



**WATER
AGENCY**

Draft Asset Management Plan and Ten-Year Capital Improvement Plan

Zone 7 Special Board Meeting
March 4, 2026

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AMP and CIP support Strategic Plan

Strategic Goals

GOAL B

Reliable Water Supply and Infrastructure

GOAL H

Fiscal Responsibility

Initiatives

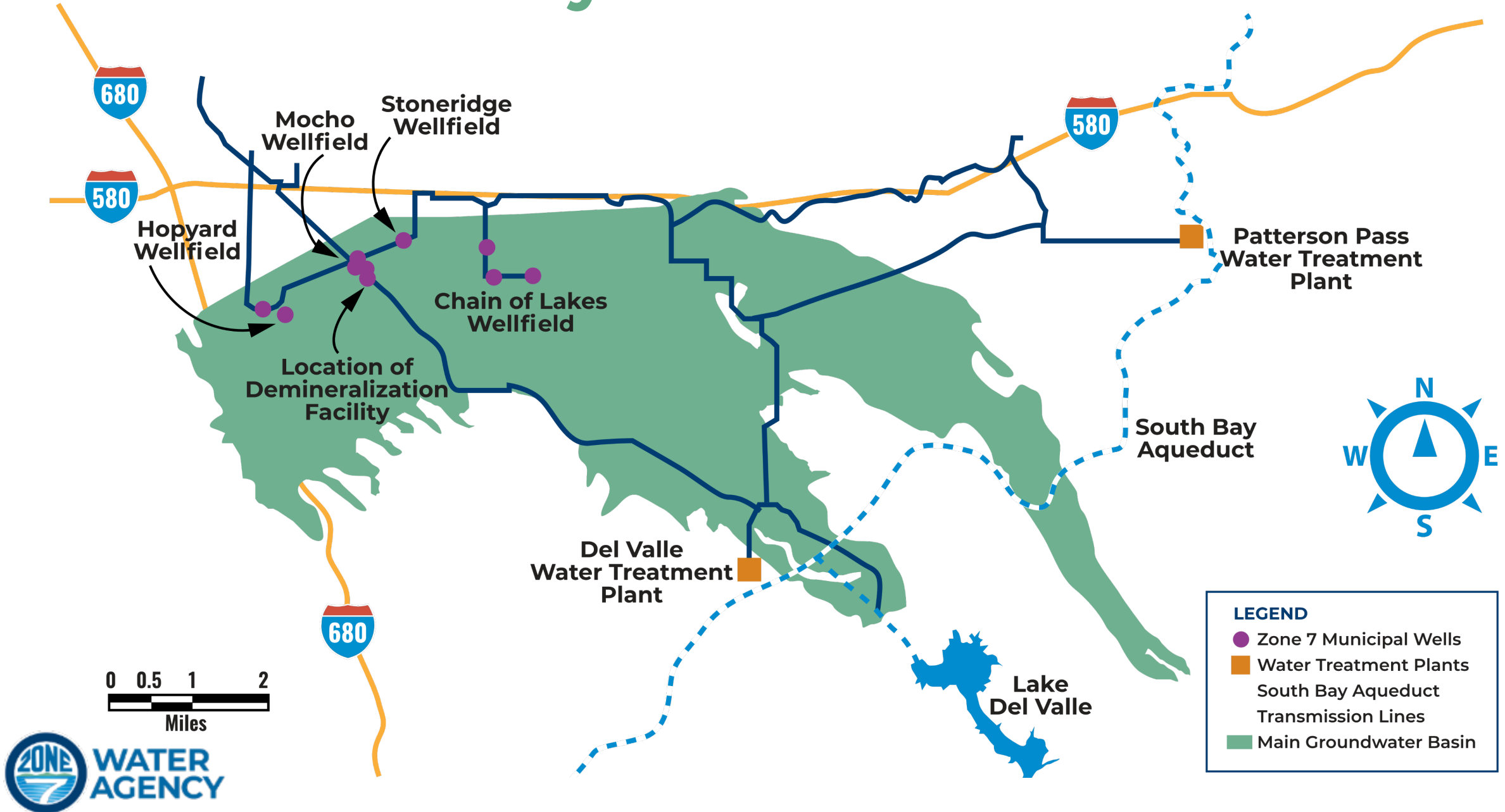
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Continue to effectively implement infrastructure projects in the Water System Capital Improvement Plan

21

Continue to effectively manage financial resources

Zone 7 Water System



Purpose of the CIP

- Strategic plan of prioritized infrastructure investments
- 10-year estimate of anticipated expenditures to meet the Agency's operational goals and policy objectives
- Informs the FY26-28 two-year budget
- Does not pre-approve funding and projects or lock-in decisions
 - Projects will be reviewed with the Board in time to enable informed, strategic decisions

Agenda

- Background
- Overview
- Project highlights
- Financial analysis
- Next steps

Core Priorities Guiding the Development of the CIP

- Renew and replace existing water system infrastructure
- Enhance and optimize system operations
- Implement PFAS management strategy
- Provide water supply reliability

GOAL B OF STRATEGIC PLAN

Reliable Water Supply and Infrastructure

Provide customers with reliable water supply and infrastructure.

