



# Zone 7 Water Agency

## 2008 ANNUAL REPORT



*Innovations in Reliability*





*Zone 7 is committed to providing a reliable supply of high-quality drinking 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 responsible way.*

## A MESSAGE FROM THE PRESIDENT



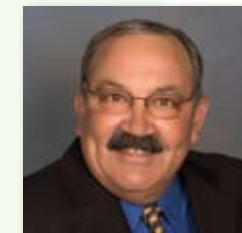
*Sarah Palmer  
President, FY 2008-09*

A second consecutive dry year in 2008 aggravated the Delta water reliability crisis that first struck Zone 7 and other state water contractors in 2007 by way of court-imposed pumping restrictions. However, there may be a silver lining to this crisis. As never before, the challenge has brought water agencies throughout the state together with environmental groups and wildlife agencies to work toward achieving the co-equal goals of ecosystem restoration and improved water supply reliability. This has been accomplished through the Delta Vision Strategic Plan and the Bay Delta Conservation Plan. The BDCP aims to provide a framework for addressing endangered species protection in a whole-ecosystem approach, not in a piecemeal species-by-species fashion decided by the courts in response to lawsuits. Following environmental study beginning in 2009, a preliminary plan will include conservation measures such as habitat restoration, through-Delta improvements and new around-the-Delta conveyance facilities to separate and secure the movement of fresh water supply. At the same time, the plan should help restore habitat for the Delta's ailing fish populations. There is bound to be considerable debate over proposed projects, including alternative conveyance. Much will boil down to creating credible safeguards for the operation of a new, more flexible Delta conveyance system that benefits habitat, protects water-supply reliability, and preserves the livelihood of communities in the Delta.

Locally, Zone 7 in 2008 continued its work to improve the reliability and quality of water delivered to our retailers in Pleasanton, Livermore and Dublin, while at the same time doing more to promote water conservation and to control costs – particularly in light of the economic downturn and slowed development. For example, while the Altamont Water Treatment Plant and Pipeline Project won't get under construction until at least 2011, Zone 7 launched construction of the initial 5-mile segment of pipeline that will have its own immediate benefit by improving water-supply reliability for a portion of Livermore in the event of emergency outages of water delivered from the South Bay Aqueduct. Zone 7 in 2008 also neared completion of a plant to reduce the hardness of groundwater supplies delivered primarily to Pleasanton and Dublin, along with two new high-capacity municipal supply wells to enhance our ability to deal with unplanned outages or droughts affecting surface-water imports from the State Water Project.

Environmentally, the agency took a big step to reduce both its greenhouse gas emissions and energy costs through a public-private partnership to add solar power for operation of its Del Valle Water Treatment Plant. It also continued work with other agencies in developing a habitat conservation strategy for eastern Alameda County aimed at resolving conflicts that can arise between development/infrastructure projects and the continued survival of endangered or threatened species.

Meanwhile, we welcomed two new Board members: Dale Myers, who served as Zone 7's general manager before retiring in 2007; and Sandy Figuers, a groundwater geologist who previously served on the Board from 1988 to 2000. We bid fond farewells to our longest serving Board member, Jim Concannon; and to Jim Kohnen, both of whom decided not to seek re-election.



