

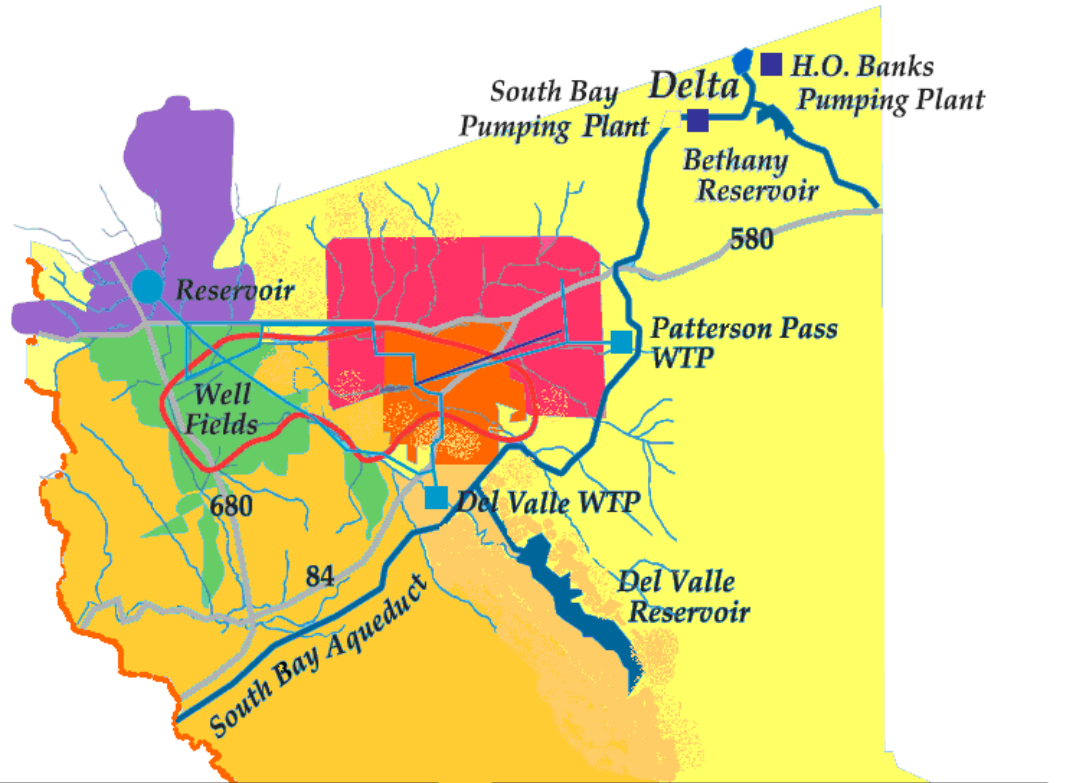
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT



FISCAL YEAR 2011-12 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
March 2011

Governing Board:

John J. Greci, President
Sands H. Figuers, Vice President
AJ Machaevich
Christopher Moore
Sarah L. Palmer
William R. Stevens
Richard L. Quigley

Administration:

General Manager G.F. (Jill) Duerig

Operating Divisions:

Engineering Kurt Arends
Finance/Administrative John Yue
Operations Vince Wong

Employees:

121 Full-time Equivalent Positions

Authority:

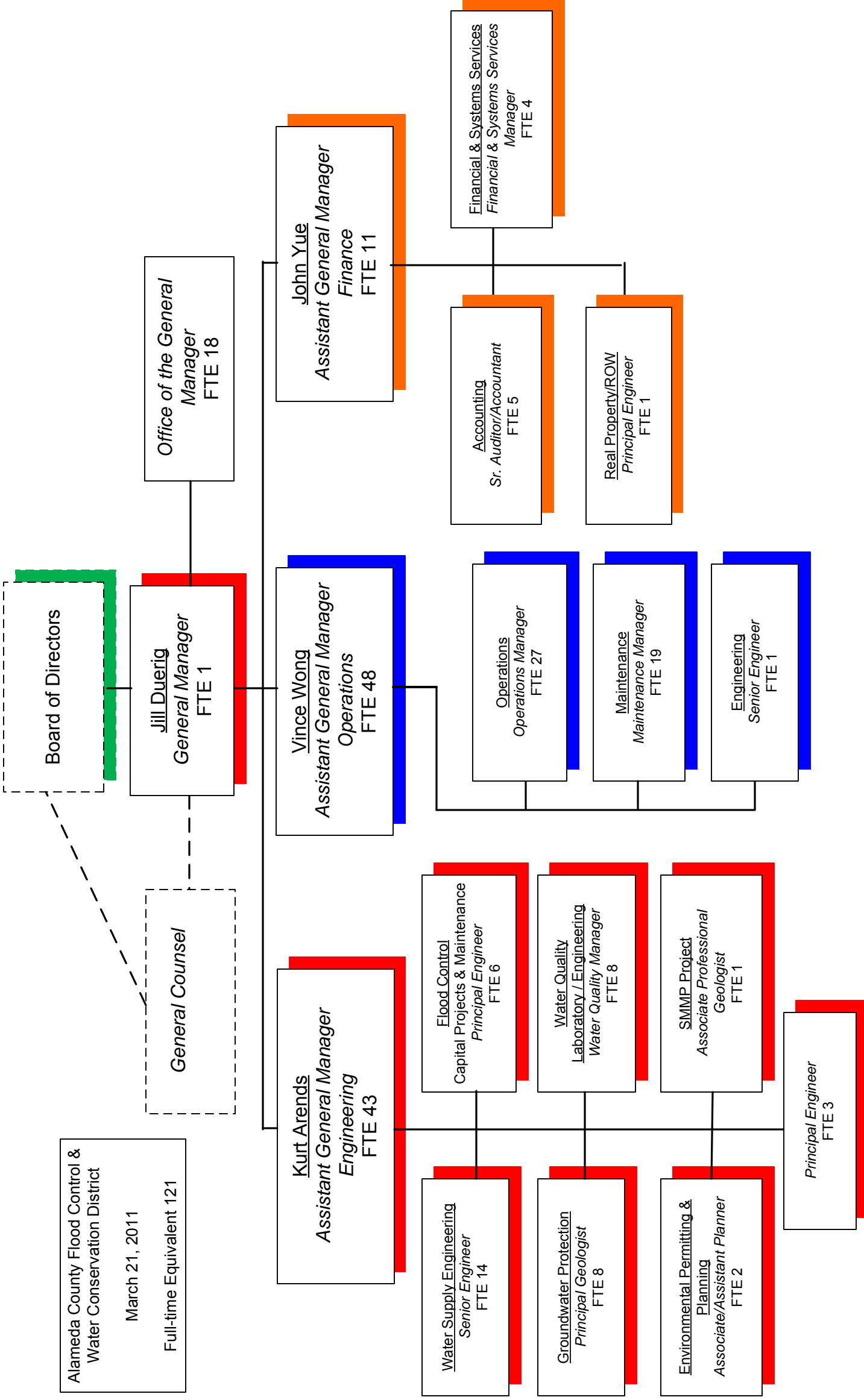
Zone 7 is part of the Alameda County Flood Control and Water Conservation District created by an act of the California State Legislature in 1949. The Alameda County Board of Supervisors acts as the ex officio Board of Supervisors of the District. Zone 7 was created as a zone of the District in 1957 and 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 & Water Conservation District
 March 21, 2011
 Full-time Equivalent 121



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7
 100 NORTH CANYONS PARKWAY, LIVERMORE, CA 94551-9486 • PHONE (925) 454-5000

April 20, 2011

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

SUBJECT: Final Budget for Fiscal Year 2011/12

The final budget for fiscal year (FY) 2011/12, as adopted by the Board at its April 20, 2011 meeting, is being forwarded for your records. The budget document is the financial plan for the coming fiscal year. It is intended to provide a summary of the programs and objectives of the Agency and the funding to support them.