Capital Funds

- Projects in the CIP are funded from the following two sources depending on the system(s) affected and the project beneficiaries (existing versus new customers):

Fund	Source of Revenue	Category	Types of Projects
Fund 120	Water Rates	Renewal/Replacement	Projects that repair, rehabilitate, or replace existing assets to maintain level of service to existing customers
		System-Wide Improvements	Projects that enhance existing facilities to improve water quality, environmental compliance, safety, efficiency, or operational flexibility as necessary for existing customers
Fund 130	Water Connection Fees	Expansion	Projects to meet the needs of future customers

Major Projects Completed Since the FY 18/19 Ten-Year CIP



Del Valle Water Treatment Plant Ozonation

- Improves treated water quality and production reliability



Patterson Pass Water Treatment Plant Upgrades and Ozonation

- Improves treated water quality and production reliability
- Increases plant's production capacity



Valley Pump Station

- Improves ability to deliver more well water to east side of system during times of limited surface water availability
- Increases operational flexibility and system reliability



Stoneridge PFAS Treatment Plant

- Provides 6.5 MGD PFAS treatment for Stoneridge Well (16% of groundwater capacity)



Chain of Lakes PFAS Treatment Plant

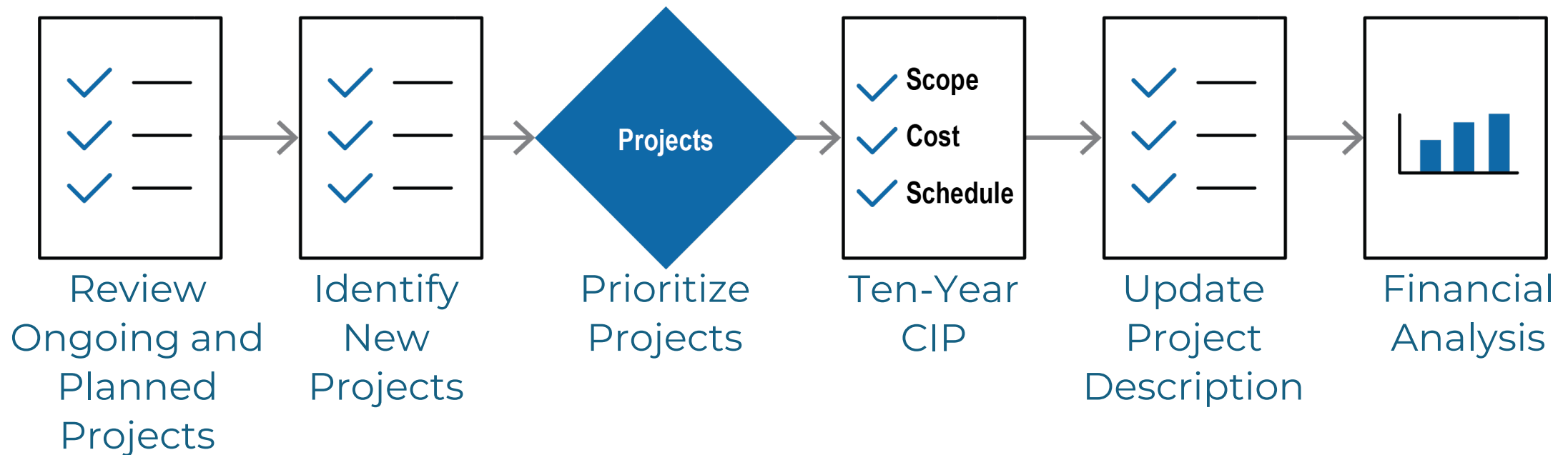
- Provides 10 MGD PFAS treatment for Chain of Lakes wellfield (25% of groundwater capacity)

Overview



CIP and AMP Development Process

- AMP was developed in parallel with CIP to identify renewal and replacement projects necessary to maintain Zone 7's water system infrastructure
- AMP and CIP are the products of a comprehensive, multi-departmental planning process

