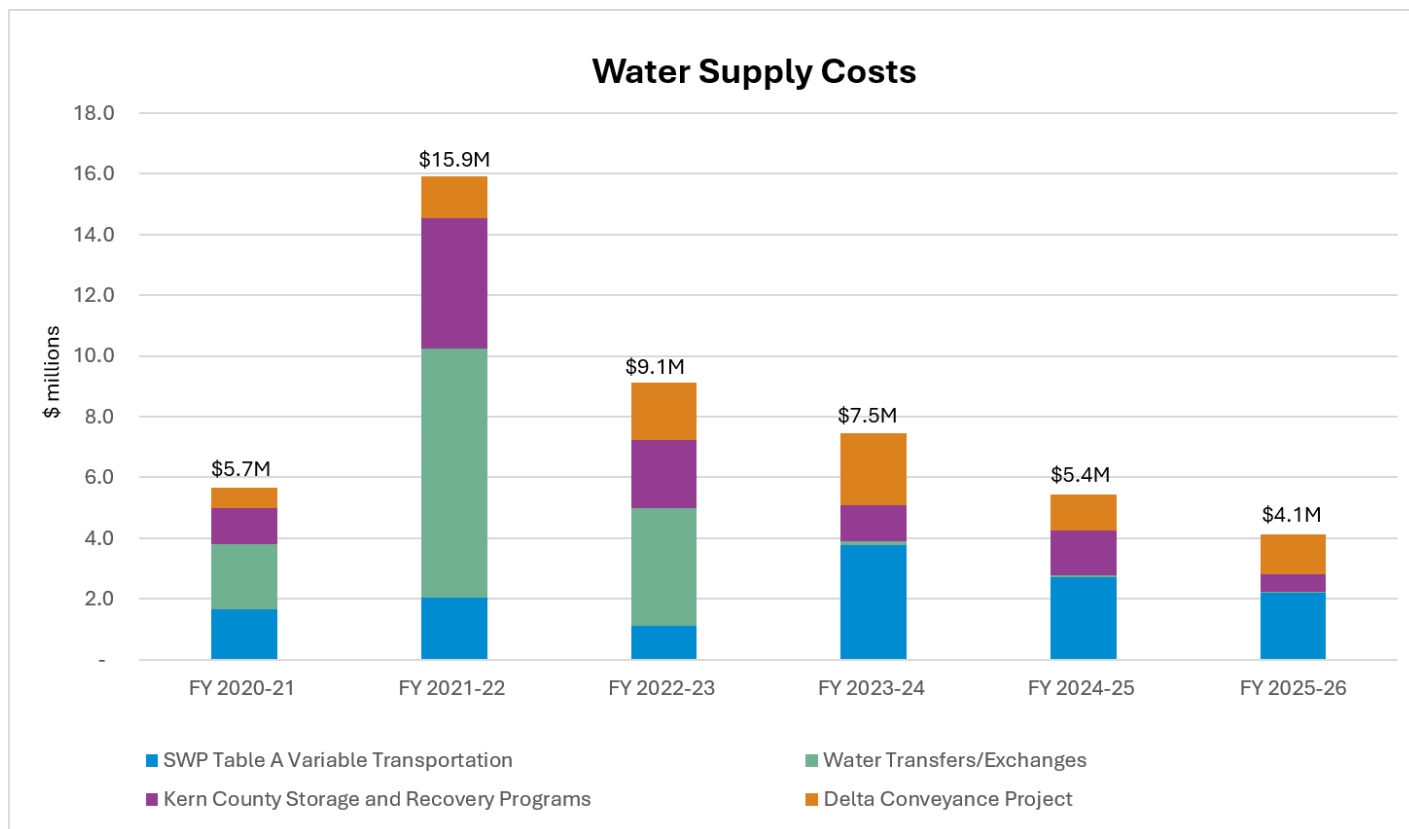
Water supply costs represent a significant portion of the Agency's operating budget, totaling approximately \$53 million (28 percent) in FY 2026–27. These costs are funded through a combination of the State Water Project (SWP) property tax override, water connection fees, and water rates.

Zone 7 is a SWP contractor and receives imported water through a long-term water supply contract with the California Department of Water Resources (DWR). The majority of SWP capital costs are funded by the SWP property tax override, while costs associated with the enlargement of the SBA are funded through water connection fees. All other water supply costs are funded through water rates.

Imported SWP water provides approximately 90 percent of Zone 7's annual water supply on average. However, annual water supply costs fluctuate significantly based on hydrologic conditions, customer demand, and other factors.

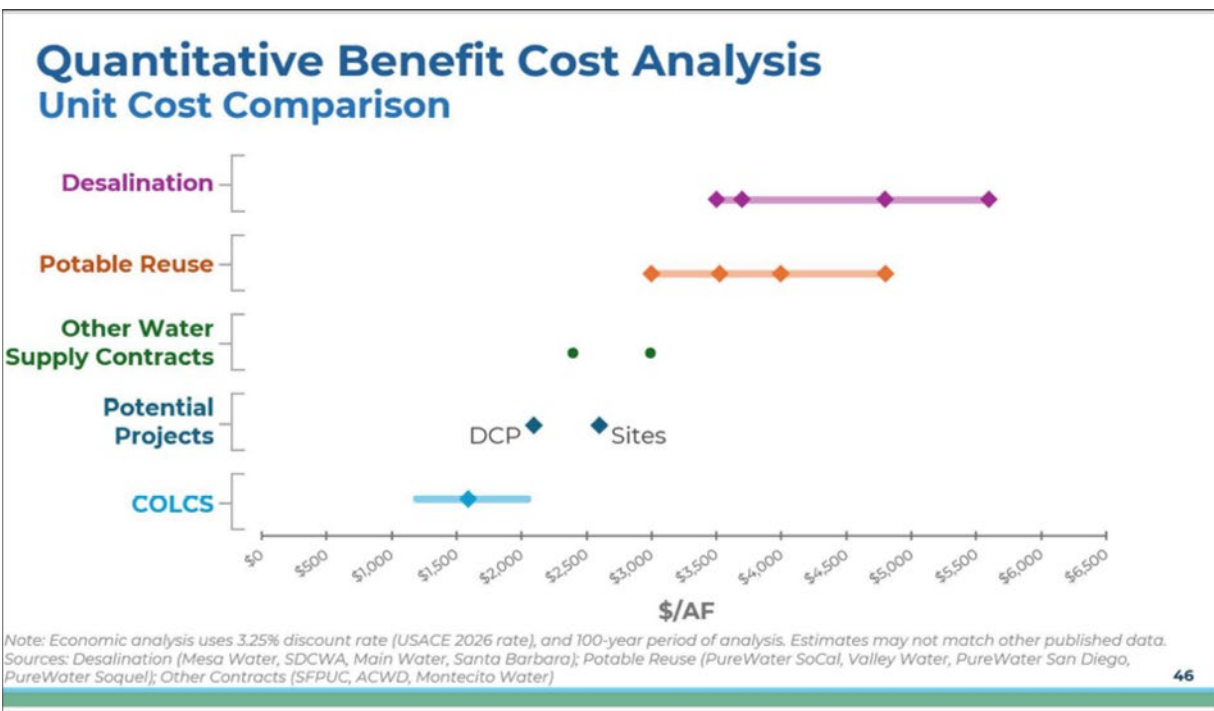
Each SWP contractor is assigned a maximum annual contract amount, known as its Table A allocation. The actual annual allocation varies depending on statewide hydrology, demands of other SWP contractors, available stored water and conveyance capacity, and environmental and regulatory constraints.

In recent years, annual SWP allocations have ranged from 5 percent to 100 percent. As shown in the chart below, lower SWP allocations generally result in higher water supply costs because the Agency must purchase transfer water and recover stored groundwater supplies. Conversely, higher SWP allocations typically reduce overall water supply costs, allowing the Agency to utilize lower-cost imported water and replenish groundwater banking programs.



Attachment F Water Reliability Project Costs per Acre-Foot

At the April 1, 2026, Chain of Lakes Conveyance Project Workshop, staff presented information on the costs and benefits of several water reliability projects. The chart below summarizes how the Sites Reservoir Project compares to other water reliability projects on an estimated dollar per acre-foot basis. Based on the most recent cost data, the Sites Reservoir Project is expected to cost approximately \$2,600–\$2,700 per acre-foot. The range in cost is driven by projected range in annual yield.



Attachment G

Establishment of the Water Reliability Reserve

The Water Reliability Reserve was established by the Board through an amendment to the Reserve Policy on June 18, 2025, via Resolution No. 25-47. The reserve was established from savings realized from several favorable water supply years that reduced operating expenditures.

As stated in the Agency's Reserve Policy:

The reserve is designated by the Board to address and proactively prepare for water supply and reliability investments. Monies in this fund may be used to respond to emerging needs, opportunities, or risks related to water supply and reliability, including but not limited to water transfer purchases, drought response measures, and investments in regional/state water reliability project development and construction efforts. Contributions and withdrawals from this reserve may occur as needed, based on the timing and scale of reliability-related investments or operational requirements, resulting from annual fluctuations in the State Water Project allocation. The fund is intended to maintain agility and flexibility in addressing water supply challenges and opportunities as they arise.

Minimum, Target, and Maximum Level

This reserve will not be required to have a minimum, target, or maximum level.

Events or Conditions Prompting the Use of the Fund

The Board may designate the use of the reserve to pay for reliability-related investments or operational requirements as necessary to meet water supply demands, payments for planning and/or implementing water supply projects, and any other purpose as mentioned in the definition and purpose of this reserve.

Per the adopted FY 2026-28 Two-Year Budget, the estimated FY 2026-27 ending fund balance of the Water Reliability Reserve is \$15.1M.

Attachment H Agency Credit Rating



The Agency's credit ratings reports are issued by third party credit rating agencies and reflect Zone 7's credit worthiness as a debt issuer. The Agency currently has 'AAA' ratings from S&P Global Ratings and Fitch Ratings. These ratings reflect the Agency's strong credit quality based on the following factors:

- Exceptionally strong water supply position, storing a significant amount of water in wet years for usage in dry years
- Very strong revenue source characteristics including fixed-charge rate structure, drought surcharge and regular Board review and implementation of rate adjustments
- Robust cash position and formal reserve policy
- Very low leverage despite potential future debt financing of water supply reliability projects

Maintaining a 'AAA' credit rating provides the Agency with a significant financial advantage by allowing it to access capital at the lowest borrowing costs available. Lower interest rates reduce debt service expenses and can result in substantial savings over the life of a bond, helping to offset rising operating and capital costs. By preserving a strong credit position through prudent financial management, the Agency can continue to pursue cost-cutting strategies while minimizing the cost of financing essential infrastructure investments and protecting the long-term affordability of water service.

Attachment I

Cost Efficiency Strategies

As inflation and other economic pressures continue to drive up the cost of goods, services, and labor, the Agency remains focused on maintaining efficient and cost-effective operations. Through careful planning, operational efficiencies, and prudent resource management, the Agency has implemented a range of cost-cutting strategies designed to control expenditures while continuing to provide reliable, high-quality water service. The following strategies highlight key actions taken to manage rising costs and protect the Agency's long-term financial sustainability.

- 1. Energy** – One of the Agency's core values is Environmental Responsibility - to deliver services in an environmentally responsible manner considering the energy, climate, people, and natural resource stewardship. To that end, the Agency participates in energy programs to reduce costs and its carbon footprint. These projects include:
 - **Carbon-free Energy** – The Agency opts into purchasing carbon-free energy through PG&E/Ava Community Energy and through Power and Water Resources Pooling Authority (PWRPA).
 - **Solar power at Del Valle Water Treatment (DVWTP)** – The solar facility at DVWTP generates approximately 600,000 kWh/year, saving roughly \$100,000 a year in power costs.
 - **PWRPA Membership** – The Agency's PWRPA membership currently saves the Agency about \$1M/year in power cost, generates approximately 600 Renewable Energy Credits (RECs) per year (further offsetting the Agency's PWRPA costs), and all power delivered by PWRPA is carbon-free. Currently the facilities on PWRPA include Patterson Pass Water Treatment Plant, DVWTP Ozone, Mocho Groundwater Demineralization Plant, and Mocho Wells 3 and 4. The Stoneridge Well is in the process of being converted to PWRPA and the Agency continues to consider PWRPA for other facilities when and where appropriate.
- 2. Chemical Costs** – The Agency purchases water treatment chemicals through the Bay Area Chemical Consortium which is an informal cooperative that seeks competitive bids for chemical contracts for public agencies. These savings are passed along to water and wastewater customers of the participating agencies. Participation in this program helps to offset unit cost increases ranging from 6 percent for Sodium Hypochlorite to 46 percent Aluminum Sulfate.
- 3. Labor Costs** - The Agency budgets for, and maintains, a 10 percent vacancy rate.

4. **Cost of Borrowing** – The Agency’s cost of borrowing (i.e interest rates) is the lowest available as it maintains a ‘AAA’ credit rating from S&P Global Ratings and Fitch Ratings.
5. **Computerized Maintenance Management System (CMMS)** – In support of Strategic Plan Initiative No. 14 – Evaluate current program to increase ratio of preventative to reactive maintenance, the Agency has implemented a new CMMS. The CMMS helps to reduce maintenance costs by managing asset inventory and scheduling timely preventive work that reduces breakdowns and costly repairs, extends asset life, and improves staff productivity.

Attachment J Grants

The Agency has had success in securing grants and continues to pursue new funding opportunities. The table below lists recent grants awarded to the Agency and grants the Agency is actively being pursuing.

Project/Effort	Grant Description	Awarding Agency	Status	Amount Awarded	Amount Actively Pursuing
2023 Storm Repairs	Public Assistance for 2023 Storm Repair	Federal Emergency Management Agency (FEMA)	Under FEMA review	Pending Final Expenditures	\$2,018,000
2023 Storm Repairs	Rehabilitation for Flood Control Work	US Army Corps of Engineers	Cooperation Agreement Executed	\$22,830,000	\$0
Alamo Creek Bank Stabilization and Flood Management Pilot Project	Floodplain Management, Protection, and Risk Awareness Program	CA Department of Water Resources (DWR)	Awarded	\$4,606,890	\$0
Bay Area Regional Conservation Project	2014 Prop 1 IRWM Round 2 Implementation Grant	DWR	Awarded	\$85,283	\$0
Flood Management Plan Decision Support Tools	2014 Prop 1 IRWM Round 2 Implementation Grant	DWR	Awarded	\$827,478	\$0
Mocho PFAS Treatment Plant	Drinking Water State Revolving Fund	State Water Resources Control Board	Application Submitted	\$0	\$25,000,000
PFAS Treatment	Community Grant Program	EPA Community Grant Program	Application Submitted	\$0	\$1,000,000
Stoneridge PFAS Treatment Plant	Prop 68 / SGMA Implementation Grant	DWR	Awarded	\$16,000,000	\$0
Stream Gage Monitoring System	Stream Gage Improvement Program	DWR	Awarded	\$394,960	\$0
Tri-Valley Water Conservation and Resilience Project (multi-agency suite of projects)	Drought Relief	DWR	Awarded	\$2,242,500	\$0

Project/Effort	Grant Description	Awarding Agency	Status	Amount Awarded	Amount Actively Pursuing
Water Supply Risk Model Enhancements Project	2014 Prop 1 IRWM Round 2 Implementation Grant	DWR	Awarded	\$130,000	\$0
Wells and Mocho Groundwater Demineralization Plant Electrical Modernization	2014 Prop 1 IRWM Round 2 Implementation Grant	DWR	Awarded	\$1,226,170	\$0
Total				\$48,343,281	\$28,018,000

ORIGINATING SECTION: Office of General Manager
CONTACT: Ken Minn/Valerie Pryor

AGENDA DATE: September 16, 2026

SUBJECT: Sites Reservoir Project Water Rights Process

SUMMARY:

- To support Zone 7's mission to deliver safe, reliable, efficient, and sustainable water, Zone 7 Water Agency has been participating in the planning phase of the Sites Reservoir Project (Project). This action aligns with Strategic Plan Goal B – Reliable Water Supply and Infrastructure and supports Strategic Plan Initiative #5 – Develop a diversified water supply plan and implement supported projects and programs.
- Located 75 miles northwest of Sacramento, the Project would construct a new off-stream reservoir with 1.5 million acre-feet of new water storage capacity. The Project would provide Zone 7 with both a new source of water supply and new water storage.
- The Project requires a new water rights permit to divert and store excess stormwater flows from the Sacramento River for later delivery to participants. The water rights permit process has spanned multiple years and is expected to conclude later this year. At the August 19, 20206 Board meeting, staff presented the project and how it could work for Zone 7. This information was based on estimates of the results of the water rights permit.
- In March 2026, the State Water Resources Control Board (SWRCB) issued its Draft Decision and Draft Water Right Permit for the Project. The Sites Project Authority and the South of Delta project participants had concerns with the draft terms that will have adverse impacts on Project operations and yield. Based on comments and additional information presented in August, on September 3, 2026, the SWRCB issued a Revised Draft Decision and Draft Water Right Permit. Staff will provide a brief update to the Board on September 16.

FUNDING:

No funding is requested at this time.

RECOMMENDED ACTION:

Information only.

ZONE 7 BOARD OF DIRECTORS
SUMMARY NOTES OF THE LEGISLATIVE COMMITTEE

August 13, 2026
4:00 p.m.

Directors Present: Laurene Green
Jim Lehrman
Kathy Narum

Staff Present: Valerie Pryor, General Manager
Carol Mahoney, Government Relations Manager
Donna Fabian, Executive Assistant/Board Secretary

1. Call Meeting to Order

The meeting was called to order by Director Green at 4:00 p.m.

2. Public Comment on Items Not on the Agenda

There were no public comments.

3. Overview of Legislative Process

Carol Mahoney, Government Relations Manager, provided an overview of Zone 7's government relations activities and the California legislative process. She explained that the Agency's legislative activities support Strategic Plan Goal G, Stakeholder Engagement, particularly Initiative #20 regarding interagency cooperation, and Goal H, Fiscal Responsibility, particularly Initiative #22 regarding state and federal funding opportunities. Zone 7 focuses primarily on state legislative activities while also monitoring key federal issues and funding opportunities. The Legislative Committee generally meets every other month during the legislative season, and the Legislative Framework and Platform are reviewed annually to ensure they remain aligned with the Agency's Strategic Plan and Board priorities.

Ms. Mahoney reviewed the Legislative Platform, which guides the Agency's consideration of legislative and regulatory matters affecting water supply, groundwater management, operational and government functionality, fiscal management, and energy management. She also discussed Zone 7's participation with organizations and coalitions, including the Association of California Water Agencies (ACWA), California Municipal Utilities Association (CMUA), California Special Districts Association, State Water Contractors (SWC), and other organizations whose interests overlap with Zone 7's water supply, flood protection, public works, and governmental functions.

Ms. Mahoney provided an overview of California's bicameral legislative process, explaining how bills originate in either the Assembly or Senate, move through policy and fiscal committees and floor votes, proceed to the opposite house, and return to the house of origin for concurrence when amended. Bills approved by both houses are sent to the Governor for consideration. She also reviewed opportunities for Zone 7 to engage throughout the process, including proposing legislative ideas, educating legislators and their staff, participating in coalition efforts, submitting position letters, providing comments during committee hearings, communicating with legislators before floor votes, and submitting letters to the Governor. Zone 7 also maintains relationships with legislators year-round through meetings, tours, ribbon cuttings, and other outreach activities.

Ms. Mahoney reviewed the fiscal year 2026–27 State Budget and highlighted funding of interest to Zone 7, including a \$25 million one-time General Fund appropriation for the Healthy Rivers and Landscapes Program and \$7.9 million for the Delta Levees Program. She noted that these programs support Delta flows, water quality, fisheries, and levee stability. She also noted that the State has approximately \$30 billion in reserves.

Ms. Mahoney provided an overview of the 14 measures scheduled for the November 2026 ballot and highlighted four with a potential nexus to Zone 7. Proposition 2 would increase the constitutional cap on the State's Budget Stabilization Account. Proposition 4 would allow state and local governments to establish public campaign financing programs. Proposition 43 concerns voter approval thresholds for certain local special taxes. Proposition 45 would establish deadlines intended to streamline environmental review and related judicial proceedings for certain infrastructure projects, including water systems.

Ms. Mahoney also discussed federal and regulatory matters being monitored by the Agency. Federal PFAS requirements remain under review, although Zone 7 is subject to California requirements, which are more stringent. The Water Resources Development Act (WRDA) includes proposed authorization of \$116 million for Alameda County, a portion of which could potentially support Zone 7 projects. Staff is seeking WRDA funding for the Chain of Lakes Conveyance System. Ms. Mahoney also provided updates on the California Air Resources Board's Advanced Clean Fleets regulations and ongoing development of regulations pertaining to slide and swing gates. Other projects and programs being monitored include the State Water Project, Sites Reservoir, Delta Conveyance, Healthy Rivers and Landscapes, and the Chain of Lakes Conveyance System.

Director Narum asked where open meeting laws fall within the Legislative Platform. Ms. Mahoney stated that these issues fall under government functionality because they affect Zone 7's ability to operate as a special district. Director Narum emphasized the importance of complying with open meeting requirements while ensuring they are not unnecessarily burdensome and asked whether Zone 7 had previously sought legislation directly. Ms. Mahoney stated that Zone 7 had done so historically, although not during her tenure, and Valerie Pryor, General Manager, noted that organizations such as SWC, ACWA, and CMUA represent nearly all of the Agency's legislative interests. Director Narum also asked about the responsiveness of local legislators, and Ms. Mahoney reported positive experiences working with their offices.

The Committee discussed flood control permitting and whether legislative offices could assist with lengthy regulatory permitting processes. Ms. Pryor explained that the permitting issue is primarily regulatory rather than legislative. The Committee also discussed potential changes to federal PFAS requirements. Staff explained that Zone 7 must comply with California standards and that current federal discussions include both extensions of compliance timelines and review of certain PFAS standards. Ms. Mahoney noted that the federal changes affecting PFOA and PFOS currently relate to the compliance timeline.

Director Lehrman asked about attendance at Agency ribbon cuttings and similar events. Ms. Pryor stated that invitations are broadly distributed to local, state, and federal elected officials, cities, county supervisors, and others, and that past events such as the Stoneridge PFAS and Chain of Lakes ribbon cuttings were well attended.

The Committee discussed Proposition 4 and the potential structure and funding of public campaign financing programs. Staff explained that participation by a local agency would be optional and that, if Zone 7 chose to establish such a program, the Agency would fund it. Ms. Pryor noted that although a public agency may take a position on a ballot measure, public resources may not be used to campaign for or against a measure, and General Counsel would be consulted before the Board considered taking a position. Staff agreed that additional information regarding Proposition 4 could be brought back if needed.

The Committee also discussed Proposition 43 and its potential effect on Zone 7 if the Agency were to seek voter-approved revenue in the future. Mark Smith, Legislative Advocate, explained that the measure would increase the voter threshold for certain local tax measures and could therefore affect an agency's options when seeking local revenue. Ms. Pryor noted that future flood protection needs could potentially require voter-approved funding through mechanisms such as a parcel charge, bond measure, or sales tax.

Director Lehrman and Director Green asked about Proposition 45 and its potential effect on Zone 7 projects. Staff explained that water systems are included among the infrastructure categories addressed by the measure and that an expedited California Environmental Quality Act process could benefit Zone 7 when advancing its own projects. Mr. Smith noted that the effect of an expedited process depends on an agency's role in a particular project, but generally could reduce costs and accelerate infrastructure delivery. Ms. Pryor stated that, from Zone 7's perspective, the proposed review deadlines appeared reasonable.

Director Green asked for clarification regarding the proposed WRDA funding for Alameda County. Staff explained that the authorization is designated geographically rather than being provided directly to the County government. Zone 7 is seeking a portion of the authorization for the Chain of Lakes Conveyance System and would subsequently need to pursue an appropriation. Director Green also requested clarification regarding the Advanced Clean Fleets requirements and contractor vehicles. Staff explained that the concern relates primarily to contracted core functions and that Zone 7 is seeking to ensure it would not be responsible for the fleets of contractors performing construction work.

Director Green asked whether the Delta Conveyance Project and Healthy Rivers and Landscapes Program were directly connected. Staff clarified that they are separate efforts but both relate to Zone 7's State Water Project supplies. Mr. Smith added that Healthy Rivers and Landscapes is more directly related to the Delta Water Quality Control Plan than to the Delta Conveyance Project.

4. Review of Zone 7 Legislative Framework and Platform

Ms. Mahoney explained that the Legislative Framework and Platform will be reviewed more thoroughly at the next Legislative Committee meeting in preparation for 2027. The Framework and Platform are reviewed annually to ensure they remain aligned with the Agency's Strategic Plan and continue to reflect the Board's legislative priorities. Any proposed revisions will be brought to the Board for consideration and approval.

5. Legislative Update (Staff/Consultant)

Mark Smith, Legislative Advocate, reviewed the legislative tracking process and explained that bills are continually monitored as they move through the Legislature. Some bills are assigned formal support or opposition positions, while others remain on a watch or monitor list in case amendments create an impact to Zone 7.

Mr. Smith highlighted AB 2215, which sought to extend the State Water Project water right permit and was supported by Zone 7 and the State Water Contractors but was no longer moving forward. He reported that SB 872, authored by Senator McNerney and related to funding for subsidence and Delta levee improvements, had passed out of the Appropriations Committee that day. He also discussed AB 2026, which Zone 7 was monitoring and which addresses groundwater banking under excess-flow conditions. Mr. Smith noted the complexity of defining excess flows because of competing water rights interests.

Mr. Smith also discussed other matters surrounding the legislative process, including the Greenhouse Gas Reduction Fund, Proposition 4 bond appropriations, and budget trailer bills. He noted that approximately 2,500 bills are introduced each year and roughly 1,000 reach the Governor's desk. Zone 7 uses its Legislative Framework and Platform to determine which measures warrant monitoring or a formal position.

Director Green asked what the Committee could expect at its next meeting. Ms. Mahoney stated that staff anticipates reviewing the Legislative Platform and the bills that ultimately passed the Legislature and the Governor's actions on those measures.

6. Adjournment

Director Green adjourned the meeting at 5:02 p.m.

September 2026 Board Report - PALMER

August 25

Drinking water Policy workgroup

Put forward a move from a reactive approach to drinking water regulation toward a more proactive framework that promotes transparency, predictability, sound science, and affordability. concerns about inconsistencies in the State Water Board's approaches to contaminant prioritization and MCL development, the need for greater transparency in regulatory decision-making, and the importance of considering long-term treatment, disposal, and affordability challenges when developing new drinking water requirements. The group also discussed the value of advocating for multi-contaminant treatment strategies, improved scientific foundations for regulatory decisions, and stronger California-specific drinking water research.

Next steps:

Review and update ACWA's Drinking Water Policy Principles, e last revised in 2017, to better reflect themes raised, including regulatory predictability, transparency, sound science, cost-benefit considerations, and implementability.

Explore opportunities to advance research and scientific support for drinking water policy development, including potential funding mechanisms for California-specific drinking water research.

Continue engagement with regulators and stakeholders regarding contaminant prioritization, treatment technologies, and implementation challenges associated with emerging contaminants such as PFAS. Discuss Consumer Confidence Reports (CCRs) at a future workgroup meeting in preparation for upcoming requirements.

Region 5 Event - September 3-4

We visited the United Water Conservation District for an exclusive behind-the-scenes tour of the region's critical water infrastructure, from groundwater recharge and water treatment to dam safety and environmental stewardship.

- Guided facility tours of the El Rio Groundwater Recharge and Water Treatment Facility, the Freeman Diversion, and Santa Felicia Dam, including the Iron & Manganese Treatment Plant and hydroelectric power operations.
- In-depth look at infrastructure resilience, including seismic upgrades, fish passage improvements, and spillway enhancements that safeguard public safety and water reliability.
- Insights into regional water challenges such as seawater intrusion, drought resilience, sustainable aquifer management, and the integration of surface water and groundwater supplies.

Workshops on developing the ACWA Vision plan

- Sept 8- Protecting affordability
- Sept 9-Modernizing infrastructure

ORIGINATING SECTION: Office of the General Manager

CONTACT: Valerie Pryor

AGENDA DATE: September 16, 2026

SUBJECT: General Manager's Report

SUMMARY:

The following highlights some of the key activities that occurred last month. Also attached is a list of the General Manager (GM) contracts executed during August.

Integrated Water Resources:

Staff attended the Power and Water Resources Pooling Authority (PWRPA) Board of Directors meeting on August 5. It was reported that Zone 7's average 2025 electric rate was \$0.14/kWh, which is 60% lower than PG&E. This represents approximately \$1 million in energy cost savings. In addition, all PWRPA power delivered in 2025 is classified as carbon-free.

Delta Conveyance Project (DCP): On July 24, the California Department of Water Resources submitted the Final DCP Revised Certification of Consistency on Remanded Items to the Delta Stewardship Council. This revised certification responds to the two remanded items: siting conflicts with Sacramento Area Sewer District's Harvest Water Project and concerns around improving habitat conditions for the Golden Mussel. Three appeals were received. The State Water Resources Control Board's (SWRCB) Change in Point of Diversion hearing process heard surrebuttal through September 3, 2026. Next steps have not yet been announced.

Sites Reservoir: On March 20, the SWRCB released a draft water right decision and permit for the Sites Reservoir Project for public review, with public comments accepted through May 22, 2026. A revised draft permit was issued by September 3, followed by a 30-day public comment period. The SWRCB is expected to consider adoption of the revised draft decision and permit on November 2 or 3, 2026.

Engineering and Water Quality:

Zone 7 Water Quality Laboratory Accreditation: As part of the biennial renewal process for the California Environmental Laboratory Accreditation Program (ELAP), the Zone 7 Laboratory has successfully completed a third-party on-site assessment. This achievement allows the Laboratory to renew its ELAP accreditation on schedule, ensuring its continued ability to produce analytical data required for regulatory compliance.

Mocho PFAS Treatment Plant: The Progressive Design-Build (PDB) team finalized the Basis of Design Report and anticipates advancing the design to the 30 percent level by early October. The Board awarded the early works package at its August meeting, and the PDB team is now preparing the documentation and engineering steps needed to advance procurement of the long-lead electrical equipment. Staff continues to coordinate with the City of Pleasanton to secure the remaining land rights for the project site. A community meeting was held at the site on September 9, where staff presented preliminary renderings of the proposed treatment facilities.

2023 Storm Damage Repairs: Construction continues to progress across the three active projects in Zone 7's program to repair flood protection infrastructure damaged during the 2023 storms. The Phase 1 Storm Repair Project has completed repairs at 18 sites in Dublin, with the remaining sites on schedule to meet the October 15 in-channel completion deadline. The High-Priority Storm Damage Repair Project continues bank stabilization work at Arroyo de la Laguna in Pleasanton, with crews expected to move next to the remaining site near the Dublin San Ramon Services District facility; all three sites remain on schedule for the October 15 deadline. The U.S. Army Corps of Engineers has commenced bank repairs along Arroyo del Valle in Pleasanton and has added crews to begin similar work along Arroyo de la Laguna.



Timber log crib wall under construction at Arroyo del Valle in Pleasanton.

Monthly List of GM Contracts

<u>Contractor</u>	<u>Amount</u>	<u>Purpose</u>
IEDA, Inc.	\$41,214	Employee Labor Relations Services
Planeteria Media LLC	\$9,600	Website Support Services
Total August 2026	\$50,814	



100 North Canyons Parkway
Livermore, CA 94551
(925) 454-5000

ORIGINATING SECTION: Office of the General Manager
CONTACT: Alexandra Bradley

AGENDA DATE: September 16, 2026

SUBJECT: August Outreach Activities

SUMMARY:

In alignment with the Agency's 2025–2029 Strategic Plan Goal G – Stakeholder Engagement, Zone 7 is dedicated to fostering understanding of community needs, the Agency, and its functions. Initiative #19 emphasizes transparency and effective communication as essential for building trust and upholding our commitment to customer service and integrity. The Agency provides proactive updates, promotes key initiatives, and engages stakeholders through public education campaigns, outreach programs, and digital tools. This report highlights progress and key activities that strengthen community relationships and advance these goals.

Communications Updates:

Flood Preparedness Open House: Staff selected and finalized the new theme "One Step Ahead of the Storm" in anticipation of this year's Godzilla El Niño. Work is actively underway on the "Save the Date" graphics to be teased in the upcoming newsletter and on social platforms. Further promotional and event materials are currently in design, in progress, or awaiting review.

California Flood Preparedness Week: Preparations for Flood Preparedness Week in October remain on track, including planning for the Flood Safety Open House, updating the stream tracker page, monitoring weather changes to update the live storm alert tracker, and pushing flood preparedness materials. Strategic promotion and asset creation are ongoing.

Mocho PFAS Public Meetings: Staff is actively preparing for the upcoming open-house-style Mocho PFAS public meeting #2 on September 9th. In collaboration with the project team, comprehensive public meeting materials are being developed, including direct mailers, display boards, website updates, custom graphics, newsletter inclusions, and targeted outreach content to affected neighborhoods.

Water Academy - Back to School: The team deployed a dedicated Back to School eBlast to kick off the academic year, with individual teacher and entire grade level sign-up requests already coming in. The Water Academy will also have a spotlight in the Latest from Zone 7 e-Blast. Ongoing social media promotions are active to drive further interest, and a full school-year campaign roadmap—featuring possible new strategies to expand participation—is being finalized for discussion at the next monthly meeting.

Outreach Program Updates:

Schools' Program

School has started and so has the Water Academy! We have received many responses to our initial invitation to teachers and are busy scheduling classes for the year. Ms. Riley has already visited some second-grade classes, and Mrs. Wilkins has taught in a few high school engineering classes. There are 51 classes scheduled for September to date.

In-Person Events

Livermore Farmers' Market

Thursday, September 10, 2026 | 4:00pm-8:00pm | Carnegie Town Square, Livermore

Zone 7 will host a booth encouraging conversations about ways to save water both inside and outside the home. Staff will promote our upcoming Flood Safety Open House, share information about available rebates and provide giveaways, including plate scrapers and our new buckets, designed to encourage water-saving practices throughout the home.

Splatter

Saturday, September 12, 2026 | 12:00pm-9:00pm | Emerald Glen Park, 4120 Central Parkway, Dublin

Zone 7 Water Agency will once again participate in the City of Dublin's popular Splatter festival. Festivalgoers can pick up educational materials and Zone 7 giveaways while talking with staff about local water resources and conservation. Activities may include a Plinko game designed to engage visitors with water facts and water-saving practices.

Rancho Las Positas Elementary School Family Science Night

Thursday, September 17, 2026 | 5:30pm-7:30pm | Rancho Las Positas Elementary School, Livermore

Zone 7 has been invited to participate in this family-focused science event at Rancho Las Positas Elementary School. Students and their families will learn about our local watershed through hands-on interaction with Zone 7's floodplain model. Staff will also share information about the Water Academy Schools' Program, Flood Safety Open House, available rebates, and other Zone 7 resources.

Science at Stockmen's Park

Saturday, October 3, 2026 | 10:00am-1:00 pm | Quest Plaza at Stockmen's Park, 29 S. Livermore Ave.

Zone 7 will join other local organizations for a hands-on science event focused on engineering. Families will use the engineering design process to create their own water filters and interact with Zone 7's new anthracite filtration model. These activities will help facilitate conversations about the water treatment process and how Zone 7 cleans and prepares water for drinking.

Pleasanton Palooza

Saturday, October 3, 2026 | 11:00am–4:00pm | Downtown Pleasanton

Zone 7 Water Agency will participate in Pleasanton Palooza with an outreach booth featuring educational materials, giveaways, and a family-friendly activity. Staff will engage with attendees throughout the event, sharing information about water conservation, local water resources, and the upcoming Flood Safety Open House while connecting with community members enjoying Downtown Pleasanton.

Las Positas College Earth Science Week

Wednesday, October 14, 2026 | 10:00am–4:00pm | Las Positas College

Zone 7 Water Agency has been invited to return to Las Positas College for Earth Science Week. Staff will host an outreach booth in the campus quad, introducing students to Zone 7's role in the community while highlighting the wide variety of career paths available in the water industry. The event will provide an opportunity to discuss the education, skills, and professional opportunities that can lead to careers in water.

Digital Overview

Website Overview

- **Users:** 5,701 (+66.8%) | Page Views: 12,431 (+28.6%) | Sessions: 7,400 (+39.6%)
- **Top Pages:** Homepage (1,848), Page not found (689), Careers (576)
- **Traffic Sources:** Direct (4,233), Google (1,974), Bing (326)
- **Highlights:** Digital engagement saw exceptional growth this month, with a +66.8% jump in total users and a +39.6% increase in site sessions. High direct search traffic demonstrates strong public awareness and brand recognition for a public water agency.
- **NOTE:** "Page not found" (404 error) previously resolved by Digital Deployment continues to be an issue, with a spike in views showing the fix may have been temporary. The team is actively auditing broken internal links or misdirected external URLs and will contact Digital Deployment for troubleshooting.

Social Media Snapshot

- **Facebook:** 1,357 followers | 13 posts | 2,347 impressions
- **LinkedIn:** 1,023 followers (+21 followers in last 30 days) | 209 Page Views | 1,248 impressions (+48.6%)
- **YouTube:** 247 views, top video "Wondrous World of Water - Ion Exchange PFAS Treatment"
- **Highlight:** Top YouTube views this month came from the Wondrous World of Water series, showing strong community interest in water science and behind-the-scenes processes. This increase in views shows current CCR promotion and educational water quality content are effectively resonating with the public.

Email Outreach (Mailchimp)

- **Eblasts:** Sent: 4 | Deliveries: 2,652 | Avg. Open Rate: 12.1% | Clicks: 157
- **Highlight:** Despite recent delivery issues due to Apple's BOT filtering updates, the Zone 7 eNewsletter gained 18 new subscribers in the last month, showing the community's strong interest in staying informed and following Zone 7.

- **NOTE:** The team is looking into other mail delivery services and SMS follow-up options as alternate fixes for BOT-filtered data.

Key Takeaways

- Public interest in Zone 7's core water quality and treatment processes remains high, with educational video campaigns effectively driving community engagement across all platforms.
- Strategic planning is ongoing and in progress for upcoming major campaigns—including the Flood Safety Open House, California Flood Preparedness Week, and Back-to-School for the Water Academy—moving toward strong community engagement in the coming months.
- Flood preparedness remains a top priority as we begin to come out of the summer months and into the rainy season. Flood safety prep and educational materials will be pushed heavily in the coming months to increase awareness about this year's "Godzilla" El Niño during flood season.

ATTACHMENT:

- August Dashboard

Highlights:

Total users

5,701

66.8%

Views

12,431

28.6%

New users

5,338

73.9%

Engagement rate

56.86%

13.7%

Sessions

7.4K

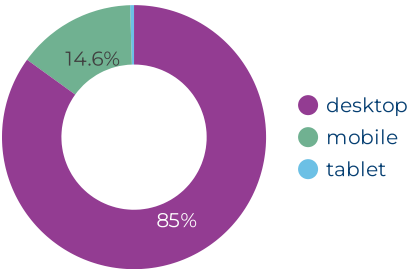
39.6%

User engagement

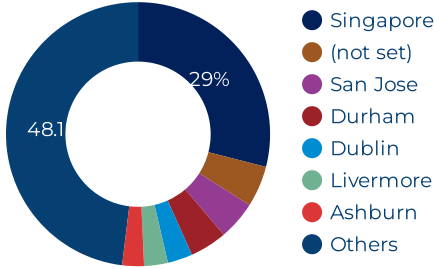
73:53:39

48.0%

Device Type:



Users by City



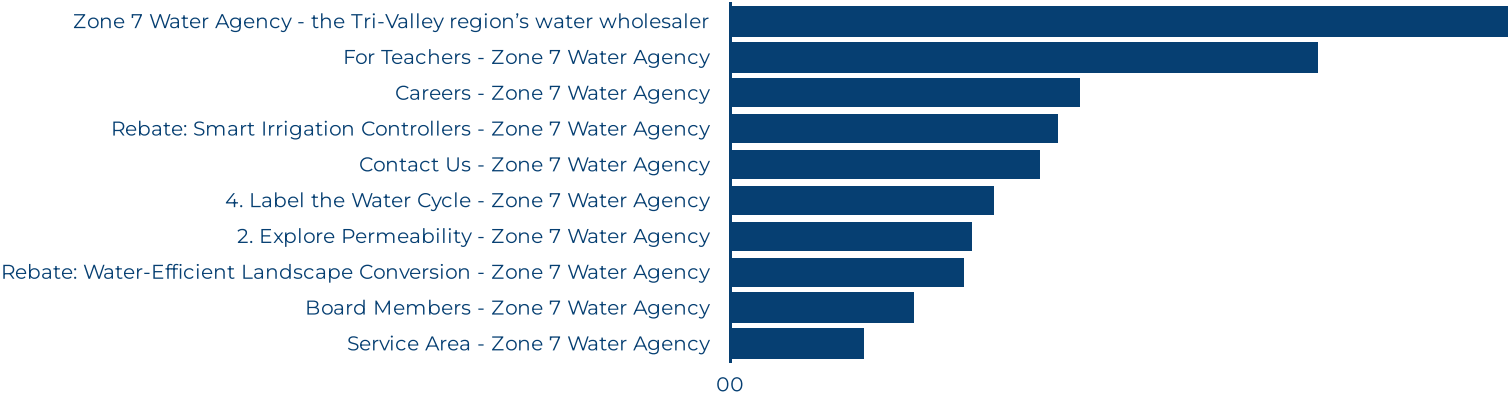
Most visited pages on the website - users and pageviews

	Page title	Views	Total users
1.	Zone 7 Water Agency - the Tri-Valley region's water wholesaler	1,848	1,381
2.	Page not found - Zone 7 Water Agency	689	131
3.	Careers - Zone 7 Water Agency	576	407
4.	Login required - Zone 7 Water Agency	575	566
5.	For Teachers - Zone 7 Water Agency	430	165
6.	2. Explore Permeability - Zone 7 Water Agency	375	254
7.	Board Meetings - Zone 7 Water Agency	373	201
8.	Rebate: Smart Irrigation Controllers - Zone 7 Water Agency	328	218
9.	Contact Us - Zone 7 Water Agency	323	165
10.	Construction & Business Opportunities - Zone 7 Water Agency	256	115
11.	Rebate: Water-Efficient Landscape Conversion - Zone 7 Water Agency	251	137

Acquisition source/medium - where traffic sessions come from

	Session source	Session medium	Sessions
1.	(direct)	(none)	4,233
2.	google	organic	1,974
3.	bing	organic	326
4.	Mailchimp	eNewsletter	180
5.	dsrsd.com	referral	112
6.	cityofpleasantonca.gov	referral	92
7.	facebook.com	referral	86
8.	fb	paid	52
9.	m.facebook.com	referral	34
10.	livermoreca.gov	referral	32

Pages with the most time spent by users



Facebook Analytics

Total Posts

13

↓ -18.8%

Engagement

48.39

↓ -36.5%

Page Followers

1,357

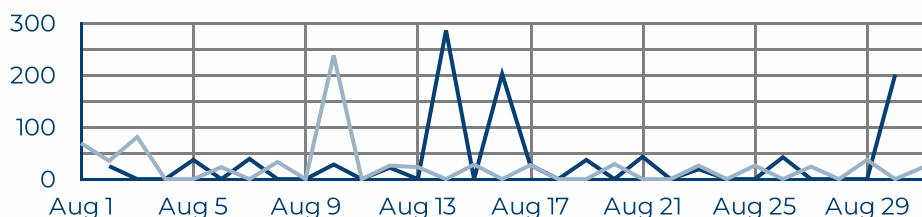
↑ 0.2%

Impressions

2,667

↑ 36.0%

Facebook Daily Average Reach per Post



Paid Reach

0

N/A

Organic Reach

0

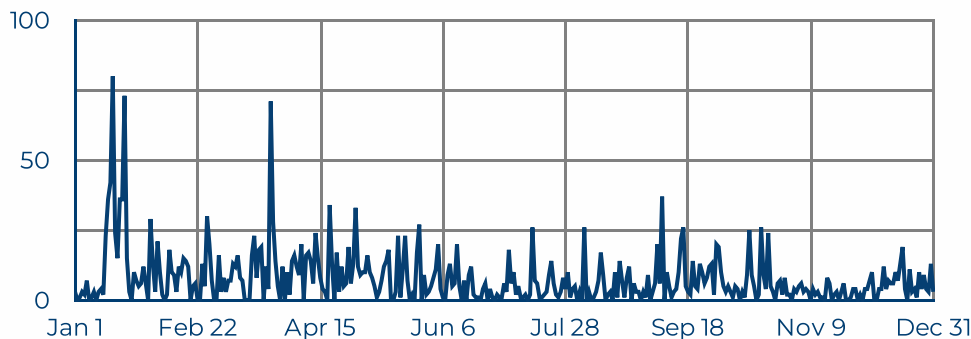
↓ -100.0%

Total Reach

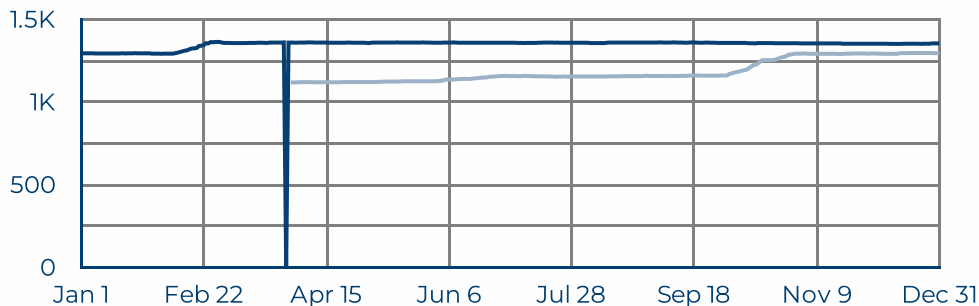
1,008

↑ 34.8%

Facebook Page Visits



Facebook Page Followers - Year-to-Date Growth



Mailchimp Delivery Analytics

Total Eblasts Sent

4

Total Deliveries

2,652

Avg. Open Rate %

12.1%

Total Clicks

157

New Signups

4

Monthly YouTube Performance

Total Views

268

Watch Time (Minutes)

364.09

Average View Duration

00:01:59

Top Five Videos of Month

Video Title	Views
Wondrous World of Water – Ion Exchange PFAS Treatment	50
Groundwater Recharge - Wondrous World of Water	40
Hydrate Your Career: Get in the Zone	31
Wondrous World of Water - Ozone Treatment	13
Tri-Valley Water Partners_Our Water's Journey	12

Insights & Opportunities Website Summary

August showed a large increase in website traffic and audience size. Website views increased to 12,346, while sessions rose to 7.4K and new users increased significantly to 5,301. Higher overall traffic was paired with a strong 53.96% engagement rate, driven primarily by direct visits and Google searches. This confirms that community members are proactively seeking out and utilizing Zone 7's online tools

- **Growing Website Reach:** August experienced substantial increases in users and sessions, suggesting stronger awareness and interest in Zone 7 resources and information.
- **Educational Resources Gaining Attention:** The For Teachers page and educational resources such as Explore Permeability appeared among the most-viewed pages, indicating increased interest in educational and water-resource content as we heavily promote back-to-school registrations.
- **Conservation Resources Remain Relevant:** Both the Smart Irrigation Controller and Water-Efficient Landscape Conversion rebate pages continued to attract visitors, reinforcing ongoing community interest in water conservation programs during the high heat months.

Social Media Summary

August demonstrated strong content reach on Facebook. Despite fewer posts, content connected with a broader audience, resulting in higher overall reach and impressions. This steady visibility helped increase subscription growth, bringing Zone 7's follower total to 1,356.

Mailchimp Summary

Email marketing activity increased in August as students returned to school, with 4 e-blasts sent and a total of 2,652 deliveries. The campaigns generated 157 clicks and 4 new subscribers, demonstrating continued audience interaction despite the recent delivery issues.

YouTube Summary

YouTube performance in August was highlighted by an increase in watch time to 297.54 minutes and an average view duration of 2 minutes and 19 seconds over 209 views. Despite a minor drop in total views, audience retention improved as viewers watched longer. Educational water videos on Groundwater Recharge and Ion Exchange PFAS Treatment earned the highest views, supported by continued interest in career and project content.

Opportunities for September 2026

- 1. Guide New Traffic to High-Interest Pages:** Capitalize on August's influx of new visitors (5,301) by featuring prominent homepage links to top destinations like teacher resources, rebates, and careers to turn new visitors into returning users. Troubleshoot page not found and/or broken links with digital deployment for a smoother user session.
- 2. Leverage High-Engagement Content Across Channels:** Build on August's 47.6% surge in engagement time by featuring high-performing topics in upcoming email and social campaigns to keep audiences interested.
- 3. Convert Expanded Reach into Active Participation:** Translate August's growth in Facebook impressions (+16.8%) and reach (+7.5%) into interactive engagement in September, possibly using new polls, questions, and/or direct resource links.

