

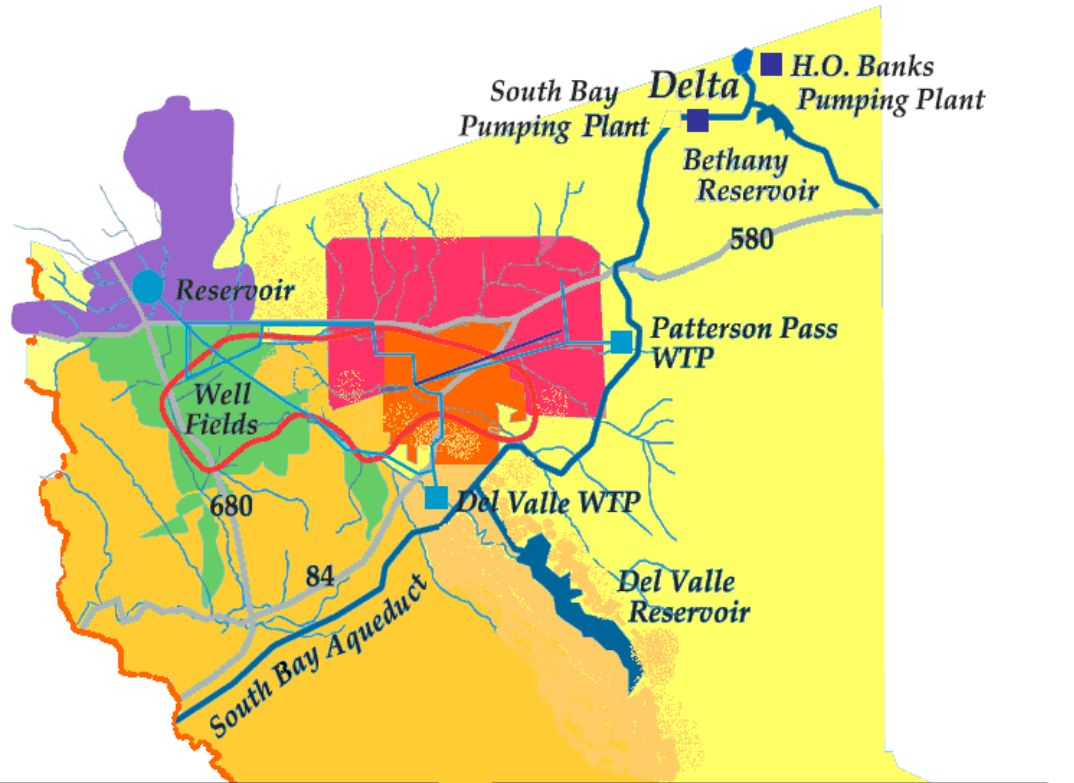
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT



FISCAL YEAR 2008-09 PROPOSED BUDGET

MISSION

Zone 7 Water Agency is committed to providing a reliable supply of high quality water and an effective flood control system to the Livermore-Amador Valley. In fulfilling our present and future commitments to the community, we will develop and manage the water resources in a fiscally responsible, innovative, proactive and environmentally sensitive way.



- City of Pleasanton
- City of Livermore
- Dublin San Ramon Service District
- California Water Service Company

- Zone 7 Transmission Facilities
- Main Groundwater Basin Boundary
- Streams and Flood Control Channels

ORGANIZATIONAL FACT SHEET

FEBRUARY 2008

Governing Board:

William R. Stevens, President
Sarah L. Palmer, Vice President
James J. Concannon
John J. Greci
Stephen A. Kalthoff
James B. Kohnen
Richard L. Quigley

Administration:

General Manager Jill Duerig

Operating Divisions:

Engineering Kurt Arends
Finance/Administrative John Yue
Operations Vince Wong

Employees:

110.8 Full-time Equivalent Positions

Authority:

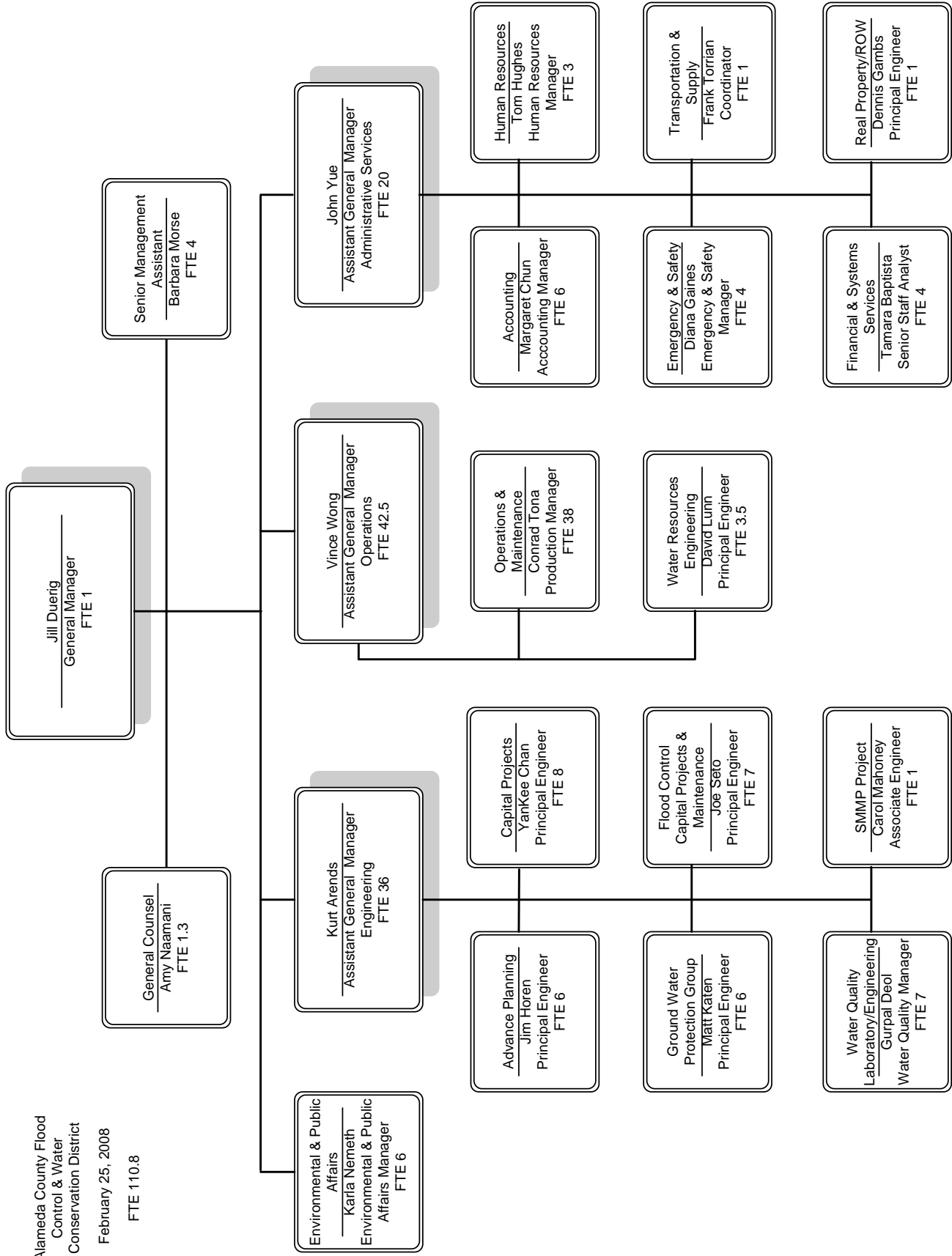
Zone 7 is part of the Alameda County Flood Control and Water Conservation District created by an act of the California State Legislature in 1949. The Alameda County Board of Supervisors acts as the ex officio Board of Supervisors of the District. Zone 7 was created as a zone of the District in 1957 and is governed by a seven member Board of Directors elected at large from the service area for four-year overlapping terms.

Territory:

430 square miles of water service area.
620 square miles of flood control watershed.

Current Service Functions:

Treated Water Wholesale
Untreated Water Retail
Flood Control





ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

100 NORTH CANYONS PARKWAY LIVERMORE, CA 94551 PHONE (925) 454-5000 FAX (925) 454-5727

February 20, 2008

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

Subject: Proposed Budget for Fiscal Year 2008-09

Dear Board Members:

The proposed budget for the Zone 7 Water Agency for fiscal year 2008-09 is being submitted for your review and consideration. The budget document is the proposed financial plan for the coming fiscal year. It is intended to provide a summary of the programs and objectives of the Agency and the financing to support them.

BUDGET SUMMARY

The proposed budget has been prepared in accordance with the Agency's mission to provide a reliable supply of high quality water and an effective flood control system to serve the Livermore-Amador Valley.

The Agency continues to face financial challenges in both its operating and capital improvement funds. In the Water Enterprise, a Federal court ruling in the Bay Delta environmental actions resulted in a 30% reduction in DWR pumping since December 2007.

In the capital improvement area, major challenges exist in both the water and flood control programs. Some of the major upcoming projects address future needs and will be funded by new development, however, some are required to replace and improve current equipment and facilities. New development revenue has continued but at a reduced rate.

Initial construction costs for the Altamont Water Treatment Plant are included in this budget and will continue to impact fund balances in the Expansion program over the next few years. Also, included in the budget are continuing efforts to improve water quality. This continues to be a primary objective for both the Agency's operating and capital improvement efforts. In addition, the budget reflects annual contributions and balances in sinking funds established to pay for projects for which payments will come due in future years.

The StreamWISE Program is establishing priorities for projects that are needed to complete the flood control system and to provide other uses for the streams and arroyos within the system and will also identify potential funding sources. This planning process is estimated to be completed in the spring of 2008. The planning effort for this project has been built into this budget.

In order to continue to provide water and flood control services in fiscal year 2008-09, the following budget is being recommended.

OPERATING BUDGETS

The operating budgets are increasing by \$3.6 million. The General/Flood Control Fund budget is increasing by \$0.1 million reflecting resumption of flood control system maintenance in fiscal year 2008-09. Project Reserve funds for major maintenance projects are increasing by \$4.5 million in anticipation of projects pending the results of the StreamWISE (Waterway Improvements Supporting the Environment), which will recommend specific projects to be undertaken, and establishing scheduling priorities and a CIP for those projects. The sinking fund reserve is increasing by \$0.1 million to reflect the annual contribution for the future building purchase.

The State Water Facilities Fund budget is increasing by \$1 million based on anticipated State Department of Water Resources charges for fiscal year 2008-09. The reserve fund in this budget is increasing by \$1.0 million to reflect the cash flow needs pending receipt of property taxes, to mitigate the potential loss of availability of development funds and to address any changes implemented midyear by the Department of Water Resources. A portion of the State Water Project charges are offset by Expansion program funds to offset costs related to the Dougherty Valley project.

The Water Enterprise Fund budget is increasing by \$1.8 million reflecting a \$0.5 million increase in water treatment related costs for water, power and chemicals and a \$1.3 million increase in other operating costs primarily in personnel, professional services, and maintenance of facilities. The emergency/operating reserves are being recommended at \$7.1 million and represent approximately 20% of operating costs. A Rate Stabilization Reserve Fund was established after the drought in the early 1990's in order to mitigate rate fluctuations in case of a major loss of revenue due to a prolonged drought or emergency supply outage. This amount is based on a potential 10% reduction in water sale revenue due to expected water conservation in the event of a drought. However, at the October 2007 Board meeting, the Board authorized the use of this rate stabilization reserve if needed due to conservation and the court-ruled 30% DWR pumping reduction. For FY 2007-08, \$2.1 million is planned on being used to offset lower water sales revenue, if needed. The designated reserve is recommended at \$1.0 million to mitigate future increases in personnel, water, chemicals and power in excess of the 3% growth target.

Revenue for the operating budgets is estimated to increase by \$1.2 million. Revenue is projected to increase by \$1.4 million in the General/Flood Control Fund primarily reflecting the restoration of the property tax transfer to the State for the Educational Revenue Augmentation Fund and increased interest earnings. Revenue in the State Water Facilities Fund is projected to increase by \$1.5 million primarily reflecting property taxes and increased reimbursements needed to fund anticipated charges from the Department of Water Resources for the State Water Project. The Water Enterprise Fund revenue is projected to decrease by \$1.8 million primarily from local conservation and other recycling efforts.

CAPITAL BUDGETS

The capital projects component of the budget is decreasing by \$7.8 million. The net decrease is comprised of a \$10.0 million increase in the Special Drainage Area program, a \$19.8 million decrease in the Expansion program, a \$1.0 million decrease in the Renewal and Replacement program and a \$2.8 million increase in the Systemwide Improvements program.

The Special Drainage Area projects planned for 2008-09 include \$0.6 million for cost sharing with the U.S. Corps of Engineers to conduct a feasibility study for improvements at Arroyo de la

Laguna; \$12.0 million for Arroyo Las Positas Improvements near El Charro; \$0.1 million for design review and management of the SDA program; \$0.8 million earmarked for StreamWISE and new projects developed from that effort; \$1.6 million in consulting and other costs; \$0.1 million for lease costs of the new administration building; and \$0.1 million contribution for building purchase sinking fund.

Among the projects in the Renewal & Replacement and Systemwide Improvements Programs being recommended are \$0.8 million for security improvements; \$5.8 million for groundwater basin management including the Mocho Groundwater demineralization project and monitoring well and stream gage replacement; \$0.1 million for program management; \$0.3 million for transmission planning and improvements; \$0.3 million for water supply and conveyance projects; \$5 million for water treatment facility upgrades and improvements; \$0.1 million for regulatory compliance projects; \$0.5 million for administrative building lease; and \$0.3 million for building purchase sinking fund. A total of \$0.5 million in contingency funds for unanticipated and/or emergency projects is included in the proposed budget for these two programs combined.

Projects proposed under the Expansion Program include \$5.5 million for the Mocho Demineralization project; \$1.0 million for program management; \$50,000 for Transmission System Master Planning; \$13.2 million for Water Supply and Conveyance projects; \$58.4 million for Water Treatment facilities projects; and \$4.1 for Well Master Plan Wells. There is also \$0.5 million for contingency funds, and \$0.4 million for the lease.

Funds received by the Special Drainage Area Program are estimated at \$2.0 million based on equal allocation of drainage fees between Agency and developer projects plus interest earned. Contributions from the Water Enterprise Fund and Facility Use Fees provide the primary funding for the Renewal & Replacement and Systemwide Improvements programs. Transfers from the Water Enterprise Fund are estimated at \$4.3 million in fiscal year 2008-09. In addition, revenue of \$1 million is anticipated from Facility Use Fees from new water users in the Dougherty Valley area. The Expansion Program is funded through new development connection fees. Revenue from connection fees for fiscal year 2008-09 is projected at \$27.2 million based on estimated new connections. Additionally, \$1.0 million is estimated in interest earned. On January 2008, the Board approved Installment Sales Agreement (ISA) became effective. In 2008-09, a draw of \$10.5 million is planned if called for by the Capital Improvement Program.

STAFFING

The proposed budget for 2008-09 provides for 111.8 full-time equivalent positions. One new position, a Water Resources Technician for a Well Permit program, is recommended in the proposed budget.

ISSUES AND TRENDS

The most significant financial issues facing the Agency continue to be the funding of the capital improvement programs for the water and flood control programs in the changing economy, and operating costs for new facilities and water treatment.

A Federal court ruling in the Bay Delta environmental actions resulted in a 30% reduction in DWR pumping since June 2007. Combined with the effects of local conservation and other recycling efforts, water demands have decreased while production costs remain high because of increasing chemicals and utilities expenses, and the need to cycle through the drawing down and re-charging of wells.

New development revenue has continued but at a somewhat lower rate. However, Association of Bay Area Governments (ABAG) research in January 2008 predicts a relatively mild slow-down in 2008 with improvements in 2009. Increased operating costs resulting from the construction of new facilities will continue to impact water rates in future years.

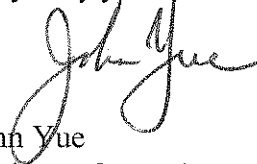
Additionally, the Asset Management Program study resulted in a recommendation to ramp up the annual contribution from the Water Enterprise fund to the Renewal/Replacement and System-wide Improvement Fund from \$4 million to \$10 million. The StreamWISE program has estimated over \$473 million in flood control related projects that will be evaluated, prioritized and have funding sources identified.

Water Quality program enhancements have been included as part of the on-going capital improvement program. The South Bay Aqueduct expansion/improvement project is being financed by the Department of Water Resources and funded from connection fees. Bidding has begun on a portion of the Altamont Pipeline and Water Treatment Plant to be funded from connection fees. Cooperation with the surrounding property owners must be resolved before construction can begin.

Local land use issues and the economic environment continue to affect projected growth in the Zone 7 service area, impacting revenue from connection fees and the timing for expansion capital improvements.

For fiscal year 2008-09, the Agency will continue to focus on implementing plans to ensure the availability of a sustainable water supply and drought storage protection, evaluate future water source impacts of climate changes; and to finalize the programmatic requirements and funding sources to complete the necessary flood control improvements to meet the needs of the service area community.

Very truly yours,

A handwritten signature in black ink, appearing to read "John Yue", written in a cursive style.

John Yue
Assistant General Manager
Finance & Business Services

2008-2009
PROPOSED BUDGET

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

PROPOSED BUDGET
FISCAL YEAR 2008 - 2009

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ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
FISCAL YEAR 2008-09

SUMMARY

The proposed Zone 7 budgets for fiscal year 2008-09 are summarized as follows:

<u>Operating Funds</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>Change Amount</u>	<u>% Change</u>
1. General Fund/Flood Control Reserves	\$6,464,066 \$11,203,087	\$6,577,733 \$15,718,641	\$113,667 \$4,515,554	1.76%
2. State Water Facilities Reserves	\$7,132,532 \$3,347,923	\$8,226,597 \$4,373,070	\$1,094,065 \$1,025,147	15.34%
3. Water Enterprise Reserves	\$28,910,511 \$12,076,303	\$30,752,911 \$7,123,882	\$1,842,400 (\$4,952,421)	6.37%
Grand Totals	\$69,134,422	\$72,772,834	\$3,638,412	5.26%
<u>Capital Funds</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>Change Amount</u>	
Special Drainage Area (SDA) 7-1 Program	\$5,065,500	\$15,159,988	\$10,094,488	
Renewal & Replacement Program	\$4,754,000	\$3,798,000	(\$956,000)	
Systemwide Improvements Program	\$6,658,445	\$9,490,405	\$2,831,960	
Expansion Program	\$103,063,598	\$83,299,243	(\$19,764,355)	
Grand Totals	\$119,541,543	\$111,747,636	(\$7,793,906)	

**GENERAL FUND/FLOOD CONTROL
BUDGET**

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
FISCAL YEAR 2008-09

GENERAL FUND/FLOOD CONTROL BUDGET

	<u>2007-08</u>	<u>2008-09</u>	<u>Change</u>	<u>%</u>
Appropriation	\$6,464,066	\$6,577,733	\$113,667	1.76%
Reserves	\$11,203,087	\$15,718,641	\$4,515,554	
Revenue	\$5,442,772	\$6,837,310	\$1,394,538	25.62%

This budget unit provides the funding for general administration and flood control services. The purpose of this program is to ensure the controlled drainage of the Valley's excess water runoff. Zone 7 manages a watershed of nearly 620 square miles including eastern Alameda County and parts of Contra Costa, Santa Clara and San Joaquin Counties. More than 37 miles of flood control channels and drainage facilities are owned and maintained by Zone 7. This budget finances a comprehensive year-round maintenance program that includes repairing slides and erosion, refurbishing access roads and associated drainage ditches, installing and repairing gates and fences, and maintaining landscaped areas.

Anticipated available funds for the current fiscal year (including the fund balance carried forward from fiscal year 2006-07) totals \$21,020,564 . The projected expenditures and encumbrances are \$5,561,500 leaving a potential fund balance available on June 30, 2008 of \$15,459,064 toward financing the General Fund/Flood Control budget for fiscal year 2008-09.

The proposed budget for fiscal year 2008-09 totals \$22,296,374 . Of this amount, \$4,200,000 is proposed to be retained as an operating/emergency reserve, \$11,090,708 as project reserves to fund multi-year major maintenance and improvements, and other major projects resulting from the StreamWISE program and \$427,933 represents the balance of the building sinking fund. The contribution to the sinking fund will allow the purchase of the new administration building at the end of the lease period, should that option be exercised. The contribution to the building's sinking fund for fiscal year 2008-09 is \$77,958. A total of \$6,577,733 is proposed for 2008-09 operating expenditures.

SUMMARY:REVENUES/EXPENDITURES
GENERAL FUND/FLOOD CONTROL (50)

Net Available Fund Balance 06/30/2007 \$14,449,564

Estimated Revenue FY 2007/08

Current Tax Revenue	\$5,620,000	
Other Revenue	\$951,000	\$6,571,000

Total Est. Available Funds FY 2007/08 \$21,020,564

Estimated Expenditures FY 2007/08

Personnel	\$1,200,000	
Services & Supplies	\$4,361,500	
Fixed Assets	\$0	\$5,561,500

Estimated Net Available Fund Balance 06/30/2008 \$15,459,064

Estimated Revenue FY 2008/09

Current Tax Revenue	\$5,893,000	
Other Revenue	\$944,310	\$6,837,310

Estimated Available Funds FY 2008/09 \$22,296,374

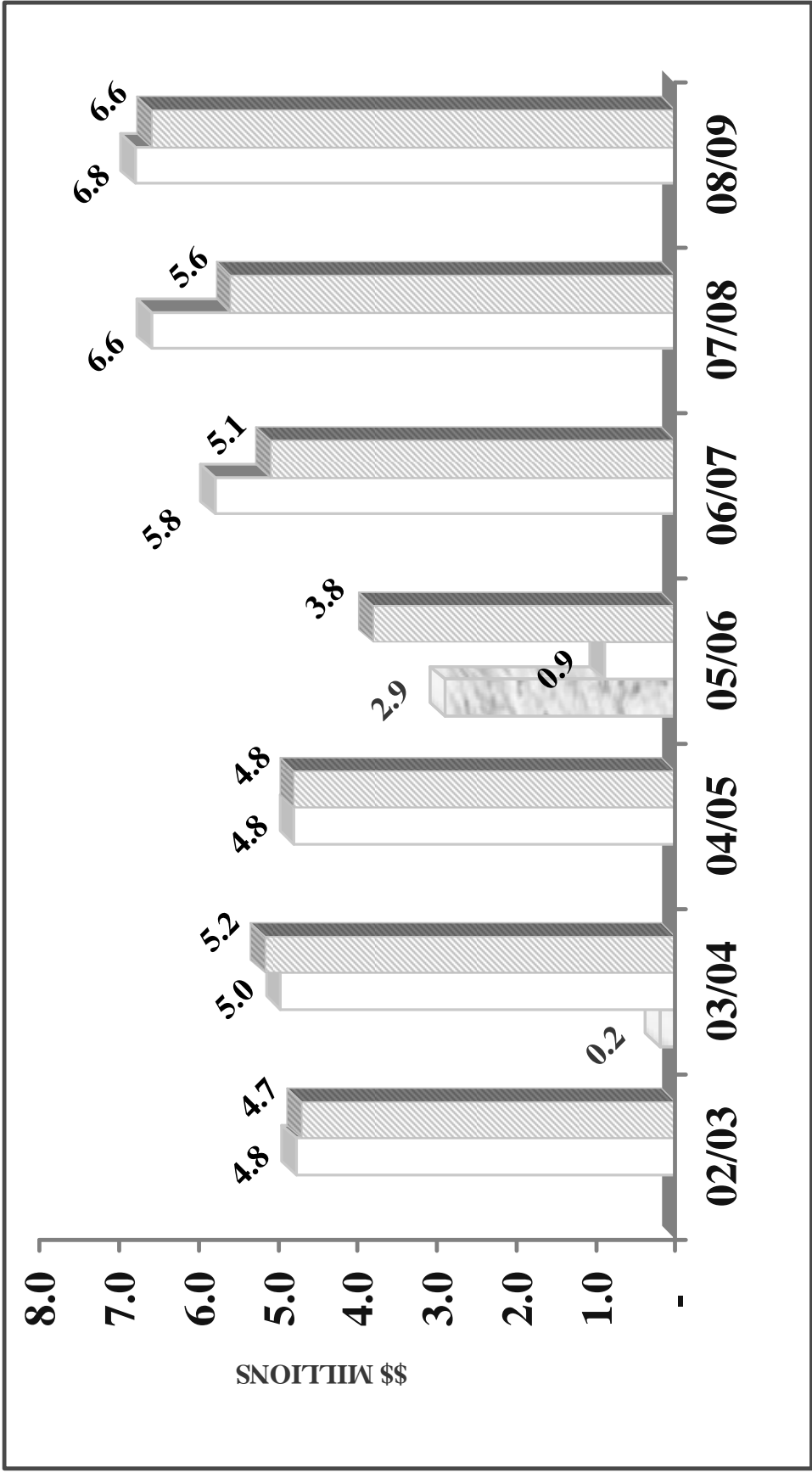
Estimated Expenditures/Reserves FY 2008/09

Personnel	\$1,278,905	
Services & Supplies	\$5,280,328	
Fixed Assets	\$18,500	\$6,577,733

Reserve Funds

Operating/Emergency Reserves	\$4,200,000	
Project Reserves	\$11,090,708	
Building Sinking Fund	\$427,933	\$15,718,641

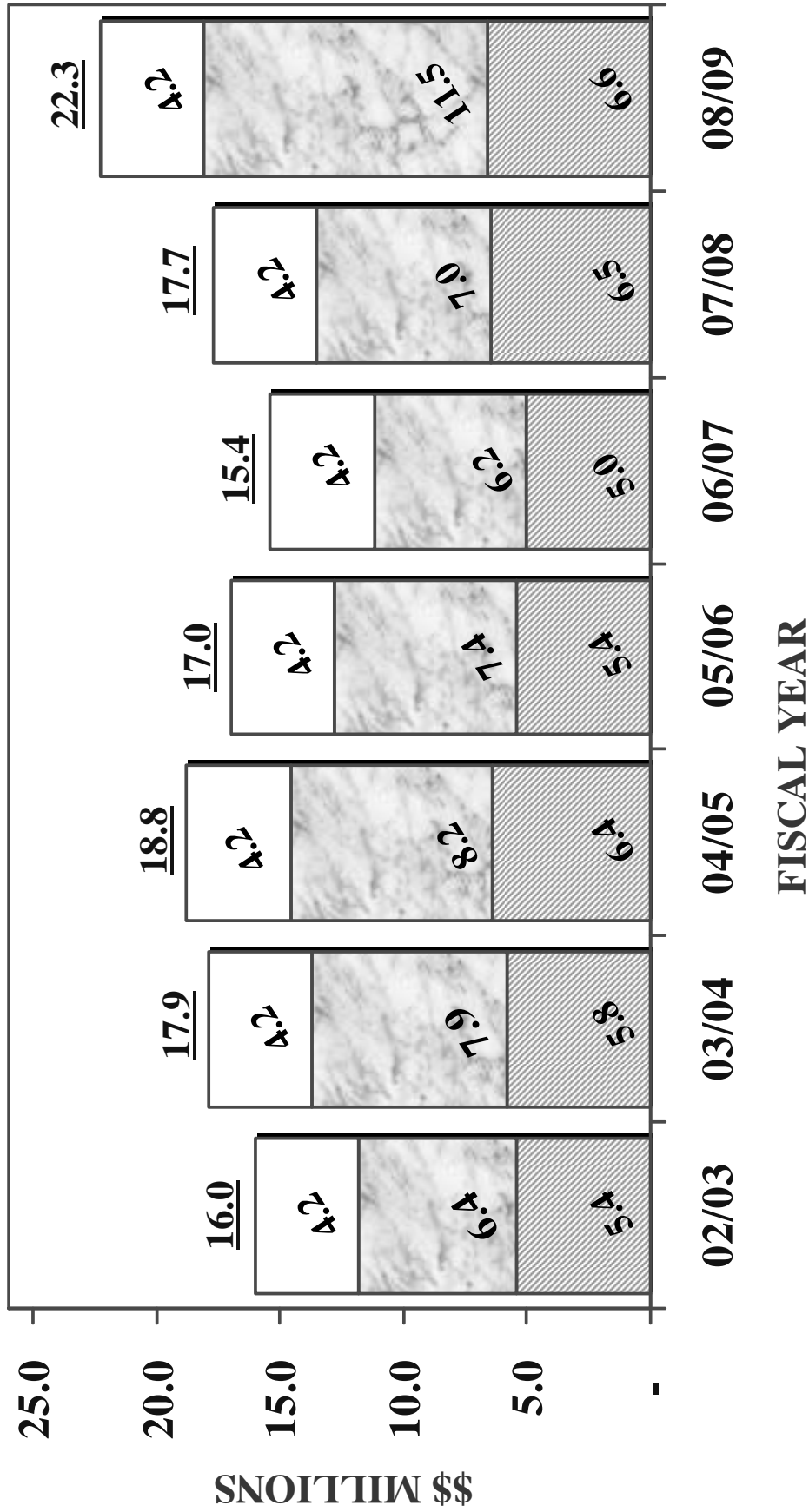
GENERAL FUND/FLOOD CONTROL (50)
Revenue vs Expenses