*Dick Quigley  
Vice President, FY 2008-09*



*Sands Figuers*



*John Greci*



*Stephen A. Kaltboff*



*Dale Myers*



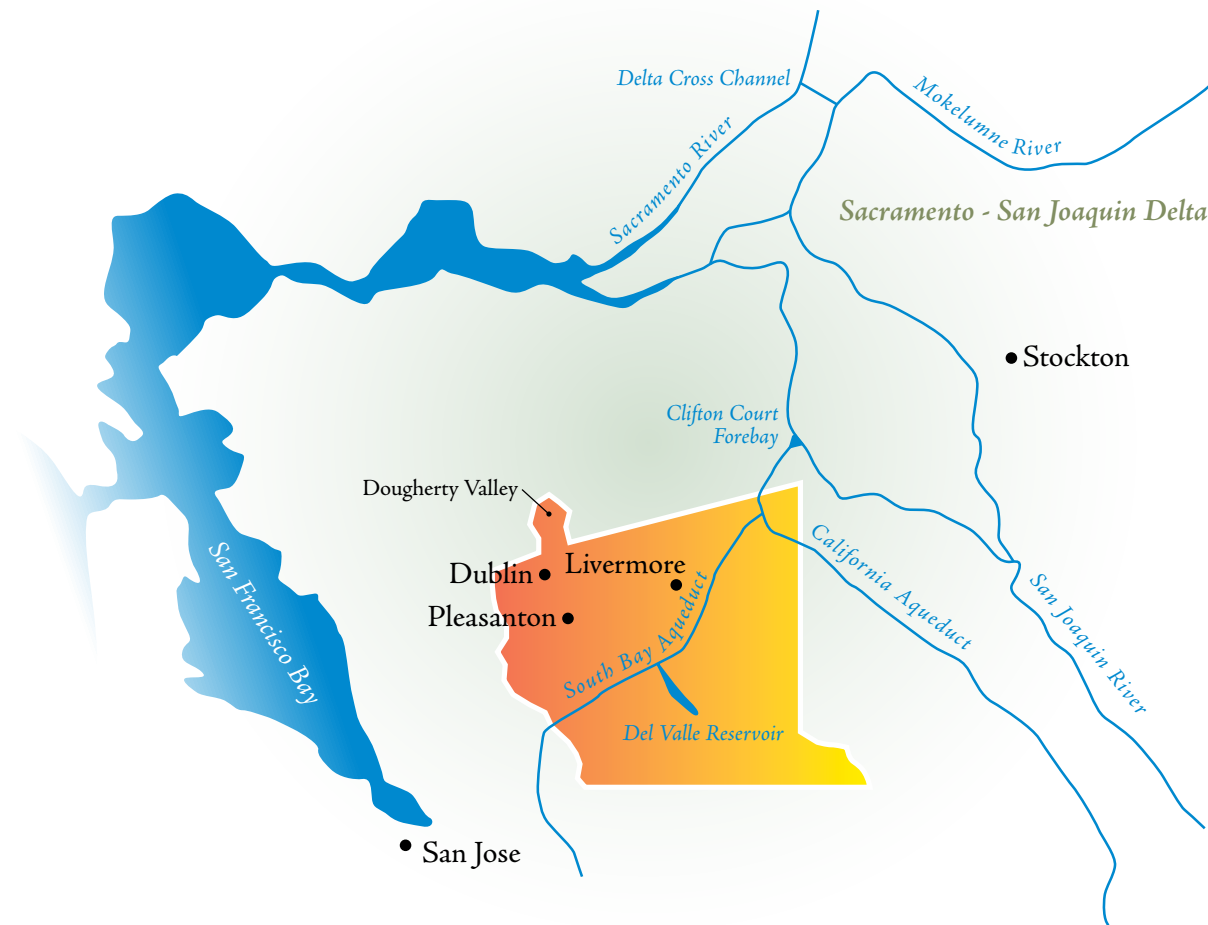
*Bill Stevens*



## ZONE 7 AT A GLANCE

### Who Do We Serve?

Zone 7 supplies treated drinking water to retailers serving nearly 200,000 people in Pleasanton, Livermore, Dublin and, through special agreement with the Dublin San Ramon Services District, to the Dougherty Valley area. We also supply agricultural water to farms and vineyards, and provide flood protection to all of eastern Alameda County.



### 2008 Key Activities and Accomplishments

#### *For Water Supply & Reliability, Zone 7:*

- ▶ Remained a strong voice in statewide negotiations aimed at protecting both the Delta ecosystem and existing water supplies through the Bay Delta Conservation Plan (BDCP), a collaborative effort that includes water districts, environmental organizations and wildlife agencies.
- ▶ Continued to request 10 percent voluntary water conservation on the part of Valley residents and, in collaboration with Valley water retailers, significantly enhanced rebate programs, conservation education and outreach activities.
- ▶ In partnership with Pacific Gas & Electric Co., issued 2,225 rebates for water- and energy-efficient clothes washers, and in cooperation with water retailers, issued 632 rebates for water-efficient toilets.
- ▶ Neared completion of that portion of the Altamont Water Treatment Plant pipeline that will improve reliability of deliveries to a portion of Livermore in the event of emergency outages of water delivered from the South Bay Aqueduct.
- ▶ Neared completion of installing two new high-capacity municipal supply wells to enhance Zone 7's ability to deal with unplanned outages or droughts affecting surface-water imports from the State Water Project.

#### *For Water Quality & Treatment, Zone 7:*

- ▶ Neared completion of the Mocho Groundwater Demineralization Plant in Pleasanton. This plant, to come on line in summer 2009, will slow down the buildup of salts and minerals in the groundwater basin, thereby facilitating the use of recycled water for irrigation purposes. It will have the added benefit of helping to soften some of the groundwater delivered to the western side of Zone 7's service area.
- ▶ Completed two new monitoring efforts to comply with new U.S. Environmental Protection Agency rules – one the Unregulated Contaminant Monitoring Regulation and the second, the Initial Distribution System Evaluation requirement.

#### *For Flood/Habitat/Environmental Protection, Zone 7:*

- ▶ Continued to refine priorities for StreamWISE, the implementation program for the Stream Management Master Plan (SMMP), which seeks to provide flood protection in the Valley in a collaborative, environmentally friendly and fiscally responsible manner.
- ▶ Continued work with other agencies on developing a habitat conservation strategy for eastern Alameda County.
- ▶ Took steps to reduce both its greenhouse gas emissions and energy costs through a public-private partnership to add solar power for operation of its Del Valle Water Treatment Plant.
- ▶ Initiated work on an updated ordinance and fee structure for new development to mitigate its increased storm-water impacts.



# WATER SUPPLY & DEMAND

## Zone 7 Water Sources & How We Use Them

### The Bay-Delta

80 percent of our water supply is imported through the Delta. Most of the water starts as snowmelt in the Sierra. It then travels through a series of rivers, lakes, canals and pumping stations moving from Lake Oroville in the north, down the Feather and Sacramento Rivers, through the Delta, and into the Livermore-Amador Valley through the State Water Project's South Bay Aqueduct. Once the imported water arrives in the Valley, most of it is treated at one of our three surface-water treatment plants for delivery to our retailers, who in turn deliver it to homes and businesses. Another portion of the imported untreated water is used by Valley agricultural operations to irrigate crops, such as wine grapes and olives, and some is recharged into the groundwater basin, where it is naturally treated as it percolates through the ground. The stored groundwater is pumped out to augment imported supplies when needed. As with treated surface water, chloramines are added to groundwater to maintain distribution-system disinfectant.

### Groundwater

Unlike most other Bay Area communities, the Valley benefits from local water storage capacity in a groundwater basin. Operating the basin as a kind of bank account, Zone 7 uses a portion of its State Water Project water, along with local surface water stored in Del Valle Reservoir, to recharge the groundwater basin during wet years. We draw stored water to augment imported water supplies, especially during the summer when seasonal water demands are the highest, and in times of drought. For additional drought protection, Zone 7 also diverts surplus imported water via the California Aqueduct to be stored in groundwater banking programs in Kern County.

### Local Runoff

In addition to water from the Delta and our groundwater basin, we also rely on rain runoff in our local watershed, stored as a small fraction of the water in Lake Del Valle. Some of this water is sent to our Del Valle Water Treatment Plant, and some is used for groundwater recharge.



