



# **AB1600 Annual Report and Five-Year Report for Development Impact Fees Zone 7 Water Agency**



*Annual Report for the Fiscal Year Ended June 30, 2024 and  
Five-Year Report for Fiscal Years 2019-20 through 2023-24*

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## Executive Summary

Development Impact Fees (DIFs) are fees imposed by a local government on new or proposed development projects to ensure public services and infrastructure will be sufficient to serve those new development projects. California state law requires local agencies, on an annual basis, to prepare a report on the status of their DIF program in accordance with California Assembly Bill 1600 (AB1600). This report will serve as the Zone 7 Water Agency's (Zone 7 or Agency) AB1600 report for the fiscal year starting July 1, 2023, and ended June 30, 2024 (FY 2023-24), and Five-Year Report for FY 2019-20 through FY 2023-24. This is the first five-year report prepared for the Agency.

The Water Enterprise Capital Expansion (Water Connection Fees) Program was established on January 18, 1972, with the adoption of Ordinance FC 72-1 as amended for Zone 7. The ordinance applies to the Zone 7 area which includes Livermore, Pleasanton, Dublin, Sunol, and the surrounding communities. The Water Connection Ordinance has been amended multiple times since its adoption with Ordinances FC 77-2, FC-86-136, and FC O-91-68. On February 7<sup>th</sup>, 2000, Amendment No.1 to the Contract between Zone 7 and Dublin San Ramon Services District (DSRSD) for Municipal and Industrial Water Supply was signed. As a result of this amendment, DSRSD pays water connection fees at building permit issuance to Zone 7 to compensate for Dougherty Valley Service Area's portion of Zone 7's Capital Expansion Program.

The Flood Protection and Storm Water Drainage Development Impact Fee (now named the Flood Protection Development Impact Fee) Ordinance was adopted in 2009 with Zone 7 Ordinance No. 2009-01. The Ordinance adopted the fees described in the March 2009 Development Impact Fees for Flood Protection and Storm Water Drainage Report prepared by HDR Consultants, Inc. As of May 18<sup>th</sup>, 2009, all funds in the Special Drainage Area (SDA) Operations Fund and SDA 7-1 Trust Fund were transferred to the Flood Protection Development Impact fund (Fund 210) and any outstanding reimbursement agreements from the SDA 7-1 were reassigned to Fund 210. On March 7, 2010, the Zone 7 Board of Directors adopted Ordinance 2010-01, which set the fee schedule for the Flood Protection Development Impact fee, including annual escalation of the fee. Ordinance 2012-01, adopted on January 18<sup>th</sup>, 2012, removed the fee escalations and maintained the fee set in 2011.

The Water Connection Fee was most recently updated in 2017 with the FY 2016-17 Municipal and Industrial Connection Fee Program Update prepared for Zone 7 by NBS; the fee basis had not been updated since 2011 prior to this study, but the fee is escalated annually for inflation. The Flood Protection Development Impact fee has not been escalated or updated since its adoption in 2011. Zone 7 currently collects the two (2) Development Impact Fees listed in the table below.

Fee	Fund Number
Water Enterprise Capital Expansion (Water Connection Fees) Fund	130
Flood Protection Development Impact Fund	210

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## Section 1 – Requirements of the Mitigation Fee Act (AB1600)

Assembly Bill 1600 (AB1600), commonly known as the Mitigation Fee Act, was enacted by the State of California in 1987 and created Section 66000 et. seq. of the Government Code. AB1600 requires the Agency to report fee information annually and every fifth year. Within 180 days after the last day of each fiscal year, the Agency must make available the following information from the prior fiscal year:

1. Brief description of the type of fee in the account or fund
2. Amount of the fee
3. Beginning and ending balance in the account or fund
4. Amount of fees collected and the interest earned during the previous year
5. Identification of each public improvement for which fees were expended and the amount of expenditures, including the total percentage of the cost of the public improvement that was funded with fees
6. An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement and the public improvement remains incomplete
7. Description of each interfund transfer or loan made from the account, including the public improvement on which the transferred or loaned fees will be expended, and when each loan will be repaid and the rate of interest the account will receive on the loan
8. Identification of any refunds made once determined that sufficient monies have been collected to fund fee-related projects

On October 11, 2023, California Governor Gavin Newsom signed into law AB516 which amended certain portions of the Mitigation Fee Act related to the annual and five-year reporting requirements. Under AB516, Requirements 6 and 8 have been expanded to include:

- 6a. Identification of each public improvement identified in the previous report and whether construction began on the approximate date noted
- 6b. For previously identified projects that did not start construction on the approximate date in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction, if applicable
- 8a. For any refunds made, the number of persons or entities identified to receive those refunds

The Agency must make this information available for public review and must present it at the next regularly scheduled public meeting no less than 15 days after this information is made available to the public. This report is intended to satisfy the annual reporting requirements for FY 2023-24.

## Section 2 – Annual Report

The following section provides information necessary to meet the legal requirements for each impact fee fund. This includes a brief description of the fee, the amount of the fee, the beginning and ending balances, fee revenues collected, interest earned, and the expenditures on each project including the percentage that was funded with fees. It also includes a table summary of whether sufficient funds have been identified to complete future projects and the approximate date by which the construction of the public improvement will commence if sufficient funds have been identified. Any transfers or loans are also identified as well as any refunds from the account.

### Fund 130: Water Enterprise Capital Expansion (Water Connection Fees)

**Requirement 1.** Brief description of the type of fee in the account or fund.

The Water Enterprise Capital Expansion Water Connection Fees are used to fund water acquisitions and expansion to the Zone 7 water supply, treatment, and delivery systems.



**Requirement 2.** Amount of the fee.

The Water Connection Fees for FY 2023-24 are summarized in **Table 1** below. The amount of the fee charged is determined by the size of the water meter to be installed. **Table 1** lists the fee for a 5/8" meter and fee per dwelling unit equivalent (DUE). The fee is charged per DUE factor for different land uses and is escalated annually on January 1<sup>st</sup>. The complete fee schedules are included in **Appendix A**.