ORIGINATING SECTION: Office of the General Manager**CONTACT:** Carol Mahoney/Valerie Pryor**AGENDA DATE:** September 16, 2026**SUBJECT:** Legislative Update**SUMMARY:**

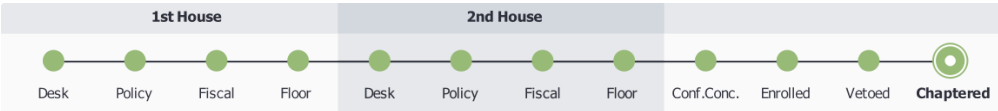
- Zone 7 staff, with the support of Agency consultants, monitors legislation that is being considered in Sacramento, as well as other political activities of interest. This item supports Strategic Plan, Goal G – Stakeholder Engagement, engage our stakeholders to foster understanding of their needs, the Agency, and its function. California’s Assembly, Senate, and Committees began the second year of their two-year legislative cycle on January 5 and ended the legislative hearings on August 31, 2026. The Governor has until September 30 to sign or veto legislation.
- Zone 7, along with organizations such as the Association of California Water Agencies (ACWA), California Municipal Utilities Association (CMUA), California Special Districts Association (CSDA) and State Water Contractors (SWC), continues to review the Governor’s actions on specific legislation. The attached list of bills, identified to have a nexus to Zone 7 interests, provides an overview of the key bills and the actions taken thus far by the Governor.
- Of note, SB 952 (Laird), which extends the State Water Project’s required time to move to 100% renewable energy from 2035 to 2040 to prevent early contract termination fees on existing fossil fuel contracts, was signed by the governor and chaptered into law. Also of note, SB 872 (McNerney), which creates the Delta Levees and Canal Subsidence Fund with a goal of directing \$300 million annually toward repairing critical state water infrastructure, is awaiting action by the Governor. Zone 7 provided an individual signing letter and one in concert with the State Water Contractors and other interested parties to request the Governor’s signature (attached).

FUNDING: N/A**RECOMMENDED ACTION:** Information Only**ATTACHMENTS:**

- Zone 7 Water Agency Board Report
- SB 872 Signing Letter (Zone 7)
- SB 872 Signing Letter (SWC)

AB 35 (Alvarez, D) Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024: Administrative Procedure Act: exemption: program guidelines and selection criteria.

Current Text: 07/16/2026 - Chaptered [HTML](#) [PDF](#)
Last Amended: 06/11/2026
Status: 07/16/2026 - Approved by the Governor. Chaptered by Secretary of State - Chapter 89, Statutes of 2026.



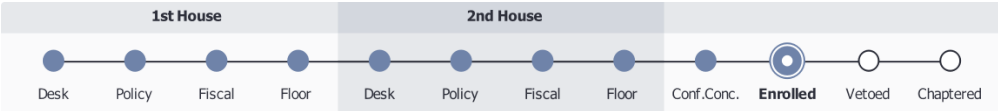
Location: 07/16/2026 - Assembly CHAPTERED

Summary: The Administrative Procedure Act sets forth the requirements for the adoption, publication, review, and implementation of regulations by state agencies. The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (act), approved by the voters as Proposition 4 at the November 5, 2024, statewide general election, authorized the issuance of bonds in the amount of \$10,000,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat mitigation, biodiversity and nature-based climate solutions, climate-smart, sustainable, and resilient farms, ranches, and working lands, park creation and outdoor access, and clean air programs. Existing law authorizes certain regulations needed to effectuate or implement programs of the act to be adopted as emergency regulations in accordance with the Administrative Procedure Act, as provided. Existing law requires the emergency regulations to be filed with the Office of Administrative Law and requires the emergency regulations to remain in effect until repealed or amended by the adopting state agency. This bill, notwithstanding the above, would exempt the adoption of regulations needed to effectuate or implement programs of the act from the requirements of the Administrative Procedure Act, as provided. The bill would require a state entity that receives funding to administer a competitive grant program established using the Administrative Procedure Act exemption to do certain things, including, among other things, to develop draft project solicitation and evaluation guidelines, to transmit copies of those guidelines to the fiscal committees and to the appropriate policy committees of the Legislature, to hold a noticed public meeting on those guidelines, and to submit those guidelines to the Secretary of the Natural Resources Agency, except as provided. (Based on 07/16/2026 text)

Position: Support

AB 1603 (Schultz, D) Perfluoroalkyl and polyfluoroalkyl substances (PFAS): Department of Pesticide Regulation.

Current Text: 09/03/2026 - Enrolled [HTML](#) [PDF](#)
Last Amended: 08/19/2026
Status: 09/03/2026 - Enrolled and presented to the Governor at 4 p.m.



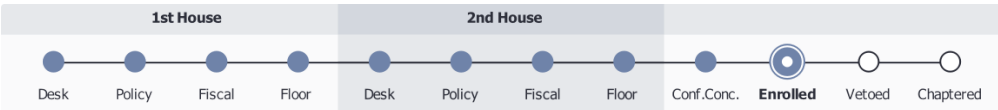
Location: 09/03/2026 - Assembly ENROLLED

Summary: Existing law generally regulates the use of pesticides, and requires every manufacturer of, importer of, or dealer in any pesticide, except as specified, to obtain a certificate of registration from the Department of Pesticide Regulation before the pesticide is offered for sale. Existing law requires a pesticide use report to be submitted to a county agricultural commissioner or the Director of Pesticide Regulation, as provided. This bill would require the department, on or before January 1, 2028, or on or before the posting of the pesticide use reporting database containing 2026 data, whichever occurs first, and annually thereafter, to indicate if a pesticide contains perfluoroalkyl and polyfluoroalkyl substances (PFAS) pesticide ingredients, as defined, in the pesticide use reporting database on its internet website, include PFAS as a category of interest for purposes of that database, and include pesticide use trends of PFAS pesticide ingredients from the pesticide database in the pesticide use annual report and other relevant pesticide use reporting documents. (Based on 08/30/2026 text)

Position: Monitor

AB 1894 (Rubio, Blanca, D) Fish and wildlife: invasive mussels: imported water.

Current Text: 08/27/2026 - Enrolled [HTML](#) [PDF](#)
Last Amended: 05/28/2026
Status: 08/27/2026 - Enrolled and presented to the Governor at 4 p.m.



Location: 08/27/2026 - Assembly ENROLLED

Summary: Existing law, until January 1, 2030, generally prohibits a person from possessing, importing, shipping, or transporting in the state, or from placing, planting, or causing to be placed or planted in any water within the state, invasive mussels, and authorizes the Director of Fish and Wildlife, or the director's designee, to engage in various enforcement activities with regard to invasive mussels. Existing law, until January 1, 2030, requires a public or private agency that operates a water supply system to cooperate with the Department of Fish and Wildlife to implement measures to avoid infestation by invasive mussels and to control or eradicate any infestation

that occurs in a water supply system. Existing law requires any person, or federal, state, or local agency, district, or authority that owns or manages a reservoir, where specified activities are permitted, except as specified, to develop and implement a program designed to prevent the introduction of invasive mussel species, as provided. Existing law requires any entity that discovers invasive mussels within the state to immediately report the discovery to the department. This bill would prohibit a public agency from prohibiting imported water deliveries for groundwater replenishment, as defined, due to invasive mussels if the importation complies with a specified invasive mussel control plan and unless there is substantial, documented evidence of a proven health and safety risk as a result of the invasive mussels. (Based on 08/24/2026 text)

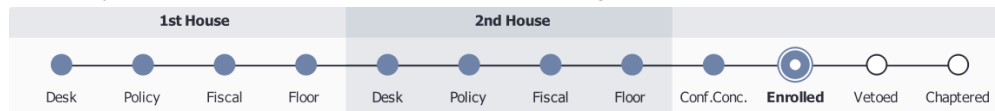
Position: Monitor

AB 2032 **(Ransom, D) Fish and wildlife: invasive mussels: golden mussels.**

Current Text: 09/03/2026 - Enrolled [HTML](#) [PDF](#)

Last Amended: 08/13/2026

Status: 08/30/2026 - Ordered to special consent calendar. Read third time. Urgency clause adopted. Passed. Ordered to the Assembly. In Assembly. Concurrence in Senate amendments pending. Senate amendments concurred in. To Engrossing and Enrolling.



Location: 08/30/2026 - Assembly ENROLLMENT

Summary: Existing law, until January 1, 2030, generally prohibits a person from possessing, importing, shipping, or transporting in the state, or from placing, planting, or causing to be placed or planted in any water within the state, invasive mussels, as defined. Existing law requires a public or private agency that operates a water supply system to cooperate with the Department of Fish and Wildlife (department) to implement measures to avoid infestation by invasive mussels and to control or eradicate any infestation that may occur in a water supply system, and, if invasive mussels are detected, to prepare and implement a plan, as specified, to control or eradicate invasive mussels within the system (control plan). Existing law prohibits the importation, transportation, possession, or live release of specified wild animals, except under a revocable, nontransferable permit, known as a restricted species permit, issued by the department, in cooperation with the Department of Food and Agriculture, and only if certain requirements are met. This bill would exempt from the requirement to obtain a restricted species permit for invasive mussels a public or private agency that operates a water supply system and has submitted a control plan to the department for maintenance, operational, and research activities within the water supply system, as specified. (Based on 09/03/2026 text)

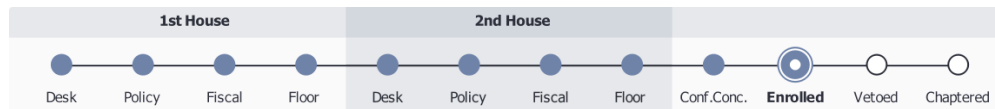
Position: Monitor

SB 872 **(McNerney, D) Delta Levees and Canal Subsidence Fund.**

Current Text: 08/27/2026 - Enrolled [HTML](#) [PDF](#)

Last Amended: 08/13/2026

Status: 08/27/2026 - Enrolled and presented to the Governor at 4:30 p.m.



Location: 08/27/2026 - Senate ENROLLED

Summary: The Sacramento-San Joaquin Delta Reform Act of 2009, declares that the Sacramento-San Joaquin Delta (Delta) is a critically important natural resource for California and the nation and it serves as both the hub of the California water system and the most valuable estuary and wetland ecosystem on the west coast of North and South America. Existing law establishes in the Natural Resources Agency the Department of Water Resources (department). Existing law requires the department and the Department of Fish and Wildlife to determine the principal options for the Delta and requires the department to evaluate and comparatively rate each option for its ability to do specified things, including, among others, to maintain Delta water quality for Delta users, and to preserve, protect, and improve Delta levees. Existing law establishes in the agency the Sacramento-San Joaquin Delta Conservancy. Existing law requires the conservancy to act as a primary state agency to implement ecosystem restoration in the Delta and to support efforts that advance environmental protection and the economic well-being of Delta residents. Existing law provides for the preservation of specified management areas of the Suisun Marsh, pursuant to a protection plan prepared and adopted by the San Francisco Bay Conservation and Development Commission, as provided. Existing law establishes the Delta Stewardship Council, and requires the council to develop, adopt, and implement a comprehensive long-term management plan for the Delta, known as the Delta Plan, as provided. Existing law requires the department, upon appropriation, to reimburse an eligible local agency for costs incurred for the maintenance or improvement of specified levees, in an amount not to exceed 75% of costs incurred in excess of a set amount per mile, as provided. This bill would require the department to reimburse 100% of the excess costs if a local agency demonstrates economic hardship and the reimbursement is for a project that addresses a threat to life, property, water supply, or habitat. (Based on 08/24/2026 text)

Position: Support

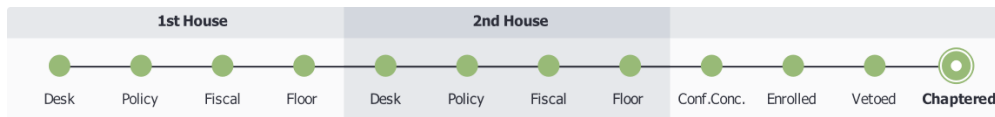
Notes:

Subsidence/conveyance funding
Delta levee repairs

SB 935 **(Choi, R) Local agency design-build projects: authorization.**

Current Text: 07/16/2026 - Chaptered [HTML](#) [PDF](#)

Status: 07/16/2026 - Approved by the Governor. Chaptered by Secretary of State. Chapter 102, Statutes of 2026.



Location: 07/16/2026 - Senate CHAPTERED

Summary: Current law authorizes a local agency, as defined, with approval of its governing body, to procure design-build contracts for public works projects in excess of \$1,000,000, awarding the contract either to the lowest bid or the best value. Current law, among other requirements for the design-build procurement process, requires specified information submitted by a design-build entity to be certified under penalty of perjury. These provisions authorizing local agencies to use the design-build procurement process are repealed on January 1, 2031. This bill would repeal the above-described January 1, 2031, repeal date, thereby extending the operation of these provisions indefinitely. (Based on 07/16/2026 text)

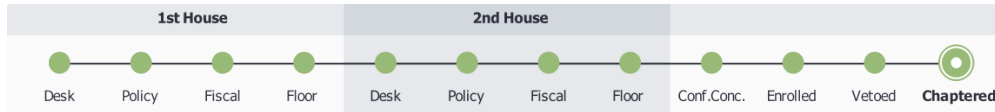
Position: Monitor

SB 952 **(Laird, D) State Water Project: renewable energy resources and zero-carbon resources.**

Current Text: 08/31/2026 - Chaptered [HTML](#) [PDF](#)

Last Amended: 08/06/2026

Status: 08/31/2026 - Approved by the Governor. Chaptered by Secretary of State. Chapter 175, Statutes of 2026.



Location: 08/31/2026 - Senate CHAPTERED

Summary: Under existing law, it is the policy of the state that eligible renewable energy resources and zero-carbon resources supply 90% of all retail sales of electricity to California end-use customers by December 31, 2035, 95% of all retail sales of electricity to California end-use customers by December 31, 2040, 100% of all retail sales of electricity to California end-use customers by December 31, 2045, and 100% of electricity procured to serve all state agencies by December 31, 2035, as specified. Existing law requires the Department of Water Resources to procure eligible renewable energy resources and zero-carbon resources to satisfy those state agency obligations imposed on the State Water Resources Development System, commonly known as the State Water Project, pursuant to that policy. Existing law authorizes the department to defer, until no later than December 31, 2040, procuring zero-carbon electricity resource quantities equal to the amount of electricity provided under an existing contract to procure fossil generation entered into before January 1, 2010, if the department determines that the full achievement of the state agency obligations imposed on the State Water Project would require the early termination of the existing contract and that early termination of the existing contract would result in significant uneconomic costs. Existing law requires the department, in conducting procurement, to consider specified factors and requires that all resources procured be used first to meet the department's own electricity needs. This bill would require the department, in conducting that procurement, to also consider portfolio diversity, resource type, location, and hours of typical peak operation. The bill would expand the scope of the department's authorization to defer the procurement of those resource quantities to apply to an existing contract to procure fossil generation entered into before January 1, 2011, rather than January 1, 2010. (Based on 08/31/2026 text)

Position: Support

Total Measures: 7

Total Tracking Forms: 7



100 North Canyons Parkway
Livermore, CA 94551
(925) 454-5000

August 27, 2026

The Honorable Gavin Newsom
Governor of California
1021 O Street, Suite 900
Sacramento, CA 95814

Re: Delta Levees and Canal Subsidence Fund – Signature Request

Dear Governor Newsom:

On behalf of Zone 7 Water Agency, I am writing to respectfully request your signature on Senate Bill 872 (McNerney), which provides an avenue for continuing appropriations to address the critical need and long-standing challenge of ensuring that subsidence in the Sacramento/San Joaquin Delta (Delta) and along arterial canals and aqueducts is addressed. Changing climatic conditions have created additional strain on California's water supply system as well as the Delta levees and ecosystems.

As a water provider serving approximately 266,000 residents in the cities of Dublin, Livermore, Pleasanton, and the Dougherty Valley of San Ramon, as well as agricultural customers, Zone 7 imports between 70% and 90% of its water supply through the Delta from the State Water Project. The Delta is a fragile system that continues to be the focus of the State Water Project and the water contractors that use this system as a lifeline for water supplies. A healthy and functioning levee system through the Delta is critical to the water supply of our valley and provides that lifeline during wet years to replenish the Livermore Valley Groundwater Basin. This replenishment has been taking place since the 1960s and is part of an overall strategy to reduce dependency on Delta supplies during drought years. Zone 7 prides itself on the successful management of groundwater resources, but management of this precious resource is heavily dependent on imported water through the Delta.

SB 872 responds to dire projections showing that the Delta levees and water system are at significant risk from continued subsidence. Loss of a single levee or critical aqueduct could not only put Zone 7's water supply at risk but also impact millions of Californians south of the Delta. Continued opportunities for annual appropriations through the Delta Levees and Canal Subsidence Fund are a key focus of this bill and will ensure that projects can move forward to address critical levee and aqueduct repairs necessitated by ground subsidence.

For these reasons, Zone 7 Water Agency respectfully urges your signature. Please contact Carol Mahoney, Government Relations Manager, at carol@zone7water.com should you need additional information.

Sincerely,

Laurene K Green

Laurene Green
President of the Board of Directors
c: Senator Jerry McNerney, Senate District 5



August 28, 2026

Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

SUBJECT: SB 872 (McNerney) – Request for Signature

Dear Governor Newsom:

The above-identified organizations are pleased to respectfully request your signature on SB 872 (McNerney), which would create the framework for receipt of funding for the purposes of supporting capital improvements to restore the original design water conveyance capacity for state water conveyance systems impacted operationally by land subsidence and for projects in the Sacramento-San Joaquin Delta to improve existing levees.

More than 27 million Californians depend on water that flows through the State Water Project (SWP) conveyance facilities. These facilities provide water supplies that are necessary to maintain the state's economy, develop and support additional local water supplies, recharge local groundwater basins, and serve more than three-fourths of the disadvantaged communities throughout the state. Land subsidence is impacting the water conveyance infrastructure in California's San Joaquin Valley. As land sinks, the physical alignment and capacity of canals and aqueducts are compromised, leading to inefficiencies, rising maintenance costs, and diminished performance of California's water delivery systems. Critically, subsidence-impaired conveyance facilities have reduced operational flexibility to respond to grid conditions – limiting the ability to ramp pumping up or down in coordination with renewable energy generation, increasing curtailment of solar resources and forcing greater reliance on natural gas to fill the gap.

Restoring water conveyance capacity through SB 872 is a direct climate investment. Without repairs to the state's water conveyance system, water agencies will have reduced drinking water supplies, less water available to manage groundwater basins, fewer opportunities to transfer water between parties utilizing existing infrastructure, fewer opportunities to refill below and above ground water storage, increased operational costs, and potentially be forced to rely on more carbon-intensive alternatives. California cannot rely solely on ratepayers to cover subsidence repair costs, especially when the SWP serves a region that includes 75% of the state's disadvantaged communities, many of whom reside far from the physical damage but will still bear the consequences should it not be affordably repaired.

Additionally, the Sacramento-San Joaquin Delta, which supports local communities and the state and federal water projects, is also experiencing the impacts of climate change. Increasing droughts, more extreme precipitation events, earlier snowmelt, and sea level rise all create concerns for how to manage the dynamic ecosystem in a way that continues to support human life and natural ecosystems. The Delta is home to 1,100 miles of levees which provide protection to residences, agricultural lands, and electrical, transportation, and other infrastructure and help ensure fresh drinking water supply to millions of Californians. But many levees were constructed in the 1800s and are in desperate need of repair and reinforcement.

Addressing levee repairs and improvements will reduce risk of flooding, the potential for water supply disruptions, environmental harm, economic disruptions, and save money by addressing deficiencies before they turn into emergency measures. In 2025 alone, there were 3 near-levee breaches that were fortunately caught before a full breach, but the risk is growing.

Committing to a durable, long-term funding gameplan for water conveyance subsidence repairs and Delta levees will ensure the state is contributing to a shared and coordinated investment to avoid further degradation of the state's primary water delivery systems and reducing hardship for communities and ecosystems that depend on it. Inaction will increase the cost of water for millions of Californians, increase strain on California's energy grid, and negatively impact disadvantaged communities, farms, businesses and

ecosystems that depend on state and federal water project supplies, while fixing subsidence and Delta levees offers significant public benefits for the environment, economy, water reliability, and public safety.

We strongly appreciate SB 872 for elevating and addressing California's near-term infrastructure crises, and we respectfully request your signature on this measure.

Sincerely,

Jennifer Pierre, General Manager
State Water Contractors

Dan C. Dunmoyer, President & CEO
California Building Industry Association

Mike Roos, President
Southern California Leadership Council

Jazmine Advincula, Director of Public Policy
CalAsian Chamber of Commerce

Mayor Sharona R. Nazarian, PsyD
City of Beverly Hills

Amanda Walsh, Vice President of Government Affairs
Orange County Business Council

Rich Lambros, Executive Director
Secure Water Alliance

Melanie Richardson, P.E., Interim Chief Executive Officer
Valley Water

Jeremy Harris, President & CEO
Long Beach Area Chamber of Commerce

Thomas Love, General Manager
Upper San Gabriel Valley MWD

Mandip Samra, General Manager
Burbank Water and Power

Matthew Litchfield, General Manager, P.E.
Three Valleys Municipal Water District

Jose Reynoso, General Manager
San Gabriel Valley Municipal Water District

Shivaji Deshmukh, General Manager
The Metropolitan Water District of Southern California

Michael Quigley, Executive Director
California Alliance for Jobs

Julia Hall, State Legislative Director
Association of California Water Agencies

Adrian Covert, Senior Vice President of Public Policy
Bay Area Council

Alexandra Biering, Director, Policy Advocacy
California Farm Bureau Federation

Will Oliver, President/CEO
Fresno County Economic Development Corporation

Vijay Das, Policy Director
New California Coalition

Charles Wilson, Executive Director & CEO
Southern California Water Coalition

Jose Martinez, President, Board of Directors
San Gabriel Valley Water Association

Harvey De La Torre, General Manager
Metropolitan Water District of Orange County

Dennis D. LaMoreaux, CEO/General Manager
Palmdale Water District

Heather Dyer, General Manager
San Bernardino Valley MWD

Eric Averett, General Manager
Kern County Water Agency

James Lee, General Manager
Crescenta Valley Water District

John Bosler, P.E. General Manager/CEO
Cucamonga Valley Water District

Chisom Obeolu, Assistant General Manager --
Water
Glendale Water and Power

Justin Scott-Coe, General Manager/CEO
Monte Vista Water District

Christiana Daisy, Interim General Manager
Inland Empire Utilities Agency

Nina Jazmadarian, General Manager
Foothill Municipal Water District

Danielle Borja, President & CEO
Greater Conejo Valley Chamber of Commerce

Joe Mouawad, P.E., General Manager
Eastern Municipal Water District

Paul Shoenberger, General Manager
Mesa Water District

Melanie Richardson, P.E., Interim Chief Executive
Officer
Valley Water

Stephen Cole, General Manager
Santa Clarita Valley Water Agency

Christopher Silke, District Engineer
**Napa County Flood Control and
Water Conservation District**

Jennifer Spindler, General Manager
Crestline-Lake Arrowhead Water Agency

Matthew Knudson, General Manager
Antelope Valley East Kern Water Agency

Mark Gilkey, Manager-Engineer
Dudley Ridge Water District

Chris Lee, General Manager
Solano County Water Agency

Jason A. Martin, General Manager
Rancho California Water District

Dave Pederson, General Manager
Las Virgenes Municipal Water District

Edward Caldwell, General Manager
West Basin Municipal Water District

Paul Cook, P.E., General Manager
Irvine Ranch Water District

Craig D. Miller, P.E., General Manager
Western Municipal Water District

Stephen Bise, PE, TE, Director of Public Works
City of Fullerton

Norman Huff, General Manager
Camrosa Water District

Zeb Welborn, President & CEO
Chino Valley Chamber of Commerce

Jerry Vilander, General Manager
Serrano Water District

Kristine McCaffrey, P.E., General Manager
Calleguas Municipal Water District

Ray A. Stokes, Executive Director
Central Coast Water Authority

Jim Barrett, General Manager
Coachella Valley Water District

Esther Saenz, MBA, General Manager
Desert Water Agency

Lance Eckhart, General Manager
San Geronio Pass Water Agency

Valerie Pryor, General Manager
Zone 7 Water Agency

Adnan Anabtawi, General Manager
Mojave Water Agency

Andrea Abergel, Director of Water
California Municipal Utilities Association

ORIGINATING SECTION: Integrated Planning

CONTACT: Sal Segura/Neeta Bijoor

AGENDA DATE: September 16, 2026

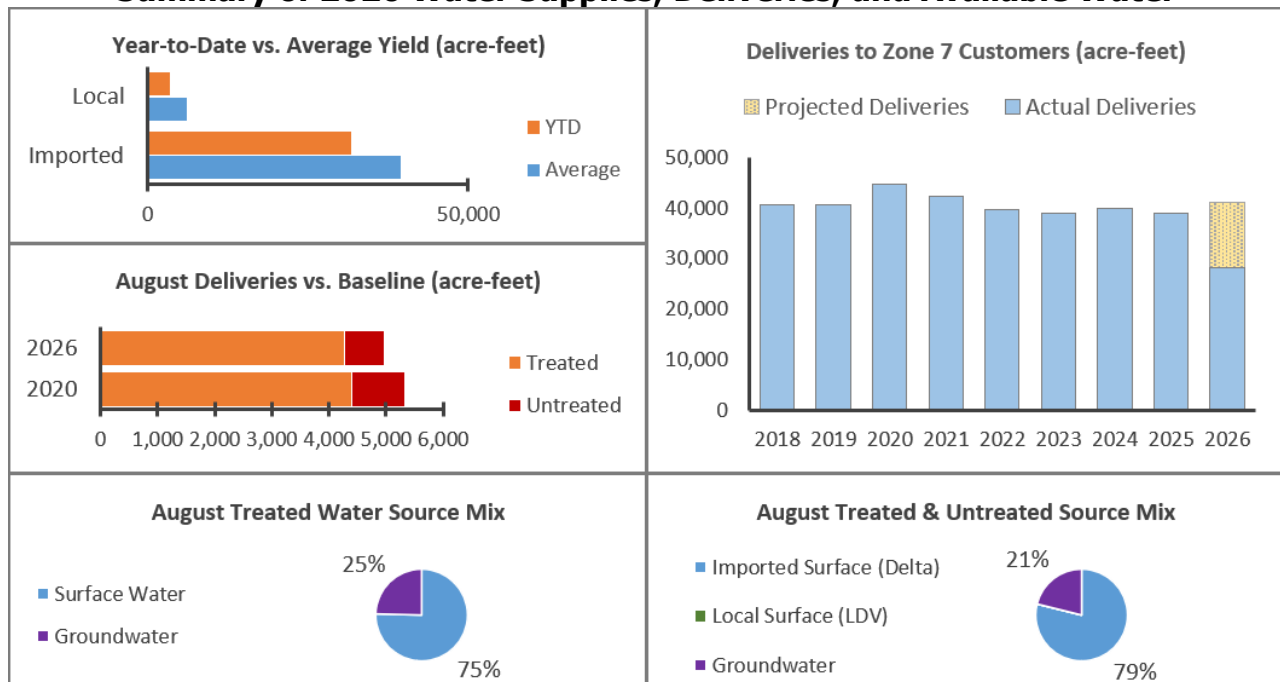
SUBJECT: Monthly Water Inventory and Water Budget Update

SUMMARY:

Zone 7 Water Agency manages its water supply portfolio to deliver safe, reliable, efficient, and sustainable water. This report summarizes current water supply, usage, and storage conditions to support Strategic Plan Goal B – Reliable Water Supply and Infrastructure, and advance Strategic Plan Initiative #5 – Develop a diversified water supply plan and implement supported projects and programs.

The 2026 Annual Review of the Sustainable Water Supply Report, which provides an overall analysis of the annual water supply, was provided to the Board in May. A summary of long-term water supply planning is also included in the Urban Water Management Plan (UWMP), which was updated this year, and is updated every five years to assess water supply reliability on a 20-year planning horizon. The Board adopted the 2025 UWMP in June of 2026, and the next update is due on July 1, 2031. These plans and evaluations account for the various sources of supply and storage available to Zone 7 locally, in State Water Project (SWP) facilities, and Kern County storage and recovery programs.

Summary of 2026 Water Supplies, Deliveries, and Available Water



ZONE 7 WATER INVENTORY AND WATER BUDGET (August 2026)

Supply and Demand

(See Table 3, Figure 1, Figure 2, Figure 3, and Figure 4)

- Monthly totals: 4,970 acre-feet (AF) delivered to customers (4,270 AF treated production and 700 AF estimated untreated deliveries).
- Total treated water production increased by 3% compared to last month.
- Treated water sources were 75% surface water and 25% groundwater this month.
 - Treatment plant production was 33.8 million gallons per day (MGD).
 - Wellfield production was 11.0 MGD.

Comparison of Demands: 2026 vs 2020 baseline

(See Table 1)

- In August 2026, Zone 7's overall water demand was 7% lower than in August 2020: treated water production was 3% lower, while estimated untreated deliveries were 26% lower.

Table 1: August 2026 comparison – Treated and Untreated Demands

	Treated Production	Untreated Delivery	Total
August 2026 (AF)	4,270	700	4,970
August 2020 (AF)	4,390	940	5,330
August 2026 vs August 2020	3% lower	26% lower	7% lower

Imported Water

(See Table 2 and Table 3)

- The State Water Project allocation remains at 45%. This amounts to 36,279 AF to Zone 7. This is anticipated to be the final allocation for 2026. Zone 7 used 4,520 AF of its Table A allocation in August and has approximately 31,760 AF remaining.
- As of August, Zone 7 has no SWP carryover (Art. 56) water remaining.

Table 2: Available Water Supplies (as of September 1, 2026)

Sources of Water Supplies	Acre-Feet (AF)
Table A	31,760
Water Transfers/ Exchanges ¹	0
SWP Carryover Water	0
Lake Del Valle (Carryover + New Yield)	3,900
Livermore Valley Groundwater Basin (AF above Minimum Thresholds)	123,400
Kern Storage and Recovery Programs	106,400
Total	265,460

¹Includes any approved SWP purchases/exchanges, Yuba Accord Water, and Sutter Extension Water District supplies if exercised (Zone 7 entered into a 5-year option agreement to purchase up to 3,000 AF/year).

Groundwater

(See Table 3 and Figure 5)

- The Livermore Valley Groundwater Basin comprises four subbasins. The Basin's estimated maximum storage capacity is 254,000 AF, including the storage capacity below the Minimum Thresholds established in the Alternative Groundwater Sustainability Plan. The estimated storage capacity above the Minimum Thresholds (operational storage) is 126,000 AF.
- Basin storage is approximately 98% of operational storage capacity.
- It is important to note that not all the storage above the Minimum Thresholds is accessible with Zone 7's existing wells, as 80% of Zone 7's groundwater facilities are in the Amador West subbasin. Furthermore, the presence of per- and polyfluoroalkyl substances (PFAS) compounds in the groundwater basin has limited the use of some wells.
- In August, the total pumping from Zone 7's wellfields was approximately 1,050 AF, making up 25% of the treated water supply.
- Estimated groundwater basin outflow on the west side of the Basin was 0 AF in August. This groundwater spills into Arroyo De La Laguna due to a high groundwater table near the Arroyo. The cessation of groundwater outflow is due to declining water levels.
- In August, Zone 7 released 600 AF to Arroyo Valle to cover its share of the live stream requirement and supplement Shadow Cliffs.

Stream Outflow

(See Table 3)

- Surface runoff did not exceed the 10 cubic feet per second (CFS) baseflow at Arroyo De La Laguna at the Verona stream gauge during the month of August, resulting in zero outflow.
- Note: Some surface outflow from the Livermore-Amador Valley is mandated for other downstream purposes.

Local Precipitation

(See Figure 7)

- No precipitation was recorded at Livermore Airport in August.
- As of August 31, Livermore has received 12.21 inches of rain for the water year starting October 1, 2025, and is 86% of average to date.

Sierra Precipitation

(See Figure 8)

- No precipitation was recorded in the Northern Sierras in July. Historical average precipitation in August is 0.2 inches.
- Cumulative precipitation in the Northern Sierras for Water Year 2026 through August 31 is 50.9 inches, or 97% of average to date.

Sierra Snowpack

(See Figure 9)

- DWR has stopped reporting snowpack for the season. It is anticipated that reporting will resume in December.

Lake Oroville

(See Figure 10)

- As of August 26, 2026, Lake Oroville storage is at 60% of total capacity, representing 97% of average storage conditions for this date of the year.
 - Storage: 2,052,078 AF
 - Storage as a percentage of total capacity decreased by 12% during the month of August.

San Luis Reservoir

(See Figure 11)

- San Luis Reservoir is a joint-use facility between the State Water Project and the Central Valley Project. Its total storage capacity is 2,041,000 AF, and the SWP's share of the total capacity is 1,062,180 AF. As of August 26, 2026, the total reservoir storage is 1,253,918 AF, of which approximately 858,780 AF belongs to SWP. The SWP's share of the reservoir capacity is 81% full.

Lake Del Valle

(See Table 3 and Figure 6)

- Lake Del Valle holds 34,500 AF as of September 1.
- Zone 7's estimated water storage in Lake Del Valle at the end of August is approximately 3,900 AF.

NOTE: Numbers presented are estimated and subject to refinement over the course of the year.

Table 3: Water Inventory

Water Inventory for Zone 7 Water Agency

Note: Values are rounded. All units in AF unless noted otherwise. Subject to adjustment over the year.

	2025 Jan-Dec	2026 Aug	2026 - YTD Jan-Dec
Source			
Incoming Supplies			
State Water Project (SWP) - Table A	26,320	4,520	5,900
State Water Project - Article 21	0	0	0
Lake Del Valle Local Water, (Includes Evap Loss)	8,000	0	4,400
Water Transfers/Exchanges ¹	0	0	0
Subtotal	34,320	4,520	10,300
From Storage			
State Water Project - Carryover	9,160	0	14,020
Livermore Valley Groundwater Basin	7,520	1,050	5,710
Kern Storage and Recovery Programs	0	0	0
Subtotal	16,680	1,050	19,730
Total Supply	51,000	5,570	30,030
Water Use			
Customer Deliveries			
Treated Water Demand ²	34,520	4,270	24,660
Untreated Water Demand	4,360	700	3,400
Subtotal	38,880	4,970	28,060
To Storage			
Livermore Valley Groundwater Basin Recharge	3,120	600	1,970
Kern Storage and Recovery Programs	5,000	0	0
Subtotal	8,120	600	1,970
SWP Transfer			
Water Transfers/Exchanges ³	4,000	0	0
Total Water Use	51,000	5,570	30,030
Available Water Supplies			
Incoming Supplies	End-of-2025		
SWP - Table A (%)	50%	45%	45%
SWP - Table A Remaining	14,020	31,760	31,760
Water Transfers/Exchanges	0	0	0
Subtotal	14,020	31,760	31,760
Storage Balance	End-of-2025		
SWP Carryover	0	0	0
Lake Del Valle Local Water	4,950	3,900	3,900
Livermore Valley Groundwater Basin ⁴	123,100	123,400	123,400
Kern Storage and Recovery Programs	106,400	106,400	106,400
Subtotal	234,450	233,700	233,700
Total Available Water	248,470	265,460	265,460
Watershed Conditions	End-of-2025		
Precipitation at Livermore Station (in) ⁵	11.7	0.00	6.55
Lake Del Valle Local Water Net Yield	4,950	-100	3,350
Measured Change in Groundwater Basin Storage	-900	-1,200	300
Surface Water Outflow ⁶	17,990	0	13,400

¹ Includes any approved SWP purchases/exchanges and Sutter Extension Water District supplies if exercised.

² Includes a small amount of unaccounted-for water.

³ In 2025, Zone 7 transferred water to the Westside Districts.

⁴ Storage volume is based on most recent groundwater level data; amount shown excludes 128,000 AF of storage below the minimum thresholds.

⁵ Local precipitation reported in Table 3 for 2026YTD is reported on a calendar year basis.

⁶ Surface Water Outflow is estimated based on flow at USGS gage Arroyo De La Laguna at Verona.

Figure 1: Monthly Treated Water Production in Acre-Feet (AF)

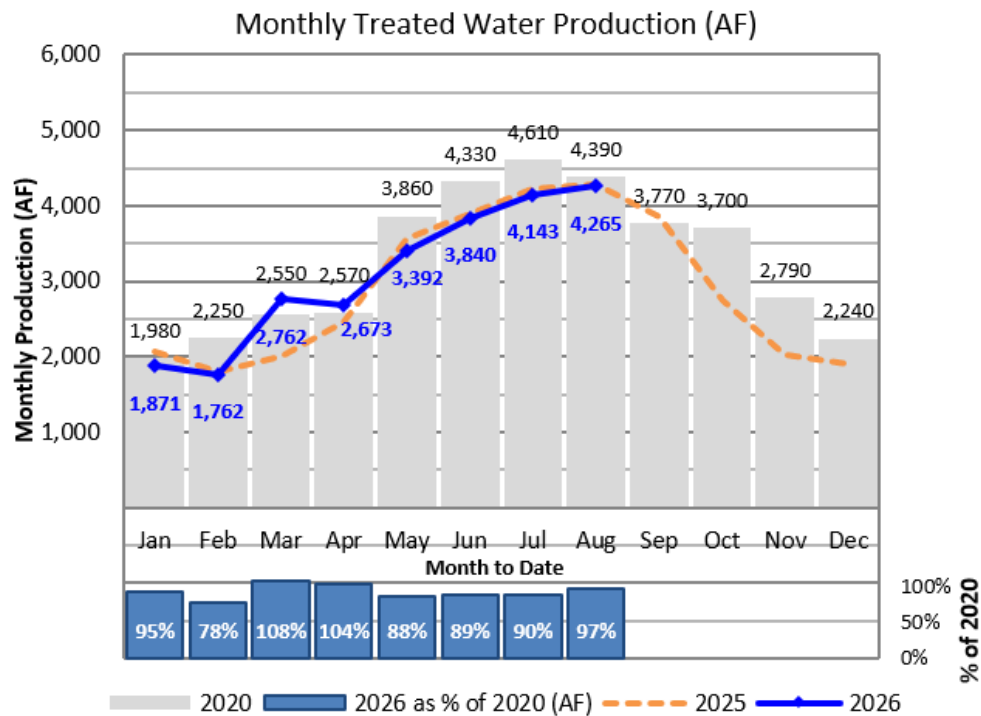
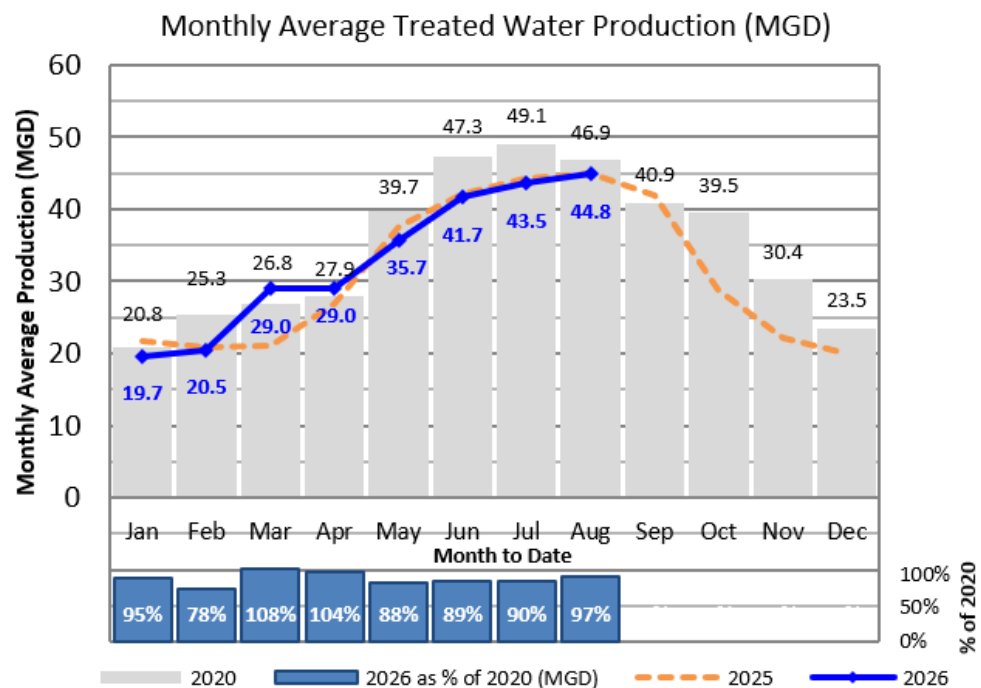
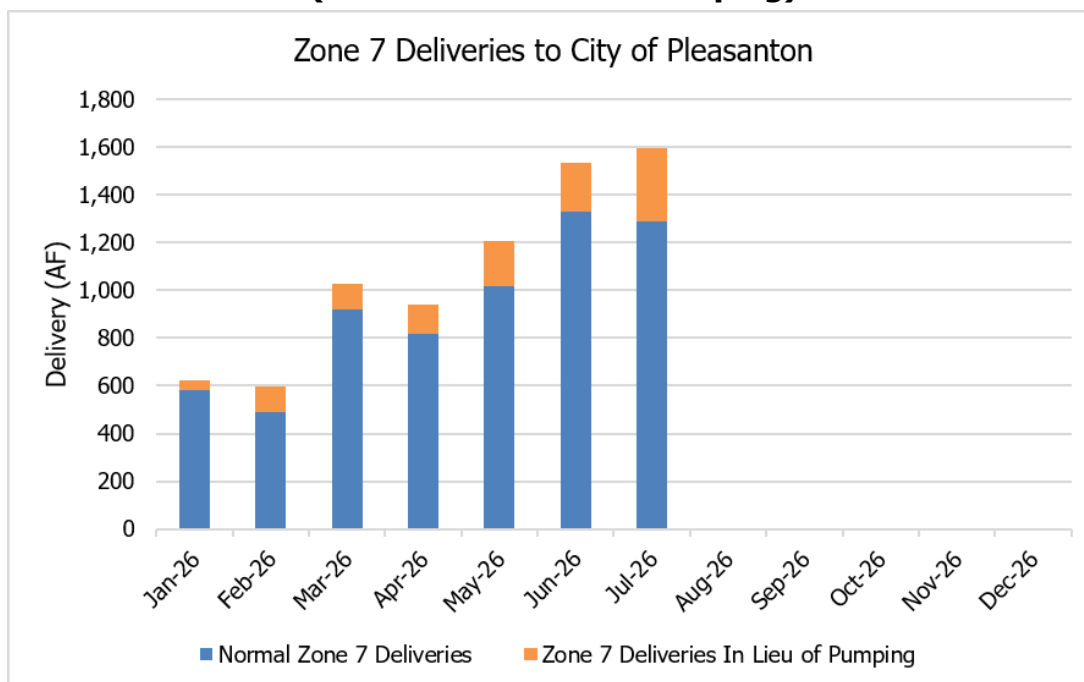


Figure 2: Monthly Treated Water Production in Average Million Gallons Per Day (MGD)

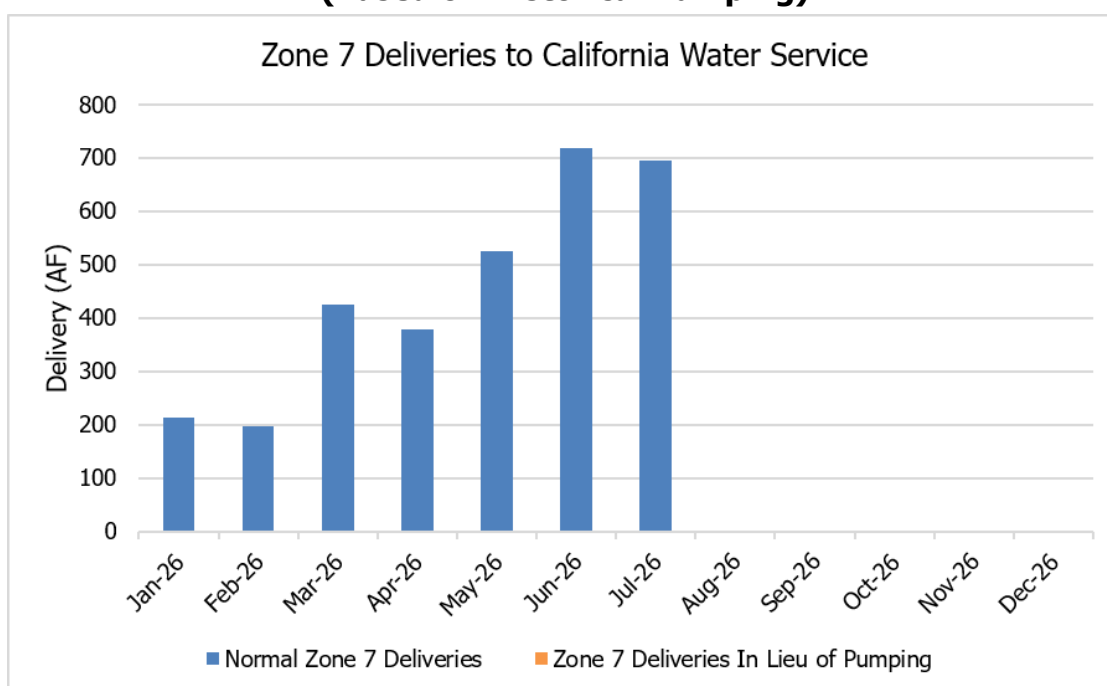


**Figure 3: Pleasanton Estimated In-Lieu Demand
(Based on Historical Pumping)**



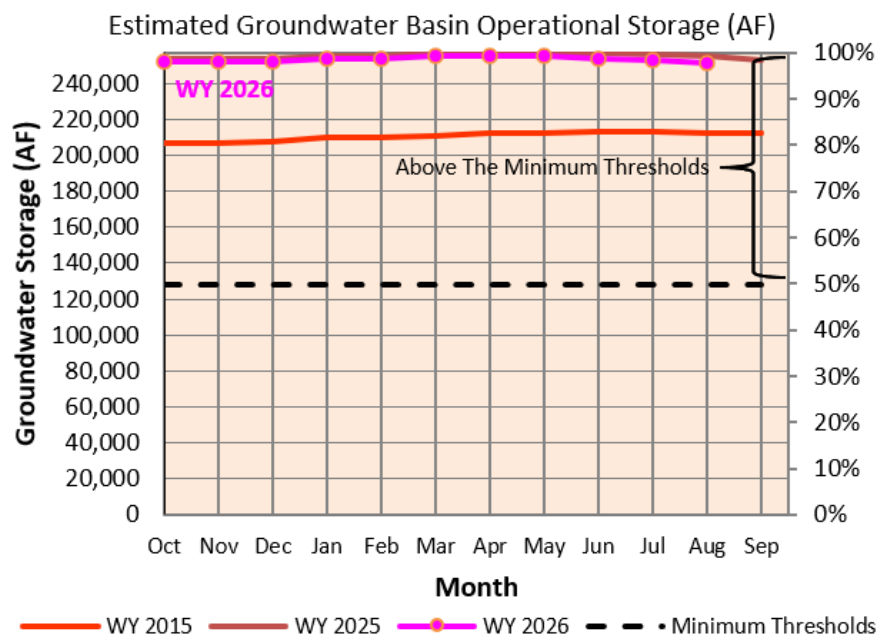
**Pleasanton's pumping data for August is not yet available and will be reflected in future inventories.*

**Figure 4: California Water Service Estimated In-Lieu Demand
(Based on Historical Pumping)**



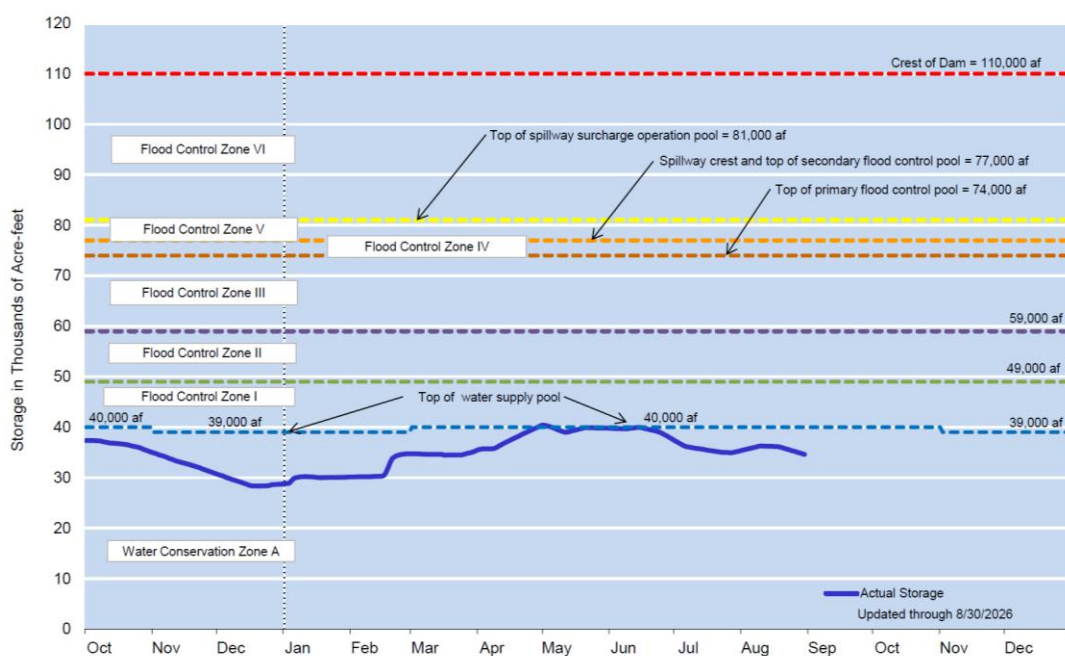
**Cal Water's pumping data for August is not yet available and will be reflected in future inventories.*

Figure 5: Livermore Valley Groundwater Basin Storage*



*The estimated groundwater basin storage represents the combined total storage from all four subbasins.