Summary

The final FY11/12 budget for Zone 7 comprising of six discrete funds. The General Fund/Flood Control, State Water Facilities, and Water Enterprise are operating funds, while the Renewal/Replacement and Systemwide Improvements, Expansion, and Flood Protection/Storm Drainage DIF are capital funds. The funding amount for the soft freeze positions (\$2.3 million) is not in the final expense budgets in the General Fund/Flood Control (Fund 50) and Water Enterprise (Fund 52), but, if needed, will be funded from reserves in those Funds.

<u>Operating Funds</u>		<u>FY 2010/11 Budget</u>	<u>FY 2010/11 Forecast</u>	<u>FY 2011/12 Budget</u>
50	General Fund/Flood Control Reserves	\$9,885,957 \$19,129,429	\$9,328,180 \$20,425,404	\$8,682,000 \$17,795,731
51	State Water Facilities Reserves	\$9,650,490 \$5,647,949	\$10,635,201 \$7,655,127	\$12,561,522 \$6,748,292
52	Water Enterprise Reserves	\$35,716,839 \$10,504,666	\$31,572,847 \$11,314,569	\$33,542,069 \$11,708,414
	Total	\$90,535,330	\$90,931,328	\$91,038,028
<u>Capital Funds</u>		<u>FY 2010/11 Budget</u>	<u>FY 2010/11 Forecast</u>	<u>FY 2011/12 Budget</u>
	<i>Systemwide Improvements (SWI)</i>	\$2,900,449	\$2,137,004	\$2,953,479
	<i>Renewal & Replacement (R/R)</i>	<u>\$5,729,000</u>	<u>\$5,350,919</u>	<u>\$4,533,572</u>
72	R/R & SWI Program Total	\$8,629,449	\$7,487,923	\$7,487,051
73	Expansion Program	\$20,696,244	\$17,525,495	\$20,374,424
76	Flood Protection and Stormwater Drainage	\$9,793,500	\$6,375,035	\$1,823,319
	Total	\$39,119,193	\$31,388,453	\$29,684,794
	Grand Total	\$129,654,523	\$122,319,781	\$120,722,822

Issues and Trends

Financial issues facing the Agency continue to be the slow recovery of the economy, the effects from conservation and the Asset Management Program. New development within the service area is continuing at a low rate, negatively impacting the growth of new water rate payers and connection fee revenue. Decline in property values resulted in decreases of the 2010 and 2011 assessment roll and lowering property tax revenue. Based on January 2011 data, Alameda County's average unemployment rate while coming down still hovers at 11%. While it is lower than California's average rate of approximately 12%, it is higher than the US average of about 9.5%, and hampering the recovery.

The Water Conservation Act of 2009 (SBX7-7) sets an overall goal of reducing per capita urban water use by 20% by the end of 2020, and calls for agricultural water suppliers to prepare and adopt water management plans. Until the effects of local conservation and other recycling efforts reach the level of "demand hardening"¹, water demands will continue to decrease while fixed costs remain high.

Increasing operating costs due to recently completed facilities going on-line such as the Mocho Demineralization Plant will continue to impact water rates. With the addition of new facilities, and as the water system infrastructure ages with time, the annual funding of the Renewal/Replacement and System-wide Improvement Fund from the Water Enterprise Fund is increasing. An updated Asset Management Program study to assess the condition of the infrastructure is about to be completed. The update has been a collaborative effort that includes participation by the retailer agencies.

For FY11/12, the Agency will continue to focus on implementing plans to ensure the availability of a sustainable water supply and drought storage protection. We will also be evaluating 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.

Staffing

The FY11/12 budget provides for 109 full-time equivalent positions. Of the 109 funded positions, there are seven (7) vacant, unfilled positions as of April 8, 2011. The number of funded positions does not include any identified in the "soft" hiring freeze that began in FY09/10. The initiative is continuing with fourteen (14) positions planned to remain unfilled in FY11/12 which equates to a reduction of the FY11/12 personnel cost by approximately \$2.3 million. The funding for the soft hiring freeze positions is not in the expense budgets of the General Fund/Flood Control (Fund 50) and Water Enterprise (Fund 52), but, if needed, will be funded from reserves in those Funds.