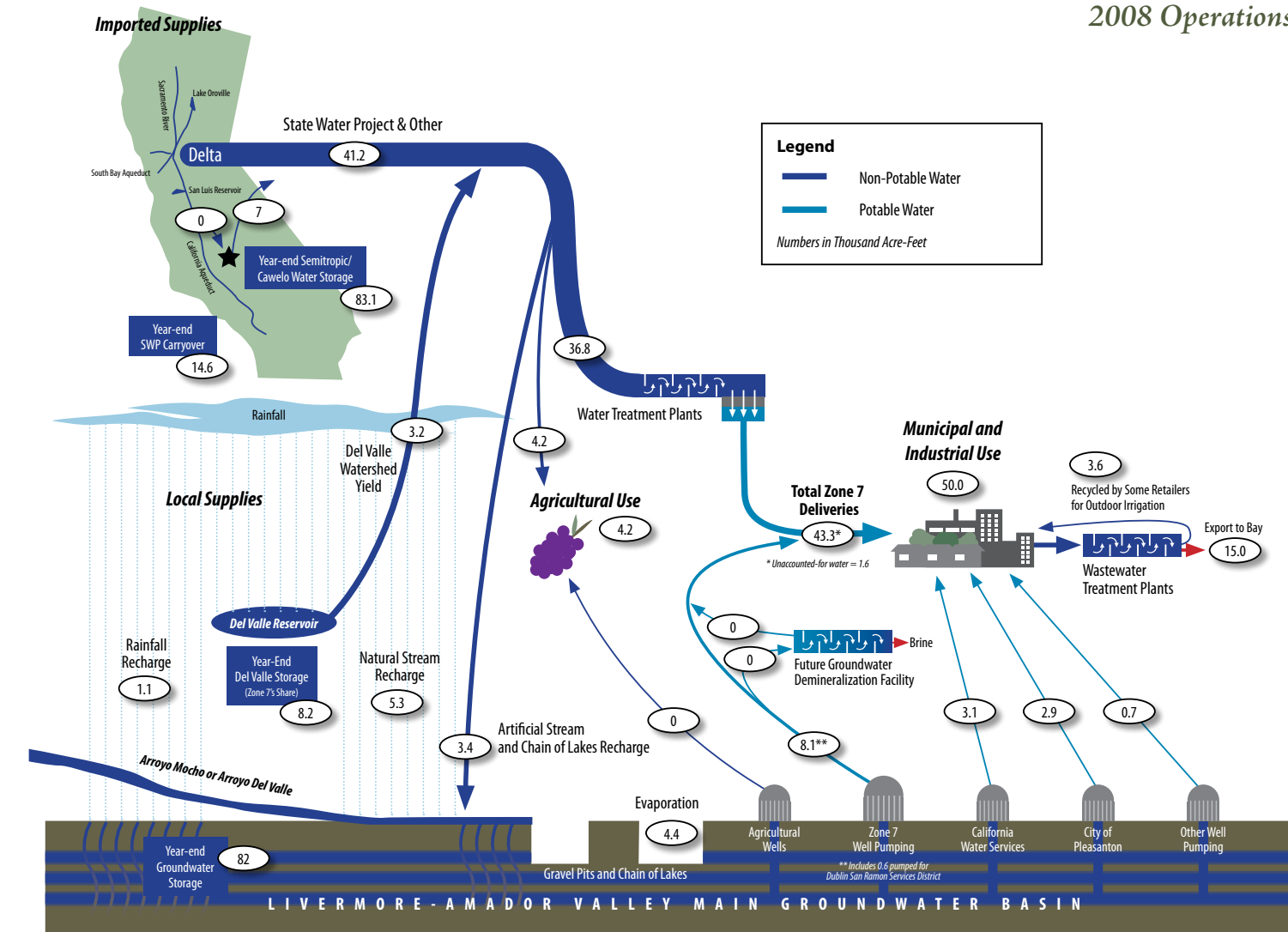
State Water Project's South Bay Aqueduct is being improved and enlarged to meet contractual capacity levels.



Lake Del Valle

## Livermore-Amador Valley Water Supply & Use

2008 Operations





### Threats to the Bay Delta

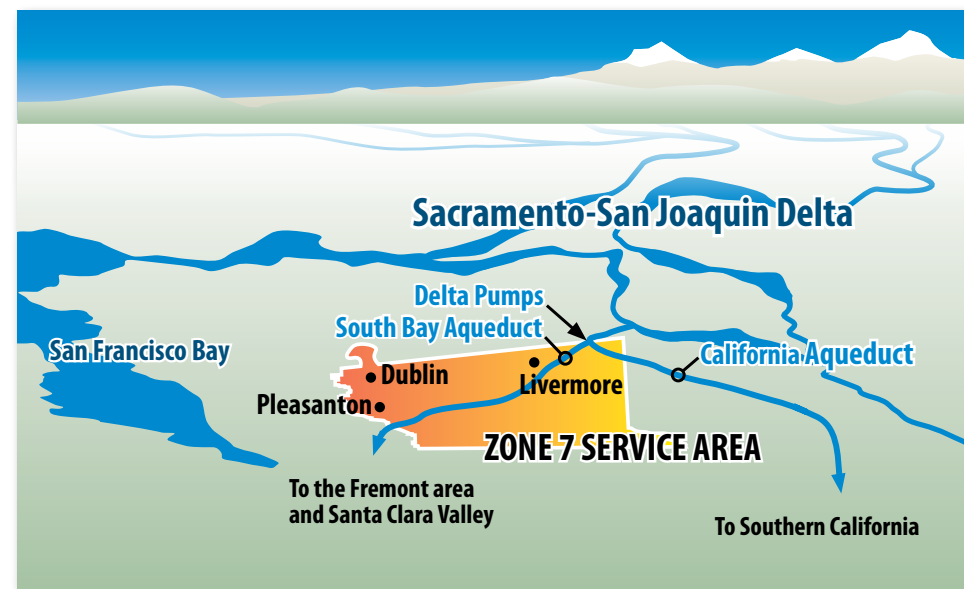
*It's Not Just a Southern California Issue*

Typically, 80 percent of Zone 7's water supply originates as Sierra snowmelt and is conveyed by the State Water Project through the ecologically fragile Delta to the South Bay Aqueduct, which also delivers water to the two agencies serving southern Alameda County and Santa Clara Valley. These three South Bay Aqueduct agencies collectively serve 2.3 million customers with Delta-conveyed water provided by the same pumps that serve Southern California and farms in the Central Valley.

