New Director Orientation

July 2026

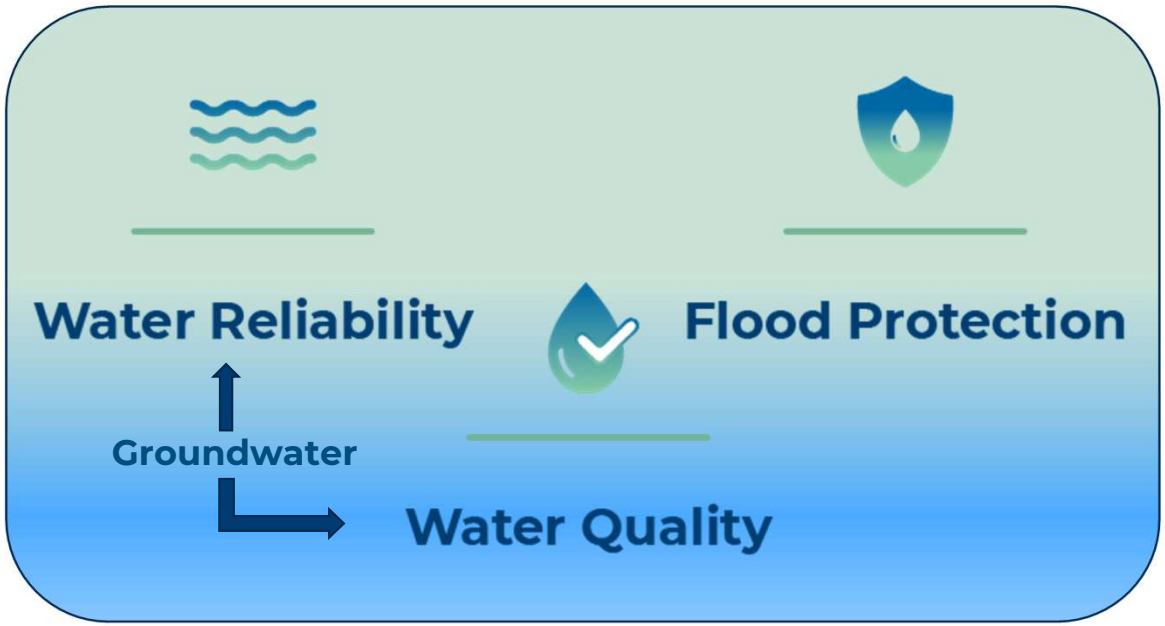
Presentation Participants

- Valerie Pryor, General Manager
- Osborn Solitei, Treasurer/Assistant General Manager – Finance
- Chris Hentz, Assistant General Manager – Engineering
- Ken Minn, Water Resources Manager

Mission

We deliver safe, reliable, efficient and sustainable water and flood protection services