Operating Funds Budget

- General Fund/Flood Control (Fund 50) FY11/12 expenses are decreasing \$0.6 million compared to the FY10/11 forecast due to a significant non-recurring project (El Charro Specific Plan \$4.3 million) expenses in FY10/11, offset by new projects planned for FY11/12.

¹ Demand Hardening: The diminished ability or willingness of a customer to reduce demand during a supply shortage as the result of having implemented long-term conservation measures.

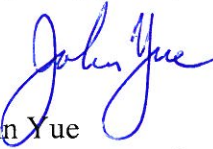
- State Water Facilities Fund (Fund 51) expenses are increasing \$1.9 million over the FY10/11 forecast, based on increasing State Department of Water Resources fixed charges for capitalized projects.
- Water Enterprise (Fund 52) expenses are increasing by \$2.0 million over the FY10/11 forecast primarily due to \$0.9 million higher chemical costs (planned 30% increase use of surface water and 5% increase in chemical unit prices), \$0.5 million higher Mocho Demineralization Plant operating costs (planned operations at 50% capacity compared to 25% in FY10/11) and other services (planned replacement of the financial information system at \$0.4 million and election expense of \$0.2 million).

Capital Funds Budget

- Renewal/Replacement and System-wide Improvements (Fund 72) expenditures for FY11/12 total \$7.5 million, comprising of the projects listed on page 32 of the budget book. The FY11/12 expenditures are \$1.1 million less than the FY10/11 budget and consistent with the FY10/11 forecast. This fund is funded via an annual contribution from the Water Enterprise fund which for FY11/12 is planned at \$5.0 million. The original Asset Management Program study recommended that the annual contribution to these programs be increased from \$4 million to \$10 million per year which is planned to ramp up to \$10 million by FY 2013-14. The result of the updated Asset Management Program is expected to be available in May and will likely cause an adjustment to the ramp-up target.
- Expansion (Fund 73) expenditures for FY11/12 total \$20.4 million, comprising of the projects listed on page 38 of the budget book. The expenditures are \$0.2 million less than the FY10/11 budget and \$2.8 million more than the FY10/11 forecast. Funding is primarily from water connection fees.
- Flood Protection/Storm Drainage DIF (Fund 76) expenditures for FY11/12 total \$1.8 million, comprising of the projects listed on page 44 of the budget book. The expenditures are \$8.0 million less than the FY10/11 budget and \$4.5 million less than the FY10/11 forecast due to the \$5.7 million El Charro Specific Plan project expenditures in the current year. Funding is mainly from new development fees.

For additional information, please contact the Assistant General Manager, Finance at Zone 7 Water Agency, 100 N. Canyons Parkway, Livermore, CA 94551, or by mail to jyue@zone7water.com.

Very truly yours,


 John Yue
 Assistant General Manager
 Finance & Business Services

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**FY 2011-12
BUDGET**

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ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BUDGET
FISCAL YEAR 2011 - 2012

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ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
FISCAL YEAR 2011-12

SUMMARY

The proposed Zone 7 budgets for Fiscal Year 2011-12 are summarized as follows:

<u>Fund No.</u> <u>Operating Funds</u>	<u>FY 2010/11 Budget</u>	<u>FY 2010/11 Forecast</u>	<u>FY 2011/12 Budget</u>
50 General Fund/Flood Control Reserves	\$9,885,957 \$19,129,429	\$9,328,180 \$20,425,404	\$8,682,000 \$17,795,731
51 State Water Facilities Reserves	\$9,650,490 \$5,647,949	\$10,635,201 \$7,655,127	\$12,561,522 \$6,748,292
52 Water Enterprise Reserves	\$35,716,839 \$10,504,666	\$31,572,847 \$11,314,569	\$33,542,069 \$11,708,414
Grand Total	\$90,535,330	\$90,931,328	\$91,038,028