The Delta ecosystem is in peril. The estuary faces mounting issues related to endangered species, as well as threats of flooding, seawater intrusion from earthquakes and rising sea levels from global climate change. Other stressors include invasive species and contamination from agricultural drainages, wastewater treatment plant discharges and recreational activities.

The existing system of through-Delta conveyance raises several concerns. First, the water quality degrades as fresh water flows through the Delta, gaining salt and organics along the way. Second, the flow of water creates reverse flow in the south Delta channels, pulling with it large numbers of fish, some of which can be drawn into the pumps. A federal court ruling has significantly reduced the amount of water that the State Water Project can move through the Delta and deliver to its contractors, and more restrictions may be looming for salmon and other fish species.

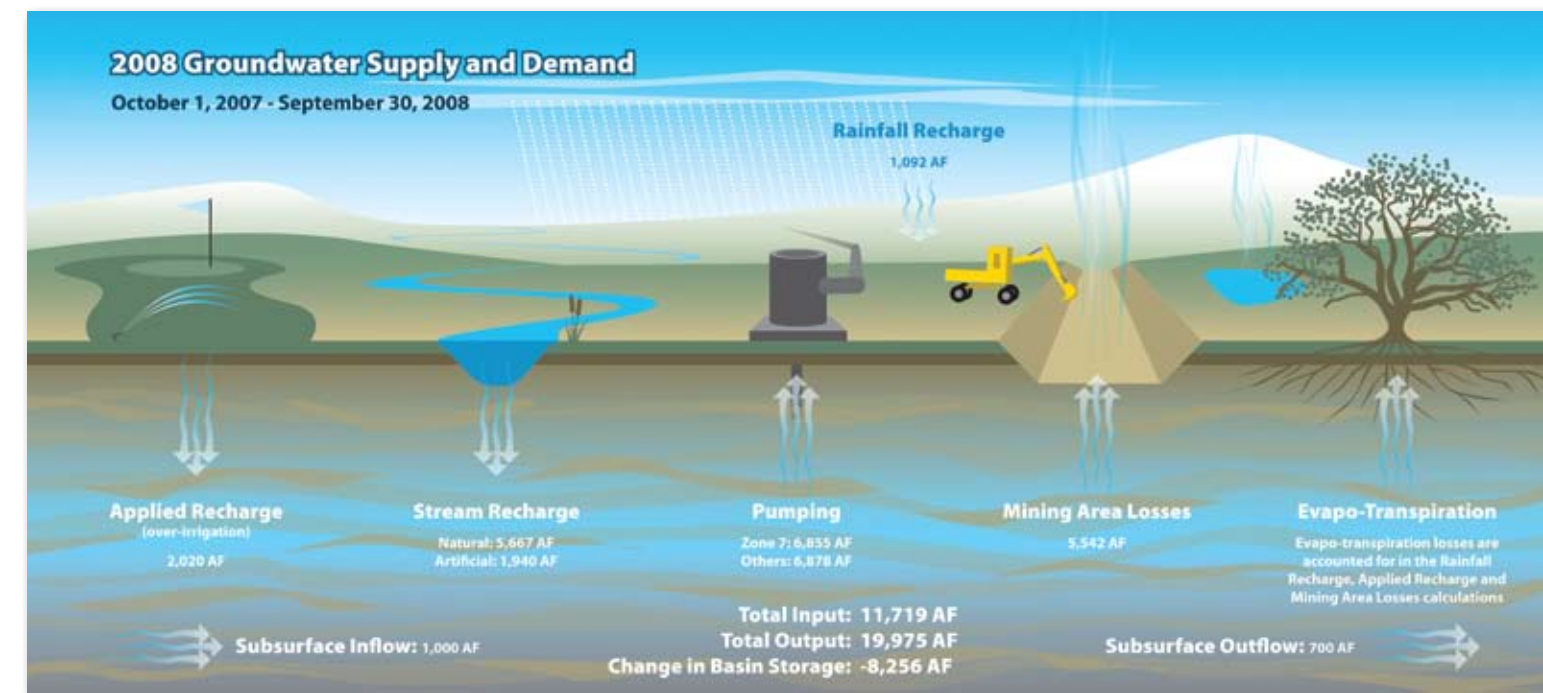
In late 2008, Zone 7 joined several other state and federal water contractors agreeing to share funding of the total \$140 million Delta Habitat Conservation and Conveyance Program to prepare an Environmental Impact Report/Statement, along with preliminary design of projects identified in the Bay Delta Conservation Plan (BDCP). The assessment of potential environmental impacts is necessary before any decision on selecting a project or building a new conveyance facility can be made. The BDCP aims to provide a framework for addressing endangered species protection as a whole and not in a piecemeal, species-by-species fashion decided by the courts in response to lawsuits. This broad-based, collaborative effort includes environmental organizations, wildlife agencies and water districts. A preliminary plan includes conservation measures such as habitat restoration, through-Delta improvements and new around-Delta conveyance facilities to separate and secure the movement of fresh water supply while at the same time helping to restore habitat for the Delta's ailing fish populations.



### Groundwater Resources Management

The Livermore-Amador Valley's main groundwater basin has an estimated total storage capacity of 250,000 acre-feet. To prevent overpumping, the basin is cooperatively managed by Zone 7 and its retailers so that, even during multiyear droughts, groundwater levels do not drop below historic low levels of 130,000 acre-feet. Through its future Chain of Lakes, Zone 7 is working to increase groundwater recharge during wet years with imported water supplies. It also is developing new wells to ensure sufficient production during surface-water shortages.

The diagram below demonstrates how the groundwater basin is managed to ensure its long-term viability as a water supply. It shows that from October 1, 2007 through September 30, 2008, the Valley ended up with a net decrease in basin storage. However, basin storage levels by the end of 2008 were still 82,000 acre-feet above historic lows – considered nearly full for groundwater-management purposes.