**Table 1: Water Enterprise Capital Expansion Water Connection Fees**

Land Use	Fee charged from 1/1/2023 - 12/31/2023		Fee charged from 1/1/2024 - 12/31/2024	
Alameda County Service Area				
Per Dwelling Unit Equivalent (5/8" Meter)	\$	33,730	\$	34,530
Dougherty Valley Service Area				
Per Dwelling Unit Equivalent (5/8" Meter)	\$	32,360	\$	33,130

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**Requirement 3.** Beginning and ending balance in the account or fund.

**Table 2** summarizes the beginning and ending fund balances for the Water Enterprise Capital Expansion (Water Connection Fees) Fund for FY 2023-24.

**Requirement 4.** Amount of fees collected and the interest earned during the previous year.

**Table 2** summarizes the fees collected and the interest earned for the Water Enterprise Capital Expansion (Water Connection Fees) Fund during FY 2023-24.

**Table 2: Water Enterprise Capital Expansion (Water Connection Fees) Fund Summary**

<b>Fund 130</b>	
<b>Water Enterprise Capital Expansion (Water Connection Fees) Fund</b>	
<b>Beginning Fund Balance as of July 1, 2023</b>	<b>\$60,691,689</b>
<b>Revenues</b>	
Fees Collected	\$11,860,411
Other Service Fees	\$0
Interest from Investment	\$2,725,748
Interest from Other Sources	\$133,585
Department of Water Resources Refunds	\$3,020,750
Prior Year Revenue	\$0
Other Revenues	\$0
<b>Total Revenues</b>	<b>\$17,740,494</b>
<b>Expenses</b>	
Project Expenses	\$18,727,991
<b>Other Expenditures</b>	
Administration	\$308,782
Debt Service Costs	\$291,883
Financial Planning	\$45,177
Water Utility Planning	\$69,445
Pension Expense - GASB 68 Adjustment	(\$187,131)
OPEB Expense - GASB 75 Adjustment	(\$5,011)
<b>Total Expenses</b>	<b>\$19,251,136</b>
<b>Transfers In</b>	<b>\$0</b>
<b>Transfers Out</b>	<b>\$0</b>
<b>Ending Fund Balance as of June 30, 2024</b>	<b>\$59,181,047</b>

Source: Zone 7 Water Agency Financial Documents

**Requirement 5.** Identification of each public improvement for which fees were expended and the amount of expenditures, including the total percentage of the cost of the public improvement that was funded with fees.

**Table 3** summarizes the expenditures this past year on Water Enterprise Capital Expansion (Water Connection Fees) projects.

**Requirement 6.** An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement and the public



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improvement remains incomplete. Identification of each public improvement identified in the previous report and whether construction began on the approximate date noted. For previously identified projects that did not start construction on the approximate date in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction, if applicable.

**Table 3** summarizes the planned future expenditures for the Water Enterprise Capital Expansion (Water Connection Fees) projects and the anticipated construction start date for each project. If the approximate start date for a project has been revised from the last AB1600 Report, the reason is listed.





Table 3: Water Enterprise Capital Expansion (Water Connection Fees) Projects

Project No.	Project Name	Project Budget <sup>1</sup>	Fund Budget <sup>2</sup>	Expenditures to Date	FY23-24 Actual Expenditures	Future Expenditures	% Funded by Fee	Approx. Construction Start Date <sup>3</sup>	Approx. Construction Start Date (Revised for FY23-24)	Reason for Revised Start Date (if applicable)
COM0004	2024 Study AMP and CIP Management	\$ 1,132,000	\$ 250,000	\$ -	\$ 54,990	\$ 195,010	22%	2024	n/a	n/a
COM0011	Chain of Lakes Planning	\$ 244,551	\$ 85,540	\$ 85,468	\$ 72	\$ -	35%	Ongoing	n/a	n/a
COM0033	PPWTP Upgrades	\$ 65,000,000	\$ 45,500,000	\$ 43,087,806	\$ 754,839	\$ 1,657,355	70%	2017	n/a	n/a
COM0034	PPWTP Ozonation	\$ 45,000,000	\$ 22,500,000	\$ 21,587,213	\$ 391,902	\$ 520,885	50%	2017	n/a	n/a
COM0038	Chain of Lakes Conveyance System	\$ 175,600,000	\$ 82,532,000	460,890	\$ 64,361	\$ 82,006,749	47%	2032	n/a	n/a
SP50	North Canyons Renewal/Replacement and Improvements	\$ 285,000	\$ 14,250	\$ -	\$ -	\$ 14,250	5%	Ongoing	n/a	n/a
W42	El Charro Pipeline Phase 2	\$ 18,550,000	\$ 18,550,000	\$ -	\$ -	\$ 18,550,000	100%	2029	n/a	n/a
DS54	Patterson Pass Pipeline Enlargement & Replacement	\$ 25,260,000	\$ 16,924,200	\$ -	\$ -	\$ 16,924,200	67%	2030	n/a	n/a
COL10	Chain of Lakes Facilities & Improvements - Water Supply	\$ 1,300,000	\$ 910,000	\$ -	\$ -	\$ 910,000	70%	2027	n/a	n/a
WP7	Fourth Contractor's Share of the SBA - Payments to DWR	\$ 57,000,000	\$ 57,000,000	\$ 30,000,000	\$ 3,000,000	\$ 24,000,000	100%	Ongoing	n/a	n/a
EXP0002	South Bay Aqueduct Enlargement Project - Payments to DWR	\$ 326,000,000	\$ 326,000,000	\$ 196,614,631	\$ 13,604,253	\$ 115,781,116	100%	2003	n/a	n/a
EXP0015	Sites Reservoir	\$ 176,000,000	\$ 176,000,000	\$ 331,097	\$ 569,828	\$ 175,099,075	100%	2030	n/a	n/a
COM0044	Los Vaqueros Reservoir Expansion <sup>4</sup>	\$ 48,000,000	\$ 9,600,000	\$ 334,524	\$ 287,746	\$ -	20%	2030	n/a	n/a
TBD	City Reach Pipeline Mitigation Planning (formerly Walker Ranch)	\$ 410,000	\$ 410,000		\$ -	\$ 410,000	100%	2025	n/a	n/a
PP43	PPWTP Centrifuge Facility (formerly Solids Handling Expansion)	\$ 5,500,000	\$ 5,500,000	\$ -	\$ -	\$ 5,500,000	100%	2026	n/a	n/a
COM0047	Joint Regional Groundwater Development Project	\$ 2,700,000	\$ 1,350,000	\$ -	\$ -	\$ 1,350,000	50%	2025	n/a	n/a
TBD	Well Master Plan	\$ 825,000	\$ 825,000	\$ -	\$ -	\$ 825,000	100%	2025	n/a	n/a
W50	Bernal Wells 1 & 2 and Pipeline	\$ 28,800,000	\$ 28,800,000	\$ -	\$ -	\$ 28,800,000	100%	2029	n/a	n/a
TOTAL PROJECT EXPENSES		\$ 977,606,551	\$ 792,750,990	\$ 292,501,629	\$ 18,727,991	\$ 472,543,640				
WP11	Cawelo Groundwater Banking Program Debt Service Costs (2018 Refunding) <sup>5</sup>		\$ 3,800,000	1,735,781	\$ 291,883	\$ 1,772,335				
EXP0001	Miscellaneous Expansion Program Costs:									
	Administration				\$ 308,782					
	Financial Planning				\$ 45,177					
	Water Utility Planning				\$ 69,445					
	Pension Expense - GASB 68 Adjustment				\$ (187,131)					
	OPEB Expense - GASB 75 Adjustment				\$ (5,011)					
GRAND TOTAL		\$ 977,606,551	\$ 796,550,990	\$ 294,237,410	\$ 19,251,136	\$ 474,315,976				