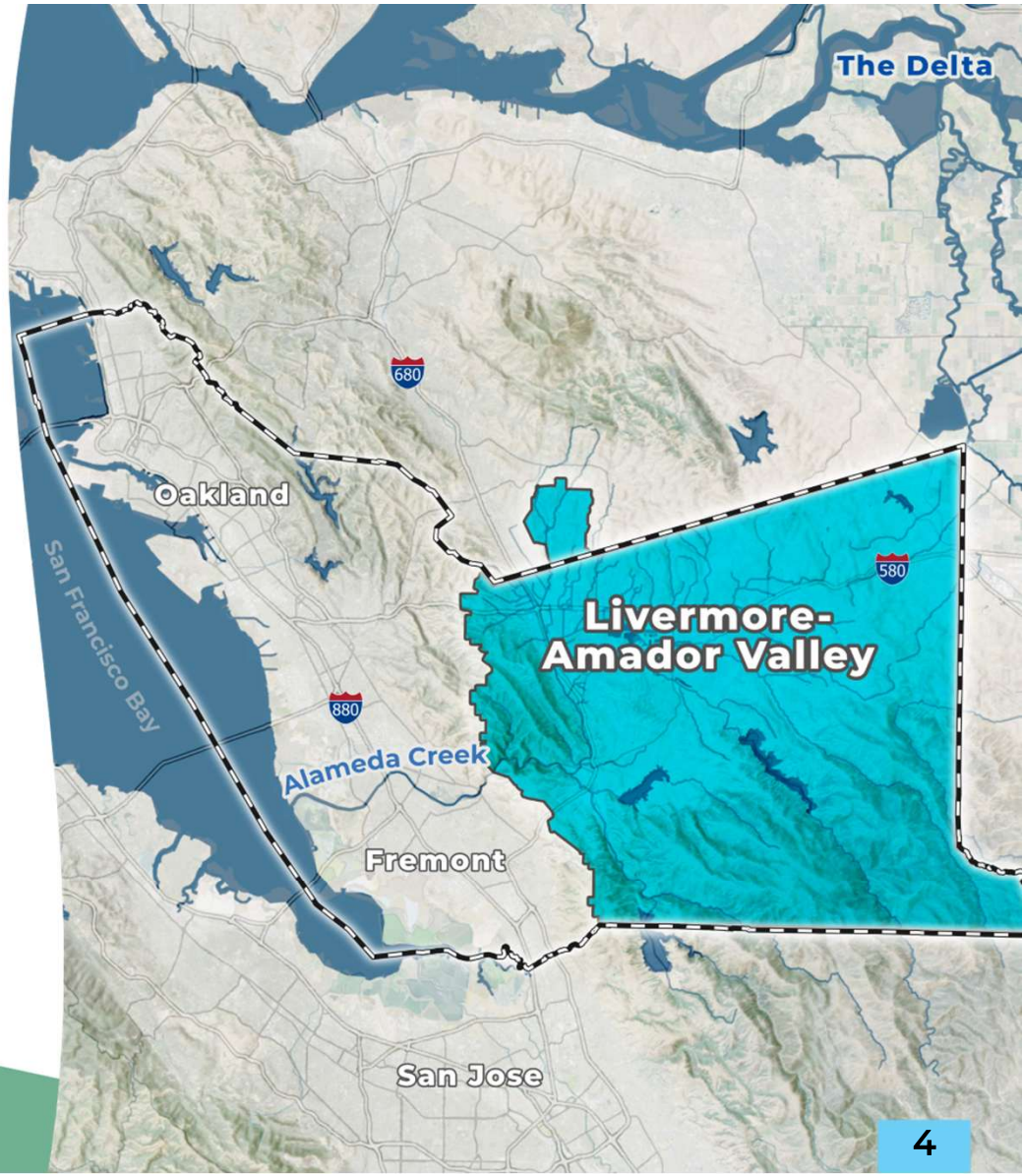
Governance



ZONE 7 WATER AGENCY

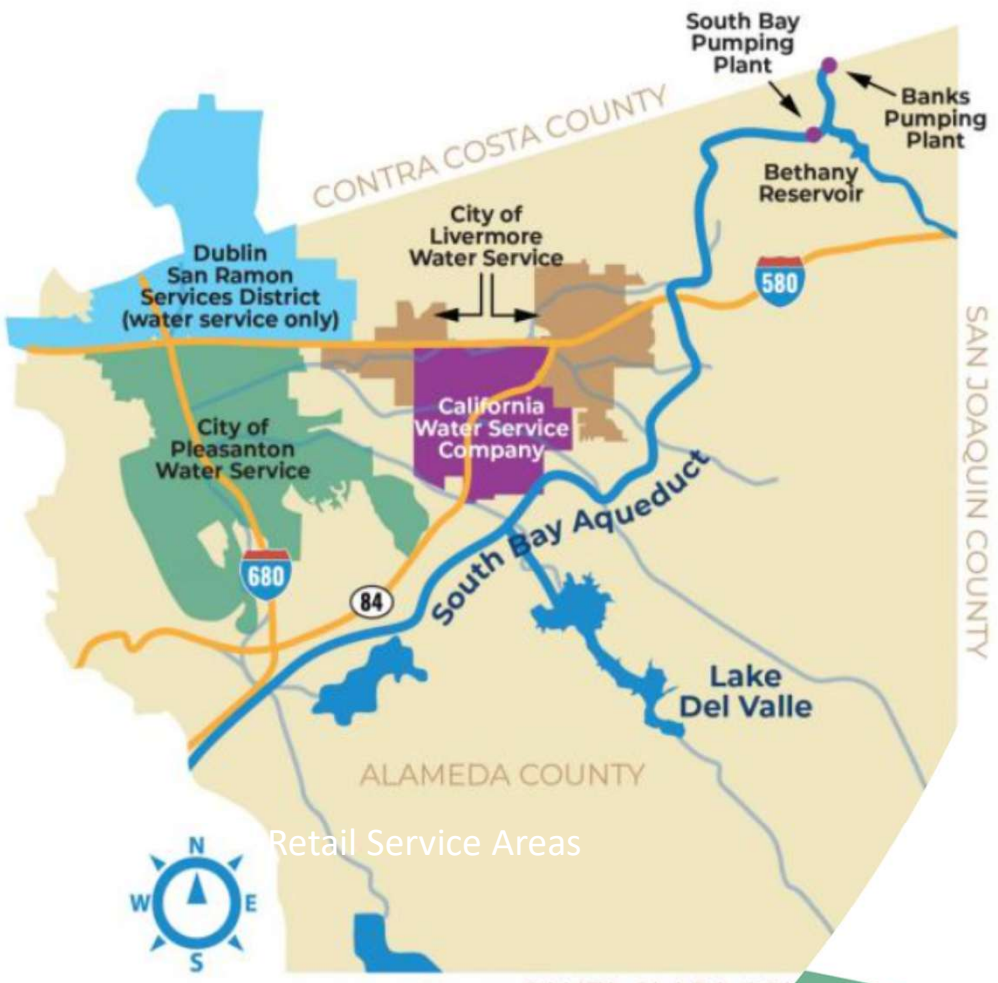
Zone 7… of What?

- Alameda County Flood Control and Water Conservation District, Zone 7
  - One of ten flood zones in Alameda County (1949)
  - Zone 7 established through voter approval in 1957
- Dependent Special District
- Seven Member Elected Board
- Provides wholesale water supply and flood protection
- 131 Staff Positions
- Past Board meetings can be viewed at: https://www.tri-valleytv.org/?q=node/59



ZONE 7 WATER AGENCY

Who Receives Treated Water?



Retail Service Areas

4 Retailers
=> Approximately
267,000 residents
~34,000 AF delivered in 2025
~40,000 AF projected to be delivered by 2040

AF = acre-feet

2025-2029 Strategic Plan

ZONE 7 WATER AGENCY

Relationship with Alameda County

- Authority given by Act 205 (Chapter 1275, Statutes of 1949)
- AB 1125 was enacted in 2004 to provide the Zone 7 Board of Directors to be the sole authority on matters that affect only Zone 7, without further action by the County.
- We follow the Civil Service Commission
- Contractual arrangement with Alameda County for payroll, check processing, some purchasing

Labor Relations

- 131 funded positions, approximately 115 filled
- Four bargaining units and non-represented employees
  - ACMEA
  - BTC
  - Local 21
  - SEIU
- Zone 7 Board of Directors negotiates compensation; Alameda County negotiates benefits and other items

Water Resources

Ken Minn

Water Resources Manager

ZONE 7 WATER AGENCY

California State Water Project (SWP)

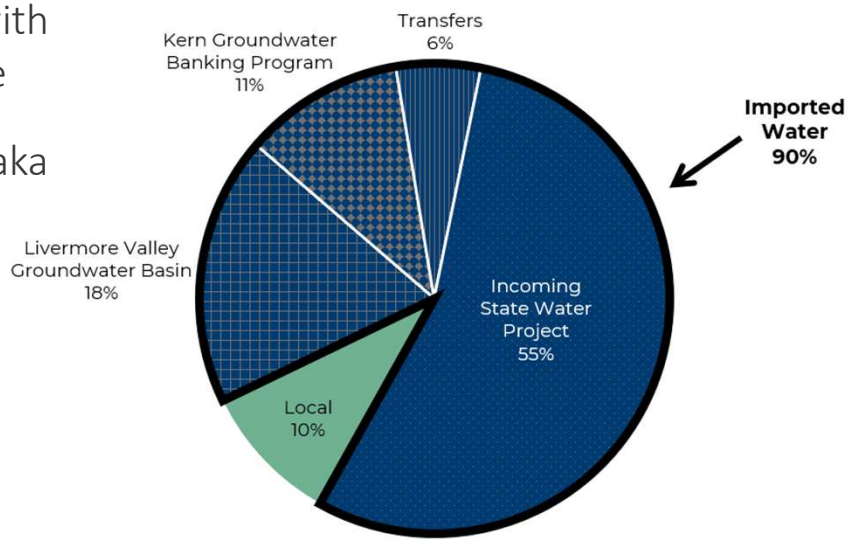
How Does the SWP Deliver Our Water?

- The SWP is a multi-purpose water storage and delivery system comprised of canals, pipelines, reservoirs, and hydroelectric power facilities
- Long-term water supply contracts with 29 local water agencies for water service from the SWP.
- The SWP delivers water to 27 million people and 750,000 acres of farmland
- Zone 7 is served by the South Bay Aqueduct (SBA) branch of the SWP
- ACWD (Fremont), and Valley Water (Santa Clara) are also served by the SBA


Chipps Island
Sacramento River
San Joaquin River
The Delta
Middle River
Old River
Mt. Diablo
HO Banks Pumping Plant
Clifton Court Forebay
South Bay Pumping Plant
Chain of Lakes
Bethany Reservoir
Tracy
Dublin
Livermore
Patterson Pass Water Treatment Plant
Pleasanton
South Bay Aqueduct
Lake Del Valle
Fremont
Del Valle Water Treatment Plant
11

Zone 7's Water Supply Portfolio Components

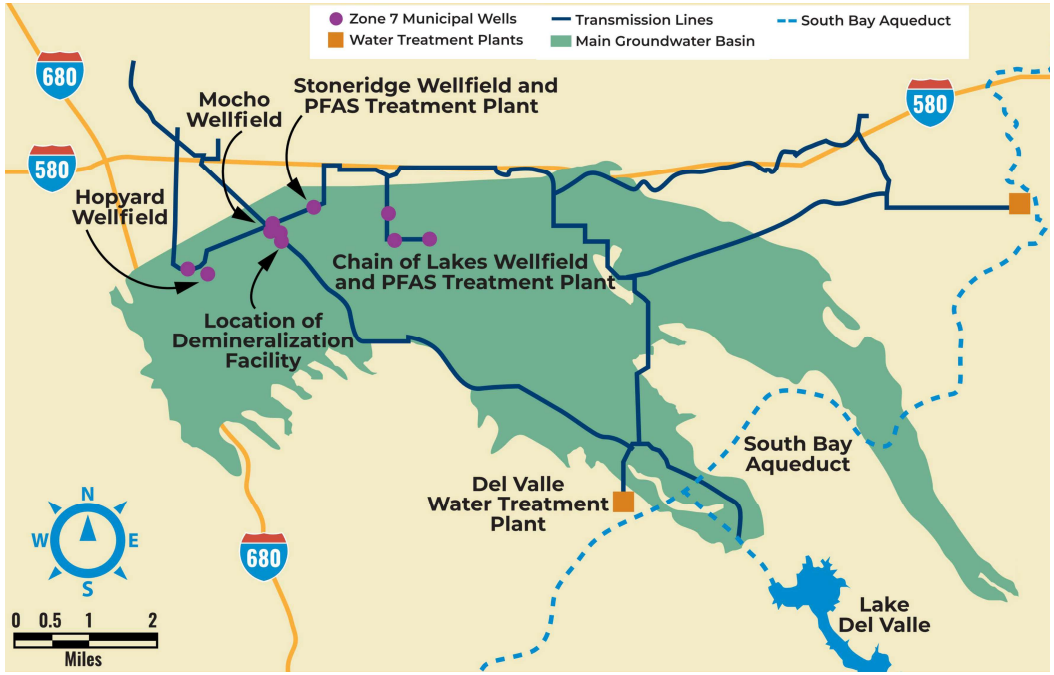
- State Water Project: imported water
- Local Groundwater Basin: Recharge the local groundwater basin with SWP supplies using the arroyos, a process called artificial recharge
- Lake Del Valle: Store and use Arroyo Del Valle water rights water (aka local runoff)
- San Luis Reservoir: Stored water (carryover water from previous year) in San Luis Reservoir with calculated spill risks
- Kern Groundwater Banks: Deposit and recover water from the groundwater banks
- Water Transfers: Water Transfer agreements to buy and sell the water as appropriate
- Water Conservation: Demand reduction