Use of Fund Balance **Revenue** **Expenses**

FISCAL YEAR

GENERAL FUND/FLOOD CONTROL (50)
Budget Including Reserves



Budget Expenses
 Project Reserves
 Oper/Emer Reserves

**BUDGET WORKSHEET
 GENERAL FUND/FLOOD CONTROL (50)**

Acct #	50 Account Description	Final Budget 07/08	Proposed Budget 08/09	Change Amount	Opr/Emer Reserves
<u>Revenues & Transfers</u>					
4111	Property Taxes Current Secured	\$4,327,388	\$5,481,000	\$1,153,612	
4112	Property Taxes Current Unsecured	\$1,203,124	\$309,000	(\$894,124)	
4113	Property Tax-Supplemental	\$121,365	\$103,000	(\$18,365)	
4114	Property Taxes Prior Secured	\$60,000	\$100,000	\$40,000	
4115	Property Taxes Sa Secured	\$20,000	\$30,000	\$10,000	
4116	Property Taxes Prior Unsecured	\$10,000	\$5,000	(\$5,000)	
4117	Property Taxes Prior Sa Unsecured	\$1,000	\$1,000	\$0	
4191	Other Licenses & Permits	\$2,500	\$2,500	\$0	
4211	Disaster Reimbursements	\$0	\$0	\$0	
4221	HPTR	\$53,932	\$55,550	\$1,618	
4241	Federal;Other	\$0	\$0	\$0	
4251	Local Housing Authority In-Lieu	\$600	\$600	\$0	
4311	Interest on Investments	\$525,000	\$700,000	\$175,000	
4331	Rent of Land & Buildings	\$4,660	\$4,660	\$0	
4610	Other Charges for Current Services	\$25,000	\$25,000	\$0	
4631	Plan Checking Fees	\$14,000	\$10,000	(\$4,000)	
4810	Other Revenue	\$10,000	\$10,000	\$0	
	Total Revenues	\$6,378,569	\$6,837,310	\$458,741	
<u>Expenditures, Reserves & Credits</u>					
6100	Labor & Overhead Apportioned				
6110	Direct Labor & Benefits Appor	\$861,252	\$931,613	\$70,361	
6120	Indirect Labor & Benefits Appor	\$338,218	\$347,292	\$9,074	
	Total Personnel	\$1,199,470	\$1,278,905	\$79,435	
6200	Professional & Technical Svcs				
6210	Professional & Tech Svcs	\$3,892,649	\$4,753,650	\$861,001	\$3,370,072
6230	County Prof & Tech Services	\$207,250	\$110,000	(\$97,250)	
6250	District Prof & Tech Services	\$5,000	\$7,500	\$2,500	
6280	Dist Labor/Indirect - Misc	\$0	\$0	\$0	
6500	Utilities				
6510	Gas & Electricity	\$0	\$0	\$0	
6520	Communications	\$8,500	\$6,000	(\$2,500)	
6600	Facilities Services				
6610	Cleaning Services	\$5,000	\$5,000	\$0	
6610	Other	\$0	\$0	\$0	
6612	Garbage Disposal	\$5,000	\$5,000	\$0	
6614	Janitorial Service	\$0	\$0	\$0	
6620	Maint Svcs & Mat - Equipment	\$101,960	\$128,180	\$26,220	\$114,680
6630	Maint Svcs & Mat - Structs & Imp's	\$12,396,629	\$15,118,921	\$2,722,292	\$11,698,921
6640	Rents & Leases - Equipment	\$50,666	\$59,756	\$9,090	\$39,756
6650	Rents & Leases - Land, Structs	\$104,800	\$106,800	\$2,000	
6670	Other Property Services	\$0	\$0	\$0	
6700	Services and Supplies				
6720	Emergency & Safety	\$26,000	\$26,000	\$0	
6740	Office Expense	\$74,400	\$40,750	(\$33,650)	
6750	Organization Memberships & Dues	\$27,000	\$51,500	\$24,500	
6760	Other Services & Supplies	\$76,846	\$86,979	\$10,133	\$67,279
6761	Advertising & Legal Services	\$0	\$100	\$100	
6762	Clothing & Personal Supplies	\$500	\$600	\$100	
6764	Household Expense	\$1,200	\$600	\$0	
6765	Laboratory Supplies	\$0	\$0	\$0	
6766	Tools & Instruments	\$2,000	\$2,100	\$100	
6767	State & Local Fees	\$20,250	\$15,200	(\$5,050)	
6768	Uniform Service	\$1,000	\$1,100	\$100	
6769	Other	\$51,896	\$67,279	\$15,383	
6770	Training	\$26,000	\$26,000	\$0	
6780	Transportation	\$1,500	\$1,500	\$0	
6790	Travel	\$7,000	\$5,500	(\$1,500)	
6800	Equipment				
6810	Equipment & Vehicle Expense	\$19,000	\$27,000	\$8,000	\$0
6900	Other				
6910	Non-Operating Expense	\$5,000	\$5,000	\$0	
	Total Services & Supplies	\$17,035,201	\$20,566,036	\$3,530,835	\$15,290,708
6245	Reprographics-AlaCo	\$5,600	\$5,000	(\$600)	
	Total Non-Discretionary Expenditur	\$5,600	\$5,000	(\$600)	
7500	Capital Land, Structures, & Equip				
7510	Capital Structures & Improvmts	\$344,179	\$427,933	\$83,754	\$427,933
7520	Capital Equipment	\$18,500	\$18,500	\$0	
	Total Fixed Assets	\$362,679	\$446,433	\$83,754	\$427,933
	Total Expenditures	\$18,602,950	\$22,296,374	\$7,318,745	\$15,718,641
	% Change General Fund/Flood Control Budget			39.34%	

**STATE WATER FACILITIES FUND
BUDGET**

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
FISCAL YEAR 2008-09

STATE WATER FACILITIES FUND BUDGET

	<u>2007-08</u>	<u>2008-09</u>	<u>Change</u>	<u>%</u>
Appropriation	\$7,132,532	\$8,226,597	\$1,094,065	15.34%
Reserves	\$3,347,923	\$4,373,070	\$1,025,147	
Revenue	\$6,762,100	\$8,284,100	\$1,522,000	22.51%

This budget finances the "fixed cost" payment to the State Department of Water Resources (DWR) to import water to Zone 7. The purpose is to pay the costs for use of the State water delivery system, which includes repayment of voter approved, State incurred, long-term debt.

The proposed budget reflects anticipated revenue needs for fiscal year 2008-09. The forecast of the available fund balance as of June 30, 2008 is \$4,315,567 . Property taxes, other revenues and the available fund balance will provide sufficient funds to offset a budget expense of \$9,726,597 . In addition, \$1,500,000 of credits will be transferred from the Expansion fund to offset a portion of the fixed costs associated with the water transfers secured for anticipated future needs, resulting in a net appropriation of \$8,226,597 . A reserve of \$4,373,070 is proposed for this budget to pay charges during the period prior to the collection of tax revenues, protection for development fee availability, and to allow for any revisions to Zone 7's State obligations.

Appropriations and revenue represent funds necessary to pay the anticipated fixed water charges for the State Water Project for fiscal year 2008-09.

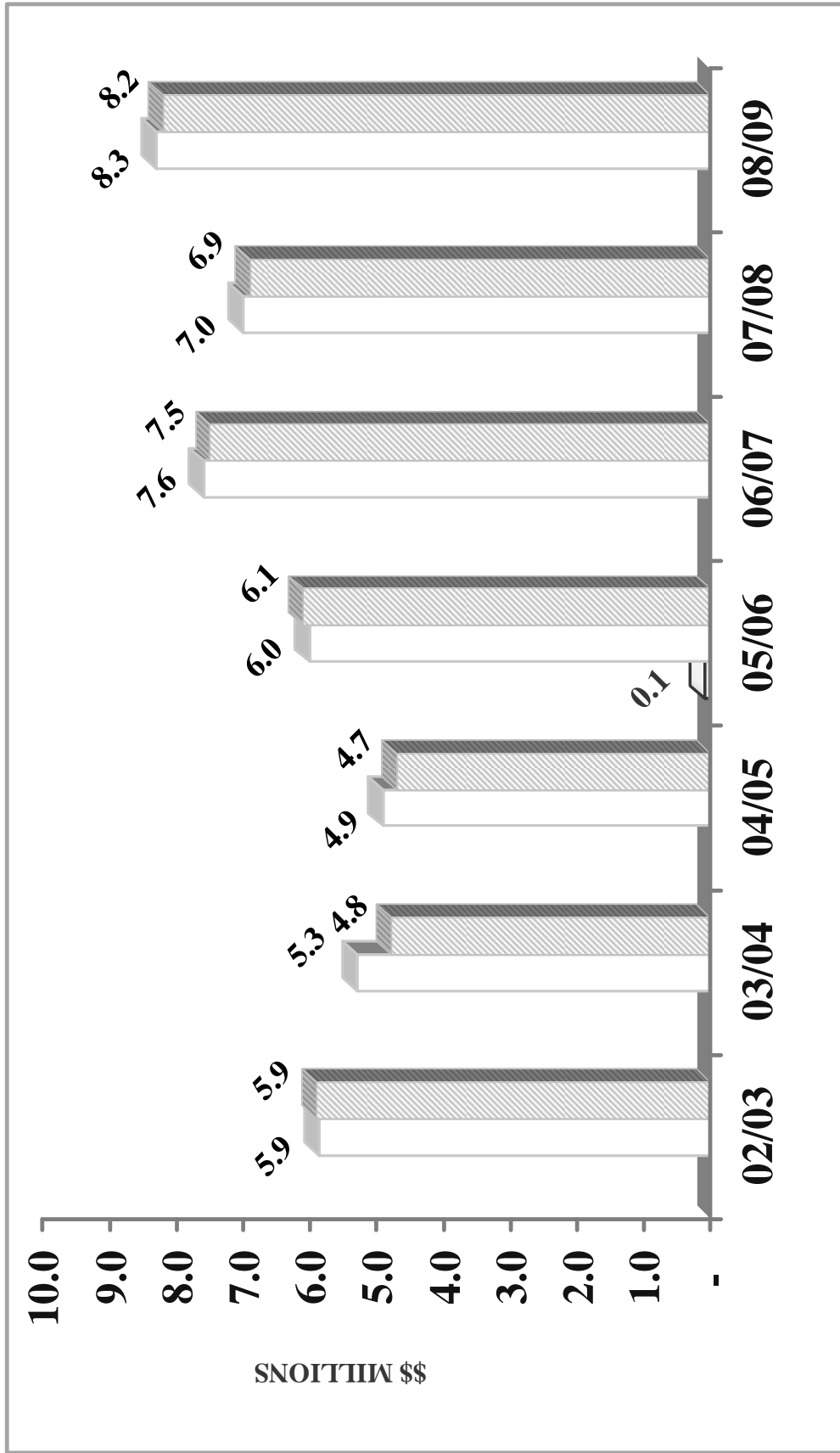
Fixed costs not paid for by property tax are partially offset by projected revenue of \$595,000 from Dublin San Ramon Services District for services to Dougherty. These contributions are intended to offset the impact of the fixed costs associated with the new water agreements. Due to the increase in charges from DWR for the water delivery system, charges to the Expansion program are increasing for fiscal year 2008-09.

SUMMARY:REVENUES/EXPENDITURES
STATE WATER FACILITIES FUND (51)

Available Fund Balance 06/30/2007		\$4,171,051
Adjustment		\$0
Net Available Fund Balance		\$4,171,051
<u>Estimated Revenue FY 2007/08</u>		
Current Tax Revenue	\$5,725,000	
Other Revenue	\$1,295,100	\$7,020,100
Total Est. Available Funds FY 2007/08		\$11,191,151
<u>Estimated Expenditures FY 2007/08</u>		
Payments to Dept of Water Resources	\$8,375,584	
Credits for Services	(\$1,500,000)	\$6,875,584
Estimated Available Fund Balance 06/30/2008		\$4,315,567
<u>Estimated Revenue FY 2008/09</u>		
Current Tax Revenue	\$6,900,000	
Other Revenue	\$1,384,100	\$8,284,100
Estimated Available Funds FY 2008/09		\$12,599,667
<u>Estimated Expenditures FY 2008/09</u>		
Payments to Dept of Water Resources	\$9,726,597	
Credits for Services	(\$1,500,000)	\$8,226,597
Reserve Funds	\$4,373,070	\$4,373,070
Net Expenditures & Reserves		\$12,599,667
Total Appropriation - FY 2008/09		\$14,099,667

STATE WATER FACILITIES FUND (51)

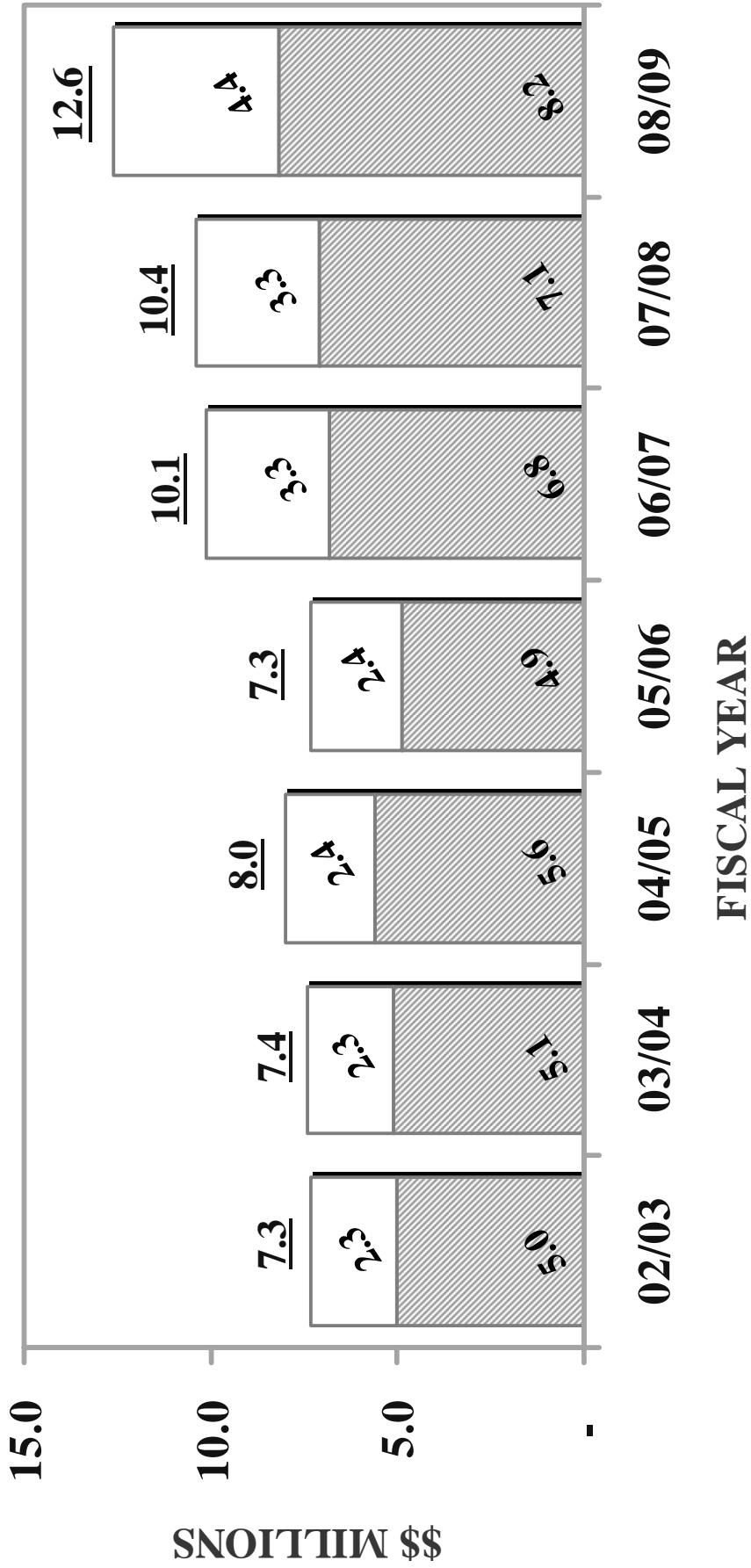
Revenue vs Expenses



FISCAL YEAR

Use of Fund Balance
 Revenue
 Expenses

STATE WATER FACILITIES FUND (51)
Budget Including Reserves



 Budget Expenses
  Emer/Oper Reserves

**BUDGET WORKSHEET
 STATE WATER FACILITIES FUND (51)**

Acct #	51 Account Description	Final Budget 07/08	Proposed Budget 08/09	Change Amount	Opr/Emer Reserves
<u>Revenues & Transfers</u>					
4111	Property Taxes Current Secured	\$5,275,000	\$6,575,000	\$1,300,000	
4112	Property Taxes Current Unsecured	\$175,000	\$175,000	\$0	
4113	Property Tax-Supplemental	\$150,000	\$150,000	\$0	
4114	Property Taxes Prior Secured	\$60,000	\$60,000	\$0	
4115	Property Taxes Sa Secured	\$15,000	\$15,000	\$0	
4116	Property Taxes Prior Unsecured	\$3,000	\$3,000	\$0	
4117	Property Taxes Prior Sa Unsecured	\$600	\$600	\$0	
4221	Homeowners Prop Tax Relief	\$40,000	\$40,000	\$0	
4251	Local Housing Authority In-Lieu	\$500	\$500	\$0	
4311	Interest on Investments	\$90,000	\$90,000	\$0	
4321	Interest from Other Sources	\$80,000	\$80,000	\$0	
4541	Water Service Surcharge	\$373,000	\$595,000	\$222,000	
4810	Other Revenue	\$500,000	\$500,000	\$0	
	<u>Total Revenues</u>	<u>\$6,762,100</u>	<u>\$8,284,100</u>	<u>\$1,522,000</u>	
<u>Expenditures, Reserves & Credits</u>					
6410	Water - DWR Fixed Charges	\$11,580,455	\$14,099,667	\$2,519,212	\$4,373,070
6419	Credits for Fixed Cost from Expansion	(\$1,100,000)	(\$1,500,000)	(\$400,000)	
	<u>Total Expenditures</u>	<u>\$10,480,455</u>	<u>\$12,599,667</u>	<u>\$2,119,212</u>	<u>\$4,373,070</u>
	% Change State Water Facilities Fund			20.22%	

**WATER ENTERPRISE FUND
BUDGET**

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
FISCAL YEAR 2008-09

WATER ENTERPRISE BUDGET

	<u>2007-08</u>	<u>2008-09</u>	<u>Change</u>	<u>%</u>
Appropriation	\$28,910,511	\$30,752,911	\$1,842,400	6.37%
Reserves	\$12,076,303	\$7,123,882	(\$4,952,421)	
Revenue	\$30,523,000	\$28,762,017	(\$1,760,983)	(5.77%)

This budget finances Zone 7's water program which includes general administration, facilities engineering, operations and maintenance of the water supply and delivery system, water resources management, and water supply planning and design.

The purpose of this fund is to ensure the delivery of high quality water to the Livermore-Amador Valley. This includes water treatment and distribution of potable water; distribution of untreated agricultural water; and surface water and groundwater management. Water distributed is a combination of locally conserved and imported water from the State Water Project. Activities include water treatment; water quality analysis; water resource management and groundwater protection; and water supply planning and engineering.

The forecast for current year revenues, expenditures and fund transfers would result in an estimated available fund balance of \$19,706,375 at the end of fiscal year 2007-08. In 2007 there was a federal court ruling which reduced the Department of Water Resources pumping by 30%. As a result of this, Zone 7 requested 10% water conservation and actual water sales for July through December 2007 were averaging around a 10% decrease. On October 18, 2007, the Board approved a 0.4% Delta Water Charge effective January 1, 2008. In addition, the Board also approved use of the \$5 million Rate Stabilization Reserve for calendar year 2008 to mitigate higher water rate increases. The fiscal year 2007-08 forecast and the fiscal year 2008-09 budget anticipate use of this reserve.

The budget recommendation anticipates an 8.25% water rate increase and an additional 2.45% Delta Water Charge for calendar year 2009.

The proposed budget for the Water Enterprise Fund totals \$30,752,911 for operating expenditures, an operating/emergency reserve of \$6,150,582, and a designated reserve of \$973,300 for cost increases in categories in which there is minimal control and which are critical to operations such as water; chemicals; power and personnel costs. The budget also proposes transferring to the Renewal and Replacement and System-Wide Improvements Fund as the annual contribution for capital improvement needs as part of the Asset Management Program.

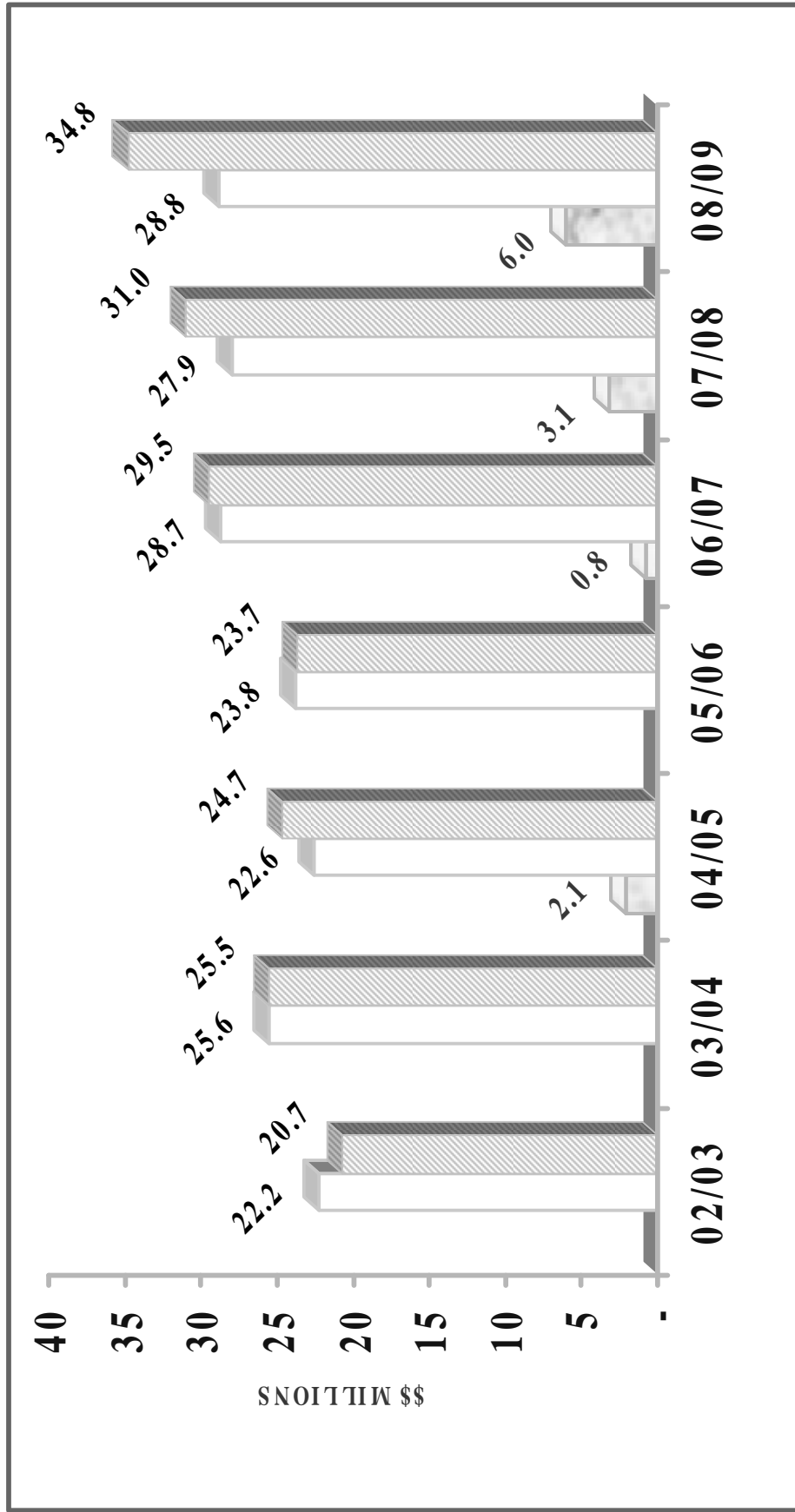
Water treatment related costs for fiscal year 2008-09 are increasing by \$541,794 to reflect actual experience, and planned water operations. Other operating costs are increasing by \$1,300,606 for professional services, County Services, staff costs, and maintenance.

SUMMARY:REVENUES/EXPENDITURES
WATER ENTERPRISE FUND (52)

Available Fund Balance 06/30/2007		\$25,086,441	
Adjustments		(\$1,062,055)	
Net Available Fund Balance		\$24,024,386	
<u>Estimated Revenue FY 2007/08</u>			
Water Sales	\$26,702,000		
Interest	\$902,000		
Other	\$263,800	\$27,867,800	
Total: Est. Available Funds: Current Year		\$51,892,186	
<u>Fund Contributions</u>			
Fund 72 - Renewal & Rpl/Syst Imp (transfer 2006-07)	(\$5,500,000)	(\$5,500,000)	
Estimated Available Funds FY 2007/08		\$46,392,186	
<u>Estimated Expenditures FY 2007/08</u>			
Personnel	\$15,602,599		
Services & Supplies	\$16,936,831		
County Indirect Cost	\$724,702		
Fixed Assets	\$50,000		
Credits for Service	(\$6,628,321)	\$26,685,811	
Estimated Net Fund Balance 06/30/2008		\$19,706,375	
<u>Year End Fund Contributions FY 2007/08</u>			
Fund 72 - Renewal & Repl/Syst Imp (transfer 2008-09)	(\$4,289,798)	(\$4,289,798)	
Estimated Net Available Funds: 2007/08		\$15,416,577	
<u>Estimated Revenue FY 2008/09</u>			
Water Sales	\$28,094,980		
Interest	\$534,037		
Other	\$133,000	\$28,762,017	
<u>Estimated Expenditures FY 2008/09</u>			
Personnel	\$16,577,921		
Services & Supplies	\$19,542,808		
County Indirect Cost	\$746,443		
Fixed Assets	\$142,000		
Credits for Service	(\$6,256,261)	\$30,752,911	
Subtotal: Net Current Year Balance		(\$1,990,894)	
Estimated Net Fund Balance 06/30/2009		\$13,425,683	
<u>Year End Fund Contributions FY 2008/09</u>			
Fund 72 - Renewal & Repl/Syst Imp (transfer 2009-10)	(\$4,084,138)	(\$4,084,138)	
<u>Rate Stabilization Fund</u>			
Rate Stabilization Fund	\$0	\$0	
<u>Reserve Funds FY 2008/09</u>			
Operating/Emergency Reserves	\$6,150,582	\$6,150,582	
Designated Account Reserves			
Personnel	\$973,300		
Chemicals	\$0		
Utilities	\$0		
Water	\$0	\$973,300	
<u>Net Estimated Available Fund Balance 06/30/2009</u>		\$2,217,663	

WATER ENTERPRISE FUND (52)

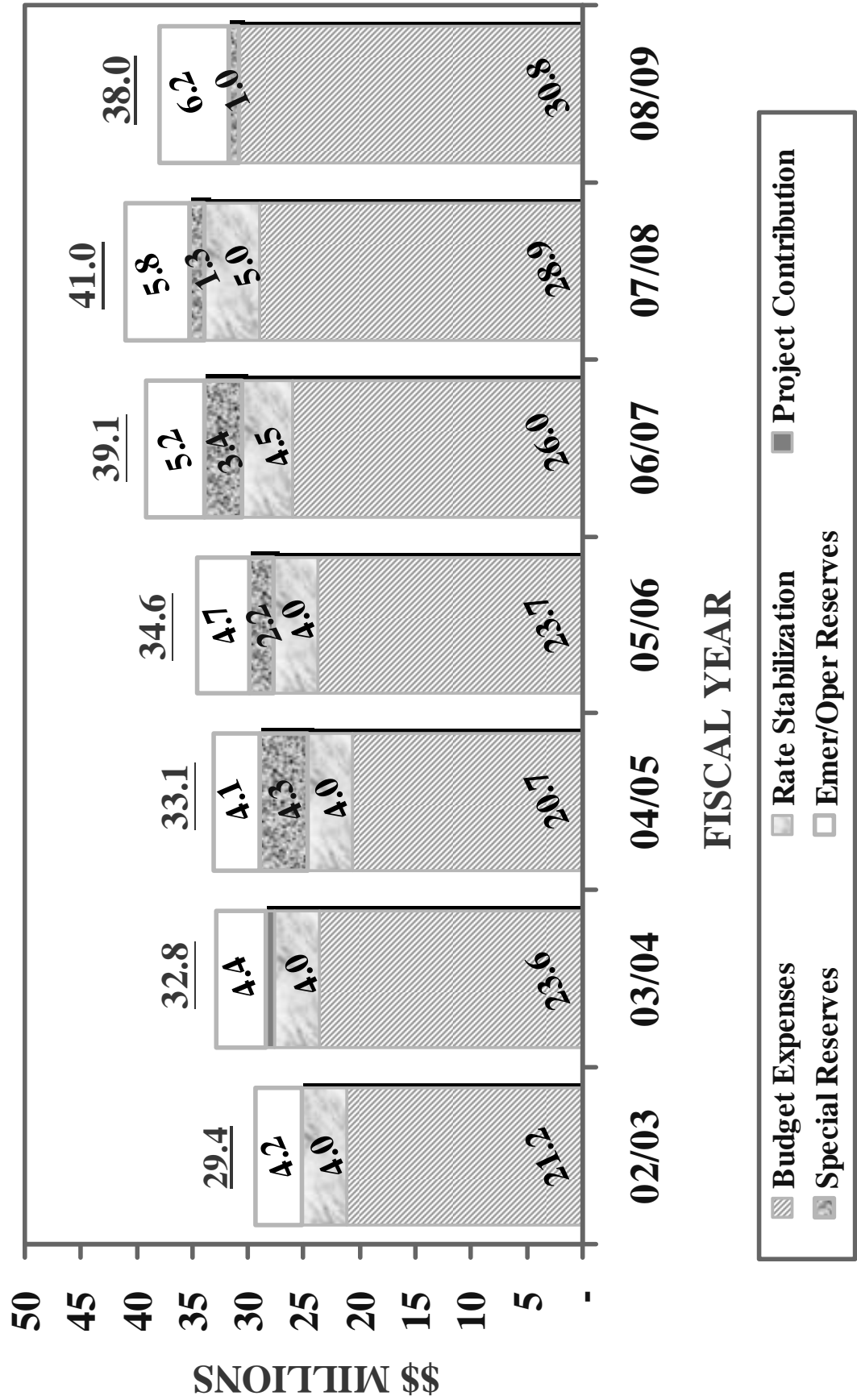
Revenue vs Expenses



FISCAL YEAR

Use of Fund Balance Revenue Expenses

WATER ENTERPRISE BUDGET (52)
Budget Including Reserves



BUDGET WORKSHEET
WATER ENTERPRISE FUND (52)