1) Budgets identified by Zone 7 Water Agency to represent the projects' lifetime budgets.

2) The total amount that has been appropriated from this Fund to this project through FY 2023/24.

3) Construction start date may be revised pending availability of funds.

4) Future expenditures for project #COM0044 have been removed from this table. The Los Vaqueros Reservoir Expansion project is unlikely to have future expenditures because the JPA for this project was dissolved.

5) In 2018, the Agency issued the 2018 Water Revenue Bonds, Series A to prepay \$15,290,000 of the Agency's obligations in connection with the Cawelo Water District Certificates of Participation, Series 2006.

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**Requirement 7.** Description of each interfund transfer or loan made from the account, including the public improvement on which the transferred or loaned fees will be expended, and when each will be repaid and the rate of interest the account will receive on the loan.

There were no transfers to or from this fund in FY 23-24.

**Requirement 8.** Identification of any refunds made once determined that sufficient monies have been collected to fund fee-related projects. For any refunds made, the number of persons or entities identified to receive those refunds.

There were no refunds made from this fund in FY 23-24.

## Fund 210: Flood Protection Development Impact Fee

**Requirement 1.** Brief description of the type of fee in the account or fund.

The Flood Protection Development Impact Fee is collected to fund acquisition, construction, engineering, and improvement of flood protection and storm water drainage elements such as those identified in the Zone 7 Stream Management Master Plan (2006) and future projects to be identified in the Zone 7 Flood Management Plan. The Agency completed Phase 1 of the Flood Management Plan in 2022, and Phase 2 of the Plan is currently in progress.



**Requirement 2.** Amount of the fee.

The Flood Protection Development Impact Fee for FY 2023-24 is summarized in **Table 4** below. The fee was set in 2011 with Ordinance No. 2010-01 and maintained in 2012 with Ordinance No. 2012-01. The fee has not been updated or escalated since. The Agency anticipates that updates to the fee will occur as the Flood Management Plan is completed.

**Table 4: Flood Protection Development Impact Fee**

Land Use	Fee effective as of July 1, 2011	
Fee per Square Foot of New Impervious Surface	\$	1.00

**Requirement 3.** Beginning and ending balance in the account or fund.

**Table 5** summarizes the beginning and ending fund balances for the Flood Protection Development Impact Fee for FY 2023-24.

**Requirement 4.** Amount of fees collected and the interest earned during the previous year.

**Table 5** summarizes the fees collected and the interest earned for the Flood Protection Development Impact Fee during FY 2023-24.

**Table 5: Flood Protection Development Impact Fee Fund Summary**

<b>Fund 210</b>	
<b>Flood Protection Development Impact Fee</b>	
<b>Beginning Fund Balance as of July 1, 2023</b>	<b>\$75,844,801</b>
<b>Revenues</b>	
Fees Collected	\$1,518,562
Other Service Fees	\$117,532
Interest from Investment	\$2,535,367
Interest from Other Sources	\$0
Department of Water Resources Refunds	\$0
Prior Year Revenue	\$46,755
Other Revenues	\$0
<b>Total Revenues</b>	<b>\$4,218,216</b>
<b>Expenses</b>	
Project Expenses	\$56,765
<b>Other Expenditures</b>	
Administration	\$0
Debt Service Costs	\$0
Financial Planning	\$11,277
Water Utility Planning	\$0
Pension Expense - GASB 68 Adjustment	\$0
OPEB Expense - GASB 75 Adjustment	\$0
<b>Total Expenses</b>	<b>\$68,042</b>
<b>Transfers In</b>	<b>\$0</b>
<b>Transfers Out<sup>1</sup></b>	<b>(\$221,105)</b>
<b>Ending Fund Balance as of June 30, 2024</b>	<b>\$79,773,870</b>

Source: Zone 7 Water Agency Financial Documents

1) Transfer out to State Grant Fund for revenue reported as unavailable since this revenue was not received soon enough after year-end to be considered available. These funds will transfer back into Fund 210 in FY 24-25.

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**Requirement 5.** Identification of each public improvement for which fees were expended and the amount of expenditures, including the total percentage of the cost of the public improvement that was funded with fees.

**Table 6** summarizes the expenditures this past year on Flood Protection Development Impact Fee projects.

**Requirement 6.** An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement and the public improvement remains incomplete. Identification of each public improvement identified in the previous report and whether construction began on the approximate date noted. For previously identified projects that did not start construction on the approximate date in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction, if applicable.