Figure 6: Lake Del Valle Storage



Source: <https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/State-Water-Project/Operations-And-Maintenance/Files/Operations-Control-Office/Project-Wide-Operations/Del-Valle-Weekly-Reservoir-Storage-Chart.pdf>

Figure 7: Local Precipitation

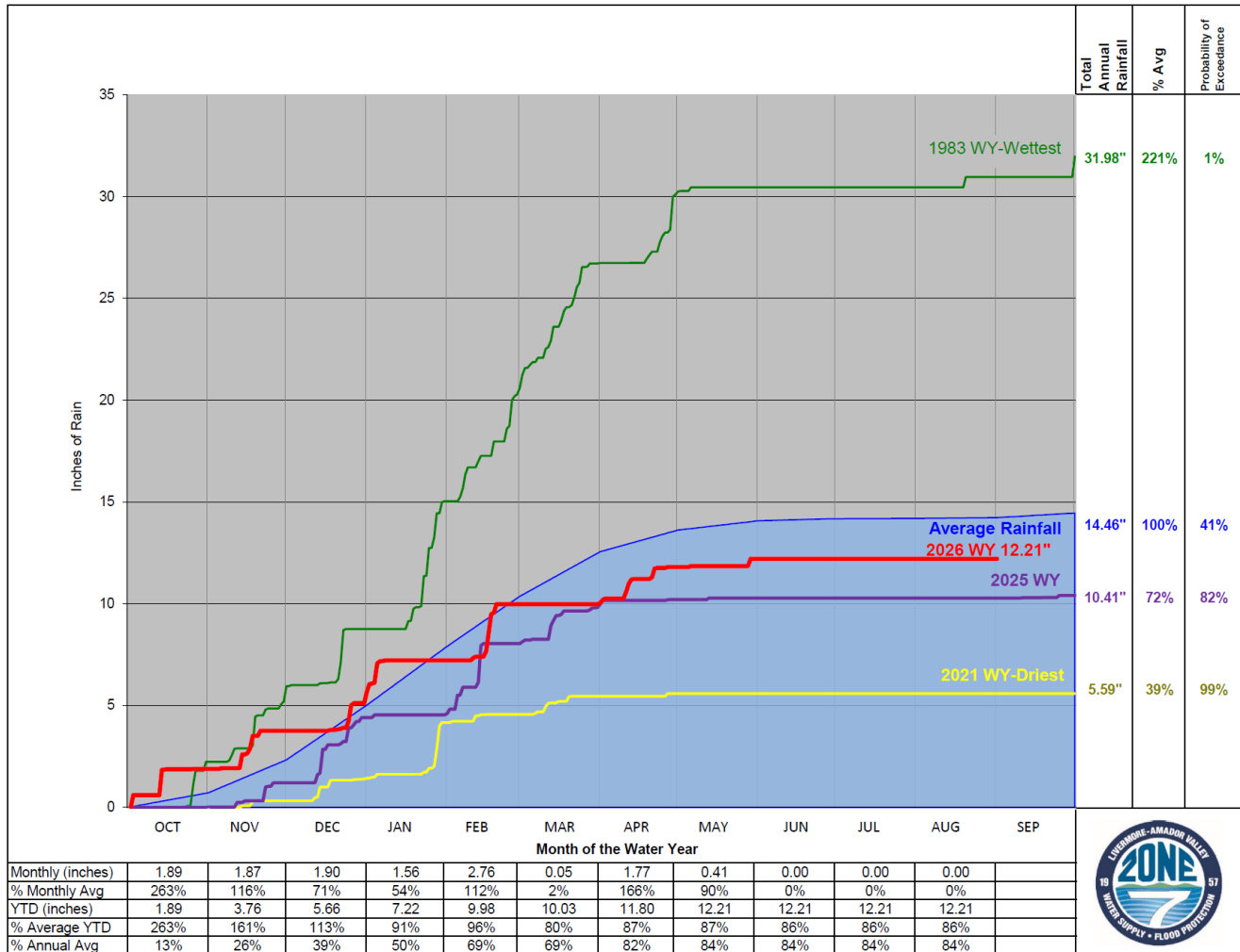
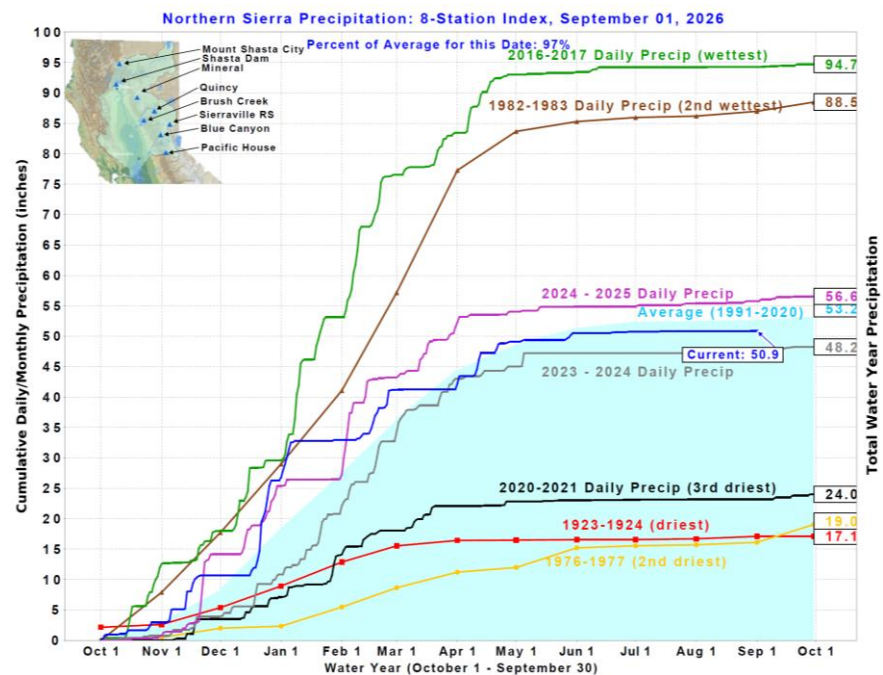


Figure 8: Cumulative Precipitation in the Northern Sierra



Source: http://cdec.water.ca.gov/cgi-progs/products/PLOT_ESI.pdf

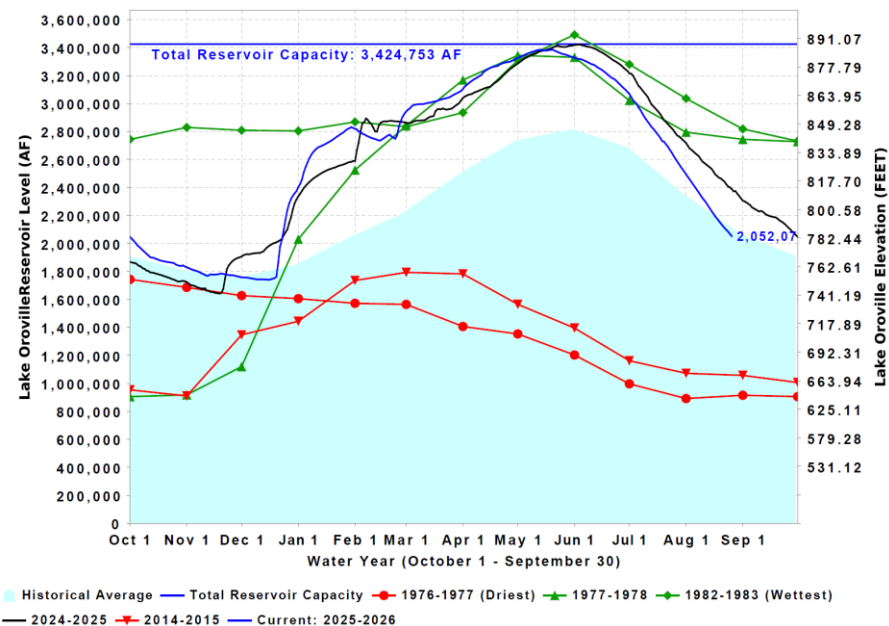
Figure 9: Sierra Snowpack

DWR stopped reporting Sierra Snowpack in June. It is anticipated that DWR will resume reporting in December.

Source: <https://cdec.water.ca.gov/reportapp/javareports?name=swccond.pdf>

Figure 10: Lake Oroville Storage

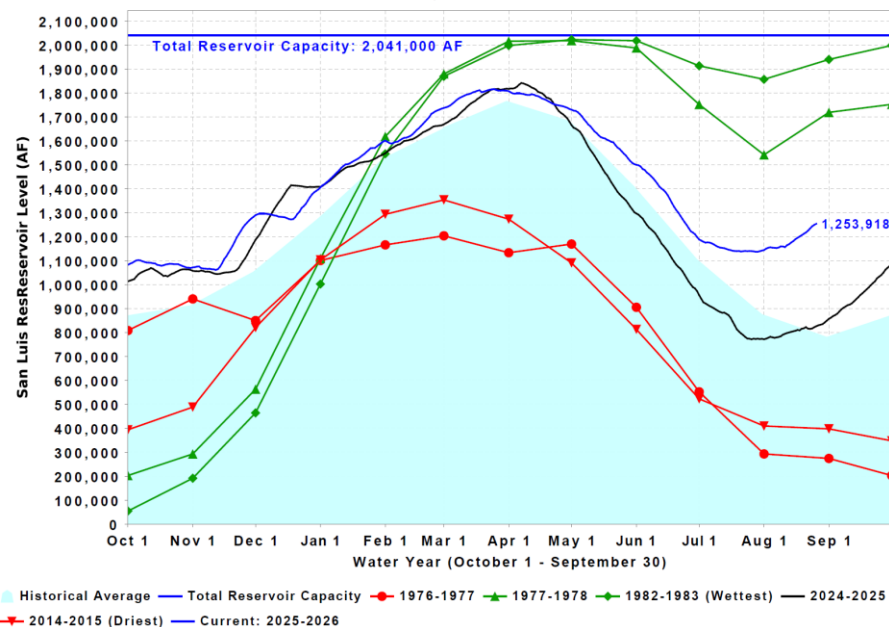
Lake Oroville Levels: Various Past Water Years and Current Water Year, Ending At Midnight August 26, 2026



Source: <https://cdec.water.ca.gov/resapp/ResDetail?resid=ORO>

Figure 11: San Luis Reservoir Storage

San Luis Res Levels: Various Past Water Years and Current Water Year, Ending At Midnight August 26, 2026



Source: <https://cdec.water.ca.gov/resapp/ResDetail?resid=SNL>

ORIGINATING SECTION: Integrated Planning
CONTACT: Neeta Bijoor

AGENDA DATE: September 16, 2026

SUBJECT: Water Conservation Program Update for FY 2025-26

SUMMARY:

- Zone 7 Water Agency (Zone 7) supports water conservation through comprehensive programs as part of the agency's mission to deliver safe, reliable, efficient, and sustainable water. Zone 7's conservation efforts align with Strategic Plan Goal B – Reliable Water Supply and Infrastructure, Initiative #5 – Develop a diversified water supply plan and implement supported projects and programs; and support Strategic Plan Goal G – Stakeholder Engagement, including Strategic Plan Initiatives #19 – Communications Program and #20 – Pursue opportunities for interagency cooperation. Zone 7's water conservation programs also support its Water Supply Reliability Policy and fulfill the terms of the retailer water supply contracts.
- Zone 7 has extensive water conservation programming, including multiple indoor and outdoor rebate offerings for the residential, commercial, industrial, and institutional (CII) sectors; educational and outreach initiatives; online resources; and social media.
- The attached program update summarizes Zone 7's programs and FY 2025-26 activities, which covers July 1, 2025, through June 30, 2026.
- In the first two months of FY 2026-27, there has been a notable increase in rebate applications for water-efficient landscape conversion projects, and thus a significant portion of the FY 2026-27 budget has been spent or committed. As of September 1, 8 rebates have been issued (compared with only one at this time last year) and 14 are in-progress.

FUNDING: Not applicable.

RECOMMENDED ACTION: Information only.

ATTACHMENTS:

- Water Conservation Program Update for FY 2025-26
- Photographs from FY 2025-26 program activities

Attachment 1: Water Conservation Program Update for FY 2025-26

Water Conservation Program Overview

- Zone 7 Water Agency (Zone 7) has extensive water conservation programming in partnership with its retailers. These programs have helped the agency reduce water use since the 1990s. Water conservation efforts are not only critical during droughts but are key for Zone 7's long-term reliability strategy.
- The State of California has enacted multiple laws toward its goal of "Making Conservation a California Way of Life." Zone 7's conservation programs help its retailers meet their Urban Water Use Objectives (UWUOs), or water-use efficiency targets, as part of the State's conservation framework, established through 2018 legislation (SB 606 and AB 1668). As a wholesaler, Zone 7 is not required to comply with a UWUO and supports its four retailers in compliance.
- **Rebate programs:** Zone 7 has rebate programs available for the service areas of three of its four retailers, Dublin San Ramon Services District, City of Pleasanton, and City of Livermore, while California Water Service offers its own rebate programs. In October 2025, Zone 7 updated its rebate rates for water-efficient landscape conversion and residential smart controllers. The rebate programs are described below:
 - High-efficiency Clothes Washers: Single-family homes can get a \$200 rebate for clothes washers rated at Energy Star's Most Efficient level. This program has been in place for over 20 years; Zone 7 has provided over 19,000 rebates.
 - Pool Covers: Zone 7 provides households with up to \$100 for purchasing and using a pool cover to reduce evaporation. Since the program started in 2023, Zone 7 has rebated 136 pool covers (over 75,000 square feet).
 - Smart Irrigation Controllers: Zone 7 rebates up to 50% of the cost of smart irrigation controllers, up to \$125 and \$3,000 for residences and commercial properties, respectively. Smart irrigation controllers reduce water usage by adjusting irrigation based on local weather data. Since the program began in 2012, over 1,400 smart irrigation controllers have been installed.
 - Water-Efficient Landscape Conversion: Zone 7 pays homes and businesses to convert their lawns into water-efficient landscapes for \$2 per square foot, up to \$3,000 and \$20,000 for residential and commercial projects, respectively. Zone 7 provides free online project resources. Since the program started in 2012, there have been 428 lawn conversions, which led to 500,000 square feet of water-efficient landscaping.

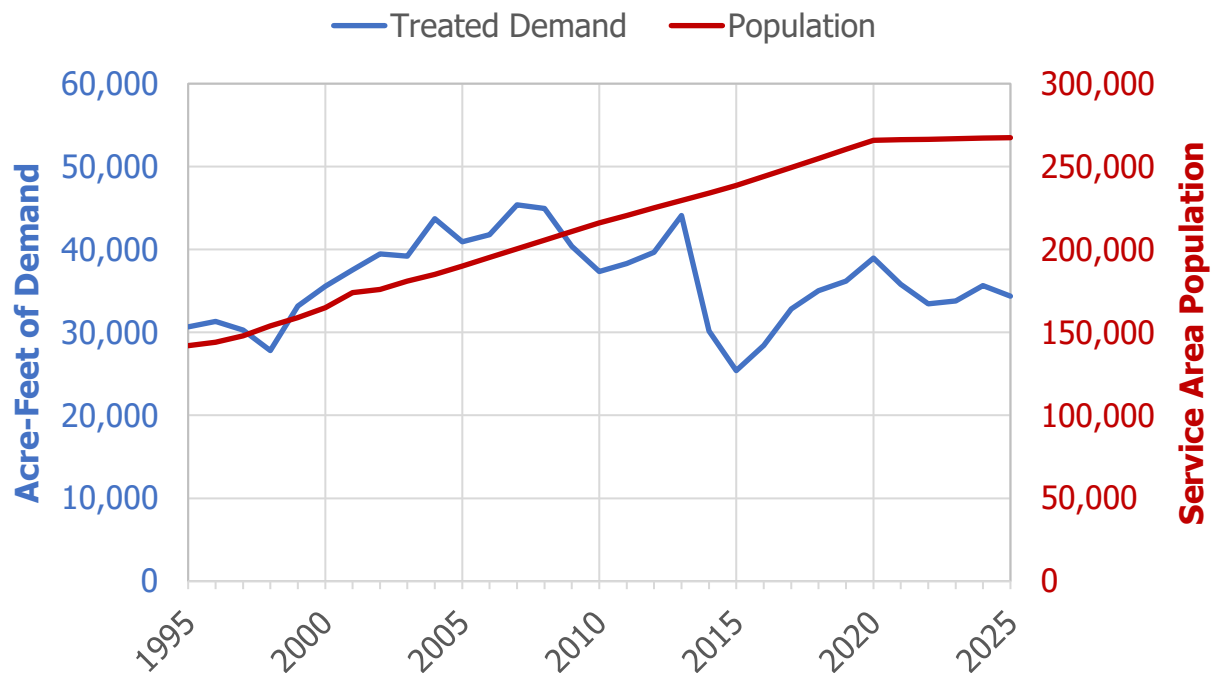
- **Educational and outreach initiatives:** Zone 7's comprehensive outreach includes school education and various events that incorporate water conservation messaging. Zone 7's initiatives in FY 2025-26 included the following:
 - Schools Program: Zone 7's Schools Program provides standards-based water-science education for thousands of kindergarten through high-school students, with 400+ water academy lessons.
 - Community Events: These may include outreach at science and engineering fairs, career fairs, home and garden shows, and other Tri-Valley events.
 - Bring Back the Natives Tour: This annual event showcases beautiful native home gardens that conserve water and inspire sustainable landscaping.
 - Lawn Conversion Event: Zone 7 coordinated a free event to educate community members how to convert lawns to water-efficient landscaping.
 - Zone 7 Open House: This event is a public open house that includes information on water conservation and rebate programs.
 - Fix a Leak Week: Zone 7 used social media to encourage residents to find and fix household leaks as part of this national water conservation campaign in March.
 - Water Awareness Month: Zone 7 typically celebrates Water Awareness Month with free public tours of facilities. In 2026, this included a Patterson Pass Water Treatment Plant tour and a booth featuring information on water conservation programs.
- **Online resources:** Zone 7 maintains multiple online platforms to share resources on conservation and low-water-use landscaping, including:
 - Zone 7's Conservation Webpages: These pages provide information on rebate programs, water saving tips, and landscape design templates.
 - Tri-Valley Water-Wise Gardening Website: This website provides information on how to design, install, and maintain a water-wise landscape.
 - Social Media: Zone 7 provides messaging through Facebook to promote conservation programs.
 - Conservation Videos: Zone 7 offers educational videos to promote water-use efficiency. These include videos featuring a character, "Water Wise Wendy," who teaches simple ways to save water. Videos can be accessed via Zone 7's website and YouTube.
 - Newsletters: Zone 7 issues monthly or bi-monthly newsletters to customers, which may include water conservation information.

Water Conservation Program Highlights

- Rebate results from FY 2025-26 include:
 - 35 clothes washer rebates
 - 21 pool cover rebates (about 12,100 square feet)
 - 8 water-efficient landscape conversions (about 8,700 square feet)
 - 77 smart irrigation controller rebates

- Educational and outreach initiatives from FY 2025-26 include:
 - School Education: About 12,700 students reached
 - Community Events: Over 5,000 attendees
 - Bring Back the Natives Tour: 75 people
 - Lawn Conversion Events: 1 event
 - Open House: 1 event
- Online outreach successes for FY 2025-26 include:
 - Zone 7's Conservation Webpage views: 17,981
 - Tri-Valley Water-Wise Gardening Website sessions: 368 in Tri-Valley (up 42% from FY 2024-25)
 - Facebook impressions: 413,510
 - Water Wise Wendy Video and other conservation video views: 4,524

Figure 1. Treated Water Demands and Tri-Valley Population from 1995-2025



- As shown in Figure 1, while the Tri-Valley population has increased over the past 30 years, treated water demand has not shown significant change, reflecting the success of water conservation efforts.

Attachment 2: Photographs from FY 2025-26 program activities



Upper left: Zone 7 booth at the Pleasanton County Fair in June 2026

Upper right: Agriculture Adventure Day in April 2026

Lower left: Earth Day Turf Conversion Event in April 2026

Lower right: Zone 7 booth at the Livermore Farmer's Market in May 2026



100 North Canyons Parkway
Livermore, CA 94551
(925) 454-5000

June 30, 2026

Board of Directors
Zone 7 Water Agency
100 N. Canyons Pkwy.
Livermore, CA 94551

Subject: Investment Report as of June 30, 2026 (Unaudited)

Dear Board Members:

Pursuant to Resolution No. 25-48, dated June 18, 2025, the Board adopted the Agency Investment Policy. In accordance with Strategic Plan Goal H – Fiscal Responsibility: Operate the Agency in a fiscally responsible manner, and Strategic Plan Initiative No. 21 – Continue to effectively manage financial resources for the Agency in a prudent manner and in accordance with the Investment Policy, attached is the Agency's quarterly informational investment report as of June 30, 2026. Enclosed with this report is a detailed composition of investments held in Zone 7's name by securities category as of June 30, 2026. This report reflects the market value and cost of purchase of the securities.

All Agency investments in this investment management portfolio conform to the investment policy and are in accordance with California Government Code Section 53600, et seq. Below is the Agency's investment portfolio management summary:

Investment Type	Face Amount	Market Value	Book Value	% of Portfolio	Permitted by Agency Policy	In Compliance	Book Yield (YTM at Cost)
U.S. Treasury Bond/ Note	\$ 56,865,000	\$ 56,133,667	\$ 57,215,342	30.30%	No Limit	Yes	3.78%
Corporate Bonds (Medium Term Notes)	50,160,000	49,555,331	50,369,722	26.75%	30%	Yes	4.37%
Federal Agency Commercial Mortgage-Backed Security	31,623,082	31,716,331	31,767,770	17.12%	No Limit	Yes	4.71%
Negotiable Certificate of Deposit (CD)	1,350,000	1,350,855	1,381,242	0.73%	30%	Yes	5.08%
Asset-Backed Securities	26,221,863	26,131,020	26,264,815	14.10%	20%	Yes	4.26%
Municipal Bonds	440,000	435,398	443,140	0.23%	40%	Yes	4.21%
Money Market (1)	19,958,564	19,958,564	19,958,564	10.77%	20%	Yes	3.52%
Total Investments	\$ 186,618,510	\$ 185,281,167	\$ 187,400,596	100.00%			4.22%
US Bank	1,216,756	1,216,756	1,216,756				
Total Cash & Investments	\$ 187,835,265	\$ 186,497,922	\$ 188,617,352				4.22%

(1) **Money Market:** The Money Market Book Yield (Yield to Maturity at Cost) is not part of the overall securities YTM at Cost from PFM Asset Management, it's from the U.S. Bank as custody bank.

In addition, the Agency has cash and investments pooled with the Alameda County Treasury. The County Treasurer acts as the disbursing agent for these funds for the Agency and the cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer for the County.



As of June 30, 2026, the County Treasurer held approximately \$235,471,448 (unaudited) for the Agency. The amount held by the County Treasurer is sufficient to meet all operating cash needs for the Agency within the next six months. Here is a link to the County investment reports: <https://treasurer.acgov.org/reports/>

I hereby certify that, to the best of my actual knowledge, this report includes all investments in the Agency pool investment portfolio and is in conformity with the Agency's current investment policy dated July 1, 2025.

Market value amounts are from PFM Asset Management, which provides investment management services for the Agency. U.S. Bank provides custody services for the Agency. Book value amounts include premiums or discounts and are adjusted at year-end on the general ledger.

Sincerely,

Osborn Solitei

Osborn Solitei
Treasurer

Attachment

- Zone 7 Investment Performance Review for the Quarter Ended June 30, 2026

c: Valerie Pryor



ZONE 7 WATER AGENCY

Investment Performance Review For the Quarter Ended June 30, 2026

Client Management Team

Monique Spyke, Managing Director
Joseph Creason, Portfolio Manager
Jeremy King, Key Account Manager

PFM Asset Management A division of U.S. Bancorp Asset Management, Inc

1 California Street Ste. 1000
San Francisco, CA 94111-5411
415-393-7270

213 Market Street
Harrisburg, PA 17101-2141
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Market Update

Current Market Themes



- ▶ U.S. growth remains resilient as AI-driven investment offsets a moderating consumer
 - ▶ Headline inflation may be at or near its peak as the energy shock fades, though flare-ups in the Middle East conflict and potential delayed passthroughs to core inflation remain key risks
 - ▶ The labor market is in balance, though real wage growth remains modest
 - ▶ AI investment continues to drive growth while fueling inflation in tech-related categories



- ▶ The Federal Reserve (Fed) left policy rates unchanged at 3.50-3.75%
 - ▶ New Fed Chair Kevin Warsh stressed restoring price stability
 - ▶ Forward guidance was removed to refocus markets on economic fundamentals and incoming data rather than the Fed's policy response
 - ▶ Nine participants projected a 2026 rate hike though Warsh did not submit projections



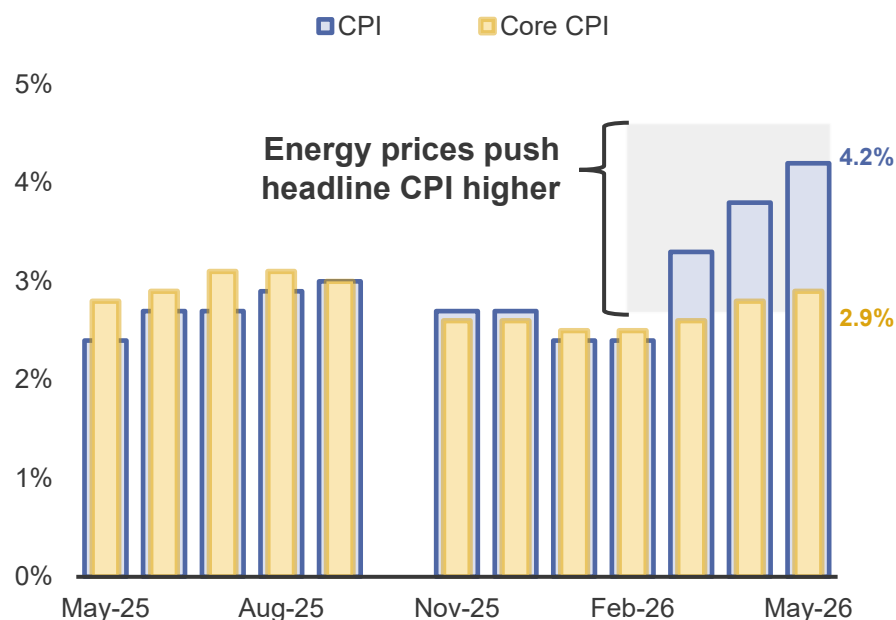
- ▶ Treasury yields moved higher on a more hawkish Fed
 - ▶ Given current pricing of Fed rate hikes, we continue to find value in the front end
 - ▶ Longer-term rates face two-sided risks from inflation and growth dynamics
 - ▶ Credit spreads remain tight as resilient growth, stable labor conditions, and strong demand outweigh valuation concerns

Source: Details on market themes and economic indicators provided throughout the body of the presentation. Bloomberg Finance L.P., as of June 30, 2026.

Implications of the Energy Shock

- ▶ **Higher energy costs lift headline inflation but the Fed remains attentive to broader passthroughs to core goods and services**
 - ▶ Oil prices ended the quarter near pre-conflict levels after peaking in April
 - ▶ Headline inflation may be at or near peak as energy supply normalizes
 - ▶ Fed remains focused on long-run inflation expectations

Consumer Price Index
Year-over-Year Change



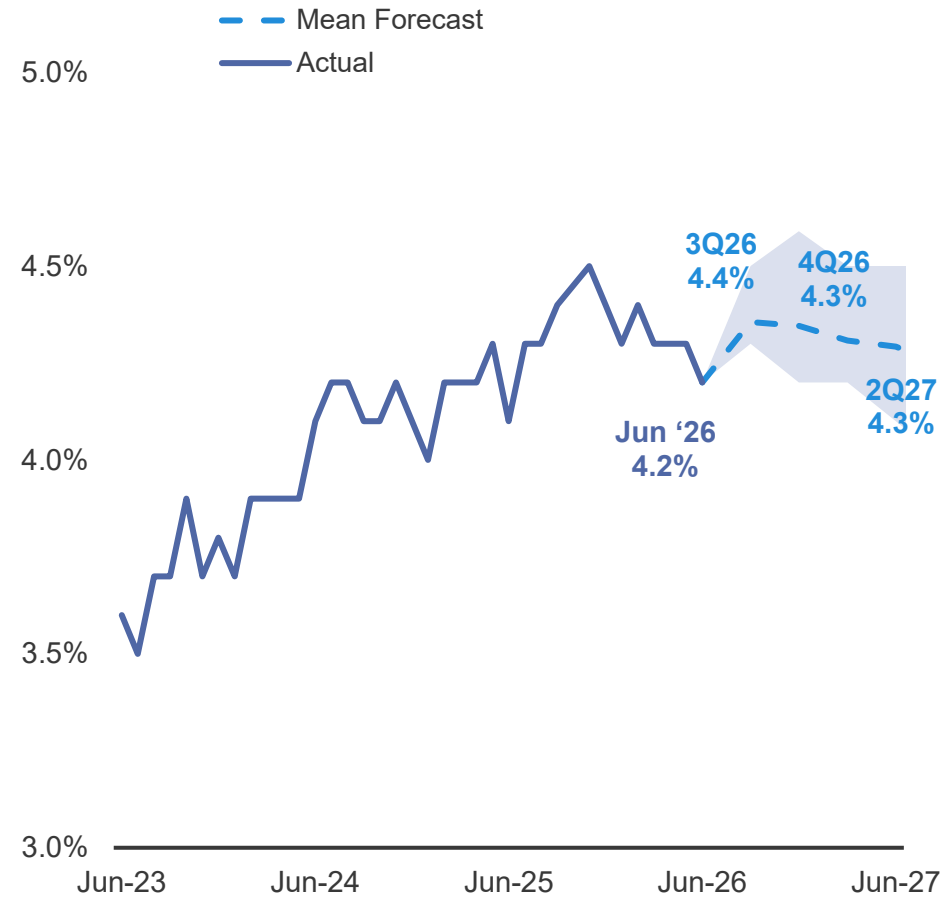
Forward Inflation Expectations
June 30, 2025 to June 30, 2026



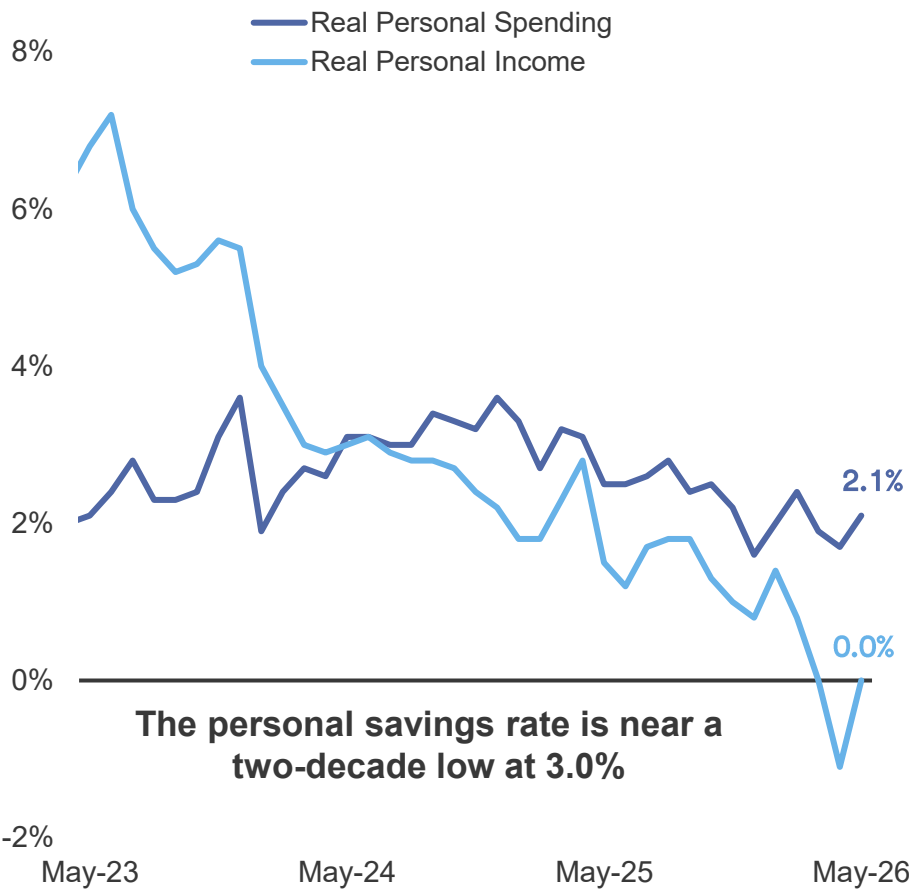
Source: Bloomberg Finance L.P. and Bureau of Labor Statistics. CPI as of May 2026. Market implied inflation expectations shown using 1-year and 5-year inflation swaps as of June 30, 2026.

Labor Market Remains Balanced But Purchasing Power Erodes

Unemployment Rate

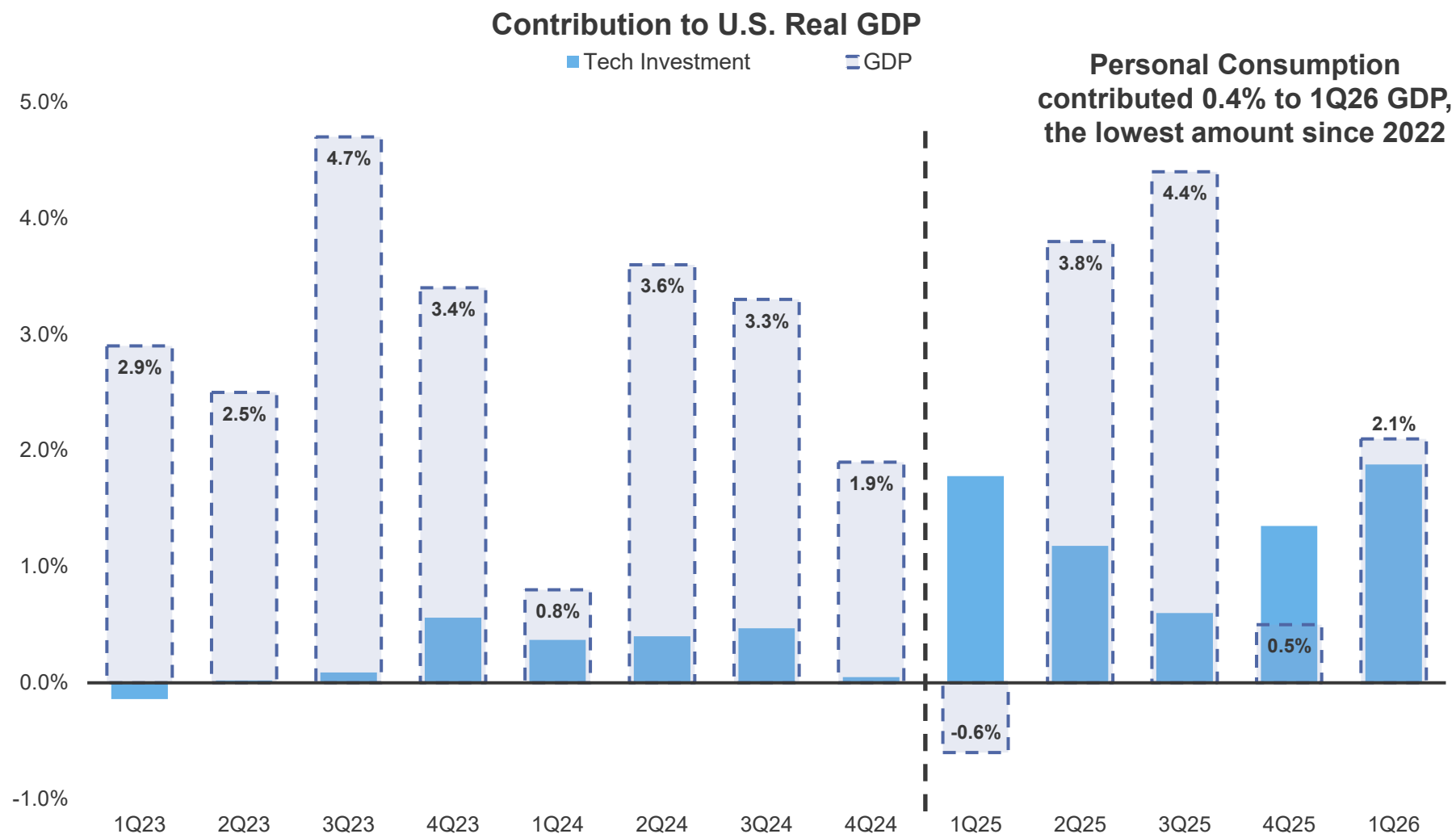


Real Spending & Income
Year-Over-Year Change



Source: Bloomberg Finance L.P. and Bureau of Economic Analysis as of May 2026. Bureau of Labor Statistics as of June 2026. Survey responses after June 26, 2026, included in mean and forecast range. Shading represents the central 80% of the forecasts.

Technology Investment Offsets Moderating Consumption



Source: Bloomberg Finance L.P. and Bureau of Economic Analysis as of March 2026. Tech investment contains contributions to GDP from computers and peripheral equipment, information processing equipment, and software.

Factors Shaping Our Economic Outlook

Negative

- ▶ Geopolitical uncertainty and supply chain disruptions
- ▶ Savings rate near record low
- ▶ Increasing retail credit card balances

Neutral

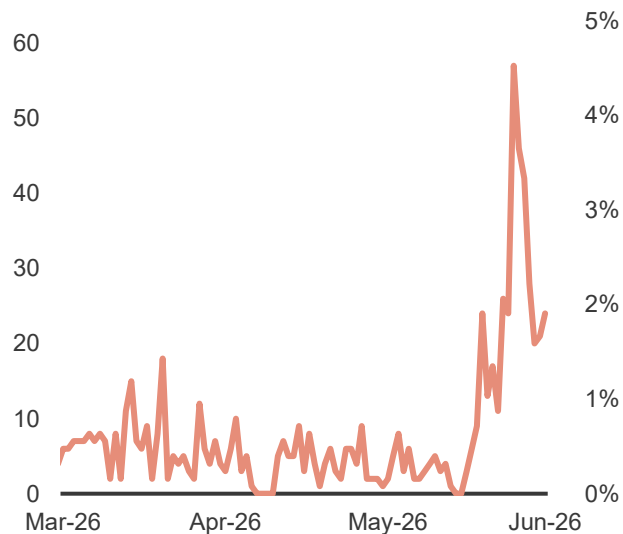
- ▶ Fed policy uncertainty
- ▶ Core inflation passthrough from energy shock modest thus far
- ▶ U.S. growth near trend but led by AI investment

Positive

- ▶ Low layoffs and stable unemployment rate
- ▶ Corporate fundamentals
- ▶ Supportive fiscal policy

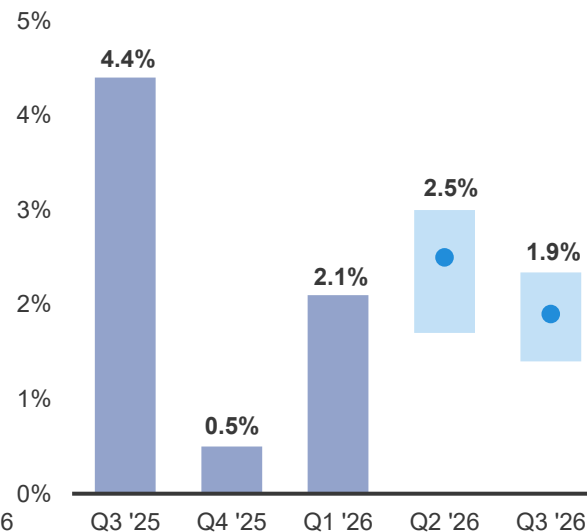
Hormuz Ship Traffic

Daily Volume

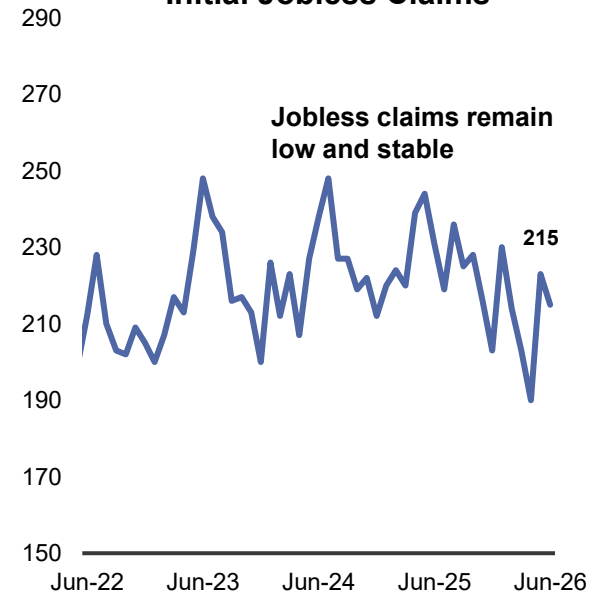


U.S. GDP Forecasts

Range Actual Median Forecast



Initial Jobless Claims



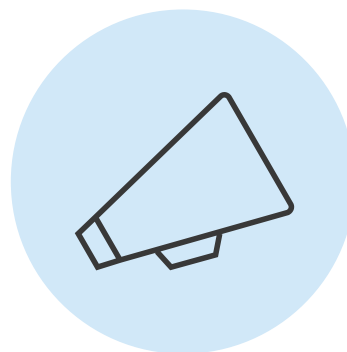
Sources: Bloomberg Finance L.P. as of June 30, 2026, Bureau of Economic Analysis as of March 31, 2026, and Department of Labor as of June 19, 2026. Survey responses after June 26, 2026, included in median and forecast range. Shading represents the central 80% of the forecasts.

New Fed Leadership and a Modified Approach



Hawkish Lean

- ▶ Fed voted unanimously to keep rates unchanged
- ▶ New Chair Kevin Warsh reaffirmed commitment to 2% inflation target, noting the Fed has “some work to do”
- ▶ Dot plot showed 9 of 18 participants projected at least one hike in 2026



Less Forward Guidance

- ▶ Statement pared back and more factual in nature
- ▶ No dot or projections submitted by Warsh
- ▶ Chair Warsh argued markets should focus on economic fundamentals and incoming data rather than anticipated policy responses



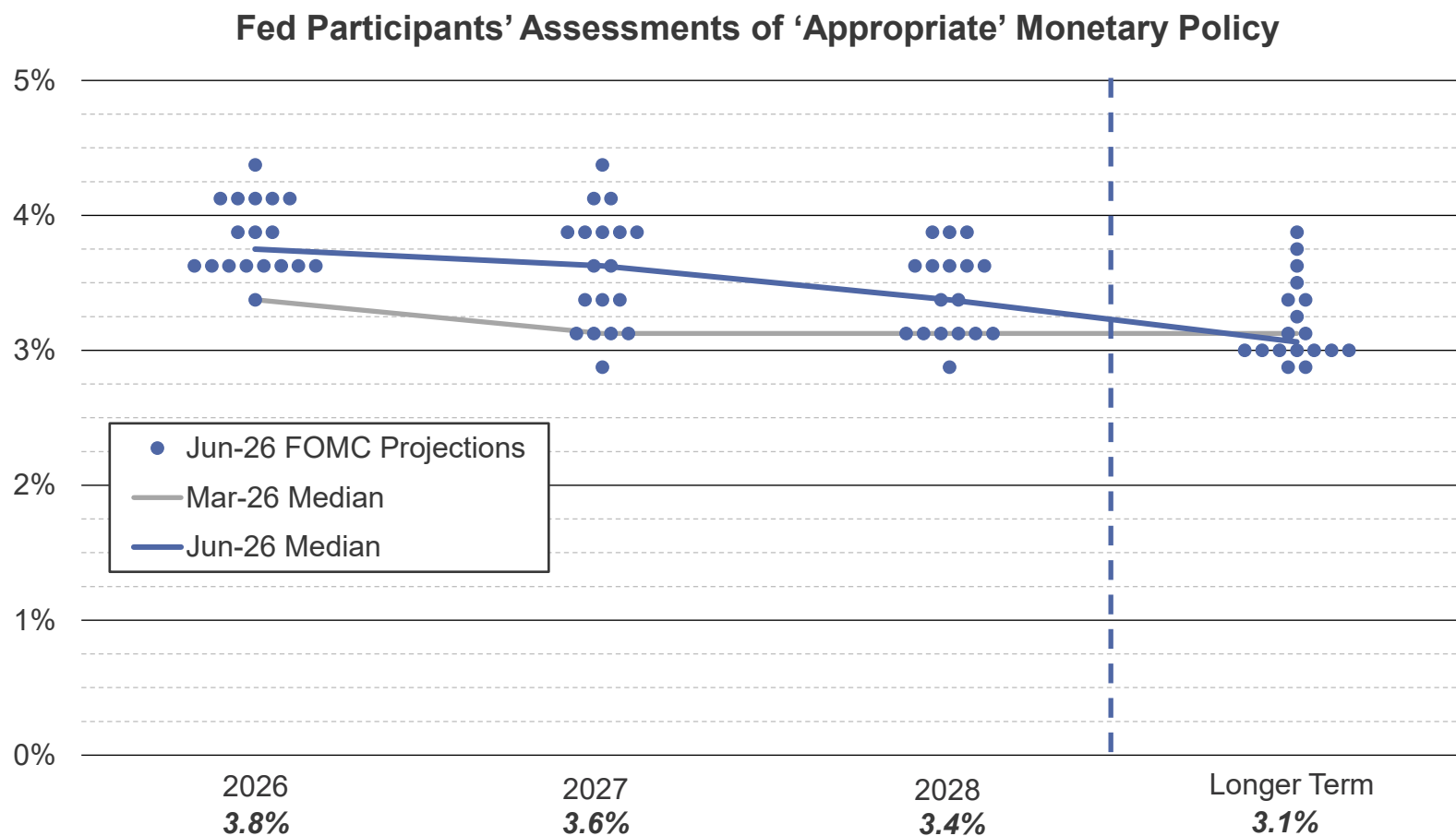
New Task Forces

- ▶ Five task forces established with initial findings expected by year-end
- ▶ Covers communications, balance sheet, data, productivity and jobs, and inflation framework
- ▶ 2% inflation target not in scope of task forces

Source: Federal Reserve and Kevin Warsh as of June 17, 2026.

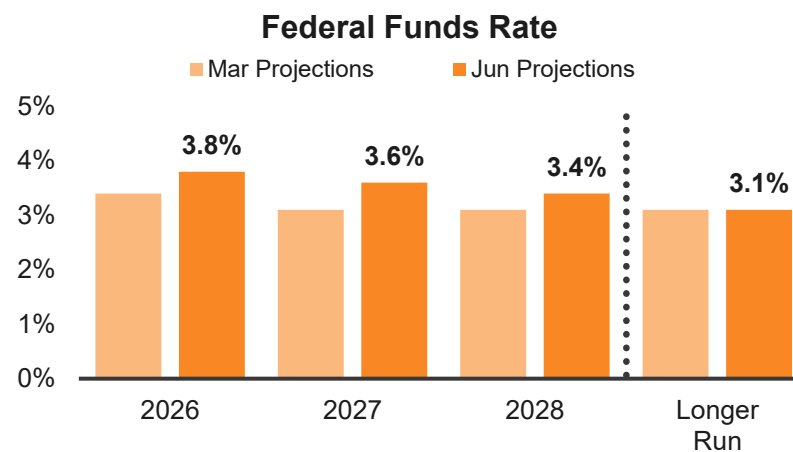
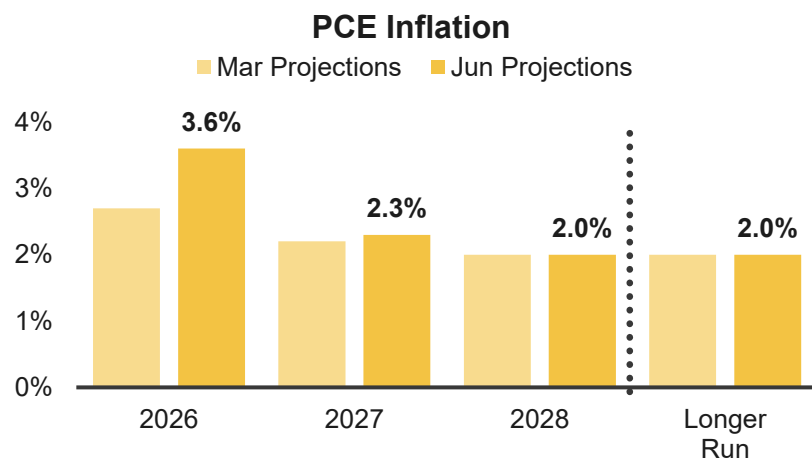
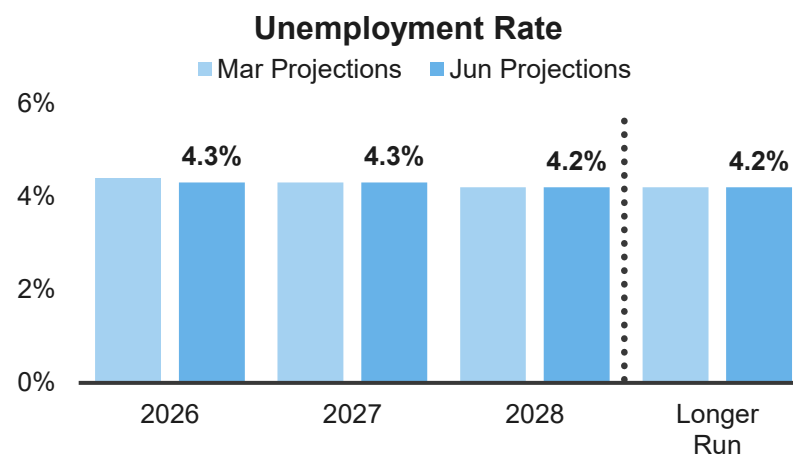
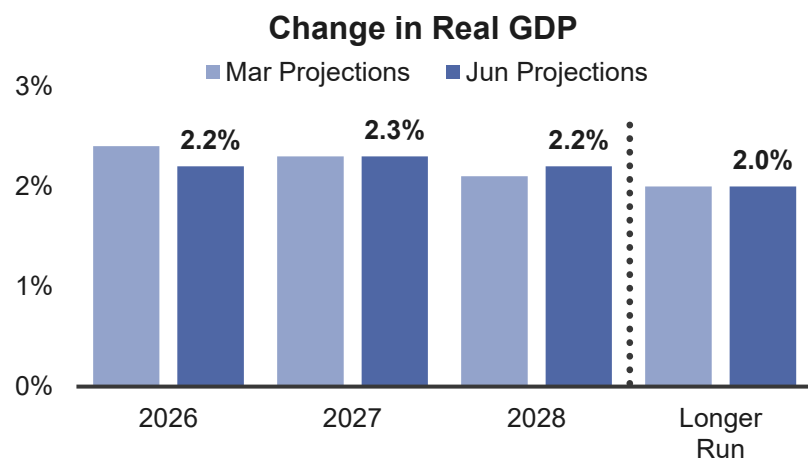
The Latest Fed “Dot Plot”

The Fed acknowledged inflation remained above the 2% target. However, it noted economic growth is expanding at a solid pace while the unemployment rate has remained little changed.