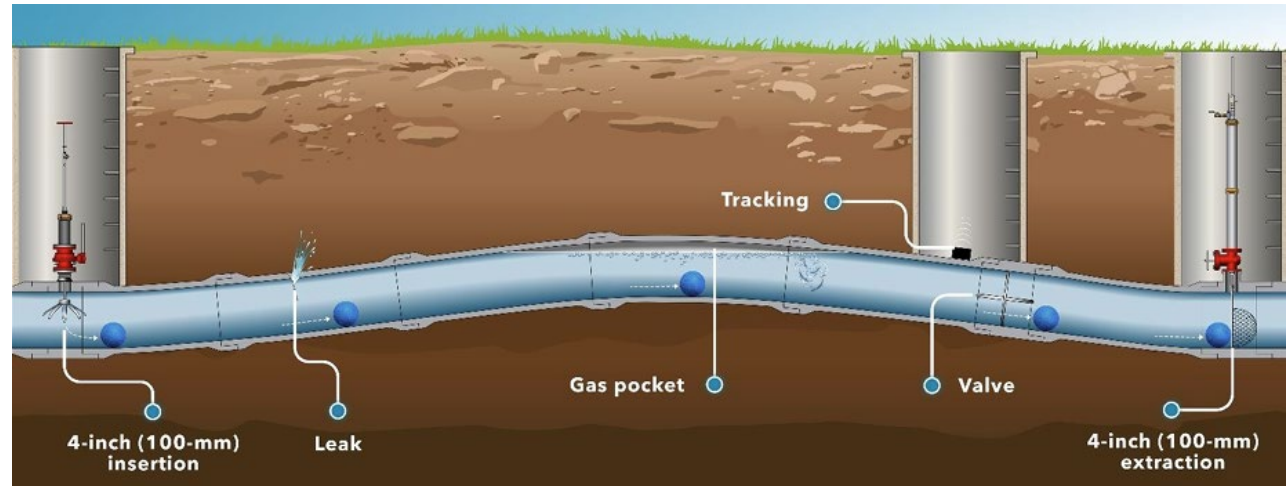


AMP Overview

- Proactively plans for the renewal, rehabilitation, and improvement of existing water system infrastructure to ensure Zone 7 makes timely, cost-effective investments to maintain our facilities
- Risk-based prioritization of asset investment that guided capital planning
 - Visual condition assessments of above-ground assets
 - Risk analysis of below-ground assets (i.e., pipelines)
- Findings incorporated into CIP

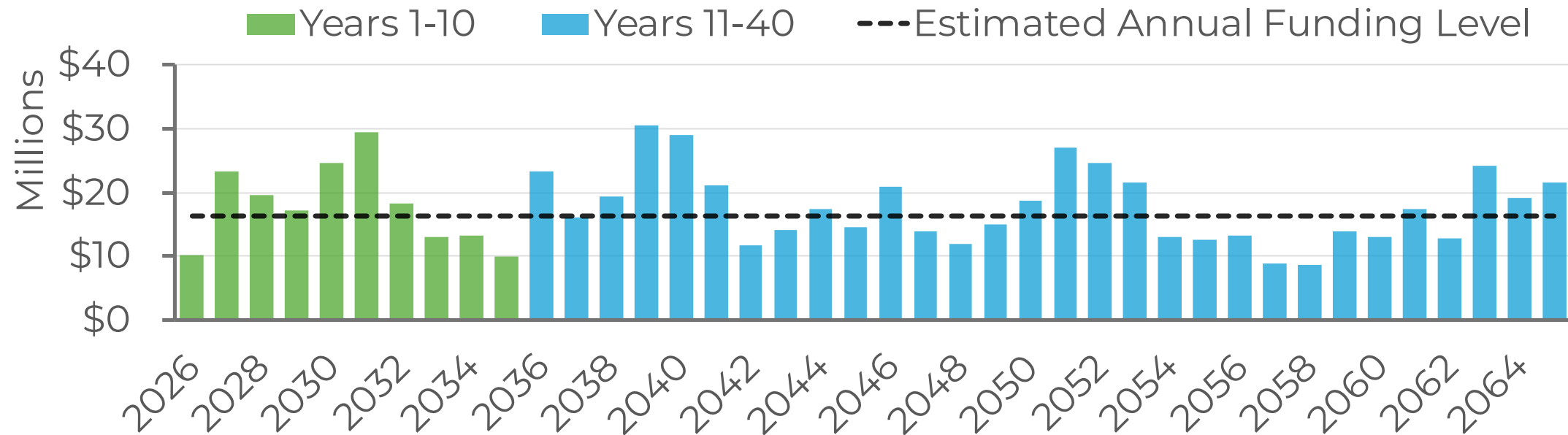
AMP Includes Extending the Life of Assets through Periodic Investments

- Proactive maintenance
 - Rehabilitate motors
 - Recoat tanks
- Pipeline Renewal and Replacement Program
 - Maintenance and monitoring of corrosion protection
 - Inspections
 - Replacement/repair/re-lining of segments as needed