## Reliability Goals

Two water-reliability policy goals help guide Zone 7's water-supply planning and management efforts. Adherence to these goals helps Zone 7 maintain a highly reliable municipal and industrial (M&I) water-supply system to meet existing and future water demands under varying hydrologic conditions, and reduces impacts of potential service disruptions in the South Bay Aqueduct, surface-water treatment plants, wells or distribution infrastructure.

### Goal 1

Meet 100 percent of Zone 7's treated-water customers' water-supply needs in accordance with existing and projected demands for the next 20 years. Zone 7 will endeavor to meet this goal during an average water year, a single dry water year and multiple dry water years.

### Goal 2

Provide sufficient treated-water production capacity and infrastructure to meet at least 75 percent of the maximum daily M&I contractual demands should any one of Zone 7's major supply, production or transmission facilities experience an extended or unplanned outage.

Additional planning and operational criteria say the agency will:

- ▶ Provide surface-water treatment design capacity to meet 85 percent of Zone 7's maximum-day demand.
- ▶ Manage water supplies to that groundwater-basin levels do not drop below historic lows.

## Reliability Accomplishments

Despite setbacks from a second consecutive dry hydrologic year and court-ordered pumping restrictions aimed at protecting endangered Delta smelt, Zone 7 successfully met all treated and untreated water demands in part by taking water from offsite storage and taking more water than usual from local groundwater storage. During the summer, Zone 7's request for customers to cut back usage by 10 percent to conserve on stored supplies achieved some savings – for the second consecutive year.

### Supply/Demand for Zone 7 Water Supplies

(in Acre-Feet) (Jan. 1 – Dec. 31, 2008)

Supply	2007	2008
State Water Project deliveries (into valley)	37,200	29,000
Local surface water	11,200	3,200
Pumping from groundwater storage	4,000	8,100
Supplemental water purchases BBID	3,000	4,300
Surface water from off-site banking	0	7,000
Yuba Water		900
<b>Total supply</b>	<b>55,400</b>	<b>52,500</b>
<b>Demand</b>		
Municipal (drinking) water	43,500	43,300
Untreated irrigation water	3,600	4,200
Unaccounted-for water *	2,100	1,600
<b>Total in-Valley demand</b>	<b>49,200</b>	<b>49,100</b>
<b>Transfer to Drought Storage</b>		
Recharged to local groundwater basin	5,600	3,400
Sent to Semitropic/Cawelo banking programs	600	0
Added to Lake Del Valle storage		7,200
State Water Project carryover		-800
<b>Excess for drought storage</b>	<b>6,200</b>	<b>9,800</b>
<b>Net change in drought storage</b>	<b>2,200</b>	<b>-5,300</b>

\* Refers to meter discrepancies or other undefined system losses typical for water systems of this size

## Water Conservation

The need for us all to embrace water-use efficiency as a way of life became increasingly apparent in 2008 as California went through a second year of drought exacerbated by court-ordered reductions in water deliveries to State Water Project contractors due to Delta pumping restrictions.

Zone 7 continued to ask customers to voluntarily reduce water consumption by at least 10 percent. For the year, overall water use was down 3.2 percent from normal schedules and conservation fared better in the summer months when water use is typically the highest – down 6.1 percent in July, 4.3 percent in August and 6.1 percent in September. While Zone 7 has long actively promoted water conservation, it has been working with its retailers to significantly enhance the conservation message – particularly when it comes to outdoor water use that accounts for significant amounts of water consumption. In 2008, Zone 7:

- ▶ In partnership with Pacific Gas & Electric Co., issued 2,225 rebates for high-efficiency clothes washers that achieve both water and energy savings.
- ▶ In partnership with its retailers, updated its rebate program to rebate high-efficiency toilets, including dual-flush toilets, that use 1.28 gallons of water or less per flush. That's at least 20 percent less water than Ultra Low-Flush Toilets, for which rebates had been offered in the past. And the new rebates were for more money. Zone 7 issued a total 632 rebates, of which 232 were the newer type.
- ▶ Continued with several other Bay Area water agencies in a regional "Water Saving Hero" Water Conservation Campaign.
- ▶ Co-sponsored a Water-Wise Gardening and Conservation Workshop at the Livermore Civic Center Library, with similar workshops planned in 2009 at libraries in Pleasanton and Dublin.
- ▶ Expanded home-and-garden water conservation messages at public events.
- ▶ Developed a Tri-Valley Water-Wise Gardening website, which provides water-efficiency tips for landscaping and gardening based on climate and other factors specific to our region. It can be accessed through [www.zone7water.com](http://www.zone7water.com).
- ▶ Co-sponsored the 2008 Family Film Festival at Regal Cinemas Hacienda Crossings 20 in Dublin. During this nine-week program, key Zone 7 materials promoting water conservation were viewed by all summer movie-goers. In addition, Regal used Zone 7's \$3,000 sponsorship contribution to help pay for installation of 15 waterless urinals at the cinema complex. These fixtures were expected to conserve 1.5 acre-feet of water per year (enough water to accommodate three average-size households annually).
- ▶ In setting water rates for 2009, the Board earmarked additional funding for conservation.
- ▶ Maintained a California Irrigation Management Information System (CIMIS) weather station at the Alameda County Fairgrounds. The data from this facility is available online at [www.cimis.water.ca.gov](http://www.cimis.water.ca.gov) to help people refine the amount of water needed in local irrigation activities.
- ▶ Participated with other members of the California Urban Water Conservation Council in revising Best Management Practices for water conservation that provide greater flexibility and increased effectiveness.

## Water Quality System Facts

Zone 7's surface-water treatment plants are where water imported through the Delta, along with runoff collected in Del Valle Reservoir, is made ready for drinking before distribution. The treatment involves several processes, including sedimentation, filtration and disinfection, designed to help us meet and beat water-quality standards. These plants are strategically located in the eastern and southern portions of the Valley because that's where elevation is higher and gravity helps distribute the water to customers without high pumping costs.