**Table 6** summarizes the planned future expenditures for the Flood Protection Development Impact Fee projects and the anticipated construction start date for each project. If the approximate start date for a project has been revised from the last AB1600 Report, the reason is listed.

Table 6: Flood Protection Development Impact Fee Projects

Project No.	Project Name	Total Project Budget <sup>1</sup>	Fund Budget <sup>2</sup>	Expenditures to Date	FY23-24	Future Expenditures	% Funded by Fee <sup>3</sup>	Approx.	Construction Start	Reason for Revised
					Actual Expenditures			Construction Start Date <sup>4</sup>	Date (Revised for FY23-24)	Start Date (if applicable)
COM0011	Chain of Lakes Planning	\$ 244,551	\$ 68,474	\$ 68,416	\$ 58	\$ -	28%	Ongoing	n/a	n/a
COM0013	Flow Studies - Steelhead Restoration	\$ 305,686	\$ 152,843	\$ 151,873	\$ 970	\$ -	50%	2007	n/a	n/a
COM0015	Sediment Study - SFE 2010	\$ 743,561	\$ 304,860	\$ 304,606	\$ 254	\$ -	41%	2011	Completed	n/a
COM0030	Arroyo Mocho Medeiros Project <sup>5</sup>	\$ 2,248,163	\$ 1,075,283	\$ 1,067,783	\$ 7,500	\$ -	48%	2016	Completed	n/a
COM0043	Flood Management Plan - Phase 2 <sup>6</sup>	\$ 3,798,000	\$ 1,557,180	\$ 450,414	\$ 47,983	\$ 1,058,783	41%	2022	n/a	n/a
DIF001	Camp Parks Detention Basin Developer Reimbursement	\$ 3,035,000	\$ 3,035,000	\$ -	\$ -	\$ 3,035,000	100%	2025	n/a	n/a
R.1-1	Altamont Creek Improvements <sup>8</sup>	\$ 1,177,595	\$ 200,191	\$ -	\$ -	\$ 200,191	17%	2026	n/a	n/a
R.1-3	Springtown Improvements <sup>9</sup>	\$ 2,897,807	\$ 492,627	\$ -	\$ -	\$ 492,627	17%	Ongoing	n/a	n/a
R.1-4	Springtown Golf Course Improvements <sup>10</sup>	\$ 646,523	\$ 109,909	\$ -	\$ -	\$ 109,909	17%	Ongoing	n/a	n/a
R.1-5	Arroyo las Positas Habitat Enhancement and Recreation Project	\$ 2,528,366	\$ 429,822	\$ -	\$ -	\$ 429,822	17%	TBD <sup>7</sup>	n/a	n/a
R.1-6	Arroyo las Positas Multi-Purpose Project <sup>11</sup>	\$ 4,848,920	\$ 824,316	\$ -	\$ -	\$ 824,316	17%	Ongoing	n/a	n/a
R.1-7	Capacity Improvement at Arroyo las Positas <sup>12</sup>	\$ 461,802	\$ 78,506	\$ 61,731	\$ -	\$ 16,775	17%	TBD <sup>7</sup>	n/a	n/a
R.2-1	Velocity Control Project	\$ 5,206,817	\$ 885,159	\$ -	\$ -	\$ 885,159	17%	TBD <sup>7</sup>	n/a	n/a
R.2-2	Arroyo Seco Improvements	\$ 2,932,442	\$ 498,515	\$ -	\$ -	\$ 498,515	17%	TBD <sup>7</sup>	n/a	n/a
R.3-2	Robertson Park Enhancement Project and Levee Construction	\$ 17,052,037	\$ 2,898,846	\$ -	\$ -	\$ 2,898,846	17%	TBD <sup>7</sup>	n/a	n/a
R.3-3	Parks Floodplain Dedication and Levee Construction	\$ 17,144,397	\$ 2,914,547	\$ -	\$ -	\$ 2,914,547	17%	TBD <sup>7</sup>	n/a	n/a
R.3-4	Holmes St. Sedim. Basin and Granada/Murrieta Prot. and Enh. Prj	\$ 11,291,057	\$ 1,919,480	\$ 96,619	\$ -	\$ 1,822,861	17%	TBD <sup>7</sup>	n/a	n/a
R.7-3	Lower Arroyo del Valle Restoration and Enhancement Project	\$ 92,360	\$ 15,701	\$ -	\$ -	\$ 15,701	17%	TBD <sup>7</sup>	n/a	n/a
R.8-1	Tassajara Creek Improvement Project	\$ 3,913,771	\$ 665,341	\$ -	\$ -	\$ 665,341	17%	TBD <sup>7</sup>	n/a	n/a
R.8-2	Chabot Canal Improvement Project <sup>13</sup>	\$ 20,954,263	\$ 3,562,225	\$ -	\$ -	\$ 3,562,225	17%	Ongoing	n/a	n/a
R.8-3	Lower Arroyo Mocho Improvement Project	\$ 14,754,572	\$ 2,508,277	\$ -	\$ -	\$ 2,508,277	17%	TBD <sup>7</sup>	n/a	n/a
R.8-4	Upper Arroyo de la Laguna (ADLL) Improvement Project	\$ 51,052,204	\$ 8,678,875	\$ -	\$ -	\$ 8,678,875	17%	TBD <sup>7</sup>	n/a	n/a
R.9-1	Alamo Canal/South San Ramon Creek Erosion Control <sup>14</sup>	\$ 7,238,745	\$ 1,230,587	\$ 21,670	\$ -	\$ 1,208,917	17%	Ongoing	n/a	n/a
R.9-2	Line F-4 Concrete Lining	\$ 1,443,131	\$ 245,332	\$ -	\$ -	\$ 245,332	17%	TBD <sup>7</sup>	n/a	n/a
R.9-3	Line J-1, J-3, and J-5 Improvements	\$ 9,778,656	\$ 1,662,372	\$ -	\$ -	\$ 1,662,372	17%	TBD <sup>7</sup>	n/a	n/a
R.9-4	Line T Crossing Retrofit	\$ 3,405,789	\$ 578,984	\$ -	\$ -	\$ 578,984	17%	TBD <sup>7</sup>	n/a	n/a
R.9-6	Line G-1-1 Maintenance Plan	\$ 334,806	\$ 56,917	\$ -	\$ -	\$ 56,917	17%	TBD <sup>7</sup>	n/a	n/a
R.9-7	Alamo Canal Flood Control Program	\$ 10,055,737	\$ 1,709,475	\$ -	\$ -	\$ 1,709,475	17%	TBD <sup>7</sup>	n/a	n/a
R.10-1	ADLL Improvement Project 1	\$ 1,985,748	\$ 337,577	\$ -	\$ -	\$ 337,577	17%	TBD <sup>7</sup>	n/a	n/a
R.10-2	ADLL Improvement Project 2	\$ 1,119,870	\$ 190,378	\$ -	\$ -	\$ 190,378	17%	TBD <sup>7</sup>	n/a	n/a
R.10-3	ADLL Improvement Project 3 <sup>15</sup>	\$ 7,342,651	\$ 1,248,251	\$ -	\$ -	\$ 1,248,251	17%	Ongoing	n/a	n/a
R.10-4	ADLL Improvement Project 4	\$ 2,793,902	\$ 474,963	\$ -	\$ -	\$ 474,963	17%	TBD <sup>7</sup>	n/a	n/a
R.10-5	ADLL Improvement Project 5 <sup>16</sup>	\$ 14,581,396	\$ 2,478,837	\$ 49,300	\$ -	\$ 2,429,537	17%	Ongoing	n/a	n/a
R.11-2	Sinbad Creek Project	\$ 311,716	\$ 52,992	\$ -	\$ -	\$ 52,992	17%	TBD <sup>7</sup>	n/a	n/a
R.5-2	Airway Improvement Project	\$ 16,774,955	\$ 9,561,724	\$ -	\$ -	\$ 9,561,724	57%	TBD <sup>7</sup>	n/a	n/a
R.5-3	Arroyo Las Positas Diversion Project <sup>17</sup>	\$ 171,871,136	\$ 97,966,548	\$ 5,130,000	\$ -	\$ 92,836,548	57%	Ongoing	n/a	n/a
R.6-2	Arroyo Mocho Bypass and Regional Storage at Chain of Lakes	\$ 139,464,185	\$ 79,494,585	\$ -	\$ -	\$ 79,494,585	57%	TBD <sup>7</sup>	n/a	n/a
TOTAL PROJECT EXPENSES		\$ 555,832,317	\$ 230,165,500	\$ 7,402,412	\$ 56,765	\$ 222,706,323				
DIF0001	Miscellaneous DIF Program Costs:									
	Financial Planning					\$ 11,277				
GRAND TOTAL		\$ 555,832,317	\$ 230,165,500	\$ 7,402,412	\$ 68,042	\$ 222,706,323				