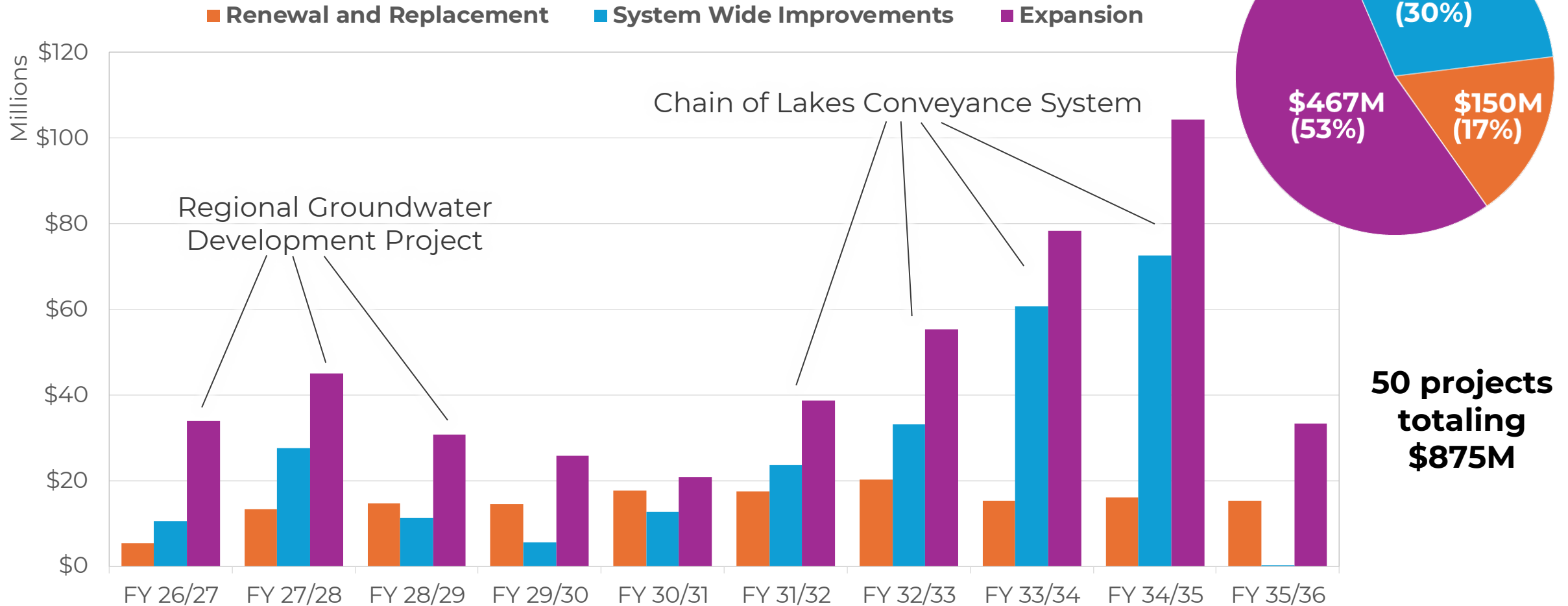
Asset Management Planning

- AMP has a 40-year planning period
 - Identifies projects for the ten-year CIP
 - Provides long-term funding forecast for subsequent 30 years
- Assessment identified average annual expenditure of \$16.3 million (2026 dollars)
 - Consistent with past annual funding levels



CIP Breakdown by Funding Category

10-year Total (\$ Millions, future dollars)