*Sources of average annual water delivered by Zone 7 from 2016-2025

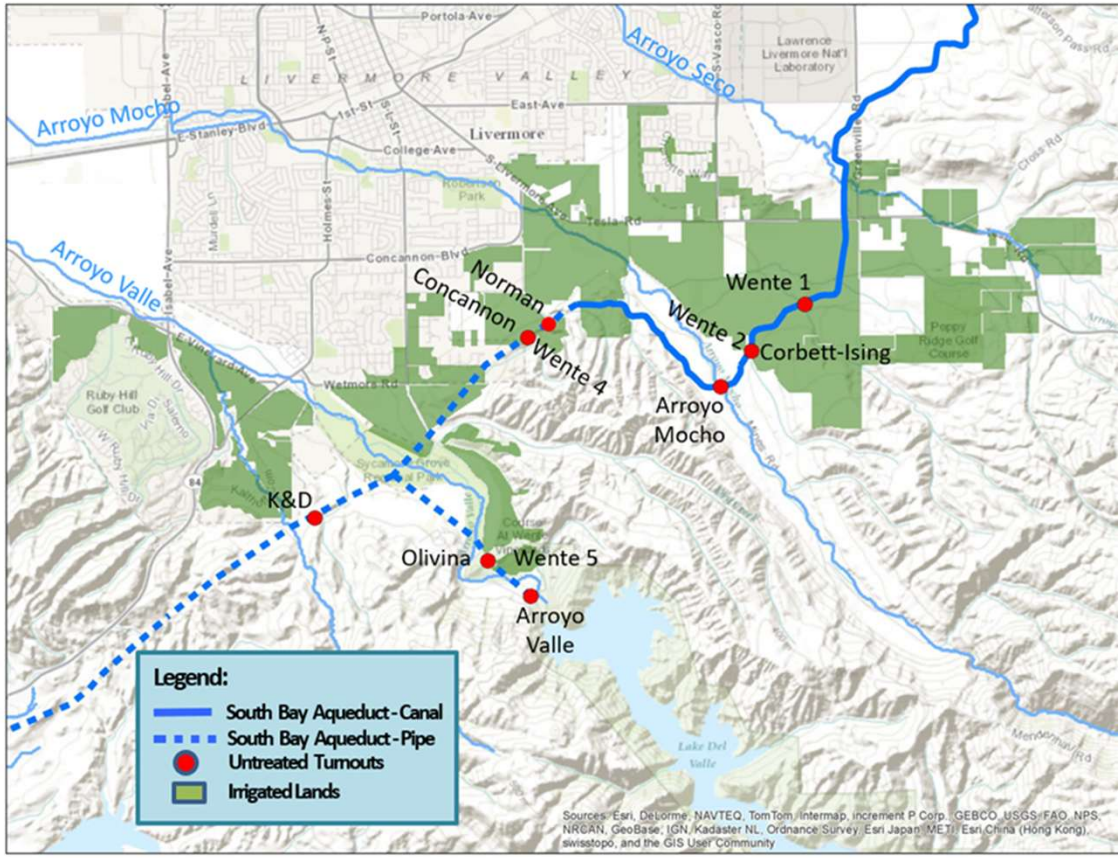
Treated Water Supply

- Four retail customers – Livermore, CalWater, Pleasanton, and DSRSD
- Six Direct Retail customers (LLNL, VA, LARPD, EBRPD, Wente, Greer)
- 2 Surface Water Treatment Plants (42 and 21 MGD)
- 9 Production Wells (39 MGD combined capacity)
- 40 Miles of Transmission Lines (12”-48”)
- 3 Pump Stations
- 1 Groundwater Demineralization Plant
- 2 PFAS Treatment Plants (one more underway)



Untreated Water

- ~3,500 acre-feet annually
- 81 customers
  - Wente Vineyards, Wine Group, Ruby Hill Golf Course, and other agriculture (e.g. olives, pistachios, walnuts, persimmons)
- Source is State Water Project water via dedicated turn-outs at the South Bay Aqueduct

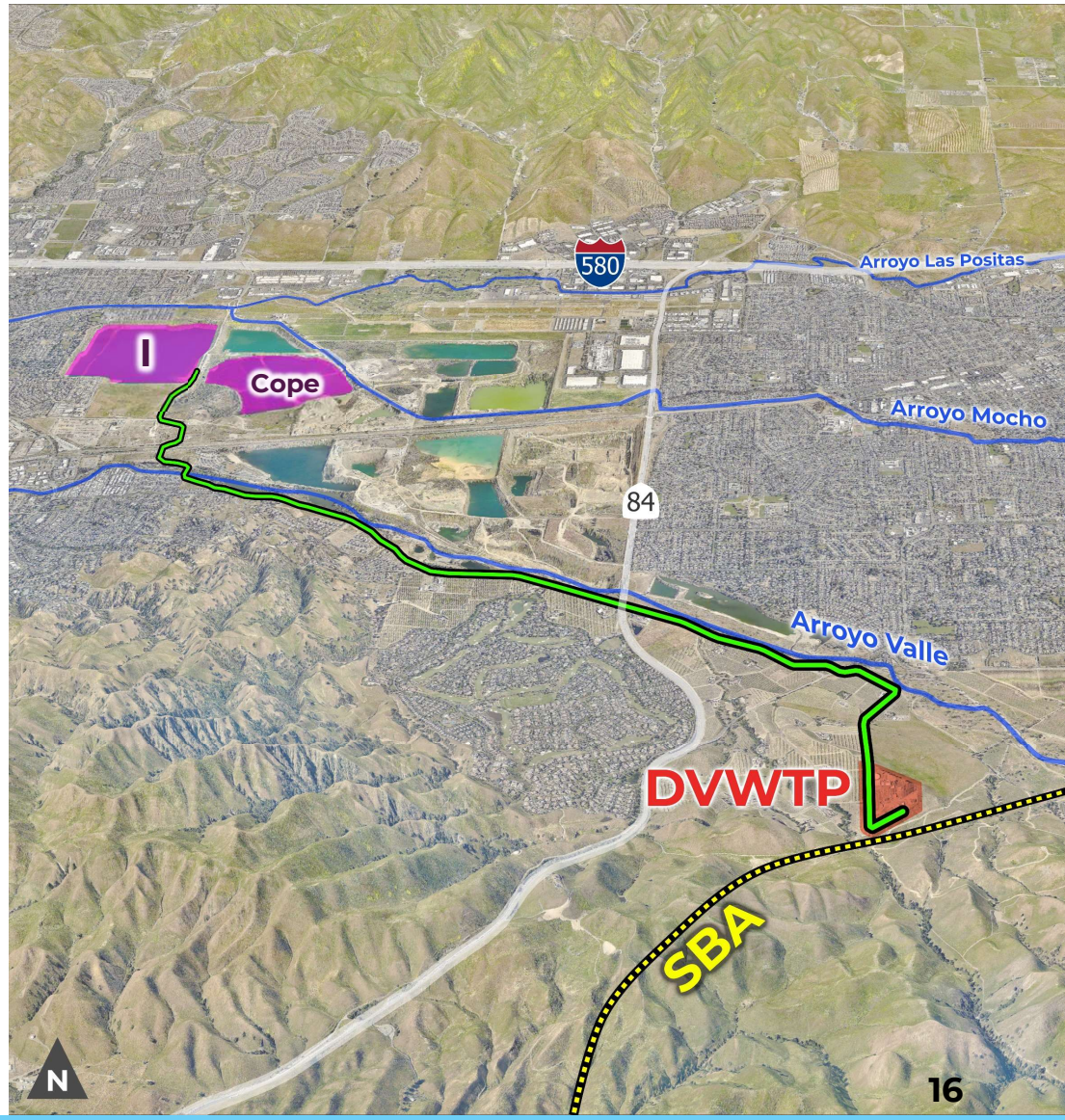


Sites Reservoir (2034)