1) Budgets identified from the Zone 7 2009 Stream Management Master Plan (SMMP).

2) The total amount that has been appropriated from this Fund to this project through FY 2023/24.

3) The costs of conveyance related projects are 17% eligible for inclusion in the development impact fee, based upon the ratio of future impervious surface area to total impervious surface area at build out conditions. The costs of storage-related projects are 57% eligible for inclusion in the development impact fee based upon the storage volume required to offset the additional storm water flows attributed to the impervious surfaces created by future development such that the peak flood wave at the outlet of Zone 7's service area does not increase between now and build out conditions.

4) Construction start date may be revised pending availability of funds.

5) Project received \$500,000 grant through the California River Parkways program to improve the trails along the Arroyo Mocho.

6) Project was awarded a \$828K grant from the Department of Water Resources Integrated Regional Water Management Program Prop 1 Round 2 Grant.

7) Anticipated construction start date and budgets for this project will be evaluated and updated as part of the Agency's forthcoming Flood Management Plan.

8) This project includes maintenance to address sediment removal, which is planned to occur in Summer 2026. The remaining elements of this project will be evaluated as part of the Agency's forthcoming Flood Management Plan.

9) This project includes sediment removal, invasive species management, and replanting, which are completed. The remaining elements of this project will be evaluated as part of the Agency's forthcoming Flood Management Plan.

10) This project includes a pedestrian bridge and vegetation management in Arroyo Las Positas between Heather Lane and Bluebell Dr, which was completed by the City of Livermore. The remaining elements of this project will be evaluated as part of the Agency's forthcoming Flood Management Plan.

11) This project includes a trail to Las Colinas Rd constructed from Kohl's to Las Colinas Rd by the City/Developer. The remaining elements of this project will be evaluated as part of the Agency's forthcoming Flood Management Plan.

12) Initial study for this project was conducted by Engineering. Further modeling showed minor impacts and the project was postponed for its low priority. This may be re-evaluated as part of the forthcoming Flood Management Plan.

13) Detention basin construction completed. Zone 7 reimbursed \$3.035M to developer in 2025. This is shown on the line for Project DIF001. The remaining elements of this project will be evaluated as part of the Agency's forthcoming Flood Management Plan.

14) This project includes the Alamo Creek stabilization. Figures provided are expenditures for Alamo Creek portions of the project only. The remaining elements of this project will be evaluated as part of the Agency's forthcoming Flood Management Plan.

15) This project included removal of the concrete structure for emergency maintenance, which has already been completed. The remaining elements of this project will be evaluated as part of the Agency's forthcoming Flood Management Plan.

16) This project included installation of a stream flow gauge as part of early warning storm/ flood warning system. The remaining elements of this project will be evaluated as part of the Agency's forthcoming Flood Management Plan.

17) \$5.13M has already been paid to City of Livermore for the El Charro Specific Plan Area Flood Protection Improvements (agreement # A11-83-LIV). The remaining elements of this project will be evaluated as part of the Agency's forthcoming Flood Management Plan.

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**Requirement 7.** Description of each interfund transfer or loan made from the account, including the public improvement on which the transferred or loaned fees will be expended, and when each will be repaid and the rate of interest the account will receive on the loan.