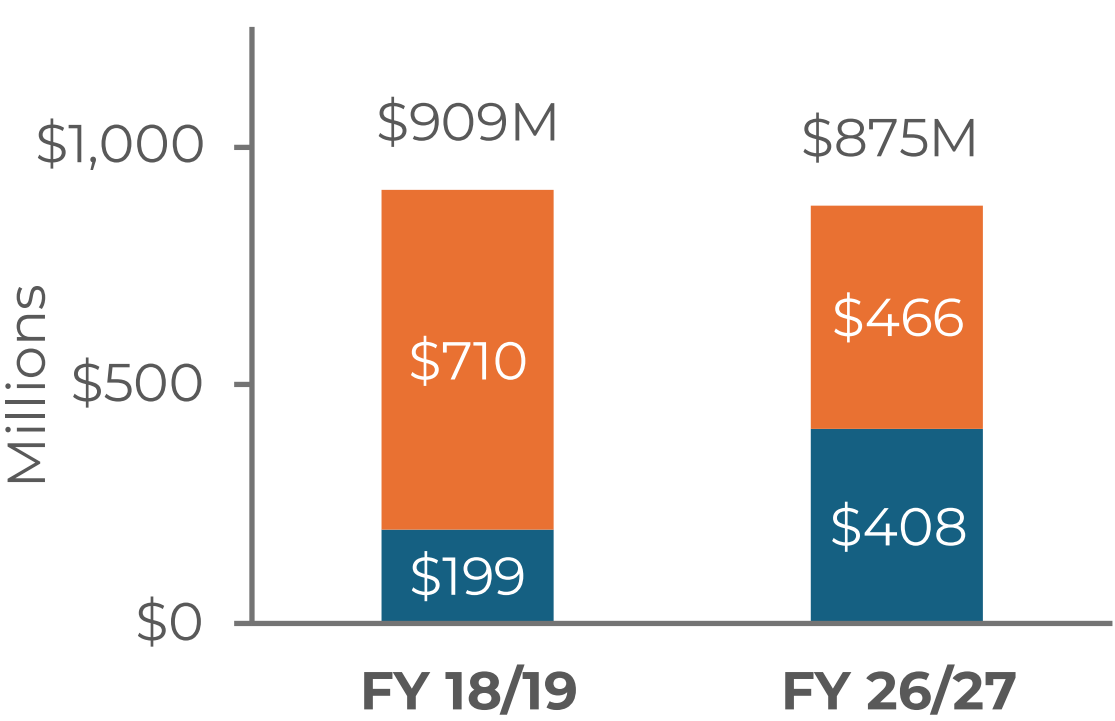


Comparison to Previous CIPs

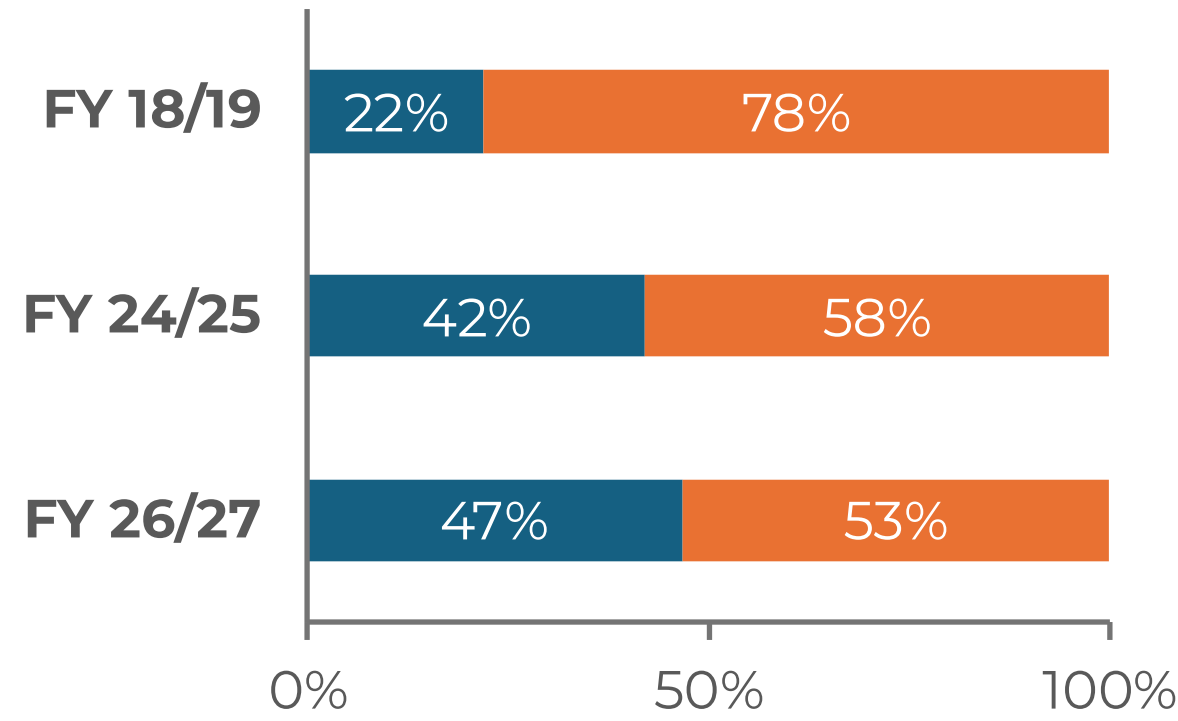
10-year Total (\$ Millions)

Fund 120 Fund 130

Total by Fund



Percentage by Fund



Note: Because the FY 24/25 CIP was a 5-year CIP, it is included only in the comparison by percentage.

Project Highlights



Water Treatment Plants

- DVWTP and PPWTP HVAC and Improvements
- DVWTP Reliability Assessment
- PPWTP Master Plan
- DVWTP Ammonia Tanks Improvements
- PPWTP Chemical Systems Replacement

Clarifier at Patterson Pass Water Treatment Plant



Del Valle Water Treatment Plant

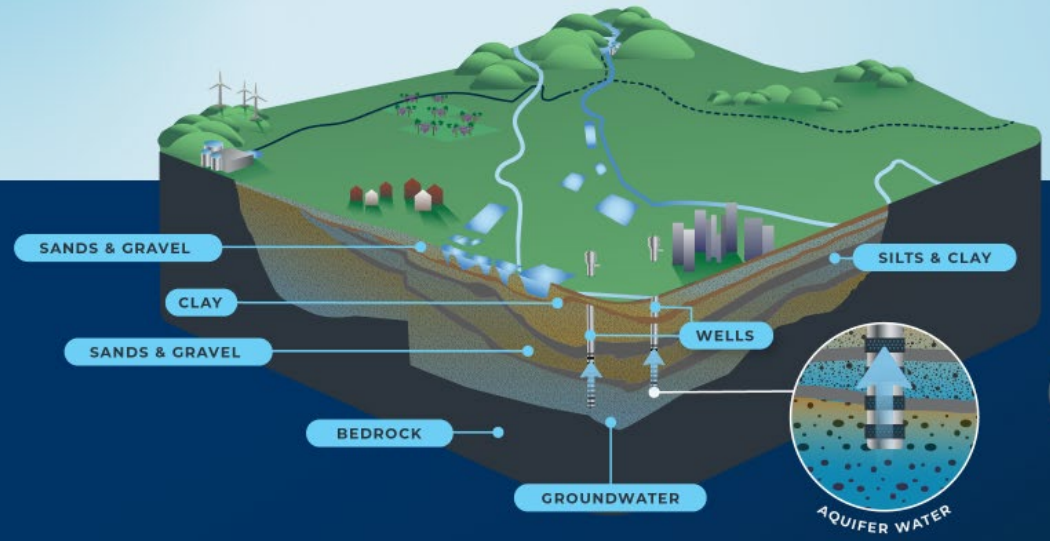


Groundwater Production Wells

- Mocho Groundwater Demineralization Plant Membrane Replacement/Expansion
- Well Master Plan Implementation
- Chain of Lakes Process Improvement Study
- Stoneridge Well Ammonia System Improvements