Source: Federal Reserve; Bloomberg Finance L.P. Individual dots represent each Fed member's judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end. As of June 17, 2026.

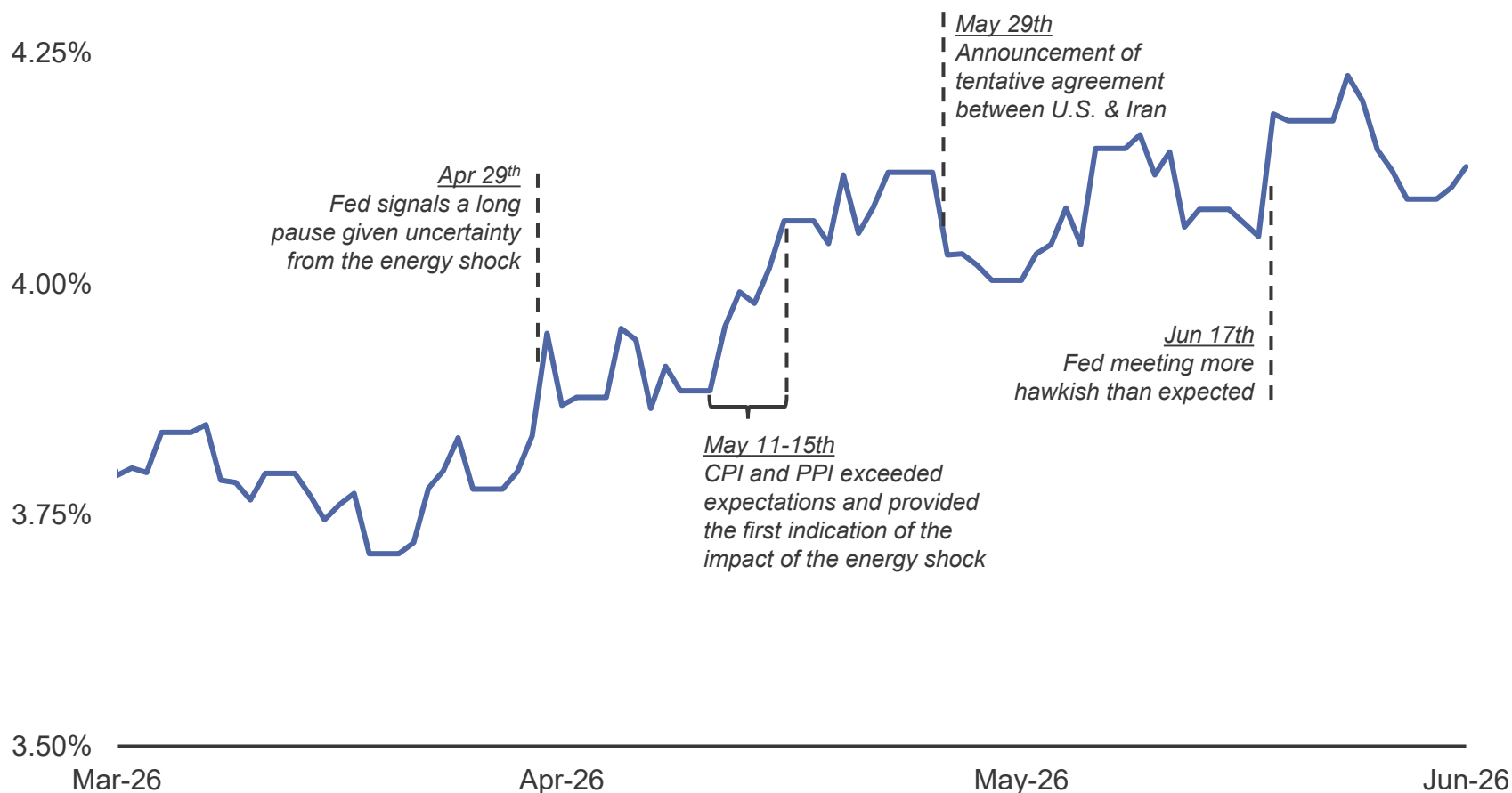
Fed's Updated Summary of Economic Projections



Source: Federal Reserve, latest economic projections as of June 2026.

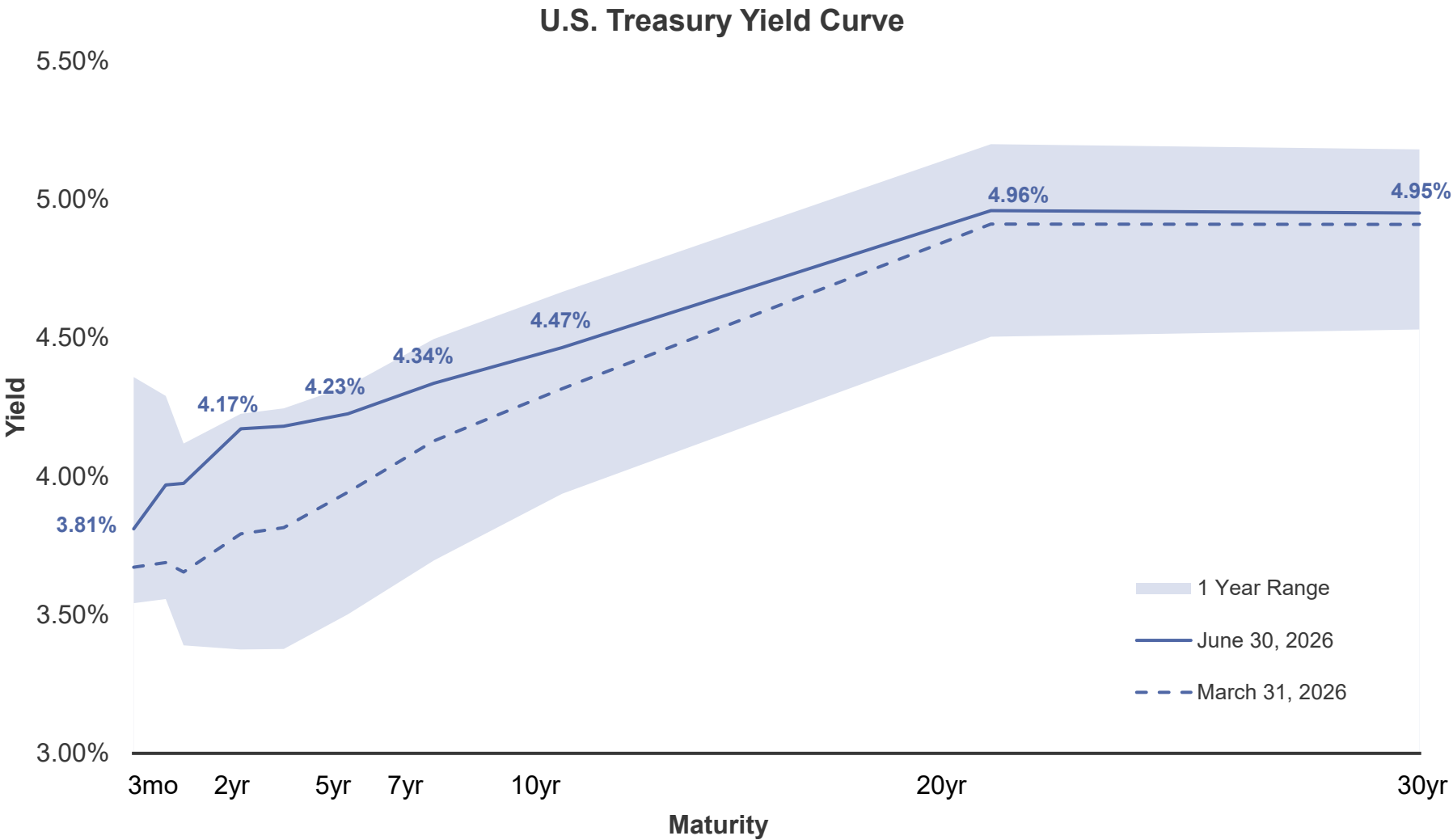
2-Year Treasury Yield Moves Higher

2-Year U.S. Treasury Yield March 31, 2026 – June 30, 2026



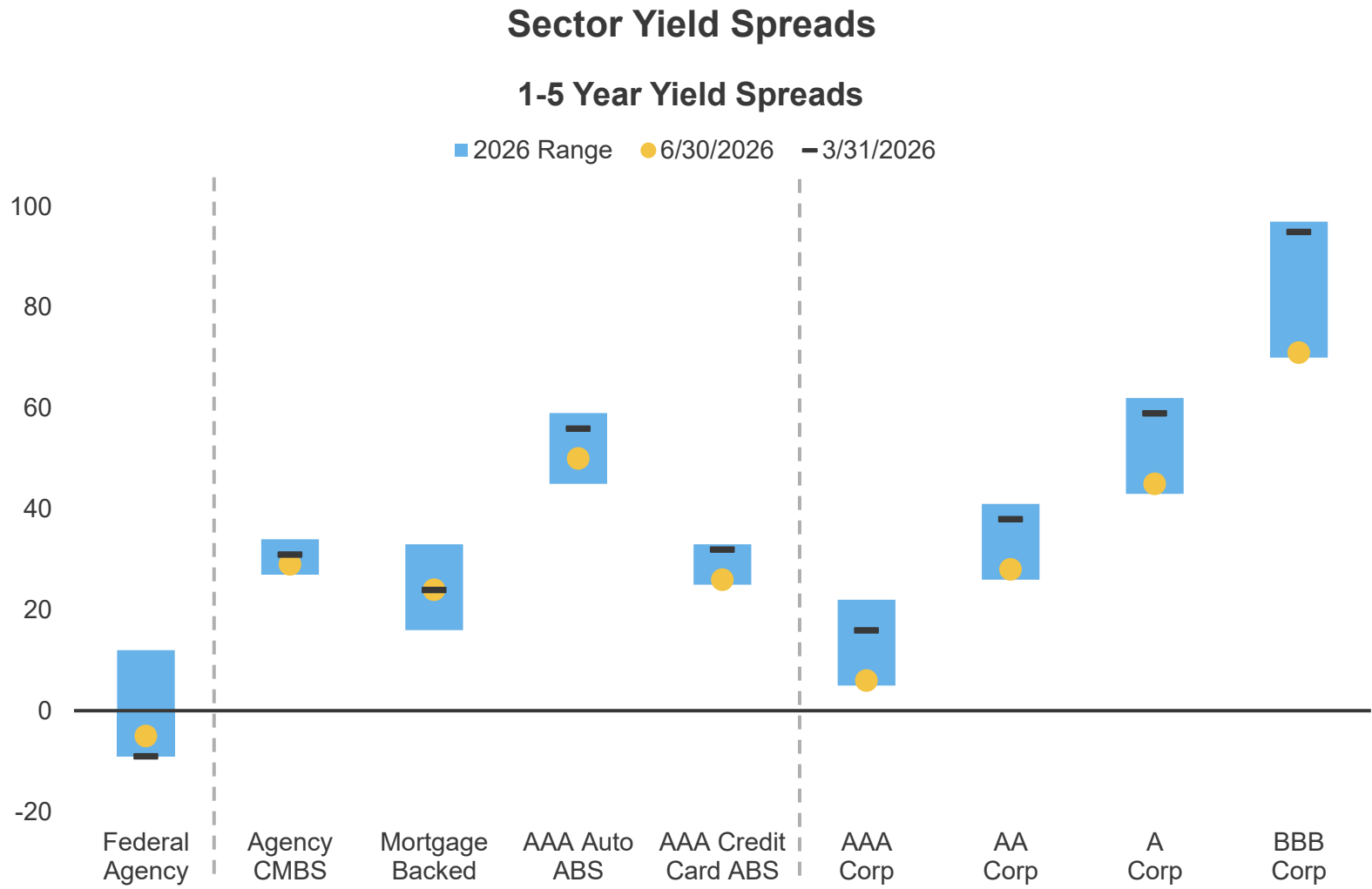
Source: Bloomberg Finance L.P., as of June 30, 2026.

Treasury Yields Rise Across the Curve



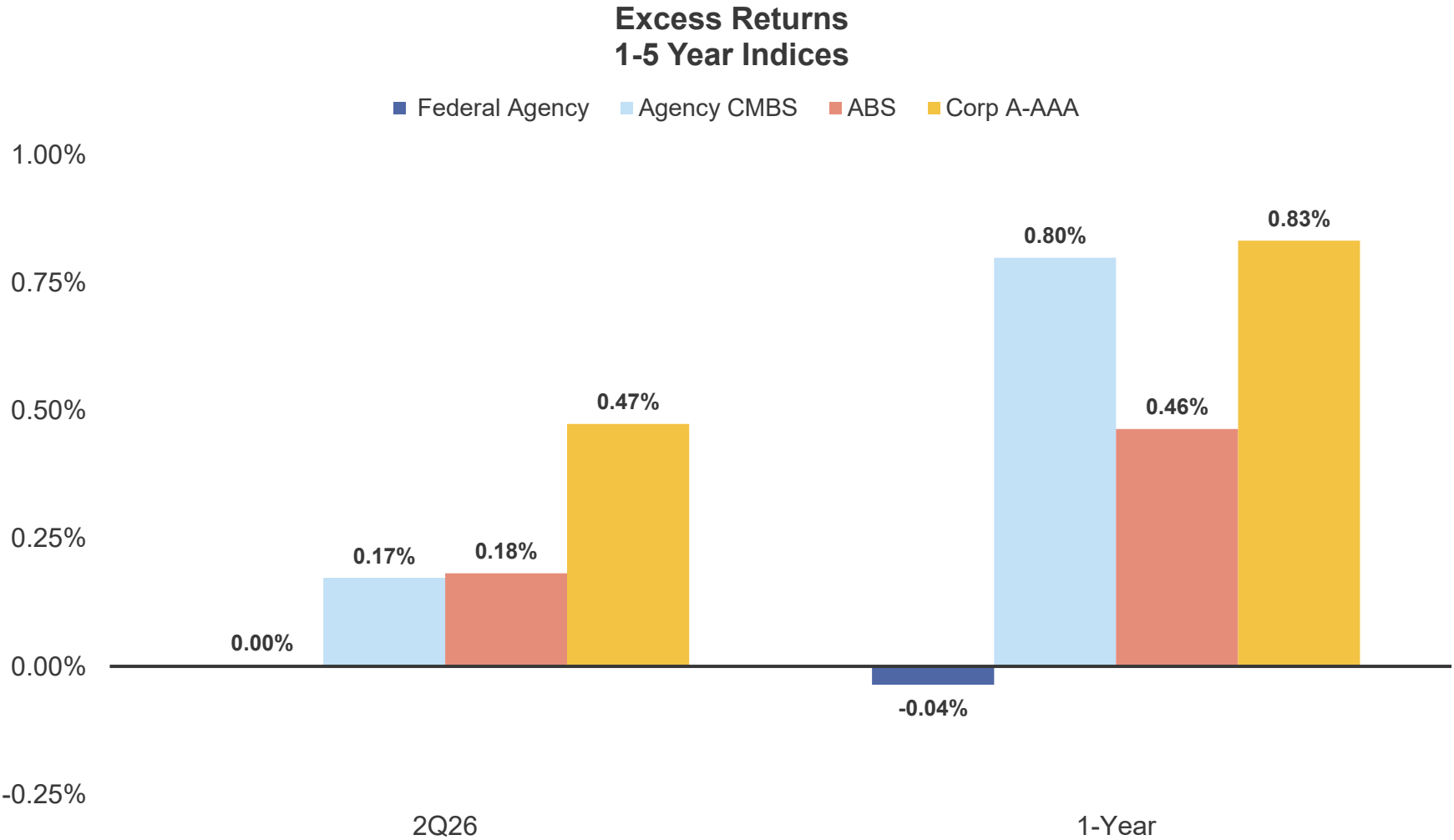
Source: Bloomberg Finance L.P., as of June 30, 2026.

ZONE 7 WATER AGENCY



Source: ICE BofA 1-5 year Indices via Bloomberg Finance L.P. as of June 30, 2026. Spreads on ABS and MBS are option-adjusted spreads based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries.
CMBS is Commercial Mortgage-Backed Securities and represented by the ICE BofA Agency CMBS Index.

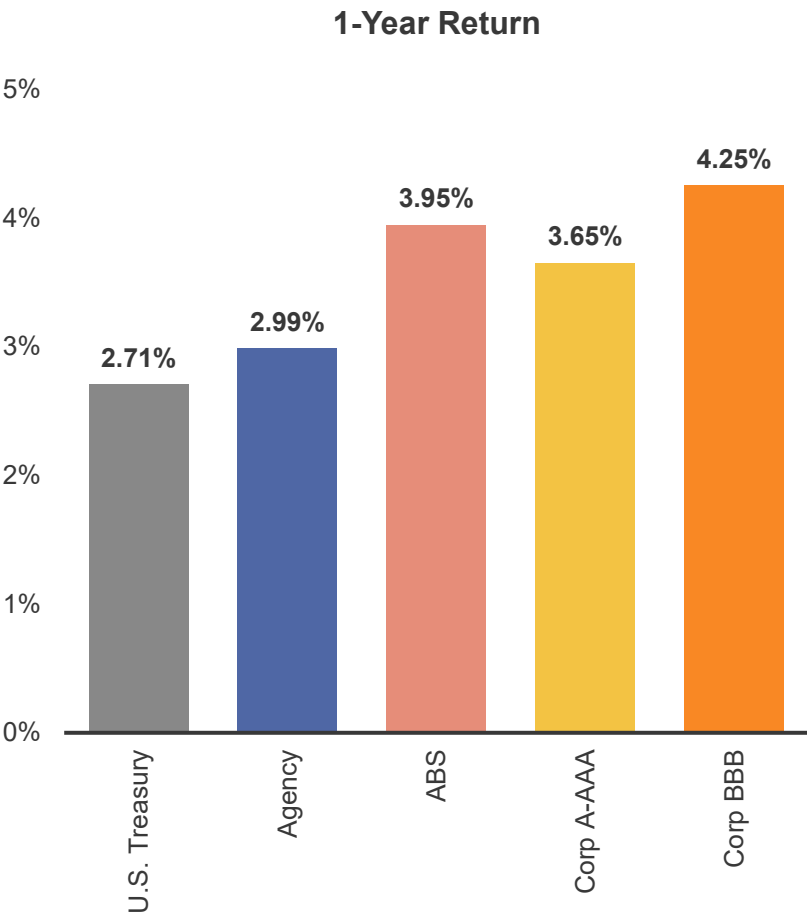
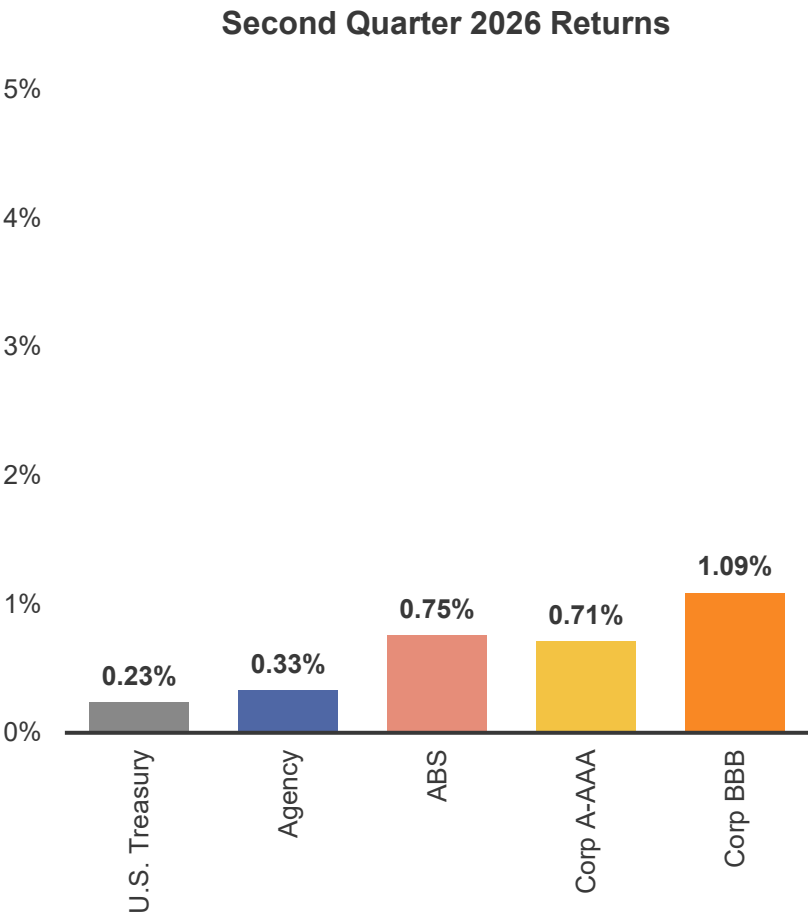
Fixed-Income Index Excess Returns



Source: ICE BofA Indices. ABS indices are 0-5 year, based on weighted average life. Agency CMBS represented by ICE BofA Agency CMBS Index. As of June 30, 2026.

ZONE 7 WATER AGENCY

Fixed-Income Index Total Returns in 2Q 2026
1-5 Year Indices



Source: ICE BofA Indices. ABS indices are 0-5 year, based on weighted average life. As of June 30, 2026.

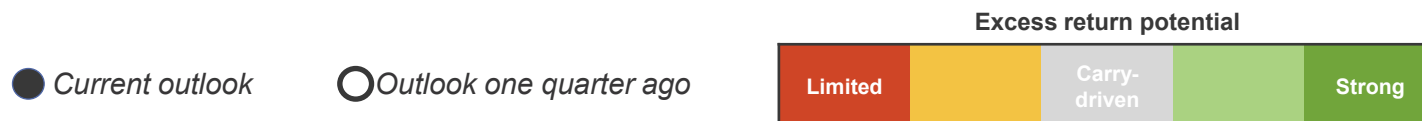
2-Year Treasury Yield Remains Attractive



Source: Bloomberg Finance L.P., as of June 30, 2026.

Fixed-Income Sector Outlook – 3Q 2026

Sector	Our Investment Preferences
COMMERCIAL PAPER / CD	
TREASURIES	
T-Bill	
T-Note	
FEDERAL AGENCIES	
Bullets	
Callables	
SUPRANATIONALS	
CORPORATES	
SECURITIZED	
Asset-Backed	
Agency Mortgage-Backed	
Agency CMBS	
MUNICIPALS	



Fixed-Income Sector Commentary – 2Q 2026

- ▶ The **Federal Reserve** held rates steady at Kevin Warsh's first meeting as Chair, removing forward guidance from the policy statement and reaffirming its commitment to price stability. The June "dot plot" turned more hawkish, showing no rate cuts in 2026 and nine policymakers penciling at least one hike this year.
- ▶ The **U.S. Treasury** yield curve continued to flatten over the quarter, with a notable sell-off in the front end. The 2-year yield surpassed 4% for the first time in over one year, which is a key technical threshold.
- ▶ **Federal Agency & supranational** issuance remained limited, keeping spreads narrow and excess returns muted. Market concerns around privatization have abated for the time being.
- ▶ **Investment-grade (IG) corporate** bonds benefited from strong investor demand and generally healthy corporate fundamentals. Credit spreads returned toward historically rich valuations, supporting excess returns during the quarter.
- ▶ **Asset-Backed Securities** continued to benefit from resilient collateral performance and strong investor demand. Spreads narrowed modestly but widened versus corporates, improving relative value. Auto loan collateral marginally outperformed credit card receivables, which posted negative excess returns for the quarter.
- ▶ Thirty-year **Agency-backed mortgage-backed securities (MBS)** generated solid excess returns in the quarter and outperformed 15-year tenors, which lagged Treasuries. Lower volatility supported excess returns. **Agency-backed commercial MBS (CMBS)** also generated positive excess returns for the quarter but continue to trail residential MBS.
- ▶ **Short-term credit** (commercial paper and negotiable bank CDs) yield spreads remained attractive through the quarter, with additional opportunities emerging across the money market credit curve into quarter-end. Floating-rate notes also saw notable spread widening, ending the quarter 10-15 bps wider.

The views expressed within this material constitute the perspective and judgment of PFM Asset Management at the time of distribution (6/30/2026) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management cannot guarantee its accuracy, completeness, or suitability.

Fixed-Income Sector Outlook – 3Q 2026

- ▶ We find the front end of the **U.S. Treasury** curve attractive given current pricing for Fed rate hikes. For shorter-duration strategies, we prefer a modestly longer duration stance and for longer duration strategies we will maintain a curve steepening bias through a modest underweight to the long end.
- ▶ **Federal Agency & Supranational** spreads are likely to remain at tight levels. Government-only accounts may find occasional value on an issue-by-issue basis.
- ▶ **Taxable Municipals** continue to offer limited opportunity as ongoing supply constraints and strong demand keep yields compressed. We do not expect this dynamic to change in the near term.
- ▶ **Investment-Grade (IG) Corporate** bonds are supported by technicals and stable fundamentals. All-in yields remain attractive; however, the recent spread tightening has reduced value in the sector. While corporate fundamentals remain favorable, we believe limited room exists for further spread compression and expect income generation and carry to be the primary contributors to returns going forward.
- ▶ **Asset-Backed Securities** fundamentals remain within expectations and credit enhancements remain robust. Prime loan delinquencies are stable and well below historical averages, though the subprime sector has shown some pressure. We remain constructive on the sector given its diversification benefits and favorable fundamentals. We believe security selection will become increasingly important as spreads remain below longer-term averages.
- ▶ Despite recent **Mortgage-Backed Securities** performance, we continue to view valuations as rich relative to historical levels, which may limit future excess return opportunities.
- ▶ **Short-term credit** (commercial paper and negotiable bank CDs) spreads are expected to be primarily driven by the FOMC's monetary policy decisions. Given the hawkish repricing we anticipate more opportunities over the quarter.

The views expressed within this material constitute the perspective and judgment of PFM Asset Management at the time of distribution (6/30/2026) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management cannot guarantee its accuracy, completeness, or suitability.

Factors to Consider for 6-12 Months

Monetary Policy (Global):



- The Federal Reserve held rates steady at Chair Warsh's first meeting and removed forward guidance while shifting its focus to price stability.
- The June "dot plot" shifted more hawkish, showing no projected rate cuts in 2026 while nine policymakers projected at least one hike this year.
- Warsh launched five task forces to review Fed operations and key policy frameworks.
- Global central banks diverged, with ECB and BoJ hiking on persistent inflation while others remain on hold.

Economic Growth (Global):



- Global growth prospects improved following easing Middle East tensions, easing a key overhang on global supply chains and energy prices.
- AI-related capex and easing tariff pressures are expected to continue offsetting softening in consumer demand.
- Risks remain skewed to the downside given geopolitical uncertainty and signs of softer consumer demand.

Inflation (U.S.):



- Headline inflation remains above target but may be at or near its peak as falling oil prices provide a disinflationary impulse.
- Core services inflation remains sticky while core goods inflation remains muted as easing tariff pressures offset AI-fueled inflation.
- Producer prices suggest lingering supply-chain pressures, increasing the risk of cost passthroughs.
- While long-run inflation expectations remain anchored, the Fed remains focused on the passthrough of higher energy into core inflation.

Financial Conditions (U.S.):



- Equity and fixed-income markets largely looked through the Middle East conflict, remaining focused on fundamentals and earnings strength.
- Strong corporate fundamentals persist and credit spreads are back near historical tightness reflecting investor demand for yield.
- AI-related capex continues to drive significant capital flows, supporting equity valuations and elevated investment-grade issuance.
- Elevated valuations, large capital raises, geopolitical uncertainty, and energy price volatility remain key risks.

Consumer Spending (U.S.):



- Consumers remained resilient throughout the quarter despite higher energy costs but are beginning to show signs of softening.
- Real wages have turned modestly negative as inflation outpaces nominal wage gains, eroding purchasing power.
- The savings rate has fallen to multi-year lows, leaving consumers with less cushion.
- Consumer spending remains supported by higher-income households while affordability pressures persist for lower-income consumers.

Labor Markets (U.S.):



- The labor market has continued to show resilience, with recent payroll gains exceeding expectations and the unemployment rate holding steady.
- Hiring breadth remains narrow, concentrated in healthcare and social assistance.
- The "low-hire, low-fire" dynamic persists, with labor demand stable but hiring activity subdued.
- Slowing population growth and a softer labor force participation rate point to a structurally tighter supply of labor going forward.

● Current outlook ○ Outlook one quarter ago

Stance Unfavorable
to Risk Assets

Negative

Slightly
Negative

Neutral

Slightly
Positive

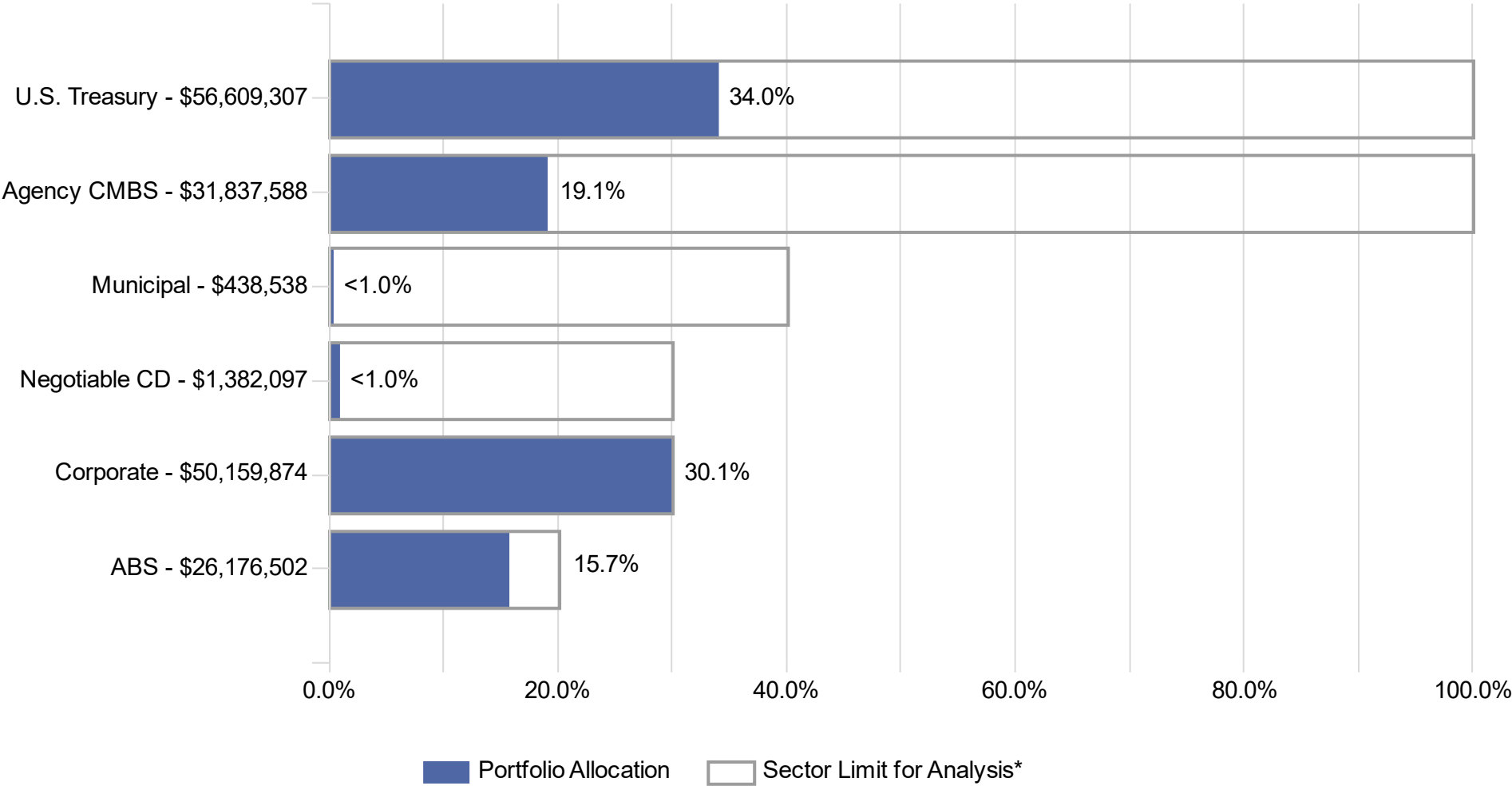
Positive

Stance Favorable
to Risk Assets

Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg Finance L.P. and FactSet. The views expressed within this material constitute the perspective and judgment of PFM Asset Management at the time of distribution (6/30/2026) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management cannot guarantee its accuracy, completeness, or suitability.

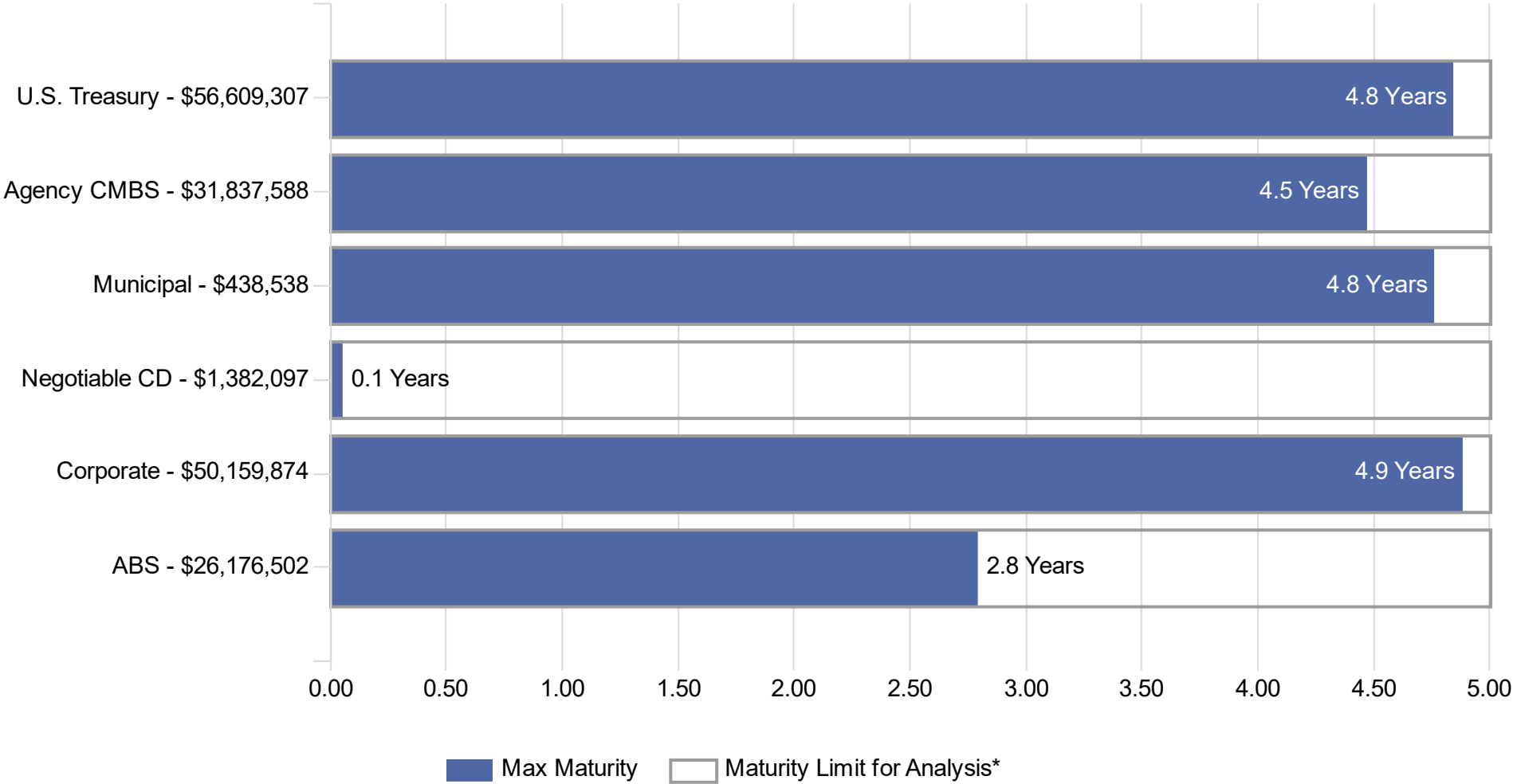
Account Summary

Sector Allocation Analytics



For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest.
*Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.

Max Maturity Analytics



For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest and excludes balances invested in overnight funds.
*Maturity Limit for Analysis is derived from our interpretation of your most recent Investment Policy as provided.
Mortgage-backed securities and asset-backed securities, if any, limit is based on weighted average life, if applicable. Callable securities, if any, limit is based on maturity date.

Certificate of Compliance

During the reporting period for the quarter ended June 30, 2026, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc.*

Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Financial LP Asset and Investment Management ("AIM").

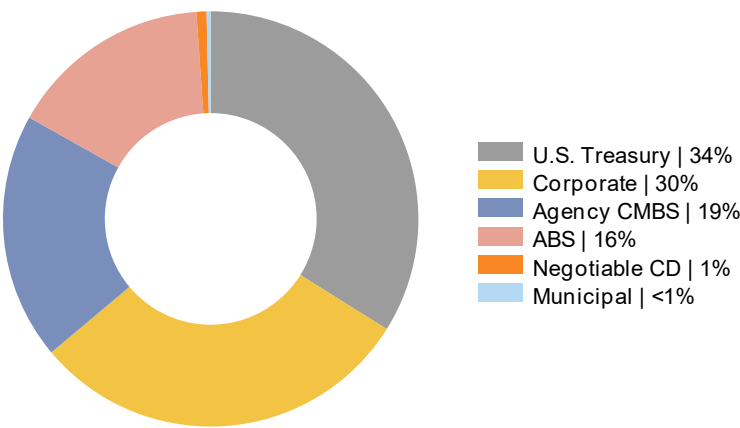
Portfolio Review: ZONE 7 WATER AGENCY

Portfolio Snapshot - ZONE 7 WATER AGENCY¹

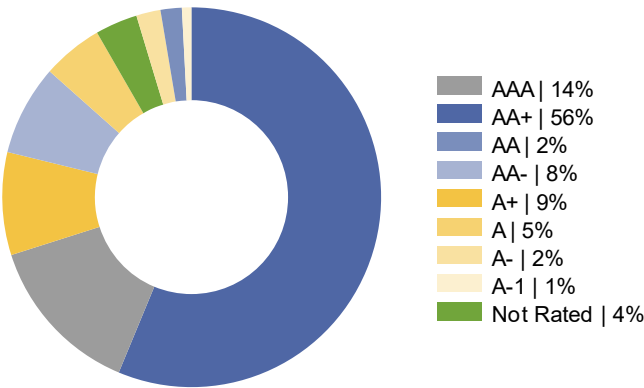
Portfolio Statistics

Total Market Value	\$186,562,470.60
Securities Sub-Total	\$165,322,602.20
Accrued Interest	\$1,281,304.05
Cash	\$19,958,564.35
Portfolio Effective Duration	2.52 years
Benchmark Effective Duration	2.46 years
Yield At Cost	4.22%
Yield At Market	4.34%
Portfolio Credit Quality	AA

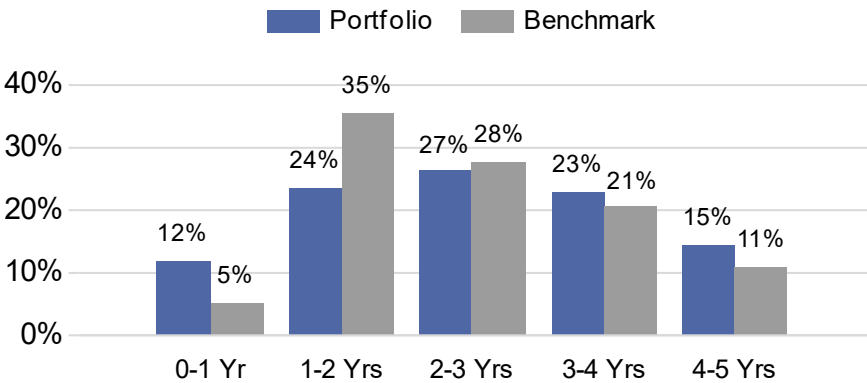
Sector Allocation



Credit Quality - S&P



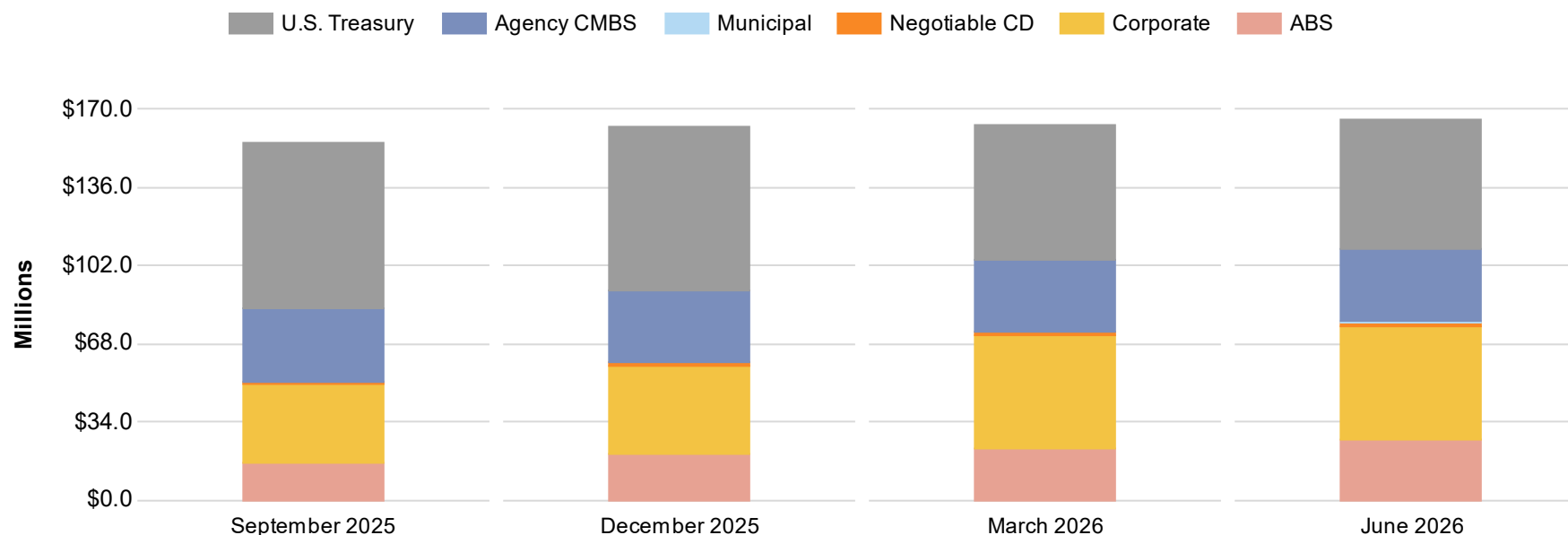
Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest. The portfolio's benchmark is the ICE BofA 1-5 Year U.S. Treasury Index. Source: Bloomberg Financial LP. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

Sector Allocation Review - ZONE 7 WATER AGENCY

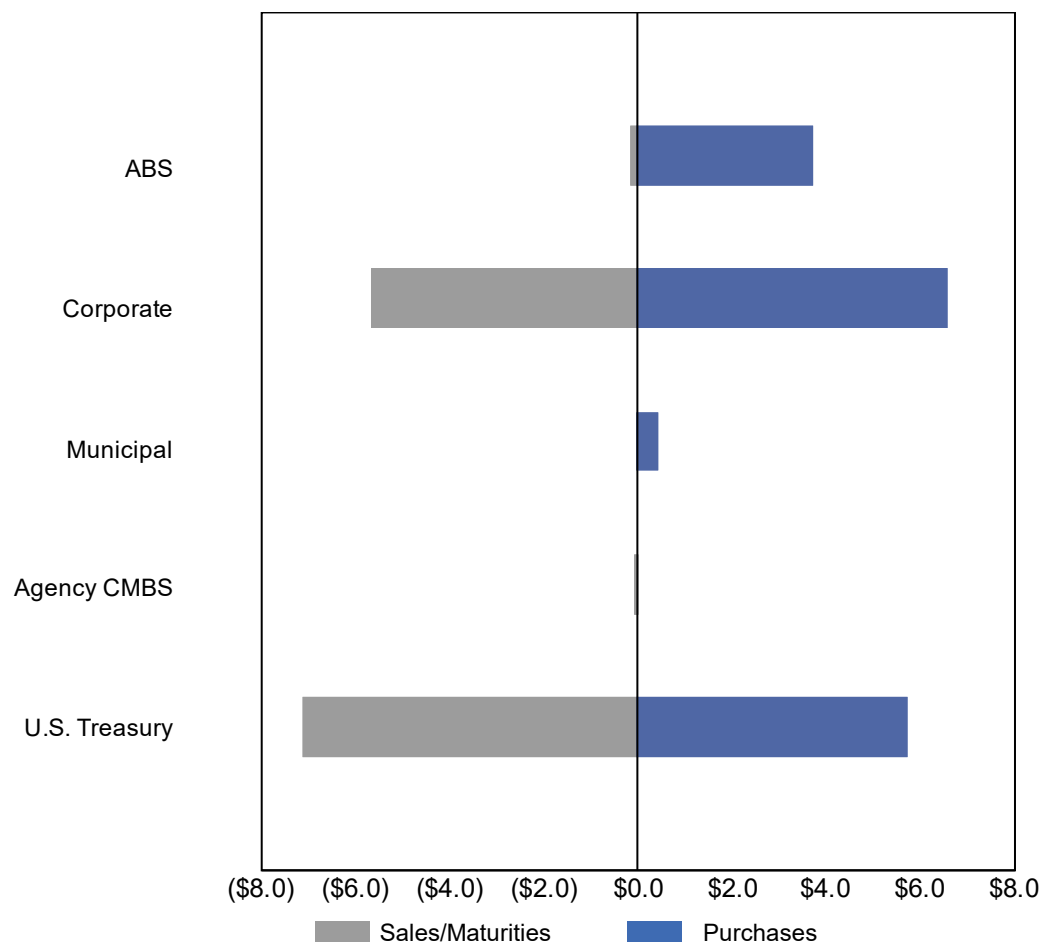
Security Type	Sep-25	% of Total	Dec-25	% of Total	Mar-26	% of Total	Jun-26	% of Total
U.S. Treasury	\$71.9	46.4%	\$71.2	43.9%	\$57.9	35.6%	\$56.1	33.9%
Agency CMBS	\$31.4	20.3%	\$31.3	19.3%	\$32.0	19.7%	\$31.7	19.2%
Municipal	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.4	0.3%
Negotiable CD	\$1.4	0.9%	\$1.4	0.8%	\$1.4	0.8%	\$1.4	0.8%
Corporate	\$34.0	21.9%	\$38.8	23.9%	\$48.8	30.0%	\$49.6	30.0%
ABS	\$16.2	10.5%	\$19.7	12.1%	\$22.6	13.9%	\$26.1	15.8%
Total	\$154.9	100.0%	\$162.4	100.0%	\$162.7	100.0%	\$165.3	100.0%



Market values, excluding accrued interest. Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM. Detail may not add to total due to rounding.