Acct #	Account Description	Final Budget 07/08	Proposed Budget 08/09	Change Amount	Oper/Emer Reserves
Revenues & Transfers					
4230	SB 90 Claims	\$2,500	\$0	(\$2,500)	
4310	Interest on Investments	\$710,262	\$534,037	(\$176,225)	
4320	Interest from Other Sources	\$0	\$0	\$0	
4330	Rent of Land and Buildings	\$31,000	\$31,000	\$0	
4510	Treated Water Sales	\$28,974,379	\$27,709,160	(\$1,265,219)	
4520	Untreated Water Sales	\$407,160	\$383,800	(\$23,360)	
4530	Temporary Water Sales	\$3,698	\$2,020	(\$1,678)	
4720	Transfers From Other Deposits	\$0	\$0	\$0	
4810	Other Revenues	\$394,001	\$102,000	(\$292,001)	
	Total Revenues	\$30,523,000	\$28,762,017	(\$1,760,983)	
	Transfers-in (out)				
	72-542	(\$4,155,655)	(\$4,084,138)	\$71,517	
	Total Transfers	(\$4,155,655)	(\$4,084,138)	\$71,517	
	Net Revenue Available	\$26,367,345	\$24,677,879	(\$1,689,466)	
Expenditures, Reserves & Credits					
6100	Labor & Overhead Apportioned				
6110	Direct Labor & Benefits Appor	\$16,419,177	\$17,551,221	\$1,132,044	\$973,300
	Total Personnel	\$16,419,177	\$17,551,221	\$1,132,044	\$973,300
6200	Professional & Technical Svcs				
6210	Professional & Tech Svcs	\$2,709,867	\$2,950,522	\$240,655	\$425,292
6230	County Prof & Tech Services	\$309,800	\$323,800	\$14,000	
6250	District Prof & Tech Services	\$500	\$500	\$0	
6300	Chemicals				
6310	Chemicals	\$2,402,562	\$2,399,967	(\$2,595)	\$0
6400	Water				
6420	SWP - Variable Costs	\$5,152,200	\$5,156,987	\$4,787	\$0
6430	Water Entitlement/Option Purchases	\$529,000	\$440,498	(\$88,502)	
6460	Water Storage	\$1,214,000	\$1,216,025	\$2,025	
6480	Water Other	\$203,000	\$253,000	\$50,000	
6490	Water Rate Designations	\$5,000,000		(\$5,000,000)	\$0
6500	Utilities				
6510	Gas & Electricity	\$1,003,850	\$1,175,900	\$172,050	\$0
6520	Communications	\$201,471	\$163,028	(\$38,443)	
6600	Facilities Services				
6610	Cleaning Services	\$58,903	\$68,110	\$9,207	
6610	Other	\$5,000	\$5,000	\$0	
6612	Garbage Disposal	\$13,603	\$4,350	(\$9,253)	
6614	Janitorial Service	\$40,300	\$58,760	\$18,460	
6620	Maint Svcs & Mat - Equipment	\$1,857,066	\$2,029,550	\$172,484	\$1,883,430
6630	Maint Svcs & Mat - Strcuts & Imp's	\$4,366,048	\$4,946,693	\$580,645	\$1,883,430
6640	Rents & Leases - Equipment	\$1,888,970	\$2,032,166	\$143,196	\$1,883,430
6650	Rents & Leases - Land, Strcuts	\$0	\$0	\$0	
6670	Other Property Services	\$38,216	\$32,790	(\$5,426)	
6700	Services and Supplies				
6720	Emergency & Safety	\$66,230	\$56,800	(\$9,430)	
6740	Office Expense	\$466,108	\$501,489	\$35,381	
6750	Organization Memberships & Dues	\$314,815	\$264,570	(\$50,245)	
6760	Other Services & Supplies	\$386,506	\$419,890	\$33,384	
6761	Advertising & Legal Services	\$18,200	\$37,450	\$19,250	
6762	Clothing & Personal Supplies	\$28,950	\$38,950	\$10,000	
6764	Household Expense	\$1,500	\$1,400	(\$100)	
6765	Laboratory Supplies	\$171,965	\$175,065	\$3,100	
6766	Tools & Instruments	\$15,403	\$16,760	\$1,357	
6767	State & Local Fees	\$100,030	\$95,170	(\$4,860)	
6768	Uniform Service	\$24,858	\$29,495	\$4,637	
6769	Other	\$25,600	\$25,600	\$0	
6770	Training	\$333,270	\$369,900	\$36,630	
6780	Transportation	\$8,775	\$14,600	\$5,825	
6790	Travel	\$48,700	\$55,000	\$6,300	
6800	Equipment				
6810	Equipment & Vehicle Expense	\$242,300	\$244,800	\$2,500	
6900	Other				
6910	Non-Operating Expense	\$55,400	\$77,200	\$21,800	
	Total Discretionary Expenditures	\$28,857,557	\$25,193,785	(\$3,663,772)	\$6,075,582
6241	County Tie-line	\$4,844	\$5,581	\$737	
6242	Maint-Electronic Equip-GSA	\$26,047	\$30,011	\$3,964	
6243	Equip & Vehicle Fuel & Oil-GSA	\$25,344	\$29,201	\$3,857	
6244	Data Processing Services	\$82,609	\$95,181	\$12,572	
6245	Reprographics-AlaCo	\$34,458	\$42,800	\$8,342	
6246	Risk Management Ins	\$192,529	\$221,830	\$29,301	
	Total Non-Discretionary Expenditu	\$365,831	\$424,605	\$58,773	\$0
	Total Services & Supplies	\$29,223,388	\$25,618,390	(\$3,604,999)	\$6,075,582
6247	County Indirect Costs	\$724,702	\$746,443	\$21,741	
7500	Capital Land, Structures, & Equip				
7510	Capital Structures & Improvmts				
7520	Capital Equipment	\$160,000	\$217,000	\$57,000	\$75,000
	Total Fixed Assets	\$160,000	\$217,000	\$57,000	\$75,000
7600	Intra Fund Transfers				
7610	Credit for Inter-department Charges	(\$5,540,453)	(\$6,256,261)	(\$715,808)	
	Total Expenditures	\$40,986,814	\$37,876,793	(\$3,110,022)	\$7,123,882
	% Change Water Enterprise Budget			-7.59%	

**SPECIAL DRAINAGE AREA 7-1
PROGRAMS**

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
FISCAL YEAR 2008-09

FLOOD CONTROL CAPITAL IMPROVEMENT PROGRAMS

SPECIAL DRAINAGE AREA 7-1

	<u>2007-08</u>	<u>2008-09</u>	<u>Change</u>
Appropriation	\$5,065,500	\$15,159,988	\$10,094,488

The purpose of this program is to ensure that Zone 7 is able to meet future needs for flood control facilities. The program is primarily intended to provide funding for any flood control facilities required for new development. New development pays the drainage fees to offset the impacts caused by the increase of impervious surface area within Zone 7's service area. Drainage Fees have been adjusted in accordance with Ordinance No. 0-2002-24, in which the previous \$0.706/sq. ft. of impervious area was increased to \$0.9178/sq.ft of impervious area effective January 2008.

Funds are expended on land acquisition, construction, engineering, and repair of local drainage facility projects. Under the same ordinance, up to 50% of these funds may also be used to reimburse any developers who construct, improve or provide a right of way for any portion of a flood control project within Zone 7's authorized project lines area.

The funding for this program comes entirely from new development fees and is in conformance with the Board's stated policy that new development funds its own needs.

The proposed projects are \$550,000 for an Arroyo de la Laguna project study; \$10,000 for Line H improvements from Central to Vasco; \$100,000 for SDA management and administrative costs; \$840,000 for the StreamWISE program; and \$12,000,000 for Arroyo Las Positas improvements near El Charro Road. In addition, there is \$107,000 in lease costs and a \$78,000 addition to the sinking fund to allow for future purchase of the administration building, should the option be exercised, and \$1,552,988 for consulting and other costs.

Exhibit A lists the proposed budget and projects for fiscal year 2008-09 totaling \$15,237,988.

Exhibit B lists the anticipated projects for fiscal year 2008-09 for developer reimbursements totaling \$1,000,000.

SUMMARY:REVENUES/EXPENDITURES
FLOOD CONTROL CAPITAL FUNDS
SPECIAL DRAINAGE AREA (SDA)
PROGRAMS (FUND 71)

Available Fund Balance 06/30/2007		\$ 25,076,861
Adjustments		\$0
Net Available Fund Balance		\$25,076,861

<u>Estimated Revenue FY 2007/08</u>		
Interest	\$990,683	
Fund Transfers	\$1,792,577	
Other	\$0	\$2,783,260
Estimated Available Funds FY 2007/08		\$27,860,121

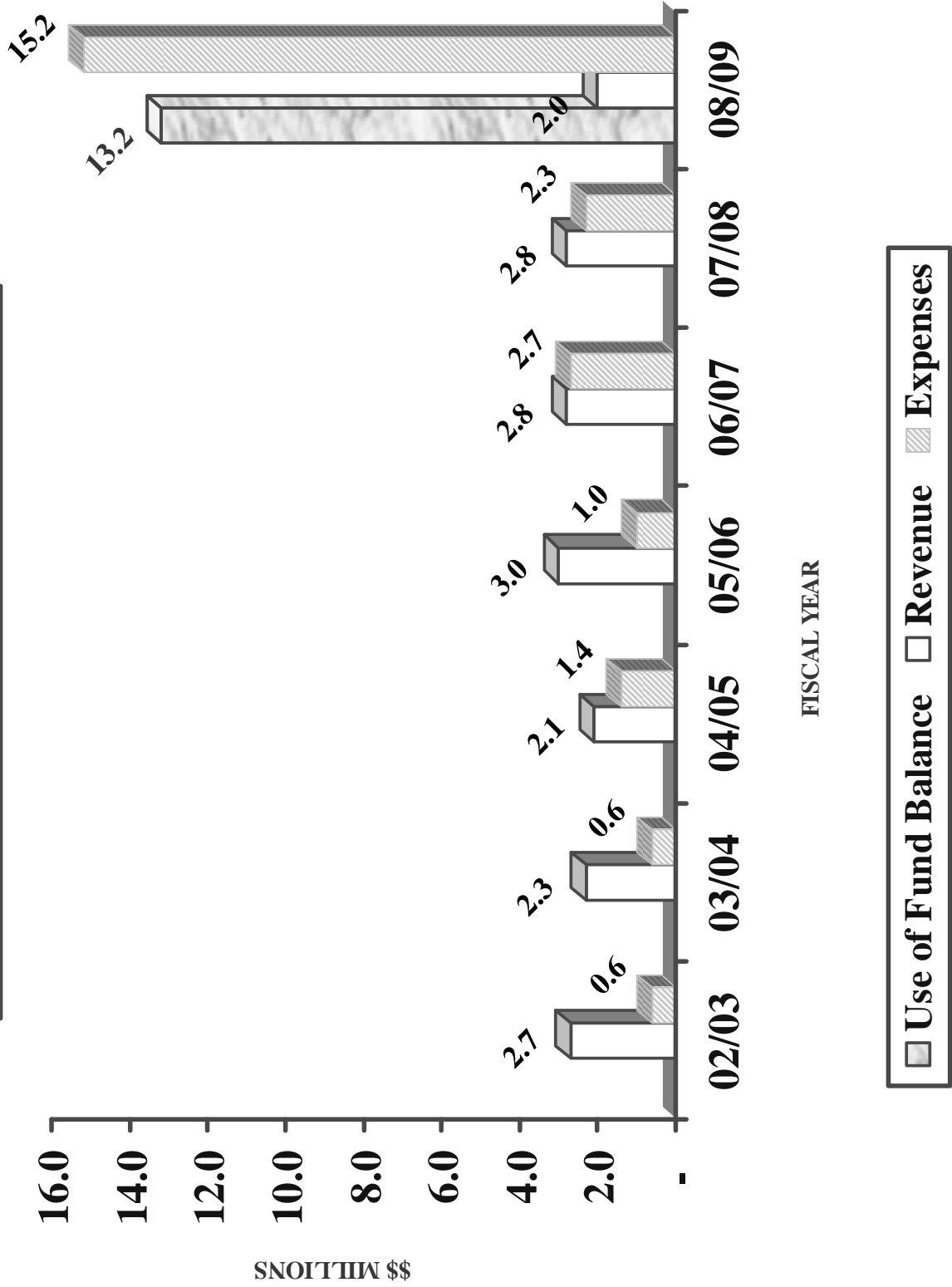
<u>Estimated Expenditures FY 2007/08</u>		
Personnel	\$650,528	
Contracts	\$1,492,388	
Construction	\$8,200	
Other	\$128,883	\$2,279,999
<u>Net Estimated Fund Balance 06/30/2008</u>		\$25,580,122

<u>Estimated Revenue FY 2008/09</u>		
Interest	\$665,345	
Fund Transfers	\$1,344,433	
Other	\$0	\$2,009,778
Estimated Available Funds FY 2008/09		\$27,589,899

<u>Estimated Expenditures FY 2008/09</u>		
Personnel	\$744,988	
Contracts	\$1,187,250	
Construction	\$13,095,000	
Other	\$132,750	
Contingency	\$0	\$15,159,988

<u>Reserve Funds</u>		
Building Sinking Fund 06/30/2008	\$343,844	
Contribution for FY 2008/09	\$78,000	\$421,844
<u>Net Estimated Fund Balance 06/30/2009</u>		\$12,008,067

SPECIAL DRAINAGE AREA 7-1 FUND (71)
Revenue vs Expenses



**EXHIBIT A
 BUDGET REQUEST
 SPECIAL DRAINAGE AREA 7-1**

Job Number	Project Description/Name	Fund Number	Funding Req. 2008/2009
BUILDING & GROUNDS			
61154	North Canyons Admin/Eng Building Lease	71	\$107,000
	Building & Grounds Subtotal:		\$107,000
FLOOD CONTROL FACILITIES			
96071	Arroyo Las Positas Improvements Near El Charro Road	71	\$12,000,000
96071	Arroyo de la Laguna Improvements - Army Corps Civil Works Project Feasibility Study	71	\$550,000
96071	Line H - Central to Vasco Improvements	71	\$10,000
61000	SDA Management & Administration	71	\$100,000
61145	StreamWISE	71	\$840,000
	Flood Control Facilities Subtotal:		\$13,500,000
CONSULTING & OTHER COSTS			
96171	Consulting & Other Costs	71	\$1,552,988
	Consulting & Other Costs Subtotal:		\$1,552,988
	SPECIAL DRAINAGE AREA 7-1 SUBTOTAL:		\$15,159,988
SINKING FUNDS			
96071	Administrative & Engineering Building - Sinking Fund	71	\$78,000
	Sinking Fund Subtotal:		\$78,000
	SPECIAL DRAINAGE AREA 7-1 TOTAL		\$15,237,988

**EXHIBIT B
SPECIAL DRAINAGE AREA 7-1 TRUST FUND
CAPITAL PROJECTS**

Job Number	Project Description/Name	Fund Number	Funding 2008/2009
	PROJECTS		
	SDA 7-1 REIMBURSEMENT	90 \$	1,000,000
	<i>Projects Subtotal:</i>	\$	1,000,000

RENEWAL & REPLACEMENT
SYSTEM-WIDE IMPROVEMENTS
PROGRAMS

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
FISCAL YEAR 2008-09

WATER ENTERPRISE CAPITAL IMPROVEMENT PROGRAMS
RENEWAL & REPLACEMENT & SYSTEMWIDE IMPROVEMENTS

	<u>2007-08</u>	<u>2008-09</u>	<u>Change</u>
Renewal & Replacement			
Appropriation	\$4,754,000	\$3,798,000	(\$956,000)
Systemwide Improvements			
Appropriation	\$6,658,445	\$9,490,405	\$2,831,960

The purpose of these programs is to ensure that the current water treatment and delivery systems are functioning effectively and that capital replacement and improvement needs are funded. The budgets for these programs are funded primarily from the sale of treated and untreated water and Facility Use fees by new users in the Dougherty Valley. There can also be additional revenues from interest earned on any deposited funds.

System-wide Improvements include \$835,000 for security improvements to existing facilities; \$5,662,405 for groundwater basin management including wellhead demineralization and new monitoring wells; \$25,000 for program management; \$285,000 for transmission system improvements; \$282,000 for water supply and conveyance; and \$2,401,000 for water treatment facilities including a Caustic Soda Chemical Storage Upgrade and a Recovery Ponds Solids Extraction System at Del Valle Water Treatment Plant, an energy use audit and evaluation of Porta-PAC and improvements for filters and HVAC at Patterson Pass Water Treatment Plant, Water Quality Taste and Odor Treatment at both treatment plants, and Water Quality Management Program.

Projects proposed under the Renewal & Replacement Program include \$170,000 for monitoring well and stream gage replacement; \$61,000 for program management; \$100,000 in laboratory equipment for regulatory compliance; \$25,000 for transmission system master planning; \$2,615,000 for water treatment facilities including; coating improvements to roof of the clearwell and the clearwell itself, chemical feed system replacement, sanitary sewer line construction, Patterson Pass Water Treatment Plant Ultrafiltration membrane replacement, Ammonia facility replacement, SCADA Enhancement, and minor renewal/replacements projects. In addition there is \$478,000 for lease costs and a \$349,000 addition to the sinking fund for possible future purchase of the administration building, should the option be exercised.

Exhibit C lists the proposed budget and projects for fiscal year 2008-09 totaling \$13,788,405 which includes the addition of \$349,000 to the building sinking fund and a \$500,000 contingency to cover unanticipated and/or emergency projects that arise during the year.

SUMMARY:REVENUES/EXPENDITURES
WATER ENTERPRISE CAPITAL FUNDS
RENEWAL & REPLACEMENT, SYSTEMWIDE IMPROVEMENTS
PROGRAMS (FUND 72)

Available Fund Balance 06/30/2007		\$ 26,834,623
Adjustments		\$0
Net Available Fund Balance		\$26,834,623

<u>Estimated Revenue FY 2007/08</u>		
Interest	\$1,048,293	
Fund Transfers	\$5,500,000	
Other	\$12,000	
Facility Use Fees	\$1,193,920	\$7,754,213

Estimated Available Funds FY 2007/08		\$34,588,836
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<u>Estimated Expenditures FY 2007/08</u>		
Personnel	\$1,336,080	
Contracts	\$3,203,679	
Construction	\$9,924,649	
Other	\$256,221	\$14,720,629

<u>Net Estimated Fund Balance 06/30/2008</u>		\$19,868,207
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<u>Estimated Revenue FY 2008/09</u>		
Interest	\$559,669	
Fund Transfers	\$4,289,798	
Other	\$12,000	
Facility Use Fees	\$1,000,000	\$5,861,467

Estimated Available Funds FY 2008/09		\$25,729,674
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<u>Estimated Expenditures FY 2008/09</u>		
Personnel	\$1,213,000	
Contracts	\$1,286,211	
Construction	\$9,450,694	
Other	\$989,500	
Contingency	\$500,000	\$13,439,405

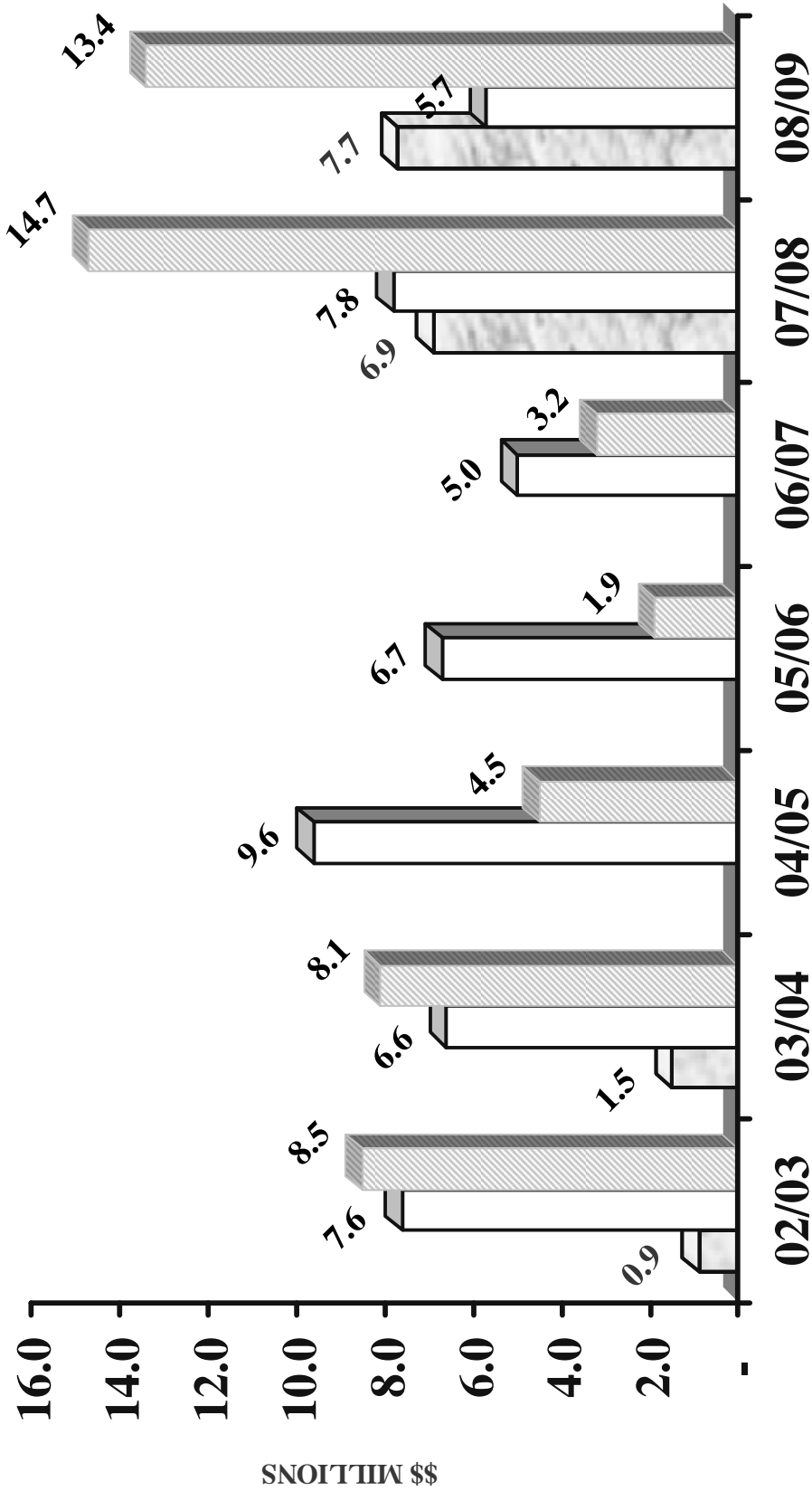
<u>Net Estimated Fund Balance 06/30/2009</u>		\$12,290,269
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<u>Reserve Funds</u>		
Building Sinking Fund 06/30/2008	\$1,243,263	
Contribution for FY 2008/09	\$349,000	\$1,592,263

<u>Net Estimated Available Fund Balance 06/30/2009</u>		\$10,698,006
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CAPITAL IMPROVEMENT/RENEWAL/REPLACEMENT FUND (72)

Revenue vs Expenses



FISCAL YEAR

□ Use of Fund Balance □ Revenue ▨ Expenses

**EXHIBIT C
 PROJECT BUDGET REQUEST
 SYSTEM WIDE IMPROVEMENTS/RENEWAL & REPLACEMENT FUND 72
 CAPITAL PROJECTS**

Job Number	Project Description/Name	Fund Number	Funding Req. 2008/2009
EMERGENCY PREPAREDNESS			
53062	Security Improvements at Existing Facilities	72	\$835,000
	Emergency Preparedness Subtotal:		\$835,000
GROUNDWATER BASIN MANAGEMENT			
53058	Mochó Groundwater Demineralization Plant	72	\$5,512,405
53040	New Monitoring Wells	72	\$150,000
	Groundwater Basin Management Subtotal:		\$5,662,405
PROGRAM MANAGEMENT			
54507	System-Wide Improvement, Renewal/Replacement Program Management	72	\$25,000
	Program Management Subtotal:		\$25,000
54034	Corrosion Master Plan	72	\$210,000
96072	System-Wide Installation of Line Valves	72	\$50,000
96072	Transmission System Master Planning	72	\$25,000
	Transmission And Distribution Subtotal:		\$285,000
WATER SUPPLY & CONVEYANCE			
54504	High-Efficiency Washing Machine Rebate Program	72	\$56,000
54505	Ultra Low Flush/High Efficiency Toilet Rebate Program	72	\$38,000
54501	Water Conservation Best Management Practices	72	\$188,000
	Water Supply & Conveyance Subtotal:		\$282,000
WATER TREATMENT FACILITIES			
96072	DVWTP Caustic Soda Chemical Storage Upgrade	72	\$510,000
96072	DVWTP Recovery Ponds Solids Extraction System	72	\$104,000
96072	Energy Use Audit	72	\$100,000
53060	Evaluation of Porta-PAC	72	\$50,000
53082	PPWTP Improvements	72	\$654,000
54064	PPWTP Ammoniation System Conversion	72	\$440,000
96072	PPWTP Filter-to-Waste Improvements	72	\$125,000
96072	PPWTP UF HVAC Improvements	72	\$70,000
96072	PPWTP UF Work Facility Addition	72	\$90,000
53080	Water Quality - DV/PPWTP Taste and Odor Treatment	72	\$180,000
53069	Water Quality Management Program	72	\$78,000
	Water Treatment Facilities Subtotal:		\$2,401,000
	SYSTEMWIDE IMPROVEMENTS TOTAL		\$9,490,405
BUILDING & GROUNDS			
54053	North Canyons Administrative & Engineering Building Lease	72	\$478,000
	Building & Grounds Subtotal:		\$478,000
GROUNDWATER BASIN MANAGEMENT			
54022	Monitoring Well Replacements	72	\$50,000
54030	Stream Gage Replacement	72	\$120,000
	Groundwater Basin Management Subtotal:		\$170,000
PROGRAM MANAGEMENT			
54508	Capital Improvement Program Management	72	\$36,000
54507	System-Wide Improvement, Renewal/Replacement Program Management	72	\$25,000
	Program Management Subtotal:		\$61,000
REGULATORY COMPLIANCE			
54042	Laboratory Equipment Replacement	72	\$100,000
	Regulatory Compliance Subtotal:		\$100,000
TRANSMISSION & DISTRIBUTION			
96072	Transmission System Master Planning	72	\$25,000
	Transmission & Distribution Subtotal:		\$25,000
WATER TREATMENT FACILITIES			
96072	DVWTP Chemical Feed System Replacement	72	\$330,000
96072	DVWTP Coating Improvements to the 4.5 MG Steel Clearwell	72	\$800,000
96072	DVWTP Coating Improvements to the Roof of the 3 MG Clearwell	72	\$110,000
96072	Minor Renewal/Replacement Projects	72	\$200,000
96072	PPWTP Sewer System	72	\$395,000
54048	SCADA Enhancements	72	\$780,000
	Water Treatment Facilities Subtotal:		\$2,615,000
	RENEWAL & REPLACEMENTS TOTAL		\$3,449,000
	SYSTEMWIDE IMPROVEMENTS/RENEWAL & REPLACEMENT PROJECTS TOTAL		\$12,939,405
CONTINGENCY FUNDS			
96172	Contingency	72	\$500,000
	Contingency Funds Subtotal:		\$500,000
	SYSTEMWIDE IMPROVEMENTS/RENEWAL & REPLACEMENTS PROGRAM SUBTOTAL		\$13,439,405
SINKING FUNDS			
54040	Administrative & Engineering Building - Sinking Fund	72	\$349,000
	Sinking Funds Subtotal:		\$349,000
	SYSTEMWIDE IMPROVEMENTS/RENEWAL & REPLACEMENTS PROGRAM TOTAL		\$13,788,405

EXPANSION PROGRAMS

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
FISCAL YEARS 2008-09

WATER ENTERPRISE CAPITAL IMPROVEMENT PROGRAMS

EXPANSION

	<u>2007-08</u>	<u>2008-09</u>	<u>Change</u>
Appropriation	\$103,063,598	\$83,299,243	(\$19,764,355)

The purpose of this program is to ensure that Zone 7 is able to meet future needs for water demands. The program is primarily intended to provide funding for new facilities and water supplies for new development and to fund programs that encourage water conservation measures.

The funding for this program comes entirely from connection fees and is in conformance with the Board's stated policy that new development funds its own needs.

Projects proposed under the Expansion Program include \$5.5 million for the Mocho Demineralization project; \$0.78 million for program management; \$50,000 for Transmission System Master Planning; \$13.2 million for Water Supply and Conveyance projects; \$58.4 million for Water Treatment facilities projects; and \$4.1 for Well Master Plan Wells. There is also \$0.5 million for contingency funds, \$0.3 million for administrative fees, and \$0.37 million for the lease.

Exhibit D lists the proposed budget and projects for fiscal year 2008-09 totaling \$85,496,243 million and includes \$275,000 added to the building sinking fund; \$230,000 to the future contractor's share sinking fund; and \$1,692,000 to the South Bay Aqueduct expansion sinking fund. These additions include interest earned by the sinking funds. In addition, a \$500,000 contingency is proposed to cover unanticipated and/or emergency projects that arise during the year.