\$221,105 was transferred out of Fund 210 to the State Grant Fund in FY 2023-24 for revenue that was reported as unavailable as this revenue was not received soon enough after fiscal year-end to be considered available revenue. These are funds received for the Department of Water Resources Integrated Regional Water Management Program Prop 1 Round 2 Grant for the Flood Management Master Plan. These funds will transfer back into Fund 210 in FY 2024-25.

**Requirement 8.** Identification of any refunds made once determined that sufficient monies have been collected to fund fee-related projects.

There were no refunds made from this fund in FY 2023-24



## Development Impact Fee Summary for FY 2023-24

Description		Water Enterprise Capital Expansion (Water Connection Fees) Fund	Flood Protection Development Impact Fee Fund	Total
	Fund No.	130	210	
<b>Starting Balance</b>				
	As of July 1, 2023	\$ 60,691,689	\$ 75,844,801	\$ 136,536,490
<b>REVENUES</b>				
Fees Collected	\$	11,860,411	\$ 1,518,562	\$ 13,378,973
Other Service Fees	\$	-	\$ 117,532	\$ 117,532
Interest from Investment	\$	2,725,748	\$ 2,535,367	\$ 5,261,115
Interest from Other Sources Dept	\$	133,585	\$ -	\$ 133,585
Department Water Resources Refunds	\$	3,020,750	\$ -	\$ 3,020,750
Prior Year Revenue	\$	-	\$ 46,755	\$ 46,755
Other Revenues	\$	-	\$ -	\$ -
<b>Total Revenues</b>	\$	<b>17,740,494</b>	<b>\$ 4,218,216</b>	<b>\$ 21,958,710</b>
<b>EXPENSES</b>				
Project Expenditures	\$	18,727,991	\$ 56,765	\$ 18,784,756
<b>Other Expenditures</b>				
Administration	\$	308,782	\$ -	\$ 308,782
Debt Service Costs	\$	291,883	\$ -	\$ 291,883
Financial Planning	\$	45,177	\$ 11,277	\$ 56,454
Water Utility Planning	\$	69,445	\$ -	\$ 69,445
Pension Expense - GASB 68 Adjustment	\$	(187,131)	\$ -	\$ (187,131)
OPEB Expense - GASB 75 Adjustment	\$	(5,011)	\$ -	\$ (5,011)
<b>Total Expenditures</b>	\$	<b>19,251,136</b>	<b>\$ 68,042</b>	<b>\$ 19,319,178</b>
<b>Transfers In</b>	\$	-	\$ -	\$ -
<b>Transfers Out<sup>1</sup></b>	\$	-	\$ (221,105)	\$ (221,105)
<b>Net Transfers</b>	\$	-	<b>\$ (221,105)</b>	<b>\$ (221,105)</b>
<b>Ending Balance</b>				
	As of June 30, 2024	\$ 59,181,047	\$ 79,773,870	\$ 138,954,917

Source: Zone 7 Water Agency Financial Documents

1) Transfer out to State Grant Fund for revenue reported as unavailable since this revenue was not received soon enough after year-end to be considered available. These funds will transfer back into Fund 210 in FY 24-25.

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## Section 3 – Fiscal Years 2019-20 through 2023-24 Five Year Report

In accordance with Government Code Section 66001, this section addresses the five-year requirements with respect to any remaining funds in the DIF accounts, regardless of whether those funds are committed or uncommitted for FY 2019-20 through FY 2023-24. This is the first five-year report prepared for the Agency. The following section provides information necessary to meet the legal requirement for the Five-Year report for the DIF funds.

**Requirement 1.** Identification of the purpose to which the fees are to be put.

The purpose of the DIFs imposed and collected on new development within the Agency's service area during FY 2019-20 through FY 2023-24 was to fund facilities and improvements that are needed to serve the new development within the Agency's service area. The purpose of each fee is identified within Section 2 of the Annual AB1600 Report. Future Projects are identified in each of the individual Fund subsections.

**Requirement 2.** Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.

There is a proportional relationship between the impact fees charged on new development based upon the need for additional facilities to serve the additional residents and employees that will be generated by the new development. The Agency does not have the capacity in its existing facilities to accommodate these new residents and employees. By charging the fee based on the additional demand created by each land use, the fees directly correlate to the demand created by each new development. Both impact fees charged by the Agency were updated by AB1600 Fee Update Studies. Each fee had to undergo rigorous nexus requirements that: identify the purpose of the fee; identify the use to which the fee is to be put; determine how there is a reasonable relationship between the fees use and the type of development project on which the fee is imposed; determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed; and determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility attributable to the development on which the fee is imposed.

**Requirement 3.** Identification of all sources and amounts of funding anticipated to complete financing in incomplete improvements identified as part of the Agency's annual report.

**Table 7** summarizes the fund balance for each fund as of June 30, 2024, the balances that have been held for longer than five years, as well as the costs of the pending projects currently identified in the Agency’s Capital Improvement Plan, Stream Management Master Plan and the DIF Nexus Study completed in 2009. Projects that are funded partially with Development Impact Fees will also be funded using grants and other Agency funds. Since improvements are triggered based on the timing and location of development, improvements will be programmed as deemed necessary by the Agency and their CIP prioritization process. Both fees satisfy the five-year test, meaning that planned future expenditures exceed revenues held for more than five years.

**Table 7: DIF Funding Balances and Future Project Costs**

Fund No.	Fund Name	Fund Balance (as of 6/30/24)	Five Year Holdings Balance	Future Project Costs
130	Water Enterprise Capital Expansion (Water Connection Fees)	\$ 59,181,047	\$ -	\$ 474,315,976
210	Flood Protection Development Impact Fee Fund	\$ 79,773,870	\$ 65,427,415	\$ 222,706,323
<b>TOTAL</b>		<b>\$138,954,917</b>	<b>\$ 65,427,415</b>	<b>\$ 697,022,299</b>

**Requirement 4.** Identification of the approximate dates on which the funding referred to in Requirement 3 is expected to be deposited into the appropriate account or fund.