Portfolio Activity - ZONE 7 WATER AGENCY

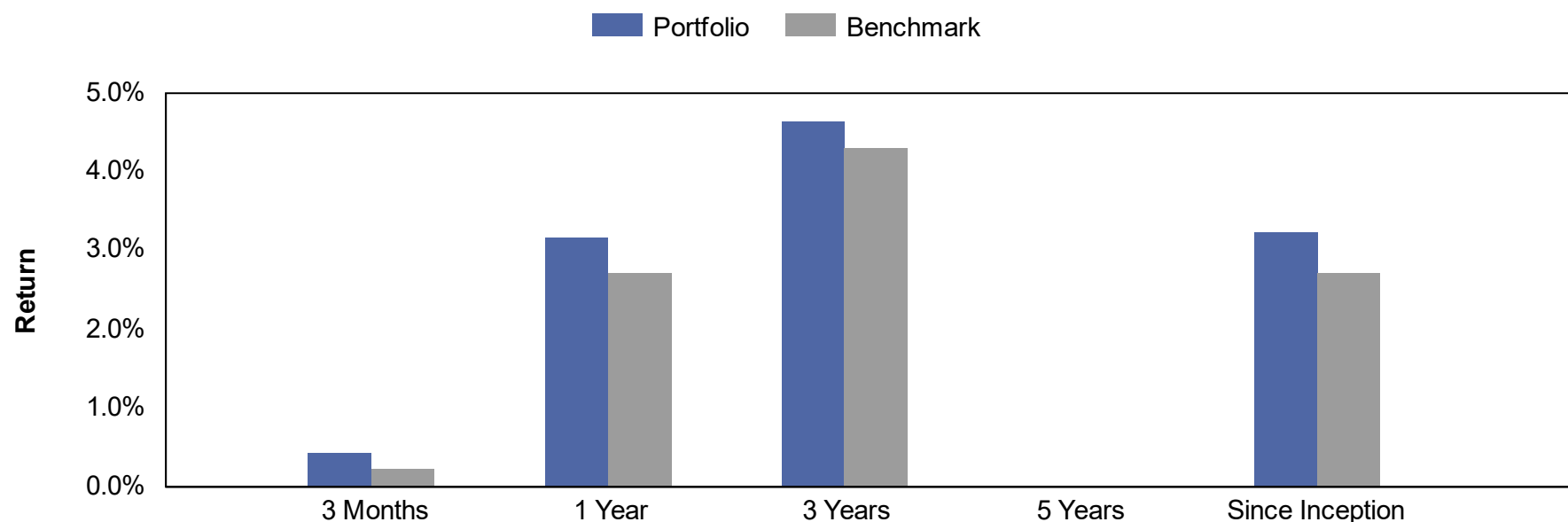
Net Activity by Sector (\$ millions)



Sector	Net Activity
ABS	\$3,600,943
Corporate	\$942,788
Municipal	\$440,000
Agency CMBS	(\$48,195)
U.S. Treasury	(\$1,374,390)
Total Net Activity	\$3,561,146

Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$1,700,297	\$6,353,140	\$14,757,552	-	\$17,171,692
Change in Market Value	(\$972,757)	(\$1,236,566)	\$5,539,884	-	\$3,083,161
Total Dollar Return	\$727,540	\$5,116,574	\$20,297,436	-	\$20,254,853
Total Return³					
Portfolio	0.42%	3.18%	4.65%	-	3.24%
Benchmark ⁴	0.23%	2.71%	4.30%	-	2.72%

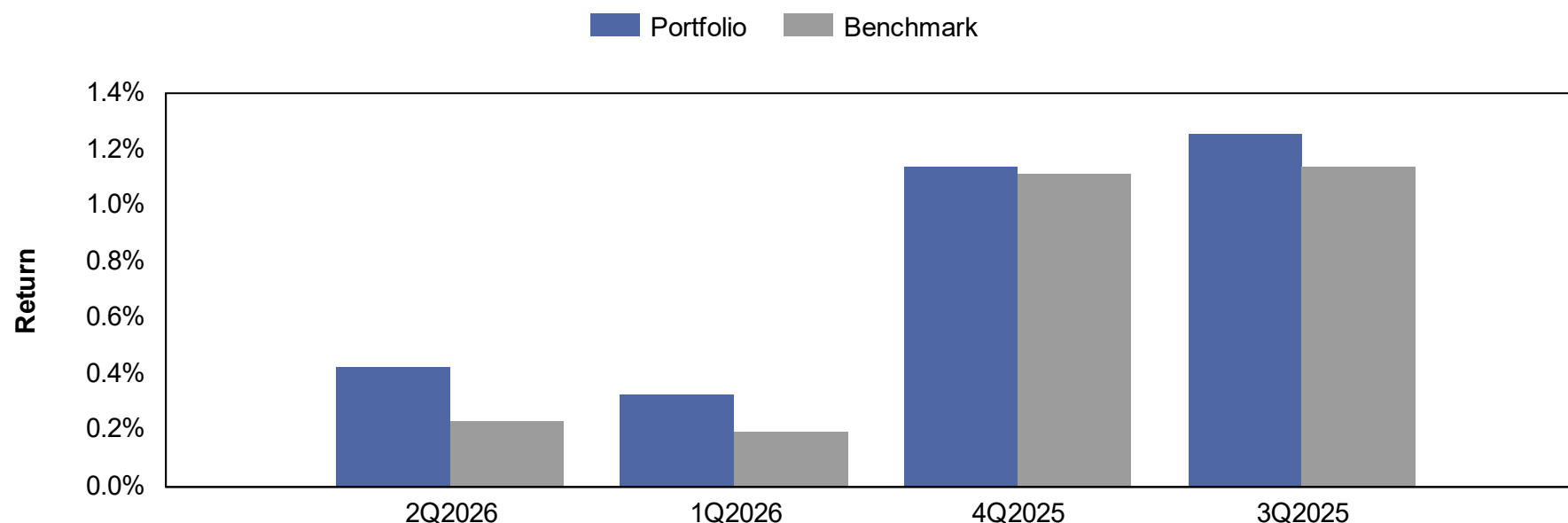
1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is March 31, 2022.

2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

4. The portfolio's benchmark is the ICE BofA 1-5 Year U.S. Treasury Index. Source: Bloomberg Financial LP.

Portfolio Performance



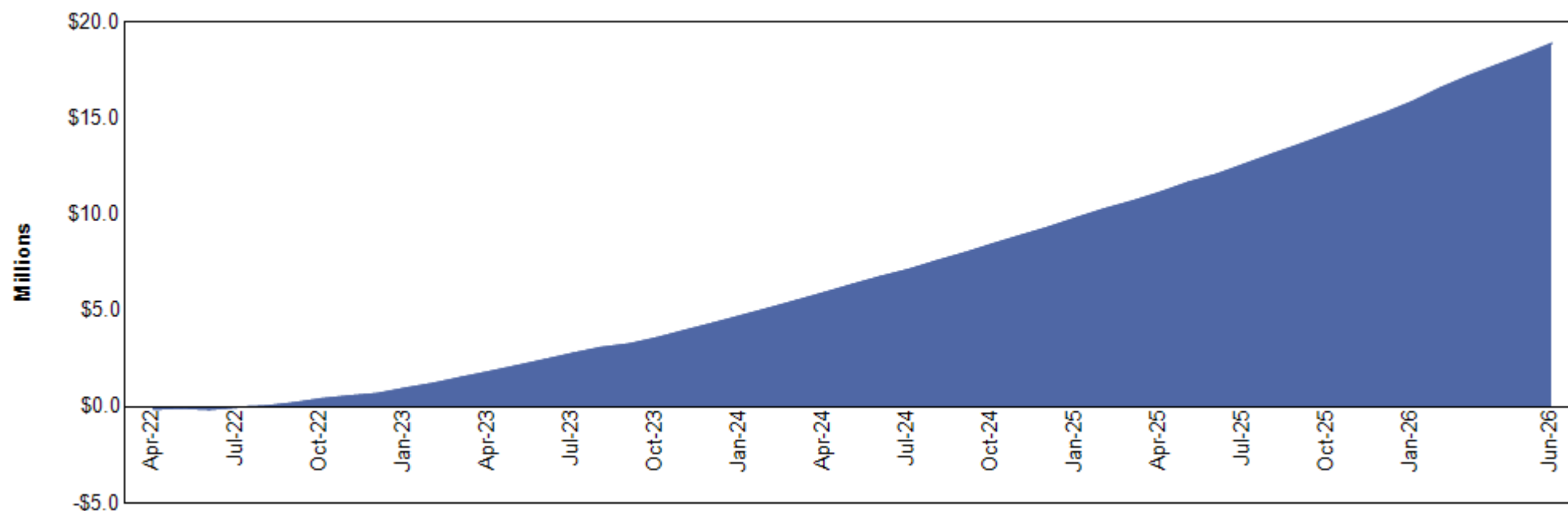
Market Value Basis Earnings	2Q2026	1Q2026	4Q2025	3Q2025
Interest Earned ¹	\$1,700,297	\$1,631,186	\$1,584,773	\$1,436,884
Change in Market Value	(\$972,757)	(\$1,078,865)	\$296,052	\$519,004
Total Dollar Return	\$727,540	\$552,321	\$1,880,825	\$1,955,888
Total Return²				
Portfolio	0.42%	0.33%	1.14%	1.25%
Benchmark ³	0.23%	0.20%	1.12%	1.14%

1. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

2. Returns are presented on a periodic basis.

3. The portfolio's benchmark is the ICE BofA 1-5 Year U.S. Treasury Index. Source: Bloomberg Financial LP.

Accrual Basis Earnings - ZONE 7 WATER AGENCY



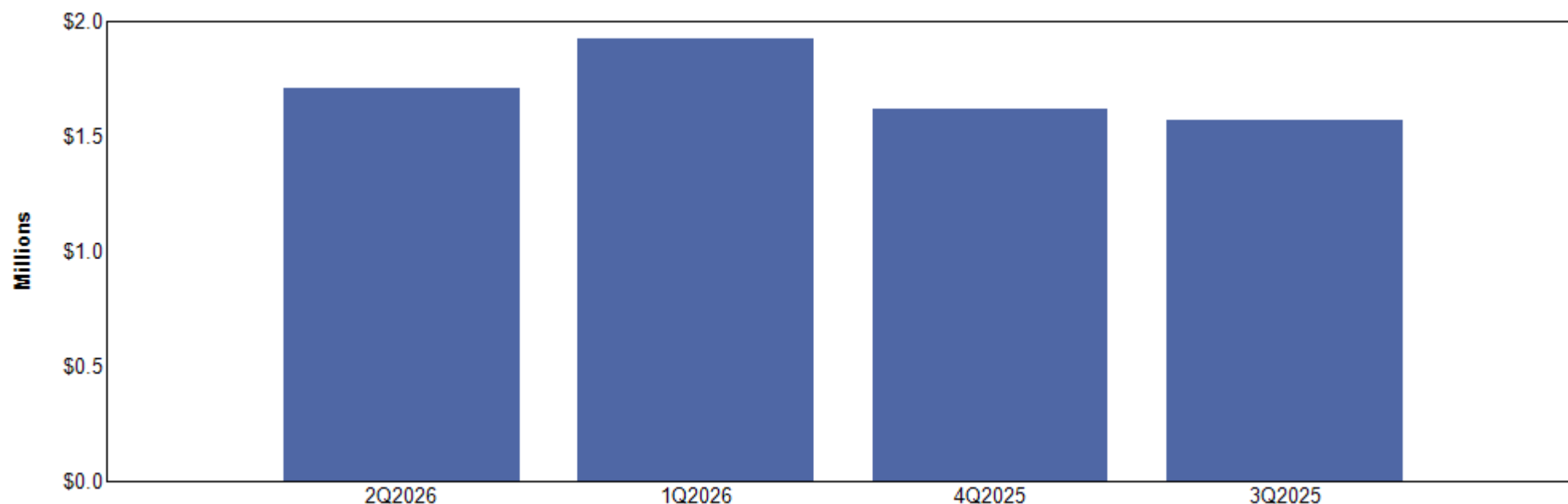
Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception ¹
Interest Earned ²	\$1,700,297	\$6,353,140	\$14,757,552	-	\$17,171,692
Realized Gains / (Losses) ³	(\$51,145)	\$10,561	(\$849,818)	-	(\$1,847,162)
Change in Amortized Cost	\$60,875	\$451,252	\$2,531,702	-	\$3,569,519
Total Earnings	\$1,710,026	\$6,814,953	\$16,439,436	-	\$18,894,049

1. The lesser of 10 years or since inception is shown. Performance inception date is March 31, 2022.

2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Realized gains / (losses) are shown on an amortized cost basis.

Accrual Basis Earnings - ZONE 7 WATER AGENCY



Accrual Basis Earnings	2Q2026	1Q2026	4Q2025	3Q2025
Interest Earned ¹	\$1,700,297	\$1,631,186	\$1,584,773	\$1,436,884
Realized Gains / (Losses) ²	(\$51,145)	\$165,648	(\$78,566)	(\$25,376)
Change in Amortized Cost	\$60,875	\$124,281	\$110,366	\$155,731
Total Earnings	\$1,710,026	\$1,921,115	\$1,616,573	\$1,567,239

1. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

2. Realized gains / (losses) are shown on an amortized cost basis.

Portfolio Holdings and Transactions

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	34.0%	
United States Treasury	34.0%	AA / Aa / AA
Agency CMBS	19.1%	
Federal Home Loan Mortgage Corp	18.4%	AA / Aa / AA
Federal National Mortgage Association	0.8%	AA / Aa / AA
Municipal	0.3%	
State of Hawaii	0.3%	AA / Aa / AA
Negotiable CD	0.8%	
Cooperatieve Rabobank UA	0.8%	A / Aa / AA
Corporate	30.1%	
Adobe Inc	0.9%	A / A / NR
Alphabet Inc	1.4%	AA / Aa / NR
Amazon.com Inc	1.5%	AA / A / AA
Bank of America Corp	1.3%	A / A / AA
Bank of New York Mellon Corp	1.4%	AA / Aa / AA
BlackRock Inc	1.3%	AA / Aa / NR
Caterpillar Inc	0.8%	A / A / A
Charles Schwab Corp	0.8%	A / A / A
Cisco Systems Inc	1.5%	AA / A / NR
Citigroup Inc	1.2%	A / Aa / AA
Deere & Co	0.6%	A / A / A
Depository Trust & Clearing Corp	1.5%	AA / Aa / NR
Eli Lilly & Co	0.7%	AA / Aa / NR
Home Depot Inc	0.8%	A / A / A
JPMorgan Chase & Co	1.2%	A / A / AA
Kenvue Inc	0.5%	A / A / NR
Mastercard Inc	0.6%	A / Aa / NR

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	30.1%	
Meta Platforms Inc	1.5%	AA / Aa / NR
Microsoft Corp	1.3%	AAA / Aaa / NR
Morgan Stanley	1.5%	A / Aa / AA
National Rural Utilities Cooperative Fi	0.3%	NR / A / A
Novartis AG	1.3%	AA / Aa / NR
PACCAR Inc	0.6%	A / A / NR
PepsiCo Inc	0.6%	A / A / NR
Salesforce Inc	0.8%	A / A / NR
State Street Corp	0.4%	A / Aa / AA
Target Corp	0.8%	A / A / NR
Texas Instruments Inc	0.7%	A / Aa / NR
TotalEnergies SE	1.0%	A / Aa / NR
Toyota Motor Corp	0.9%	A / A / A
Walmart Inc	0.3%	AA / Aa / AA
ABS	15.7%	
Ally Auto Receivables Trust	0.2%	AAA / NR / AAA
American Express Co	1.2%	AAA / NR / AAA
BA Credit Card Trust	1.6%	AAA / Aaa / AAA
Bank of America Corp	0.3%	NR / Aaa / AAA
Capital One Financial Corp	0.8%	AAA / NR / AAA
Chase Auto Owner Trust	0.3%	NR / Aaa / AAA
Citigroup Inc	0.9%	AAA / Aaa / NR
Ford Credit Auto Owner Trust	0.8%	AAA / Aaa / AAA
GM Financial Consumer Automobile Receiv	0.2%	AAA / Aaa / AAA
Honda Auto Receivables Owner Trust	2.5%	AAA / Aaa / AAA
Hyundai Auto Receivables Trust	2.0%	AAA / NR / AAA

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
ABS	15.7%	
JPMorgan Chase & Co	2.1%	AAA / NR / AAA
Toyota Auto Receivables Owner Trust	1.9%	AAA / Aaa / AAA
USAA Auto Owner Trust	0.2%	AAA / Aaa / NR
Verizon Master Trust	0.9%	NR / Aaa / AAA
Total	100.0%	

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Composition

Issuer Distribution As of June 30, 2026

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	56,133,667	33.94 %
FEDERAL HOME LOAN MORTGAGE CORP	30,464,687	18.42 %
JPMORGAN CHASE & CO	5,419,026	3.27 %
HONDA AUTO RECEIVABLES OWNER TRUST	4,136,531	2.50 %
CITIGROUP INC	3,529,414	2.13 %
HYUNDAI AUTO RECEIVABLES TRUST	3,271,113	1.98 %
TOYOTA AUTO RECEIVABLES OWNER TRUST	3,232,696	1.96 %
BA CREDIT CARD TRUST	2,690,811	1.63 %
BANK OF AMERICA CORP	2,563,724	1.55 %
META PLATFORMS INC	2,541,254	1.54 %
DEPOSITORY TRUST & CLEARING CORP	2,530,145	1.53 %
MORGAN STANLEY	2,446,952	1.48 %
AMAZON.COM INC	2,427,175	1.47 %
CISCO SYSTEMS INC	2,425,486	1.47 %
BANK OF NEW YORK MELLON CORP	2,359,908	1.43 %
ALPHABET INC	2,219,798	1.34 %
BLACKROCK INC	2,209,300	1.34 %
NOVARTIS AG	2,097,544	1.27 %
MICROSOFT CORP	2,064,079	1.25 %
AMERICAN EXPRESS CO	1,921,885	1.16 %
TOTALENERGIES SE	1,641,861	0.99 %
ADOBE INC	1,484,303	0.90 %
VERIZON MASTER TRUST	1,439,242	0.87 %
TOYOTA MOTOR CORP	1,406,978	0.85 %

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Composition

Issuer	Market Value (\$)	% of Portfolio
HOME DEPOT INC	1,366,955	0.83 %
TARGET CORP	1,358,937	0.82 %
COOPERATIEVE RABOBANK UA	1,350,855	0.82 %
CAPITAL ONE FINANCIAL CORP	1,325,394	0.80 %
CHARLES SCHWAB CORP	1,302,451	0.79 %
SALESFORCE INC	1,299,327	0.79 %
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1,251,645	0.76 %
FORD CREDIT AUTO OWNER TRUST	1,250,695	0.76 %
CATERPILLAR INC	1,244,627	0.75 %
TEXAS INSTRUMENTS INC	1,174,542	0.71 %
ELI LILLY & CO	1,094,246	0.66 %
PEPSICO INC	1,054,841	0.64 %
DEERE & CO	1,007,332	0.61 %
PACCAR INC	985,713	0.60 %
MASTERCARD INC	962,983	0.58 %
KENVUE INC	858,180	0.52 %
STATE STREET CORP	684,706	0.41 %
WALMART INC	573,339	0.35 %
NATIONAL RURAL UTILITIES COOPERATIVE FI	560,377	0.34 %
CHASE AUTO OWNER TRUST	525,396	0.32 %
STATE OF HAWAII	435,398	0.26 %
USAA AUTO OWNER TRUST	363,444	0.22 %
ALLY AUTO RECEIVABLES TRUST	323,755	0.20 %
GM FINANCIAL CONSUMER AUTOMOBILE RECEIV	309,886	0.19 %
Grand Total	165,322,602	100.00 %

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Holdings

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY N/B DTD 04/30/2020 0.500% 04/30/2027	912828ZN3	350,000.00	AA+	Aa1	8/3/2022	8/5/2022	312,812.50	2.92	294.84	343,483.05	339,882.90
US TREASURY N/B DTD 05/15/2017 2.375% 05/15/2027	912828X88	750,000.00	AA+	Aa1	6/10/2022	6/13/2022	719,472.66	3.28	2,274.97	744,597.83	739,107.75
US TREASURY N/B DTD 06/30/2020 0.500% 06/30/2027	912828ZV5	2,750,000.00	AA+	Aa1	8/9/2022	8/10/2022	2,440,410.16	2.99	37.36	2,686,867.95	2,653,942.50
US TREASURY N/B DTD 08/15/2017 2.250% 08/15/2027	9128282R0	2,570,000.00	AA+	Aa1	9/1/2022	9/6/2022	2,436,580.86	3.40	21,724.31	2,539,677.47	2,516,793.29
US TREASURY N/B DTD 10/31/2022 4.125% 10/31/2027	91282CFU0	735,000.00	AA+	Aa1	12/13/2022	12/14/2022	751,135.55	3.63	5,108.05	739,409.66	734,569.29
US TREASURY N/B DTD 11/17/1997 6.125% 11/15/2027	912810FB9	830,000.00	AA+	Aa1	1/26/2023	1/30/2023	920,813.67	3.62	6,492.83	856,050.55	851,819.87
US TREASURY N/B DTD 02/18/2025 4.250% 02/15/2028	91282CMN8	100,000.00	AA+	Aa1	9/3/2025	9/4/2025	101,539.06	3.59	1,596.69	101,036.78	100,113.30
US TREASURY N/B DTD 04/15/2025 3.750% 04/15/2028	91282CMW8	3,520,000.00	AA+	Aa1	10/15/2025	10/16/2025	3,541,862.50	3.49	27,770.49	3,535,851.17	3,494,976.32
US TREASURY N/B DTD 05/15/2025 3.750% 05/15/2028	91282CND9	1,325,000.00	AA+	Aa1	1/21/2026	1/22/2026	1,328,985.35	3.61	6,345.96	1,328,254.08	1,315,165.85
US TREASURY N/B DTD 07/01/2024 4.250% 06/30/2029	91282CKX8	860,000.00	AA+	Aa1	7/2/2024	7/3/2024	855,128.91	4.38	99.32	856,951.10	861,948.76
US TREASURY N/B DTD 07/31/2024 4.000% 07/31/2029	91282CLC3	230,000.00	AA+	Aa1	8/1/2024	8/2/2024	231,608.20	3.84	3,837.57	231,028.92	228,903.82
US TREASURY N/B DTD 09/03/2024 3.625% 08/31/2029	91282CLK5	3,420,000.00	AA+	Aa1	9/4/2024	9/5/2024	3,427,080.47	3.58	41,437.30	3,424,647.57	3,365,225.28
US TREASURY N/B DTD 10/31/2024 4.125% 10/31/2029	91282CLR0	445,000.00	AA+	Aa1	10/30/2024	10/31/2024	444,634.96	4.14	3,092.63	444,749.09	444,287.11
US TREASURY N/B DTD 12/02/2024 4.125% 11/30/2029	91282CMA6	7,280,000.00	AA+	Aa1	12/5/2024	12/6/2024	7,293,081.25	4.08	25,435.25	7,289,262.75	7,268,628.64
US TREASURY N/B DTD 01/31/2025 4.250% 01/31/2030	91282CMG3	1,585,000.00	AA+	Aa1	2/4/2025	2/5/2025	1,579,118.16	4.33	28,098.72	1,580,652.16	1,588,467.98

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY N/B DTD 02/28/2023 4.000% 02/28/2030	91282CGQ8	5,065,000.00	AA+	Aa1	3/4/2025	3/5/2025	5,075,288.28	3.95	67,716.85	5,072,756.47	5,034,331.42
US TREASURY N/B DTD 03/31/2025 4.000% 03/31/2030	91282CMU2	40,000.00	AA+	Aa1	4/1/2025	4/2/2025	40,200.00	3.89	402.19	40,153.73	39,745.32
US TREASURY N/B DTD 03/31/2025 4.000% 03/31/2030	91282CMU2	2,030,000.00	AA+	Aa1	4/11/2025	4/14/2025	2,014,299.22	4.17	20,410.93	2,017,849.58	2,017,074.99
US TREASURY N/B DTD 04/30/2025 3.875% 04/30/2030	91282CMZ1	1,035,000.00	AA+	Aa1	3/19/2026	3/20/2026	1,035,485.16	3.86	6,757.03	1,035,456.57	1,023,801.30
US TREASURY N/B DTD 09/02/2025 3.625% 08/31/2030	91282CNX5	4,065,000.00	AA+	Aa1	9/2/2025	9/3/2025	4,043,404.69	3.74	49,252.22	4,046,722.33	3,976,870.80
US TREASURY N/B DTD 09/30/2025 3.625% 09/30/2030	91282CPA3	200,000.00	AA+	Aa1	10/30/2025	10/31/2025	199,140.63	3.72	1,822.40	199,248.96	195,593.80
US TREASURY N/B DTD 09/30/2025 3.625% 09/30/2030	91282CPA3	3,200,000.00	AA+	Aa1	10/1/2025	10/2/2025	3,191,000.00	3.69	29,158.47	3,192,252.89	3,129,500.80
US TREASURY N/B DTD 12/01/2025 3.500% 11/30/2030	91282CPN5	4,680,000.00	AA+	Aa1	12/3/2025	12/5/2025	4,653,309.37	3.63	13,873.77	4,656,143.13	4,548,740.04
US TREASURY N/B DTD 12/31/2025 3.625% 12/31/2030	91282CPR6	415,000.00	AA+	Aa1	12/31/2025	12/31/2025	413,508.59	3.70	40.88	413,648.16	405,224.67
US TREASURY N/B DTD 02/02/2026 3.750% 01/31/2031	91282CPW5	1,395,000.00	AA+	Aa1	2/5/2026	2/10/2026	1,394,945.51	3.75	21,820.96	1,394,953.41	1,368,680.54
US TREASURY N/B DTD 02/02/2026 3.750% 01/31/2031	91282CPW5	2,225,000.00	AA+	Aa1	2/4/2026	2/5/2026	2,217,177.74	3.83	34,804.04	2,217,759.82	2,183,020.93
US TREASURY N/B DTD 03/02/2026 3.500% 02/28/2031	91282CQD6	510,000.00	AA+	Aa1	3/2/2026	3/3/2026	507,469.92	3.61	5,966.17	507,624.27	495,038.64
US TREASURY N/B DTD 02/29/2024 4.250% 02/28/2031	91282CKC4	2,040,000.00	AA+	Aa1	4/8/2026	4/9/2026	2,071,795.32	3.90	28,978.53	2,070,462.91	2,043,427.20
US TREASURY N/B DTD 04/30/2026 3.875% 04/30/2031	91282CQK0	3,215,000.00	AA+	Aa1	5/28/2026	5/29/2026	3,171,421.68	4.18	20,989.23	3,172,150.15	3,168,784.38
Security Type Sub-Total		56,865,000.00					56,412,710.37	3.78	475,639.96	56,739,702.51	56,133,667.49

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Negotiable CD											
COOPERAT RABOBANK UA/NY DTD 07/20/2023 5.080% 07/17/2026	21684LGS5	1,350,000.00	A-1	P-1	7/17/2023	7/20/2023	1,350,000.00	5.08	31,242.00	1,350,000.00	1,350,854.55
Security Type Sub-Total		1,350,000.00					1,350,000.00	5.08	31,242.00	1,350,000.00	1,350,854.55
Municipal											
HAWAII ST-TXBL-GP (CALLABLE) DTD 04/30/2026 4.212% 04/01/2031	419792S23	440,000.00	AA+	Aa2	4/16/2026	4/30/2026	440,000.00	4.21	3,140.28	440,000.00	435,397.60
Security Type Sub-Total		440,000.00					440,000.00	4.21	3,140.28	440,000.00	435,397.60
Corporate											
TARGET CORP (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	1,375,000.00	A	A2	2/7/2022	2/9/2022	1,366,915.00	2.08	12,363.54	1,374,116.84	1,358,937.25
MICROSOFT CORP (CALLABLE) DTD 02/06/2017 3.300% 02/06/2027	594918BY9	2,075,000.00	AAA	Aaa	12/14/2022	12/16/2022	2,015,634.25	4.06	27,580.21	2,066,433.80	2,064,079.27
HOME DEPOT INC (CALLABLE) DTD 09/14/2017 2.800% 09/14/2027	437076BT8	1,390,000.00	A	A2	1/26/2023	1/30/2023	1,311,326.00	4.16	11,567.89	1,369,527.74	1,366,955.19
TOYOTA MOTOR CREDIT CORP DTD 01/12/2023 4.625% 01/12/2028	89236TKQ7	980,000.00	A+	A1	8/14/2023	8/16/2023	967,946.00	4.94	21,277.57	975,812.26	984,708.90
KENVUE INC (CALLABLE) DTD 10/17/2023 5.050% 03/22/2028	49177JAF9	850,000.00	A	A2	6/27/2025	6/30/2025	870,068.50	4.12	11,804.38	862,709.55	858,180.40
MORGAN STANLEY BANK NA (CALLABLE) DTD 05/30/2024 5.504% 05/26/2028	61690U8B9	460,000.00	A+	Aa3	5/28/2024	5/30/2024	460,000.00	5.50	2,461.51	460,000.00	463,857.10
MORGAN STANLEY BANK NA (CALLABLE) DTD 05/30/2024 5.504% 05/26/2028	61690U8B9	890,000.00	A+	Aa3	5/30/2024	5/31/2024	891,877.90	5.45	4,762.49	890,557.33	897,462.65
JOHN DEERE CAPITAL CORP DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	195,000.00	A	A1	7/13/2023	7/14/2023	197,652.00	4.64	4,477.69	196,079.95	197,416.83
JOHN DEERE CAPITAL CORP DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	455,000.00	A	A1	7/11/2023	7/14/2023	454,322.05	4.98	10,447.94	454,723.92	460,639.27
JOHN DEERE CAPITAL CORP DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	345,000.00	A	A1	7/14/2023	7/18/2023	348,381.00	4.73	7,922.06	346,379.88	349,275.93

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Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
PACCAR FINANCIAL CORP DTD 08/10/2023 4.950% 08/10/2028	69371RS64	975,000.00	A+	A1	8/17/2023	8/21/2023	970,407.75	5.06	18,902.81	973,051.69	985,713.30
NATIONAL RURAL UTIL COOP (CALLABLE) DTD 08/25/2025 4.150% 08/25/2028	63743HFZ0	565,000.00	NR	A2	8/19/2025	8/25/2025	564,367.20	4.19	8,206.63	564,539.01	560,377.17
CITIBANK NA (CALLABLE) DTD 09/29/2023 5.803% 09/29/2028	17325FBB3	1,975,000.00	A+	Aa3	9/26/2023	9/29/2023	1,975,000.00	5.80	29,289.03	1,975,000.00	2,031,949.13
ALPHABET INC (CALLABLE) DTD 11/06/2025 3.875% 11/15/2028	02079KAV9	195,000.00	AA+	Aa2	11/3/2025	11/6/2025	194,832.30	3.91	965.52	194,866.98	193,238.18
ALPHABET INC (CALLABLE) DTD 02/13/2026 3.700% 02/15/2029	02079KBJ5	230,000.00	AA+	Aa2	2/10/2026	2/13/2026	229,772.30	3.74	3,262.17	229,800.18	226,266.41
ALPHABET INC (CALLABLE) DTD 02/13/2026 3.700% 02/15/2029	02079KBJ5	215,000.00	AA+	Aa2	2/9/2026	2/13/2026	214,219.55	3.83	3,049.42	214,314.49	211,509.91
ALPHABET INC (CALLABLE) DTD 02/13/2026 3.700% 02/15/2029	02079KBJ5	230,000.00	AA+	Aa2	2/10/2026	2/13/2026	229,753.90	3.74	3,262.17	229,784.25	226,266.41
ALPHABET INC (CALLABLE) DTD 02/13/2026 3.700% 02/15/2029	02079KBJ5	1,385,000.00	AA+	Aa2	2/10/2026	2/13/2026	1,383,587.30	3.74	19,643.92	1,383,762.47	1,362,517.30
STATE STREET CORP (CALLABLE) DTD 08/20/2024 4.530% 02/20/2029	857477CN1	685,000.00	A	Aa3	8/14/2024	8/20/2024	685,000.00	4.53	11,291.65	685,000.00	684,706.14
CATERPILLAR FINL SERVICE DTD 02/24/2026 3.750% 02/23/2029	14913UBJ8	1,100,000.00	A	A1	2/18/2026	2/24/2026	1,098,548.00	3.80	14,552.08	1,098,711.26	1,082,268.00
CISCO SYSTEMS INC (CALLABLE) DTD 02/26/2024 4.850% 02/26/2029	17275RBR2	2,400,000.00	AA-	A1	11/7/2025	11/10/2025	2,463,600.00	3.98	40,416.67	2,451,527.20	2,425,485.60
BLACKROCK FUNDING INC (CALLABLE) DTD 03/14/2024 4.700% 03/14/2029	09290DAA9	125,000.00	AA-	Aa3	3/5/2024	3/14/2024	124,773.75	4.74	1,746.18	124,871.48	126,240.50
SALESFORCE INC (CALLABLE) DTD 03/13/2026 4.650% 03/15/2029	79466LAR5	1,300,000.00	A+	A2	3/11/2026	3/13/2026	1,299,714.00	4.66	18,135.00	1,299,741.87	1,299,326.60
ADOBE INC (CALLABLE) DTD 04/04/2024 4.800% 04/04/2029	00724PAF6	445,000.00	A+	A1	4/2/2024	4/4/2024	444,256.85	4.84	5,162.00	444,568.43	449,348.54
ADOBE INC (CALLABLE) DTD 04/04/2024 4.800% 04/04/2029	00724PAF6	545,000.00	A+	A1	4/1/2024	4/4/2024	544,187.95	4.83	6,322.00	544,528.45	550,325.74
BANK OF NEW YORK MELLON (CALLABLE) DTD 04/22/2025 4.729% 04/20/2029	06405LAH4	2,350,000.00	AA-	Aa2	5/6/2025	5/7/2025	2,373,688.00	4.45	21,917.60	2,364,811.98	2,359,907.60

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Corporate											
MASTERCARD INC (CALLABLE) DTD 05/31/2019 2.950% 06/01/2029	57636QAM6	1,000,000.00	A+	Aa3	6/26/2024	6/27/2024	918,740.00	4.82	2,458.33	949,626.71	962,983.00
PEPSICO INC (CALLABLE) DTD 07/17/2024 4.500% 07/17/2029	713448FX1	720,000.00	A+	A1	7/15/2024	7/17/2024	718,884.00	4.53	14,760.00	719,293.00	722,227.68
ELI LILLY & CO (CALLABLE) DTD 08/14/2024 4.200% 08/14/2029	532457CQ9	245,000.00	AA-	Aa3	8/12/2024	8/14/2024	244,463.45	4.25	3,915.92	244,652.81	243,718.41
ELI LILLY & CO (CALLABLE) DTD 08/14/2024 4.200% 08/14/2029	532457CQ9	855,000.00	AA-	Aa3	8/13/2024	8/14/2024	856,248.30	4.17	13,665.75	855,809.74	850,527.50
ADOBE INC (CALLABLE) DTD 02/03/2020 2.300% 02/01/2030	00724PAD1	525,000.00	A+	A1	2/9/2026	2/10/2026	490,087.50	4.13	5,031.25	493,286.15	484,628.55
PEPSICO INC (CALLABLE) DTD 02/07/2025 4.600% 02/07/2030	713448GB8	330,000.00	A+	A1	2/5/2025	2/7/2025	329,445.60	4.64	6,072.00	329,588.70	332,613.60
MORGAN STANLEY PVT BANK (CALLABLE) DTD 02/02/2026 4.213% 02/08/2030	61776NU43	1,100,000.00	A+	Aa3	2/4/2026	2/5/2026	1,100,385.00	4.20	19,180.85	1,100,338.26	1,085,631.80
BLACKROCK INC (CALLABLE) DTD 01/27/2020 2.400% 04/30/2030	09247XAQ4	2,250,000.00	AA-	Aa3	6/26/2025	6/27/2025	2,065,050.00	4.30	9,150.00	2,100,603.44	2,083,059.00
TEXAS INSTRUMENTS INC (CALLABLE) DTD 05/04/2020 1.750% 05/04/2030	882508BJ2	1,300,000.00	A+	Aa3	7/2/2025	7/3/2025	1,157,767.00	4.28	3,602.08	1,184,695.38	1,174,542.20
CHARLES SCHWAB CORP (CALLABLE) DTD 05/21/2026 4.744% 05/21/2030	808513CQ6	995,000.00	A-	A2	5/19/2026	5/21/2026	994,233.85	4.77	5,244.76	994,255.89	996,875.58
CHARLES SCHWAB CORP (CALLABLE) DTD 05/21/2026 4.744% 05/21/2030	808513CQ6	305,000.00	A-	A2	5/18/2026	5/21/2026	305,000.00	4.74	1,607.69	305,000.00	305,574.93
JPMORGAN CHASE & CO (CALLABLE) DTD 07/22/2024 4.995% 07/22/2030	46647PEJ1	1,990,000.00	A	A1	3/17/2026	3/18/2026	2,027,511.50	4.51	43,901.89	2,025,263.85	2,003,474.29
BANK OF AMERICA CORP (CALLABLE) DTD 10/22/2019 2.884% 10/22/2030	06051GHX0	2,265,000.00	A-	A1	3/11/2026	3/11/2026	2,155,872.30	4.04	12,520.17	2,162,505.30	2,136,569.97
NOVARTIS CAPITAL CORP (CALLABLE) DTD 11/05/2025 4.100% 11/05/2030	66989HAY4	2,135,000.00	AA-	Aa3	11/3/2025	11/5/2025	2,128,595.00	4.17	13,616.56	2,129,370.18	2,097,543.56

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Corporate											
CATERPILLAR FINL SERVICE DTD 01/08/2026 4.150% 01/08/2031	14913UBH2	165,000.00	A	A1	1/5/2026	1/8/2026	164,940.60	4.16	3,290.60	164,946.12	162,359.34
TOYOTA MOTOR CREDIT CORP DTD 01/12/2026 4.200% 01/10/2031	89236TPH2	430,000.00	A+	A1	1/7/2026	1/12/2026	429,866.70	4.21	8,478.17	429,878.91	422,269.46
TOTALENERGI CAP USA LLC (CALLABLE) DTD 01/13/2026 4.248% 01/13/2031	89158TAA7	705,000.00	A+	Aa3	1/6/2026	1/13/2026	705,000.00	4.25	13,975.92	705,000.00	693,120.75
TOTALENERGI CAP USA LLC (CALLABLE) DTD 01/13/2026 4.248% 01/13/2031	89158TAA7	965,000.00	A+	Aa3	1/7/2026	1/13/2026	967,277.40	4.20	19,130.16	967,083.96	948,739.75
AMAZON.COM INC (CALLABLE) DTD 03/13/2026 4.250% 03/13/2031	023135DD5	1,390,000.00	AA	A1	3/10/2026	3/13/2026	1,387,776.00	4.29	17,722.50	1,387,902.42	1,368,670.45
AMAZON.COM INC (CALLABLE) DTD 03/13/2026 4.250% 03/13/2031	023135DD5	1,075,000.00	AA	A1	3/11/2026	3/13/2026	1,071,312.75	4.33	13,706.25	1,071,514.41	1,058,504.13
DEPOSITORY TRUST COMPANY (CALLABLE) DTD 03/27/2026 4.550% 03/27/2031	249672AA4	395,000.00	AA+	Aa1	3/23/2026	3/27/2026	394,668.20	4.57	4,692.82	394,685.19	392,694.39
DEPOSITORY TRUST COMPANY (CALLABLE) DTD 03/27/2026 4.550% 03/27/2031	249672AA4	2,150,000.00	AA+	Aa1	4/1/2026	4/2/2026	2,155,676.00	4.49	25,543.19	2,155,418.65	2,137,450.45
WALMART INC (CALLABLE) DTD 04/30/2026 4.150% 04/30/2031	931142FT5	580,000.00	AA	Aa2	4/27/2026	4/30/2026	578,758.80	4.20	4,078.53	578,799.42	573,339.28
META PLATFORMS INC (CALLABLE) DTD 05/04/2026 4.550% 05/15/2031	30303MAF9	2,555,000.00	AA-	Aa3	6/3/2026	6/4/2026	2,540,232.10	4.68	18,406.65	2,540,440.75	2,541,254.10
Security Type Sub-Total		50,160,000.00					49,567,623.60	4.37	604,542.17	49,765,180.25	49,555,331.49

Agency CMBS

FHMS K061 A2 DTD 01/01/2017 3.347% 11/01/2026	3137BTUM1	904,431.35	AA+	Aa1	5/19/2023	5/24/2023	876,591.83	4.29	2,522.61	901,252.21	900,314.37
FHMS K064 A2 DTD 05/01/2017 3.224% 03/01/2027	3137BXQY1	1,320,000.00	AA+	Aa1	8/16/2023	8/18/2023	1,245,131.25	4.94	3,546.40	1,304,760.71	1,310,345.52
FHMS K066 A2 DTD 08/01/2017 3.117% 06/01/2027	3137F2LJ3	1,147,268.81	AA+	Aa1	8/17/2023	8/22/2023	1,072,875.60	4.97	2,980.03	1,128,226.72	1,135,178.89

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Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Agency CMBS											
FHMS K506 A1 DTD 09/01/2023 4.650% 05/01/2028	3137HAMG8	627,801.95	AA+	Aa1	9/7/2023	9/14/2023	618,413.18	5.01	2,432.73	623,716.30	629,350.73
FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028	3137HAD45	1,028,579.08	AA+	Aa1	7/19/2023	7/27/2023	1,028,553.36	4.78	4,094.60	1,028,568.68	1,030,767.90
FHMS K505 A2 DTD 07/01/2023 4.819% 06/01/2028	3137HACX2	1,350,000.00	AA+	Aa1	7/13/2023	7/20/2023	1,363,483.80	4.59	5,421.38	1,355,423.90	1,356,035.85
FNA 2023-M6 A2 DTD 07/01/2023 4.172% 07/01/2028	3136BQDE6	1,259,898.44	AA+	Aa1	7/18/2023	7/31/2023	1,238,539.22	4.58	4,380.20	1,251,040.43	1,251,644.84
FHMS K506 A2 DTD 09/01/2023 4.650% 08/01/2028	3137HAMH6	1,300,000.00	AA+	Aa1	9/7/2023	9/14/2023	1,280,769.10	4.99	5,037.50	1,291,020.33	1,302,492.10
FHMS KJ47 A1 DTD 09/01/2023 5.272% 08/01/2028	3137HAMN3	353,817.04	AA+	Aa1	9/19/2023	9/28/2023	353,815.27	5.27	1,554.44	353,816.32	355,175.35
FHMS K508 A2 DTD 10/01/2023 4.740% 08/01/2028	3137HAQ74	1,325,000.00	AA+	Aa1	10/11/2023	10/19/2023	1,295,934.80	5.25	5,233.75	1,311,143.49	1,330,168.83
FHMS K509 A2 DTD 10/01/2023 4.850% 09/01/2028	3137HAST4	1,015,000.00	AA+	Aa1	10/25/2023	10/31/2023	982,638.76	5.60	4,102.29	998,846.62	1,020,660.66
FHMS K507 A2 DTD 09/01/2023 4.800% 09/01/2028	3137HAMS2	1,300,000.00	AA+	Aa1	9/20/2023	9/28/2023	1,284,461.10	5.07	5,200.00	1,292,419.13	1,306,752.20
FHMS K511 A2 DTD 12/01/2023 4.860% 10/01/2028	3137HB3G7	750,000.00	AA+	Aa1	11/28/2023	12/7/2023	747,845.25	4.93	3,037.50	748,909.37	755,182.50
FHMS K510 A2 DTD 11/01/2023 5.069% 10/01/2028	3137HB3D4	515,000.00	AA+	Aa1	11/14/2023	11/21/2023	513,511.14	5.14	2,175.45	514,250.68	520,499.68
FHMS K512 A2 DTD 12/01/2023 5.000% 11/01/2028	3137HBCF9	626,285.42	AA+	Aa1	12/11/2023	12/21/2023	632,133.67	4.79	2,609.52	629,316.86	632,593.99
FHMS K513 A2 DTD 01/01/2024 4.724% 12/01/2028	3137HBFY5	770,000.00	AA+	Aa1	1/10/2024	1/18/2024	777,691.53	4.50	3,031.23	774,096.60	772,811.27
FHMS K514 A2 DTD 02/01/2024 4.572% 12/01/2028	3137HBLV4	780,000.00	AA+	Aa1	2/1/2024	2/8/2024	787,799.22	4.34	2,971.80	784,189.23	780,021.84
FHMS K517 A2 DTD 03/01/2024 5.355% 01/01/2029	3137HC2C5	1,210,000.00	AA+	Aa1	3/5/2024	3/14/2024	1,246,283.06	4.67	5,399.63	1,230,231.81	1,232,095.81
FHMS K515 A2 DTD 02/01/2024 5.400% 01/01/2029	3137HBPD0	1,350,000.00	AA+	Aa1	2/14/2024	2/22/2024	1,386,369.00	4.79	6,075.00	1,370,081.66	1,374,748.20
FHMS K516 A2 DTD 03/01/2024 5.477% 01/01/2029	3137HBPM0	1,350,000.00	AA+	Aa1	2/29/2024	3/7/2024	1,390,495.95	4.79	6,161.63	1,372,530.24	1,378,921.05

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Agency CMBS											
FHMS K518 A2 DTD 03/01/2024 5.400% 01/01/2029	3137HC2L5	975,000.00	AA+	Aa1	3/19/2024	3/28/2024	998,541.38	4.83	4,387.50	988,448.05	993,699.53
FHMS K520 A2 DTD 04/01/2024 5.180% 03/01/2029	3137HCKV3	765,000.00	AA+	Aa1	4/23/2024	4/30/2024	768,105.14	5.09	3,302.25	766,859.48	776,643.30
FHMS K524 A2 DTD 07/01/2024 4.720% 05/01/2029	3137HDV56	1,145,000.00	AA+	Aa1	7/16/2024	7/25/2024	1,152,031.44	4.58	4,503.67	1,149,484.50	1,150,674.62
FHMS K528 A2 DTD 09/01/2024 4.508% 07/01/2029	3137HFNZ4	510,000.00	AA+	Aa1	9/4/2024	9/12/2024	520,189.80	4.06	1,915.90	516,663.21	509,905.14
FHMS K526 A2 DTD 08/01/2024 4.543% 07/01/2029	3137HDXL9	1,300,000.00	AA+	Aa1	8/7/2024	8/15/2024	1,312,160.20	4.33	4,921.58	1,307,862.40	1,302,090.40
FHMS K530 A2 DTD 11/01/2024 4.792% 09/01/2029	3137HHJL6	1,465,000.00	AA+	Aa1	11/19/2024	11/27/2024	1,472,628.26	4.67	5,850.23	1,470,388.53	1,476,406.49
FHMS K529 A2 DTD 10/01/2024 4.791% 09/01/2029	3137HH6C0	855,000.00	AA+	Aa1	10/8/2024	10/16/2024	872,088.89	4.34	3,413.59	866,611.48	862,337.61
FHMS K533 A2 DTD 01/01/2025 4.230% 12/01/2029	3137HHW23	880,000.00	AA+	Aa1	1/7/2025	1/16/2025	857,259.92	4.82	3,102.00	863,395.68	873,168.56
FHMS K546 A2 DTD 09/01/2025 4.361% 05/01/2030	3137HN4R6	975,000.00	AA+	Aa1	9/9/2025	9/18/2025	989,611.35	4.01	3,543.31	987,356.70	970,130.85
FHMS K553 A2 DTD 01/01/2026 4.070% 12/01/2030	3137HPU50	780,000.00	AA+	Aa1	1/7/2026	1/15/2026	780,975.78	4.04	2,645.50	780,894.01	766,553.58
FHMS K555 A2 DTD 02/01/2026 4.050% 01/01/2031	3137HQ4U2	1,690,000.00	AA+	Aa1	2/4/2026	2/12/2026	1,684,303.01	4.13	5,703.75	1,684,707.97	1,658,959.77
Security Type Sub-Total		31,623,082.08					31,531,231.26	4.71	121,256.97	31,646,513.30	31,716,331.43
ABS											
TAOT 2023-D A3 DTD 11/14/2023 5.540% 08/15/2028	89239FAD4	137,622.27	AAA	NR	11/7/2023	11/14/2023	137,607.43	5.54	338.86	137,615.40	138,490.53
CHAIT 2023-A1 A DTD 09/15/2023 5.160% 09/15/2028	161571HT4	1,045,000.00	AAA	NR	9/7/2023	9/15/2023	1,044,710.33	5.17	2,396.53	1,044,863.04	1,047,632.36
AMXCA 2023-3 A DTD 09/19/2023 5.230% 09/15/2028	02582JKD1	1,070,000.00	AAA	NR	9/12/2023	9/19/2023	1,069,952.17	5.23	2,487.16	1,069,977.75	1,072,998.14
HART 2023-C A3 DTD 11/13/2023 5.540% 10/16/2028	44918CAD4	179,564.44	AAA	NR	11/3/2023	11/13/2023	179,540.83	5.54	442.13	179,552.87	180,571.98

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
ABS											
BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028	05522RDH8	480,000.00	NR	Aaa	12/7/2023	12/14/2023	479,935.54	4.98	1,062.40	479,967.84	481,534.56
GMCAR 2024-1 A3 DTD 01/17/2024 4.850% 12/18/2028	36268GAD7	64,676.48	NR	Aaa	1/9/2024	1/17/2024	64,663.48	4.85	130.70	64,669.59	64,855.32
CHAIT 2024-A1 A DTD 01/31/2024 4.600% 01/15/2029	161571HV9	1,175,000.00	AAA	NR	1/24/2024	1/31/2024	1,174,821.05	4.60	2,402.22	1,174,904.44	1,177,586.18
HAROT 2025-1 A3 DTD 02/11/2025 4.570% 09/21/2029	43814VAC1	1,070,000.00	AAA	NR	2/4/2025	2/11/2025	1,069,967.04	4.57	1,358.31	1,069,977.59	1,072,962.83
HART 2025-A A3 DTD 03/12/2025 4.320% 10/15/2029	44935CAD3	935,000.00	AAA	NR	3/4/2025	3/12/2025	934,862.09	4.32	1,795.20	934,899.83	935,430.10
TAOT 2025-B A3 DTD 04/30/2025 4.340% 11/15/2029	89231HAD8	575,000.00	AAA	NR	4/24/2025	4/30/2025	574,967.05	4.34	1,109.11	574,976.59	575,207.00
HART 2025-B A3 DTD 06/11/2025 4.360% 12/17/2029	44935XAD7	360,000.00	AAA	NR	6/3/2025	6/11/2025	359,967.49	4.36	697.60	359,974.60	360,110.52
USAOT 2025-A A3 DTD 10/09/2025 3.950% 12/17/2029	90327HAC3	365,000.00	AAA	Aaa	10/2/2025	10/9/2025	364,967.95	3.95	640.78	364,974.06	363,444.37
HAROT 2025-3 A3 DTD 08/12/2025 4.040% 02/21/2030	43813QAD1	870,000.00	AAA	Aaa	8/5/2025	8/12/2025	869,981.82	4.04	976.33	869,985.30	866,161.56
ALLYA 2025-1 A3 DTD 10/16/2025 3.960% 03/15/2030	02008KAC7	325,000.00	AAA	NR	10/7/2025	10/16/2025	324,953.59	3.96	572.00	324,960.86	323,754.60
TAOT 2025-C A3 DTD 07/30/2025 4.110% 03/15/2030	89238VAD0	615,000.00	AAA	Aaa	7/22/2025	7/30/2025	614,935.18	4.11	1,123.40	614,947.24	613,162.38
HART 2025-C A3 DTD 09/17/2025 3.880% 04/15/2030	44935JAD8	770,000.00	AAA	NR	9/9/2025	9/17/2025	769,874.34	3.88	1,327.82	769,897.06	764,449.07
FORDO 2025-B A3 DTD 09/26/2025 3.910% 04/15/2030	34532BAG6	585,000.00	NR	Aaa	9/23/2025	9/26/2025	584,936.88	3.91	1,016.60	584,948.57	580,553.42
GMCAR 2025-2 A3 DTD 05/14/2025 4.280% 04/16/2030	362549AD9	245,000.00	AAA	Aaa	5/6/2025	5/14/2025	244,963.94	4.28	436.92	244,971.75	245,030.63
BACCT 2025-A1 A DTD 06/12/2025 4.310% 05/15/2030	05522RDK1	685,000.00	AAA	NR	6/5/2025	6/12/2025	684,997.40	4.31	1,312.16	685,000.00	684,744.50
HAROT 2025-4 A3 DTD 11/12/2025 3.980% 06/17/2030	43814XAD5	725,000.00	AAA	NR	11/5/2025	11/12/2025	724,859.64	3.98	1,282.44	724,877.98	719,629.93
TAOT 2025-D A3 DTD 10/23/2025 3.840% 06/17/2030	89231GAD0	860,000.00	AAA	NR	10/15/2025	10/23/2025	859,901.10	3.84	1,467.73	859,914.80	853,545.70