- New surface storage near Maxwell in Northern California
- Off-stream reservoir providing 1.5 million acre-feet of storage
- Captures excess flows from the Sacramento River
- Participants manage their own storage space
- Fully operational in 2034

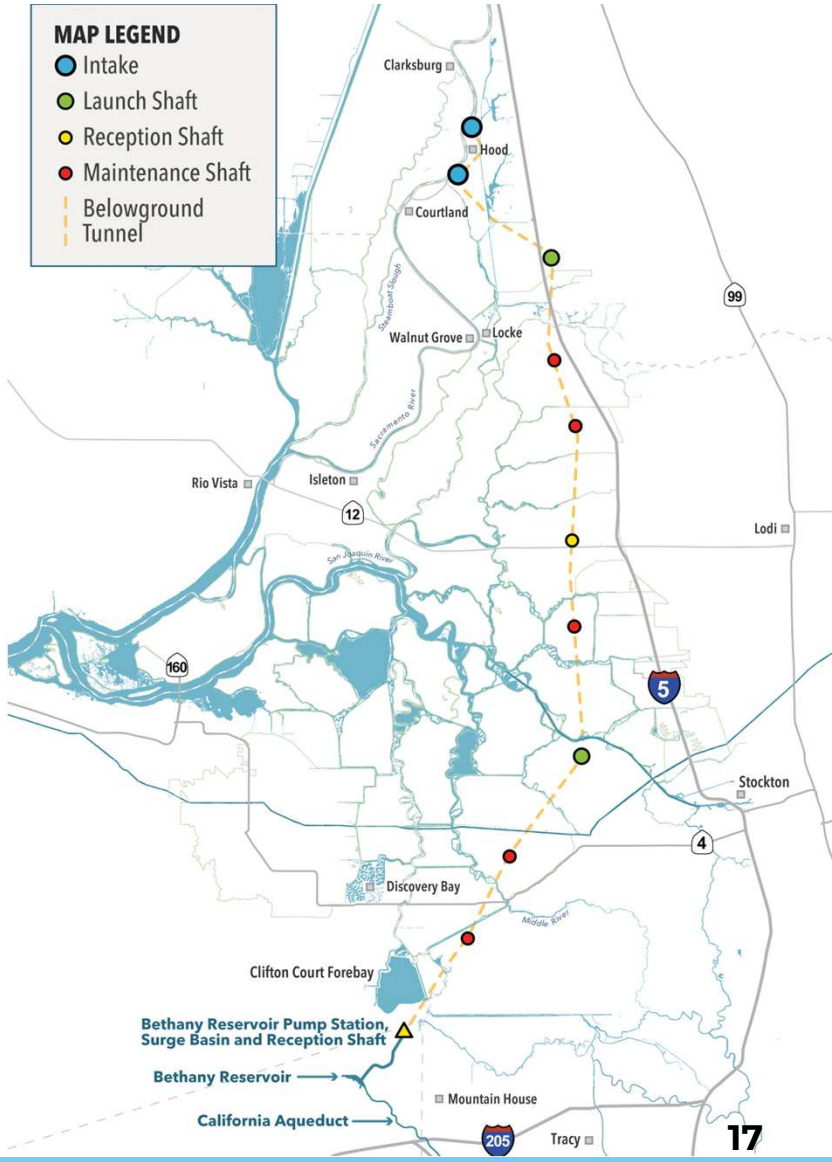
Chain of Lakes Conveyance System (2035)

- 7-mile-long two-way pipeline connecting the SBA and
  Lake I and Cope Lake
- Gravity flow to fill the lakes
- Pump station to pump the water to DVWTP for treatment and distribution
- PFAS and conventional treatment at DVWTP
- Review April 1, 2026 Board Workshop
- Fully operational in 2035



Delta Conveyance Project (2045)

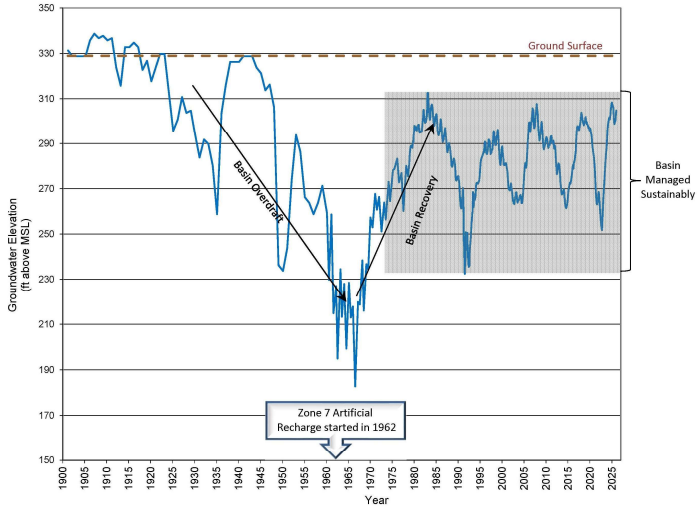
- Upgrades and modernizes SWP conveyance infrastructure in the Delta
- Two North Delta intakes and one 45-mile 36-foot diameter tunnel to convey water across the Delta
- Offsets future losses in SWP deliveries due to climate change and sea level rise
- Fully operational in 2045

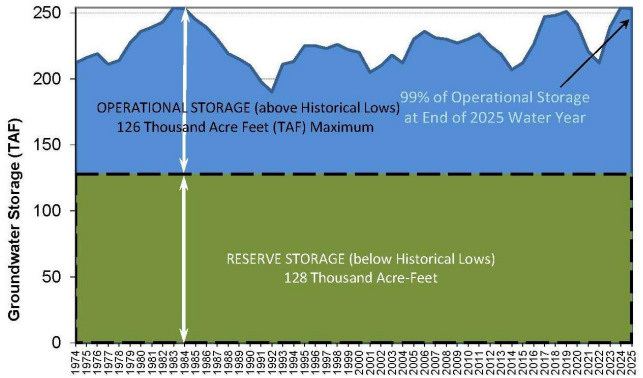


Zone 7's Groundwater Management

- 1960s - Basin in Groundwater Overdraft
- 1962 - Zone 7 Began Managing Overdraft by Imported State Water Project supplies
- 1975 - Water Quality Management Planning Agency
- 1982 - Wastewater Management Plan
- 2005 - Salt Management Plan
- 2006 - Groundwater Management Plan
- 2014 - Sustainable Groundwater Management Act (SGMA)
- 2015 - Nutrient Management Plan
- 2016 - Alternative Groundwater Sustainability Plan
- 2017 - Groundwater Ordinance (2017-01)
- 2021 - 5 Year Update to Alternative GSP

Annual Groundwater Reports since 2005





Sustainable Groundwater Management Act (2014)

"The management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results."

- Chronic lowering of groundwater levels indicating a significant and unreasonable depletion of supply
- Significant and unreasonable reduction of groundwater storage
- Significant and unreasonable seawater intrusion
- Significant and unreasonable degraded water quality
- Significant and unreasonable land subsidence
- Depletions of interconnected surface water that have significant and unreasonable adverse impacts on beneficial uses of the surface water

Groundwater Management Activities

- Apply a state-of-the-art groundwater model completed in 2025
- Monitor over 200 monitoring wells for groundwater elevations, water quality, and contaminants
- Issue drilling and well permits
- Conduct salt and nutrient management
- Conduct PFAS management (and Cr6)
- Administer commercial use of Onsite Wastewater Treatment Systems (septic tanks) permitting
- Conduct toxic sites surveillance
- Conduct subsidence monitoring
- 5-year update to GSP due December 21, 2026
- Develop an integrated Basin Water Quality Management Plan
  - Updated Nutrient Management Plan
  - Updated Salt Management Plan