LIVERMORE VALLEY GROUNDWATER BASIN



Implementing PFAS Management Strategy

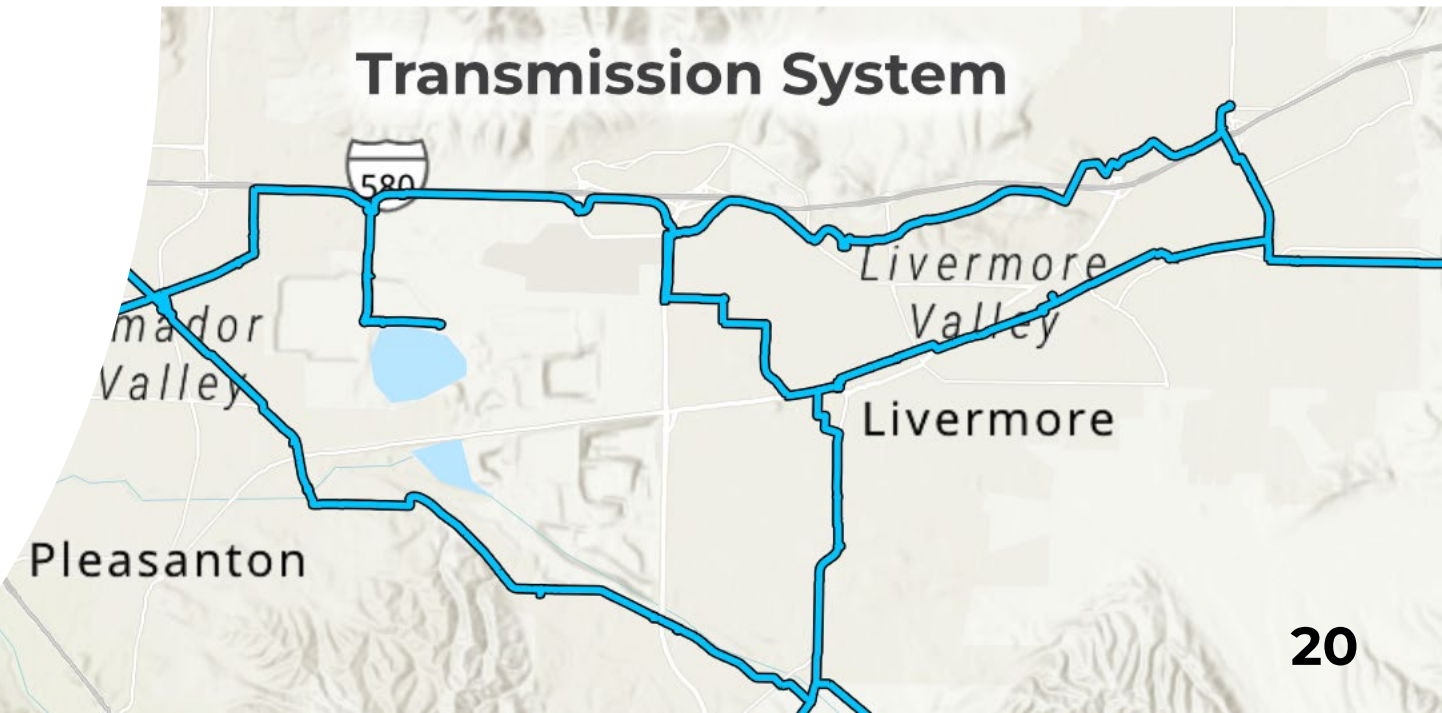
Mocho PFAS Treatment Plant

- Removes PFAS from Mocho wellfield supplies and restores production capacity
- Mocho wellfield provides 16 MGD (40% of groundwater production)



Transmission and Distribution

- Silver Oaks Pump Station
- Transmission System Plan and Hydraulic Model Update
- Patterson Pass and Vasco Pipelines Expansion
- Transmission System Corrosion Protection
- Pipeline Condition Assessments



Operational Support

- Instrumentation Replacement
- Maintenance Yard and Building
- DVWTP Wastewater System
- Emergency Generator Replacement
- SCADA Upgrades and Replacements

Water Quality Instruments at Patterson Pass Water Treatment Plant

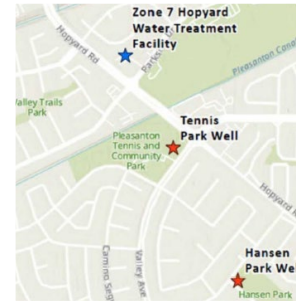


Maintenance Storage Yard at Del Valle Water Treatment Plant



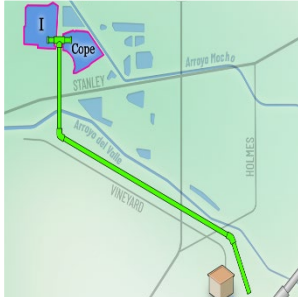
Water Supply Reliability Projects

- CIP makes assumptions about future water supply projects and expenditures over next ten years
- Each project will be considered separately by the Board
- No decisions are needed on these projects to finalize the CIP