The project tables for each Fund within this report list the public improvement projects that are anticipated to be constructed using DIF funds. Anticipated construction start dates are listed based upon when the Agency anticipates complete funding and staff capacity for the project will be available. Due to CIP priority shifts and the uncertainty of the timing and location of new development, anticipated construction times may vary until sufficient funds have been collected and priorities identified.

## **Appendix A: Water Enterprise Capital Expansion Water Connection Fee Schedules**

**Table A-1: Alameda County Service Area - Water Enterprise Capital Expansion  
Water Connection Fees Schedule Effective January 1, 2023**

Meter Size	Meter Brand/Type	Fee Factor	Connection Fee
5/8" & 1" Fire Service	Displacement Type	1.0	\$ 33,730
3/4"	Displacement Type	1.5	\$ 50,595
1"	Displacement Type	2.5	\$ 84,325
5/8"	IPERL Electromagnetic	2.5	\$ 84,325
5/8" x 3/4"	Diehl Ultrasonic	2.2	\$ 74,206
	Kamstrup Ultrasonic	2.5	\$ 84,325
	IPERL Electromagnetic	3.5	\$ 118,055
3/4" Short & Long	Diehl Ultrasonic	3.2	\$ 107,936
	Kamstrup Ultrasonic	3.5	\$ 118,055
	IPERL Electromagnetic	3.5	\$ 118,055
1"	Diehl Ultrasonic	5.5	\$ 185,515
	Kamstrup Ultrasonic	5.5	\$ 185,515
	IPERL Electromagnetic	5.5	\$ 185,515
1 1/2"	Displacement Type	5.0	\$ 168,650
	Diehl Ultrasonic	10.0	\$ 337,300
	Kamstrup Ultrasonic	12.0	\$ 404,760
	Omni C2	16.0	\$ 539,680
	Omni T2	16.0	\$ 539,680
2"	Omni with 50 GPM Restriction	5.0	\$ 168,650
	Displacement Type	8.0	\$ 269,840
	Omni with 80 GPM Restriction	8.0	\$ 269,840
	Mueller MVR	11.5	\$ 387,895
	Omni with 120 GPM Restriction	12.0	\$ 404,760
	Sensus SR/SRII	16.0	\$ 539,680
	Kamstrup Short Ultrasonic	16.0	\$ 539,680
	Kamstrup Long Ultrasonic	16.0	\$ 539,680
	Omni C2	16.0	\$ 539,680
	Diehl Ultrasonic	17.0	\$ 573,410
	Omni T2	20.0	\$ 674,600
	evoQ4 Magnetic	22.0	\$ 742,060

**Notes:**

- 1) This fee schedule is effective as of January 1, 2023. The Agency periodically reviews and modifies these fees.
- 2) Connection fees for meters 3" and larger and for meters with fee factors not shown above will be determined by the Zone 7 Water Agency, using the fee factor for Maximum Rate for Continuous Operation as defined by AWWA. These fees are based on the Maximum Continuous Flow Rate through a 5/8" meter and are proportional based on flow ratings for the various sized meters. Flow ratings for displacement type meters are defined by AWWA C700 for Cold-Water Meter -- Displacement Type, Bronze Case. Flow ratings for turbine type meters are defined by AWWA C701 for Cold Water Meters -- Turbine Type, For Customer Service. Any changes to meter capacities will affect the above connection fees.
- 3) Per Fee Ordinance Section VI, combined domestic and fire service connections are subject to the connection charge based on the meter size for the combined system, except the basic charge shall be collected for combined systems, up to a maximum of one-inch (1") meter size, for single family and duplex housing units with fire sprinkler systems approved by the appropriate fire department and installed in accordance with applicable building requirements.
- 4) At the time this fee schedule is in effect, the Diehl, Kamstrup, and evoQ4 meters are only available in Pleasanton.



**Table A-2: Dougherty Valley Service Area Water Enterprise Capital Expansion (Water Connection) Fee Schedule Effective January 1, 2023**

Meter Size	Meter Brand/Type	Recommended Maximum Rate for Continuous Use (gpm)	Connection Fee	Facility Use Fee	Total Fee
5/8" & 1" Fire Service	Displacement Type	10	\$ 32,360	\$ 3,940	\$ 36,300
3/4"	Displacement Type	15	\$ 48,540	\$ 5,910	\$ 54,450
1"	Displacement Type	25	\$ 80,900	\$ 9,850	\$ 90,750
1 1/2"	Displacement Type	50	\$ 161,800	\$ 19,700	\$ 181,500
	Omni with 50 GPM Restrictor	50	\$ 161,800	\$ 19,700	\$ 181,500
	Omni C2	160	\$ 517,760	\$ 63,040	\$ 580,800
	Omni T2	160	\$ 517,760	\$ 63,040	\$ 580,800
2"	Displacement Type	80	\$ 258,880	\$ 31,520	\$ 290,400
	Omni with 80 GPM Restriction	80	\$ 258,880	\$ 31,560	\$ 290,440
	Omni with 120 GPM Restriction	120	\$ 388,320	\$ 47,280	\$ 435,600
	Omni C2	160	\$ 517,760	\$ 63,040	\$ 580,800
	Omni T2	200	\$ 647,200	\$ 78,800	\$ 726,000

Notes:

- 1) This fee schedule is effective as of January 1, 2023. The Agency periodically reviews and modifies these fees.
- 2) Connection fees for meters 3" and larger and for meters with fee factors not shown above will be determined by the Zone 7 Water Agency, using the fee factor for Maximum Rate for Continuous Operation as defined by AWWA. These fees are based on the Maximum Continuous Flow Rate through a 5/8" meter and are proportional based on flow ratings for the various sized meters. Flow ratings for displacement type meters are defined by AWWA C700 for Cold-Water Meter -- Displacement Type, Bronze Case. Flow ratings for turbine type meters are defined by AWWA C701 for Cold Water Meters -- Turbine Type, For Customer Service. Any changes to meter capacities will affect the above connection fees.
- 3) Per Fee Ordinance Section VI, combined domestic and fire service connections are subject to the connection charge based on the meter size for the combined system, except the basic charge shall be collected for combined systems, up to a maximum of one-inch (1") meter size, for single family and duplex housing units with fire sprinkler systems approved by the appropriate fire department and installed in accordance with applicable building requirements.