SUMMARY:REVENUES/EXPENDITURES
WATER ENTERPRISE CAPITAL FUNDS
EXPANSION PROGRAM (FUND 73)

Available Fund Balance 06/30/2007		\$	84,256,456
Adjustments (Deferred revenue)		\$	(9,186,135)
Net Available Fund Balance			\$75,070,321

<u>Estimated Revenue FY 2007/08</u>			
Connection Fees	\$21,158,204		
Interest	\$2,412,000		
Fund Transfers	\$0		
Other	\$0	\$23,570,204	

Estimated Available Funds FY 2007/08		\$98,640,525
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<u>Estimated Expenditures FY 2007/08</u>			
Personnel	\$1,297,191		
Contracts	\$8,337,195		
Construction	\$29,710,412		
Water Purchases/Costs	\$205,871		
Other	\$ 2,381,330.25	\$41,932,000	

<u>Net Estimated Fund Balance 06/30/2008</u>		\$56,708,525
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<u>Estimated Revenue FY 2008/09</u>			
Connection Fees	\$27,224,208		
Interest	\$1,068,000		
Fund Transfers	\$0		
ISA	\$10,500,000		
Other	\$0	\$38,792,208	

Estimated Available Funds FY 2008/09		\$95,500,733
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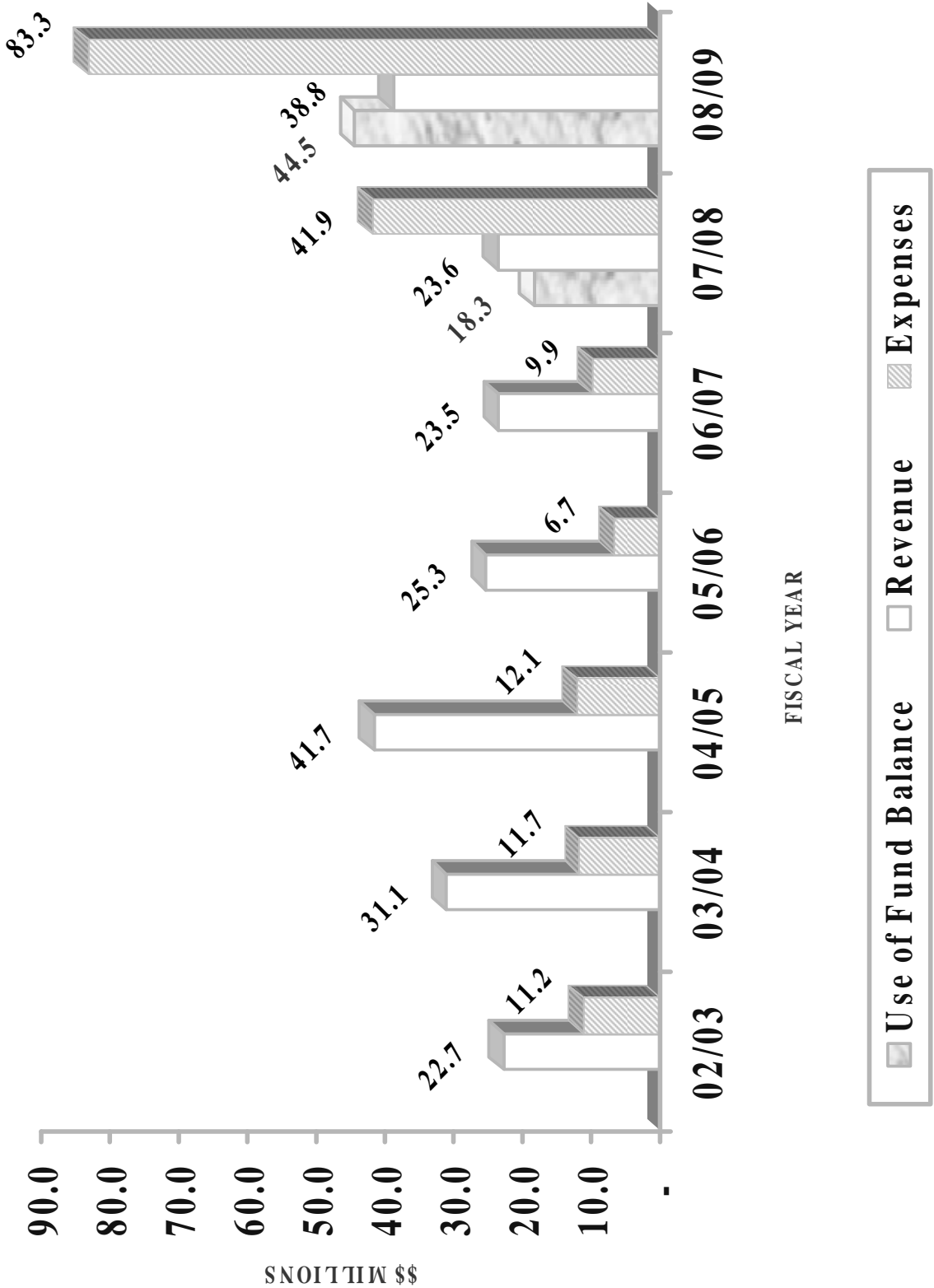
<u>Estimated Expenditures FY 2008/09</u>			
Personnel	\$2,583,400		
Contracts	\$16,603,807		
Construction	\$59,169,294		
Water Purchases/Costs	\$410,000		
Other	\$4,032,742		
Contingency	\$500,000	\$83,299,243	

<u>Net Estimated Fund Balance 06/30/2009</u>		\$12,201,490
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<u>Reserve Funds</u>			
Building Sinking Fund	\$1,023,845		
Contribution for FY 2008/09	\$275,000	\$1,298,845	
Future Contractor's Share Sinking Fund	\$845,201		
Contribution for FY 2008/09	\$230,000	\$1,075,201	
South Bay Aqueduct Sinking Fund	\$4,807,687		
Contribution for FY 2008/09	\$1,692,000	\$6,499,687	

<u>Net Estimated Available Fund Balance 06/30/2009</u>		\$3,327,757
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CAPITAL EXPANSION FUND (73)
Revenue vs Expenses



**EXHIBIT D
 PROJECT BUDGET REQUEST
 EXPANSION PROJECTS FUND 73**

Job Number	Project Description/Name	Fund Number	Funding Req. 2008/2009
BUILDING & GROUNDS			
55048	North Canyons Administrative & Engineering Building Lease	73	\$376,000
	Building & Grounds Subtotal:		\$376,000
GROUNDWATER BASIN MANAGEMENT			
55425	Mocho Groundwater Demineralization Plant	73	\$5,512,405
	Groundwater Basin Management Subtotal:		\$5,512,405
PROGRAM MANAGEMENT			
55050	Capital Improvement Program Management	73	\$107,000
55010	Expansion Program Management	73	\$150,000
96073	Interest on Installment Sale Agreement	73	\$518,000
	Program Management Subtotal:		\$775,000
TRANSMISSION & DISTRIBUTION			
96073	Transmission System Master Planning	73	\$50,000
	Transmission & Distribution Subtotal:		\$50,000
WATER SUPPLY & CONVEYANCE			
55039	Arroyo Mocho Low Flow Crossings	73	\$443,000
57101	Arroyo Mocho/Lake H Diversion Structure	73	\$400,000
96073	CAL-FED Project Proportional Local Share	73	\$90,000
55106	Cawelo Groundwater Banking Program	73	\$1,295,000
57102	Chain of Lakes Facilities and Improvements	73	\$1,122,000
57104	Chain of Lakes Master Plan	73	\$1,350,000
55043	CUWA Membership & Technical Studies	73	\$110,000
55505	Delta Conservation Plan	73	\$130,000
55053	Delta Outreach Program	73	\$36,000
96073	Fixed Cost of Water Entitlement	73	\$139,000
96073	Future Contractor's Share of the SBA	73	\$726,000
55303	High-Efficiency Washing Machine Rebate Program	73	\$19,000
51410	Semitropic Stored Water Recovery Unit	73	\$48,000
55037	South Bay Aqueduct Improvement & Enlargement Project	73	\$6,977,000
51408	SWP Peaking Payment (Lost Hills & Belridge Water Districts)	73	\$270,000
52908	Ultra Low Flush/High Efficiency Toilet Rebate Program	73	\$13,000
55300	Water Conservation Best Management Practices		\$63,000
	Water Supply & Conveyance Subtotal:		\$13,231,000
WATER TREATMENT FACILITIES			
55614	Altamont Pipeline	73	\$45,703,946
96073	Altamont Water Treatment Plant Operational Training	73	\$200,000
55613	Altamont Water Treatment Plant Phase 1 (24 MGD)	73	\$11,867,650
55615	PPWTP Improvements	73	\$218,000
55611	PPWTP UF Chemical System Improvements	73	\$377,000
55607	PPWTP UF Plant Modifications	73	\$30,000
55054	Water Quality Management Program		\$26,000
	Water Treatment Facilities Subtotal:		\$58,422,596
WELLS			
55426	Well Master Plan Wells	73	\$4,160,000
	Wells Subtotal:		\$4,160,000
EXPANSION PROJECTS TOTAL			\$82,527,001
CONTINGENCY FUNDS			
96073	Administrative Fee	73	\$272,242
96173	Contingency Funds	73	\$500,000
	Contingency Funds Subtotal:		\$772,242
EXPANSION PROGRAM SUBTOTAL			\$83,299,243
SINKING FUNDS			
55036	Administrative & Engineering Building - Sinking Fund	73	\$275,000
51401	Future Contractor's Share of the SBA - Sinking Fund	73	\$230,000
51401	South Bay Aqueduct Improvement & Enlargement - Sinking Fund	73	\$1,692,000
	Sinking Funds Subtotal:		\$2,197,000
EXPANSION PROGRAM TOTAL			\$85,496,243

ACTIVITY
INDICATORS/ACCOMPLISHMENTS

MISSION STATEMENT

To provide a reliable supply of high quality water and an effective flood control system to the Livermore-Amador Valley and to develop and manage the water resources in a fiscally responsible, innovative, proactive and environmentally sensitive way.

MANDATED SERVICES

Provide treated and untreated water for municipal, industrial and agricultural uses, and develop and maintain adequate facilities to prevent property loss and damage from flood in the Livermore-Amador Valley area.

DISCRETIONARY SERVICES

The level of service is discretionary and determined by the Zone 7 Board of Directors.

MAJOR SERVICE AREAS

	2006-07 Estimated	2006-07 Actual	2007-08 Estimated	2008-09 Projected
ADMINISTRATIVE SERVICES				
Personal Expense Claims Processed	115	90	120	110
Contracts	110	120	115	130
Average Monthly Water Billings	25	25	25	25
Training Classes Attended	300	289	462	475
IT Help tickets	120	174	185	180
Vehicles Maintained	39	39	39	40

Agency Administration and Administrative

Services provides management and business services to the Agency's water enterprise and flood control programs. Administrative Services includes accounting and payroll; budget preparation and monitoring; purchasing services; human resources services, information technology coordination, including Geographical information systems; and vehicle fleet purchase and maintenance.

	2006-07 Estimated	2006-07 Actual	2007-08 Estimated	2008-09 Projected
SAFETY AND EMERGENCY SERVICES				
CPR, First Aid, and BBP Training (hrs)	400	389	420	400
Emergency Preparedness Training (hrs)	450	607	500	550
General Safety Training (hrs)	700	595	750	650
Hazard Comm/HAZWOP Training (hrs)	600	582	650	650
Capital Project Safety Review (hrs)	275	403	300	400
Haz Mtrl Busnss/Rsk Mng Plans & SPCM	275	355	250	460

Safety & Emergency Services

provides safety administration and emergency support services including health and safety, hazardous material and emergency preparedness training and includes new Federal requirements. This section coordinates security issues and performs capital projects safety reviews along with Hazardous Materials Management Plans.

	2006-07 Estimated	2006-07 Actual	2007-08 Estimated	2008-09 Projected
ENVIRONMENTAL AND PUBLIC AFFAIRS				
Water Awareness/Conservation Events	50	50	50	50
Water Conservation Rebates	1500	2620	2500	2500
External CEQA Reviews	30	21	30	32
CEQA Documentation for Zone 7 Projects	7	7	10	13
School Programs	120	90	100	120

Environmental & Public Affairs provides strategic and communications planning, and environmental services; coordinates legislative relations activities; and implements water conservation and public outreach programs. These efforts identify, develop, evaluate and articulate to staff, customers, constituents, and other interested parties the policy foundations and context that guide program and project development and contribute to the implementation of board policy.

	2006-07 Estimated	2006-07 Actual	2007-08 Estimated	2008-09 Projected
FLOOD CONTROL				
Channels Maintained (miles)	39	37	38	39
Encroachment Permits Issued	25	26	22	25
Development Reviews	70	57	60	60
Active SDA 7-1 Projects	3	3	3	3

Flood Control manages a watershed of nearly 620 square miles and maintains 37 miles of flood control channels and access roads. The maintenance program includes repairing slides, erosion, refurbishing access roads and drainage ditches, and coordinating with State and federal agencies for Financial assistance. It also manages the Special Drainage Area 7-1 program which provides funding from new development for planning, design and construction of new flood control projects.

	2006-07 Estimated	2006-07 Actual	2007-08 Estimated	2008-09 Projected
WATER ENTERPRISE ENGINEERING				
New Water Connections	1859	1245	1087	1326
Capital Projects (\$M)	50	21	49	75
Development Reviews	70	71	90	80
Encroachment Permits	3	4	8	10
Groundwater Level Measurements *	1244	1030	1028	1028
Well Permits issued	230	228	230	230
Groundwater Samples**	210	204	190	190

*Water year (Oct through Sept)

**Collected and reviewed

	2006-07 Estimated	2006-07 Actual	2007-08 Estimated	2008-09 Projected
WATER QUALITY LAB				
Samples Analyzed	1600	1681	1450	1650
Bacteriology Samples Analyzed	1200	1150	1250	1300

Water Enterprise Engineering provides planning and design for capital projects, groundwater protection, groundwater basin management and engineering support. Engineering Services includes planning, design and construction management of major capital projects; permitting for all wells and borings within the service area; support to operations for regulatory compliance; and collection of groundwater data.

Water Quality provides engineering technical support and laboratory analytical services for regulatory compliance and permitting; treatment plant performance verification; groundwater analysis; and special operation/engineering studies. It also provides technical support to Operations and Retail customers to resolve/understand water quality issues.

	2006-07 Estimated	2006-07 Actual	2007-08 Estimated	2008-09 Projected
WATER ENTERPRISE OPERATIONS				
Well Water Treated (M/gals)	1,320	1,770	1,300	1,680
Surface Water Treated (M/gals)	13,550	13,390	14,000	13,380
Maintenance Jobs Completed	1,300	1,540	1,300	1,650
Untreated Contractors Monitored	70	73	73	75
Treated Water Contractors	10	10	10	10
Main Basin artificial recharge (Acre-Feet)	3,000	5,620	3,000	4,000
Water Stored in Banking Programs (AF)	14,000	10,230	2,000	6,000
Water from Banking programs (Acre Feet)	0	0	0	0
Power used (Mega Watt Hours)	7,300	7,240	7,110	8,400
Green House Gas emissions (Metric tons)	3,200	3,200	3,100	3,700

Water Enterprise Operations operates and maintains three water treatment plants, seven wells and the water distribution system for water enterprise; schedules treated and untreated water deliveries; and operates the artificial groundwater recharge program for the main basin. Ensures proper operation of facilities and treatment and distribution of water. Provides maintenance and construction services for the entire system including mechanical and electrical services and underground pipeline repair and maintenance. It also provides analysis and operations of agency water supplies and storage to maintain a sustainable supply of water; management of Arroyo Valle Water Rights and out of basin water storage; monitoring and management of agency power use and carbon footprint; and climatological monitoring and monitoring of surface water flows, volumes, elevation and quality.

Major accomplishments for FY 2007-08:

Completed annual reports for Water Quality Improvement Program (calendar year 2006 and 2007).

Completed revisions of operations plans for Patterson Pass Ultrafiltration (UF) Plant and Del Valle Water Treatment Plant (DWWTP).

Updated the development impact fee for the SDA 7-1 program, which is effective January 1, 2008.

Completed a reach of the Arroyo Mocho bypass flood control channel located in Oaks Business Park through a SDA 7-1 agreement with the developer.

Completed detailed hydrologic and hydraulic analysis as well as detailed environmental review for the StreamWISE program, which is the implementation program for the Stream Management Master Plan (SMMP), which is scheduled for completion in April/May, 2008.

Completed 12 bank repair projects, desilted a sedimentation basin, and install horizontal subdrains in 12 locations in the areas of Livermore, Pleasanton and Dublin.

Partnered with Livermore Valley Joint Unified School District in compliance with CEQA and permitting requirements in the removal of a concrete crossing behind the Granada High School .

Successfully coordinated with FEMA and U.S. Army Corps of Engineers on flood control facilities repair work resulted from winter storms.

Completed the design and preparation of plans and specifications for the 24 MGD Altamont Water Treatment Plant Project.

Completed the design and preparation of plans and specifications for 11 miles of 42" / 48" diameter Altamont Pipeline Project. Phase 1 of the project 5.5 miles of 42" diameter pipe.

Completed the design and preparation of plans and specifications for the PPWTP Meter Improvement study, Washwater Recovery Pump Improvements, Seismic Upgrade of Backwash Tank and the UF Clearwell Bypass projects.

Completed the design and preparation of plans and specifications for the PPWTP UF CIP Sump Overall Improvements, Pre-chlorine System, Waste Neutralization Tank Mix System projects.

Completed the DVWTP Emergency Generator Project and PPWTP UF Emergency Improvements.

Started construction of the Mocho Groundwater Demineralization Plant (6.2MGD) in July 07, which will use reverse osmosis technology to lower hardness in municipal water supply pumped from Zone's Mocho Wellfield

Continued coordination with DWR on the construction of the \$167 million South Bay Aqueduct Improvement and Enlargement Project. This project will provide Zone 7 with its long-term raw water conveyance needs as provided for in the June 2001 Water Conveyance Study.

Began taste & odor treatment study, which will study the potential use of ozone or ozone/peroxide.

Successfully met all treated and untreated water demands.

Adapted agency water storage strategy in response to new Delta Smelt concerns to successfully store and retrieve 15,500 acre-feet of water in low cost State Water Project facilities.

Coordinated with Alameda County Public Works and Tri-Valley Regional GIS members to obtain low cost digital aerial photographs, contour and LIDAR data for entire water service area.

Completed new heaters for the existing Anhydrous Ammonia Tanks. This aids chemical flows during cold temperatures. Improvements required updates to the Risk Management Plan for both Plants.

In the process of replacing old analog radios with new digital/analog capabilities. This effort was coordinated with County Communications to ensure compatibilities.

Zone 7 held an Emergency Operations Center exercise with support from City of Pleasanton and coordination with Dublin San Ramon Services District and the City of Dublin.

Restored the Parkside Building for staff and training purposes. Performed needed maintenance on plumbing and roofing plus added an access system.

Completed improvements to the Confined Space Entry program at DVWTP and PPWTP, which will allow easy entry access and emergency retrieval of personnel from a confined space.

Successfully installed two new high capacity municipal supply wells planned in the Well Master Plan.

DIVISION
SUMMARIES

ADMINISTRATIVE SERVICES

Description of Services:

Administrative Services is responsible for providing the business, human resources, real property, safety and emergency, security and information technology and fleet and supply services for the Agency. This is accomplished through the efforts of six groups.

Accounting Section: provides governmental and enterprise accounting; accounts payable; billing for services and receivables; contract monitoring; payroll; Agency-wide internal controls; and financial reporting.

Human Resources Section: provides recruitment and selection; classification and compensation; labor relations and contract negotiations; employee relations and counseling; employee benefits coordination; workers' compensation; Equal Employment Opportunity services; and Agency training.

Financial and Systems Services: provides financial forecasting and analysis; budget development, monitoring and control; purchasing services; information technology/GIS services; and risk management liaison.

Safety and Emergency Section: develops and provides employee health and safety training/programs; conducts technical safety reviews on Agency capital projects; monitors health and safety and hazardous material regulatory compliance; coordinates Agency security; and develops and maintains an emergency operations and preparedness program.

Supply and Transportation: manages the agency's vehicle fleet including purchase and replacement of vehicles; vehicle safety maintenance and repairs; salvage of equipment and vehicles; inventory, acquisition and distribution of office supplies; building and grounds security and maintenance.

Real Property Services: manages and coordinates the Agency's real property activities, including consultation in support of capital projects, negotiations and appraisals of property rights, acquisition, disposition and property management.

Mission:

To provide effective and responsible business services in the areas of finance, accounting, human resources, training, health, safety and security, procurement, information technology, real property services and vehicle fleet maintenance/supplies in support of the Agency's activities.

2008-09 Goals and Objectives:

Provide accounting and financial support services efficiently and effectively:

- Review and update written procedures for section functions.
- Perform phase 2 upgrade of cost control system for tracking labor costs by project/activity.

Enhance purchasing and information system support services:

- Review and update information technology policies and procedures.
- Develop an on-line vendor registration database.

Ensure availability of staff recruitment resources:

- Develop and implement a framework to identify areas requiring change management, risks and opportunities, and to prepare workforce plans to meet future staffing needs.

- Create a marketing plan to promote the Agency as a premier employer and enhance recruitment.
- Develop training programs to enhance agency supervisors/managers skills on labor relations and other human resources policy matters; promote the personal and professional development of staff.

Conduct safety and emergency planning and training to ensure health and safety of employees:

- Facilitate improvements of the ammonia system at Patterson Pass Water Treatment Plant and Del Valle Water Treatment Plant while ensuring compliance with the California Accidental Release Prevention Program.
- Develop a school tours guideline that concurrently meets public safety, site security, plant operations and public outreach needs.
- Coordinate the development of standardized security elements and design guidelines through participation in the design and construction of the Securities Improvement Project.

Provide Real Property Services effectively and efficiently:

- Document procedures and update Real property guidelines.
- Cross train additional staff to manage real property.

OPERATING BUDGET SUMMARY

Category	2006-2007 Actual	2007-2008 Budget	2008-2009 Proposed	Difference
Personnel	\$2,116,075	\$2,300,599	\$2,777,683	\$477,084
Operating	\$424,000	\$559,796	\$604,684	\$44,888
Equipment	\$0	\$35,000	\$35,000	\$0
Total	\$2,540,076	\$2,895,395	\$3,417,367	\$521,972

Summary of Increases/Decreases:

Personnel: Anticipated salary and benefit increases for fiscal year 2008-2009, normal step progression and the transfer of a GIS Analyst and Principal Engineer.

Operating: No major variances.

Equipment: No changes are recommended for FY 2008-2009.

STAFFING SUMMARY

	2006-2007 Actual	2007-2008 Budget	2008-2009 Proposed	Difference
FTE*	19	18	20	2

*Full Time Equivalent Positions

Summary of Staffing Changes: The increase in personnel represents the transfer of 2 FTE, a GIS Analyst and a Principal Engineer (Real Property Services), from Operations.

ENGINEERING

Description of Services:

Engineering is responsible for the planning, design and implementation of major capital improvements supporting both flood control and the water utility and is also responsible for flood control system management, groundwater supply management, groundwater protection, environmental compliance and public affairs. In addition, Engineering provides Water Quality support services related to regulatory compliance, treatment plant process optimization and Safe Drinking Water Act regulatory compliance. This is accomplished through the efforts of six groups.

Advance Planning: manages the planning and design of major water supply, production and delivery facilities for expansion, system-wide improvements and renewal/ replacement programs and manages the agency's Capital Improvement and Asset Management Programs. Activities also include the monitoring of regulatory and land use activities and participation in development of both water and flood related rates and new development fees.

Capital Projects: manages the final design and construction of major water supply, production and delivery facilities for expansion, system-wide improvements and renewal/ replacement programs.

Environmental Services and Public Affairs: provides environmental planning and regulatory compliance services, public outreach, and legislative relations services in support of water supply, water quality, and flood protection operations, maintenance, planning and capital projects. This group includes Zone 7's water conservation programs that are planned and implemented in partnership with Valley water retailers. This group also supports Bay Area and statewide partnerships to support water supply and water quality management and flood protection planning. This function includes Delta-related planning with state and federal water contractor partners. Finally, this group also provides information to the general public about the Agency's financial performance.

Flood Control: manages approximately 620 square miles of watershed to ensure controlled drainage. Activities include management of the Special Drainage Area 7-1 program, which utilizes developer fees to fund planning, design and construction of new flood control projects and maintenance and land rights administration of approximately 37 miles of flood control channels and access roads.

Groundwater Protection and Projects: develops and manages the Zone's groundwater protection programs and investigations. Also, manages the planning and conceptual design of groundwater recharge and pumping facilities, and final design and construction of small facilities related to groundwater programs.

Water Quality: provides water quality engineering technical support and laboratory analytical services for regulatory compliance and permitting; treatment plant performance verification; groundwater analysis; support for treatment improvement or expansion projects; and special operation/engineering studies. It also provides technical support to Operations and to water retail customers to resolve/understand water quality issues, as well as providing analytical support services to retailers.

Mission:

To provide the professional and technical support necessary to: support operations and maintenance of the Agency's water enterprise program; and storage programs; manage and implement the planning, design and construction of major capital facilities; and to manage its flood control and groundwater protection programs.

2008-09 Goals and Objectives:

Provide flood control facilities capable of protecting against a 100-year flood event:

- Finalize a Stream Management Implementation Plan which will provide the implementation basis for a new comprehensive maintenance and capital improvement programs (both 5 and 10 year).
- Continue to manage a comprehensive maintenance program on our flood control system to provide and maintain flood control facilities capable of protecting against a 100-year flood event
- Continue to monitor land use activities to ensure that new urban development adequately addresses potential flood impacts.
- Continue to monitor and pursue grant funding opportunities for our flood control program

Ensure the compliance of all agency activities with environmental laws, enhance the public transparency of agency activities, and advocate for legislation that supports the agency's ability to meet its flood protection, water supply and quality mission.

- Develop a publicly supported stream management implementation plan.
- Support the environmental review and permitting of the Altamont Water Treatment Plant and Pipeline, wellhead demineralization, and new well drilling projects; and create a public well informed about the construction of these projects.
- Secure state funding in support of flood protection, water supply and water quality planning and projects.
- Continue to develop institutional infrastructure to manage and streamline agency communications.
- Enhance public understanding about source water supply and water quality, and financing their ongoing operation and improvements.

Protect and manage the groundwater basin:

- Continue implementation of the groundwater management program to optimize use of the groundwater basin while minimizing any future salt degradation of the groundwater basin.
- Prepare annual report of the Groundwater Management Program (including salt management component) for distribution to interested agencies, including the Regional Water Quality Control Board (RWQCB).
- Continue Chain of Lakes Master Planning effort for the phased and integrated operations of the future Chain of Lakes and for the facilities needed to accomplish the identified operational goals.
- Acquire permits necessary to construct and operate the Arroyo Mocho to Lake H stream diversion structure.
- Continue construction of the Mocho Groundwater Demineralization Facility.

Reliably provide high quality water:

- Complete the first two municipal supply wells per the Well Master Plan.
- Coordinate ongoing implementation of the Water Quality Improvement Program.
- Continue to work with retailers in implementing both the Joint Water Quality Principles and the Water Quality Management Implementation Plan, including further work on the tools developed during 2006.

Design and construct major water supply, production and delivery facilities:

- Continue implementation of the Altamont Water Treatment Plant and Pipeline projects.
- Construct the El Charro Pipeline and site improvements necessary to utilize the first two wells (Chain of Lakes Wells 1 and 2) constructed as part of the implementation of the Well Master Plan.
- Continue to provide support to DWR for construction of South Bay Aqueduct Improvement and Enlargement Project.

OPERATING BUDGET SUMMARY

Category	2006-2007 Actual	2007-2008 Budget	2008-2009 Proposed	Difference
Personnel	\$3,219,376	\$6,896,085	\$7,106,219	\$210,134
Operating	\$11,054,092	\$7,372,409	\$6,843,949	(\$528,460)
Equipment	\$12,364	\$0	\$0	\$0
Total	\$14,285,832	\$14,268,494	\$13,950,168	(\$318,326)

Summary of Increases/Decreases:

- Personnel: Anticipated salary and benefit increases for fiscal year 2008-2009, normal step progression, and the transfer of the GIS Analyst and Principal Engineer to Administrative Services Division and the Water Resources Section to Operations.
- Operating: Decrease represents the transfer of Water Resources programs to Operations.
- Equipment: No changes are recommended for FY 2008-2009.

STAFFING SUMMARY

	2006-2007 Actual	2007-2008 Budget	2008-2009 Proposed	Difference
FTE*	40.5	46.5	42	(4.5)

*Full Time Equivalent Positions

Summary of Staffing Changes: The decrease in personnel represents the transfer of the GIS Analyst from Engineering to Administrative Services and the transfer of the Water Resources section from Engineering to Operations.

OPERATIONS

Description of Services:

Operations manages and maintains the Agency's water production, treatment and delivery facilities to supply Municipal and Industrial customers, monitors and administers deliveries to untreated water customers, assures drinking water regulatory compliance, and manages water supply sources.

Operations: operates and maintains three surface water treatment plants (Del Valle conventional WTP, Patterson Pass conventional WTP, and Patterson Pass ultra filtration WTP), seven wells and the transmission system for the water enterprise; ensures proper operation of facilities and treatment and delivery of water; provides maintenance and construction services for the entire system including mechanical, electrical and instrumentation services; and performs underground pipeline repair and maintenance.

Water Resources: conducts the monitoring, modeling, forecasting and data analysis necessary to integrate surface water and groundwater management decisions with Zone 7's overall water supply and delivery goals and objectives related to water imports from the State Water Project, as well as scheduling the conveyance and delivery of imported water supplies to production and storage facilities (both locally and out-of-basin).

Mission:

To produce and deliver high quality water to the Livermore-Amador Valley community in a reliable, cost effective and environmentally responsible manner.

2008-09 Goals and Objectives:

Meet service and quality requirements of the Agency's customers:

- Deliver water to treated and untreated customers according to approved water delivery requests.
- Meet and/or exceed all drinking water requirements through diligent operation of the Agency's three water treatment plants and seven wells.

Maximize use of staff and facilities:

- Maintain a knowledgeable, trained staff through the development of an organized training program through a newly implemented Operations Plan developed for all water treatment plants, and the distribution facilities.
- Maintain Agency's water production, treatment and transmission facilities with a minimum of service disruption.
- Maintain equipment and instrumentation under a planned program to prevent catastrophic failure.

Ensure staff is trained in use and maximization of new technology:

- Begin construction phase of Altamont WTP.
- Begin construction phase of the Mocho Demineralization facility.
- Train staff to utilize the new filter aide injection project at DVWTP to ensure the highest quality water is delivered to our customers.

- Train staff to utilize the new Dissolved Air Floatation raw water pretreatment project at DVWTP to ensure the demands are met with the lowest hardness water supplied from our surface water treatment facility at DVWTP.
- Continue to optimize the processes at all facilities at all times.

Manage Agency's water supply sources to provide maximum reliability for current year and beyond while meeting current water demands.

- Maximize surface water production when possible and maintain local groundwater basin near the top of its working storage capacity (90,000 af).
- Increase stored water amounts at Cawelo Water Bank by 5,000 af and continue to develop Arroyo del Valle water rights.
- Carry over 15-20,000 af of 2008 SWP allocations into CY 2009.
- Track near-term SWP allocation and assess long-term SWP reliability and yield.

OPERATING BUDGET SUMMARY

Category	2006-2007 Actual	2007-2008 Budget	2008-2009 Proposed	Difference
Personnel	\$4,644,992	\$5,050,395	\$5,859,885	\$809,490
Operating	\$7,729,808	\$6,758,684	\$7,530,803	\$772,119
Equipment	\$0	\$40,000	\$97,000	\$57,000
Total	\$12,374,800	\$11,849,079	\$13,487,688	\$1,638,609

Summary of Increases/Decreases:

Personnel: Anticipated salary and benefit increases for fiscal year 2008-2009; normal step progression; and the transfer of the Water Resources section.

Operating: Increase represents primarily the cost of professional services, utilities and maintenance costs.

Equipment: Increase represents 2 new electric carts and 1 additional vehicle.

STAFFING SUMMARY

	2006-2007 Actual	2007-2008 Budget	2008-2009 Proposed	Difference
FTE*	39	39	42.5	3.5

*Full Time Equivalent Positions

Summary of Staffing Changes: The increase in personnel is due to the transfer of the Water Resources section which includes 1 FTE Principal Engineer, 1 FTE Associate Engineer, 1 FTE Water Resources Tech II, and 0.5 FTE Water Resources Engineer Trainee.