Water Facilities Capital Improvement Plan and Asset Management Plan

Chris Hentz
AGM - Engineering

ZONE 7 WATER AGENCY

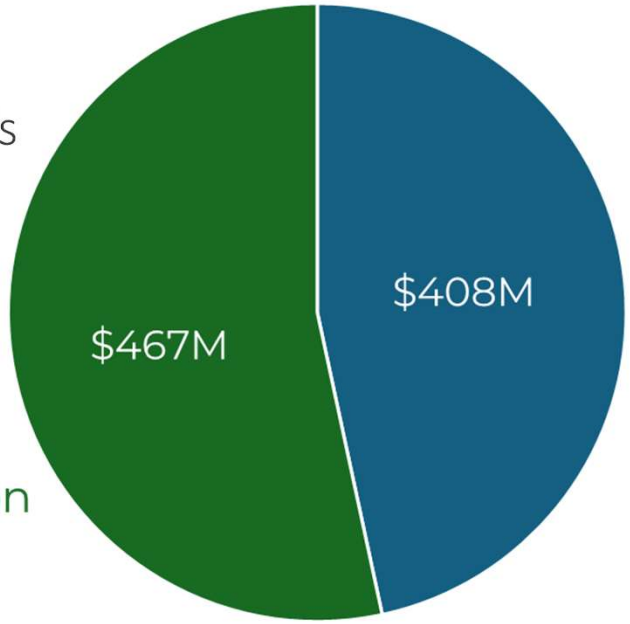
Objectives of the CIP

The CIP "outlines the plans for capital projects and programs needed to carry out the goals and policy objectives of the agency." – FY2026-27 Ten-Year CIP

- Informed by the Urban Water Management Plan, Water Supply Study and Asset Management Plan
- Expand and improve facilities to reliably meet existing and future demands
- Renew and replace existing water system infrastructure
- Enhance and optimize system operations
- Implement PFAS management strategy

FY 26/27 Ten-Year Water System Capital Improvement Plan (CIP)

- Adopted by the Board in April 2026
- 10-year planning horizon
- 50 projects, $875 million
- Projects require separate Board approvals
- Projects in FY26/27 and 27/28 were included in the adopted 2-year budget

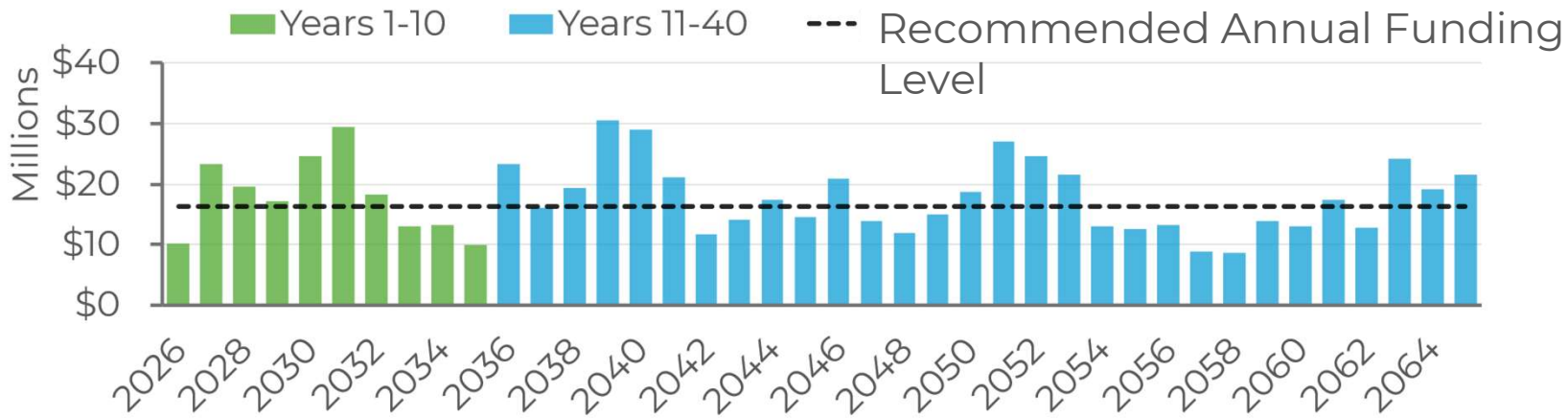


Fund 130
- Expansion

Fund 120
- Renewal and Replacement (AMP)
- System-Wide Improvements

Water System Asset Management Plan (AMP)

- Prioritized plan for assessment, renewal and replacement of existing facilities
- 40-year planning horizon
- Recommended annual funding: $16.3 million
- Years 1-10 included in the CIP



Project Highlights

DVWTP and PPWTP HVAC and Improvements

Maintenance Yard and Building

Mocho PFAS Treatment Plant

Transmission System Plan and Hydraulic Model Update

Regional Wells

COL Conveyance

Water Quality

ZONE 7 WATER AGENCY

Water Quality Policy and Regulations

Zone 7 Water Agency consistently meets all State and federal water quality standards

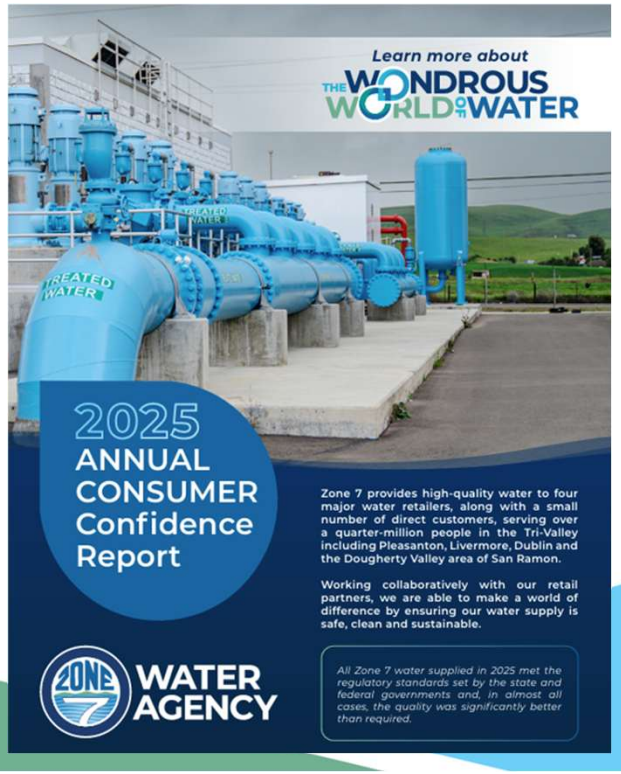
- Environmental Protection Agency sets federal standards (e.g. Maximum Contaminant Levels, or MCL) for public drinking water systems
- California's State Water Board, Division of Drinking Water (DDW) sets some of the most strict standards in the nation
- Zone 7's Water Quality Policy sets even more stringent potable water goals:
  - 80% of primary MCLs (where feasible)
  - Minimize tastes and odors, reduce hardness

ZONE 7 WATER AGENCY

PFAS = Per-and-Polyfluoroalkyl Substances

Water Quality Monitoring

- Zone 7 analyzes water at numerous locations:
  - Source water, treatment and transmission facilities, Chain-of-Lakes, and over 200 groundwater monitoring wells
- Annual Consumer Confidence Report (CCR).
  - Summarizes Regulatory Compliance Data
  - Published on June 12, 2026
  - Zone 7 is fully compliant with all drinking water quality standards
  - Includes educational information
- Zone 7 also tests for unregulated and emerging contaminants
  - Hexavalent Chromium (Cr6), detected in all Zone 7 wells, is blended to meet WQ goals



PFAS = Per-and-Polyfluoroalkyl Substances

PFAS Management

- Zone 7 already meets Federal MCLs that don't take effect until 2029
- PFAS management strategy includes monitoring and treatment
- Constructed two PFAS treatment plants (Stoneridge and COL)
- Fast-track implementing the Mocho PFAS Treatment Plant

Hexavalent Chromium (Cr6)

- In 2024, DDW adopted Cr6 MCL of 10 parts per billion (ppb): effective October 2024, comply by October 2026
- Cr6 is naturally present in the Tri-Valley Groundwater Basin
- Blending at COLTP maintains full operation and meets water quality targets
- Existing COLTP treatment has shown Cr6 removal at lower flow rates
- Zone 7 initiated the Chain of Lakes Cr6 Removal Study to identify options to operate COL wellfield at full capacity, anticipated for completion by June 2027

Cr6 is detected in all Zone 7 wells:

- Highest level from COL5 - blended with other COL wells to < 8 ppb target

ZONE 7 WATER AGENCY

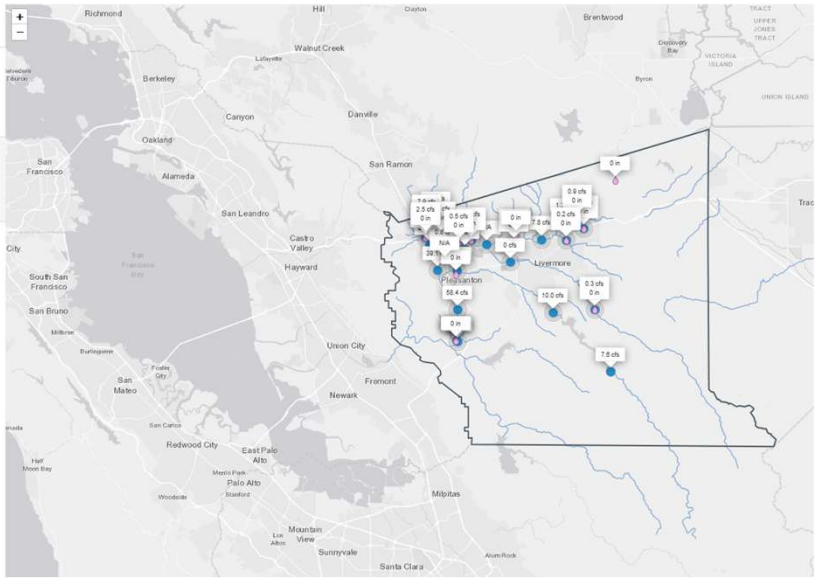
MCL = maximum contaminant level; DDW = Division of Drinking Water; COL = Chain of Lakes

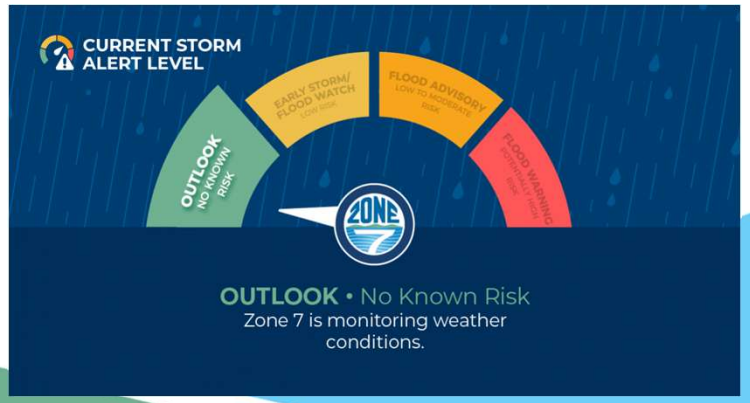
Flood Protection

ZONE 7 WATER AGENCY

Flood Protection

- Zone 7 owns and maintains approximately 37 miles of channels
- Provides regional education, sandbag stations, modeling and stream gauges
- Storm Alert System
- Developing a Flood Management Plan
- Developing a Flood Asset Management Plan
- Enter into Recreation Agreements with Cities and Park Districts



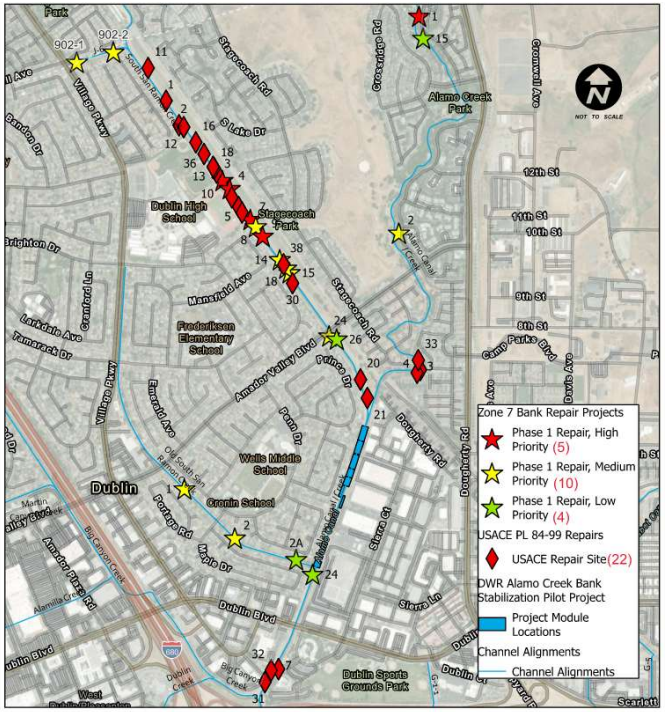


ZONE 7 WATER AGENCY

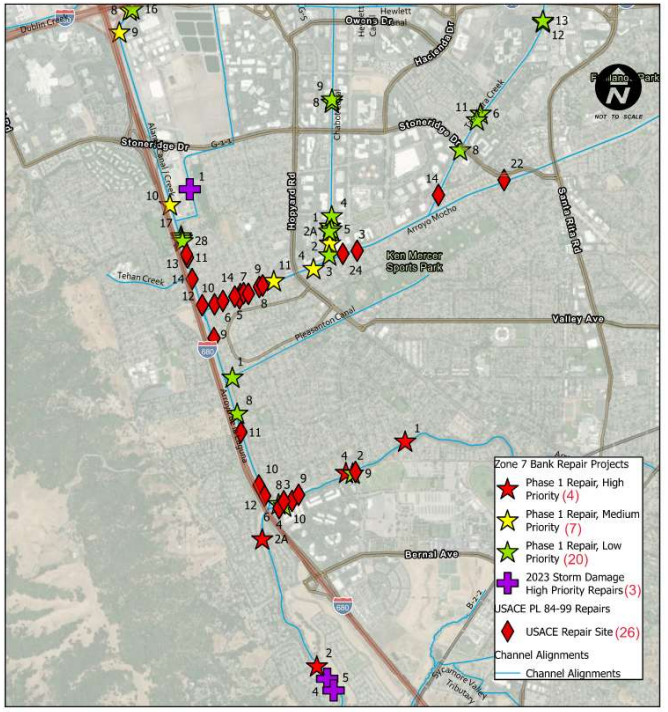
Storm Damage

- 2023 Storm Events resulted in 177 bank damage sites
- Working to repair ~100 Phase 1 sites at an estimated cost of ~$60 million
- The remainder will be included in a second phase of construction, or simply monitored
- Grant funding from the Federal Emergency Management Agency and US Army Corps of Engineers between $35M and $45M

2023 Bank Damage Sites



Dublin



Pleasanton

ZONE 7 WATER AGENCY 100 North Canyons Parkway Livermore, CA	Dublin and Pleasanton, CA	**2023 STORM DAMAGE REPAIR SITES** Zone 7 Flood Protection Engineering	Scale: Not to Scale	Date: 03/13/2025

ZONE 7 WATER AGENCY

Flood Management Plan (FMP)