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
ABS											
CCCIT 2025-A1 A DTD 06/26/2025 4.300% 06/21/2030	17305EHA6	1,500,000.00	AAA	Aaa	6/18/2025	6/26/2025	1,499,593.05	4.31	1,791.67	1,499,669.19	1,497,465.00
COPAR 2025-1 A3 DTD 11/05/2025 3.850% 07/15/2030	14043YAD7	375,000.00	AAA	NR	10/28/2025	11/5/2025	374,920.58	3.85	641.67	374,931.38	371,612.25
AMXCA 2025-4 A DTD 07/22/2025 4.300% 07/15/2030	02582JKV1	850,000.00	AAA	NR	7/15/2025	7/22/2025	849,877.52	4.30	1,624.44	849,899.32	848,887.35
CHAIT 2025-A1 A DTD 07/25/2025 4.160% 07/15/2030	161571HZ0	1,195,000.00	AAA	NR	7/18/2025	7/25/2025	1,194,975.98	4.16	2,209.42	1,194,982.25	1,190,333.53
COMET 2025-A1 A DTD 09/16/2025 3.820% 09/15/2030	14041NGF2	965,000.00	AAA	NR	9/9/2025	9/16/2025	964,817.04	3.82	1,638.36	964,846.52	953,781.88
TAOT 2026-A A3 DTD 01/21/2026 3.860% 09/16/2030	89240KAD0	405,000.00	AAA	Aaa	1/13/2026	1/21/2026	404,965.49	3.86	694.80	404,968.58	401,110.79
HART 2025-D A3 DTD 11/12/2025 3.990% 09/16/2030	44891XAD9	750,000.00	AAA	NR	11/5/2025	11/12/2025	749,936.55	3.99	1,330.00	749,944.88	744,402.75
HAROT 2026-1 A3 DTD 02/18/2026 3.780% 09/23/2030	43815CAD0	375,000.00	NR	Aaa	2/10/2026	2/18/2026	374,940.26	3.78	393.75	374,945.87	370,615.12
BAAT 2026-1A A3 DTD 04/24/2026 4.180% 10/15/2030	05620EAD0	430,000.00	NR	Aaa	4/15/2026	4/24/2026	429,934.17	4.18	798.84	429,937.63	427,153.83
FORDO 2026-A A3 DTD 03/24/2026 4.050% 10/15/2030	34532WAD7	675,000.00	AAA	Aaa	3/17/2026	3/24/2026	674,871.01	4.05	1,215.00	674,880.61	670,141.35
CHAOT 2025-2A A3 DTD 10/29/2025 3.860% 10/25/2030	16144MAD6	530,000.00	NR	Aaa	10/17/2025	10/29/2025	529,979.01	3.86	340.97	529,983.16	525,395.89
HAROT 2026-2 A3 DTD 05/13/2026 4.300% 11/15/2030	43814YAD3	1,110,000.00	AAA	Aaa	5/5/2026	5/13/2026	1,109,967.92	4.30	2,121.33	1,109,969.08	1,107,161.73
TAOT 2026-B A3 DTD 04/21/2026 4.130% 12/16/2030	89240QAD7	655,000.00	AAA	Aaa	4/14/2026	4/21/2026	654,861.86	4.14	1,202.29	654,869.52	651,180.04
HART 2026-A A3 DTD 02/18/2026 3.790% 02/18/2031	448981AD2	290,000.00	AAA	NR	2/10/2026	2/18/2026	289,980.43	3.79	488.49	289,982.78	286,148.22
VZMT 2026-1 A1A DTD 03/13/2026 3.940% 02/20/2031	92348KFC2	1,450,000.00	NR	Aaa	3/5/2026	3/13/2026	1,449,798.16	3.94	1,745.64	1,449,809.82	1,439,242.45

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
ABS											
BACCT 2026-A1 A DTD 05/14/2026 4.220% 04/15/2031	05522RDL9	1,530,000.00	NR	Aaa	5/7/2026	5/14/2026	1,529,846.08	4.22	2,869.60	1,529,854.28	1,524,531.78
Security Type Sub-Total		26,221,863.20					26,218,631.45	4.26	45,482.67	26,219,332.03	26,131,019.64
Managed Account Sub Total		166,659,945.28					165,520,196.68	4.22	1,281,304.05	166,160,728.09	165,322,602.20
Securities Sub Total		\$166,659,945.28					\$165,520,196.68	4.22%	\$1,281,304.05	\$166,160,728.09	\$165,322,602.20
Accrued Interest											\$1,281,304.05
Total Investments											\$166,603,906.25

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY									
4/1/2026	4/2/2026	2,150,000.00	249672AA4	DEPOSITORY TRUST COMPANY (CALLABLE)	4.55%	3/27/2031	2,157,034.68	4.49%	
4/8/2026	4/9/2026	2,475,000.00	91282CKC4	US TREASURY N/B	4.25%	2/28/2031	2,525,008.62	3.90%	
4/14/2026	4/21/2026	655,000.00	89240QAD7	TAOT 2026-B A3	4.13%	12/16/2030	654,861.86	4.14%	
4/15/2026	4/24/2026	430,000.00	05620EAD0	BAAT 2026-1A A3	4.18%	10/15/2030	429,934.17	4.18%	
4/16/2026	4/30/2026	440,000.00	419792S23	HAWAII ST-TXBL-GP (CALLABLE)	4.21%	4/1/2031	440,000.00	4.21%	
4/27/2026	4/30/2026	580,000.00	931142FT5	WALMART INC (CALLABLE)	4.15%	4/30/2031	578,758.80	4.20%	
5/5/2026	5/13/2026	1,110,000.00	43814YAD3	HAROT 2026-2 A3	4.30%	11/15/2030	1,109,967.92	4.30%	
5/7/2026	5/14/2026	1,530,000.00	05522RDL9	BACCT 2026-A1 A	4.22%	4/15/2031	1,529,846.08	4.22%	
5/18/2026	5/21/2026	305,000.00	808513CQ6	CHARLES SCHWAB CORP (CALLABLE)	4.74%	5/21/2030	305,000.00	4.74%	
5/19/2026	5/21/2026	995,000.00	808513CQ6	CHARLES SCHWAB CORP (CALLABLE)	4.74%	5/21/2030	994,233.85	4.77%	
5/28/2026	5/29/2026	3,215,000.00	91282CQK0	US TREASURY N/B	3.87%	4/30/2031	3,181,239.22	4.18%	
6/3/2026	6/4/2026	2,555,000.00	30303MAF9	META PLATFORMS INC (CALLABLE)	4.55%	5/15/2031	2,549,919.81	4.68%	
Total BUY		16,440,000.00					16,455,805.01		0.00
CALL									
5/21/2026	5/21/2026	1,150,000.00	38151LAG5	GOLDMAN SACHS BANK USA (CALLABLE)	5.41%	5/21/2027	1,150,000.00	5.41%	
Total CALL		1,150,000.00					1,150,000.00		0.00

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
4/1/2026	4/1/2026		MONEY0002	MONEY MARKET FUND	0.00%		15,432.54		
4/1/2026	4/25/2026		3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	2,610.53		
4/1/2026	4/25/2026		3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,539.40		
4/1/2026	4/25/2026		3137HCKV3	FHMS K520 A2	5.18%	3/1/2029	3,302.25		
4/1/2026	4/25/2026		3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.37		
4/1/2026	4/25/2026		3136BQDE6	FNA 2023-M6 A2	4.17%	7/1/2028	4,400.19		
4/1/2026	4/25/2026		3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	3,037.50		
4/1/2026	4/25/2026		3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
4/1/2026	4/25/2026		3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,578.21		
4/1/2026	4/25/2026		3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	3,031.23		
4/1/2026	4/25/2026		3137HHW23	FHMS K533 A2	4.23%	12/1/2029	3,102.00		
4/1/2026	4/25/2026		3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
4/1/2026	4/25/2026		3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,204.14		
4/1/2026	4/25/2026		3137HPU50	FHMS K553 A2	4.07%	12/1/2030	2,645.50		
4/1/2026	4/25/2026		3137HFNZ4	FHMS K528 A2	4.50%	7/1/2029	1,915.90		
4/1/2026	4/25/2026		3137HC2C5	FHMS K517 A2	5.35%	1/1/2029	5,399.63		
4/1/2026	4/25/2026		3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	2,971.80		

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
4/1/2026	4/25/2026		3137HN4R6	FHMS K546 A2	4.36%	5/1/2030	3,543.31		
4/1/2026	4/25/2026		3137HDXL9	FHMS K526 A2	4.54%	7/1/2029	4,921.58		
4/1/2026	4/25/2026		3137HBPM0	FHMS K516 A2	5.47%	1/1/2029	6,161.63		
4/1/2026	4/25/2026		3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
4/1/2026	4/25/2026		3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
4/1/2026	4/25/2026		3137F2LJ3	FHMS K066 A2	3.11%	6/1/2027	2,994.19		
4/1/2026	4/25/2026		3137HDV56	FHMS K524 A2	4.72%	5/1/2029	4,503.67		
4/1/2026	4/25/2026		3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	6,075.00		
4/1/2026	4/25/2026		3137HQ4U2	FHMS K555 A2	4.05%	1/1/2031	5,703.75		
4/1/2026	4/25/2026		3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		
4/1/2026	4/25/2026		3137HHJL6	FHMS K530 A2	4.79%	9/1/2029	5,850.23		
4/1/2026	4/25/2026		3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,445.35		
4/1/2026	4/25/2026		3137HC2L5	FHMS K518 A2	5.40%	1/1/2029	4,387.50		
4/1/2026	4/25/2026		3137HH6C0	FHMS K529 A2	4.79%	9/1/2029	3,413.59		
4/1/2026	4/25/2026		3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
4/4/2026	4/4/2026		00724PAF6	ADOBE INC (CALLABLE)	4.80%	4/4/2029	23,760.00		
4/15/2026	4/15/2026		161571HZ0	CHAIT 2025-A1 A	4.16%	7/15/2030	4,142.67		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
4/15/2026	4/15/2026		02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.41		
4/15/2026	4/15/2026		161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2029	4,504.16		
4/15/2026	4/15/2026		161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
4/15/2026	4/15/2026		89231GAD0	TAOT 2025-D A3	3.84%	6/17/2030	2,752.00		
4/15/2026	4/15/2026		90327HAC3	USAOT 2025-A A3	3.95%	12/17/2029	1,201.46		
4/15/2026	4/15/2026		14043YAD7	COPAR 2025-1 A3	3.85%	7/15/2030	1,203.12		
4/15/2026	4/15/2026		448981AD2	HART 2026-A A3	3.79%	2/18/2031	915.92		
4/15/2026	4/15/2026		14041NGF2	COMET 2025-A1 A	3.82%	9/15/2030	3,071.92		
4/15/2026	4/15/2026		89231HAD8	TAOT 2025-B A3	4.34%	11/15/2029	2,079.58		
4/15/2026	4/15/2026		89238VAD0	TAOT 2025-C A3	4.11%	3/15/2030	2,106.38		
4/15/2026	4/15/2026		89240KAD0	TAOT 2026-A A3	3.86%	9/16/2030	1,302.75		
4/15/2026	4/15/2026		02008KAC7	ALLYA 2025-1 A3	3.96%	3/15/2030	1,072.50		
4/15/2026	4/15/2026		44935JAD8	HART 2025-C A3	3.88%	4/15/2030	2,489.67		
4/15/2026	4/15/2026		34532WAD7	FORDO 2026-A A3	4.05%	10/15/2030	1,594.69		
4/15/2026	4/15/2026		44935CAD3	HART 2025-A A3	4.32%	10/15/2029	3,366.00		
4/15/2026	4/15/2026		43814XAD5	HAROT 2025-4 A3	3.98%	6/17/2030	2,404.58		
4/15/2026	4/15/2026		44891XAD9	HART 2025-D A3	3.99%	9/16/2030	2,493.75		

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
4/15/2026	4/15/2026		02582JKV1	AMXCA 2025-4 A	4.30%	7/15/2030	3,045.83		
4/15/2026	4/15/2026		34532BAG6	FORDO 2025-B A3	3.91%	4/15/2030	1,906.12		
4/15/2026	4/15/2026		89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	818.32		
4/15/2026	4/15/2026		91282CMW8	US TREASURY N/B	3.75%	4/15/2028	66,000.00		
4/15/2026	4/15/2026		44918CAD4	HART 2023-C A3	5.54%	10/16/2028	1,120.53		
4/15/2026	4/15/2026		05522RDK1	BACCT 2025-A1 A	4.31%	5/15/2030	2,460.29		
4/15/2026	4/15/2026		05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	1,992.00		
4/15/2026	4/15/2026		44935XAD7	HART 2025-B A3	4.36%	12/17/2029	1,308.00		
4/16/2026	4/16/2026		362549AD9	GMCAR 2025-2 A3	4.28%	4/16/2030	873.83		
4/16/2026	4/16/2026		36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	345.81		
4/20/2026	4/20/2026		92348KFC2	VZMT 2026-1 A1A	3.94%	2/20/2031	5,871.69		
4/20/2026	4/20/2026		06405LAH4	BANK OF NEW YORK MELLON (CALLABLE)	4.72%	4/20/2029	55,565.75		
4/21/2026	4/21/2026		43813QAD1	HAROT 2025-3 A3	4.04%	2/21/2030	2,929.00		
4/21/2026	4/21/2026		43814VAC1	HAROT 2025-1 A3	4.57%	9/21/2029	4,074.92		
4/21/2026	4/21/2026		43815CAD0	HAROT 2026-1 A3	3.78%	9/23/2030	1,181.25		
4/22/2026	4/22/2026		06051GHX0	BANK OF AMERICA CORP (CALLABLE)	2.88%	10/22/2030	32,661.30		
4/25/2026	4/25/2026		16144MAD6	CHAOT 2025-2A A3	3.86%	10/25/2030	1,704.83		

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
4/30/2026	4/30/2026		912828ZN3	US TREASURY N/B	0.50%	4/30/2027	1,750.00		
4/30/2026	4/30/2026		91282CFU0	US TREASURY N/B	4.12%	10/31/2027	15,159.38		
4/30/2026	4/30/2026		91282CLR0	US TREASURY N/B	4.12%	10/31/2029	9,178.13		
4/30/2026	4/30/2026		09247XAQ4	BLACKROCK INC (CALLABLE)	2.40%	4/30/2030	27,000.00		
4/30/2026	4/30/2026		91282CMZ1	US TREASURY N/B	3.87%	4/30/2030	20,053.13		
5/1/2026	5/25/2026		3137HQ4U2	FHMS K555 A2	4.05%	1/1/2031	5,703.75		
5/1/2026	5/25/2026		3137HHW23	FHMS K533 A2	4.23%	12/1/2029	3,102.00		
5/1/2026	5/1/2026		MONEY0002	MONEY MARKET FUND	0.00%		15,145.79		
5/1/2026	5/25/2026		3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	3,037.50		
5/1/2026	5/25/2026		3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
5/1/2026	5/25/2026		3136BQDE6	FNA 2023-M6 A2	4.17%	7/1/2028	4,380.93		
5/1/2026	5/25/2026		3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.37		
5/1/2026	5/25/2026		3137HBPM0	FHMS K516 A2	5.47%	1/1/2029	6,161.63		
5/1/2026	5/25/2026		3137HH6C0	FHMS K529 A2	4.79%	9/1/2029	3,413.59		
5/1/2026	5/25/2026		3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,570.92		
5/1/2026	5/25/2026		3137HDV56	FHMS K524 A2	4.72%	5/1/2029	4,503.67		
5/1/2026	5/25/2026		3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
5/1/2026	5/25/2026		3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	6,075.00		
5/1/2026	5/25/2026		3137HC2C5	FHMS K517 A2	5.35%	1/1/2029	5,399.63		
5/1/2026	5/25/2026		3137HPU50	FHMS K553 A2	4.07%	12/1/2030	2,645.50		
5/1/2026	5/25/2026		3137HN4R6	FHMS K546 A2	4.36%	5/1/2030	3,543.31		
5/1/2026	5/25/2026		3137HCKV3	FHMS K520 A2	5.18%	3/1/2029	3,302.25		
5/1/2026	5/25/2026		3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,533.93		
5/1/2026	5/25/2026		3137HDXL9	FHMS K526 A2	4.54%	7/1/2029	4,921.58		
5/1/2026	5/25/2026		3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
5/1/2026	5/25/2026		3137HHJL6	FHMS K530 A2	4.79%	9/1/2029	5,850.23		
5/1/2026	5/25/2026		3137F2LJ3	FHMS K066 A2	3.11%	6/1/2027	2,989.59		
5/1/2026	5/25/2026		3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,442.45		
5/1/2026	5/25/2026		3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	2,610.22		
5/1/2026	5/25/2026		3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
5/1/2026	5/25/2026		3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	3,031.23		
5/1/2026	5/25/2026		3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
5/1/2026	5/25/2026		3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,199.15		
5/1/2026	5/25/2026		3137HC2L5	FHMS K518 A2	5.40%	1/1/2029	4,387.50		

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
5/1/2026	5/25/2026		3137HFNZ4	FHMS K528 A2	4.50%	7/1/2029	1,915.90		
5/1/2026	5/25/2026		3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
5/1/2026	5/25/2026		3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	2,971.80		
5/4/2026	5/4/2026		882508BJ2	TEXAS INSTRUMENTS INC (CALLABLE)	1.75%	5/4/2030	11,375.00		
5/5/2026	5/5/2026		66989HAY4	NOVARTIS CAPITAL CORP (CALLABLE)	4.10%	11/5/2030	43,767.50		
5/15/2026	5/15/2026		44891XAD9	HART 2025-D A3	3.99%	9/16/2030	2,493.75		
5/15/2026	5/15/2026		91282CND9	US TREASURY N/B	3.75%	5/15/2028	24,843.75		
5/15/2026	5/15/2026		34532WAD7	FORDO 2026-A A3	4.05%	10/15/2030	2,278.13		
5/15/2026	5/15/2026		05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	1,992.00		
5/15/2026	5/15/2026		89231HAD8	TAOT 2025-B A3	4.34%	11/15/2029	2,079.58		
5/15/2026	5/15/2026		89240QAD7	TAOT 2026-B A3	4.13%	12/16/2030	1,803.43		
5/15/2026	5/15/2026		90327HAC3	USAOT 2025-A A3	3.95%	12/17/2029	1,201.46		
5/15/2026	5/15/2026		912810FB9	US TREASURY N/B	6.12%	11/15/2027	25,418.75		
5/15/2026	5/15/2026		05522RDK1	BACCT 2025-A1 A	4.31%	5/15/2030	2,460.29		
5/15/2026	5/15/2026		02582JKV1	AMXCA 2025-4 A	4.30%	7/15/2030	3,045.83		
5/15/2026	5/15/2026		44935JAD8	HART 2025-C A3	3.88%	4/15/2030	2,489.67		
5/15/2026	5/15/2026		14041NGF2	COMET 2025-A1 A	3.82%	9/15/2030	3,071.92		

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
5/15/2026	5/15/2026		44935CAD3	HART 2025-A A3	4.32%	10/15/2029	3,366.00		
5/15/2026	5/15/2026		161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
5/15/2026	5/15/2026		89231GAD0	TAOT 2025-D A3	3.84%	6/17/2030	2,752.00		
5/15/2026	5/15/2026		34532BAG6	FORDO 2025-B A3	3.91%	4/15/2030	1,906.12		
5/15/2026	5/15/2026		02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
5/15/2026	5/15/2026		161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2029	4,504.17		
5/15/2026	5/15/2026		43814XAD5	HAROT 2025-4 A3	3.98%	6/17/2030	2,404.58		
5/15/2026	5/15/2026		89240KAD0	TAOT 2026-A A3	3.86%	9/16/2030	1,302.75		
5/15/2026	5/15/2026		161571HZ0	CHAIT 2025-A1 A	4.16%	7/15/2030	4,142.67		
5/15/2026	5/15/2026		02008KAC7	ALLYA 2025-1 A3	3.96%	3/15/2030	1,072.50		
5/15/2026	5/15/2026		02079KAV9	ALPHABET INC (CALLABLE)	3.87%	11/15/2028	3,967.03		
5/15/2026	5/15/2026		89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	751.93		
5/15/2026	5/15/2026		14043YAD7	COPAR 2025-1 A3	3.85%	7/15/2030	1,203.12		
5/15/2026	5/15/2026		89238VAD0	TAOT 2025-C A3	4.11%	3/15/2030	2,106.38		
5/15/2026	5/15/2026		44935XAD7	HART 2025-B A3	4.36%	12/17/2029	1,308.00		
5/15/2026	5/15/2026		448981AD2	HART 2026-A A3	3.79%	2/18/2031	915.92		
5/15/2026	5/15/2026		44918CAD4	HART 2023-C A3	5.54%	10/16/2028	1,016.49		

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
5/15/2026	5/15/2026		912828X88	US TREASURY N/B	2.37%	5/15/2027	44,175.00		
5/15/2026	5/15/2026		05620EAD0	BAAT 2026-1A A3	4.18%	10/15/2030	1,048.48		
5/16/2026	5/16/2026		362549AD9	GMCAR 2025-2 A3	4.28%	4/16/2030	873.83		
5/16/2026	5/16/2026		36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	315.27		
5/20/2026	5/20/2026		92348KFC2	VZMT 2026-1 A1A	3.94%	2/20/2031	4,760.83		
5/21/2026	5/21/2026		43813QAD1	HAROT 2025-3 A3	4.04%	2/21/2030	2,929.00		
5/21/2026	5/21/2026		38151LAG5	GOLDMAN SACHS BANK USA (CALLABLE)	5.41%	5/21/2027	31,130.50		
5/21/2026	5/21/2026		43815CAD0	HAROT 2026-1 A3	3.78%	9/23/2030	1,181.25		
5/21/2026	5/21/2026		43814VAC1	HAROT 2025-1 A3	4.57%	9/21/2029	4,074.92		
5/25/2026	5/25/2026		16144MAD6	CHAOT 2025-2A A3	3.86%	10/25/2030	1,704.83		
5/26/2026	5/26/2026		61690U8B9	MORGAN STANLEY BANK NA (CALLABLE)	5.50%	5/26/2028	37,152.00		
5/31/2026	5/31/2026		91282CMA6	US TREASURY N/B	4.12%	11/30/2029	150,150.00		
5/31/2026	5/31/2026		91282CPN5	US TREASURY N/B	3.50%	11/30/2030	81,900.00		
6/1/2026	6/25/2026		3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.37		
6/1/2026	6/25/2026		3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,439.14		
6/1/2026	6/25/2026		3137HDXL9	FHMS K526 A2	4.54%	7/1/2029	4,921.58		
6/1/2026	6/25/2026		3137HC2C5	FHMS K517 A2	5.35%	1/1/2029	5,399.63		

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
6/1/2026	6/25/2026		3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
6/1/2026	6/25/2026		3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	2,609.84		
6/1/2026	6/25/2026		3137HC2L5	FHMS K518 A2	5.40%	1/1/2029	4,387.50		
6/1/2026	6/25/2026		3137HDV56	FHMS K524 A2	4.72%	5/1/2029	4,503.67		
6/1/2026	6/25/2026		3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
6/1/2026	6/1/2026		MONEY0002	MONEY MARKET FUND	0.00%		16,445.49		
6/1/2026	6/25/2026		3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,652.79		
6/1/2026	6/25/2026		3137HHJL6	FHMS K530 A2	4.79%	9/1/2029	5,850.23		
6/1/2026	6/25/2026		3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	3,037.50		
6/1/2026	6/25/2026		3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	3,031.23		
6/1/2026	6/1/2026		57636QAM6	MASTERCARD INC (CALLABLE)	2.95%	6/1/2029	14,750.00		
6/1/2026	6/25/2026		3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
6/1/2026	6/25/2026		3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	2,971.80		
6/1/2026	6/25/2026		3137HCKV3	FHMS K520 A2	5.18%	3/1/2029	3,302.25		
6/1/2026	6/25/2026		3136BQDE6	FNA 2023-M6 A2	4.17%	7/1/2028	4,399.47		
6/1/2026	6/25/2026		3137HQ4U2	FHMS K555 A2	4.05%	1/1/2031	5,703.75		
6/1/2026	6/25/2026		3137HBPM0	FHMS K516 A2	5.47%	1/1/2029	6,161.63		

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
6/1/2026	6/25/2026		3137F2LJ3	FHMS K066 A2	3.11%	6/1/2027	2,984.66		
6/1/2026	6/25/2026		3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		
6/1/2026	6/25/2026		3137HFNZ4	FHMS K528 A2	4.50%	7/1/2029	1,915.90		
6/1/2026	6/25/2026		3137HN4R6	FHMS K546 A2	4.36%	5/1/2030	3,543.31		
6/1/2026	6/25/2026		3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,561.82		
6/1/2026	6/25/2026		3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	6,075.00		
6/1/2026	6/25/2026		3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
6/1/2026	6/25/2026		3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
6/1/2026	6/25/2026		3137HH6C0	FHMS K529 A2	4.79%	9/1/2029	3,413.59		
6/1/2026	6/25/2026		3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,528.13		
6/1/2026	6/25/2026		3137HHW23	FHMS K533 A2	4.23%	12/1/2029	3,102.00		
6/1/2026	6/25/2026		3137HPU50	FHMS K553 A2	4.07%	12/1/2030	2,645.50		
6/15/2026	6/15/2026		05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	1,992.00		
6/15/2026	6/15/2026		89231HAD8	TAOT 2025-B A3	4.34%	11/15/2029	2,079.58		
6/15/2026	6/15/2026		34532WAD7	FORDO 2026-A A3	4.05%	10/15/2030	2,278.13		
6/15/2026	6/15/2026		02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
6/15/2026	6/15/2026		05522RDL9	BACCT 2026-A1 A	4.22%	4/15/2031	5,559.85		

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
6/15/2026	6/15/2026		44891XAD9	HART 2025-D A3	3.99%	9/16/2030	2,493.75		
6/15/2026	6/15/2026		02582JKV1	AMXCA 2025-4 A	4.30%	7/15/2030	3,045.83		
6/15/2026	6/15/2026		89240QAD7	TAOT 2026-B A3	4.13%	12/16/2030	2,254.29		
6/15/2026	6/15/2026		02008KAC7	ALLYA 2025-1 A3	3.96%	3/15/2030	1,072.50		
6/15/2026	6/15/2026		161571HZ0	CHAIT 2025-A1 A	4.16%	7/15/2030	4,142.67		
6/15/2026	6/15/2026		448981AD2	HART 2026-A A3	3.79%	2/18/2031	915.92		
6/15/2026	6/15/2026		44935JAD8	HART 2025-C A3	3.88%	4/15/2030	2,489.67		
6/15/2026	6/15/2026		43814YAD3	HAROT 2026-2 A3	4.30%	11/15/2030	4,242.67		
6/15/2026	6/15/2026		44935XAD7	HART 2025-B A3	4.36%	12/17/2029	1,308.00		
6/15/2026	6/15/2026		89231GAD0	TAOT 2025-D A3	3.84%	6/17/2030	2,752.00		
6/15/2026	6/15/2026		161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2029	4,504.17		
6/15/2026	6/15/2026		89240KAD0	TAOT 2026-A A3	3.86%	9/16/2030	1,302.75		
6/15/2026	6/15/2026		43814XAD5	HAROT 2025-4 A3	3.98%	6/17/2030	2,404.58		
6/15/2026	6/15/2026		89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	690.82		
6/15/2026	6/15/2026		14041NGF2	COMET 2025-A1 A	3.82%	9/15/2030	3,071.92		
6/15/2026	6/15/2026		89238VAD0	TAOT 2025-C A3	4.11%	3/15/2030	2,106.38		
6/15/2026	6/15/2026		05522RDK1	BACCT 2025-A1 A	4.31%	5/15/2030	2,460.29		

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
6/15/2026	6/15/2026		05620EAD0	BAAT 2026-1A A3	4.18%	10/15/2030	1,497.83		
6/15/2026	6/15/2026		14043YAD7	COPAR 2025-1 A3	3.85%	7/15/2030	1,203.12		
6/15/2026	6/15/2026		44935CAD3	HART 2025-A A3	4.32%	10/15/2029	3,366.00		
6/15/2026	6/15/2026		44918CAD4	HART 2023-C A3	5.54%	10/16/2028	920.73		
6/15/2026	6/15/2026		161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
6/15/2026	6/15/2026		90327HAC3	USAOT 2025-A A3	3.95%	12/17/2029	1,201.46		
6/15/2026	6/15/2026		34532BAG6	FORDO 2025-B A3	3.91%	4/15/2030	1,906.12		
6/16/2026	6/16/2026		36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	287.64		
6/16/2026	6/16/2026		362549AD9	GMCAR 2025-2 A3	4.28%	4/16/2030	873.83		
6/20/2026	6/20/2026		92348KFC2	VZMT 2026-1 A1A	3.94%	2/20/2031	4,760.83		
6/21/2026	6/21/2026		43813QAD1	HAROT 2025-3 A3	4.04%	2/21/2030	2,929.00		
6/21/2026	6/21/2026		43814VAC1	HAROT 2025-1 A3	4.57%	9/21/2029	4,074.92		
6/21/2026	6/21/2026		43815CAD0	HAROT 2026-1 A3	3.78%	9/23/2030	1,181.25		
6/21/2026	6/21/2026		17305EHA6	CCCIT 2025-A1 A	4.30%	6/21/2030	32,250.00		
6/25/2026	6/25/2026		16144MAD6	CHAOT 2025-2A A3	3.86%	10/25/2030	1,704.83		
6/30/2026	6/30/2026		912828ZV5	US TREASURY N/B	0.50%	6/30/2027	6,875.00		
6/30/2026	6/30/2026		91282CPR6	US TREASURY N/B	3.62%	12/31/2030	7,521.88		

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
6/30/2026	6/30/2026		91282CKX8	US TREASURY N/B	4.25%	6/30/2029	18,275.00		
Total INTEREST		0.00					1,437,863.21		0.00
PAYDOWNS									
4/1/2026	4/25/2026	74.24	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	74.24		-0.39
4/1/2026	4/25/2026	93.45	3136BQDE6	FNA 2023-M6 A2	4.17%	7/1/2028	93.45		0.74
4/1/2026	4/25/2026	1,964.01	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	1,964.01		11.22
4/1/2026	4/25/2026	749.52	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	749.52		5.48
4/1/2026	4/25/2026	1,659.03	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,659.03		
4/1/2026	4/25/2026	1,253.18	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	1,253.18		0.01
4/1/2026	4/25/2026	1,768.12	3137F2LJ3	FHMS K066 A2	3.11%	6/1/2027	1,768.12		36.81
4/15/2026	4/15/2026	22,536.35	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	22,536.35		1.58
4/15/2026	4/15/2026	14,381.39	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	14,381.39		0.79
4/16/2026	4/16/2026	7,556.01	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	7,556.01		0.87
5/1/2026	5/25/2026	2,071.41	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	2,071.41		
5/1/2026	5/25/2026	1,514.05	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	1,514.05		0.02
5/1/2026	5/25/2026	110.87	3136BQDE6	FNA 2023-M6 A2	4.17%	7/1/2028	110.87		0.84
5/1/2026	5/25/2026	91.47	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	91.47		-0.47

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
5/1/2026	5/25/2026	2,079.85	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,079.85		10.36
5/1/2026	5/25/2026	1,899.80	3137F2LJ3	FHMS K066 A2	3.11%	6/1/2027	1,899.80		36.88
5/1/2026	5/25/2026	853.33	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	853.33		6.01
5/15/2026	5/15/2026	20,742.22	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	20,742.22		1.41
5/15/2026	5/15/2026	13,235.31	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	13,235.31		0.70
5/16/2026	5/16/2026	6,836.57	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	6,836.57		0.76
6/1/2026	6/25/2026	1,654.22	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	1,654.22		11.21
6/1/2026	6/25/2026	1,977.58	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	1,977.58		8.40
6/1/2026	6/25/2026	1,781.84	3137F2LJ3	FHMS K066 A2	3.11%	6/1/2027	1,781.84		32.08
6/1/2026	6/25/2026	1,680.97	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,680.97		
6/1/2026	6/25/2026	75.13	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	75.13		-0.38
6/1/2026	6/25/2026	24,749.00	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	24,749.00		0.26
6/1/2026	6/25/2026	94.38	3136BQDE6	FNA 2023-M6 A2	4.17%	7/1/2028	94.38		0.69
6/15/2026	6/15/2026	19,871.86	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	19,871.86		1.30
6/15/2026	6/15/2026	12,014.54	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	12,014.54		0.61
6/16/2026	6/16/2026	6,492.31	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	6,492.31		0.70
Total PAYDOWNS		171,862.01					171,862.01		168.49

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
SELL									
4/1/2026	4/2/2026	1,945,000.00	94988J6D4	WELLS FARGO BANK NA (CALLABLE)	5.45%	8/7/2026	1,968,255.18		7,373.10
4/8/2026	4/9/2026	2,500,000.00	92826CAZ5	VISA INC (CALLABLE)	4.10%	2/12/2031	2,523,904.17		-16,022.58
4/17/2026	4/21/2026	450,000.00	912828ZN3	US TREASURY N/B	0.50%	4/30/2027	436,725.31		-4,001.43
4/21/2026	4/24/2026	430,000.00	91282CND9	US TREASURY N/B	3.75%	5/15/2028	436,959.10		-1,325.22
4/21/2026	4/24/2026	435,000.00	91282CKC4	US TREASURY N/B	4.25%	2/28/2031	444,525.97		33.04
4/28/2026	4/30/2026	350,000.00	912828ZN3	US TREASURY N/B	0.50%	4/30/2027	338,912.11		-3,237.43
5/11/2026	5/13/2026	2,500,000.00	912828X88	US TREASURY N/B	2.37%	5/15/2027	2,494,105.55		-14,471.99
5/28/2026	5/29/2026	2,970,000.00	912828X88	US TREASURY N/B	2.37%	5/15/2027	2,929,409.66		-19,661.26
Total SELL		11,580,000.00					11,572,797.05		-51,313.77

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY	4/1/2026	4/2/2026	2,150,000.00	249672AA4	DEPOSITORY TRUST COMPANY	4.55%	3/27/2031	2,157,034.68	4.49%	
BUY	4/8/2026	4/9/2026	2,475,000.00	91282CKC4	US TREASURY N/B	4.25%	2/28/2031	2,525,008.62	3.90%	
BUY	4/14/2026	4/21/2026	655,000.00	89240QAD7	TAOT 2026-B A3	4.13%	12/16/2030	654,861.86	4.14%	
BUY	4/15/2026	4/24/2026	430,000.00	05620EAD0	BAAT 2026-1A A3	4.18%	10/15/2030	429,934.17	4.18%	
BUY	4/16/2026	4/30/2026	440,000.00	419792S23	HAWAII ST-TXBL-GP (CALLABLE)	4.21%	4/1/2031	440,000.00	4.21%	
BUY	4/27/2026	4/30/2026	580,000.00	931142FT5	WALMART INC (CALLABLE)	4.15%	4/30/2031	578,758.80	4.20%	
BUY	5/5/2026	5/13/2026	1,110,000.00	43814YAD3	HAROT 2026-2 A3	4.30%	11/15/2030	1,109,967.92	4.30%	
BUY	5/7/2026	5/14/2026	1,530,000.00	05522RDL9	BACCT 2026-A1 A	4.22%	4/15/2031	1,529,846.08	4.22%	
BUY	5/18/2026	5/21/2026	305,000.00	808513CQ6	CHARLES SCHWAB CORP (CALLABLE)	4.74%	5/21/2030	305,000.00	4.74%	
BUY	5/19/2026	5/21/2026	995,000.00	808513CQ6	CHARLES SCHWAB CORP (CALLABLE)	4.74%	5/21/2030	994,233.85	4.77%	
BUY	5/28/2026	5/29/2026	3,215,000.00	91282CQK0	US TREASURY N/B	3.87%	4/30/2031	3,181,239.22	4.18%	
BUY	6/3/2026	6/4/2026	2,555,000.00	30303MAF9	META PLATFORMS INC (CALLABLE)	4.55%	5/15/2031	2,549,919.81	4.68%	
CALL	5/21/2026	5/21/2026	1,150,000.00	38151LAG5	GOLDMAN SACHS BANK USA	5.41%	5/21/2027	1,150,000.00	5.41%	
INTEREST	4/1/2026	4/1/2026		MONEY0002	MONEY MARKET FUND	0.00%		15,432.54		
INTEREST	4/1/2026	4/25/2026		3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	2,610.53		
INTEREST	4/1/2026	4/25/2026		3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,539.40		
INTEREST	4/1/2026	4/25/2026		3137HCKV3	FHMS K520 A2	5.18%	3/1/2029	3,302.25		
INTEREST	4/1/2026	4/25/2026		3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.37		

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	4/1/2026	4/25/2026		3136BQDE6	FNA 2023-M6 A2	4.17%	7/1/2028	4,400.19		
INTEREST	4/1/2026	4/25/2026		3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	3,037.50		
INTEREST	4/1/2026	4/25/2026		3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
INTEREST	4/1/2026	4/25/2026		3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,578.21		
INTEREST	4/1/2026	4/25/2026		3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	3,031.23		
INTEREST	4/1/2026	4/25/2026		3137HHW23	FHMS K533 A2	4.23%	12/1/2029	3,102.00		
INTEREST	4/1/2026	4/25/2026		3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
INTEREST	4/1/2026	4/25/2026		3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,204.14		
INTEREST	4/1/2026	4/25/2026		3137HPU50	FHMS K553 A2	4.07%	12/1/2030	2,645.50		
INTEREST	4/1/2026	4/25/2026		3137HFNZ4	FHMS K528 A2	4.50%	7/1/2029	1,915.90		
INTEREST	4/1/2026	4/25/2026		3137HC2C5	FHMS K517 A2	5.35%	1/1/2029	5,399.63		
INTEREST	4/1/2026	4/25/2026		3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	2,971.80		
INTEREST	4/1/2026	4/25/2026		3137HN4R6	FHMS K546 A2	4.36%	5/1/2030	3,543.31		
INTEREST	4/1/2026	4/25/2026		3137HDXL9	FHMS K526 A2	4.54%	7/1/2029	4,921.58		
INTEREST	4/1/2026	4/25/2026		3137HBPM0	FHMS K516 A2	5.47%	1/1/2029	6,161.63		
INTEREST	4/1/2026	4/25/2026		3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
INTEREST	4/1/2026	4/25/2026		3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
INTEREST	4/1/2026	4/25/2026		3137F2LJ3	FHMS K066 A2	3.11%	6/1/2027	2,994.19		

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	4/1/2026	4/25/2026		3137HDV56	FHMS K524 A2	4.72%	5/1/2029	4,503.67		
INTEREST	4/1/2026	4/25/2026		3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	6,075.00		
INTEREST	4/1/2026	4/25/2026		3137HQ4U2	FHMS K555 A2	4.05%	1/1/2031	5,703.75		
INTEREST	4/1/2026	4/25/2026		3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		
INTEREST	4/1/2026	4/25/2026		3137HHJL6	FHMS K530 A2	4.79%	9/1/2029	5,850.23		
INTEREST	4/1/2026	4/25/2026		3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,445.35		
INTEREST	4/1/2026	4/25/2026		3137HC2L5	FHMS K518 A2	5.40%	1/1/2029	4,387.50		
INTEREST	4/1/2026	4/25/2026		3137HH6C0	FHMS K529 A2	4.79%	9/1/2029	3,413.59		
INTEREST	4/1/2026	4/25/2026		3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
INTEREST	4/4/2026	4/4/2026		00724PAF6	ADOBE INC (CALLABLE)	4.80%	4/4/2029	23,760.00		
INTEREST	4/15/2026	4/15/2026		161571HZ0	CHAIT 2025-A1 A	4.16%	7/15/2030	4,142.67		
INTEREST	4/15/2026	4/15/2026		02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.41		
INTEREST	4/15/2026	4/15/2026		161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2029	4,504.16		
INTEREST	4/15/2026	4/15/2026		161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
INTEREST	4/15/2026	4/15/2026		89231GAD0	TAOT 2025-D A3	3.84%	6/17/2030	2,752.00		
INTEREST	4/15/2026	4/15/2026		90327HAC3	USAOT 2025-A A3	3.95%	12/17/2029	1,201.46		
INTEREST	4/15/2026	4/15/2026		14043YAD7	COPAR 2025-1 A3	3.85%	7/15/2030	1,203.12		
INTEREST	4/15/2026	4/15/2026		448981AD2	HART 2026-A A3	3.79%	2/18/2031	915.92		

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	4/15/2026	4/15/2026		14041NGF2	COMET 2025-A1 A	3.82%	9/15/2030	3,071.92		
INTEREST	4/15/2026	4/15/2026		89231HAD8	TAOT 2025-B A3	4.34%	11/15/2029	2,079.58		
INTEREST	4/15/2026	4/15/2026		89238VAD0	TAOT 2025-C A3	4.11%	3/15/2030	2,106.38		
INTEREST	4/15/2026	4/15/2026		89240KAD0	TAOT 2026-A A3	3.86%	9/16/2030	1,302.75		
INTEREST	4/15/2026	4/15/2026		02008KAC7	ALLYA 2025-1 A3	3.96%	3/15/2030	1,072.50		
INTEREST	4/15/2026	4/15/2026		44935JAD8	HART 2025-C A3	3.88%	4/15/2030	2,489.67		
INTEREST	4/15/2026	4/15/2026		34532WAD7	FORDO 2026-A A3	4.05%	10/15/2030	1,594.69		
INTEREST	4/15/2026	4/15/2026		44935CAD3	HART 2025-A A3	4.32%	10/15/2029	3,366.00		
INTEREST	4/15/2026	4/15/2026		43814XAD5	HAROT 2025-4 A3	3.98%	6/17/2030	2,404.58		
INTEREST	4/15/2026	4/15/2026		44891XAD9	HART 2025-D A3	3.99%	9/16/2030	2,493.75		
INTEREST	4/15/2026	4/15/2026		02582JKV1	AMXCA 2025-4 A	4.30%	7/15/2030	3,045.83		
INTEREST	4/15/2026	4/15/2026		34532BAG6	FORDO 2025-B A3	3.91%	4/15/2030	1,906.12		
INTEREST	4/15/2026	4/15/2026		89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	818.32		
INTEREST	4/15/2026	4/15/2026		91282CMW8	US TREASURY N/B	3.75%	4/15/2028	66,000.00		
INTEREST	4/15/2026	4/15/2026		44918CAD4	HART 2023-C A3	5.54%	10/16/2028	1,120.53		
INTEREST	4/15/2026	4/15/2026		05522RDK1	BACCT 2025-A1 A	4.31%	5/15/2030	2,460.29		
INTEREST	4/15/2026	4/15/2026		05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	1,992.00		
INTEREST	4/15/2026	4/15/2026		44935XAD7	HART 2025-B A3	4.36%	12/17/2029	1,308.00		

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ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	4/16/2026	4/16/2026		362549AD9	GMCAR 2025-2 A3	4.28%	4/16/2030	873.83		
INTEREST	4/16/2026	4/16/2026		36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	345.81		
INTEREST	4/20/2026	4/20/2026		92348KFC2	VZMT 2026-1 A1A	3.94%	2/20/2031	5,871.69		
INTEREST	4/20/2026	4/20/2026		06405LAH4	BANK OF NEW YORK MELLON	4.72%	4/20/2029	55,565.75		
INTEREST	4/21/2026	4/21/2026		43813QAD1	HAROT 2025-3 A3	4.04%	2/21/2030	2,929.00		
INTEREST	4/21/2026	4/21/2026		43814VAC1	HAROT 2025-1 A3	4.57%	9/21/2029	4,074.92		
INTEREST	4/21/2026	4/21/2026		43815CAD0	HAROT 2026-1 A3	3.78%	9/23/2030	1,181.25		
INTEREST	4/22/2026	4/22/2026		06051GHX0	BANK OF AMERICA CORP (CALLABLE)	2.88%	10/22/2030	32,661.30		
INTEREST	4/25/2026	4/25/2026		16144MAD6	CHAOT 2025-2A A3	3.86%	10/25/2030	1,704.83		
INTEREST	4/30/2026	4/30/2026		912828ZN3	US TREASURY N/B	0.50%	4/30/2027	1,750.00		
INTEREST	4/30/2026	4/30/2026		91282CFU0	US TREASURY N/B	4.12%	10/31/2027	15,159.38		
INTEREST	4/30/2026	4/30/2026		91282CLR0	US TREASURY N/B	4.12%	10/31/2029	9,178.13		
INTEREST	4/30/2026	4/30/2026		09247XAQ4	BLACKROCK INC (CALLABLE)	2.40%	4/30/2030	27,000.00		
INTEREST	4/30/2026	4/30/2026		91282CMZ1	US TREASURY N/B	3.87%	4/30/2030	20,053.13		
INTEREST	5/1/2026	5/25/2026		3137HQ4U2	FHMS K555 A2	4.05%	1/1/2031	5,703.75		
INTEREST	5/1/2026	5/25/2026		3137HHW23	FHMS K533 A2	4.23%	12/1/2029	3,102.00		
INTEREST	5/1/2026	5/1/2026		MONEY0002	MONEY MARKET FUND	0.00%		15,145.79		
INTEREST	5/1/2026	5/25/2026		3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	3,037.50		

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	5/1/2026	5/25/2026		3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
INTEREST	5/1/2026	5/25/2026		3136BQDE6	FNA 2023-M6 A2	4.17%	7/1/2028	4,380.93		
INTEREST	5/1/2026	5/25/2026		3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.37		
INTEREST	5/1/2026	5/25/2026		3137HBPM0	FHMS K516 A2	5.47%	1/1/2029	6,161.63		
INTEREST	5/1/2026	5/25/2026		3137HH6C0	FHMS K529 A2	4.79%	9/1/2029	3,413.59		
INTEREST	5/1/2026	5/25/2026		3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,570.92		
INTEREST	5/1/2026	5/25/2026		3137HDV56	FHMS K524 A2	4.72%	5/1/2029	4,503.67		
INTEREST	5/1/2026	5/25/2026		3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		
INTEREST	5/1/2026	5/25/2026		3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	6,075.00		
INTEREST	5/1/2026	5/25/2026		3137HC2C5	FHMS K517 A2	5.35%	1/1/2029	5,399.63		
INTEREST	5/1/2026	5/25/2026		3137HPU50	FHMS K553 A2	4.07%	12/1/2030	2,645.50		
INTEREST	5/1/2026	5/25/2026		3137HN4R6	FHMS K546 A2	4.36%	5/1/2030	3,543.31		
INTEREST	5/1/2026	5/25/2026		3137HCKV3	FHMS K520 A2	5.18%	3/1/2029	3,302.25		
INTEREST	5/1/2026	5/25/2026		3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,533.93		
INTEREST	5/1/2026	5/25/2026		3137HDXL9	FHMS K526 A2	4.54%	7/1/2029	4,921.58		
INTEREST	5/1/2026	5/25/2026		3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
INTEREST	5/1/2026	5/25/2026		3137HHJL6	FHMS K530 A2	4.79%	9/1/2029	5,850.23		
INTEREST	5/1/2026	5/25/2026		3137F2LJ3	FHMS K066 A2	3.11%	6/1/2027	2,989.59		

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	5/1/2026	5/25/2026		3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,442.45		
INTEREST	5/1/2026	5/25/2026		3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	2,610.22		
INTEREST	5/1/2026	5/25/2026		3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
INTEREST	5/1/2026	5/25/2026		3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	3,031.23		
INTEREST	5/1/2026	5/25/2026		3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
INTEREST	5/1/2026	5/25/2026		3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,199.15		
INTEREST	5/1/2026	5/25/2026		3137HC2L5	FHMS K518 A2	5.40%	1/1/2029	4,387.50		
INTEREST	5/1/2026	5/25/2026		3137HFNZ4	FHMS K528 A2	4.50%	7/1/2029	1,915.90		
INTEREST	5/1/2026	5/25/2026		3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
INTEREST	5/1/2026	5/25/2026		3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	2,971.80		
INTEREST	5/4/2026	5/4/2026		882508BJ2	TEXAS INSTRUMENTS INC (CALLABLE)	1.75%	5/4/2030	11,375.00		
INTEREST	5/5/2026	5/5/2026		66989HAY4	NOVARTIS CAPITAL CORP (CALLABLE)	4.10%	11/5/2030	43,767.50		
INTEREST	5/15/2026	5/15/2026		44891XAD9	HART 2025-D A3	3.99%	9/16/2030	2,493.75		
INTEREST	5/15/2026	5/15/2026		91282CND9	US TREASURY N/B	3.75%	5/15/2028	24,843.75		
INTEREST	5/15/2026	5/15/2026		34532WAD7	FORDO 2026-A A3	4.05%	10/15/2030	2,278.13		
INTEREST	5/15/2026	5/15/2026		05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	1,992.00		
INTEREST	5/15/2026	5/15/2026		89231HAD8	TAOT 2025-B A3	4.34%	11/15/2029	2,079.58		
INTEREST	5/15/2026	5/15/2026		89240QAD7	TAOT 2026-B A3	4.13%	12/16/2030	1,803.43		

