



WATER AGENCY

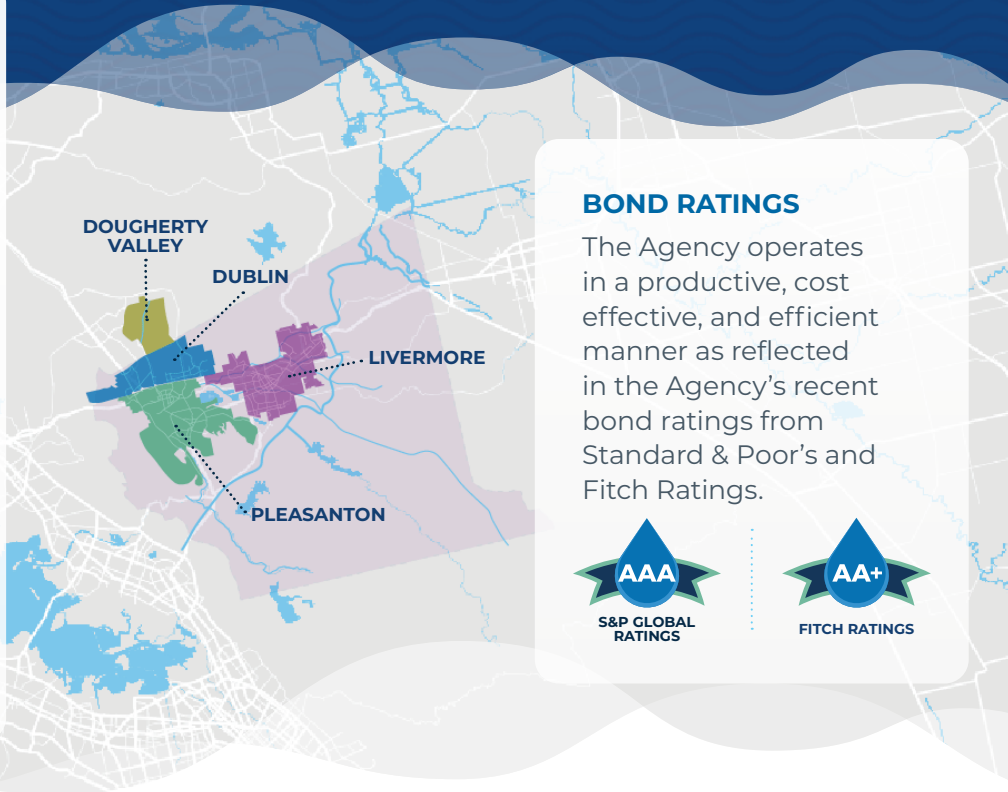
ADOPTED TWO-YEAR BUDGET

for Fiscal Years 2024-25 and 2025-26

WHO IS ZONE 7?

Zone 7 is wholesale water agency supplying treated water to retailers serving over a quarter million people in the Tri-Valley area including the cities of Pleasanton, Livermore, Dublin and, through special agreement with the Dublin San Ramon Services District, to the Dougherty Valley area.

Additionally, Zone 7 supplies untreated water directly to agricultural businesses for irrigation of 3,500 acres, primarily South Livermore Valley wineries. Zone 7 also maintains 37 miles of local flood-protection channels, about a third of all the Tri-Valley's channels and creeks.



BOND RATINGS

The Agency operates in a productive, cost effective, and efficient manner as reflected in the Agency's recent bond ratings from Standard & Poor's and Fitch Ratings.



BUDGET OVERVIEW

On June 11, 2024, the Board of Directors approved a Two-Year Operating and Capital Budget for Fiscal Years 2024-25 and 2025-26. This Two-Year Budget reflects the Agency's commitment to prudent financial management and its dedication to addressing both current needs and future challenges. It provides funding for day-to-day operations, a highly-skilled workforce, the 2023 Storm Repairs Project, capital investments, and continued participation in various water supply reliability projects. As part of the Agency's responsible fiscal management strategy, this budget incorporates recently awarded federal and state grants for the Agency's Per- and Polyfluoroalkyl Substances (PFAS) treatment projects.



2023 STORMS REPAIRS PROJECT
Significant damage to 177 sites owned by Zone 7. The two-year budget allocates approximately \$18.7M to repair 78 of the highest priority sites.

GRANTS



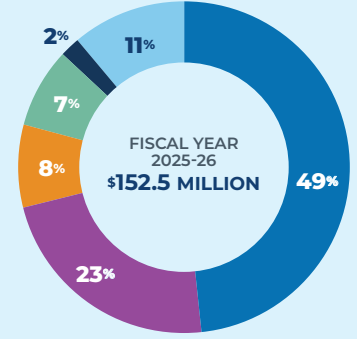
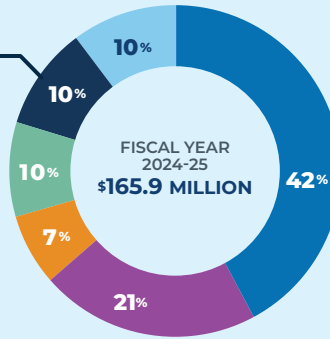
\$16 MILLION GRANT from the California Department of Water Resources for development of the Stoneridge Well IX PFAS Treatment facility. Completed Fall 2023.



\$1 MILLION DOLLAR FEDERAL GRANT to help fund the Chain of Lakes PFAS Treatment Facility. Construction of the Chain of Lakes facility is expected to be completed in Fall 2024.



REVENUE



- Water Sales & Service
- Property Taxes
- Connection/Development Fees
- Capital Funding
- Grants
- Investment Earnings and Other Revenue

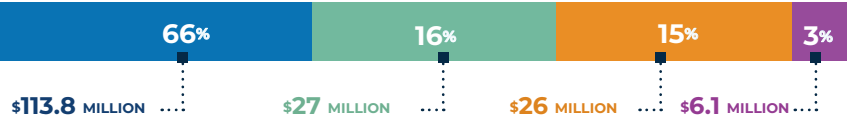
EXPENSES

\$158 MILLION
FISCAL YEAR 2024-25



OPERATING COSTS (Imported Water, Power, Chemicals, Maintenance, Professional Services, 2023 Storm Repairs Project) **PERSONNEL** (Salaries, Wages, and Benefits)
CAPITAL INVESTMENTS (Renewal/Replacement, System-wide Improvements and Expansion Projects) **DEBT SERVICE** (\$4.2M - 2018 Bonds, \$1.8M - 2023 Bonds)

\$172.9 MILLION
FISCAL YEAR 2025-26



AWARDS



DISTINGUISHED BUDGET PRESENTATION AWARD
From: Government Finance Officers Association of the United States and Canada
To: Zone 7 Water Agency FY 2022-2024 Budget Book

*Seventh consecutive budget book to receive the highest form of recognition in governmental budgeting.



OPERATING BUDGET EXCELLENCE AWARD
From: The California Society of Municipal Finance Officers
To: Zone 7 Water Agency FY 2022-2024 Budget Book

*Sixth consecutive budget to achieve this prestigious award.