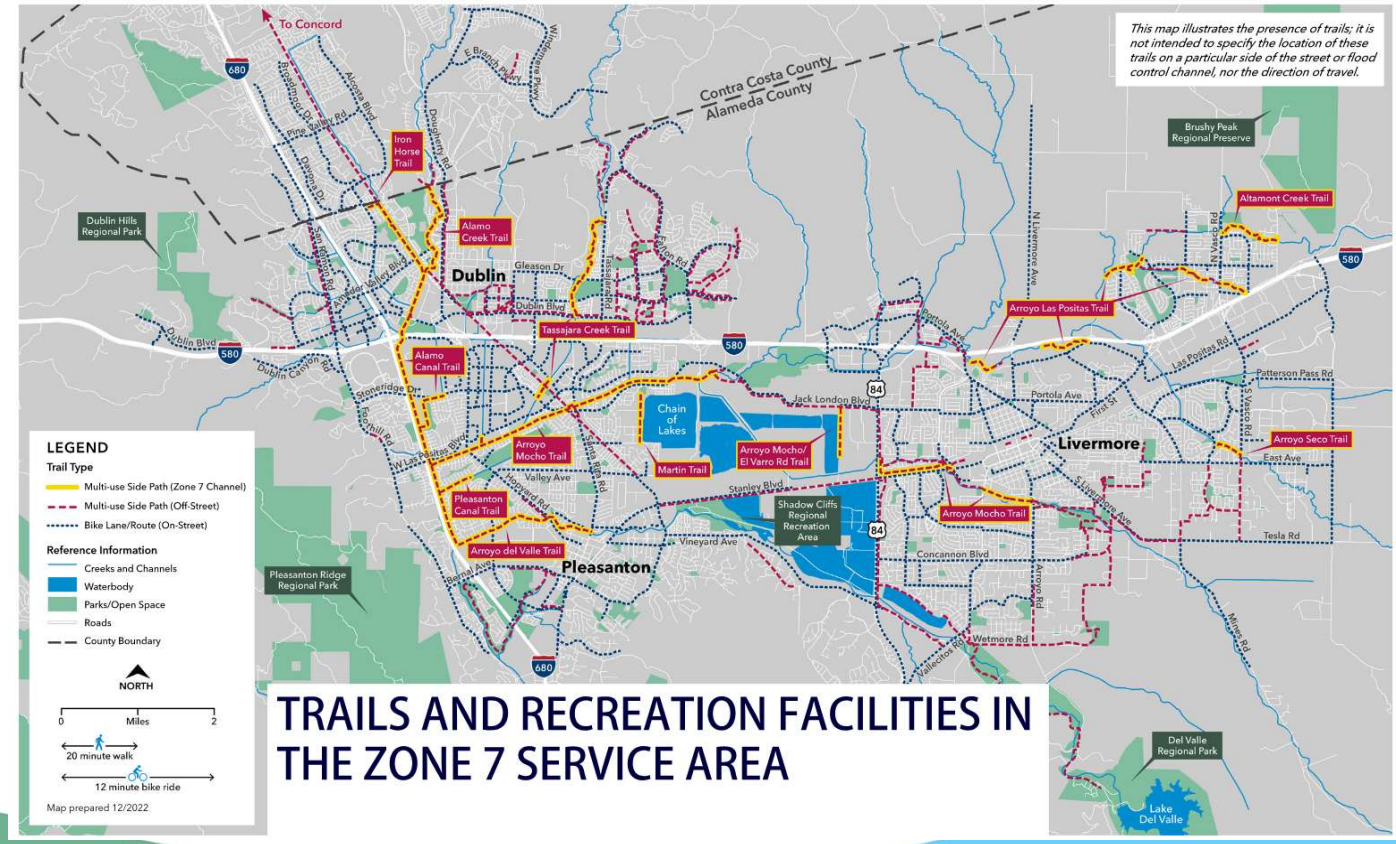
- Objectives:
  - Reduce public safety impacts
  - Minimize lifecycle costs
  - Reduce the risk of economic impacts
- Phase 1 defined goals and objectives in September 2022
- Phase 2 will define how to achieve those goals

Asset Management Plan (AMP)

- Prioritized plan for renewal and replacement of existing flood protection facilities
- The FMP and AMP will inform a Flood Capital Improvement Plan

Trails and Recreational Use

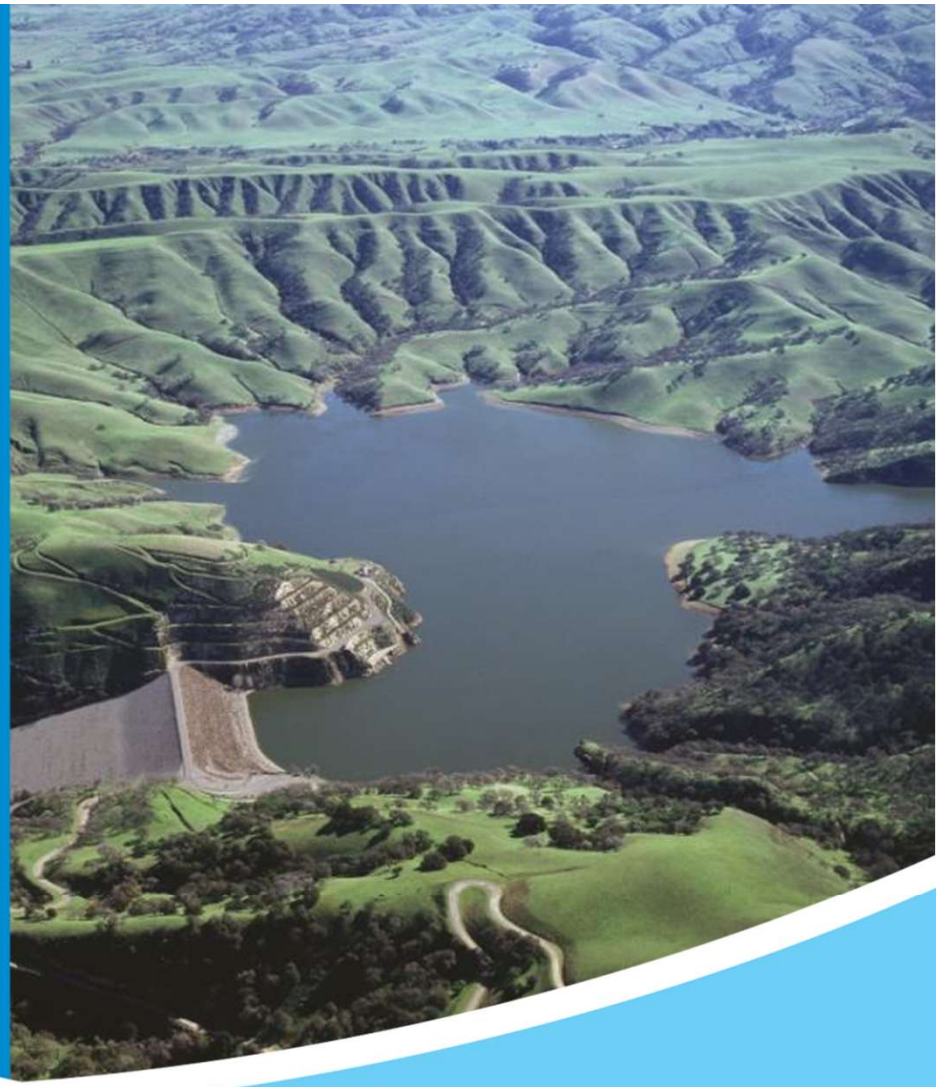
- Zone 7 enters into license agreements with cities and park districts to maintain trails on Zone 7 property
- Nearly 20 miles of trails



Financial Management

Osborn Solitei

Treasurer/Assistant General Manager - Finance



ZONE 7 WATER AGENCY

Zone 7 Financial Overview

Major Revenue Sources


Water Rates


Property Taxes


Developer Fees

Financing Strategies

Pay-go

O&M
Capital Projects

External Funding

Municipal Bonds
Grants

Zone 7's Current Bond Ratings

AAA
S&P Global Ratings

AAA
FitchRatings

Financial Awards


California Society of Municipal Finance Officers

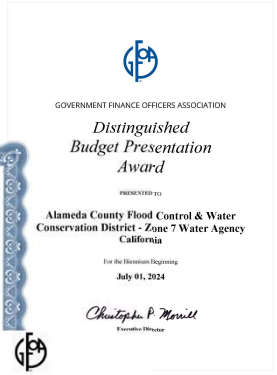
Certificate of Award

Operating Budget Excellence Award
Fiscal Years 2024-2025 & 2025-2026

Presented to the

Zone 7 Water Agency

February 7, 2025


GOVERNMENT FINANCE OFFICERS ASSOCIATION

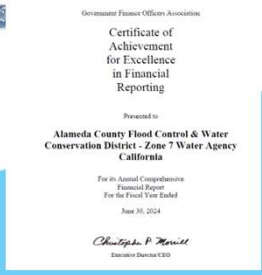
Distinguished Budget Presentation Award

PRESENTED TO

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

For the Biennium Beginning

July 01, 2024


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, 2024

ZONE 7 WATER AGENCY

Zone 7 Budgeted Funds

Water Enterprise

- **Fund 100** – Water Enterprise Operations Fund
- **Fund 110** – State Water Facilities
- **Fund 120** – Water Renewal / Replacement and System-wide Improvements Fund (Sub-Fund of Fund 100)
- **Fund 130** – Water Enterprise Capital Expansion

Flood Protection

- **Fund 200** – Flood Protection Operations Fund
- **Fund 210** – Flood Protection Development Impact Fee Fund (DIF)

ZONE 7 WATER AGENCY

Zone 7 Revenue Sources

Water Rates

- **Fund 100** - Funds O&M of the water system
- **Fund 120** (sub-fund of Fund 100) - Funds capital projects of current water treatment & delivery system