Regional Groundwater Development Project

Chain of Lakes Conveyance System



Sites Reservoir

Delta Conveyance Project



Financial Analysis



Financial Assumptions and Impact



**Revenue
Inflationary
Assumptions**
Ranging from
3%-6% annually

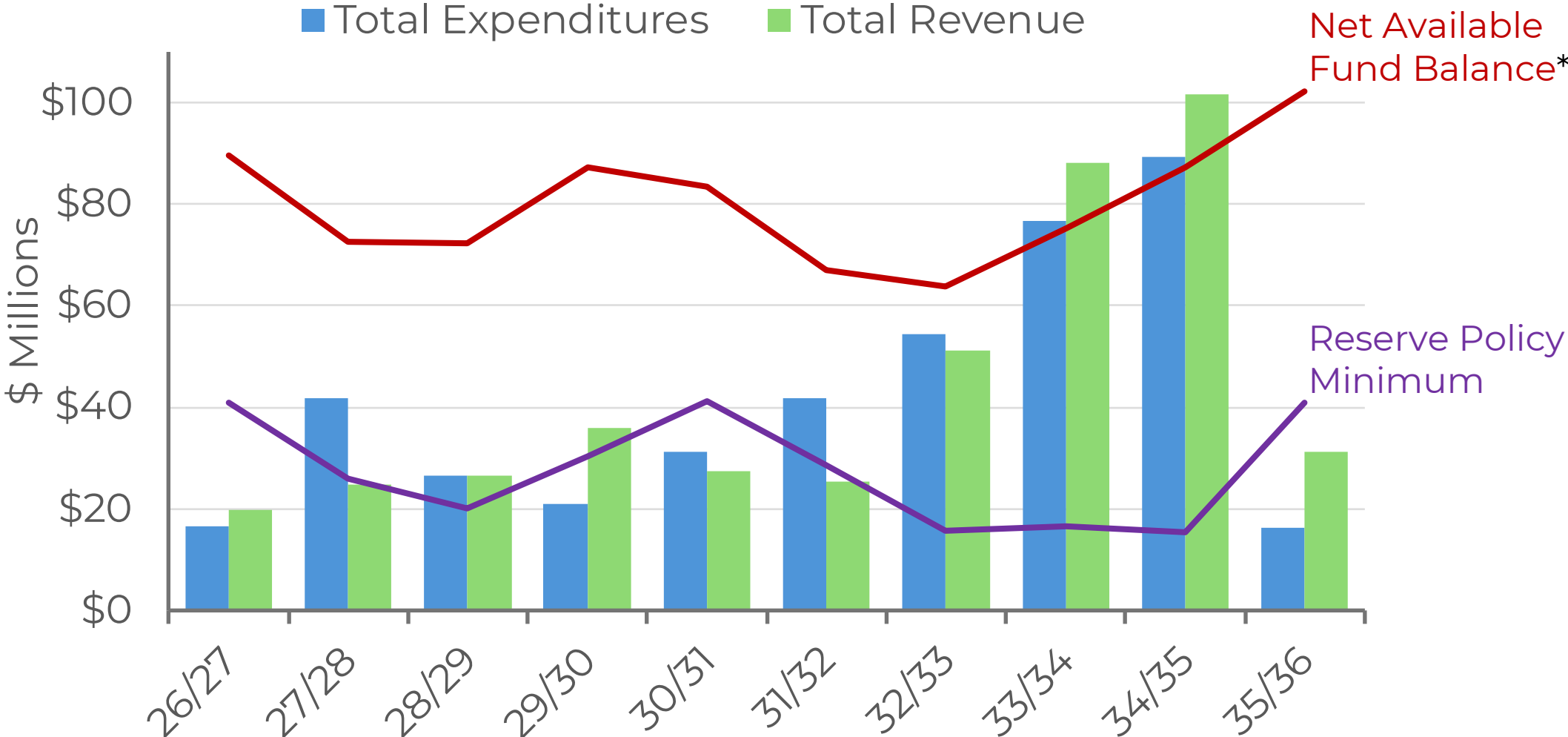
**Grants & Cost-
Sharing**
\$25M for Mocho
PFAS Treatment
\$12.4M for
Regional
Groundwater
Project (City of
Pleasanton)

Debt Financing
\$293M Bond
issuance for the
COL Conveyance
System
Annual debt
service of ~\$17M
AAA bond rating