**Table A-3: Alameda County Service Area - Water Enterprise Capital Expansion  
Water Connection Fees Schedule Effective January 1, 2024**

Meter Size	Meter Brand/Type	Fee Factor	Connection Fee
5/8" & 1" Fire Service	Displacement Type	1.0	\$ 34,530
3/4"	Displacement Type	1.5	\$ 51,795
1"	Displacement Type	2.5	\$ 86,325
5/8"	IPERL Electromagnetic	2.5	\$ 86,325
5/8" x 3/4"	Diehl Ultrasonic	2.2	\$ 75,966
	Kamstrup Ultrasonic	2.5	\$ 86,325
	IPERL Electromagnetic	3.5	\$ 120,855
3/4" Short & Long	Diehl Ultrasonic	3.2	\$ 110,496
	Kamstrup Ultrasonic	3.5	\$ 120,855
	IPERL Electromagnetic	3.5	\$ 120,855
1"	Diehl Ultrasonic	5.5	\$ 189,915
	Kamstrup Ultrasonic	5.5	\$ 189,915
	IPERL Electromagnetic	5.5	\$ 189,915
1 1/2"	Displacement Type	5.0	\$ 172,650
	Diehl Ultrasonic	10.0	\$ 345,300
	Kamstrup Ultrasonic	12.0	\$ 414,360
	Omni C2	16.0	\$ 552,480
	Omni T2	16.0	\$ 552,480
2"	Omni with 50 GPM Restriction	5.0	\$ 172,650
	Displacement Type	8.0	\$ 276,240
	Omni with 80 GPM Restriction	8.0	\$ 276,240
	Mueller MVR	11.5	\$ 397,095
	Omni with 120 GPM Restriction	12.0	\$ 414,360
	Sensus SR/SRII	16.0	\$ 552,480
	Kamstrup Short Ultrasonic	16.0	\$ 552,480
	Kamstrup Long Ultrasonic	16.0	\$ 552,480
	Omni C2	16.0	\$ 552,480
	Diehl Ultrasonic	17.0	\$ 587,010
	Omni T2	20.0	\$ 690,600
	evoQ4 Magnetic	22.0	\$ 759,660

**Notes:**

- 1) This fee schedule is effective as of January 1, 2024. The Agency periodically reviews and modifies these fees.
- 2) Connection fees for meters 3" and larger and for meters with fee factors not shown above will be determined by the Zone 7 Water Agency, using the fee factor for Maximum Rate for Continuous Operation as defined by AWWA. These fees are based on the Maximum Continuous Flow Rate through a 5/8" meter and are proportional based on flow ratings for the various sized meters. Flow ratings for displacement type meters are defined by AWWA C700 for Cold-Water Meter -- Displacement Type, Bronze Case. Flow ratings for turbine type meters are defined by AWWA C701 for Cold Water Meters -- Turbine Type, For Customer Service. Any changes to meter capacities will affect the above connection fees.
- 3) Per Fee Ordinance Section VI, combined domestic and fire service connections are subject to the connection charge based on the meter size for the combined system, except the basic charge shall be collected for combined systems, up to a maximum of one-inch (1") meter size, for single family and duplex housing units with fire sprinkler systems approved by the appropriate fire department and installed in accordance with applicable building requirements.
- 4) At the time this fee schedule is in effect, the Diehl, Kamstrup, and evoQ4 meters are only available in Pleasanton.





**Table A-4: Dougherty Valley Service Area Water Enterprise Capital Expansion (Water Connection) Fee Schedule Effective January 1, 2024**

Meter Size	Meter Brand/Type	Recommended Maximum Rate for Continuous Use (gpm)	Connection Fee	Facility Use Fee	Total Fee
5/8" & 1" Fire Service	Displacement Type	10	\$ 33,130	\$ 3,940	\$ 37,070
3/4"	Displacement Type	15	\$ 49,395	\$ 5,910	\$ 55,305
1"	Displacement Type	25	\$ 82,825	\$ 9,850	\$ 92,675
1 1/2"	Displacement Type	50	\$ 165,650	\$ 19,700	\$ 185,350
	Omni with 50 GPM Restrictor	50	\$ 165,650	\$ 19,700	\$ 185,350
	Omni C2	160	\$ 530,080	\$ 63,040	\$ 593,120
	Omni T2	160	\$ 530,080	\$ 63,040	\$ 593,120
2"	Displacement Type	80	\$ 265,040	\$ 31,520	\$ 296,560
	Omni with 80 GPM Restriction	80	\$ 264,040	\$ 31,560	\$ 295,600
	Omni with 120 GPM Restriction	120	\$ 397,560	\$ 47,280	\$ 444,840
	Omni C2	160	\$ 530,080	\$ 63,040	\$ 593,120
	Omni T2	200	\$ 662,600	\$ 78,800	\$ 741,400

Notes:

- 1) This fee schedule is effective as of January 1, 2024. The Agency periodically reviews and modifies these fees.
- 2) Connection fees for meters 3" and larger and for meters with fee factors not shown above will be determined by the Zone 7 Water Agency, using the fee factor for Maximum Rate for Continuous Operation as defined by AWWA. These fees are based on the Maximum Continuous Flow Rate through a 5/8" meter and are proportional based on flow ratings for the various sized meters. Flow ratings for displacement type meters are defined by AWWA C700 for Cold-Water Meter -- Displacement Type, Bronze Case. Flow ratings for turbine type meters are defined by AWWA C701 for Cold Water Meters -- Turbine Type, For Customer Service. Any changes to meter capacities will affect the above connection fees.
- 3) Per Fee Ordinance Section VI, combined domestic and fire service connections are subject to the connection charge based on the meter size for the combined system, except the basid charge shall be collected for combined systems, up to a maximum of one-inch (1") meter size, for single family and duplex housing units with fire sprinkler systems approved by the appropriate fire department and installed in accordance with applicable building requirements.