FUND SUMMARY

ZONE 7 WATER AGENCY -- FUND SUMMARY REPORT

Fund	Fund No	Primary Fund Purpose	Primary Fund Purpose	Ending Fund Balance At 06/30/07	Excess Rev Over (Under) Expenditures	Committed Or Encumbered At 12/31/07	Available Fund Balance At 12/31/07
General Fund	50	21870 Property Taxes	Flood Control Operations Flood Control District Related General Administration	14,815,691	1,321,431	(1,319,138)	14,817,984
State Water Facilities Fund	51	21871 Property Taxes	Fixed State Water Charges State Water Project Bonded Indebtedness	4,171,052	2,163,227	(4,770,934)	1,563,345
Water Enterprise Fund	52	21873 Water Sales	Enterprise Operation and Administration Emergency and Support Services Variable State Water Charges Water Facilities Maint & Operation, Water Facilities, Water Resources and Water Supply Planning Transfer to IR&R Fund 72	23,978,090	3,414,183 (5,500,000)	(7,138,415)	14,753,858
Capital Bond Fund	70	21876 Originally financed by General Obligation Bonds	FC projects other than SDA 7-1 & WF projects	0	0	0	0
SDA Operations Fund	71	21872 50% SDA 7-1 Fee transfers from Trust 9409 reserve for construction	SDA Operations and Reserve for Construction Pending transfer from Reserve for Construction	25,076,861	748,001 6,387	(958,270)	24,872,979
Capital Improvement, Renewal & Replacement	72	21874 Originally financed by Revenue Bonds, Transfers from Water Enterprise EOFY	Improvement, Renewal and Replacement Program Transfer from Water Enterprise	26,853,452	(3,157,488) 5,500,000	(9,272,936)	19,923,028
Fixed Assets (Equipment)	74	ACO Reserve (Accum Capital Outlay)	Motor Vehicle Replacement & Capital Equipment	202,159	31,533	0	233,692
Capital Expansion Fund	73	21875 Connection Fees	Water Enterprise Capital Expansion Projects	75,070,321	1,583,238	(11,210,989)	65,442,570
SDA 7-1 Trust Fund	90	83903 Special Drainage Area 7-1 Fees	Trust/Reserve for reimbursement to developers Available for transfer to /11 for construction Pending transfer to /11 for construction	7,430,679 39,513	1,157,878 (93,128) (6,367)	(8,588,557)	0 0
Water Facilities Trust	91	83902 Quarry Reclamation/Tonnage fees Quarry discharge fees T/O construction and other deposits Encroachment permit fees Untreated connection fee deposits Unallocated interest	Chain of Lakes mitigation/planning reserve Quarry discharge exports Miscellaneous fees & deposits Permit inspection deposits Pending distribution to Fund 73 Undistributed	2,321,257 104,313 89,696 16,190 578,871 39,711	0 0 0 0 0 0	(88,146) (16,500) (585,385)	2,347,348 105,481 0 0 0 41,340
Water Supply/ Reliability Trust	95	83901 Water supply/reliability/quality & Delta related projects	Future water, water storage and Delta-related projects Fund Balance Adj @ 7/1/07 per audit	(1,962,915)	2,597,480	(634,565)	0

POSITION CHANGE DETAIL

CAPITAL EQUIPMENT SUMMARY

Capital Equipment Summary
2008/2009

Item #	Account # 7520 Description	Water Enterprise Fund 52	General Fund 50	SDA Fund 71	Cap IR&R Fund 72	Cap Exp Fund73
1	FCADM: Miscellaneous equipment as needed.		18,500			
<i>Subtotal</i>	<i>General Fund</i>		<i>18,500</i>			
1	ADM: As Required	10,000				
<i>Subtotal</i>	<i>General Fund</i>	<i>10,000</i>				
1	ASD: Acctg IT Systems	35,000				
<i>Subtotal</i>	<i>Administrative Services Division</i>	<i>35,000</i>				
1	OPER: Iron worker punch press (heavy steel)	10,000				
2	OPER: Powered sheet metal sheer	6,000				
3	OPER: Potable gas driven welder(replacement ii	10,000				
4	OPER: Wirefeed welder (replacement in kind)	6,000				
5	OPER: Supervisors truck	25,000				
6	OPER: Plant only vehicle	40,000				
<i>Subtotal</i>	<i>Operations</i>	<i>97,000</i>				
Total:		142,000	18,500	0	0	0

BUDGET DETAIL BY SECTION

FY 08/09

**General Fund/Flood Control
Section Budget Request Detail**

		General Fund		Flood Control		Total Section	
Budget Center		FC Budget	Op/Emer Reserves	Estimated Funds Avail	Central	FC	Budget Request
6100	Labor & Overhead Apportioned						
6110	Direct Labor & Benefits Appor	\$931,613		\$931,613		\$931,613	\$931,613
6120	Indirect Labor & Benefits Appor	\$347,292		\$347,292		\$347,292	\$347,292
6200	Professional & Technical Svcs						
6210	Professional & Tech Svcs	\$4,753,650	3,370,072	\$1,383,578	\$190,000	\$1,193,578	\$1,383,578
6230	County Prof & Tech Services	\$110,000		\$110,000	\$60,000	\$50,000	\$110,000
6250	District Prof & Tech Services	\$7,500		\$7,500		\$7,500	\$7,500
6280	Dist Labor/Indirect - Misc						
6300	Chemicals						
6310	Chemicals						
6400	Water						
6420	SWP - Variable Costs						
6430	Water Entitlement/Option Purchases						
6450	Water Conveyance/Wheeling Costs						
6460	Water Storage						
6470	Water Recycled						
6480	Water Other						
6490	Water Rate Stabilization Acct						
6500	Utilities						
6510	Gas & Electricity						
6520	Communications	\$6,000		\$6,000	\$1,000	\$5,000	\$6,000
6600	Facilities Services						
6610	Cleaning Services	\$5,000	\$0	\$5,000	\$0	\$5,000	\$5,000
6610	Other						
6612	Garbage Disposal	\$5,000		\$5,000		\$5,000	\$5,000
6614	Janitorial Service						
6620	Maint Svcs & Mat - Equipment	\$128,180	114,680	\$13,500	\$5,000	\$8,500	\$13,500
6630	Maint Svcs & Mat - Structs & Imp's	\$15,118,921	11,698,921	\$3,420,000		\$3,420,000	\$3,420,000
6640	Rents & Leases - Equipment	\$59,756	39,756	\$20,000	\$5,000	\$15,000	\$20,000
6650	Rents & Leases - Land, Structs						
6650	Other Property Services	\$106,800		\$106,800	\$106,800		\$106,800
6700	Services and Supplies						
6720	Emergency & Safety	\$26,000		\$26,000	\$1,000	\$25,000	\$26,000
6740	Office Expense	\$40,750		\$40,750	\$25,000	\$15,750	\$40,750
6750	Organization Memberships & Dues	\$51,500		\$51,500	\$25,500	\$26,000	\$51,500
6760	Other Services & Supplies	\$86,979	\$67,279	\$19,700	\$1,000	\$18,700	\$19,700
6761	Advertising & Legal Services	\$100		\$100	\$100		\$100
6762	Clothing & Personal Supplies	\$600		\$600	\$100	\$500	\$600
6764	Household Expense	\$600		\$600	\$400	\$200	\$600
6765	Laboratory Supplies						
6766	Tools & Instruments	\$2,100		\$2,100	\$100	\$2,000	\$2,100
6767	State & Local Fees	\$15,200		\$15,200	\$200	\$15,000	\$15,200
6768	Uniform Service	\$1,100		\$1,100	\$100	\$1,000	\$1,100
6769	Other	\$67,279	67,279				
6770	Training	\$26,000		\$26,000	\$6,000	\$20,000	\$26,000
6780	Transportation	\$1,500		\$1,500	\$1,000	\$500	\$1,500
6790	Travel	\$5,500		\$5,500	\$500	\$5,000	\$5,500
6800	Equipment						
6810	Equipment & Vehicle Expense	\$27,000		\$27,000	\$27,000		\$27,000
6900	Other						
6910	Non-Operating Expense	\$5,000		\$5,000	\$5,000		\$5,000
	Subtotal	\$21,844,941	\$15,290,708	\$6,554,233	\$459,800	\$4,815,528	\$5,275,328
	Restricted Accounts						
6240	County Other Services (Restricted)	\$5,000		\$5,000		\$5,000	\$5,000
6247	County Indirect Costs						
7500	Capital Land, Structures, & Equip						
7510	Capital Structures & Improvmts	\$427,933	\$427,933	\$18,500	\$18,500	\$0	\$18,500
7520	Capital Equipment	\$18,500		\$18,500		\$0	\$18,500
7530	Capital Other						
7600	Intra Fund Transfers						
7610	Credit for Inter-department Charges	\$451,433	\$427,933	\$23,500	\$18,500	\$5,000	\$23,500
	Subtotal	\$22,296,374	\$15,718,641	\$6,577,733	\$478,300	\$6,099,433	\$6,577,733
	TOTAL						

Water Enterprise Fund/General Fund
 EXHIBIT A

2008/2009
 PROFESSIONAL & TECHNICAL SERVICES 621C

Acct #	Item #	Section	Description	ADM	ASD	ESS	WQE	LAB	WRE	AVP	CPE	GPE	OPER	DWTP	PPWTP	DIST SYS	MAINT	TOTAL
6210 - PROFESSIONAL & TECHNICAL SERVICES																		
AUDITING SERVICES																		
Zone7 Contract	1	ADM	Auditing Services	20,265														20,265
	2	ALL	MISC	1,500	1,000													2,500
			AUDITING SERVICES SUBTOTAL	21,765	1,000	0	0	0	0	0	0	0	0	0	0	0	0	22,765
6212 DWR PAYMENTS AUDIT																		
	1	ADM	DWR Payments Audit	25,885														25,885
	2	ALL	MISC															
			DWR PAYMENTS AUDIT SUBTOTAL	25,885	0	0	0	0	0	0	0	0	0	0	0	0	0	25,885
6213 ENGINEERING SERVICES																		
	1	GPE	Chain of Lakes Inspections								12,000							12,000
	2	OPER	Construction Testing Services (Soils & Materials)										1,030					1,030
	3	OPER	Corrosion										25,600	10,150				35,750
	4	ALL	Drafting Services			5,000					2,000							7,000
	5	CPE	Electrical Consulting Services								5,500							5,500
	6	ALL	MISC	35,000									1,550					36,550
			ENGINEERING SERVICES SUBTOTAL	35,000	0	5,000	0	0	0	0	7,500	12,000	49,150	18,150	11,300	520	520	108,680
6214 INFORMATION SYSTEMS																		
Zone7 Contract	1	ALL	ITD Services	75,000	20,000	7,000	1,000	2,000		5,000		1,500	47,580	18,540	18,540	5,150	5,350	159,080
	2	ADM:ASD:	Network	25,000	1,000													26,000
	3	ALL	MISC		10,000	7,000	2,000	4,500	3,000	5,000	0	1,500	47,580	18,540	18,540	5,150	5,350	166,500
			INFORMATION SYSTEMS SUBTOTAL	100,000	31,000	7,000	2,000	4,500	3,000	5,000	0	1,500	47,580	18,540	18,540	5,150	5,350	207,580
6216 LABORATORY ANALYSIS																		
	1	LAB	Analytical Services	1,000				53,000										53,000
	2	ALL	MISC	1,000				18,000										19,000
			LABORATORY ANALYSIS SUBTOTAL	2,000	0	0	0	71,000	0	0	0	700	0	0	0	0	0	72,700
6217 LEGAL SERVICES																		
	1	ALL	Outside Legal Services	25,000						5,000								30,000
	2	ALL	MISC	10,000														10,000
			LEGAL SERVICES SUBTOTAL	35,000	0	0	0	0	0	5,000	0	0	0	0	0	0	0	40,000
6218 SURVEY SERVICES																		
Zone7 Contract	1	ALL	Survey Services	2,000					5,000	20,000	3,000	32,000						62,000
			SURVEY SERVICES SUBTOTAL	2,000	0	0	0	0	5,000	20,000	3,000	32,000	0	0	0	0	0	62,000
6219 OTHER PROFESSIONAL & TECH SERVICES																		
Zone7 Contract	1	ALL	Jones & Stokes	138,550	0	0	0	3,000	0	15,000	0	5,000	0	0	0	0	0	161,550
Zone7 Contract	2	ADM:LAB	Communications Support	108,550				3,000										111,550
Zone7 Contract	3	ADM	Delta	30,000														30,000
Zone7 Contract	4	ALL	Public/Government Affairs							15,000		5,000						20,000
Zone7 Contract	5	ALL	Morrison	167,890	0	0	0	0	0	0	0	0	0	0	0	0	0	167,890
Zone7 Contract	6	ADM	Clean Water Program Support	167,890														167,890
	7	SES	3E-MSDS Management Program		6,500	5,000												11,500
	8	ASD	Acctg Consulting & Tech Services															0
	9	ALL	Air Photo - LandUse Study						10,000									10,000
	10	SES	Analytical Services			12,200												12,200
	11	AVP:CPE	Appraisals/TitleReports, Land Acquisition							42,000	2,000	15,000						59,000
	12	GPE	Chain of Lakes Mitigation Activities															0
	13	OPER	Construction Management										5,050			5,050		5,050
	14	ADM	Delivery Services	8,500														8,500
	15	ADM	Delta Outreach	125,000														125,000
	16	SES	Emergency Preparedness Consultant			20,000												20,000
	17	ADM:AVP	Environmental Consultant	50,000						10,000								60,000
	18	ALL	File Services	25,000		500			5,000							2,100	3,180	46,080
	19	GPE	Geophysical Well Logging									1,200						1,200
	20	GPE	GIS Program Enhancements									10,000						10,000
	21	ADM	Govt Affairs/Grants	70,000														70,000
	22	GPE	Groundwater Sampling									25,000						25,000
	23	ADM:ASD	Human Resources Consultant	45,000	10,000	25,000												80,000
	24	SES	Industrial Hygienist Services															0
	25	ADM	Mail Services	48,000														48,000
	26	ADM:ASD	Organizational Studies, Legal Costs & Separation Study	200,000	2,000													202,000
	27	ADM	Publications - Graphics, Layout & Printing	49,500														49,500
	28	ADM	Resp. Exams	6,000														6,000
	29	ADM:SES	Security Services	240,000		20,000												260,000
	30	GPE	Special Hydrogeologic Studies									15,000						15,000

Water Enterprise Fund/General Fund
 EXHIBIT A

2008/2009
 PROFESSIONAL & TECHNICAL SERVICES 621/C

Acct #	Item #	Section	Description	ADM	ASD	ESS	WQE	LAB	WRE	AVP	CPE	GPE	OPER	DWTP	PPWTP	DIST SYS	MAINT	TOTAL
	31	OPER-WRE	System Integration Services (SCADA)						30,000				100,000	10,000	10,000	5,000	75,000	130,000
	32	ADM	Temporary Services	100,000														100,000
	33	ADM	Test Development	3,000														3,000
	34	ADM	Training	2,500														2,500
	35	WRE	US Geologic Survey Surface Water Stations						55,000									55,000
	36	GPE	Wastewater Management Policy/Studies									7,000						7,000
	37	OPER-WQE	Water Quality Treatment Solutions				28,000											28,000
	38	WRE	Water Rights Contracts						3,000									3,000
	39	WRE	Water Rights Fees						3,000									3,000
	40	WQE	Water Treatment Studies				26,000											26,000
	41	ADM	Watershed Management Plan Development	50,000		8,000				10,000								50,000
	42	ALL	MISC	100,000	2,650	90,700	54,000	3,000	106,000	77,000	2,000	78,200	120,630	15,150	51,840	7,100	83,230	120,650
6219			OTHER PROF & TECH SERVICES SUBTOTAL	1,438,940	211,150	102,700	56,000	78,500	114,000	107,000	12,500	124,400	217,390	52,840	51,840	23,610	89,100	1,991,620
6210			TOTAL	1,659,590	53,150	102,700	56,000	78,500	114,000	107,000	12,500	124,400	217,390	52,840	51,840	23,610	89,100	2,525,230

6230 - COUNTY PROFESSIONAL & TECHNICAL SERVICES

Acct #	Item #	Section	Description	ADM	ASD	ESS	WQE	LAB	WRE	AVP	CPE	GPE	OPER	DWTP	PPWTP	DIST SYS	MAINT	TOTAL
6231			COUNTY ELECTION EXPENSE															
	1	ADM	MISC	110,000														110,000
6231			COUNTY ELECTION EXPENSE SUBTOTAL	110,000	0	0	0	0	0	0	0	0	0	0	0	0	0	110,000
6230			COUNTY PROFESSIONAL & TECHNICAL SERVICES															
	1	ADM	AlcoLink	65,000														65,000
	2	ALL	Counsel	15,000	1,000							1,000						17,000
	3	ADM	General (tax admin/vect control/PWA)	10,000														10,000
	4	ADM-ASD	Human Resources	105,000	1,500													106,500
	5	ADM	Temporary Services Admin	5,000														5,000
	6	ALL	MISC	10,000	300													10,300
6230			COUNTY PROF & TECH SERVICES SUBTOTAL	210,000	2,800	0	0	0	0	0	0	1,000	0	0	0	0	0	213,800
6230			TOTAL	320,000	2,800	0	0	0	0	0	0	1,000	0	0	0	0	0	323,800

6240 - COUNTY OTHER SERVICES

Acct #	Item #	Section	Description	ADM	ASD	ESS	WQE	LAB	WRE	AVP	CPE	GPE	OPER	DWTP	PPWTP	DIST SYS	MAINT	TOTAL
6245			COUNTY REPROGRAPHICS															
		ALL	County Printing (Include \$ for Capital Funds)	5,500	3,000	2,000	100		3,000	22,000	4,000	700	2,500	1,000	500	500	500	42,800
6245			Misc	5,500	3,000	2,000	100	0	3,000	22,000	4,000	700	2,500	1,000	500	500	500	42,800
6247			COUNTY INDIRECT COSTS															
	1	ADM	County Indirect Costs	746,443														746,443
6247			Misc	746,443	0	0	0	0	0	0	0	0	0	0	0	0	0	746,443
6240			COUNTY INDIRECT COSTS SUBTOTAL	746,443	0	0	0	0	0	0	0	0	0	0	0	0	0	746,443
6240			COUNTY OTHER SERVICES															
	1	ALL	Misc	376,805	0	5,000	0	0	0	0	0	0	0	0	0	0	0	381,805
6240			Misc	376,805	0	5,000	0	0	0	0	0	0	0	0	0	0	0	381,805
6240			COUNTY OTHER SERVICES SUBTOTAL	1,128,748	3,000	7,000	100	0	3,000	22,000	4,000	700	2,500	1,000	500	500	500	1,171,048
6240			TOTAL	1,128,748	3,000	7,000	100	0	3,000	22,000	4,000	700	2,500	1,000	500	500	500	1,171,048

6250 - DISTRICT PROFESSIONAL & TECHNICAL SERVICES

Acct #	Item #	Section	Description	ADM	ASD	ESS	WQE	LAB	WRE	AVP	CPE	GPE	OPER	DWTP	PPWTP	DIST SYS	MAINT	TOTAL
6250			COUNTY PROFESSIONAL & TECHNICAL SERVICES															
	1	ADM	PWA Contract Compliance	500														500
6250			TOTAL	500	0	0	0	0	0	0	0	0	0	0	0	0	0	500
			TOTAL PROFESSIONAL SERVICES	3,108,838	58,950	109,700	56,100	78,500	117,000	129,000	16,500	126,100	219,890	53,840	52,340	24,110	89,600	4,020,578

Water Enterprise Fund/General Fund
 EXHIBIT A

2008/2009

Acct #	Item #	Section	PROFESSIONAL & TECHNICAL SERVICES 6210 Description	FCADM	FUND 50 FCE	FUND 50 TOTAL	FUND 71 SDA	FUND 72 CAP RPL	FUND 73 CAP EXP	All Funds Total
6210 - PROFESSIONAL & TECHNICAL SERVICES										
6211 - AUDITING SERVICES										
Zone7 Contract	1	FCADM	Auditing Services	2,000		2,000				2,000
	2	ALL	MISC							
			AUDITING SERVICES SUBTOTAL	2,000	0	2,000	0	0	0	2,000
6213 - ENGINEERING SERVICES										
	1	FCE	Channel Restoration		25,000	25,000				25,000
	2	ALL	Drafting Services		20,000	20,000	10,000			30,000
Zone7 Contract	3	FCE	Environmental Testing/Engineering		50,000	50,000				50,000
	4	FCE:SDA	Geomorphology Study		25,000	25,000	15,000			40,000
	5	FCE	Geotechnical Engineering		25,000	25,000				25,000
Zone7 Contract	6	FCE:SDA	Hydrology/Hydraulic Engineers		150,000	150,000	100,000			250,000
	7	FCE	Stream Gaging		50,000	50,000				50,000
	8	FCE:SDA	StreamWise		255,000	255,000	595,000			850,000
	9	ALL	MISC							
			ENGINEERING SERVICES SUBTOTAL	0	600,000	600,000	720,000	0	0	1,320,000
6214 - INFORMATION SYSTEMS										
	1		MISC	7,000	7,500	14,500	2,500			17,000
	2	ALL								
			INFORMATION SYSTEMS SUBTOTAL	7,000	7,500	14,500	2,500	0	0	17,000
6216 - LABORATORY ANALYSIS										
	1		MISC		10,000	10,000				10,000
	2	ALL								
			LABORATORY ANALYSIS SUBTOTAL	0	10,000	10,000	0	0	0	10,000
6217 - LEGAL SERVICES										
	1	ALL	Outside Legal Services		25,000	25,000	40,000			65,000
	2	ALL	MISC	1,000		1,000				1,000
			LEGAL SERVICES SUBTOTAL	1,000	25,000	26,000	40,000	0	0	66,000
6218 - SURVEY SERVICES										
Zone7 Contract	1	ALL	Survey Services		125,000	125,000	25,000			150,000
	2	ALL	MISC							
			SURVEY SERVICES SUBTOTAL	0	125,000	125,000	25,000	0	0	150,000
6219 - OTHER PROFESSIONAL & TECH SERVICES										
Zone7 Contract	1	ALL	Jones & Stokes	0	21,145	21,145	10,000	0	10,000	41,145
Zone7 Contract	2	EXP	Delta						10,000	10,000
Zone7 Contract	3	FCE	Public Affairs		2,348	2,348				2,348
Zone7 Contract	4	FCE	Publicatios		3,882	3,882				3,882
Zone7 Contract	5	FCE:SDA	SMMP		10,300	10,300	10,000			20,300
Zone7 Contract	6	FCE	Web Internet Site		4,616	4,616				4,616

Water Enterprise Fund/General Fund
 EXHIBIT A

2008/2009

Acct #	Item #	Section	Description	FUND 50 FCADM	FUND 50 FCE	FUND 50 TOTAL	FUND 71 SDA	FUND 72 CAP RPL	FUND 73 CAP EXP	All Funds Total
Zone7 Contract	7	ALL	Morrison	0	11,070	11,070	10,000	0	0	21,070
Zone7 Contract	8	FCE:SDA	Government Relations		4,441	4,441	10,000			14,441
Zone7 Contract	9	FCE	Schools Program		6,629	6,629				6,629
	10	FCE:SDA	Air Photo - LandUse Study		10,000	10,000	5,000			15,000
	11	FCE:SDA	Appraisals/Title Reports, Land Acquisition		20,000	20,000	5,000			25,000
	12	FCE:SDA	Construction Management		25,000	25,000	40,000			65,000
	13	FCE:SDA	Environmental Consultant		176,500	176,500	151,500			328,000
	14	SDA	Flows Study & Steehead				25,750			25,750
	15	FCE	Govt Affairs/Grants		7,363	7,363				7,363
	16	FCE	Horticultural Consultant		25,000	25,000				25,000
Zone7 Contract	17	FCE	Peoples		10,000	10,000				10,000
	18	SDA	Program Financing				50,000			50,000
	19	FCE	Resp. Exams		5,000	5,000				5,000
	20	FCE:SDA	Sedimentation Program Consultant		100,000	100,000	100,000			200,000
	21	FCE	Temporary Services		10,000	10,000				10,000
	22	FCE	Training		5,000	5,000				5,000
	23	ALL	MISC	180,000		180,000				180,000
6219			OTHER PROF & TECH SERVICES SUBTOTAL	190,000	1,193,578	1,383,578	1,184,750	0	10,000	2,578,328
6210			TOTAL	190,000	1,193,578	1,383,578	1,184,750	0	10,000	2,578,328
6230 - COUNTY PROFESSIONAL & TECHNICAL SERVICES										
6230			COUNTY PROFESSIONAL & TECHNICAL SER							
	1	FCE	General (tax admin;vect control;PWA)		50,000	50,000				50,000
	2	ALL	MISC	60,000		60,000				60,000
6230			COUNTY PROF & TECH SERVICES SUBTOTAL	60,000	50,000	110,000	0	0	0	110,000
6230			TOTAL	60,000	50,000	110,000	0	0	0	110,000
6240 - COUNTY OTHER SERVICES										
6245			COUNTY REPROGRAPHICS							
		ALL	County Printing (Include \$ for Capital Funds)		5,000	5,000				5,000
			Misc							
6245			COUNTY REPROGRAPHICS SUBTOTAL	0	5,000	5,000	0	0	0	5,000
6240			TOTAL	0	5,000	5,000	0	0	0	5,000
6250 - DISTRICT PROFESSIONAL & TECHNICAL SERVICES										
	1	FC	PWA Contract Compliance		7,500	7,500				7,500
	2	FC	Soil Conservation District				2,500			2,500
6250			TOTAL	0	7,500	7,500	2,500	0	0	10,000
TOTAL PROFESSIONAL SERVICES				250,000	1,256,078	1,506,078	1,187,250	0	10,000	2,703,328

Travel Request
Fund: 52 & 50
2008/2009

Item #	Description	ADM	ASD	SES	WFE	LAB	WRE	AVP	CPE	GPE	DVWTP	PPWTP	WELLFD	MAINT	FUND 52			FUND 50			FUND 71			
															TOTAL	FC	ADMIN	TOTAL	FC	ADMIN	TOTAL	FC	ADMIN	
1	ADM: AWWA Conferences	3,000														3,000								0
2	ADM: Dept of Water Res/State Water Contractors	4,000														4,000								0
3	ADM: WaterReuse Committee	1,000														1,000								0
4	ADM: ACWA Water Conference	12,000														12,000								0
5	ADM: CSDA Conference	3,000														3,000								0
6	ADM: Bd Members/ Sr. Staff/ EPA Conferences	7,500														7,500								0
7	ASD: Administrative Services Conferences		1,000													1,000								0
8	ASD: AWWA Conference		1,800													1,800								0
9	ASD: Financial and Administrative Services		1,200													1,200								0
10	ASD: Labor Relations Conference		1,000													1,000								0
11	ESS: AWWA Fall 2008 and Spring 2009			1,400												1,400								0
12	WQE: CA/NV AWWA Fall/Spring Conferences				1,200											1,200								0
13	WQE: AWWA National Conference				800											800								0
14	WQE: Misc. Workshops				400											400								0
15	LAB: CA/NV AWWA Fall/Spring Conferences					800										800								0
16	LAB: AWWA National Conference					900										900								0
17	LAB: Misc. Workshops					500										500								0
18	AVP: CA/NV AWWA Fall Conference (Airfare only)							1,000								1,000								0
19	AVP: CA/NV AWWA Spring Conference (Airfare only)							1,000								1,000								0
20	AVP: CA/NV AWWA Workshops (Airfare only)							1,000								1,000								0
21	AVP: Annual AWWA Conference (Airfare only)							2,000								2,000								0
22	AVP: Misc Technical Training (i.e. H2O Net) (Airfare only)							1,500								1,500								0
23	CPE: Misc. AWWA / AWWARF Conferences and Seminars								4,000							4,000								0
24	GPE: GROUNDWATER CONFERENCES									1,000						1,000								0
25	OPER: AWWA National (Conrad serves as TPOMC Chair)										2,000					2,000								0
26	FC: Flood Control Travel Expenses																							0
27	FCE: Professional conferences																							0
28	FCE: Facility tour to review "lake" maintenance																							0
		30,500	5,000	1,400	2,400	2,200	0	6,500	4,000	1,000	2,000	0	0	0	0	55,000	500	500	3,000	2,000	5,000	5,500	0	

**CAPITAL IMPROVEMENT
PROGRAM DETAIL**

**FUND 71
 SPECIAL DRAINAGE AREA 7-1
 FISCAL YEAR 2008-2009
 Summary Table**

<i>SDA 7-1 PROJECTS</i>				
Job Number	Project Title	Total Project Cost	FY 2008-2009 Budget	Page
BUILDINGS & GROUNDS				
61154	North Canyons Admin/Eng Building Lease	\$1,647,193	\$107,000	54
	SUBTOTAL	\$1,647,193	\$107,000	
FLOOD CONTROL FACILITIES				
96071	Arroyo de la Laguna Improvements - Army Corps Civil Works Project Feasibility Study	\$59,860,000	\$550,000	55
96071	Arroyo Las Positas Improvements Near El Charro Road	\$12,000,000	\$12,000,000	55
96071	Line H - Central to Vasco Improvements	\$1,065,000	\$10,000	56
61000	SDA Management & Administration	\$100,000	\$100,000	56
61145	StreamWISE	\$3,150,000	\$840,000	57
	SUBTOTAL	\$76,175,000	\$13,500,000	
TOTAL CAPITAL PROJECTS		\$77,822,193	\$13,607,000	
CONSULTING & OTHER COSTS				
96171	Consulting & Other Costs		\$1,552,988	
	SUBTOTAL	\$0	\$1,552,988	
SPECIAL DRAINAGE AREA 7-1 SUBTOTAL		\$77,822,193	\$15,159,988	
SINKING FUNDS				
	Administrative & Engineering Building - Sinking Fund	\$1,112,391	\$78,000	58
	SUBTOTAL	\$1,112,391	\$78,000	
SPECIAL DRAINAGE AREA 7-1 TOTAL		\$78,934,584	\$15,237,988	

Special Drainage Area 7-1

Program	Building & Grounds
Project	North Canyons Administrative & Engineering Building Lease
Priority	2
Project Description	A new office building for administrative and engineering staff was completed in February 2005. The new building has a larger Board Room for public meetings, is located closer to operations (treatment plants), and is more centrally located for employees and Valley residents. The move-in date was February 22, 2005. The total project cost is based on a "Build to Suit" option and includes the 15-year lease payments.
Justification	Engineering, administrative and operations staff were at different locations. This project has brought administrative and engineering staff together and will bring both closer to operations. This project also accommodates future expansion. It will reduce overall agency travel times, improve communications and staff productivity
Responsible Section	ASD Administrative Services Division
Operating Impact	Provides for more efficient and effective operations of administrative and engineering functions. Provides for secure Emergency Operations Center (EOC), as the new building will meet strictest building and safety codes.
In Service Date	Month February Year 2020 (Based on 15-Year Lease)
Total Project Cost	\$1,647,193
Source of Funds	Fund 71 SDA 7-1 Operations 10%
Fiscal Year 07/08	Amount (\$1,000's) \$107