<u>Fund No.</u> <u>Capital Funds</u>	<u>FY 2010/11 Budget</u>	<u>FY 2010/11 Forecast</u>	<u>FY 2011/12 Budget</u>
<i>Systemwide Improvements (SWI)</i>	<i>\$2,900,449</i>	<i>\$2,137,004</i>	<i>\$2,953,479</i>
<i>Renewal & Replacement (R/R)</i>	<i>\$5,729,000</i>	<i>\$5,350,919</i>	<i>\$4,533,572</i>
72 R/R & SWI Program Total	\$8,629,449	\$7,487,923	\$7,487,051
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76 Flood Protection and Stormwater Drainage	\$9,793,500	\$6,375,035	\$1,823,319
Grand Total	\$39,119,193	\$31,388,453	\$29,684,794

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**GENERAL FUND/FLOOD CONTROL
BUDGET**

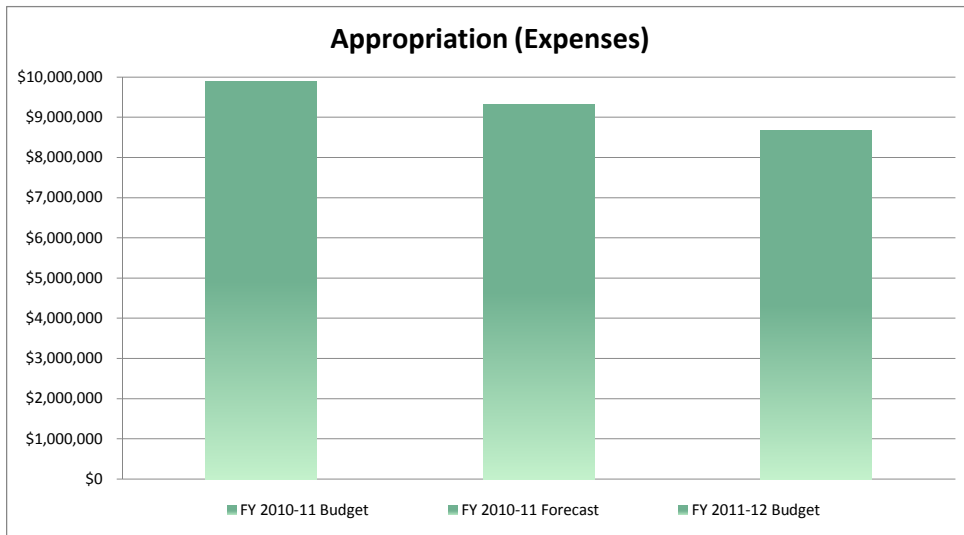
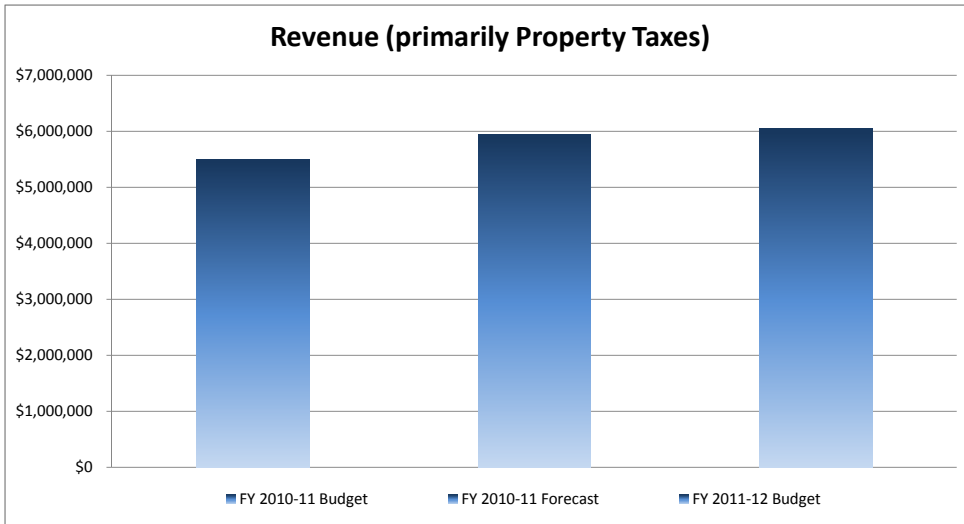
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ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
FISCAL YEAR 2011-12