### *Del Valle Water Treatment Plant*

- ▶ Where: Southern Livermore
- ▶ Capacity: 36 million gallons per day (mgd)
- ▶ Houses Zone 7's Water Quality Laboratory

### *Patterson Pass Conventional Water Treatment Plant*

- ▶ Where: Eastern Livermore
- ▶ Capacity: 12 mgd

### *Patterson Pass Ultrafiltration Water Treatment Plant*

- ▶ Where: Eastern Livermore
- ▶ Capacity: 8 mgd

### *Future Altamont Water Treatment Plant*

- ▶ Where: Altamont hills east of Livermore
- ▶ Capacity: 24 mgd initially, expandable to 42 mgd

## Water Quality Challenges & Goals

Although all Zone 7 water delivered to retailers meets or beats state and federal health standards, surface water and groundwater taste, odor and/or appearance can often vary depending on the source, on the season and on the customer's location.

*Surface Water* can occasionally have an earthy-musty taste or smell, caused by algae blooms from warm temperatures and increased sunlight on imported water supplies. These taste and odor episodes usually last a few days, from late spring through September, and do not impact the safety of our drinking water.

*Groundwater* is often "hard" due to excess minerals that water picks up as it percolates into the ground. While hard water can create water spots and scaly buildup on plumbing fixtures, it is safe to drink at the levels found in Zone 7's groundwater.

Zone 7 combines these surface and groundwater sources to meet Valley water demands. Depending on rainfall amounts, demands on the water system and the customer's location, the mix of surface and ground water that a customer receives can vary throughout the year—as can the customer's experience with water's taste, odor and hardness.

## Meeting and Beating the Standards

During 2008, all water that Zone 7 delivered to its retailers in Pleasanton, Livermore and Dublin again met regulatory standards and, in almost all cases, the quality was much better than required.

There are two sets of standards for water quality established by the U.S. Environmental Protection Agency and the California Department of Health Services. Primary standards relate to public health. Secondary standards relate to such characteristics as taste, odor, hardness and appearance. The water delivered by Zone 7 to retailers has always met or beat the primary standards and we work diligently to also meet the secondary standards.

## Our Own Goals

Zone 7 has developed a Water Quality Management Program in consultation with retailers and community members. It helps us address ways to meet anticipated future regulations, reduce public health risks and improve delivered water quality – especially its taste, odor and hardness – by guiding operations, upgrading or improving facilities, and providing new facilities when necessary. Among other things, Board-adopted goals strive to:

- ▶ Surpass the level of protection provided by state and federal water-quality standards, with customer health and safety the highest priority.
- ▶ Reduce the earthy-musty tastes and odors from surface-water supplies, reduce groundwater hardness, and minimize the chlorine taste of water that can result from treatment.
- ▶ Proactively support water-quality improvements at the source – in the Delta, in the local watershed and in the groundwater basin.

## Water Quality Projects on Tap

*Mocha Groundwater Demineralization Plant:* will use reverse-osmosis technology to enhance our water supplies by slowing down the buildup of salts and minerals in the groundwater basin, thereby facilitating the use of recycled water under our Salt Management Plan. It will have the added benefit of helping to soften some of our groundwater supplies served primarily to retailers in the western part of our service area – Pleasanton and Dublin San Ramon Services District.

- ▶ Completion: 2009
- ▶ Cost: \$35.6 million, funded by water rates, connection fees on new development and a \$740,000 state grant
- ▶ A second plant of comparable size, funded entirely by new development, is planned for the future

*Taste and Odor Treatment Improvements:* will add new permanent treatment process(es) to remove seasonal earthy-musty tastes and odors from surface water treated at our existing plants. Interim treatment is provided by using powdered activated carbon to reduce taste and odor events. In 2008, pilot studies were undertaken to identify a more permanent treatment solution.

- ▶ Completion: 2012
- ▶ Cost: \$6.6 million, funded by water rates



# FLOOD PROTECTION

## StreamWISE and IRWMP

### *Zone 7's StreamWISE Will Help Protect Against Flooding in an Environmentally Sensitive Way*

StreamWISE is the implementation arm of Zone 7's 2006 Stream Management Master Plan (SMMP) that seeks to provide flood protection to the Valley in a collaborative, environmentally friendly, and fiscally responsible manner. The StreamWISE vision is to create a flood protection program that is multi-purposed and utilizes various funding options, including grants.

In 2004, the State of California sought voter approval for Proposition 1E and Proposition 84. New avenues of grant funding were opened up for water-management projects, including flood protection. The Propositions mandate that organizations apply for grant funding collaboratively by first creating an Integrated Regional Water Management Plan (IRWMP). The IRWMP process is a multi-stakeholder, nine-county effort to coordinate a strategic approach to regional water resources management and seeks to integrate projects to better serve the entire Bay Area. Throughout 2008, Zone 7 worked in conjunction with other agencies and non-governmental organizations on grant opportunities that could benefit flood protection, including in our Valley.

StreamWISE will continue to look for outreach and partnering opportunities for the implementation of the multi-benefit projects in our sub-region. The application for grant funding under IRWMP is just one of the many options being examined in the StreamWISE funding portfolio.

For more information on IRWMP or to get involved, check out [www.bairwmp.org](http://www.bairwmp.org).

For more information on StreamWISE, check out [www.zone7water.com/streamwise/](http://www.zone7water.com/streamwise/).

## Current Flood Protection

### *Service Area*

Stormwater runoff from throughout the Valley, including its developed areas, is carried into local storm-drainage systems that eventually flow into local tributaries and arroyos that then feed into Arroyo de la Laguna, which in turn flows into the San Francisco Bay through Alameda Creek. Zone 7 manages stormwater flows within the Livermore-Amador Valley floor's major drainage channels. The agency owns and maintains about 37 miles of flood-protection and stormwater-drainage facilities within a 425-square-mile service area – about one-third of all the Valley's channels and creeks. These facilities range from engineered trapezoidal-shaped, concrete-lined channels to natural creeks and arroyos. The Valley's flood-protection system begins at city- and county-owned storm drains on local streets and roads.