**Capital
Reserves**
Projected
capital fund
balances meet
or exceed
reserve policy
minimum
requirements

Fund 120 Outlook

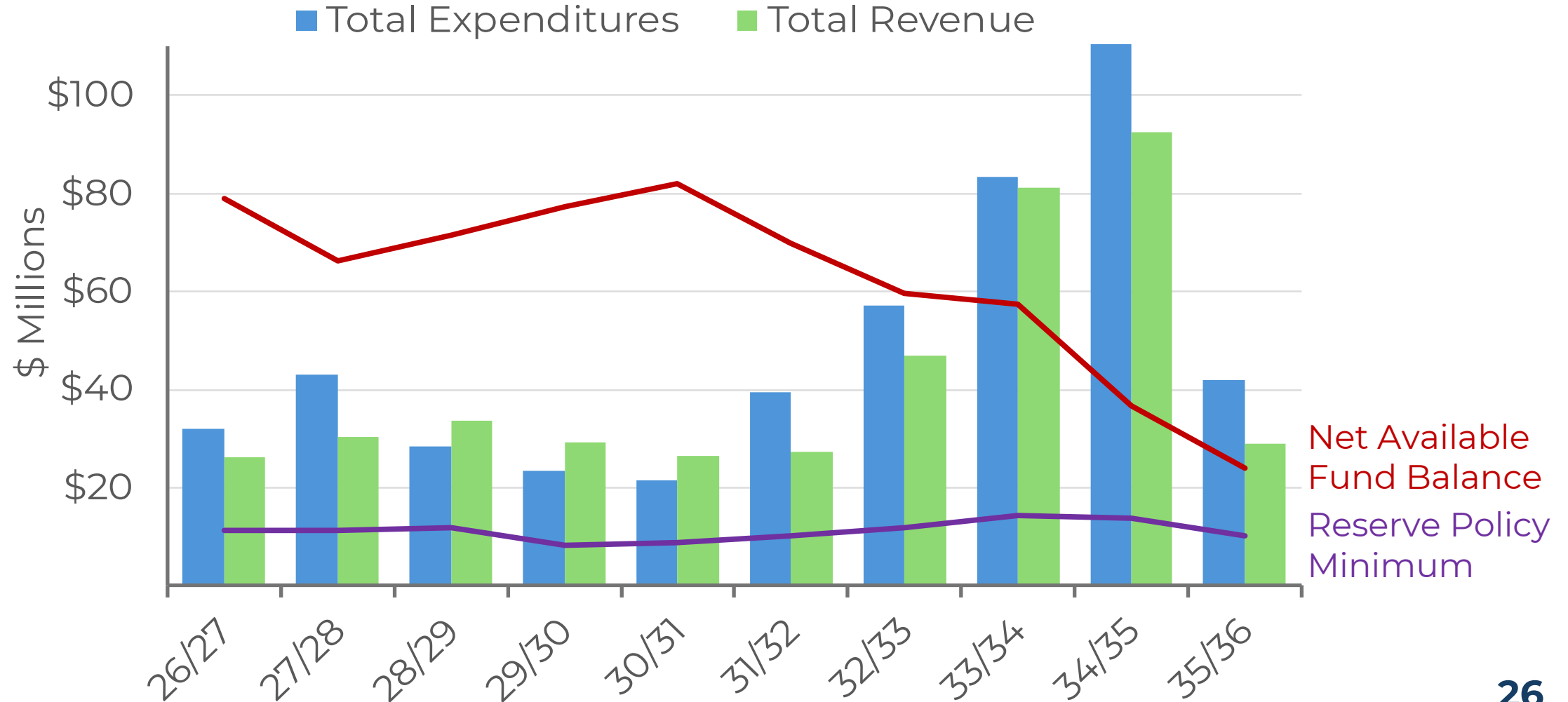
10-year CIP (\$ Millions, future dollars)



*Fund is designed to accumulate sufficient reserves to provide for future capital needs as set forth in the AMP (\$530M estimate, 2026 dollars)

Fund 130 Outlook

10-year CIP (\$ Millions, future dollars)



Next Steps



Next Step

- Request the Board to adopt FY 2026/27 Ten-Year Capital Improvement Plan at the April 15 Regular Board Meeting

Project Summary Reports

See Appendix A

- Project Name
- Section Lead
- Description
- Justification
- Funding Category
- Source of Funds
- Total Project Cost
- Cost Breakdown by Year and Phase
- Strategic Plan Goal(s)
- In Service Date
- Origin
- Operating Impact
- Project Location



Capital Improvement Summary Report					
Program	Water Treatment Facilities				
Project	DVWTP Chemical Systems Replacement				
Section	Water Supply Engineering (WSE)				
Description					
This project includes replacement of coagulant storage tanks and the secondary containment coating for the chemical systems, including coagulant, sodium hypochlorite, and caustic soda.					
Justification					
These tanks and coatings were installed in the 1990s and have either reached or are nearing the end of their useful lives. These systems are critical to the operation of the Del Valle Water Treatment Plant.					
Escalated Cost Appropriation (\$1000)					
	Planning	Design	Constr.	Other	Total
Prior	0	0	0	0	0
FY 26/27	0	0	0	0	0
FY 27/28	0	0	0	0	0
FY 28/29	0	0	0	0	0
FY 29/30	0	238	0	0	238
FY 30/31	0	370	593	0	963
FY 31/32	0	0	3,212	0	3,212
FY 32/33	0	0	2,724	0	2,724
FY 33/34	0	0	0	0	0
FY 34/35	0	0	0	0	0
FY 35/36	0	0	0	0	0
Future	0	0	0	0	0
Total	0	608	6,529	0	7,137
Notes: 'Future' means all project costs from FY 36/37 through FY 45/46, which is the planning horizon of this CIP. For projects with annually recurring costs, prior costs shown include one year of prior spending.					
Strategy					
Renewal & Replacement	System-Wide Improvements	Expansion			
✓					
Source of Funds					
Fund 120		Fund 130			
100%		0%			
<i>Fund 120 is for System-Wide Improvements, and Renewal and Replacements. Fund 130 is for Expansion.</i>					
Strategic Plan Goal		B - Reliable Water Supply and Infrastructure, Initiative 6			
In Service Date		2033			
Escalated Project Cost (\$)		\$7,137,000			
Origin					
Asset Management Program					
Operating Impact					
Increases operational effectiveness and reliability, and decreases maintenance.					
Project Location					



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What questions or feedback do you have about the AMP and CIP?