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	5/15/2026	5/15/2026		90327HAC3	USAOT 2025-A A3	3.95%	12/17/2029	1,201.46		
INTEREST	5/15/2026	5/15/2026		912810FB9	US TREASURY N/B	6.12%	11/15/2027	25,418.75		
INTEREST	5/15/2026	5/15/2026		05522RDK1	BACCT 2025-A1 A	4.31%	5/15/2030	2,460.29		
INTEREST	5/15/2026	5/15/2026		02582JKV1	AMXCA 2025-4 A	4.30%	7/15/2030	3,045.83		
INTEREST	5/15/2026	5/15/2026		44935JAD8	HART 2025-C A3	3.88%	4/15/2030	2,489.67		
INTEREST	5/15/2026	5/15/2026		14041NGF2	COMET 2025-A1 A	3.82%	9/15/2030	3,071.92		
INTEREST	5/15/2026	5/15/2026		44935CAD3	HART 2025-A A3	4.32%	10/15/2029	3,366.00		
INTEREST	5/15/2026	5/15/2026		161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
INTEREST	5/15/2026	5/15/2026		89231GAD0	TAOT 2025-D A3	3.84%	6/17/2030	2,752.00		
INTEREST	5/15/2026	5/15/2026		34532BAG6	FORDO 2025-B A3	3.91%	4/15/2030	1,906.12		
INTEREST	5/15/2026	5/15/2026		02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
INTEREST	5/15/2026	5/15/2026		161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2029	4,504.17		
INTEREST	5/15/2026	5/15/2026		43814XAD5	HAROT 2025-4 A3	3.98%	6/17/2030	2,404.58		
INTEREST	5/15/2026	5/15/2026		89240KAD0	TAOT 2026-A A3	3.86%	9/16/2030	1,302.75		
INTEREST	5/15/2026	5/15/2026		161571HZ0	CHAIT 2025-A1 A	4.16%	7/15/2030	4,142.67		
INTEREST	5/15/2026	5/15/2026		02008KAC7	ALLYA 2025-1 A3	3.96%	3/15/2030	1,072.50		
INTEREST	5/15/2026	5/15/2026		02079KAV9	ALPHABET INC (CALLABLE)	3.87%	11/15/2028	3,967.03		
INTEREST	5/15/2026	5/15/2026		89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	751.93		

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	5/15/2026	5/15/2026		14043YAD7	COPAR 2025-1 A3	3.85%	7/15/2030	1,203.12		
INTEREST	5/15/2026	5/15/2026		89238VAD0	TAOT 2025-C A3	4.11%	3/15/2030	2,106.38		
INTEREST	5/15/2026	5/15/2026		44935XAD7	HART 2025-B A3	4.36%	12/17/2029	1,308.00		
INTEREST	5/15/2026	5/15/2026		448981AD2	HART 2026-A A3	3.79%	2/18/2031	915.92		
INTEREST	5/15/2026	5/15/2026		44918CAD4	HART 2023-C A3	5.54%	10/16/2028	1,016.49		
INTEREST	5/15/2026	5/15/2026		912828X88	US TREASURY N/B	2.37%	5/15/2027	44,175.00		
INTEREST	5/15/2026	5/15/2026		05620EAD0	BAAT 2026-1A A3	4.18%	10/15/2030	1,048.48		
INTEREST	5/16/2026	5/16/2026		362549AD9	GMCAR 2025-2 A3	4.28%	4/16/2030	873.83		
INTEREST	5/16/2026	5/16/2026		36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	315.27		
INTEREST	5/20/2026	5/20/2026		92348KFC2	VZMT 2026-1 A1A	3.94%	2/20/2031	4,760.83		
INTEREST	5/21/2026	5/21/2026		43813QAD1	HAROT 2025-3 A3	4.04%	2/21/2030	2,929.00		
INTEREST	5/21/2026	5/21/2026		38151LAG5	GOLDMAN SACHS BANK USA	5.41%	5/21/2027	31,130.50		
INTEREST	5/21/2026	5/21/2026		43815CAD0	HAROT 2026-1 A3	3.78%	9/23/2030	1,181.25		
INTEREST	5/21/2026	5/21/2026		43814VAC1	HAROT 2025-1 A3	4.57%	9/21/2029	4,074.92		
INTEREST	5/25/2026	5/25/2026		16144MAD6	CHAOT 2025-2A A3	3.86%	10/25/2030	1,704.83		
INTEREST	5/26/2026	5/26/2026		61690U8B9	MORGAN STANLEY BANK NA	5.50%	5/26/2028	37,152.00		
INTEREST	5/31/2026	5/31/2026		91282CMA6	US TREASURY N/B	4.12%	11/30/2029	150,150.00		
INTEREST	5/31/2026	5/31/2026		91282CPN5	US TREASURY N/B	3.50%	11/30/2030	81,900.00		

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	6/1/2026	6/25/2026		3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.37		
INTEREST	6/1/2026	6/25/2026		3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,439.14		
INTEREST	6/1/2026	6/25/2026		3137HDXL9	FHMS K526 A2	4.54%	7/1/2029	4,921.58		
INTEREST	6/1/2026	6/25/2026		3137HC2C5	FHMS K517 A2	5.35%	1/1/2029	5,399.63		
INTEREST	6/1/2026	6/25/2026		3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
INTEREST	6/1/2026	6/25/2026		3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	2,609.84		
INTEREST	6/1/2026	6/25/2026		3137HC2L5	FHMS K518 A2	5.40%	1/1/2029	4,387.50		
INTEREST	6/1/2026	6/25/2026		3137HDV56	FHMS K524 A2	4.72%	5/1/2029	4,503.67		
INTEREST	6/1/2026	6/25/2026		3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
INTEREST	6/1/2026	6/1/2026		MONEY0002	MONEY MARKET FUND	0.00%		16,445.49		
INTEREST	6/1/2026	6/25/2026		3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,652.79		
INTEREST	6/1/2026	6/25/2026		3137HHJL6	FHMS K530 A2	4.79%	9/1/2029	5,850.23		
INTEREST	6/1/2026	6/25/2026		3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	3,037.50		
INTEREST	6/1/2026	6/25/2026		3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	3,031.23		
INTEREST	6/1/2026	6/1/2026		57636QAM6	MASTERCARD INC (CALLABLE)	2.95%	6/1/2029	14,750.00		
INTEREST	6/1/2026	6/25/2026		3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
INTEREST	6/1/2026	6/25/2026		3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	2,971.80		
INTEREST	6/1/2026	6/25/2026		3137HCKV3	FHMS K520 A2	5.18%	3/1/2029	3,302.25		

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	6/1/2026	6/25/2026		3136BQDE6	FNA 2023-M6 A2	4.17%	7/1/2028	4,399.47		
INTEREST	6/1/2026	6/25/2026		3137HQ4U2	FHMS K555 A2	4.05%	1/1/2031	5,703.75		
INTEREST	6/1/2026	6/25/2026		3137HBPM0	FHMS K516 A2	5.47%	1/1/2029	6,161.63		
INTEREST	6/1/2026	6/25/2026		3137F2LJ3	FHMS K066 A2	3.11%	6/1/2027	2,984.66		
INTEREST	6/1/2026	6/25/2026		3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		
INTEREST	6/1/2026	6/25/2026		3137HFNZ4	FHMS K528 A2	4.50%	7/1/2029	1,915.90		
INTEREST	6/1/2026	6/25/2026		3137HN4R6	FHMS K546 A2	4.36%	5/1/2030	3,543.31		
INTEREST	6/1/2026	6/25/2026		3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,561.82		
INTEREST	6/1/2026	6/25/2026		3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	6,075.00		
INTEREST	6/1/2026	6/25/2026		3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
INTEREST	6/1/2026	6/25/2026		3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
INTEREST	6/1/2026	6/25/2026		3137HH6C0	FHMS K529 A2	4.79%	9/1/2029	3,413.59		
INTEREST	6/1/2026	6/25/2026		3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,528.13		
INTEREST	6/1/2026	6/25/2026		3137HHW23	FHMS K533 A2	4.23%	12/1/2029	3,102.00		
INTEREST	6/1/2026	6/25/2026		3137HPU50	FHMS K553 A2	4.07%	12/1/2030	2,645.50		
INTEREST	6/15/2026	6/15/2026		05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	1,992.00		
INTEREST	6/15/2026	6/15/2026		89231HAD8	TAOT 2025-B A3	4.34%	11/15/2029	2,079.58		
INTEREST	6/15/2026	6/15/2026		34532WAD7	FORDO 2026-A A3	4.05%	10/15/2030	2,278.13		

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	6/15/2026	6/15/2026		02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
INTEREST	6/15/2026	6/15/2026		05522RDL9	BACCT 2026-A1 A	4.22%	4/15/2031	5,559.85		
INTEREST	6/15/2026	6/15/2026		44891XAD9	HART 2025-D A3	3.99%	9/16/2030	2,493.75		
INTEREST	6/15/2026	6/15/2026		02582JKV1	AMXCA 2025-4 A	4.30%	7/15/2030	3,045.83		
INTEREST	6/15/2026	6/15/2026		89240QAD7	TAOT 2026-B A3	4.13%	12/16/2030	2,254.29		
INTEREST	6/15/2026	6/15/2026		02008KAC7	ALLYA 2025-1 A3	3.96%	3/15/2030	1,072.50		
INTEREST	6/15/2026	6/15/2026		161571HZ0	CHAIT 2025-A1 A	4.16%	7/15/2030	4,142.67		
INTEREST	6/15/2026	6/15/2026		448981AD2	HART 2026-A A3	3.79%	2/18/2031	915.92		
INTEREST	6/15/2026	6/15/2026		44935JAD8	HART 2025-C A3	3.88%	4/15/2030	2,489.67		
INTEREST	6/15/2026	6/15/2026		43814YAD3	HAROT 2026-2 A3	4.30%	11/15/2030	4,242.67		
INTEREST	6/15/2026	6/15/2026		44935XAD7	HART 2025-B A3	4.36%	12/17/2029	1,308.00		
INTEREST	6/15/2026	6/15/2026		89231GAD0	TAOT 2025-D A3	3.84%	6/17/2030	2,752.00		
INTEREST	6/15/2026	6/15/2026		161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2029	4,504.17		
INTEREST	6/15/2026	6/15/2026		89240KAD0	TAOT 2026-A A3	3.86%	9/16/2030	1,302.75		
INTEREST	6/15/2026	6/15/2026		43814XAD5	HAROT 2025-4 A3	3.98%	6/17/2030	2,404.58		
INTEREST	6/15/2026	6/15/2026		89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	690.82		
INTEREST	6/15/2026	6/15/2026		14041NGF2	COMET 2025-A1 A	3.82%	9/15/2030	3,071.92		
INTEREST	6/15/2026	6/15/2026		89238VAD0	TAOT 2025-C A3	4.11%	3/15/2030	2,106.38		

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	6/15/2026	6/15/2026		05522RDK1	BACCT 2025-A1 A	4.31%	5/15/2030	2,460.29		
INTEREST	6/15/2026	6/15/2026		05620EAD0	BAAT 2026-1A A3	4.18%	10/15/2030	1,497.83		
INTEREST	6/15/2026	6/15/2026		14043YAD7	COPAR 2025-1 A3	3.85%	7/15/2030	1,203.12		
INTEREST	6/15/2026	6/15/2026		44935CAD3	HART 2025-A A3	4.32%	10/15/2029	3,366.00		
INTEREST	6/15/2026	6/15/2026		44918CAD4	HART 2023-C A3	5.54%	10/16/2028	920.73		
INTEREST	6/15/2026	6/15/2026		161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
INTEREST	6/15/2026	6/15/2026		90327HAC3	USAOT 2025-A A3	3.95%	12/17/2029	1,201.46		
INTEREST	6/15/2026	6/15/2026		34532BAG6	FORDO 2025-B A3	3.91%	4/15/2030	1,906.12		
INTEREST	6/16/2026	6/16/2026		36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	287.64		
INTEREST	6/16/2026	6/16/2026		362549AD9	GMCAR 2025-2 A3	4.28%	4/16/2030	873.83		
INTEREST	6/20/2026	6/20/2026		92348KFC2	VZMT 2026-1 A1A	3.94%	2/20/2031	4,760.83		
INTEREST	6/21/2026	6/21/2026		43813QAD1	HAROT 2025-3 A3	4.04%	2/21/2030	2,929.00		
INTEREST	6/21/2026	6/21/2026		43814VAC1	HAROT 2025-1 A3	4.57%	9/21/2029	4,074.92		
INTEREST	6/21/2026	6/21/2026		43815CAD0	HAROT 2026-1 A3	3.78%	9/23/2030	1,181.25		
INTEREST	6/21/2026	6/21/2026		17305EHA6	CCCIT 2025-A1 A	4.30%	6/21/2030	32,250.00		
INTEREST	6/25/2026	6/25/2026		16144MAD6	CHAOT 2025-2A A3	3.86%	10/25/2030	1,704.83		
INTEREST	6/30/2026	6/30/2026		912828ZV5	US TREASURY N/B	0.50%	6/30/2027	6,875.00		
INTEREST	6/30/2026	6/30/2026		91282CPR6	US TREASURY N/B	3.62%	12/31/2030	7,521.88		

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	6/30/2026	6/30/2026		91282CKX8	US TREASURY N/B	4.25%	6/30/2029	18,275.00		
PAYDOWN	4/1/2026	4/25/2026	74.24	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	74.24		-0.39
PAYDOWN	4/1/2026	4/25/2026	93.45	3136BQDE6	FNA 2023-M6 A2	4.17%	7/1/2028	93.45		0.74
PAYDOWN	4/1/2026	4/25/2026	1,964.01	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	1,964.01		11.22
PAYDOWN	4/1/2026	4/25/2026	749.52	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	749.52		5.48
PAYDOWN	4/1/2026	4/25/2026	1,659.03	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,659.03		
PAYDOWN	4/1/2026	4/25/2026	1,253.18	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	1,253.18		0.01
PAYDOWN	4/1/2026	4/25/2026	1,768.12	3137F2LJ3	FHMS K066 A2	3.11%	6/1/2027	1,768.12		36.81
PAYDOWN	4/15/2026	4/15/2026	22,536.35	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	22,536.35		1.58
PAYDOWN	4/15/2026	4/15/2026	14,381.39	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	14,381.39		0.79
PAYDOWN	4/16/2026	4/16/2026	7,556.01	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	7,556.01		0.87
PAYDOWN	5/1/2026	5/25/2026	2,071.41	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	2,071.41		
PAYDOWN	5/1/2026	5/25/2026	1,514.05	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	1,514.05		0.02
PAYDOWN	5/1/2026	5/25/2026	110.87	3136BQDE6	FNA 2023-M6 A2	4.17%	7/1/2028	110.87		0.84
PAYDOWN	5/1/2026	5/25/2026	91.47	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	91.47		-0.47
PAYDOWN	5/1/2026	5/25/2026	2,079.85	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,079.85		10.36
PAYDOWN	5/1/2026	5/25/2026	1,899.80	3137F2LJ3	FHMS K066 A2	3.11%	6/1/2027	1,899.80		36.88
PAYDOWN	5/1/2026	5/25/2026	853.33	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	853.33		6.01

For the Quarter Ended June 30, 2026

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWN	5/15/2026	5/15/2026	20,742.22	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	20,742.22		1.41
PAYDOWN	5/15/2026	5/15/2026	13,235.31	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	13,235.31		0.70
PAYDOWN	5/16/2026	5/16/2026	6,836.57	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	6,836.57		0.76
PAYDOWN	6/1/2026	6/25/2026	1,654.22	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	1,654.22		11.21
PAYDOWN	6/1/2026	6/25/2026	1,977.58	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	1,977.58		8.40
PAYDOWN	6/1/2026	6/25/2026	1,781.84	3137F2LJ3	FHMS K066 A2	3.11%	6/1/2027	1,781.84		32.08
PAYDOWN	6/1/2026	6/25/2026	1,680.97	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,680.97		
PAYDOWN	6/1/2026	6/25/2026	75.13	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	75.13		-0.38
PAYDOWN	6/1/2026	6/25/2026	24,749.00	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	24,749.00		0.26
PAYDOWN	6/1/2026	6/25/2026	94.38	3136BQDE6	FNA 2023-M6 A2	4.17%	7/1/2028	94.38		0.69
PAYDOWN	6/15/2026	6/15/2026	19,871.86	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	19,871.86		1.30
PAYDOWN	6/15/2026	6/15/2026	12,014.54	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	12,014.54		0.61
PAYDOWN	6/16/2026	6/16/2026	6,492.31	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	6,492.31		0.70
SELL	4/1/2026	4/2/2026	1,945,000.00	94988J6D4	WELLS FARGO BANK NA (CALLABLE)	5.45%	8/7/2026	1,968,255.18		7,373.10
SELL	4/8/2026	4/9/2026	2,500,000.00	92826CAZ5	VISA INC (CALLABLE)	4.10%	2/12/2031	2,523,904.17		-16,022.58
SELL	4/17/2026	4/21/2026	450,000.00	912828ZN3	US TREASURY N/B	0.50%	4/30/2027	436,725.31		-4,001.43
SELL	4/21/2026	4/24/2026	430,000.00	91282CND9	US TREASURY N/B	3.75%	5/15/2028	436,959.10		-1,325.22
SELL	4/21/2026	4/24/2026	435,000.00	91282CKC4	US TREASURY N/B	4.25%	2/28/2031	444,525.97		33.04

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
SELL	4/28/2026	4/30/2026	350,000.00	912828ZN3	US TREASURY N/B	0.50%	4/30/2027	338,912.11		-3,237.43
SELL	5/11/2026	5/13/2026	2,500,000.00	912828X88	US TREASURY N/B	2.37%	5/15/2027	2,494,105.55		-14,471.99
SELL	5/28/2026	5/29/2026	2,970,000.00	912828X88	US TREASURY N/B	2.37%	5/15/2027	2,929,409.66		-19,661.26
TOTALS			29,341,862.01					30,788,327.28		-51,145.28

Important Disclosures

This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation, as it was prepared without regard to any specific objectives or financial circumstances.

PFMAM professionals have exercised reasonable professional care in the preparation of this performance report. Information in this report is obtained from sources external to PFMAM and is generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness or suitability. We rely on the client's custodian for security holdings and market values. Transaction dates reported by the custodian may differ from money manager statements. While efforts are made to ensure the data contained herein is accurate and complete, we disclaim all responsibility for any errors that may occur. References to particular issuers are for illustrative purposes only and are not intended to be recommendations or advice regarding such issuers. Fixed income manager and index characteristics are gathered from external sources. When average credit quality is not available, it is estimated by taking the market value weights of individual credit tiers on the portion of the strategy rated by a NRSRO.

It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

The views expressed within this material constitute the perspective and judgment of PFMAM at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon certain assumptions and current opinion as of the date of issue and are also subject to change. Some, but not all assumptions are noted in the report. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Opinions and data presented are not necessarily indicative of future events or expected performance.

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- Generally, PFMAM's market prices are derived from closing bid prices as of the last business day of the month as supplied by ICE Data Services. There may be differences in the values shown for investments due to accrued but uncollected income and the use of differing valuation sources and methods. Non-negotiable FDIC-insured bank certificates of deposit are priced at par. Although PFMAM believes the prices to be reliable, the values of the securities may not represent the prices at which the securities could have been bought or sold. Explanation of the valuation methods for a registered investment company or local government investment program is contained in the appropriate fund offering documentation or information statement.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. **Past performance is not indicative of future returns.**
- ICE Bank of America Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **Commercial Paper:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **Contribution to Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

Glossary

- Repurchase Agreements: A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- Settle Date: The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- Supranational: A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- Trade Date: The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- Unsettled Trade: A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- U.S. Treasury: The department of the U.S. government that issues Treasury securities.
- Yield: The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- YTM at Cost: The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- YTM at Market: The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.



100 North Canyons Parkway
Livermore, CA 94551
(925) 454-5000

June 30, 2026

Board of Directors
Zone 7 Water Agency
100 North Canyons Parkway
Livermore, CA 94551

Subject: Annual Pension Trust Fund Report as of June 30, 2026 (Unaudited)

Dear Board Members:

The proposed action is in support of Strategic Plan Goal H – Fiscal Responsibility: Operate the Agency in a fiscally responsible manner, and Strategic Plan Initiative No. 21 – Continue to effectively manage financial resources for the Agency, which includes evaluating the Agency's unfunded pension and other post-employment benefits (OPEB) liabilities.

Pursuant to Resolution No. 21-05 (as amended) dated February 17, 2021, and subsequently amended by Resolution No. 23-20 dated March 15, 2023, the Board established an IRS Section 115 Post-Employment Benefits Trust for the purpose of pre-funding pension obligations. Public Agency Retirement Services (PARS) serves as the Trust Administrator for the Pension Trust Fund.

Below is a summary of the investments since inception:

Investments as of June 30, 2026		
Initial Contribution	\$	1,500,000
Additional Contribution	\$	827,883
Total Contribution	\$	2,327,883
Disbursements:	\$	-
Total Investment Earnings	\$	383,680
Account Balance	\$	2,711,563

The annualized inception-to-date rate of return is 3.67% as of June 30, 2026, as reported by PARS. Market value amounts are from PFM Asset Management, which provides investment management services for the Agency. U.S. Bank serves as the Plan's Trustee. Book value amounts include premiums or discounts and are adjusted at year end on the general ledger.

Sincerely,

Osborn Solitei

Osborn Solitei
Treasurer

Attachment: PARS 115 Trust – Pension Rate Stabilization Program Plan Client Review

c: Valerie Pryor

PARS PUBLIC AGENCY
RETIREMENT SERVICES



ZONE 7 WATER AGENCY

PARS 115 Trust – Pension Rate Stabilization Program Plan Client Review
September 1, 2026

CONTACTS



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Director, Senior Portfolio Manager
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PARS TRUST TEAM

As of June 30, 2026

Trust Administrator & Consultant*



PUBLIC AGENCY
RETIREMENT SERVICES

- Serves as record-keeper, consultant, and central point of contact
- Sub-trust accounting
- Coordinates all agency services
- Monitors plan compliance (IRS/GASB/State Government Code)
- Processes contributions/disbursements
- Hands-on, dedicated support teams

40+

Years of Experience
(1984-2026)

2,300+

Total Plans
Administered

1,100+

Public Agency
Clients

550+

115 Trust Clients

750K+

Plan Participants

\$11.7 B+

Assets under
Administration

** See important information regarding PARS in the Disclaimer page at the end of the presentation.*

Trustee



- 5th largest commercial bank and one of the nation's largest trustees for Section 115 trusts
- Safeguard plan assets
- Oversight protection as plan fiduciary
- Custodian of assets

163

Years of Experience
(1863-2026)

\$11.0T

Assets under
Administration

Investment Manager



- A division of U.S. Bancorp Asset Management, Inc.
- Fixed income and multi asset portfolios
- Strategic Blend and Index platform options
- Customized portfolios (with minimum asset level)

41

Years of Investment
Experience
(As of 6/30/2026)

\$252.8B*

Assets under Management
& Advisement

**Please see disclosures at the end of this presentation*



PUBLIC AGENCY
RETIREMENT SERVICES

PARS PLANS AND PROGRAMS

1 Pension Rate Stabilization Program (PRSP)

A pension prefunding trust designed specifically to address GASB 68 liabilities on its financial statements and stabilize future costs.

2 OPEB Trust Program

An OPEB prefunding trust designed to address OPEB liabilities and increase investment rates of return (discount rate).

3 Alternate Retirement System (ARS)

An alternative to Social Security for part-time employees offered to provide a valuable benefit for employees and permanent payroll savings to the Agency.

4 Supplemental Defined Contribution Plan

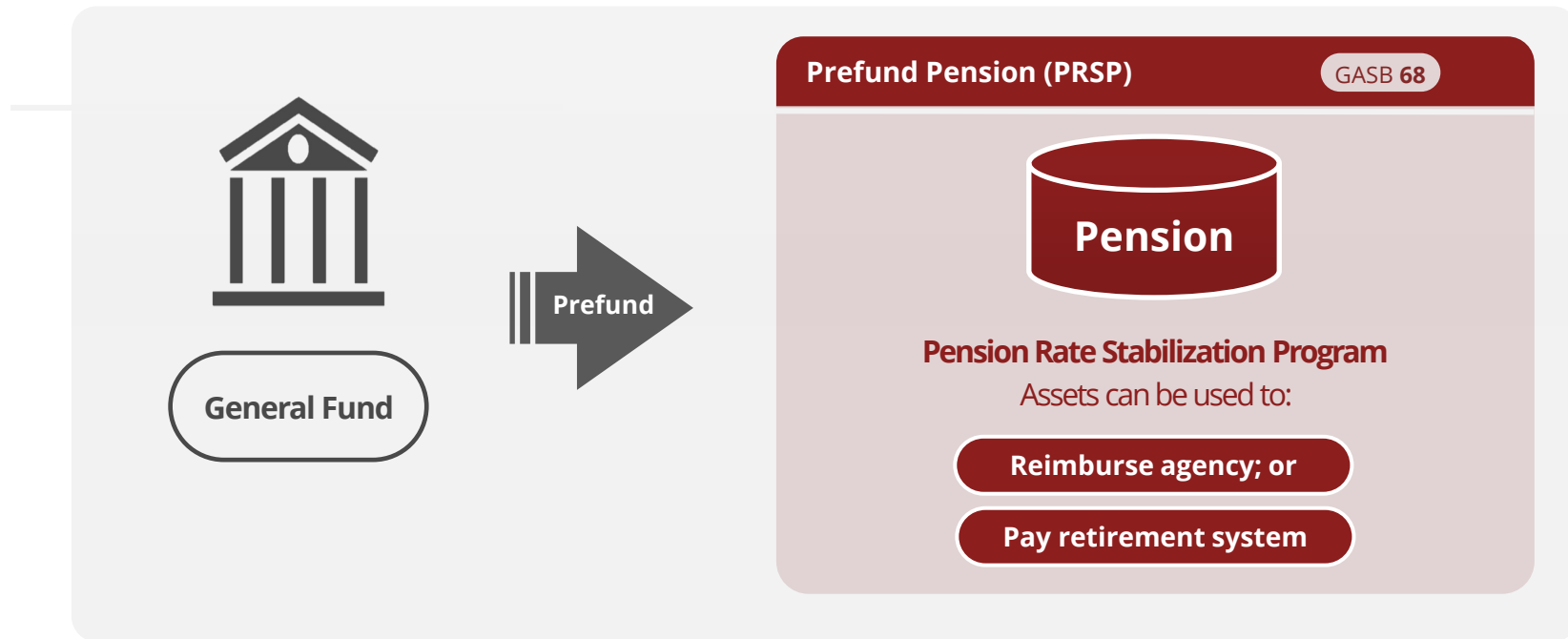
A locally designed retirement plan offered in addition to PERS or 37-Act retirement system with the goal of attracting and retaining select employees to the Agency.

5 Accumulated Leave Plan

A Defined Contribution solution that reduces leave balances on an annual basis during employment and minimizes total payout amounts.

115 Combo Trust

PARS IRS-APPROVED SECTION 115 TRUST



Subaccounts

Pension assets can be divided by dept., bargaining group, or cost center



Financial Stability

Assets in the PARS Section 115 Trust can be used to address unfunded liabilities.



Flexible Investing

Choice of 5 risk tolerance levels or custom strategy



Anytime Access

Trust funds are available anytime for Pension-related expenses



Economies-of-Scale

As assets grow, lower fee rates will be reached on tiered schedule – saving money



No Set Up Cost or Minimums

No set-up costs, no minimum annual contribution amounts, and no fees until assets are added.

SUMMARY OF AGENCY’S PENSION PLAN

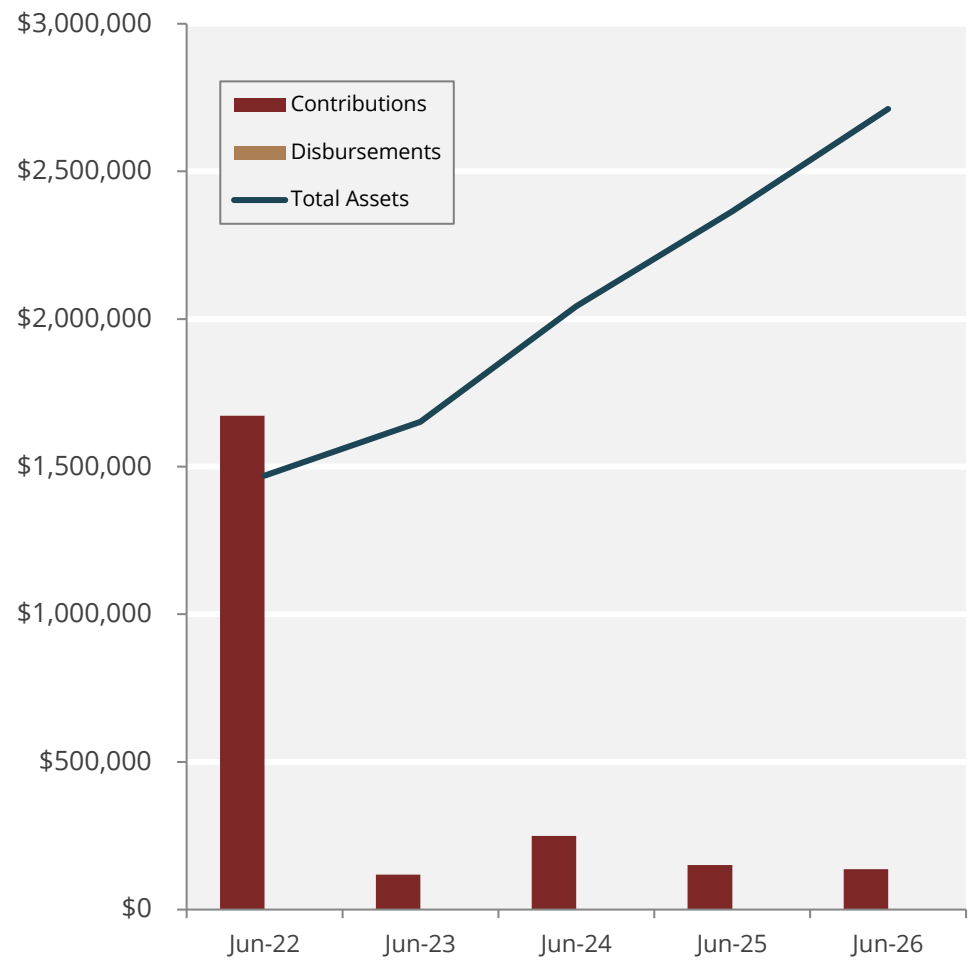
Plan Type:	IRC Section 115 Irrevocable Exclusive Benefit Trust
Trustee Approach:	Discretionary
Plan Effective Date:	February 3, 2021
Plan Administrator:	General Manager
Current Investment Strategy:	Moderately Conservative Strategic Blend; Pooled Account

AS OF JUNE 30, 2026:

Initial Contribution:	July 2021: \$1,500,000
Additional Contributions:	\$827,883
Total Contributions:	\$2,327,883
Disbursements:	\$0
Net Investment Earnings:	\$383,680
Account Balance:	\$2,711,563

SUMMARY OF AGENCY’S PENSION PLAN

HISTORY OF CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF JUNE 30, 2025:



Year	Contributions	Disbursements	Total Assets
Jun-22	\$1,672,072	\$0	\$1,469,615
Jun-23	\$118,031	\$0	\$1,652,255
Jun-24	\$250,000	\$0	\$2,042,750
Jun-25	\$151,180	\$0	\$2,364,899
Jun-26	\$136,600	\$0	\$2,711,563

Plan Year Ending



PENSION FUNDING STATUS

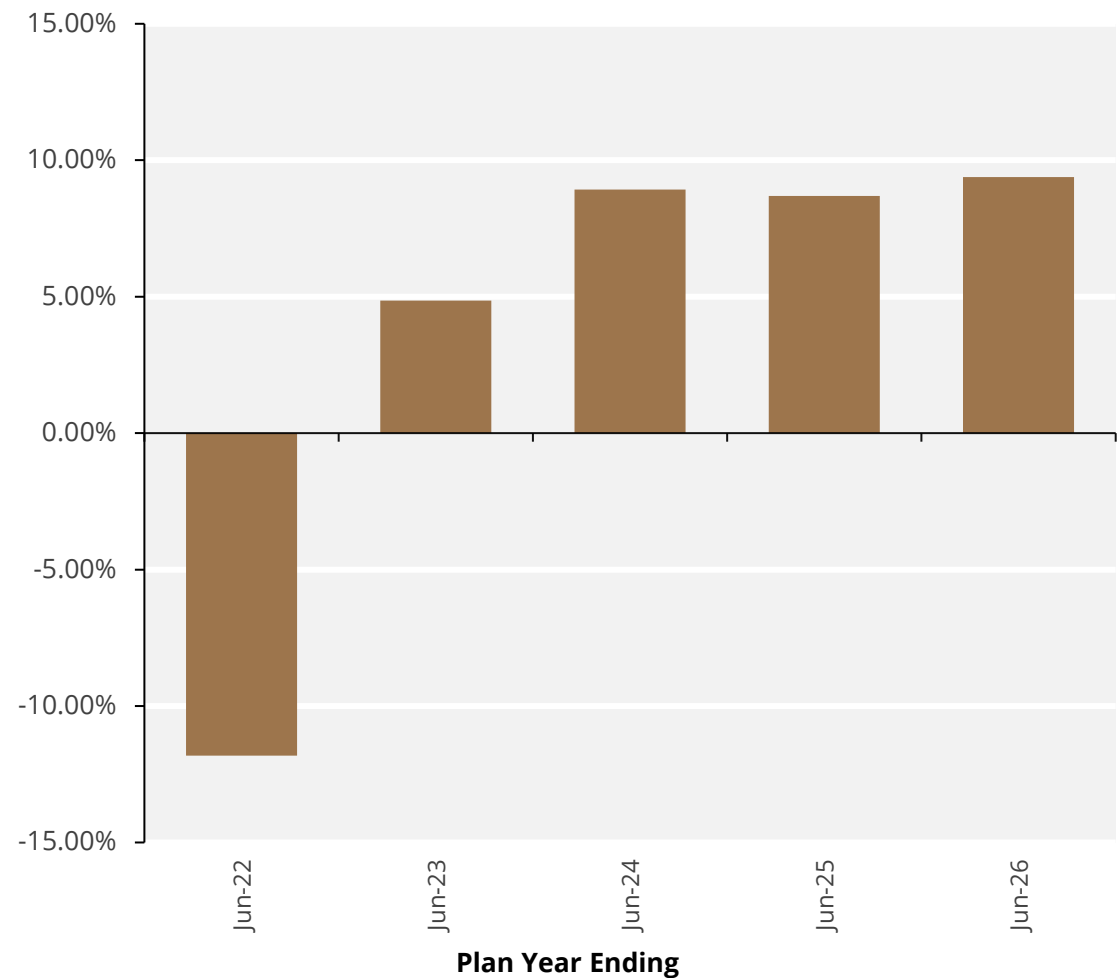
As of June 30, 2025, Zone 7 Water Agency’s ACERA pension plan is funded as follows*:

Proportionate Share of Net Pension Liability (1.37%)	\$13.6 M
Actuarially Determined Contribution (FY 24-25)	\$3.8 M
Discount Rate	7.00%

**Data from Agency's 2024-25 Annual Comprehensive Financial Report (ACFR)*

PENSION PLAN TOTAL RETURNS

AS OF JUNE 30, 2026:



Year	Returns
Jun-22	-11.81%
Jun-23	4.85%
Jun-24	8.93%
Jun-25	8.70%
Jun-26	9.39%

Inception to Date (Annualized)
3.67%

Returns are net of the embedded fund fees and gross of trustee and trust administrator fees

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value. Past performance does not guarantee future results. Performance returns are impacted by agency plan activity and may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.

The advisor to the PARS portfolios is U.S. Bank, and PFM Asset Management serves as sub-advisor to U.S. Bank to manage these portfolios. Please see important additional disclosures to the PARS portfolios included in the individual strategy information at the end of this presentation.

INVESTMENT REVIEW



PARS OPEB and Pension Trust Moderately Conservative Strategic Blend

Investment Performance Review For the Quarter Ended June 30, 2026

Client Management Team

PFM Asset Management

PFM Asset Management
A division of U.S. Bancorp Asset Management, Inc.

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Suite 1000
San Francisco, CA 94111

1735 Market Street
43rd Floor
Philadelphia, PA 19103

About PFM Asset Management*

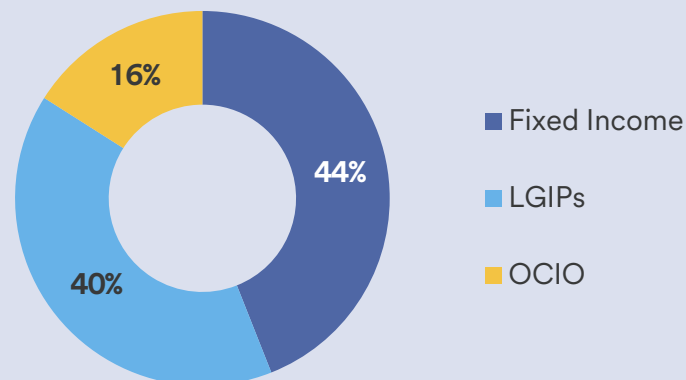
Our Investment Solutions

- **Outsourced Chief Investment Officer (OCIO):** Multi-asset class portfolios for institutional investors
- **Fixed Income:** High-quality, short- and intermediate-term portfolios for operating funds, reserves, working capital, self-insurance funds and bond proceeds
- **Local Government Investment Pools (LGIPs):** services for programs with options ranging from fully liquid cash management to a fixed-rate, fixed-term investment
- **Specialized Solutions:** Arbitrage rebate, escrow restructuring, bond proceeds investments, structured investments

40+ years of experience in the public sector**

\$176.8b in public sector assets under management**

Assets by Investment Solution¹



¹Illustrates public sector assets under management by investment solution as of March 31, 2026. Total may not add up to 100% due to rounding.

*A division of U.S. Bancorp Asset Management, Inc.

**As of March 31, 2026. Public sector includes government, pool, and TERM. Total assets under management for U.S. Bancorp Asset Management, Inc. were \$435.8 billion.

Financial Markets & Investment Strategy Review

QUARTERLY MARKET SUMMARY

For the Quarter Ended June 30, 2026

Multi-Asset Class Management

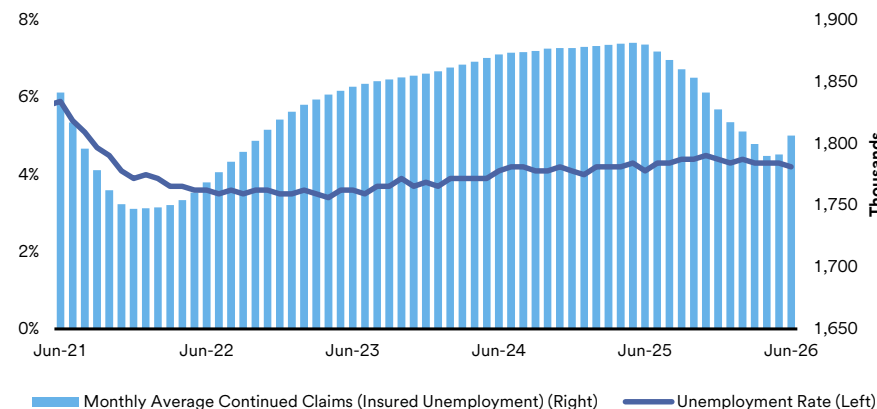
Index Name	QTD	YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
DOMESTIC EQUITY							
S&P 500	15.20%	10.21%	22.32%	20.61%	13.41%	16.08%	15.51%
Russell 3000	15.44%	10.88%	22.82%	20.36%	12.31%	15.51%	15.06%
Russell 1000 Growth	16.74%	5.33%	17.71%	22.58%	13.71%	18.80%	18.58%
Russell 1000	15.14%	10.33%	22.02%	20.47%	12.66%	15.79%	15.30%
Russell 1000 Value	13.87%	16.26%	27.12%	17.79%	11.17%	12.10%	11.52%
Russell Midcap Growth	14.55%	7.27%	6.17%	15.61%	6.03%	11.60%	13.04%
Russell Midcap	13.83%	15.30%	21.63%	16.51%	8.50%	11.93%	12.00%
Russell Midcap Value	13.40%	17.58%	26.62%	16.51%	9.48%	11.35%	10.63%
Russell 2000 Growth	25.71%	22.18%	38.74%	18.44%	5.57%	10.82%	11.97%
Russell 2000	21.49%	22.57%	40.78%	18.60%	6.98%	11.34%	11.62%
Russell 2000 Value	17.19%	22.99%	43.01%	18.73%	8.23%	11.36%	10.89%
INTERNATIONAL EQUITY							
MSCI EAFE	10.82%	9.44%	20.23%	16.44%	9.05%	9.90%	9.66%
MSCI AC World	14.93%	11.25%	23.67%	19.70%	10.98%	13.28%	12.78%
MSCI AC World ex USA	14.49%	13.68%	27.66%	18.82%	8.79%	10.16%	9.93%
MSCI AC World ex USA Small Cap	9.62%	9.10%	19.83%	16.42%	6.30%	9.68%	9.10%
MSCI EM (Emerging Markets)	24.05%	23.85%	43.51%	23.03%	7.20%	9.82%	10.07%
LISTED REAL ASSETS							
FTSE NAREIT All Equity REITs	10.73%	14.90%	15.43%	10.06%	3.71%	5.86%	5.88%
FTSE Global Core Infrastructure 50/50	2.33%	10.66%	15.78%	12.24%	7.65%	6.71%	7.47%
Bloomberg Commodity	-8.08%	14.36%	25.46%	11.69%	9.37%	9.46%	5.83%
FIXED INCOME							
Bloomberg U.S. Aggregate	0.67%	0.62%	3.79%	4.16%	0.08%	1.22%	1.54%
Bloomberg U.S. Government/Credit	0.70%	0.49%	3.32%	3.97%	-0.10%	1.25%	1.59%
Bloomberg U.S. Intermediate Government/Credit	0.43%	0.40%	3.14%	4.68%	1.22%	1.89%	1.92%
Bloomberg U.S. Treasury (1-3 Y)	0.37%	0.64%	2.92%	4.38%	1.90%	1.95%	1.75%
ICE BofA U.S. High Yield	2.45%	1.89%	5.74%	8.79%	4.13%	4.92%	5.70%
Bloomberg Global Aggregate	0.87%	-0.21%	0.62%	3.41%	-1.55%	-0.15%	0.38%
CASH EQUIVALENT							
Bloomberg 3 Month T-Bill	0.90%	1.77%	3.89%	4.69%	3.58%	2.80%	2.38%

Source: Investment Metrics. Returns are expressed as percentages. Please refer to the last page of this document for important disclosures relating to this material.

THE ECONOMY

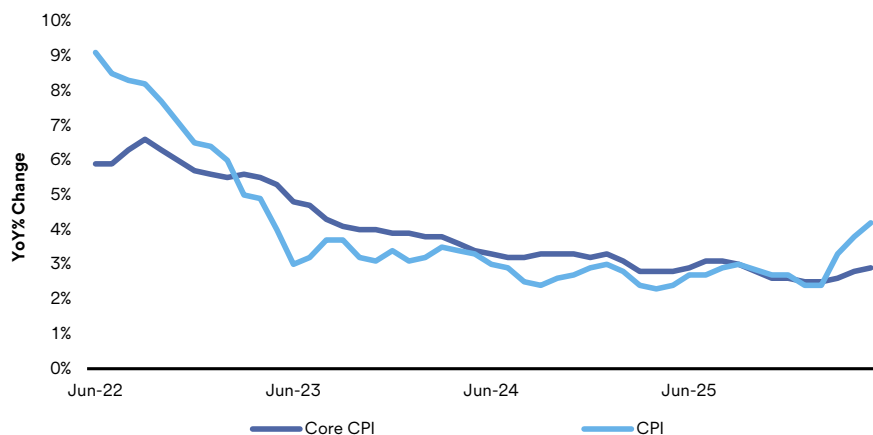
- U.S. real gross domestic product (GDP) grew at a seasonally adjusted annualized rate of 2.1% in the first quarter, up from 0.5% in Q4 2025. While personal consumption growth was 0.5%, its weakest pace since 2022, private domestic investment grew 7.9%. It was largely supported by business investment in information processing equipment and software IP, underscoring the impact of AI-related spending. Government spending was up also 4.4%, recovering from a 5.6% contraction, as activity resumed following the end of the government shutdown.
- U.S. labor-market conditions remained broadly stable in Q2. The three-month average gain in non-farm payrolls rose to 111k jobs, though hiring momentum slowed as the quarter progressed. The moderation appeared industry-specific rather than indicative of broad labor-market weakness. While the unemployment rate ticked down to 4.2%, labor-force participation also fell, suggesting slower labor-force growth, rather than stronger employment gains, was the primary driver of the decline.
- Inflation accelerated in the second quarter, as headline Consumer Price Index inflation (CPI) rose 4.2% year-over-year (YoY) in May, up from 3.3% at the end of the first quarter. Energy prices were the key driver, rising 23.5% YoY, while core CPI rose a more moderate 2.9%. Producer Price Index (PPI) inflation rose 6.5% YoY, the highest rate since late 2022. Core PPI (ex. food, energy and trade services), increased 5.1%, suggesting that inflation pressures broadened across the economy rather than being confined to the energy sector.

U.S. Unemployment and Monthly Average Continued Claims



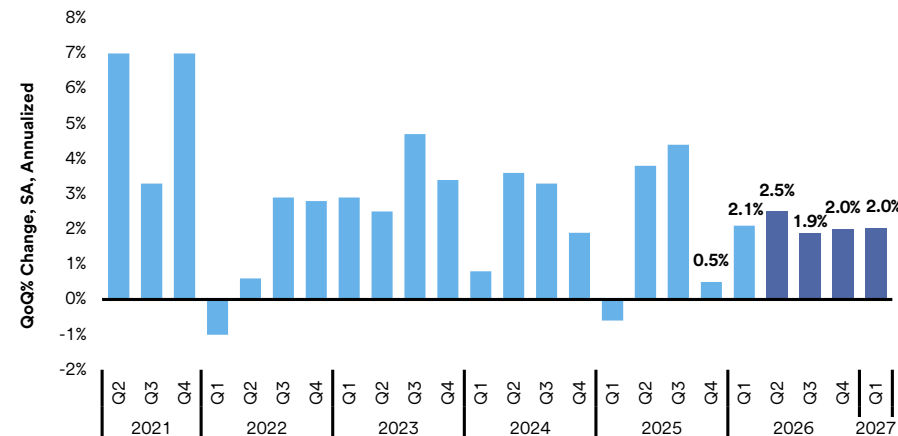
Source: Bloomberg.

U.S. Inflation Rate Seasonally Adjusted (SA)



Source: Bureau of Labor Statistics.

U.S. GDP Growth

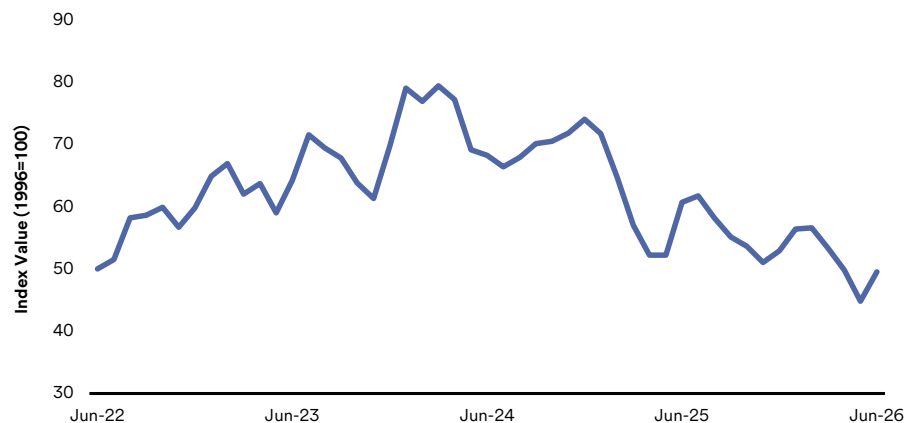


Source: Bloomberg. Light blue bars indicate actual numbers; dark blue bars indicate forecasted estimates.

WHAT WE'RE WATCHING

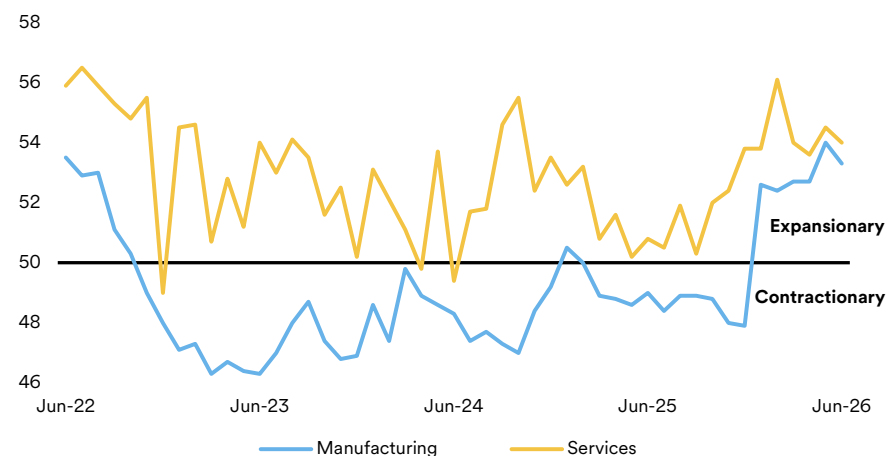
- The Federal Reserve (Fed) held its target rate at 3.75% through Q2. The Federal Open Market Committee meeting delivered a more hawkish message, removing language suggesting an easing bias, while the updated dot plot shifted from implying a 2026 rate cut to a potential rate hike. Outside the U.S., the European Central Bank hiked rates for the first time since 2023, citing energy inflation across the Eurozone. The Bank of Japan also raised interest rates, marking the highest rate in 31 years, citing concerns that energy related price pass-through could push consumer inflation above the 2% target.
- Consumer sentiment recovered from its May low but finished below its March level, with the University of Michigan Survey of Consumers, at 49.5 in June. Manufacturing and services indicators were also in expansionary territory at quarter-end, with the ISM U.S. PMI surveys reporting of 53.3 and 54.0, respectively.
- The conflict with Iran and the disrupted Middle Eastern oil supplies have been major market drags since the effective closure of the Strait of Hormuz. Energy alone drove more than 60% of May's headline inflation, however an interim peace deal brokered in June prompted a sharp pullback in oil prices. The Brent Crude spot price fell to near pre-conflict levels at quarter end. Shipping transit through the Strait has begun also to pick up, though it remains less than half the pre-war average. Any renewed disruption could have an impact on inflation and economic growth.