Property Taxes

- **Fund 110** - Funds voter-approved debt payments to DWR to import water to Zone 7
- **Fund 200** – Funds general administration of flood control services

Developer Fees

- **Fund 130** - Funds new or expanded facilities, additional water supplies
- **Fund 210** – Funds flood control facilities required for new development

ZONE 7 WATER AGENCY

O&M = Operations & Maintenance; DWR = Department of Water Resources

Financial Management Cycle

Two-year Operating and Capital Budget

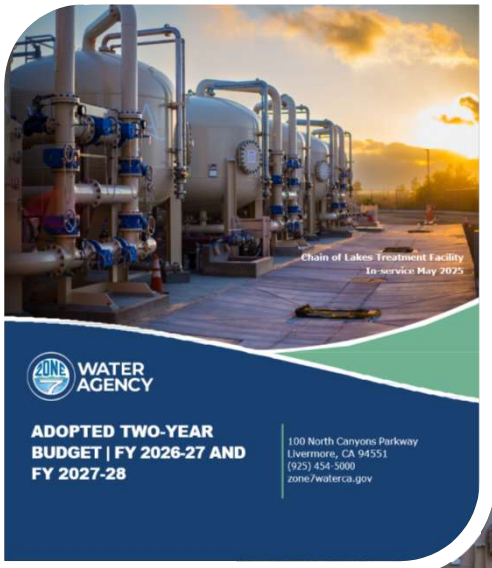
- Mid-cycle review performed prior to second budget year
- Board adopts budget in June

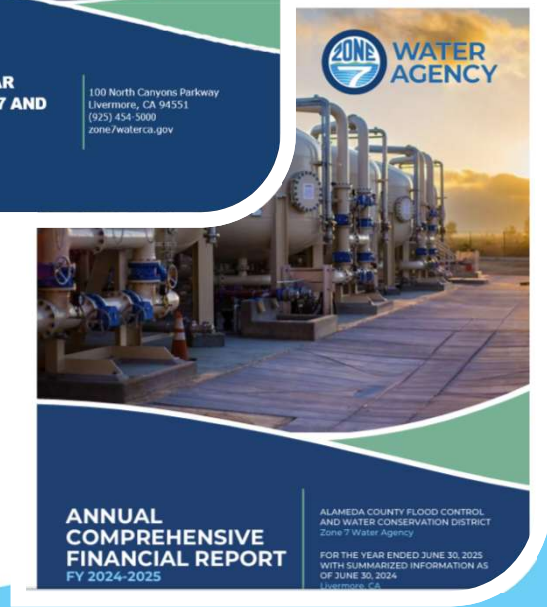
Quarterly Reporting

- Revenues, expenditures, and major variances analyzed, summarized, and reported on quarterly basis

Annual Comprehensive Financial Report

- Independent auditor conducts annual audit
- Finalized and presented to Board for acceptance in Dec.





Water Rate Setting Process

Treated Water Rates

- Consultant hired to conduct wholesale water rate study
- Board adopts multi-year rates (Typically in October)
- Latest rate study – November 2022 to set rates for CYs 2022-2026
- 2026 rate study underway to set calendar year 2027-2030 rates
- Staff performs periodic review of rates (as-needed)

Untreated Water Rates

- Consultant hired to conduct untreated water rate study/updates
- Board adopted rate setting methodology via Resolution No. 21-77
- Annual rate updates includes reconciliation of actuals costs incurred and true-up analysis
- Board adopts rates annually (Typically in October)
- Latest rate study – November 2022 to set rates for CY 2023
- 2026 study underway to set calendar year 2027 rates

ZONE 7 WATER AGENCY

CY = Calendar Year

Financial Policies

The Agency's financial policies guide decisions and achieve outcomes using procedural protocols. These policies include:

- Reserve Policy
- Investment Policy
- Debt Policy
- Purchasing Policy
- Funding of Long-Term Pension Liability Policy

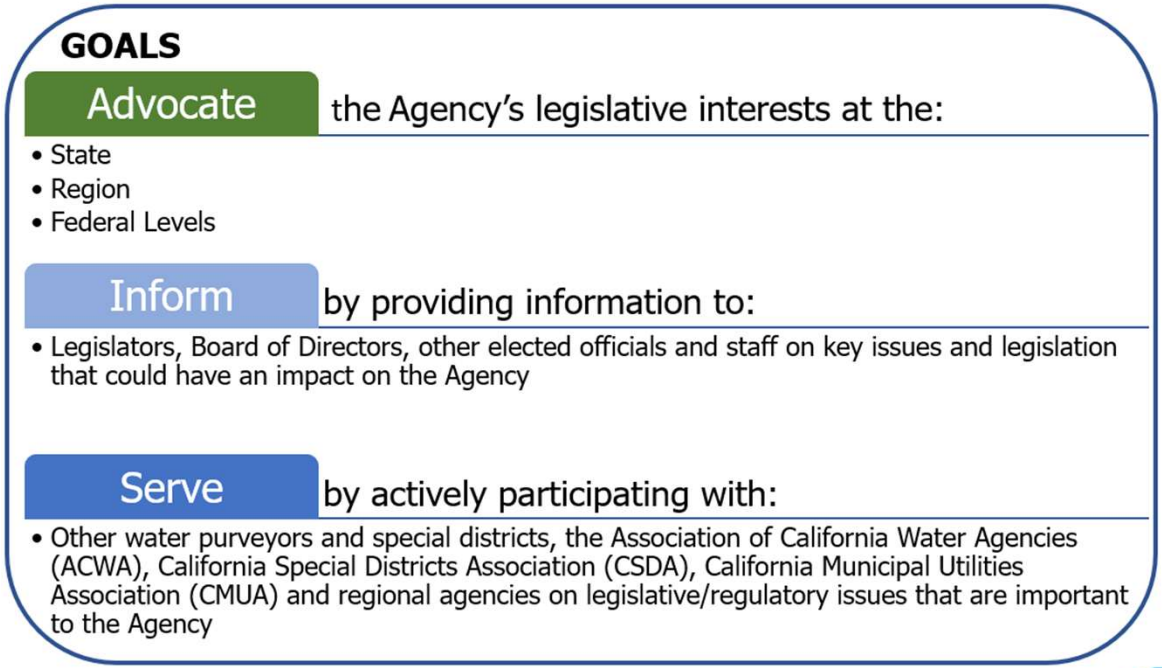
Government Relations and Communications

Valerie Pryor, General Manager

ZONE 7 WATER AGENCY

Government Relations

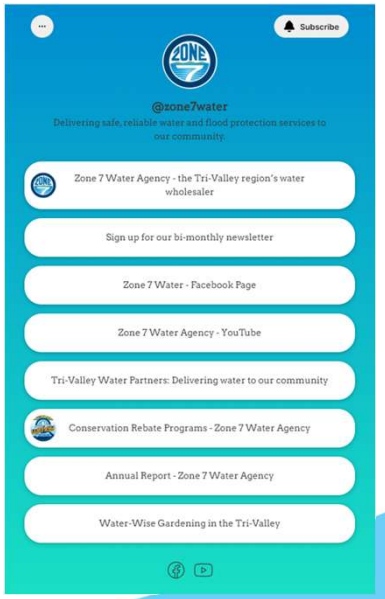
- Carol Mahoney, Government Relations Manager
- Focuses primarily on State legislative actions, but follows key Federal issues and funding opportunities
- Legislative Committee meets approximately every other month or as needed during the legislative season
- Legislative Framework and Platform is reviewed annually and adopted by the Board
- Regular updates to Board, retailers, and public through staff reports



From 2026 adopted Legislative Framework

Communications and Outreach

- **Alexandra Bradley:** Communication Specialist
- **Brand and Transparency:** Drive website traffic via digital and traditional media to ensure public trust.
- **Award-Winning Schools Program:** Instruction to 12,650 students annually to foster early water literacy.
- **Engaging the Community:** Targeted presence at water, flood and STEM related events to educate stakeholders on water quality/supply, and flood protection.
- **Leverage Strategic Partnerships:** Collaborate with regional agencies and groups to maximize outreach impact.



ZONE 7 WATER AGENCY

Questions?