### *Maintenance*

To ensure that flood-protection channels are ready for the next big storm event, Zone 7 conducts routine maintenance such as inspections, embankment and drain-structure repairs, vegetation management and sedimentation removal. The agency spent approximately \$3.7 million in calendar year 2008 on maintenance, including staffing, equipment, repair contracts and other related costs.

### *Emergency Repairs*

Zone 7 also administers an emergency response program that prepares us to act quickly and minimize the loss of property should a flood occur. For federally declared storm disasters (there were none locally in 2008), Zone 7 may apply for reimbursement from the Federal Emergency Management Agency, the State Office of Emergency Services and/or the U.S. Army Corps of Engineers.

### *Improving and Expanding the System*

Although local property taxes support ongoing flood-protection maintenance, the Special Drainage Area 7-1 Program, which is funded by developer fees, in 2008 remained the agency's primary source of revenue for flood-protection capital improvements. Developers pay the drainage fee to help build regional stormwater management facilities that mitigate the additional stormwater runoff that can result from additional building and pavement from their projects. In the future, these revenues will be put toward flood-protection and other stormwater-management projects identified in the Stream Management Master Plan. In 2008, Zone 7 continued work on the implementation plan for the SMMP (called StreamWISE), along with beginning work on a new drainage impact fee ordinance to recover costs associated with improvements needed to regionally mitigate for new impervious surfaces created by development.





## Regional Involvement/Environmental & Watershed Management

In 2008, Zone 7 took a big step in both helping the environment and reducing energy costs through a public-private partnership to add solar power for operation of its Del Valle Water Treatment Plant. The Agency's Board of Directors authorized the agreement with Renewable Technologies Inc. under which the firm will design, install, operate, maintain and own the approximately 300-kilowatt photovoltaic energy-generation system. The solar panels will be installed on a portion of the Del Valle Water Treatment Plant and produce about half the energy used in water-treatment operations there.

Also during 2008, Zone 7 participated in several regional efforts aimed at protecting water supplies, the environment and our quality of life, including the:

*Eastern Alameda County Conservation Strategy*, involving Zone 7 and other local jurisdictions working collaboratively with state and federal resource agencies to develop a habitat conservation strategy. The idea is to focus on habitats to be preserved, thus helping to coordinate and streamline the determination of mitigation requirements associated with various development and infrastructure projects (including Zone 7 water-supply and flood-protection projects) and to help base those mitigations on areas of strategic biological value.

*Alameda Creek Fisheries Restoration Workgroup*, exploring ways to bring back a threatened steelhead trout population to the Alameda Creek Watershed. In 2008, the group completed a plan to identify stream flows necessary to restore steelhead fisheries while minimizing impacts to water-supply operations. The workgroup is a collaboration of roughly a dozen agencies including Zone 7, the Alameda County Water District, San Francisco Public Utilities Commission, the Alameda Creek Alliance, the East Bay Regional Park District, the National Marine Fisheries Service, and the California Department of Fish and Game.

*Bay Area Water Agencies Coalition*, comprised of the region's major water utilities collaborating on water resources management. In 2008, after adopting an Integrated Regional Water Management Plan, BAWAC member agencies implemented various projects included in the plan for which they qualified for Proposition 50 grant funding. Zone 7 received \$750,000 for its Mocho Groundwater Demineralization Plant. The coalition during 2008 also worked to update and refine the plan to better position the region for further grant funding, including for water conservation programs.



Agencies work to enhance habitat for steelhead trout.

## Community Outreach

Zone 7's work is vital to the quality of life of residents and businesses of the Livermore-Amador Valley. To that end, it is important for the public to be informed about the agency and its responsibilities, to be aware of relevant issues related to water supplies and flood protection, to understand the context within which the agency makes decisions, and to be engaged in certain public decision-making processes. Zone 7 is committed to getting formation out to the public in as timely and complete a manner as possible, and to engage both children and adults in educational and awareness activities that promote a greater understanding of the critical role that water and flood protection play in all of our lives.

During 2008, the agency continued to improve the user-friendliness of its website through use of multimedia and by developing a way for the public to sign up for e-newsletters and other email news announcements. And it significantly expanded the number and quality of outreach efforts specifically aimed at educating the public on the whys and hows of water efficiency by conducting gardening workshops and co-sponsoring tours of water-wise gardens. We also continued to be heavily involved in:

- ▶ Water Science in the Schools: The agency provides, at no cost to participating grades, its Water Science Program – classroom instruction for students in grades K-12 in Dublin, Livermore and Pleasanton.
- ▶ Community events: Zone 7 annually sponsors and/or participates in a variety of events, including Earth Day in Livermore and Pleasanton, Coastal Cleanup Day in Pleasanton, and Dublin Pride Week. We have water-awareness booths at various festivals throughout the Valley and participate at home and garden shows at the Alameda County Fairgrounds.
- ▶ Active dissemination of information, including newsletters, fact sheets and water quality reports.
- ▶ Encouraging public involvement (for example, conducting stakeholder workshops in developing the StreamWISE program).



Zone 7 brought its water conservation message to the 2008 Family Film Festival at Regal Hacienda Crossings 20 in Dublin.



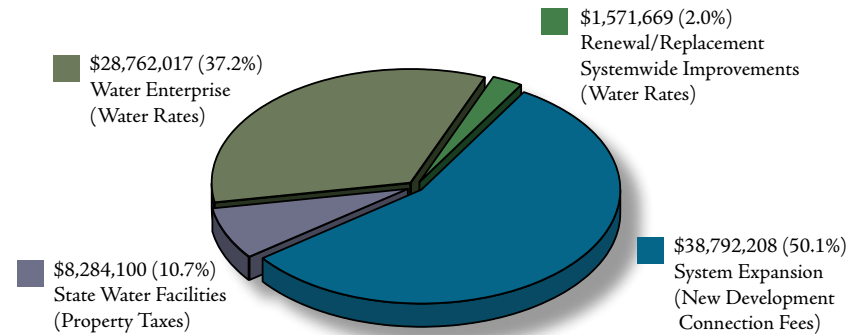
Zone 7 brought its water conservation message to Earth Day 2008.