University of Michigan Consumer Sentiment



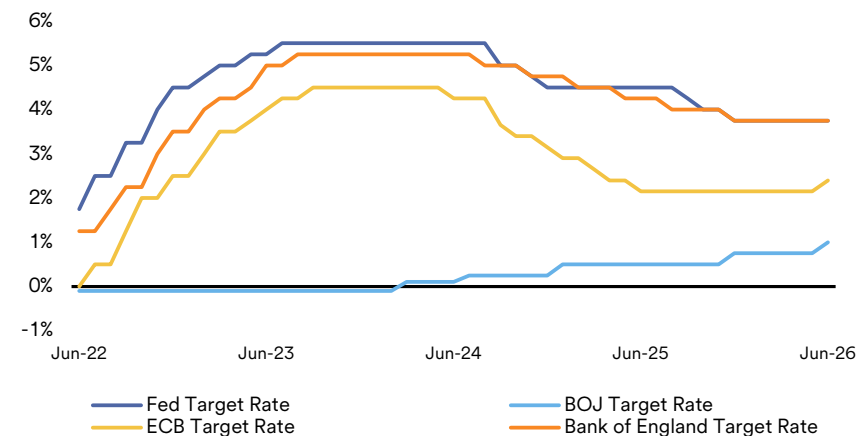
Source: Bloomberg.

U.S. ISM Manufacturing & Services PMI



Source: Bloomberg.

Global Central Bank Rates



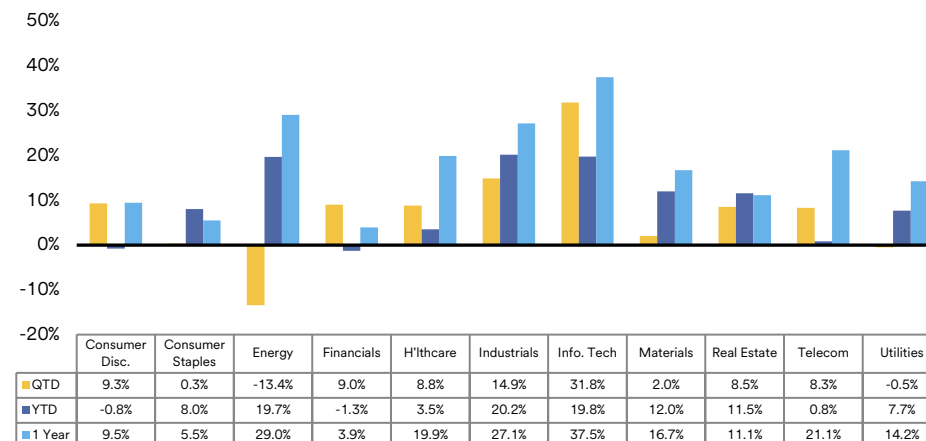
Source: Bloomberg.

DOMESTIC EQUITY

- Domestic equity markets advanced sharply in the second quarter of 2026. The S&P 500 Index returned 15.2% for the quarter and 10.2% year to date, while the Russell 3000 Index returned 15.4% for the quarter and 10.9% year to date.
- Within the S&P 500, nine of the 11 sectors posted positive returns. Information Technology led performance, returning 31.8%. Industrials also posted strong gains, returning 14.9%. The weakest sector was Energy, which declined 13.4%, followed by Utilities with a near-flat return of -0.5%.
- Small-cap stocks outperformed mid-and-large caps during the quarter, with the Russell 2000 Index returning 21.5%, while Russell 1000 Index returned 15.4% and Russell Midcap Index returned 13.8%. Growth stocks outpaced value stocks across all capitalizations, with small caps in particular seeing wider dispersion, as the growth benchmark outperformed the value benchmark by more than 8% for the quarter. This trend reversed in the last month of the quarter, with leadership rotating toward value across all capitalizations, and large cap growth seeing negative returns for the month of June.
- According to FactSet Earnings Insight (as of July 2, 2026), the expected Q2 2026 earnings growth is 23.3% YoY, up from 18.8% at the start of the quarter. If this estimate holds, it would mark the second consecutive quarter of earnings growth above 20% and the seventh straight quarter of double-digit earnings growth. Revenue growth is projected to be 12.2%, the strongest pace since Q2 2022, while S&P 500 net profit margins are expected to remain robust at 14.2%, near record levels. Looking ahead, analysts forecast earnings growth of 24.1% for full-year 2026, supported by continued strength in technology and energy-related earnings.
- At quarter end, the S&P 500's adjusted positive forward price-to-earnings ratio stood at 23.1, roughly in line with its five-year average of 23.1. The Russell 2000 Index, which represents small-cap stocks, posted an adjusted positive forward price-to-earnings ratio was 21.0, above its five-year average of 17.5.

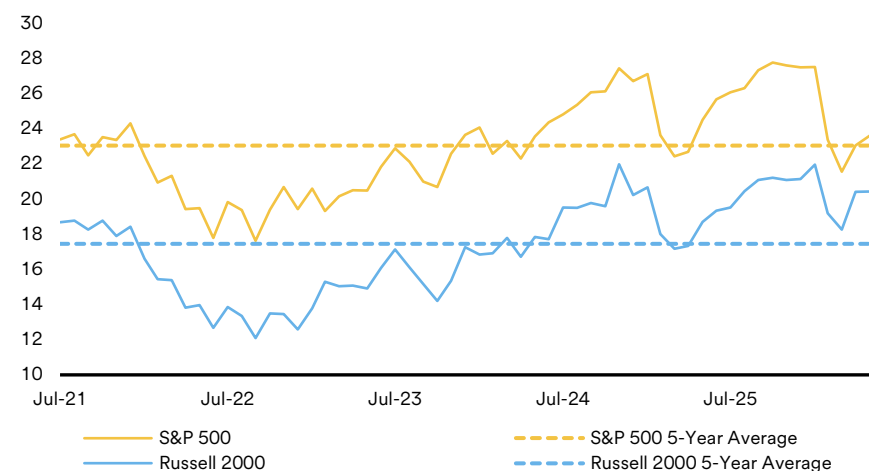
S&P 500 Index Performance by Sector

Periods Ended June 30, 2026



Source: Bloomberg.

P/E Ratios of Major U.S. Stock Indices*



Source: Bloomberg.

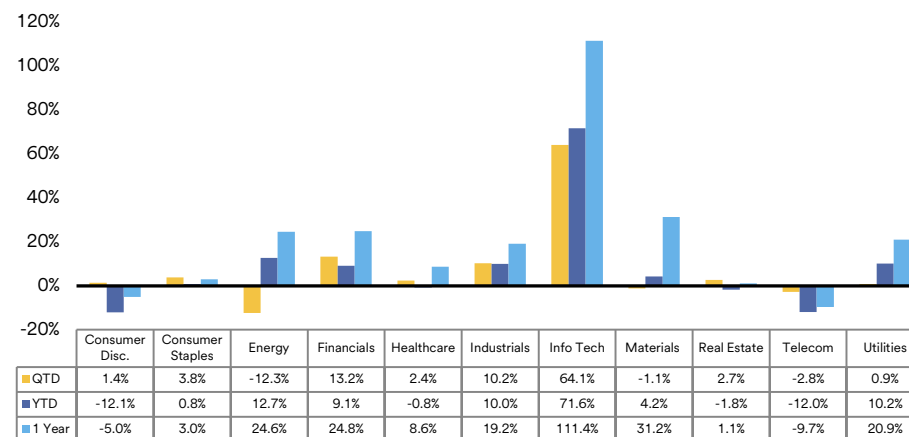
*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

INTERNATIONAL EQUITY

- International equity markets also posted strong gains in the second quarter. The MSCI AC World ex USA Index returned 14.5% for the quarter and 13.7% year to date. Developed ex-U.S. markets, represented by the MSCI EAFE Index, returned 10.8% for the quarter and 9.4% year to date. Emerging markets, represented by the MSCI Emerging Markets Index, returned 24.1% for the quarter and 23.8% year-to-date.
- Among the five largest-weighted countries in the MSCI EAFE Index, the MSCI Japan (+14.2%) and MSCI Switzerland (+12.2%) indices outperformed the broader index, while MSCI France (+8.7%), and MSCI Germany (+8.1%), and MSCI United Kingdom (+4.1%) indices underperformed.
- Within emerging markets (EM), MSCI Korea (+87.6%) and MSCI Taiwan (+48.9%) outperformed the MSCI Emerging Markets index, while MSCI China (-6.6%) and MSCI Brazil (-8.23%) returned negative for the quarter.
- International sector level performance was uneven, with three of the 11 sectors posting negative returns. The leading sector, Information Technology, returned 64.1% for the quarter. Financials returned 13.2% for the quarter, while Energy declined 12.3%, reversing strong gains earlier in the year.
- Value and growth stocks both posted positive returns outside the U.S. The MSCI ACWI ex U.S. Growth Index returned 17.0% for the quarter, while the MSCI ACWI ex U.S. Value Index returned 12.2%. Within emerging markets, growth (MSCI EM Growth) returned 26.0%, ahead of value (MSCI EM Value) at 20.7%.
- International equity valuations finished the quarter above recent averages for developed markets and near longer-term averages for emerging markets. The MSCI EAFE adjusted positive forward P/E ratio stood at 17.1 versus a five-year average of 15.3, while the MSCI Emerging Markets adjusted positive forward P/E ratio was 12.8 versus a five-year average of 12.9.

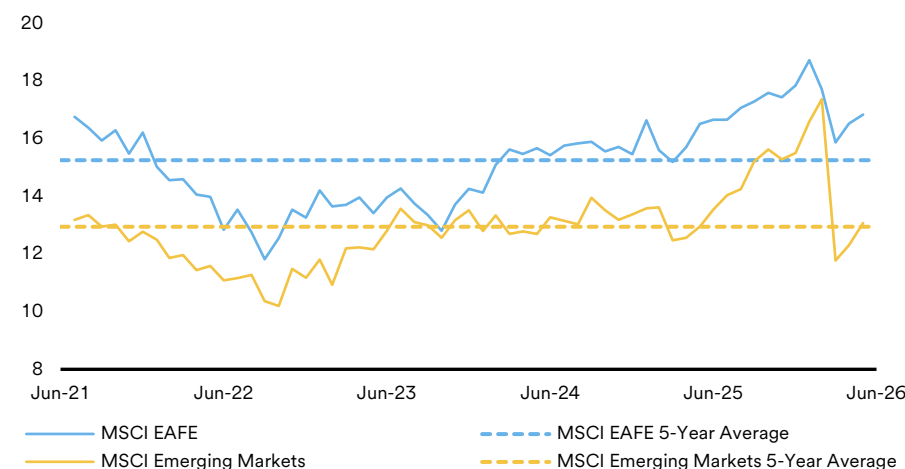
MSCI ACWI ex-U.S. Sectors

Periods Ended June 30, 2026



Source: Bloomberg.

P/E Ratios of MSCI Equity Indices*



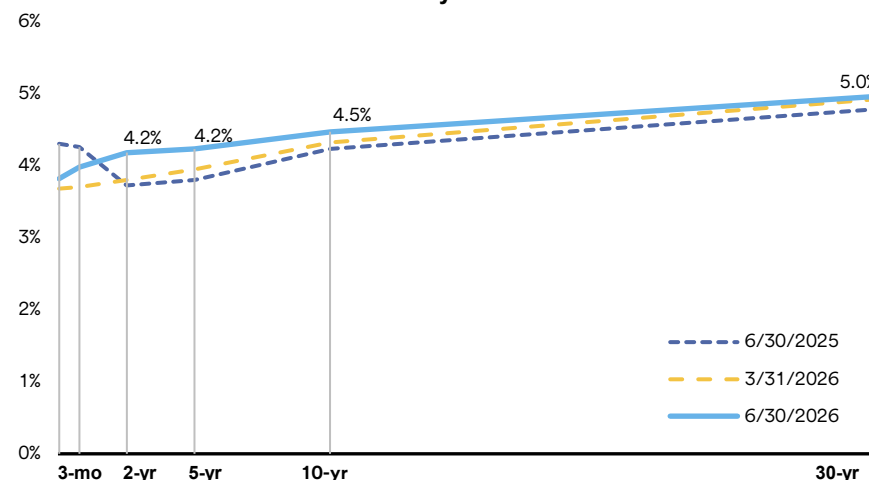
Source: Bloomberg.

*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

FIXED INCOME

- The U.S. bond market, as represented by the Bloomberg U.S. Aggregate Index, returned 0.7% in the second quarter of 2026 and 0.6% year to date. Intermediate government/credit bonds returned 0.4% for the quarter, while short-term Treasury bonds, represented by the Bloomberg U.S. Treasury 1-3 Year Index, returned 0.4%.
- The Bloomberg U.S. Treasury Index returned 0.3% in the second quarter as treasury yields moved modestly upwards. While the Fed held rates steady, treasury yields moved higher as investors reassessed the potential rate path. The 2-year Treasury yield rose from 3.8% at the end of March to 4.2% at quarter end, while the 10-year Treasury yield rose from 4.3% to 4.5%. The 30-year Treasury yield stayed near flat, rising 4 basis points to 5.0%. As of the quarter end, the market has priced in a 50% probability of a rate-hike at the September meeting.
- Credit markets generated positive returns during the quarter. The Bloomberg U.S. Corporate Index returned 1.4%, while the ICE BofA U.S. High Yield Index returned 2.5%. Investment-grade spreads narrowed to 74 basis points (bps) from 89 bps at the end of March, nearing the year-to-date tight of 71 bps set in January. High-yield spreads also narrowed to 270bps from 317bps. Both sit well below their long-term averages.

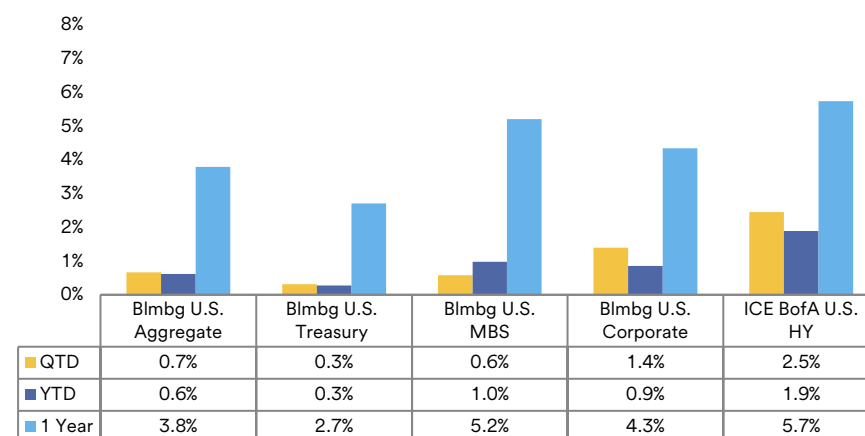
U.S. Treasury Yield Curve



Source: Bloomberg.

Returns for Fixed-Income Segments

Periods Ended June 30, 2026



Source: Bloomberg.

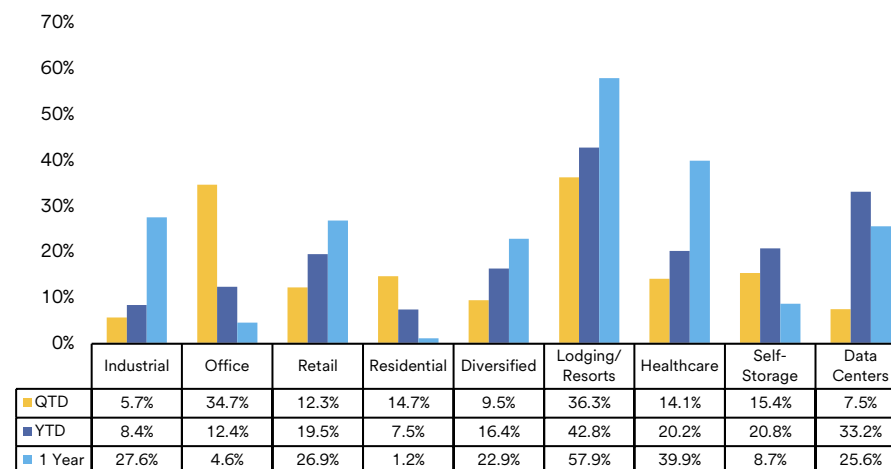
LISTED REAL ASSETS

- Real estate investment trusts (REITs), as measured by the FTSE NAREIT All Equity REITs Index, returned 10.7% for the quarter and 14.9% year-to-date. Within listed real estate, Office and Lodging/Resorts were the strongest subsectors, returning 34.7% and 36.3%, respectively. The weakest sectors were Data Centers (+7.5%) and Industrial (+5.7%).
- Performance of listed infrastructure lagged broader global equities as represented by the FTSE Global Core Infrastructure 50/50 Index, returning 2.3% in the second quarter and 10.7% year to date. The exposure to U.S. midstream energy was a drag for the quarter as energy prices fell in anticipation of a resolution in Iran, while listed infrastructure benefited from global exposure to utilities and transport.

ALTERNATIVES

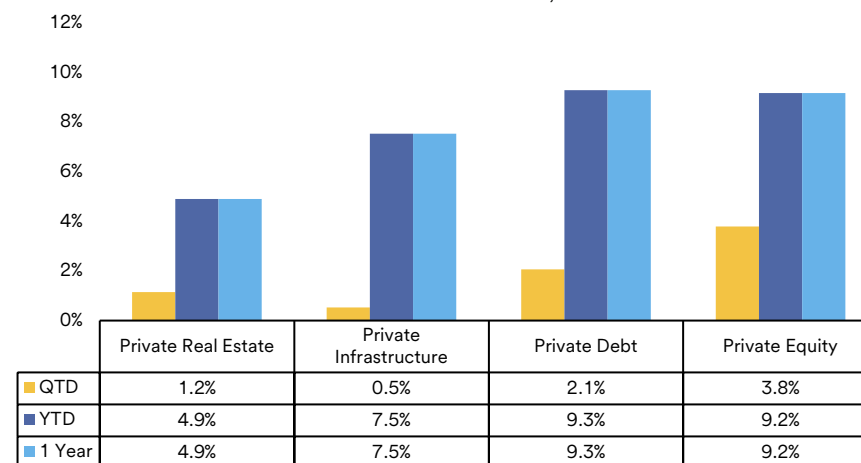
- Within private real assets, private real estate, as measured by the NCREIF Property Index, gained 1.2% in the fourth quarter of 2025. This was primarily driven by income return as capital return (price change less any capital expenditures) was flat for the quarter. Eight of the property sectors produced positive total returns. Senior housing continued to lead with a return of 3.3%, up from 2.9% during the third quarter.
- According to PitchBook, private infrastructure funds posted returns of 0.5% in the fourth quarter of 2025. Within infrastructure, datacenter demand continued to drive fundraising in Q1 2026. Infrastructure and real estate funds investing exclusively in datacenters and telecom infrastructure collectively raised \$26 billion in 2025.
- Private debt, as measured by the Cliffwater Direct Lending Index, continued to see steady performance, reporting a 2.1% return for the fourth quarter. Income remained high, delivering a 2.4% return in the fourth quarter. Realized losses remain substantially below their long-term historical average, while unrealized losses increased slightly, signaling a modest pickup in future credit losses.
- According to PitchBook, private equity funds returned 3.8% in the fourth quarter of 2025 and have generated an annualized return of 14.2% for the five years. The slowing of private equity fundraising activity extended into Q1 2026, with the strategy's rolling 12-month fundraising figure falling for an eighth consecutive quarter.

Listed Real Estate Returns by Sector



Source: Bloomberg.

Returns for Private Capital Assets Periods Ended December 31, 2025*



Source: NCREIF, PitchBook, Cliffwater.

*The most recent period for which all performance data is available.

Factors to Consider Over the Next 6-12 Months

Monetary Policy (Global):



- The Federal Reserve held rates steady at Chair Warsh's first meeting and removed forward guidance while shifting its focus to price stability. The June "dot plot" shifted more hawkish.
- Global central banks diverged, with ECB and BoJ hiking on persistent inflation while others remain on hold.

Economic Growth (Global):



- Global growth prospects improved following easing Middle East tensions, easing a key overhang on global supply chains and energy prices.
- AI-related productivity boost and easing tariff pressures are expected to mitigate downside risks to global growth amid geopolitical uncertainty and signs of softer consumer demand.

Inflation (U.S.):



- Headline inflation remains above target but may be at or near its peak as falling oil prices provide a disinflationary impulse.
- While long-run inflation expectations remain anchored, the Fed remains focused on the passthrough of higher energy prices into core inflation.

Financial Conditions (U.S.):



- Equity and fixed-income markets largely looked through the Middle East conflict, remaining focused on fundamentals and earnings strength.
- Recent capital raises amidst strong corporate fundamentals along with credit spreads near historical highs reflect steady financial conditions.

Consumer Spending (U.S.):



- Consumer spending remained resilient amidst high energy prices, supported by higher-income households while affordability pressures persist for lower-income consumers.
- Real wages have turned modestly negative as inflation outpaces nominal wage gains, eroding purchasing power. Savings rate at multi-year lows.

Labor Markets (U.S.):



- Recent payroll gains exceeding expectations and the unemployment rate holding steady. Falling labor force participation a concern.
- Hiring breadth remains narrow, concentrated in healthcare and social assistance.
- The "low-hire, low-fire" dynamic persists, with labor demand stable but hiring activity subdued.

Corporate Fundamentals:



- Earnings growth expectations continued to improve for 2026 and 2027 across global equities with double digit growth expected across U.S. and international equity benchmarks.
- In the U.S., AI related capex spend, M&A, tax changes and rising profit margins are positives.

Valuations:



- Valuations across U.S. equities and credit markets reflect resilient growth, strong earnings growth and profit margins.
- Equity markets recovered strongly in Q1 leading to valuations higher than averages.

Political/Policy Risks:



- Conflict with Iran and the ongoing geopolitical uncertainty remain center stage even as MoU is signed to resolve the U.S.-Iran conflict.
- Tariff-related uncertainty and upcoming mid-term elections in the U.S. also warrant attention.

● Current outlook ○ Outlook one quarter ago

Stance Unfavorable
to Risk Assets

Negative

Slightly
Negative

Neutral

Slightly
Positive

Positive

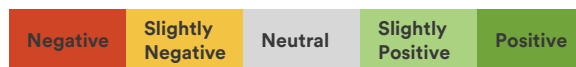
Stance Favorable to
Risk Assets

Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg. The views expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc., at the time of distribution (June 30, 2026) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness, or suitability.

Investment Strategy Overview

Asset Class	Our Q3 2026 Investment Outlook	Comments
U.S. Equities		- The U.S.-Iran conflict has largely been resolved following the signing of an MoU, though some uncertainty remains and could affect energy prices and the inflation outlook, thereby impacting risk assets. - Underlying fundamentals remain supportive of positive equity returns, with corporate earnings expected to grow at a high double-digit pace. - Equity market broadening and strong earnings growth led us to modestly overweight domestic small caps in Q1, prior to the U.S.-Iran conflict. The subsequent recovery in valuations led us to close the overweight position and realign portfolios with strategic targets.
Large-Caps		
Small-Caps		
Non-U.S. Equities		Several major central banks outside the U.S. have begun raising rates in response to near-term inflation pressures. At the same time, relatively attractive valuations and strong earnings growth provide a cushion against rising inflation expectations.
Developed Markets		Emerging markets have been strong performers this year, driven by a rally in semiconductor-related companies, particularly in Korea and Taiwan. Earnings and profit margin estimates for EM equities continue to improve, while valuations remain attractive. However, a concentrated return profile, potential Fed rate hikes, and geopolitical uncertainty lead us to maintain an equal-weight allocation.
Emerging Markets		
Fixed Income		The Fed remains on hold, with its June projections signaling a more hawkish stance. Future rate decisions will be dependent on inflation moving closer to 2%, as energy-related pressures ease. Increased uncertainty around the rate path is expected to weigh on risk assets.
Core Bonds		Absolute yield levels remain attractive, while credit spreads are near historical lows. Returns are expected to be driven primarily by yield/carry rather than price appreciation. Strong profit margins, continued issuance, ongoing share buybacks, and active M&A activity point to a healthy corporate environment that remains supportive of credit spreads.
Investment Grade Credit		We remain neutral across both duration and credit sectors.
High Yield Credit		
Diversifying Assets		Listed REITs recovered more strongly than listed infrastructure in Q2 as the economic resilience narrative gained traction. However, the long-duration and rate-sensitive nature of both asset classes leads us to maintain a neutral stance.
Listed Real Estate		In addition to providing diversified sources of return, improving sentiment around AI continues to support data center and utility buildout, creating a favorable tailwind for listed real assets.
Listed Global Infrastructure		

● Current outlook ○ Outlook one quarter ago



The view expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc., at the time of distribution (June 30, 2026) and are subject to change.

Sources

FactSet

Bloomberg

NCREIF

PitchBook

Cliffwater

U.S. Bureau of Economic Analysis (BEA)

University of Michigan

WTO in partnership with AXSMarine

Disclosures

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Plan Performance Summary

PARS OPEB and Pension Trust Moderately Conservative Strategic Blend**As of June 30, 2026****Asset Allocation & Performance**

	Allocation		Performance(%)							
	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Total Portfolio	100.00	4.69	4.23	9.62	9.01	3.74	5.31	5.42	5.07	07/01/2015
<i>Blended Benchmark</i>		4.78	4.16	9.69	8.73	3.87	5.28	5.32	5.13	
Domestic Equity	18.11	15.77	10.61	22.51	19.75	11.06	14.22	14.15	12.57	07/01/2015
<i>Russell 3000 Index</i>		15.43	10.86	22.81	20.35	12.30	15.51	15.06	13.82	
Columbia Contrarian Core Inst3	3.86	15.22	8.76	20.20	20.01	12.78	16.35	15.09	19.89	02/01/2024
<i>S&P 500</i>		15.20	10.21	22.33	20.61	13.41	16.08	15.51	21.38	
Putnam Core Equity Fund Y	1.64	12.93	7.14	20.17	20.05	13.12	16.90	16.38	15.53	10/01/2024
Schwab US Large-Cap ETF	11.64	15.08	10.04	21.67	20.52	12.70	15.83	15.36	17.61	10/01/2024
<i>S&P 500</i>		15.20	10.21	22.33	20.61	13.41	16.08	15.51	17.72	
PIMCO RAE US Small Cap Fund	0.48	19.74	20.98	36.87	21.52	11.92	16.39	14.25	20.98	01/01/2026
<i>Russell 2000 Value Index</i>		17.19	22.99	43.01	18.73	8.23	11.36	10.89	22.99	
<i>Russell 2000 Index</i>		21.49	22.57	40.78	18.60	6.98	11.34	11.62	22.57	
Columbia Small Cap Growth Inst3	0.24	35.57	30.41	55.45	27.35	7.39	15.75	18.05	33.26	10/01/2024
<i>Russell 2000 Growth Index</i>		25.71	22.18	38.74	18.44	5.57	10.82	11.97	21.41	
<i>Russell 2000 Index</i>		21.49	22.57	40.78	18.60	6.98	11.34	11.62	20.57	
Emerald Growth Institutional	0.25	39.16	38.29	73.13	31.82	13.78	16.61	16.89	40.00	02/01/2024
<i>Russell 2000 Growth Index</i>		25.71	22.18	38.74	18.44	5.57	10.82	11.97	22.80	
<i>Russell 2000 Index</i>		21.49	22.57	40.78	18.60	6.98	11.34	11.62	21.61	
International Equity	9.15	11.39	13.20	24.35	16.84	7.38	9.65	9.63	7.55	07/01/2015
<i>MSCI AC World ex USA (Net)</i>		14.49	13.68	27.66	18.82	8.79	10.16	9.93	7.92	
MFS International Growth R6	1.70	5.67	2.00	7.09	11.36	6.07	8.81	10.00	13.61	02/01/2024
<i>MSCI AC World ex USA (Net)</i>		14.49	13.68	27.66	18.82	8.79	10.16	9.93	21.60	
Fidelity International Index	3.54	9.04	10.08	20.46	16.73	9.35	10.18	9.83	19.50	07/01/2024
<i>MSCI EAFE (net)</i>		10.82	9.44	20.23	16.44	9.05	9.90	9.66	18.97	
Hartford Schroders Intl Multi-Cap Value Fund	1.79	11.26	16.93	36.61	24.30	12.84	12.39	10.76	3.73	05/01/2026
<i>MSCI AC World ex USA (Net)</i>		14.49	13.68	27.66	18.82	8.79	10.16	9.93	4.42	
Fidelity Emerging Markets Index Fund	2.11	21.98	26.17	45.96	23.35	7.36	9.83	9.99	44.06	08/01/2025
<i>MSCI EM (net)</i>		24.05	23.85	43.51	23.03	7.20	9.82	10.07	40.76	

Returns are gross of investment advisory fees and net of mutual fund fees. Returns are expressed as percentages and for periods over one year are annualized. Asset class level returns may vary from individual underlying manager returns due to cash flows. Total Portfolio returns prior to 1/1/2024 were provided by previous Advisor and believed to be accurate and reliable. Returns for January 2024 were calculated by the legacy performance system of previous Advisor and believed to be accurate and reliable.

PARS OPEB and Pension Trust Moderately Conservative Strategic Blend

As of June 30, 2026

Asset Allocation & Performance

	Allocation	Performance(%)								Inception Date
	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	
Other Growth	2.97	5.21	11.35	13.82	N/A	N/A	N/A	N/A	13.37	02/01/2024
Cohen & Steers Inst Realty Shares	1.49	9.99	14.00	12.45	10.04	4.42	7.08	6.89	12.40	06/01/2024
<i>MSCI US REIT Index</i>		12.15	17.58	21.15	12.39	5.83	6.92	6.07	15.80	
Lazard Global Listed Infrastructure Inst	0.73	1.11	8.15	15.57	14.14	11.55	9.73	10.41	16.82	10/01/2024
<i>MSCI World Core Infrastructure Index (Net)</i>		1.09	9.00	11.31	11.51	6.59	6.67	7.91	10.09	
NYLI CBRE Global Infrastructure	0.75	0.60	9.54	14.46	11.66	7.16	7.44	8.02	13.99	06/01/2024
<i>FTSE Global Core Infrastructure 50/50 Index (Net)</i>		2.33	10.66	15.78	12.24	7.65	6.71	7.47	14.20	
Fixed Income	67.54	0.93	0.92	4.28	4.90	0.80	1.78	2.05	2.28	07/01/2015
<i>Blmbg. U.S. Aggregate</i>		0.67	0.62	3.79	4.16	0.08	1.22	1.54	1.94	
Baird Aggregate Bond Inst	20.33	0.81	0.76	3.96	4.61	0.32	1.60	1.94	4.87	03/01/2024
iShares Core US Aggregate Bond ETF	6.63	0.67	0.71	3.80	4.16	0.09	1.20	1.52	4.65	03/01/2024
<i>Blmbg. U.S. Aggregate</i>		0.67	0.62	3.79	4.16	0.08	1.22	1.54	4.65	
Dodge & Cox Income	12.74	0.77	0.81	4.67	5.23	1.33	2.60	2.93	4.71	02/01/2024
PGIM Total Return Bond R6	12.90	1.02	1.05	4.62	5.44	0.64	1.81	2.46	4.78	02/01/2024
<i>Blmbg. U.S. Aggregate</i>		0.67	0.62	3.79	4.16	0.08	1.22	1.54	3.87	
Voya Intermediate Bond	9.85	0.97	0.99	4.23	5.27	0.57	1.81	2.27	4.62	05/01/2025
<i>Blmbg. U.S. Aggregate</i>		0.67	0.62	3.79	4.16	0.08	1.22	1.54	3.96	
NYLI MacKay High Yield Corp Bond Fund	5.09	2.11	1.89	5.09	7.54	4.10	4.86	5.50	6.76	03/01/2024
<i>ICE BofA US High Yield Index</i>		2.45	1.89	5.74	8.79	4.13	4.92	5.70	7.84	
Cash Equivalent	2.23	0.89	1.79	3.88	4.48	3.43	2.63	2.21	2.03	07/01/2015
<i>ICE BofA 3 Month U.S. T-Bill</i>		0.88	1.74	3.84	4.64	3.52	2.75	2.34	2.14	
First American Government Obligation - X	2.23	0.89	1.79	3.88	4.64	3.54	2.72	2.28	4.46	02/01/2024
<i>ICE BofA 3 Month U.S. T-Bill</i>		0.88	1.74	3.84	4.64	3.52	2.75	2.34	4.45	

Returns are gross of investment advisory fees and net of mutual fund fees. Returns are expressed as percentages and for periods over one year are annualized. Asset class level returns may vary from individual underlying manager returns due to cash flows. Total Portfolio returns prior to 1/1/2024 were provided by previous Advisor and believed to be accurate and reliable. Returns for January 2024 were calculated by the legacy performance system of previous Advisor and believed to be accurate and reliable.

PARS OPEB and Pension Trust Moderately Conservative Strategic Blend**As of June 30, 2026****Calendar Year Comparative Performance**

	Performance(%)							
	2025	2024	2023	2022	2021	2020	2019	2018
Total Portfolio	10.66	6.61	11.32	-13.32	5.27	10.64	13.64	-2.83
<i>Blended Benchmark</i>	<i>10.30</i>	<i>6.79</i>	<i>10.29</i>	<i>-12.35</i>	<i>5.50</i>	<i>9.89</i>	<i>13.55</i>	<i>-1.87</i>
Domestic Equity	17.16	21.62	24.76	-18.79	23.28	18.28	29.29	-6.38
<i>Russell 3000 Index</i>	<i>17.15</i>	<i>23.81</i>	<i>25.96</i>	<i>-19.21</i>	<i>25.66</i>	<i>20.89</i>	<i>31.02</i>	<i>-5.24</i>
Columbia Contrarian Core Inst3	17.51	23.51	32.21	-18.45	24.45	22.44	33.08	-8.81
Putnam Core Equity Fund Y	17.31	26.47	27.99	-15.87	30.75	17.66	32.50	-7.91
Schwab US Large-Cap ETF	17.42	24.90	26.86	-19.44	26.74	20.90	31.40	-4.52
<i>S&P 500</i>	<i>17.88</i>	<i>25.02</i>	<i>26.29</i>	<i>-18.11</i>	<i>28.71</i>	<i>18.40</i>	<i>31.49</i>	<i>-4.38</i>
PIMCO RAE US Small Cap Fund	6.29	22.08	20.06	-4.64	40.37	6.88	20.22	-11.66
<i>Russell 2000 Value Index</i>	<i>12.59</i>	<i>8.05</i>	<i>14.65</i>	<i>-14.48</i>	<i>28.27</i>	<i>4.63</i>	<i>22.39</i>	<i>-12.86</i>
<i>Russell 2000 Index</i>	<i>12.81</i>	<i>11.54</i>	<i>16.93</i>	<i>-20.44</i>	<i>14.82</i>	<i>19.96</i>	<i>25.53</i>	<i>-11.01</i>
Columbia Small Cap Growth Inst3	21.86	24.45	26.39	-36.51	-2.54	70.41	41.18	-1.92
Emerald Growth Institutional	31.95	19.41	19.06	-24.50	4.04	38.85	28.70	-11.57
<i>Russell 2000 Growth Index</i>	<i>13.01</i>	<i>15.15</i>	<i>18.66</i>	<i>-26.36</i>	<i>2.83</i>	<i>34.63</i>	<i>28.48</i>	<i>-9.31</i>
<i>Russell 2000 Index</i>	<i>12.81</i>	<i>11.54</i>	<i>16.93</i>	<i>-20.44</i>	<i>14.82</i>	<i>19.96</i>	<i>25.53</i>	<i>-11.01</i>
International Equity	29.43	4.29	14.12	-15.56	4.93	13.83	23.79	-15.29
<i>MSCI AC World ex USA (Net)</i>	<i>32.39</i>	<i>5.53</i>	<i>15.62</i>	<i>-16.00</i>	<i>7.82</i>	<i>10.65</i>	<i>21.51</i>	<i>-14.20</i>
MFS International Growth R6	21.23	9.24	14.96	-15.02	9.65	15.82	27.31	-8.79
<i>MSCI AC World ex USA (Net)</i>	<i>32.39</i>	<i>5.53</i>	<i>15.62</i>	<i>-16.00</i>	<i>7.82</i>	<i>10.65</i>	<i>21.51</i>	<i>-14.20</i>
Fidelity International Index	31.96	3.71	18.31	-14.24	11.45	8.17	22.00	-13.52
<i>MSCI EAFE (net)</i>	<i>31.22</i>	<i>3.82</i>	<i>18.24</i>	<i>-14.45</i>	<i>11.26</i>	<i>7.82</i>	<i>22.01</i>	<i>-13.79</i>
Hartford Schroders Intl Multi-Cap Value Fund	46.09	6.97	13.85	-11.58	13.91	1.14	18.56	-15.23
<i>MSCI AC World ex USA (Net)</i>	<i>32.39</i>	<i>5.53</i>	<i>15.62</i>	<i>-16.00</i>	<i>7.82</i>	<i>10.65</i>	<i>21.51</i>	<i>-14.20</i>
Fidelity Emerging Markets Index Fund	33.94	6.80	9.50	-20.07	-3.04	17.82	18.26	-14.63
<i>MSCI EM (net)</i>	<i>33.57</i>	<i>7.50</i>	<i>9.83</i>	<i>-20.09</i>	<i>-2.54</i>	<i>18.31</i>	<i>18.42</i>	<i>-14.57</i>

Returns are gross of investment advisory fees and net of mutual fund fees. Returns are expressed as percentages and for periods over one year are annualized. Asset class level returns may vary from individual underlying manager returns due to cash flows. Total Portfolio returns prior to 1/1/2024 were provided by previous Advisor and believed to be accurate and reliable. Returns for January 2024 were calculated by the legacy performance system of previous Advisor and believed to be accurate and reliable.

PARS OPEB and Pension Trust Moderately Conservative Strategic Blend**As of June 30, 2026****Calendar Year Comparative Performance**

	Performance(%)							
	2025	2024	2023	2022	2021	2020	2019	2018
Other Growth	11.35	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cohen & Steers Inst Realty Shares	3.09	6.24	12.72	-24.73	42.47	-2.57	33.01	-3.99
MSCI US REIT Index	2.95	8.75	13.74	-24.51	43.06	-7.57	25.84	-4.57
Lazard Global Listed Infrastructure Inst	23.86	6.71	10.89	-1.30	19.87	-4.48	22.26	-3.73
MSCI World Core Infrastructure Index (Net)	15.85	5.73	4.01	-7.93	17.13	-0.80	26.64	-2.66
NYLI CBRE Global Infrastructure	15.55	7.68	3.96	-6.08	15.22	1.17	28.46	-6.56
FTSE Global Core Infrastructure 50/50 Index (Net)	14.36	9.53	2.21	-4.87	14.88	-4.06	25.13	-3.99
Fixed Income	7.58	2.23	6.95	-12.21	-0.75	7.20	8.16	-0.40
Blmbg. U.S. Aggregate	7.30	1.25	5.53	-13.01	-1.55	7.51	8.72	0.01
Baird Aggregate Bond Inst	7.36	1.85	6.43	-13.35	-1.46	8.63	9.48	-0.30
iShares Core US Aggregate Bond ETF	7.19	1.37	5.59	-13.06	-1.67	7.42	8.68	-0.05
Dodge & Cox Income	8.32	2.26	7.70	-10.86	-0.91	9.45	9.73	-0.31
PGIM Total Return Bond R6	7.79	3.03	7.78	-14.86	-1.15	8.10	11.13	-0.63
Voya Intermediate Bond	7.62	2.93	7.07	-14.16	-0.99	8.22	10.06	-0.25
Blmbg. U.S. Aggregate	7.30	1.25	5.53	-13.01	-1.55	7.51	8.72	0.01
NYLI MacKay High Yield Corp Bond Fund	7.10	7.14	11.97	-7.81	5.35	5.28	13.03	-1.34
ICE BofA US High Yield Index	8.50	8.20	13.46	-11.22	5.36	6.17	14.41	-2.27
Cash Equivalent	4.23	4.73	4.99	1.48	0.02	0.37	2.09	1.70
ICE BofA 3 Month U.S. T-Bill	4.18	5.25	5.02	1.46	0.05	0.67	2.28	1.87
First American Government Obligation - X	4.23	5.19	5.02	1.52	0.03	0.40	2.12	1.74
ICE BofA 3 Month U.S. T-Bill	4.18	5.25	5.02	1.46	0.05	0.67	2.28	1.87

Returns are gross of investment advisory fees and net of mutual fund fees. Returns are expressed as percentages and for periods over one year are annualized. Asset class level returns may vary from individual underlying manager returns due to cash flows. Total Portfolio returns prior to 1/1/2024 were provided by previous Advisor and believed to be accurate and reliable. Returns for January 2024 were calculated by the legacy performance system of previous Advisor and believed to be accurate and reliable.

PARS OPEB and Pension Trust Moderately Conservative Strategic Blend**As of June 30, 2026****Historical Hybrid Composition - PARS Moderately Conservative**

Allocation Mandate	Weight (%)
Jul-2025	
Russell 3000 Index	18.0
MSCI AC World ex USA (Net)	9.0
FTSE NAREIT All Equity REITS	1.5
FTSE Global Core Infrastructure 50/50 Index (Net)	1.5
Blmbg. U.S. Aggregate	62.5
ICE BofA US High Yield Index	5.5
ICE BofA 3 Month U.S. T-Bill	2.0
Oct-2012	
Blmbg. U.S. Aggregate	49.3
S&P 500	15.5
ICE BofA 1-3 Yr. Gov/Corp	14.0
FTSE 1 Month T-Bill	5.0
Russell 2000 Index	4.5
MSCI EAFE (net)	4.0
Russell Midcap Index	3.0
MSCI EM (net)	2.0
ICE BofA US High Yield Index	1.8
Wilshire US REIT Index	1.0
Apr-2007	
Blmbg. U.S. Aggregate	40.0
ICE BofA 1-3 Yr. Gov/Corp	25.0
S&P 500	25.0
FTSE 1 Month T-Bill	5.0
MSCI EAFE (net)	3.5
Russell 2000 Index	1.5

Allocation Mandate	Weight (%)
Jul-1986	
Blmbg. U.S. Aggregate	40.0
S&P 500	30.0
ICE BofA 1-3 Yr. Gov/Corp	25.0
FTSE 1 Month T-Bill	5.0

*The benchmark for the PARS Moderately Conservative strategy defined above was assigned to the PARS OPEB and Pension Trust Moderately Conservative Strategic Blend upon its inception on July 2015

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It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

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U.S. Bank N.A. pays the sub-adviser up to 67% of the annual management fee for assets sub-advised under its sub-advisory agreement with U.S. Bank N.A. Refer to your U.S. Bank N.A. fee schedule for investment management fees applied to your specific portfolio. U.S. Bank N.A. compensates the sub-adviser for these services from its own fees.

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Additional Disclosures

Assets under management as of 6/30/2024 represent the assets managed by PFM asset Management LLC (PFMAM). As of 10/1/2024 PFMAM and U.S. Bancorp Asset Management, Inc. (USBAM) formerly separately registered investment advisers consolidated into one legal entity and one registered investment adviser with the SEC, with USBAM as the continuing legal entity and registered investment adviser.

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100 North Canyons Parkway
Livermore, CA 94551
(925) 454-5000

June 30, 2026

Board of Directors
Zone 7 Water Agency
100 N. Canyons Pkwy.
Livermore, CA 94551

Subject: Endowment Trust Funds Annual Report as of June 30, 2026 (Unaudited)

Dear Board Members:

This annual report is presented in accordance with Strategic Plan Goal H – Fiscal Responsibility: Operate the Agency in a fiscally responsible manner, and Strategic Plan Initiative No. 21 – Continue to effectively manage financial resources for the Agency in a prudent manner and in accordance with the Investment Policy.

Zone 7 is the Land Manager for two mitigation sites in Dublin (“Camp Parks” and “Scarlett Drive Mitigation Area”), where Zone 7 has agreed to manage mitigation projects in perpetuity. These mitigation properties were required for development in the area, and the Regulatory Agencies require the Developer to identify an acceptable Land Manager for the Project’s ecological mitigation improvements and an Endowment Holder. This is largely founded on the aforementioned preferences of the Regulatory Agencies, and their acknowledgement that the Stream Management Master Plan identifies Zone 7 as the local entity responsible for maintaining the ecological baseline on the property it owns within its jurisdictional service area, thereby having similar responsibilities as a Land Manager and related fiscal responsibilities. In each case, the Developer is responsible for maintenance for the first ten years and provided Zone 7 with an endowment to cover maintenance after that.

The Endowments investments are included as part of the Agency Investment Portfolio as presented in the Finance Committee agenda. A summary of each endowment is as follows:

Camp Parks Endowment Trust Fund

Initial Deposit	\$ 1,031,985
Investment Earnings to date	\$ 182,263
June 30, 2026, Balance	\$ 1,214,248
Current rate of return	4.22%

Scarlett Drive Mitigation Area Endowment Trust Fund

Initial Deposit	\$ 380,000
Investment Earnings to date	\$ 49,620
June 30, 2026, Balance	\$ 429,620
Current rate of return	4.22%

Investments

Market value amounts are from PFM Asset Management, which provides investment management services for the Agency. US Bank provides custody services for the Agency. Book value amounts include premiums or discounts and are adjusted at year-end on the general ledger.

Sincerely,

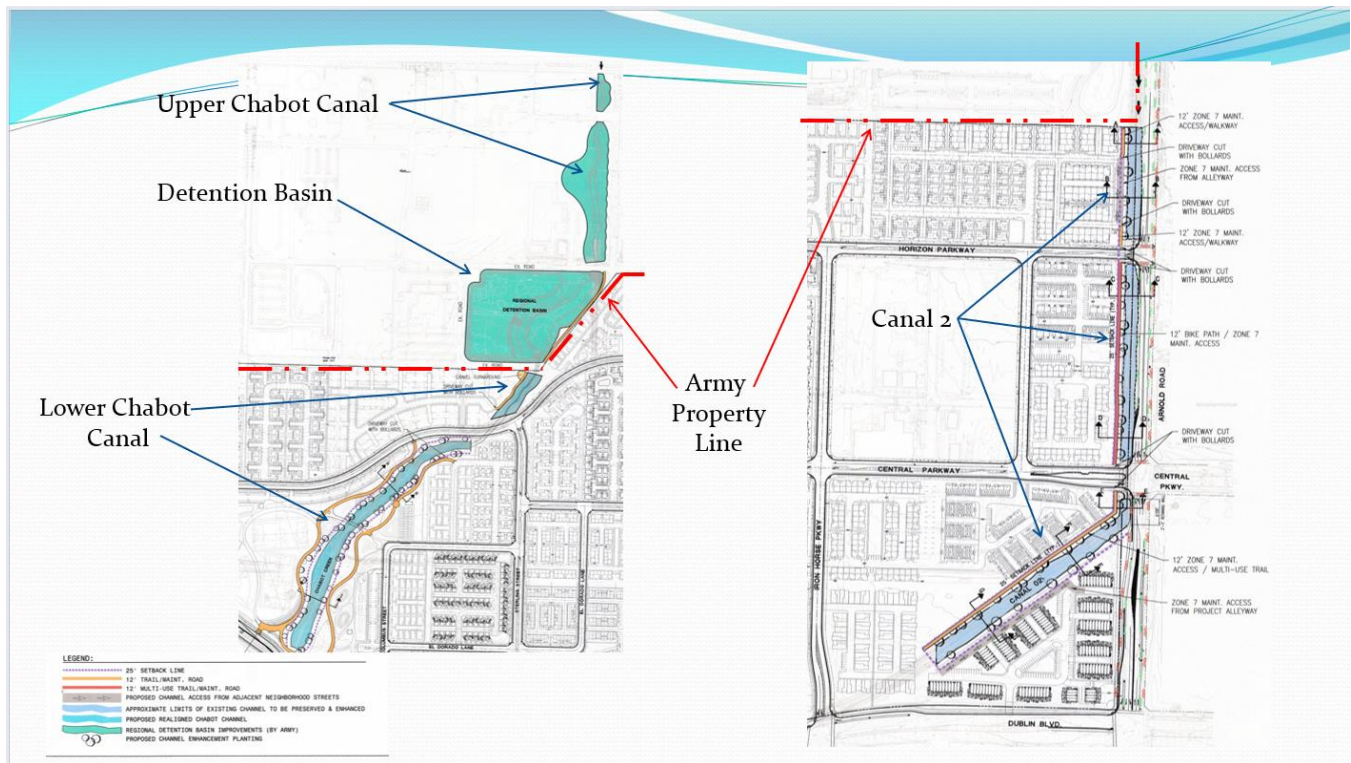
Osborn Solitei

Osborn Solitei
Treasurer

Attachment

c: Valerie Pryor

Camp Parks Endowment Trust Fund



Scarlett Drive Mitigation Area Endowment Trust Fund