Special Drainage Area 7-1

Program	Flood Control Facilities & SDA Administration and Engineering		
Project	Arroyo de la Laguna - Army Corp Civil Works Project Feasibility Study		
Priority	1		
Project Description	<p>There are five phases in implementing an Army Corps Civil works project (Arroyo de la Laguna facility system). (1) The first phase – the reconnaissance study is to determine if there is sufficient indication of Federal interest to warrant preparing a feasibility study. The object of the Feasibility Study is to investigate and recommend solutions to water resource problems and to identify the level of Federal interest. The cost of the Feasibility Study is cost-shared 50 % federal and 50 % Zone 7. The funding allocated includes 50% of the costs plus overhead staff costs. (3) The third phase is the Preconstruction Engineering and Design Phase. The cost is shared 75% federal and 25% Zone 7. (4)The fourth phase is the Construction Phase which is cost shared up to 50% by Zone 7 and the remaining funded by federal funds (5) The last phase is the Operation & Maintenance Phase funded by Zone 7. This cost would be funded by Zone 7’s maintenance funds. This project is to evaluate and address the deficiencies of Arroyo de la Laguna downstream of Bernal Avenue. It also includes providing habitat enhancements to abate environmental impacts and bank stabilization to limit erosion.</p>		
Justification	<p>The improvement of Arroyo de la Laguna facility system is needed to adequately handle the anticipated flows from a fully developed watershed and improve the drainage conveyance system. Currently, there is inadequate funding for the improvement of Arroyo de la Laguna. Partnering with the US Army Corps of Engineers to address the deficiencies of the Arroyo de la Laguna facility system is taking advantage of the Corps significant technical and financial resources.</p>		
Responsible Section	FCE Flood Control Engineering		
Operating Impact	Increases flood control facilities, and thus on-going maintenance costs.		
In Service Date	Month	June	Year 2014
Total Project Cost	\$59,860,000		
Source of Funds	Fund 71	SDA 7-1 Operations	100%
Fiscal Year 08/09	Amount (\$1,000's)	\$550	

Program	SDA Administration and Engineering		
Project	Arroyo Las Positas Improvements Near El Charro Road		
Priority	1		
Project Description	<p>Developer proposes to construct flood protection improvements on the Arroyo las Positas for Zone 7. Proposed improvements involve a new flood channel, flood walls, levees, culverts, flood plain dedication and other associated appurtenances. These flood protection improvements are related to the development of the El Charro Specific Plan and are a part of the Chain of Lakes projects identified in the Stream Management Master Plan.</p>		
Justification	<p>Contingent upon these proposed flood protection improvements satisfying the specifications and project requirements under the adopted Stream Management Master Plan, they may qualify for Zone 7’s construction reimbursement/cost sharing and would present cost savings to Zone 7 because of economies of scale.</p>		
Responsible Section	FCE Flood Control Engineering		
Operating Impact	Expand flood control facilities. Increased O&M costs.		
In Service Date	Month:	Year: Ongoing	
Total Project Cost	\$12,000,000		
Source of Funds	Fund 71	SDA 7-1 Operations	100%

Special Drainage Area 7-1

Fiscal Year 08/09	Amount (\$1,000's)	\$12,000	
Program	SDA Administration and Engineering		
Project	Line H – Central to Vasco Improvements		
Priority	1		
Project Description	The developer plans to enter into an agreement with Zone 7 that would provide the rights to Line H between Central and Vasco Road. Zone 7 will implement improvements to the channel by stabilizing banks, widening channel, installing fencing and installing drainage along the access roads. Improvements will be funded by SDA funds. This fiscal year would fund the design/CEQA phase.		
Justification	This section of Line H does not adequately handle the flows and has the potential to flood adjacent areas.		
Responsible Section	FCE Flood Control Engineering		
Operating Impact	Increases flood control facilities		
In Service Date	Month June	Year 2009	
Total Project Cost	\$1,065,000		
Source of Funds	Fund 71	SDA 7-1 Operations	Percentage 100%
Fiscal Year 08/09	Amount (\$1,000's)	\$10	

Program	SDA Administration and Engineering		
Project	SDA Management & Administration		
Priority	1		
Project Description	This program provides for the management and administration of the Special Drainage Area 7-1 program. The SDA 7-1 program is funded through the collection of drainage fees, which are used to provide new flood control facilities, management of the program and developer reimbursement. This program monitors the fees collected, organizes the receipts, keeps track of exemption credits, records payment for possible future reference, and responds to general program questions.		
Justification	This program was established in 1966 to improve streams/arroyos within Zone 7's service area to Flood Control standards. Funding for the channel improvements and right-of-way acquisition was established originally through Alameda County Flood Control and Water Conservation District's Ordinance 53, and later, Ordinance 0-2002-24. Ordinance 0-2002-24 prescribes the collection of SDA 7-1 Drainage Fees assessed to new and re-developments for the creation of new impervious areas. Fees are collected by the local city agencies for Zone 7 at the time of filing for final map or issuance of building permit. Fees collected are split and deposited into two funds, Fund 71 for SDA 7-1 Program Operations, and Fund 90 for Developer Reimbursement.		
Responsible Section	FCE Flood Control Engineering		
Operating Impact	Review of proposed new policies and guidelines.		
In Service Date	Month	Year Ongoing	
Total Project Cost	\$100,000 annually		
Source of Funds	Fund 71	SDA 7-1 Operations	Percentage 100%
Fiscal Year 08/09	Amount (\$1,000's)	\$100	

Special Drainage Area 7-1

Program	SDA Administration & Engineering		
Project	StreamWISE		
Priority	1		
Project Description	<p>After adoption in August 2006 of the Stream Management Master Plan (SMMP) and Master Environmental Impact Report (MEIR), Zone 7 embarked on the planning phase for implementation of the proposed projects identified in the SMMP. A comprehensive action and implementation plan, called the StreamWISE (Waterway Improvements Supporting the Environment) is currently being developed to prioritize and sequence capital improvements, identify a financial strategy, and establish maintenance plans for the new Program, which will implement the SMMP. The StreamWISE implementation plan process is incorporating direct involvement from key stakeholder groups to ensure that Zone 7 meets the needs of its constituents and partners. Through this process a five-year and ten-year outlook for the CIP will be created by prioritizing and sequencing the SMMP projects.</p>		
Justification	<p>Zone 7 is responsible for providing flood control protection within its service boundary. The 1966 Master Plan does not provide the necessary structure with respects to policy (guidance) and financing to accomplish this mission. Zone 7 also realizes that traditional engineering strategies are not sufficient or appropriate to use as a basis for this Master Plan update. Rather, Zone 7 must take into consideration the relevant state and federal environmental goals regarding endangered species and natural preservation of these streams that have been established over the past 36 years. Therefore, Zone 7 intends to refine and implement a strategy that is based on primarily addressing these environmental goals within a context of meeting its flood control responsibilities.</p>		
Responsible Section	FCE Flood Control Engineering		
Operating Impact	Increased O/M cost to be determined.		
In Service Date	Month: June Year: 2009		
Total Project Cost	\$3,150,000		
Source of Funds	Fund 71	SDA 7-1 Operations	70%
Fiscal Year 08/09	Amount (\$1,000's)	\$840	

Special Drainage Area 7-1

Project Program Priority	Administrative & Engineering Building – Sinking Fund		
	Building & Grounds		
	1		
Project Description	A new office building for administrative and engineering staff was completed in February 2005. The new building has a larger Board Room for public meetings, is located closer to operations (treatment plants), and is more centrally located for employees and Valley residents. The move-in date was February 2005. The cost was based on "Build to Suit" option and includes lease payments. In addition to the scheduled lease payment for the new building, \$696,000 plus interest per year will be contributed to a sinking fund in order to cover the purchase cost of the building after the lease payments have been completed.		
Justification	This sinking fund will cover the cost to purchase the new Administrative & Engineering Building after Zone 7's 15 year lease is completed.		
Operating Impact	None.		
Responsible Section	ASD Administrative Services Division		
In Service Date	Month	Year	2018
Total Project Cost	\$2,840,000 (for Flood Control System)		
Source of Funds	Fund 71	SDA 7-1 Operations	10%
Fiscal Year 07/08	Amount (\$1,000's)	\$78	

FUND 90
SPECIAL DRAINAGE AREA 7-1 TRUST
FISCAL YEAR 2008-2009
Summary Table

<i>SDA 7-1 TRUST PROJECTS</i>				
Job Number	Project Title	Total Project Cost	FY 2008-2009 Budget	Page
PROJECTS				
	SDA 7-1 REIMBURSEMENT	\$1,000,000	\$1,000,000	60
	SUBTOTAL	\$1,000,000	\$1,000,000	
SPECIAL DRAINAGE AREA 7-1 TRUST TOTAL		\$1,000,000	\$1,000,000	

Special Drainage Area 7-1 Trust

Program	SDA 7-1 Reimbursement Program		
Project	SDA 7-1 Reimbursement		
Priority	1		
Project Description	<p>This Program provides reimbursement of construction and right-of-way acquisition costs to developers who improve SDA 7-1 Authorized Project Lines to Zone 7 standards and then dedicating the improved right-of-way to Zone 7. The developer must enter into a SDA 7-1 Agreement with Zone 7 to qualify for reimbursement. Upon completion and acceptance of right-of-way, developers are reimbursed up to a predetermined reimbursement for actual right-of-way and construction costs, as prescribed by Ordinance 0-2002-24.</p>		
Justification	<p>This program was established in 1966 to improve streams/arroyos within Zone 7's service area to Flood Control standards. Funding for the channel improvements and right-of-way acquisition was established originally through Alameda County Flood Control and Water Conservation District's Ordinance 53, and later, Ordinance 0-2002-24. Ordinance 0-2002-24 prescribes the collection of SDA 7-1 Drainage Fees assessed to new and re-developments for the creation of new impervious areas. Fees are collected by the local city agencies for Zone 7 at the time of filing for final map or issuance of building permit. Fees collected are currently split 50%/50% and deposited into two funds, Fund 71 for SDA 7-1 Program Operations, and Fund 90 for Developer Reimbursement.</p>		
Operating Impact	Increases flood control facilities		
Responsible Section	FCE Flood Control Engineering		
In Service Date	Month	Year	Ongoing
Total Project Cost	\$1,000,000 per year		
Source of Funds	Fund 90	SDA 7-1 Trust	100%
Fiscal Year 08/09	Amount (\$1,000's)	\$1000	

**FUND 72
 RENEWAL/REPLACEMENT &
 SYSTEMWIDE IMPROVEMENT PROJECTS
 FISCAL YEAR 2008-2009
 Summary Table**

SYSTEMWIDE IMPROVEMENT PROJECTS				
Job Number	Project Title	Total Project Cost	FY 2008-2009 Budget	Page
EMERGENCY PREPAREDNESS				
53062	Security Improvements at Existing Facilities	\$1,635,000	\$835,000	62
	SUBTOTAL	\$1,635,000	\$835,000	
GROUNDWATER BASIN MANAGEMENT				
53058	Mocho Groundwater Demineralization Plant	\$18,340,000	\$5,512,405	62
53040	New Monitoring Wells	\$1,070,000	\$150,000	63
	SUBTOTAL	\$19,410,000	\$5,662,405	
PROGRAM MANAGEMENT				
54507	System-Wide Improvement, Renewal/Replacement Program Management	\$1,075,000	\$25,000	63
	SUBTOTAL	\$1,075,000	\$25,000	
TRANSMISSION & DISTRIBUTION				
54034	Corrosion Master Plan	\$2,516,000	\$210,000	64
96072	System-Wide Installation of Line Valves	\$3,790,000	\$50,000	64
96072	Transmission System Master Planning	\$1,131,250	\$25,000	65
	SUBTOTAL	\$7,437,250	\$285,000	
WATER SUPPLY & CONVEYANCE				
54504	High-Efficiency Washing Machine Rebate Program	\$799,500	\$56,000	65
54505	Ultra Low Flush/High Efficiency Toilet Rebate Program	\$1,376,250	\$38,000	66
54501	Water Conservation Best Management Practices	\$2,895,000	\$188,000	66
	SUBTOTAL	\$5,070,750	\$282,000	
WATER TREATMENT FACILITIES				
96072	DVWTP Caustic Soda Chemical Storage Upgrade	\$510,000	\$510,000	67
96072	DVWTP Recovery Ponds Solids Extraction System	\$104,000	\$104,000	67
96072	Energy Use Audit	\$100,000	\$100,000	68
53060	Evaluation of Porta-PAC	\$165,000	\$50,000	68
54064	PPWTP Ammoniation System Conversion	\$470,000	\$440,000	69
96072	PPWTP Filter-to-Waste Improvements	\$125,000	\$125,000	69
53082	PPWTP Improvements	\$654,000	\$654,000	70
96072	PPWTP UF HVAC Improvements	\$70,000	\$70,000	70
96072	PPWTP UF Work Facility Addition	\$540,000	\$90,000	71
53080	Water Quality - DV/PPWTP Taste and Odor Treatment	\$7,000,000	\$180,000	71
53069	Water Quality Management Program	\$4,723,500	\$78,000	72
	SUBTOTAL	\$14,461,500	\$2,401,000	
SYSTEMWIDE IMPROVEMENT TOTAL		\$49,089,500	\$9,490,405	

Water Rates – System-Wide Improvements

Program	Emergency Preparedness		
Project	Security Improvements at Existing Facilities		
Priority	1		
Project Description	This project includes security improvements to Zone 7's water facilities, (Water Treatment Plants, Wells and Pump Stations) including the addition of security cameras, intrusion alarms, and motion detectors.		
Justification	This is required for the protection of Zone 7 staff, infrastructure, and the community's water supply.		
Responsible Section	CP Capital Projects		
Operating Impact	Increased security. Potential cost saving to guard services after installations are complete.		
In Service Date	Month: December	Year: 2008	
Total Project Cost	\$1,635,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 08/09	Amount (\$1,000)	\$835	
<hr/>			
Program	Groundwater Basin Management		
Project	Mocho Groundwater Demineralization Plant		
Priority	1		
Project Description	This project involves the design and installation of a groundwater demineralization facility with treatment capacity of up to 7.7 mgd utilizing reverse osmosis technology. The demineralization facility will be located at the Mocho Well No. 4 site and will treat groundwater pumped from the existing Mocho wells. Ancillary improvements include piping from the existing wells, piping to existing Zone 7 transmission mains, waste discharge piping to Livermore-Amador Valley Water Management Agency (LAVWMA) facilities and control systems to facilitate operation.		
Justification	The project supports the Salt Management Program adopted by the Zone 7 Board of Directors on August 18, 1999. This project will mitigate salt build-up in groundwater basin by exporting the salts out of the basin via the LAVWMA pipeline. The facility will have a net salt removal capacity of 3000-4000 tons/year. Additionally, it will lower the TDS and hardness of the groundwater deliveries to Zone 7's treated water customers, thus also supporting Zone 7's Water Quality Policy goals.		
Responsible Section	AP Advance Planning		
Operating Impact	Increased operations and maintenance costs estimated at \$1.5 - \$2 million per year.		
In Service Date	Month: June	Year: 2009	
Total Project Cost	\$18,340,000 (75% Fund 72 – 25% Fund 73)		
Source of Funds	Fund 72	Water Rates	50%
Fiscal Year 08/09	Amount (\$1,000)	\$5,512	

Water Rates – System-Wide Improvements

Program	Groundwater Basin Management		
Project	New Monitoring Wells		
Priority	2		
Project Description	This project provides for the installation of "nested" monitoring wells at up to nine locations around Livermore-Amador Valley. The monitoring wells will be specifically designed to monitor the groundwater quality and water levels across the groundwater basin. These wells will help fill data gaps in the current monitoring network.		
Justification	Water quality and water level monitoring data obtained from these wells will facilitate wellfield operations planning, salt loading management, wellhead protection, and general basin management. They will be used to monitor changes in water quality, which in turn can be used to modify operational plans to optimize delivered water quality. They will also provide snapshots of the vertical distribution of water quality and recharge around the basin, which will also facilitate groundwater basin management activities.		
Responsible Section	GPP Groundwater Protection & Projects		
Operating Impact	Increase of water supply reliability. Increase O&M costs.		
In Service Date	Month: June Year: 2010		
Total Project Cost	\$1,070,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 08/09	Amount (\$1000)	\$150	

Program	Program Management		
Project	System-Wide Improvement, Renewal/Replacement Program Management		
Priority	3		
Project Description	Ongoing program management of the SWI and R&R programs.		
Justification	Provides for better tracking of program management costs.		
Responsible Section	AP Advance Planning		
Operating Impact	None		
In Service Date	Month: Year: Ongoing		
Total Project Cost	\$1,075,000 (\$25,000 annually)		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 08/09	Amount (\$1000)	\$25	

Water Rates – System-Wide Improvements

Program	Transmission & Distribution		
Project	Corrosion Master Plan		
Priority	3		
Project Description	This project includes periodic updates to the Corrosion Master Plan. Evaluate current condition of Zone 7's facilities with respect to corrosion and cathodic protection. Recommend future studies, plan, design and implement projects to repair and upgrade cathodic protection to ensure the service life of the facilities in compliance with industry standards. This program is planned to have a major update every 5 years.		
Justification	This program is required to protect existing facilities from corrosion. In addition, the use of cathodic protection will lengthen facilities' service lives, this optimization of their service lives will help to minimize water rate increases.		
Responsible Section	AP Advance Planning		
Operating Impact	Lengthen service life and improve reliability.		
In Service Date	Month:	Year: Ongoing	
Total Project Cost	\$2,516,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 08/09	Amount (\$1000)	\$210	

Program	Transmission & Distribution		
Project	System-Wide Installation of Line Valves		
Priority	3		
Project Description	Installation of approximately 30 new line valves in the transmission system, as needed, to provide maximum 2,000-2,500 feet separation throughout the transmission system.		
Justification	The installation of additional line valves will reduce service interruptions due to scheduled maintenance and other activities such as leak repairs.		
Responsible Section	CP Capital Projects		
Operating Impact	Improve operation and reduce service interruptions.		
In Service Date	Month: July	Year: 2020	
Total Project Cost	\$3,790,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 08/09	Amount (\$1000)	\$50	

Water Rates – System-Wide Improvements

Program	Transmission & Distribution	
Project	Transmission System Master Planning	
Priority	2	
Project Description	This program involves a comprehensive effort to define renewal/replacement and improvement projects needed for the transmission system in order to meet existing and future water demands. This program involves an integration of all aspects of transmission system planning, including the Asset Management Program (AMP), corrosion master planning, hydraulic modeling, etc. Comprehensive updates to the Transmission System Master Plan will occur every five-years.	
Justification	Establish transmission system sustainability and increase operational/maintenance efficiencies and ensure that Zone 7 meets its goals and objectives to its retailers for existing and future demands, all in a cost-effective manner.	
Responsible Section	AP Advance Planning	
Operating Impact	Increase operational/maintenance efficiency.	
In Service Date	Month:	Year: Ongoing
Total Project Cost	\$1,131,250 (\$25,000 annually)	
Source of Funds	Fund 72	Water Rates 50%
Fiscal Year 08/09	Amount (\$1000)	\$25

Program	Water Supply & Conveyance	
Project	High-Efficiency Washing Machine Rebate Program	
Priority	1	
Project Description	This program encourages the purchase and installation of high-efficiency washing machines by offering buyers from \$75 to \$200 rebates. New regulations, which went into effect in 2007, require all new washers to be energy-efficient.	
Justification	Studies show that approximately 20% of a household's water is used by washing machines. High-efficiency washing machines use about 40% less water per load. This could lead to an annual water savings of approximately 5,100 gallons per machine.	
Responsible Section	EPA Environmental and Public Affairs	
Operating Impact	Decrease O & M costs.	
In Service Date	Month:	Year: Ongoing
Total Project Cost	\$1,066,000 (75% Fund 72 – 25% Fund 73)	
Source of Funds	Fund 72	Water Rates 75%
Fiscal Year 08/09	Amount (\$1000)	\$56

Water Rates – System-Wide Improvements

Program	Water Supply & Conveyance		
Project	Ultra Low Flush/High Efficiency Toilet Rebate Program		
Priority	1		
Project Description	This program encourages the replacement of existing high-water-using toilets (more than 1.6 gallons per flush) with ultra-low-flush toilets (ULFT - 1.6 gallons or less), or dual-flush or high-efficiency (HET 1.3 gallons or less) toilets in residential, commercial, and industrial buildings by offering homeowners and businesses a two-tier rebate of either \$50 per installation for an ULFT or \$125 for installations of a dual-flush toilet or HET.		
Justification	This program replaces existing high-water-using toilets with ULFTs, dual-flush toilets or HETs in residential, commercial, and industrial buildings. The estimated water savings from an ULFT is on the order of 38 gallons/day. The UFLT program is a water conservation BMP that Zone 7 implements in conjunction with its retailing water agencies.		
Operating Impact	Decreased operations.		
Responsible Section	EPA Environmental and Public Affairs		
In Service Date	Month	Year Ongoing	
Total Project Cost	\$1,835,000 (75% Fund 72 – 25% Fund 73)		
Source of Funds	Fund 72	Water Rates	75%
Fiscal Year 08/09	Amount (\$1,000's)	\$38	

Program	Water Supply & Conveyance		
Project	Water Conservation Best Management Practices		
Priority	1		
Project Description	This program includes financial & technical support for our retailers' conservation efforts; support & incentives to improve large landscape water efficiency; and public information & school education programs promoting water conservation.		
Justification	Reduce long-term water demands by promoting Best Management Practices (BMPs) that encourage wise and efficient use of water. Zone 7 studies show that per capita water use in our service area is declining, thus illustrating the effectiveness of our program.		
Responsible Section	EPA Environmental and Public Affairs		
Operating Impact	Decreased potable water demands and increase system reliability.		
In Service Date	Month:	Year: Ongoing	
Total Project Cost	\$2,895,000		
Source of Funds	Fund 72	Water Rates	75%
Fiscal Year 08/09	Amount (\$1000)	\$188	

Water Rates – System-Wide Improvements

Program	Water Treatment Facilities		
Project	DVWTP Caustic Soda Chemical Storage Upgrade		
Priority	2		
Project Description	This project involves upgrading the existing caustic soda chemical storage facility at DVWTP due to inadequate capacity. The existing caustic soda storage tank is downstairs and requires a new load every 2-3 days during extended periods of high demand. Alternatives include replacing adjacent, unused alum tank or providing a new storage facility outside. With the increased firm plant production capability provided by the new 10-MGD DAF unit, greater use of treatment chemicals is anticipated.		
Justification	Chemical storage tanks may not be of optimal size to properly and efficiently schedule chemical deliveries. Optimizing chemical systems are meant to realize long-term savings by minimizing the frequency of chemical deliveries and improve operational reliability by providing adequate chemical storage at all times.		
Responsible Section	CP Capital Projects		
Operating Impact	Improve ability to comply with regulatory requirements, increase operational effectiveness, increase reliability and safety.		
In Service Date	Month: June Year: 2009		
Total Project Cost	\$510,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 08/09	Amount (\$1000)	\$510	

Program	Water Treatment Facilities		
Project	DVWTP Recovery Ponds Solids Extraction System		
Priority	1		
Project Description	The washwater recovery ponds accumulate sludge that settles out of filter backwash flows and other washwater flows. Currently, the ponds must be manually drained to the lower drying beds. Operators enter the recovery ponds on a weekly basis for this cleaning procedure. This project provides a permanent system for pumping backwash solids from the washwater recovery ponds to the thickener. It includes a concrete pump sump, valves, pumps, switchgear, piping to thickener, and SCADA control.		
Justification	By pumping the settled solids to the thickener, they can be thickened and dewatered along with the pulsator solids. It minimizes entry into the recovery ponds and minimizes downtime of the ponds during cleaning.		
Responsible Section	CP Capital Projects		
Operating Impact	Increase safety and operational effectiveness and reliability.		
In Service Date	Month: January	Year: 2009	
Total Project Cost	\$104,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 08/09	Amount (\$1000)	\$104	

Water Rates – System-Wide Improvements

Program:	Water Treatment Facilities
Project:	Energy Use Audit
Priority:	2
Project Description:	This project will study, evaluate and recommend alternatives to improve Zone 7's power monitoring within water treatment facilities and minimize Zone 7's power consumption at all major water production facilities. Existing power use data will be reviewed, audits will be conducted on pumps and processes, and recommendations will be provided for minimizing our power costs. The audit will provide documentation of current efficiency, recommendations for retrofitting electrical units and/or recommendations to altering their mode of operation.
Justification:	Power costs are a major component of Zone 7's operating budget and both the total power use and the cost of power are continually increasing. With the advent of the groundwater demineralization facility, it is important to evaluate our production system to ensure that all major processes operate efficiently.
Responsible Section:	WRE Water Resources Engineering
Operating Impact	This project will garner long-term financial savings by monitoring and optimizing Zone 7's production units.
In Service Date	Month: April Year: 2009
Total Project Cost	\$105,000
Source of Funds	Fund 72 Water Rates 100%
Fiscal Year 08/09	Amount (\$1000) \$100

Program	Water Treatment Facilities
Project	Evaluation of Porta-PAC
Priority	2
Project Description	Continuation of Porta-PAC system and powdered activated carbon (PAC) assessment for Zone 7's Interim Taste & Odor (T&O) control strategy. Full-scale testing is planned for the 2008 T&O season, including an operational assessment. An internal 2007 Porta-PAC Implementation Plan identified a certified industrial hygienist study to address the health and safety and environmental assessment for PAC and sludge operations at DVWTP. Consultant has been procured and work effort will occur during the 2008 T&O season.
Justification	To continue assessment of Porta-PAC system for suitability to mitigate T&O at DVWTP and PPWTP-conventional, until the permanent T&O treatment facilities are placed in service.
Responsible Section	WQE Water Quality Engineering
Operating Impact	Provide earthy-musty taste and odor control capability at each conventional plant during Zone 7's typical T&O season from April to October. There is no impact to production.
In Service Date	Month: December Year: 2008
Total Project Cost	\$165,000
Source of Funds	Fund 72 Water Rates 100%
Fiscal Year 08/09	Amount (\$1000) \$50

Water Rates – System-Wide Improvements

Program	Water Treatment Facilities		
Project	PPWTP Ammoniation System Conversion		
Priority	2		
Project Description	Upgrade PPWTP ammoniation system by 1) replacing existing pressure ammoniator with a vacuum ammoniator in the existing ammonia room, 2) remove and replace pressure ammonia piping relocating it to the exterior of building from the tank to ammonia room and then within the chemical trench to existing inject vault, and lastly 3) make any legally required code modifications because of changes. Final product is a design concept plan to Alameda County Department of Environmental Health for evaluation.		
Justification	Objective is to design a safer vacuum system similar to that at DVWTP for the ammoniation system at PPWTP.		
Responsible Section	ESS Emergency Services and Safety		
Operating Impact	Increased safety and operational flexibility.		
In Service Date	Month: June Year: 2009		
Total Project Cost	\$470,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 08/09	Amount (\$1000)	\$440	

Program	Water Treatment Facilities		
Project	PPWTP Filter-to-Waste Improvements		
Priority	2		
Project Description	Evaluate the performance of the conventional plant filter-to-waste (FTW) system and then design and modify piping and pump system to reduce down time of filter after a backwash. The current FTW system only allows us to waste at 800 GPM and the marginal improvement in production needs to be weighed against the cost to upgrade the FTW system to a rate of approximately 2000 GPM.		
Justification	The current FTW system takes roughly an hour or more to achieve the chlorine residual required for CT compliance. Improvements to the FTW system to lessen filter down time will provide a marginal increase in the conventional plant production rate.		
Responsible Section	AP Advance Planning		
Operating Impact	Increase operational flexibility and reliability. Marginal increase in production.		
In Service Date	Month: June Year: 2009		
Total Project Cost	\$160,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 08/09	Amount (\$1000)	\$125	

Water Rates – System-Wide Improvements

Program	Water Treatment Facilities
Project	PPWTP Improvements
Priority	1
Project Description	This is a combined project of the following smaller projects at PPWTP: 1) backwash tank line interconnection 2) Improvement of the washwater recovery pump system, 3) meter installation and replacement, 4) UF clearwell bypass. Combining these smaller projects will facilitate more efficient and cost-effective design, construction and management. In addition, it will make a larger project more attractive to potential bidders.
Justification	This project is required to ensure the reliable production of water at PPWTP.
Responsible Section	CP Capital Projects
Operating Impact	Increased operational reliability.
In Service Date	Month: June Year: 2009
Total Project Cost	\$654,000
Source of Funds	Fund 72 Water Rates 75%
Fiscal Year 08/09	Amount (\$1000) \$654

Program	Water Treatment Facilities
Project	PPWTP UF HVAC Improvements
Priority	2
Project Description	Installation of HVAC system to cover the entire UF Building.
Justification	This project would extend HVAC control over the entire UF building to provide added protection for UF equipment against higher heating and cooling temperatures throughout the year.
Responsible Section	CP Capital Projects
Operating Impact	Increased operational reliability.
In Service Date	Month: June Year: 2010
Total Project Cost	\$460,000
Source of Funds	Fund 72 Water Rates 100%
Fiscal Year 08/09	Amount (\$1000) \$70

Water Rates – System-Wide Improvements

Program	Water Treatment Facilities		
Project	PPWTP UF Work Facility Addition		
Priority	2		
Project Description	This project entails the construction of a work facility that will handle equipment storage and will include minor water quality laboratory facilities necessary for immediate water sample analyses at the UF plant.		
Justification	This project provides for more effective and efficient response to on-going sampling needs at the UF plant and for making repairs to equipment.		
Responsible Section	CP Capital Projects		
Operating Impact	Increased operational effectiveness.		
In Service Date	Month: June Year: 2009		
Total Project Cost	\$540,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 08/09	Amount (\$1000)	\$90	

Program	Water Treatment Facilities		
Project	Water Quality - DVWTP Taste and Odor Treatment		
Priority	2		
Project Description	This is a comprehensive study to investigate the possible installation of treatment process(es) at DVWTP for earthy-musty taste and odor removal. Possible treatment alternatives include chlorine dioxide, GAC and/or ozonation.		
Justification	This project will mitigate seasonal earthy-musty taste and odor from treated surface from DVWTP, per the Water Quality Implementation Plan.		
Responsible Section	AP Advance Planning		
Operating Impact	Increased operations and maintenance costs.		
In Service Date	Month: December Year: 2010		
Total Project Cost	\$7,000,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 08/09	Amount (\$1000)	\$180	

Water Rates – System-Wide Improvements

Program	Water Treatment Facilities
Project	Water Quality Management Program
Priority	1
Project Description	A comprehensive water quality management program and implementation plan (Water Quality Management Plan) was completed in April 2003. This plan addresses water quality concerns of customers and community. It has led to the Board adoption of policies that address specific water quality goals and objectives that meet internal (Zone 7) and customer and end user needs. This ongoing program will be one component of Zone 7's overall master planning process. It will help guide both our water system operations and our Capital Improvement Program (CIP) over the next 20 years.
Justification	Will assist the Zone 7 Board of Directors in determining policies to effectively manage treated and untreated water quality issues. Will provide guidance to Zone 7's water operations, help establish capital facilities needs and design guidelines, and incorporate a funding strategy.
Responsible Section	WQ Water Quality
Operating Impact	Will provide clear operational guidelines. Potential additional treatment and blending facilities to operate.
In Service Date	Month: Year: Ongoing
Total Project Cost	\$4,723,500
Source of Funds	Fund 72 Water Rates 75%
Fiscal Year 08/09	Amount (\$1000) \$78