# FINANCIAL INFORMATION

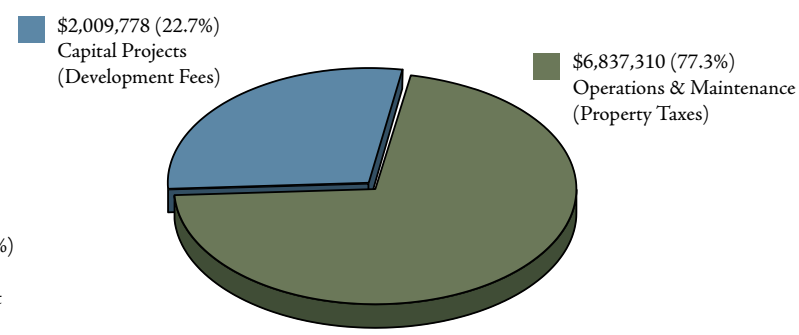
## Budget FY 2008-09

**Water Supply, Reliability & Quality Revenue FY 2008-09**  
Total: \$77,409,994



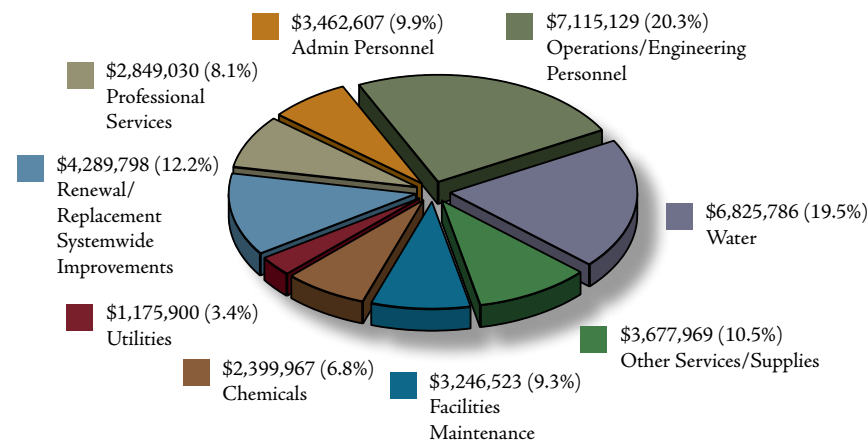
Water rates pay to operate and maintain the existing treated water system, and for renewal/replacement projects. Development fees pay for system expansion.

**Flood Protection Revenue FY 2008-09**  
Total: \$8,847,088

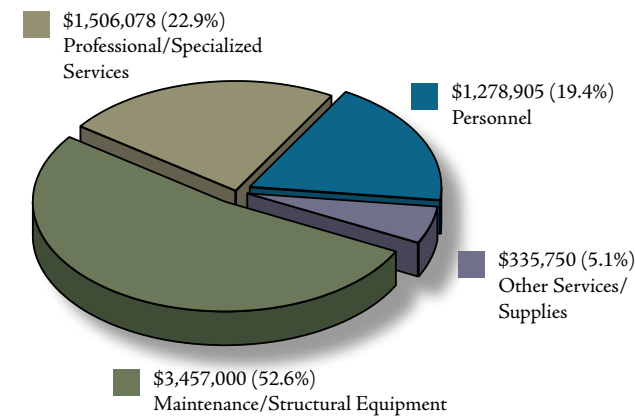


Property taxes support maintenance of the existing flood-protection system. Development fees pay for system expansion.

**Water Expense Breakdown FY 2008-09**  
Total: \$35,042,709



**Flood Protection Fund Expenses FY 2008-09**  
Total: \$6,577,733



## Operating & Capital Funds Statement (Actuals FY 2007-08)

OPERATING FUND	Primary Source	FY 2006-2007	FY 2007-2008
<b>Flood Protection Fund (Operations/administration)</b>	Property taxes		
Revenues		\$5,817,985	\$6,798,036
Expenses		4,418,717	3,900,736
<b>State Water Facilities Fund (State Water Project charges, including state voter-approved bonds)</b>	Property taxes		
Revenues		7,550,670	7,544,473
Expenses		7,528,313	6,446,120
<b>Water Enterprise Fund (Operations/administration)</b>	Water Sales		
Revenues		28,713,172	30,571,416
Expenses		23,092,823	24,100,824
<b>Total Operating Revenues</b>		<b>42,081,827</b>	<b>44,913,925</b>
<b>Total Operating Expenditures</b>		<b>35,039,853</b>	<b>34,447,680</b>
<b>NET OPERATING REVENUES FOR PERIOD</b>		<b>\$7,041,974</b>	<b>\$10,466,245</b>

CAPITAL FUNDS YEAR-END BALANCE		June 30, 2006	June 30, 2007
<b>Special Drainage Area Fund (Flood-control project construction)</b>	Development Fees	\$25,076,860	\$26,489,163
<b>Special Drainage Area Trust Fund*** (Developer reimbursements for flood projects)</b>	Development Fees	7,530,194	9,097,453
<b>Water Facilities Trust*** (Primarily for Chain of Lakes project)</b>	Quarry fees	3,200,038	3,311,145
<b>Motor Vehicle Replacement Fund</b>	Prorated by dept. use	202,159	331,524
<b>Water System Expansion Fund</b>	Development fees	75,070,320	70,946,035
<b>Water System Improvement/Replacement Fund</b>	Water sales	26,853,452	24,774,701
<b>Water Supply Trust Fund***</b>	Developer agreements	4,370,249	4,557,719
<b>Total Capital Funds</b>		<b>\$142,303,272</b>	<b>\$139,507,740</b>

\*\*\*Includes restricted deposits





## EXECUTIVE STAFF

Jill Duerig, *General Manager*

Kurt Arends, *Assistant General Manager, Engineering*

Vincent Wong, *Assistant General Manager, Operations*

John Yue, *Assistant General Manager, Finance*

Tom Hughes, *Human Resources Manager*

Amy Naamani, *General Counsel*

Barbara Morse, *Senior Management Assistant*



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## CREDITS

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