**FUND 72
 RENEWAL/REPLACEMENT &
 SYSTEMWIDE IMPROVEMENT PROJECTS
 FISCAL YEAR 2008-2009
 Summary Table**

<i>RENEWAL & REPLACEMENT PROJECTS</i>				
Job Number	Project Title	Total Project Cost	FY 2008-2009 Budget	Page
BUILDINGS & GROUNDS				
54053	North Canyons Administrative & Engineering Building Lease	\$8,337,000	\$478,000	74
	SUBTOTAL	\$8,337,000	\$478,000	
GROUNDWATER BASIN MANAGEMENT				
54022	Monitoring Well Replacements	\$1,791,000	\$50,000	74
54030	Stream Gage Replacement	\$1,804,000	\$120,000	75
	SUBTOTAL	\$3,595,000	\$170,000	
PROGRAM MANAGEMENT				
54508	Capital Improvement Program Management	\$978,600	\$36,000	75
54507	System-Wide Improvement, Renewal/Replacement Program Management	\$1,075,000	\$25,000	76
	SUBTOTAL	\$2,053,600	\$61,000	
REGULATORY COMPLIANCE				
54042	Laboratory Equipment Replacement	\$5,727,000	\$100,000	76
	SUBTOTAL	\$5,727,000	\$100,000	
TRANSMISSION AND DISTRIBUTION				
96072	Transmission System Master Planning	\$1,131,250	\$25,000	77
	SUBTOTAL	\$1,131,250	\$25,000	
WATER TREATMENT FACILITIES				
96072	DVWTP Chemical Feed System Replacement	\$330,000	\$330,000	77
96072	DVWTP Coating Improvements to the 4.5 MG Steel Clearwell	\$830,000	\$800,000	78
96072	DVWTP Coating Improvements to the Roof of the 3 MG Clearwell	\$140,000	\$110,000	78
96072	Minor Renewal/Replacement Projects	\$8,875,000	\$200,000	79
96072	PPWTP Sewer System	\$395,000	\$395,000	79
54048	SCADA Enhancements	\$17,714,000	\$780,000	80
	SUBTOTAL	\$28,284,000	\$2,615,000	
RENEWAL & REPLACEMENT TOTAL		\$49,127,850	\$3,449,000	
SYSTEMWIDE IMPROVEMENTS/RENEWAL & REPLACEMENT PROJECTS TOTAL		\$98,217,350	\$12,939,405	
CONTINGENCY FUNDS				
96172	Contingency Funds		\$500,000	
	SUBTOTAL	\$0	\$500,000	
SYSTEMWIDE IMPROVEMENTS/RENEWAL & REPLACEMENT PROGRAM SUBTOTAL		\$98,217,350	\$13,439,405	
SINKING FUNDS				
54040	Administrative & Engineering Building - Sinking Fund	\$8,146,000	\$349,000	80
	SUBTOTAL	\$8,146,000	\$349,000	
SYSTEMWIDE IMPROVEMENT / RENEWAL & REPLACEMENT PROGRAM TOTAL		\$106,363,350	\$13,788,405	

Water Rates – Renewal/Replacement

Program	Building & Grounds		
Project	North Canyons Administrative & Engineering Building Lease		
Priority	2		
Project Description	A new office building for administrative and engineering staff was completed in February 2005. The new building has a larger Board Room for public meetings. The new building is located closer to operations (treatment plants), and is more centrally located for employees and Valley residents. The move-in date was February 22, 2005. The total project cost is based on a "Build to Suit" option and includes the 15-year lease payments.		
Justification	Engineering, administrative and operations staff were at different locations. This project has brought administrative and engineering staff together and will bring both closer to operations. This project also accommodates future expansion. It will reduce overall agency travel times, improve communications and staff productivity		
Responsible Section	ASD Administrative Services Division		
Operating Impact	Provides for more efficient and effective operations of administrative and engineering functions. Provides for secure Emergency Operations Center (EOC), as the new building meets strictest building and safety codes.		
In Service Date	Month: February	Year: 2020	
Total Project Cost	\$8,337,000		
Source of Funds	Fund 72	Water Rates	45%
Fiscal Year 08/09	Amount (\$1000)	\$478	

Program	Groundwater Basin Management		
Project	Monitoring Well Replacements		
Priority	3		
Project Description	This project provides for, on an as-needed basis, the replacement of old and damaged monitoring wells which are currently in Zone 7's monitoring network. In addition, it provides for the relocation of other Zone 7-monitored wells which need to be destroyed to allow for future development of land. The replacement wells will have various completion depths depending on their location. In some cases, nested monitoring wells having multiple completion intervals may be desirable. It is estimated that 0 to 2 wells will need to be replaced and or destroyed each year.		
Justification	Zone 7 operates an extensive monitoring well network for the monitoring of basin-wide groundwater levels and groundwater quality. In order for Zone 7 to continue to protect and manage the groundwater basin as a viable water supply, some of these monitoring wells will need to be replaced.		
Responsible Section	GPP Groundwater Protection & Projects		
Operating Impact	Facilitate better monitoring of Zone 7's conjunctive use of the groundwater basin.		
In Service Date	Month:	Year: Ongoing	
Total Project Cost	\$1,791,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 08/09	Amount (\$1000)	\$50	

Water Rates – Renewal/Replacement

Program	Groundwater Basin Management		
Project	Stream Gage Replacement		
Priority	1		
Project Description	This project provides for the replacement of damaged or destroyed steam gages which are currently in Zone 7's monitoring network, on an as-needed basis. Zone 7 currently operates 7 recorder stream gaging stations in its surface water monitoring program. Based on the current gaging station conditions and previous experience, it is anticipated that a gaging station will need to be repaired or replaced on a 5-year frequency.		
Justification	Zone 7 operates an extensive stream gaging network for the monitoring of basin-wide surface water flow. The stream flow information is used to compute groundwater basin inflow, outflow and recharge. From time to time, these gaging stations are damaged or destroyed by storm events. In other cases, the stream courses may be altered, making it necessary to replace existing stations. Replacement of these stations is necessary for the on-going monitoring of basin recharge operations.		
Responsible Section	GP Groundwater Protection		
Operating Impact	Facilitates better monitoring of ongoing basin recharge operations including associated salt loading.		
In Service Date	Month:	Year: Ongoing	
Total Project Cost	\$1,804,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 08/09	Amount (\$1000)	\$120	

Program	Program Management		
Project	Capital Improvement Program Management		
Priority	2		
Project Description	Ongoing program management of the Capital Improvement Plan.		
Justification	Provides for better tracking of program management costs.		
Responsible Section	AP Advance Planning		
Operating Impact	None		
In Service Date	Month:	Year: Ongoing	
Total Project Cost	\$978,600 (\$30,000 annually)		
Source of Funds	Fund 72	Water Rates	20%
Fiscal Year 08/09	Amount (\$1000)	\$36	

Water Rates – Renewal/Replacement

Program	Program Management
Project	System-Wide Improvement, Renewal/Replacement Program Management
Priority	3
Project Description	Ongoing program management of the SWI and R&R programs.
Justification	Provides for better tracking of program management costs.
Responsible Section	AP Advance Planning
Operating Impact	None
In Service Date	Month: Year: Ongoing
Total Project Cost	\$1,075,000 (\$25,000 annually)
Source of Funds	Fund 72 Water Rates 100%
Fiscal Year 08/09	Amount (\$1000) \$25

Program	Regulatory Compliance
Project	Laboratory Equipment Replacement
Priority	2
Project Description	The replacement of various monitoring and analytical laboratory equipment. Examples of major equipment to be replaced include but are not limited to: HP 5890 GC with Hall ECD/PID detectors, auto-sampler and data acquisition system; PE 5100 PC AA with flame and graphite furnace with auto-sampler and data acquisition system; Varian Saturn GC/MS with dual auto-sampler and data acquisition system.
Justification	This program replaces existing laboratory equipment that has an average service life of ten years. This equipment is required for regulatory compliance monitoring and groundwater water quality management.
Operating Impact	Equipment is required to meet regulatory compliance
Responsible Section	LAB Laboratory
In Service Date	Month Year: Ongoing
Total Project Cost	\$5,727,000 (\$100,000 annually)
Source of Funds	Fund 72 Water Rates 100%
Fiscal Year 08/09	Amount (\$1,000's) \$100

Water Rates – Renewal/Replacement

Program	Transmission & Distribution
Project	Transmission System Master Planning
Priority	2
Project Description	This program involves a comprehensive effort to define renewal/replacement and improvement projects needed for the transmission system in order to meet existing and future water demands. This program involves an integration of all aspects of transmission system planning, including the Asset Management Program (AMP), corrosion master planning, hydraulic modeling, etc. Comprehensive updates to the Transmission System Master Plan will occur every five-years.
Justification	Establish transmission system sustainability and increase operational/maintenance efficiencies and ensure that Zone 7 meets its goals and objectives to its retailers for existing and future demands, all in a cost-effective manner.
Responsible Section	AP Advance Planning
Operating Impact	Increase operational/maintenance efficiency.
In Service Date	Month: Year: Ongoing
Total Project Cost	\$1,31,250 (\$25,000 annually)
Source of Funds	Fund 72 Water Rates 50%
Fiscal Year 08/09	Amount (\$1000) \$25

Program	Water Treatment Facilities
Project	DVWTP Chemical Feed System Replacement
Priority	2
Project Description	This project includes replacing existing chemical feed systems, including pumps, which are antiquated and require regular maintenance. Various components break down and clog frequently. The chemical feed systems were originally installed as temporary systems.
Justification	Existing chemical feed systems are subject to constant mechanical failure. Properly functioning feed systems are essential to reliable plant production.
Responsible Section	CP Capital Projects
Operating Impact	Increased reliability, decreased maintenance.
In Service Date	Month: June Year: 2009
Total Project Cost	\$330,000
Source of Funds	Fund 72 Water Rates 100%
Fiscal Year 08/09	Amount (\$1000) \$330

Water Rates – Renewal/Replacement

Program	Water Treatment Facilities		
Project	DVWTP Coating Improvements to the 4.5 MG Steel Clearwell		
Priority	2		
Project Description	This project involves the removal and recoating of the interior and exterior of the 4.5 MG clearwell.		
Justification	An inspection report of the 4.5 MG steel clearwell in November 2002 indicates that there are areas that show some evidence of blistering and holidays. However, the tank remains in relatively good condition and the underlying steel is being protected by the cathodic protection system. A new coating system is planned for completion in FY 08/09. The clearwell will be inspected every 2 years and the information will be used to determine when the improvements are needed.		
Responsible Section	CP Capital Projects		
Operating Impact	A new coating system will give better protection and prolong the useful life of the clearwell.		
In Service Date	Month: February	Year: 2008	
Total Project Cost	\$830,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 08/09	Amount (\$1000)	\$800	

Program	Water Treatment Facilities		
Project	DVWTP Coating Improvements to the Roof of the 3 MG Clearwell		
Priority	2		
Project Description	This project involves the repair to the interior coating of the metal roof of the 3 MG concrete clearwell.		
Justification	Inspection report in November 2002 indicated some delaminations at a few locations in the metal roof of the 3 MG clearwell. The condition of the delamination appears to remain the same as that identified in April 2000. Repair should be scheduled when the clearwell is taken out of service and drained for other maintenance activities.		
Responsible Section	CP Capital Projects		
Operating Impact	Repair to the coating will provide better protection and prolong the useful life of the clearwell.		
In Service Date	Month: February	Year: 2008	
Total Project Cost	\$140,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 08/09	Amount (\$1000)	\$110	

Water Rates – Renewal/Replacement

Program	Water Treatment Facilities		
Project	Minor Renewal/Replacement Projects		
Priority	2		
Project Description	Replacement of assets, which individually cost less than \$50K and require some engineering support.		
Justification	Ongoing maintenance associated with the reliable supply of high-quality water.		
Responsible Section	OPS Operations & Maintenance		
Operating Impact	System operational reliability.		
In Service Date	Month:	Year:	Ongoing
Total Project Cost	\$8,875,000 (approximately \$200K annually)		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 08/09	Amount (\$1000)	\$200	

Program	Water Treatment Facilities		
Project	PPWTP Sewer System		
Priority	1		
Project Description	This project will replace the existing septic tank system with a new sewer system (connected to the City of Livermore Sanitary Sewer System).		
Justification	<p>The existing septic tank system at PPWTP is approximately 46 years old and is near the end of its useful life. Recently it has demonstrated signs of impending failure. Rehabilitation work has only been partially successful. It is inevitable that with time the system will decrease in performance and one day will fail completely.</p> <p>In addition to handling sewer flow, the system would have the advantage of being able to handle neutralized citric acid which is generated from the PPWTP Ultrafiltration Plant. Currently this acid is trucked to a sewage treatment plant during major membrane cleanings and sent to the plant headworks during minor membrane cleanings. Disposal through the sewer system will have long term savings in chemical off-haul and off-site disposal costs.</p>		
Responsible Section	CP Capital Projects		
Operating Impact	Will meet sanitary sewer design and operational standards.		
In Service Date	Month:	Year:	
Total Project Cost	\$395,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 08/09	Amount (\$1000)	\$395	

Water Rates – Renewal/Replacement

Program	Water Treatment Facilities		
Project	SCADA Enhancements		
Priority	2		
Project Description	After the completion of Phase I of the SCADA Improvements project (May 2006 completion), there will be an ongoing need for reprogramming, installation of additional devices and upgrading of the existing devices to improve the use of SCADA system to accommodate the changes in the plant and transmission system operation. The SCADA system will also require major software and hardware upgrades about every five years.		
Justification	This project will enable operators to have increased control and monitoring capability of the treatment and transmission facilities using SCADA. The improvements will enhance personnel and equipment safety, and help meet regulations. The improvements will result in increased efficiency and enable operations to fine tune the treatment and transmission process.		
Responsible Section	AP Advance Planning		
Operating Impact	Improved control, monitoring and reporting through SCADA of process equipment.		
In Service Date	Month:	Year: Ongoing	
Total Project Cost	\$17,714,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 08/09	Amount (\$1000)	\$780	

Program	Building & Grounds		
Project	Administrative & Engineering Building - Sinking Fund		
Priority	1		
Project Description	A new office building has been constructed for administrative and engineering staff. The new building has a larger Board Room for public meetings. The new building is located closer to the operations (treatment plants), and is more centrally located for employees and Valley residents. The move-in date was February 2005. The cost was based on "Build to Suit" option and includes lease payments. In addition to the scheduled lease payment for the new building, \$696,000 plus interest per year will be contributed to a sinking fund in order to cover the purchase cost of the building after the lease payments have been completed.		
Justification	This sinking fund will cover the cost to purchase the new Administrative & Engineering Building after Zone 7's 15 year lease is completed.		
Responsible Section	ASD Administrative Services Division		
Operating Impact	None.		
In Service Date	Month:	Year: 2018	
Total Project Cost	\$8,146,000		
Source of Funds	Fund 72	Water Rates	45%
Fiscal Year 08/09	Amount (\$1000)	\$349	

FUND 73
CAPITAL EXPANSION PROJECTS
FISCAL YEAR 2008-2009
Summary Table

CAPITAL EXPANSION PROJECTS				
Job Number	Project Title	Total Project Cost	FY 2008-2009 Budget	Page
BUILDINGS & GROUNDS				
55048	North Canyons Administrative & Engineering Building Lease	\$6,932,000	\$376,000	82
	SUBTOTAL	\$6,932,000	\$376,000	
GROUNDWATER BASIN MANAGEMENT				
55425	Mocho Groundwater Demineralization Plant	\$18,340,000	\$5,512,405	83
	SUBTOTAL	\$18,340,000	\$5,512,405	
PROGRAM MANAGEMENT				
55050	Capital Improvement Program Management	\$3,669,750	\$107,000	83
55010	Expansion Program Management	\$6,050,000	\$150,000	84
96073	Interest on Installment Sale Agreement	\$0	\$518,000	84
	SUBTOTAL	\$9,719,750	\$775,000	
TRANSMISSION AND DISTRIBUTION				
96073	Transmission System Master Planning	\$2,262,500	\$50,000	85
	SUBTOTAL	\$2,262,500	\$50,000	
WATER SUPPLY AND CONVEYANCE				
55039	Arroyo Mocho Low Flow Crossings	\$948,000	\$443,000	85
57101	Arroyo Mocho/Lake H Diversion Structure	\$916,000	\$400,000	86
96073	CAL-FED Project Proportional Local Share	\$3,110,000	\$90,000	87
55106	Cawelo Groundwater Banking Program	\$38,647,000	\$1,295,000	87
57102	Chain of Lakes Facilities and Improvements	\$40,675,000	\$1,122,000	88
57104	Chain of Lakes Master Plan	\$4,192,000	\$1,350,000	89
55043	CUWA Membership & Technical Studies	\$3,307,000	\$110,000	89
55505	Delta Conservation Plan	\$602,000	\$130,000	90
55053	Delta Outreach Program	\$130,000	\$36,000	90
96073	Fixed Cost of Water Entitlement	\$5,322,000	\$139,000	91
96073	Future Contractor's Share of the SBA	\$30,763,000	\$726,000	91
55303	High-Efficiency Washing Machine Rebate Program	\$266,500	\$19,000	92
51410	Semitropic Stored Water Recovery Unit	\$1,536,000	\$48,000	93
55037	South Bay Aqueduct Improvement & Enlargement Project	\$230,385,000	\$6,977,000	94
51408	SWP Peaking Payment (Lost Hills & Belridge Water Districts)	\$7,157,000	\$270,000	95
52908	Ultra Low Flush/High Efficiency Toilet Rebate Program	\$458,750	\$13,000	95
55300	Water Conservation Best Management Practices	\$965,000	\$63,000	96
	SUBTOTAL	\$369,380,250	\$13,231,000	
WATER TREATMENT FACILITIES				
55614	Altamont Pipeline	\$67,909,000	\$45,703,946	96
96073	Altamont Water Treatment Plant Operational Training	\$400,000	\$200,000	97
55613	Altamont Water Treatment Plant Phase 1 (24 MGD)	\$118,356,400	\$11,867,650	97
55615	PPWTP Improvements	\$218,000	\$218,000	98
55611	PPWTP UF Chemical System Improvements	\$377,000	\$377,000	98
55607	PPWTP UF Plant Modifications	\$844,500	\$30,000	99
55054	Water Quality Management Program	\$1,574,500	\$26,000	99
	SUBTOTAL	\$189,679,400	\$58,422,596	
WELLS				
55426	Well Master Plan Wells	\$98,588,000	\$4,160,000	100
	SUBTOTAL	\$98,588,000	\$4,160,000	
EXPANSION PROJECT TOTAL		\$694,901,900	\$82,527,001	
CONTINGENCY				
96073	Administrative Fee		\$272,242	
96173	Contingency Funds		\$500,000	
	SUBTOTAL	\$0	\$772,242	
EXPANSION PROGRAM SUBTOTAL		\$694,901,900	\$83,299,243	
EXPANSION SINKING FUNDS				
55036	Administrative & Engineering Building - Sinking Fund	\$6,495,000	\$275,000	100
51401	Future Contractor's Share of the SBA - Sinking Fund	\$4,307,200	\$230,000	101
55037	South Bay Aqueduct Improvement & Enlargement - Sinking Fund	\$30,000,000	\$1,692,000	102
	SUBTOTAL	\$40,802,200	\$2,197,000	
CAPITAL EXPANSION PROGRAM TOTAL		\$735,704,100	\$85,496,243	

Connection Fees - Expansion

Program	Building & Grounds		
Project	North Canyons Administrative & Engineering Building Lease		
Priority	2		
Project Description	A new office building for administrative and engineering staff was completed in February 2005. The new building has a larger Board Room for public meetings. The new building is located closer to operations (treatment plants), and is more centrally located for employees and Valley residents. The move-in date was February 22, 2005. The total project cost is based on a "Build to Suit" option and includes the 15-year lease payments.		
Justification	Engineering, administrative and operations staff were at different locations. This project has brought administrative and engineering staff together and will bring both closer to operations. This project also accommodates future expansion. It will reduce overall agency travel times, improve communications and staff productivity		
Responsible Section	ASD Administrative Services Division		
Operating Impact	Provides for more efficient and effective operations of administrative and engineering functions. Provides for secure Emergency Operations Center (EOC), as the new building meets strictest building and safety codes.		
In Service Date	Month: February	Year: 2020	
Total Project Cost	\$6,932,000		
Source of Funds	Fund 73	Connection Fees	35%
Fiscal Year 08/09	Amount (\$1000)	\$376	

Connection Fees - Expansion

Program	Groundwater Basin Management		
Project	Mocho Groundwater Demineralization Plant		
Priority	1		
Project Description	This project includes the design and construction of a groundwater demineralization facility with treatment capacity of up to 7.7 mgd utilizing reverse osmosis technology.. The demineralization facility will be located near Mocho Well No. 4 and will treat groundwater pumped from the existing Mocho wells. Ancillary improvements include piping to existing wells, piping to existing Zone 7 transmission mains, waste discharge piping to LAVWMA (via Livermore interceptor and via DSRSD Export Pipeline using old Camp Parks 12" water line and CWR Pipeline) facilities and control systems to facilitate operation.		
Justification	The project supports the Salt Management Program endorsed by the Zone 7 Board of Directors on August 18, 1999. This project will mitigate salt build-up in groundwater basin by exporting the salts out of the basin via the LAVWMA pipeline. The facility will have a net salt removal capacity of 3000-4000 tons/year. Additionally, it will lower the TDS and hardness of the groundwater deliveries to the Zone's treated water customers, thus also supporting Zone 7's Water Quality Policy goals		
Responsible Section	AP Advance Planning		
Operating Impact	Increased operations and maintenance costs estimated at \$1.5 - 2 million per year.		
In Service Date	Month: June Year: 2009		
Total Project Cost	\$18,340,000		
Source of Funds	Fund 73	Connection Fees	50%
Fiscal Year 08/09	Amount (\$1000)	\$5,512	

Program	Program Management		
Project	Capital Improvement Program Management		
Priority	2		
Project Description	Ongoing program management of the Capital Improvement Plan.		
Justification	Provides for better tracking of program management costs.		
Responsible Section	AP Advance Planning		
Operating Impact	None		
In Service Date	Month:	Year:	Ongoing
Total Project Cost	\$3,669,750 (\$107,000 annually)		
Source of Funds	Fund 73	Water Connection	75%
Fiscal Year 08/09	Amount (\$1000)	\$107	

Connection Fees - Expansion

Program	Program Management		
Project	Expansion Program Management		
Priority	2		
Project Description	Ongoing management of the Expansion Program (Fund 73).		
Justification	Provides for better tracking of program management costs.		
Responsible Section	AP Advance Planning		
Operating Impact	None		
In Service Date	Month:	Year: Ongoing	
Total Project Cost	\$6,050,000 (\$150,000 annually)		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 08/09	Amount (\$1000)	\$150	

Program	Program Management		
Project	Interest on Installment Sale Agreement		
Priority	2		
Project Description	In January 2008, Zone 7 opened a \$60M Installment Sale Agreement (ISA) with Wells Fargo to provide a supplemental source of funding for the Expansion program. The payment provisions of the ISA have been structured to operate similar to a line of credit. This item includes estimated interest payments on the \$60M ISA		
Justification	The ISA is needed to supplement connection fee revenue, which is the primary source of funding for the Expansion program.		
Responsible Section	AP/ASD Advance Planning/Administrative Services		
Operating Impact	None		
In Service Date	Month:	Year: Ongoing	
Total Project Cost	\$1,000,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 08/09	Amount (\$1000)	\$1,000	

Connection Fees - Expansion

Program	Transmission & Distribution		
Project	Transmission System Master Planning		
Priority	2		
Project Description	This program involves a comprehensive effort to define renewal/replacement and improvement projects needed for the transmission system in order to meet existing and future water demands. This program involves an integration of all aspects of transmission system planning, including the Asset Management Program (AMP), corrosion master planning, hydraulic modeling, etc. Comprehensive updates to the Transmission System Master Plan will occur every five-years.		
Justification	Establish transmission system sustainability and increase operational/maintenance efficiencies and ensure that Zone 7 meets its goals and objectives to its retailers for existing and future demands, all in a cost-effective manner.		
Responsible Section	AP Advance Planning		
Operating Impact	Increase operational/maintenance efficiency.		
In Service Date	Month:	Year:	Ongoing
Total Project Cost	\$2,262,500 (\$50,000 annually)		
Source of Funds	Fund 73	Connection Fees	50%
Fiscal Year 08/09	Amount (\$1000)	\$50	

Program	Water Supply & Conveyance		
Project	Arroyo Mocho Low Flow Crossings		
Priority	2		
Project Description	This project provides stream channel improvements at two existing driveway crossings on the Arroyo Mocho off Mines Road to facilitate future artificial flow increases associated with the filling of the Chain of Lakes.		
Justification	Artificial groundwater recharge using Lakes H and I is planned. This initial Chain of Lakes operation requires Zone 7 to increase its typical releases from 20 cfs to up to 50 cfs; however, the higher flows will preclude access of two residences located across the stream from their Mines Road driveway entrances. These improvements are necessary to route a substantial portion of the artificial flows below the crossing surface to facilitate vehicular access to the residences. The project is an identified mitigation in the MMRP for the Arroyo Mocho Diversion Project.		
Responsible Section	GPP Groundwater Protection & Projects		
Operating Impact	Increases water supply reliability. Increases channel maintenance costs.		
In Service Date	Month:	Year:	2009
Total Project Cost	\$948,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 08/09	Amount (\$1000)	\$443	

Connection Fees - Expansion

Program	Water Supply & Conveyance
Project	Arroyo Mocho/Lake H Diversion Structure
Priority	2
Project Description	This project provides the additional materials and capital equipment that Zone 7 needs to effectively operate the Arroyo Mocho Diversion structure that Hanson Aggregates is constructing for us at Lake H as per their Mining Agreement. It also provides for the acquisition of permits, the development of specifications for the Zone 7-supplied equipment and the review and coordination of Hanson's design, plans and specifications for the structure that they are constructing. The Zone 7-provided equipment includes fish screens, automatic screen cleaning apparatuses, water flow and water level monitoring equipment, and security facilities.
Justification	The diversion structure is necessary to operate Lakes H and I for their intended purpose, which is as artificial groundwater recharge percolation ponds. The additional recharge capacity that this project allows is necessary for the conjunctive use increases planned for by Zone 7 to maintain its water system reliability into the future. Environmental and regulatory pressures have forced Zone 7 to commit to certain operational constraints to prevent against the take of future potential migrating steelhead. Therefore, we have agreed to take on the permitting and the expense for appurtenances necessary to comply operationally with the regulatory requirements, such as fish screens, screen cleaning devices and monitoring equipment and automatic controls.
Responsible Section	GPP Groundwater Protection & Projects
Operating Impact	Indirectly increases water supply reliability. Adds new O&M, repair and replacement expenses for Zone 7.
In Service Date	Month: November Year: 2009
Total Project Cost	\$916,000
Source of Funds	Fund 73 Connection Fees 100%
Fiscal Year 08/09	Amount (\$1000) \$400

Connection Fees - Expansion

Program	Water Supply & Conveyance		
Project	CAL-FED Project Proportional Local Share		
Priority	1		
Project Description	Impacts to Zone 7's water supply are currently anticipated as part of the CALFED Program. The CALFED program components, which are allocated to Zone 7, include drinking water quality, environmental water quality, storage and conveyance. This is a cost-sharing project with the State Water Project Contractors and the Central Valley Project. Zone 7 would be responsible for its proportional share. This also includes the CUWA "Science" Program and Investigations and MWQI.		
Justification	To firm up State Water Project entitlement reliability and water quality.		
Responsible Section	AP Advance Planning		
Operating Impact	Improved reliability and efficiency.		
In Service Date	Month: June Year: 2010		
Total Project Cost	\$3,110,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 08/09	Amount (\$1000)	\$90	

Project	Cawelo Groundwater Banking Program		
Priority	1		
Project Description	The purpose of this project is to help maintain the Water Supply Reliability Policy of meeting 100% of the treated water demands at all times. Current drought protection measures (water purchases/Semitopic storage) provide 100% water reliability until the year 2013. This groundwater banking program with the Cawelo Water District (a member unit of the Kern County Water Agency with a SWP water supply) will include a wellfield that would ensure an anticipated recovery of up to 15,000 - 20,000 afa in a dry year, and a total Zone 7 storage of up to 120,000 acre-feet. The total cost of the program is \$23 million, with Zone 7's share being \$19 million. Cawelo will finance this program. It is anticipated that the debt service would be over a 30-year period at a 5% interest totaling .		
Justification	Increase reliability by providing additional water supplies during drought years.		
Responsible Section	AP Advance Planning		
Operating Impact	Increased operational reliability.		
In Service Date	Month: June Year: 2008		
Total Project Cost	\$38,647,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 08/09	Amount (\$1000)	\$1,295	

Connection Fees - Expansion

Program	Water Supply & Conveyance		
Project	Chain of Lakes Facilities and Improvements		
Priority	1		
Project Description	<p>This project consists of the development, design, and implementation of improvements and facilities at various lakes in the Chain for the purposes of water storage and groundwater recharge. It includes improvements such as fences, access roads, slope grading and landscaping. It also includes inspections and the construction of recharge monitoring pizometers and installation of equipment such as flow meters, water level meters, and controls. Planning, design, and implementation of specific projects will be broken out of this "parent" budget; however, studies and improvements necessary for specific uses (i.e., flood detention or recycled water storage) at Cope Lake shall be funded from a separate project.</p>		
Justification	<p>Zone 7 took possession of Lake I and Cope Lake in 2003 and awaits the transfer of Lake H. Additional lakes will become available to us in the future and the need/scope of improvements and facilities will have to be accessed. These lakes are integral components of Zone 7's future water storage and groundwater recharge operations as identified in the Water Supply Planning Study (February 1999). The plans and improvements provided by this project are necessary for the operation and maintenance of these important facilities</p>		
Responsible Section	GPP Groundwater Protection & Projects		
Operating Impact	Increase of water supply reliability. Increase O&M costs.		
In Service Date	Month: December	Year: 2030	
Total Project Cost	\$40,675,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 08/09	Amount (\$1000)	\$1,122	

Connection Fees - Expansion

Program	Water Supply & Conveyance		
Project	Chain of Lakes Master Plan		
Priority	1		
Project Description	Development of a comprehensive master plan for the operation and maintenance of the entire Chain of Lakes and incorporating it into Zone 7's water supply, flood control and/or untreated water programs. The plan will integrate the important elements of the Management Plan for Lakes H and I, and Cope Lake and include such aspects as geotechnical investigations and recommendations, hydraulic structures, improvements and ancillary facilities, as well as suggested operations and maintenance.		
Justification	The Chain of Lakes will be a significant water supply resource, and possibly flood control and/or untreated water resource, to Zone 7 in the future. These lakes are integral components of Zone 7's future water storage and groundwater recharge operations as identified in the Water Supply Planning Study, and our future flood control plans as identified in the Stream Management Master Plan. The master planning is necessary to integrate multiple uses and the phasing of property transfers. Also, planning will help to shape or reshape mining reclamation plans to accommodate these integrated uses.		
Responsible Section	GPP Groundwater Protection & Projects		
Operating Impact	Increase of water supply reliability. Increase in operation and maintenance costs.		
In Service Date	Month: June Year: 2010		
Total Project Cost	\$4,192,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 08/09	Amount (\$1000)	\$1,350	

Program	Water Supply & Conveyance		
Project	CUWA Membership & Technical Studies		
Priority	1		
Project Description	This is for the California Urban Water Agencies (CUWA) annual membership dues (\$60,000/year) and technical studies program. Various Zone 7 staff members will participate with four standing CUWA committees: 1. Technical Advisory & Oversight, 2. Water Quality, 3. Water Conservation, and 4. Planning.		
Justification	CUWA membership and technical studies will complement on-going CAL-FED projects, which are intended to maintain and improve Delta water quality and reliability, even as Delta exports increase.		
Responsible Section	AP Advance Planning		
Operating Impact	Increased reliability and water quality.		
In Service Date	Month: Year: Ongoing		
Total Project Cost	\$3,307,000 (\$110,000 annually)		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 08/09	Amount (\$1000)	\$110	

Connection Fees - Expansion

Program	Water Supply & Conveyance		
Project	Delta Conservation Plan		
Priority	2		
Project Description	Zone 7's proportional share of expenditures in support of the development of the Bay Delta Conservation Plan.		
Justification	Develops a long-term plan for the Delta that ensures water supply reliability in the future through continued use of the Delta as a conveyance system for water imported from the Sierra Nevada. The Delta as a conveyance is threatened by fragile levees, seismic risk, climate change and environmental regulatory uncertainties.		
Responsible Section	EPA Environmental and Public Affairs		
Operating Impact	Improved reliability.		
In Service Date	Month: December	Year: 2009	
Total Project Cost	\$602,000		
Source of Funds	Fund 73	Connection Fees	50%
Fiscal Year 08/09	Amount (\$1000)	\$130	

Program	Water Supply & Conveyance		
Project	Delta Outreach Plan		
Priority	2		
Project Description	Public outreach campaign to educate Bay Area residents and leaders of the region's reliance on the Delta for water supply reliability and water quality.		
Justification	Develops local and regional San Francisco Bay Area support for Delta improvements to meet the challenges of the Delta as a conveyance system to import water from Nevada Sierra. The system is threatened by fragile levees, seismic risk, climate change and environmental regulatory uncertainty.		
Responsible Section	EPA Environmental and Public Affairs		
Operating Impact	Improved reliability.		
In Service Date	Month: June	Year: 2008	
Total Project Cost	\$130,000 (50% Connection Fees; 50% Water Rates)		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 08/09	Amount (\$1000)	\$36	

Connection Fees - Expansion

Project Priority	Fixed Cost of Water Entitlement
Project Description	1 Pay a portion of the fixed cost for purchase of 24,619 acre-feet of additional SWP entitlements, purchased via Amendments 19, 20, 21, 23, and 25 to Zone 7's SWP water supply contract.
Justification	These purchases were required to meet Zone 7's long-term water supply needs, and thus allow Zone 7 to continue to meet its treated and untreated water customer demands. Expansion will pay declining amount over a ten-year period of the fixed SWP costs associated with water acquisitions that have not been used.
Responsible Section	AP Advance Planning
Operating Impact	Increased operation and maintenance.
In Service Date	Month: June Year: 2013
Total Project Cost	\$5,322,000
Source of Funds	Fund 73 Connection Fees 100%
Fiscal Year 08/09	Amount (\$1000) \$139

Program	Water Supply & Conveyance
Project Priority	Future Contractor's Share of the SBA
Project Description	1 Zone 7 contracted to purchase 22,000 AFA of previously-unallocated capacity in the South Bay Aqueduct under Amendments 19 and 20 to its water supply contract with DWR. The annual cost is \$2,690,000, of which 73% will be funded by Property Taxes and the remaining 27% will be funded by Dougherty Valley through Connection Fees, however, if Property Taxes cannot fund the entire 73%, the contribution from Fund 73 may be slightly higher. This is the case for Fiscal Years 06/07, 07/08 and possibly 08/09.
Justification	Purchase of this unallocated share of the SBA was to allow Zone 7 to meet the water supply and peaking needs of new customers.
Responsible Section	AP Advance Planning
Operating Impact	The purchases were required to meet Zone 7's long-term water supply needs, and thus allow Zone 7 to continue to meet its treated and untreated water customer demands.
In Service Date	Month: June Year: 2035
Total Project Cost	\$30,763,000
Source of Funds	Fund 73 Connection Fees 100%
Fiscal Year 08/09	Amount (\$1000) \$726

Connection Fees - Expansion

Program	Water Supply & Conveyance		
Project	High-Efficiency Washing Machine Rebate Program		
Priority	1		
Project Description	This program encourages the purchase and installation of high-efficiency washing machines by offering buyers from \$75 to \$200 rebates. New regulations, which went into effect in 2007, require all new washers to be energy-efficient.		
Justification	Studies show that approximately 20% of a household's water is used by washing machines. High-efficiency washing machines use about 40% less water per load. This could lead to an annual water savings of approximately 5,100 gallons per machine..		
Responsible Section	EPA Environmental and Public Affairs		
Operating Impact	Decrease O & M costs.		
In Service Date	Month:	Year: Ongoing	
Total Project Cost	\$266,500		
Source of Funds	Fund 73	Connection Fees	25%
Fiscal Year 08/09	Amount (\$1000)	\$19	

Connection Fees - Expansion

Program	Water Supply & Conveyance
Project	Semitropic Stored Water Recovery Unit
Priority	1
Project Description	<p>Staffs of the Semitropic Water Storage District and Zone 7 have finalized the amendment to the Semitropic Banking Program agreement that will provide for additional recovery capacity. On February 18, 2004, the Zone 7 Board approved Zone 7's participation in its proportional share (6.5%) of the Stored Water Recovery Unit (SWRU) project. Under the proposed amendment, Zone 7's minimum recovery capacity will increase by 3,250 acre-feet/year (from 5,850 afy to 9,100 afy). This will reduce our dry-year shortfall at build-out to about 2,000 acre-feet.</p> <p>Zone 7's cost share of the SWRU project will be about \$1.04 million. The total cost of the SWRU project consists of about \$10.5 million for a 120-inch pipeline from Semitropic to the California Aqueduct and about \$5.5 million for new wells and conveyance enhancements to the Semitropic water system. The \$10.5 million pipeline portion of the SWRU project will be financed by 30-year bonds (5.266% bond sale interest rate), which debt service will be passed on to Zone 7 as annual payments. Zone 7's share of the \$5.5 million wells/conveyance enhancement will be due immediately. So, Zone 7 will pay \$336,500 immediately (\$357,500 less our \$21,000 deposit), then about \$48,000 per year for 30 years.</p>
Justification	Increase reliability by providing additional water supplies during drought years.
Responsible Section	AP Advance Planning
Operating Impact	Increased operational reliability.
In Service Date	Month: April Year: 2033
Total Project Cost	\$1,536,000 (48,000 Per Year)
Source of Funds	Fund 73 Connection Fees 100%
Fiscal Year 08/09	Amount (\$1000) \$48

Connection Fees - Expansion

Program	Water Supply & Conveyance
Project	South Bay Aqueduct Improvement & Enlargement Project
Priority	1
Project Description	<p>SBA improvements by the California Department of Water Resources (DWR) that will convey for Zone 7 an additional 130 cubic feet per second (cfs) through Reach 1 and 80 cfs through Reaches 2 through 4. Improvements include an expanded South Bay Pumping Plant, third (parallel) Brushy Creek Pipeline, raised linings on open channel sections, replacement of 54-inch pipe under I-580 with 78-inch pipe (completed 3/02), application of hydraulically smoother elastomeric polyurethane lining on the Altamont Pipeline (completed 3/02), enlarged Patterson Reservoir, and new 425 acre-foot raw water reservoir (Dyer Reservoir) located near Dyer Road and future Altamont Water Treatment Plant.</p> <p>Note that Amendment No. 24 of Zone 7's water supply contract with DWR allows for debt financing of the SBA Improvement & Enlargement Project by DWR. Annual repayment by Zone 7 is expected to begin in 2006 and end in 2036. To ensure there is adequate funding available to repay debt after buildout occurs (2025), a sinking fund has been established. This sinking fund will fund the remainder of the debt from 2026 to 2036. The costs shown reflect the actual repayment of the debt plus interest.</p>
Justification	As identified in the 1999 Water Supply Master Plan and 2001 Water Conveyance Study, provides for long-term Zone 7 raw water conveyance capacity through planned service-area build-out.
Responsible Section	AP Advance Planning
Operating Impact	Provides for enhanced long-term water supply, reliability and flexibility.
In Service Date	Month: June Year: 2008
Total Project Cost	\$230,385,000
Source of Funds	Fund 73 Connection Fees 100%
Fiscal Year 08/09	Amount (\$1000) \$6,977

Connection Fees - Expansion

Program	Water Supply & Conveyance		
Project	SWP Peaking Payment (Lost Hills & Belridge Water Districts)		
Priority	1		
Project Description	Zone 7 agreed to pay Lost Hills & Belridge Water Districts the extra SWP peaking payment when we acquired their SWP Table A amounts based on DWR billings to Kern County Water Agency (and to thus these 2 member agencies) Annual peaking commitment is approximately \$265,000.		
Justification	Reliability of water supply.		
Responsible Section	AP Advance Planning		
Operating Impact	Extra peaking allows Zone 7 to deliver or store additional water when available in the SWP system.		
In Service Date	Month:	Year: 2035	
Total Project Cost	\$7,157,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 08/09	Amount (\$1000)	\$270	

Project	Ultra Low Flush/High Efficiency Toilet Rebate Program		
Program	Water Supply & Conveyance		
Priority	1		
Project Description	This program encourages the replacement of existing high-water-using toilets (more than 1.6 gallons per flush) with ultra-low-flush toilets (ULFT - 1.6 gallons or less), or dual-flush or high-efficiency (HET 1.3 gallons or less) toilets in residential, commercial, and industrial buildings by offering homeowners and businesses a two-tier rebate of either \$50 per installation for an ULFT or \$125 for installations of a dual-flush toilet or HET.		
Justification	This program replaces existing high-water-using toilets with ULFTs, dual-flush toilets or HETs in residential, commercial, and industrial buildings. The estimated water savings from an ULFT is on the order of 38 gallons/day. The UFLT program is water conservation BMP that Zone 7 implements in conjunction with its retailing water agencies.		
Operating Impact	Decreased operations.		
Responsible Section	EPA Environmental and Public Affairs		
In Service Date	Month	Year Ongoing	
Total Project Cost	\$458,750		
Source of Funds	Fund 73	Connection Fees	25%
Fiscal Year 08/09	Amount (\$1,000's)	\$13	

Connection Fees - Expansion

Program	Water Supply & Conveyance		
Project	Water Conservation Best Management Practices		
Priority	1		
Project Description	This program includes financial & technical support for our retailers' conservation efforts; support & incentives to improve large landscape water efficiency; and public information & school education programs promoting water conservation.		
Justification	Reduce long-term water demands by promoting Best Management Practices (BMPs) that encourage wise and efficient use of water. Zone 7 studies show that per capita water use in our service area is declining, thus illustrating the effectiveness of our program.		
Responsible Section	EPA Environmental and Public Affairs		
Operating Impact	Decreased potable water demands and increase system reliability.		
In Service Date	Month:	Year: Ongoing	
Total Project Cost	\$965,000		
Source of Funds	Fund 73	Connection Fees	25%
Fiscal Year 08/09	Amount (\$1000)	\$63	

Program	Water Treatment Facilities		
Project	Altamont Pipeline		
Priority	1		
Project Description	This project involves the installation of approximately twelve miles of 48 /42 - inch potable water transmission pipeline from the future Altamont Water Treatment Plant to connections with the existing Cross Valley and Vasco Pipelines.		
Justification	The Treated Water Facilities Master Plan (2000) identified the need for additional potable water transmission. The new transmission pipelines will connect with Zone 7's existing Cross Valley and Vasco Pipelines. They will both increase transmission capacity and also provide additional operational flexibility through the provision of pipeline loops in the Zone 7 transmission system. The pipeline project EIR was certified in February 2005.		
Responsible Section	CP Capital Projects		
Operating Impact	Increases production and delivery capacity and improves operational flexibility.		
In Service Date	Month: September	Year: 2011	
Total Project Cost	\$67,909,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 08/09	Amount (\$1000)	\$45,704	

Connection Fees - Expansion

Program	Water Treatment Facilities		
Project	Altamont Water Treatment Plant Operational Training		
Priority	2		
Project Description	This project is for an Operational Training Program for one Water Facilities Supervisor for the new Altamont Water Treatment Plant.		
Justification	In preparation for the completion of the new Altamont Water Treatment Plant, there is a need to begin training a Water Facilities Supervisor that will be staffed at this new facility.		
Responsible Section	OPS Operations & Maintenance		
Operating Impact	Increase of operational efficiencies.		
In Service Date	Month: June Year: 2009		
Total Project Cost	\$400,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 08/09	Amount (\$1000)	\$200	

Program	Water Treatment Facilities		
Project	Altamont Water Treatment Plant Phase 1 (24 MGD)		
Priority	1		
Project Description	This project involves the construction of a new 24 MGD water treatment plant with provisions for expansion to 42 MGD. The plant will consist of an operations and control building, treatment process facilities, washwater and solids handling facilities, chemical storage and feed system, standby power, miscellaneous support facilities, parking and access road.		
Justification	The Treated Water Facilities Master Plan (2000) identified a need to construct a new water treatment plant with a maximum capacity of 42 MGD.		
Responsible Section	CP Capital Projects		
Operating Impact	Increases production and delivery capacity and improves operational flexibility.		
In Service Date	Month: October	Year: 2011	
Total Project Cost	\$118,356,400		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 08/09	Amount (\$1000)	\$11,868	

Connection Fees - Expansion

Program	Water Treatment Facilities		
Project	PPWTP Improvements		
Priority	1		
Project Description	This is a combined project of the following smaller projects at PPWTP: 1) backwash tank line interconnection 2)improvement of the washwater recovery pump system, 3) meter installation and replacement, 4) UF clearwell bypass. Combining these smaller projects will facilitate more efficient and cost-effective design, construction and management. In addition, it will make a larger project more attractive to potential bidders.		
Justification	This project is required to ensure the reliable production of water at PPWTP.		
Responsible Section	CP Capital Projects		
Operating Impact	Increased operational reliability.		
In Service Date	Month: June Year: 2009		
Total Project Cost	\$218,000		
Source of Funds	Fund 72	Water Rates	75%
Fiscal Year 08/09	Amount (\$1000)	\$218	

Program	Water Treatment Facilities		
Project	PPWTP UF Chemical System Improvements		
Priority	1		
Project Description	Upgrade of UF plant chemical systems with the goal of optimizing chemical deliveries.		
Justification	Chemical storage tanks, pumps, piping and ancillary equipment may not be of optimal size to properly schedule chemical deliveries.		
Responsible Section	CP Capital Projects		
Operating Impact	Optimizing chemical systems are expected to realize long-term savings by minimizing the frequency of chemical deliveries and improving the operational reliability of the UF plant by providing adequate chemical storage at all times.		
In Service Date	Month: July	Year: 2008	
Total Project Cost	\$377,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 08/09	Amount (\$1000)	\$377	

Connection Fees - Expansion

Program	Water Treatment Facilities		
Project	PPWTP UF Plant Modifications		
Priority	1		
Project Description	This project involves installing a pre-chlorination system to the UF plant clarifier, recirculation of hydrochloric acid feed pump to the waste neutralization tank and a overflow orifice for the clean-in-place sump.		
Justification	This project is required to ensure the reliable production of water at the PPWTP UF Plant.		
Responsible Section	CP Capital Projects		
Operating Impact	Increased operational reliability.		
In Service Date	Month: June Year: 2009		
Total Project Cost	\$844,500		
Source of Funds	Fund 72	Water Rates	75%
Fiscal Year 08/09	Amount (\$1000)	\$30	

Program	Water Treatment Facilities		
Project	Water Quality Management Program		
Priority	1		
Project Description	<p>A comprehensive water quality management program and implementation plan (Water Quality Management Plan) was completed in April 2003. This plan addresses water quality concerns of customers and community. It has lead to the Board adoption of policies that address specific water quality goals and objectives that meet internal (Zone 7) and customer and end user needs. This ongoing program will be one component of Zone 7's overall master planning process. It will help guide both our water system operations and our Capital Improvement Program (CIP) over the next 20 years. It is expected that a comprehensive plan update will be developed every two years.</p> <p>Note: Total is for 20-year period through FY 2019/20. Estimated to be \$270,000 (2005 \$) every two years to develop Water Quality Management Program update.</p>		
Justification	Will assist the Zone 7 Board of Directors in determining policies to effectively manage treated and untreated water quality issues. Will provide guidance to Zone 7's water operations, help establish capital facilities needs and design guidelines, and incorporate a funding strategy.		
Responsible Section	WQ Water Quality		
Operating Impact	Will provide clear operational guidelines. Potential additional treatment and blending facilities to operate.		
In Service Date	Month: Year: Ongoing		
Total Project Cost	\$1,574,000		
Source of Funds	Fund 73	Connection Fees	25%
Fiscal Year 08/09	Amount (\$1000)	\$26	

Connection Fees - Expansion

Program	Wells		
Project	Well Master Plan Wells		
Priority	1		
Project Description	This project involves the construction of 7 to 9 new municipal water supply wells to meet Zone 7's M&I drought reliability goal through buildout. The new wells will be constructed with schedule that mirrors the increases needed to maintain Zone 7's reliability as demand grows. The estimated project costs include all planning, site testing, land acquisition, well drilling, facility design and construction, pipeline additions and miscellaneous site work costs necessary to implement these Well Master Plan wells.		
Justification	This project is required to maintain sufficient Zone 7 well capacity for Zone 7 to meet 100% of its M&I customers' projected future needs, even during worse-case drought conditions, as established in Zone 7 Resolution 02-2382. As additional benefits, these wells will provide Zone 7 with better abilities to manage groundwater levels, groundwater flow, dissolved salt build-up/removal, delivered water quality blending and peak-day demands.		
Responsible Section	GPP Groundwater Protection & Projects		
Operating Impact	Increased cost associated with additional maintenance, power and chemicals estimated at \$190,000/year at buildout.		
In Service Date	Month: June Year: 2020		
Total Project Cost	\$98,588,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 08/09	Amount (\$1000)	\$4,160	

Program	Building & Grounds		
Project	Administrative & Engineering Building - Sinking Fund		
Priority	1		
Project Description	A new office building has been constructed for administrative and engineering staff. The new building has a larger Board Room for public meetings. The new building is located closer to the operations (treatment plants), and is more centrally located for employees and Valley residents. The move-in date was February 2005. The cost was based on "Build to Suit" option and includes lease payments. In addition to the scheduled lease payment for the new building, \$696,000 plus interest per year will be contributed to a sinking fund in order to cover the purchase cost of the building after the lease payments have been completed.		
Justification	This sinking fund will cover the cost to purchase the new Administrative & Engineering Building after Zone 7's 15 year lease is completed.		
Responsible Section	ASD Administrative Services Division		
Operating Impact	None.		
In Service Date	Month: Year: 2018		
Total Project Cost	\$6,495,000		
Source of Funds	Fund 73	Connection Fees	35%
Fiscal Year 08/09	Amount (\$1000)	\$275	

Connection Fees - Expansion

Program	Water Supply & Conveyance
Project	Future Contractor's Share of the SBA - Sinking Fund
Priority	1
Project Description	Zone 7 contracted to purchase 22,000 afa of previously-unallocated capacity in the South Bay Aqueduct under Amendments 19 and 20 to its contract with the Department of Water Resources. In addition to the schedule payment for the 22,000 afa, Zone 7 contributes \$196,000 plus interest per year into a sinking fund (beginning FY 2004/05) until FY 2024/25, in order to cover contractual costs from the year 2026 to 2035. The annual contributions to the sinking fund will be funded by Connection Fees.
Justification	This sinking fund is to cover contractual costs from the year 2026 to 2035.
Responsible Section	AP Advance Planning
Operating Impact	None.
In Service Date	Month: Year: 2024
Total Project Cost	\$4,307,200 (\$196,000 plus interest annually)
Source of Funds	Fund 73 Connection Fees 100%
Fiscal Year 08/09	Amount (\$1000) \$230

Connection Fees - Expansion

Program	Water Supply & Conveyance
Project	South Bay Aqueduct Improvement & Enlargement Project - Sinking Fund
Priority	1
Project Description	<p>SBA improvements by the California Department of Water Resources (DWR) that will convey for Zone 7 an additional 130 cubic feet per second (cfs) through Reach 1 and 80 cfs through Reaches 2 through 4. Improvements include an expanded South Bay Pumping Plant, third (parallel) Brushy Creek Pipeline, raised linings on open channel sections, replacement of 54-inch pipe under I-580 with 78-inch pipe (completed 3/02), application of hydraulically smoother elastomeric polyurethane lining on the Altamont Pipeline (completed 3/02), enlarged Patterson Reservoir, and new 425 acre-foot raw water reservoir (Dyer Reservoir) located near Dyer Road and future Altamont Water Treatment Plant.</p> <p>Note that Amendment No. 24 of Zone 7's water supply contract with DWR allows for debt financing of the SBA Improvement & Enlargement Project by DWR. Annual repayment by Zone 7 is expected to begin in 2006 and end in 2036. To ensure there is adequate funding available to repay debt after buildout occurs (2025), a sinking fund has been established. This sinking fund will fund the remainder of the debt from 2026 to 2036. The costs shown reflect the actual repayment of the debt plus interest. Note the sinking fund cost is separate from the SBA Improvement & Enlargement Project cost.</p>
Justification	This sinking fund is necessary to cover contractual costs from 2026 to 2035, during which time there will essentially be no on-going water connection fee revenues available because development buildout within the Valley is expected to be reached by this time.
Responsible Section	AP Advance Planning
Operating Impact	None.
In Service Date	Month: Year: 2025
Total Project Cost	\$30,000,000 (\$1.5 million plus interest annually)
Source of Funds	Fund 73 Connection Fees 100%
Fiscal Year 08/09	Amount (\$1000) \$1,692

EXHIBIT A

2008/2009
 WATER ENTERPRISE CAPITAL PROGRAM (FUNDS 71,90, 72 & 73)
 PROFESSIONAL & TECHNICAL SERVICES

JOB #	DESCRIPTION	FUND 71 SDA 7-1	FUND 72 Imp/Rnw/Rpl	FUND 73 Expansion	FUNDS TOTAL
55614	Altamont Pipeline			\$480,000	\$480,000
96073	Altamont Water Treatment Plant Operational Training			\$200,000	\$200,000
55613	Altamont Water Treatment Plant Phase 1 (24 MGD)			\$480,000	\$480,000
96071	Arroyo de la Laguna Improvements - Army Corps Civil Works Project Feasibility Stu	\$50,000			\$50,000
55039	Arroyo Mocho Low Flow Crossings			\$60,000	\$60,000
57101	Arroyo Mocho/Lake H Diversion Structure			\$80,000	\$80,000
54508/55050	Capital Improvement Program Management		\$36,000	\$82,000	\$118,000
57102	Chain of Lakes Facilities and Improvements			\$92,000	\$92,000
57104	Chain of Lakes Master Plan			\$100,000	\$100,000
54034	Corrosion Master Plan		\$50,000		\$50,000
55043	CUWA Membership & Technical Studies			\$50,000	\$50,000
96072	DVWTP Caustic Soda Chemical Storage Upgrade		\$30,000		\$30,000
96072	DVWTP Chemical Feed System Replacement		\$20,000		\$20,000
96072	DVWTP Coating Improvements to the 4.5 MG Steel Clearwell		\$100,000		\$100,000
96072	DVWTP Coating Improvements to the Roof of the 3 MG Clearwell		\$10,000		\$10,000
96072	DVWTP Recovery Ponds Solids Extraction System		\$21,000		\$21,000
96072	Energy Use Audit		\$15,000		\$15,000
53060	Evaluation of Porta-PAC		\$50,000		\$50,000
55010	Expansion Program Management			\$132,000	\$132,000
96071	Line H - Central to Vasco Improvements	\$10,000			\$10,000
53058/55425	Mocho Groundwater Demineralization Plant		\$120,000	\$120,000	\$240,000
54022	Monitoring Well Replacements		\$10,000		\$10,000
53040	New Monitoring Wells		\$20,000		\$20,000
54064	PPWTP Ammoniation System Conversion		\$50,000		\$50,000
96072	PPWTP Filter-to-Waste Improvements		\$15,000		\$15,000
53082/55615	PPWTP Improvements		\$15,000	\$5,000	\$20,000
96072	PPWTP Sewer System		\$10,000		\$10,000
55611	PPWTP UF Chemical System Improvements			\$15,400	\$15,400
96072	PPWTP UF HVAC Improvements		\$20,000		\$20,000
55607	PPWTP UF Plant Modifications			\$30,000	\$30,000
96072	PPWTP UF Work Facility Addition		\$10,000		\$10,000
54048	SCADA Enhancements		\$60,000		\$60,000
61000	SDA Management & Administration	\$100,000			\$100,000
55037	South Bay Aqueduct Improvement & Enlargement Project			\$50,000	\$50,000
54030	Stream Gage Replacement		\$35,000		\$35,000
54507	System-Wide Improvement, Renewal/Replacement Program Management		\$50,000		\$50,000
96072	System-Wide Installation of Line Valves		\$25,000		\$25,000
96072/96073	Transmission System Master Planning		\$50,000	\$50,000	\$100,000
54501/55300	Water Conservation Best Management Practices		\$188,000	\$63,000	\$251,000
53080	Water Quality - DV/PPWTP Taste and Odor Treatment		\$125,000		\$125,000
55054	Water Quality Management Program			\$26,000	\$26,000
53069	Water Quality Management Program		\$78,000		\$78,000
55426	Well Master Plan Wells			\$468,000	\$468,000
					\$0
TOTAL CAPITAL PROFESSIONAL SERVICES BY FUND		\$160,000	\$1,213,000	\$2,583,400	\$3,956,400

GLOSSARY

GLOSSARY OF TERMS

The Annual Budget contains terminology that is unique to public finance and budgeting. To assist the reader of the Annual Budget document in understanding these terms, a budget glossary is included herein.

Accrual Basis of Accounting: The basis of accounting under which transactions are recognized when they occur, regardless of the timing of cash receipts and disbursements.

Acre Foot: The volume of water that will cover one acre to a depth of one foot. One acre foot equals 325,850 gallons. It is estimated that one half an acre foot serves a typical private residence for one year.

Activities: The major programs and projects performed by an organizational unit.

Appropriation: An amount of money in the Budget, authorized by the Board of Directors, for expenditure or obligation within organizational units for specific purposes.

Assets: Resources owned or held by Zone 7 which have monetary value.

Audit: A comprehensive investigation of the manner in which the government's resources were actually utilized. A financial audit is a review of the accounting system and financial information to determine how government funds were spent and whether expenditures were in compliance with the legislative body's appropriations.

Balance Sheet: A financial statement that discloses the assets, liabilities, and fund equity of a specific fund at a specific date.

Bond: A written promise to pay a sum of money on a specific date at a specific interest rate. The interest payments and the repayment of the principal are authorized in a District bond resolution. The most common types of bonds are general obligation bonds and revenue bonds. These are frequently used for construction of large capital projects such as buildings, streets, etc.

Budget: A financial plan for a specific period of time that matches all planned revenues and expenditures with various services. Zone 7 uses a fiscal year beginning each July 1 and ending each June 30 for budgetary and financial reporting purposes.

Budgetary Control: The control or management of a governmental unit or enterprises in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

Capital Equipment: Fixed assets such as vehicles, equipment, computers, furniture, technical instruments, etc. which have a life expectancy of more than one year.

Capital Improvement Program: A long-range plan of Zone 7 for the construction, rehabilitation and modernization of Zone 7-owned and operated infrastructure.

Capital Outlay: Expenditures which result in the acquisition of, or addition to, fixed assets including land, buildings, improvements, machinery and equipment.

Debt Service Fund: Established to account for annual property tax levies and certain other revenues, primarily interest on investments, which are used for payment of principal and interest of bond issues.

District: Refers to the Alameda County Flood Control and Water Conservation District, of which Zone 7 is one of the designated service areas. Zone 7 provides water and flood control services.

Fund: A sum of money or other resources, such as taxes, charges, fees, etc., established for conducting specified operations for attaining certain objectives. Funds are frequently under specific limitations.

Fund Accounting: A governmental account system which is organized and operated on a fund basis.

Fund Balance: Fund balance is the excess of assets over liabilities. It is typically divided into three categories. Fund balance may be categorized as (1) reserved – indicating that there are legal restrictions governing the future expenditures, (2) non-discretionary-indicating that the Board of Directors expects to expend it for certain purposes, or (3) discretionary – indicating it is available for expenditures for general governmental purposes.

Generally Accepted Accounting Principles (GAAP): Uniform minimum standards of, and guidelines for, external financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP provides a standard by which to measure financial presentations. The primary authoritative statement on the application of GAAP to the State and local governments are Government Accounting Standards Board (GASB) pronouncements.

Grant: A contribution by a government or other organization to support a particular function. Grants may be classified as either categorical or block depending upon the amount of discretion allowed the grantee.

Interfund Transfers: Amounts transferred from one fund to another, usually to reimburse the receiving fund for services performed for the transferring fund.

Liabilities: Obligations incurred in past or current transactions requiring present or future settlement.

Line Items: Expenditure classifications established to account for budget appropriations approved.

Mandated Cost: Any responsibility, action or procedure that is imposed by one sphere of government on another through constitutional, legislative, administrative, executive or judicial action as a direct order.

Modified Accrual Basis of Accounting: The basis of accounting under which revenues are recognized when measurable and available to pay liabilities and expenditures are recognized when the liability is incurred except for interest on long-term debt which is recognized when due.

Object Classification: A grouping of expenditures on the basis of goods or services purchased (e.g. personnel, services and supplies, equipment, etc.)

Obligations: Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Operating Budget: The portion of the budget that pertains to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel and fuel, and does not include purchases of major capital plant or equipment which is budgeted for separately in the Capital Budget.

Ordinance: A bill, resolution or order by means of which appropriations are given legal effect. It is the method by which the appropriation of the annual budget is enacted into law by the District Board of Supervisors.

Reserve: An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.

Revenue: Monies received as income. It includes such items as water sales, fees for services, contributions in aid of construction, grants and interest income. Estimated revenues are those expected to be collected during the fiscal year.

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