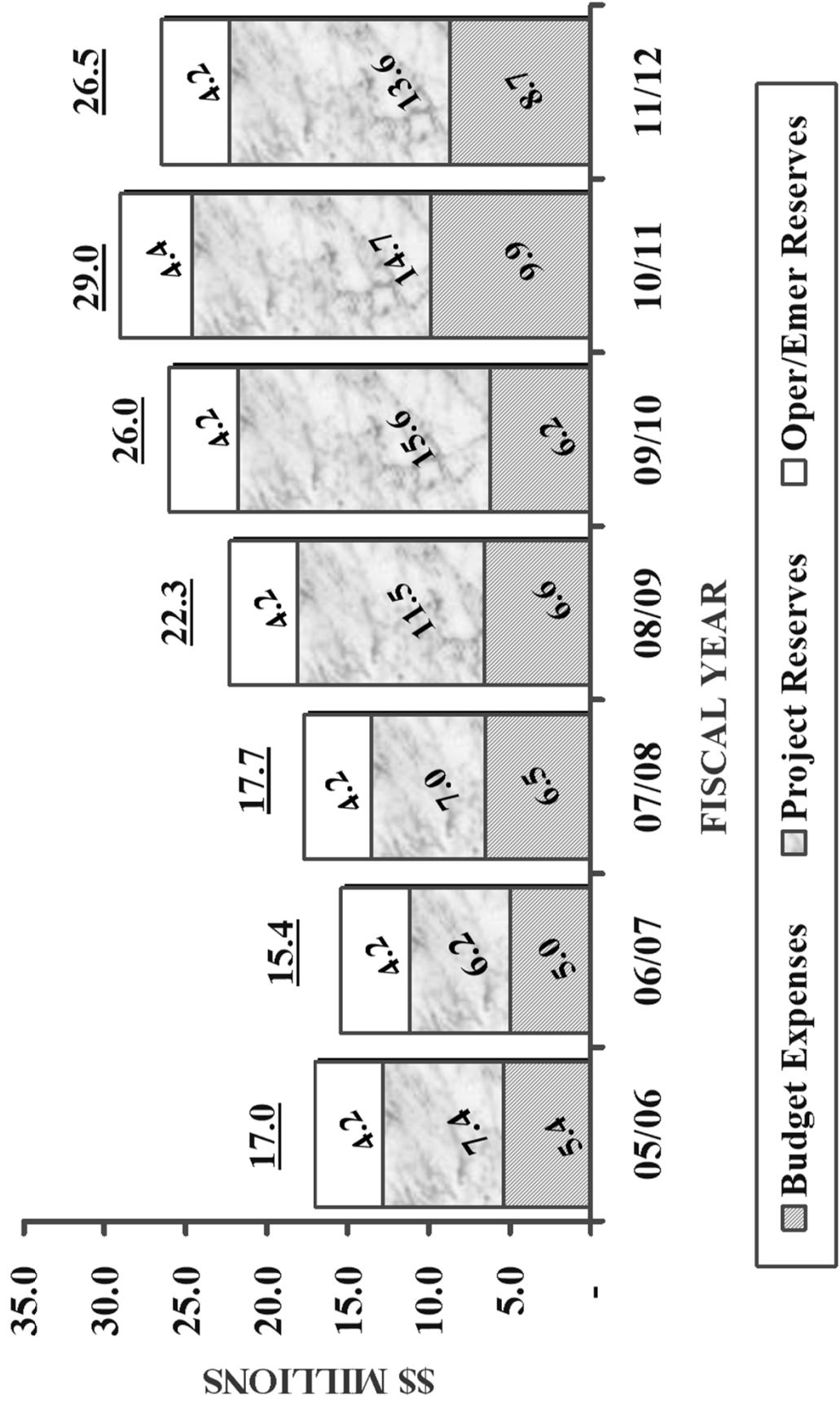
GENERAL FUND/FLOOD CONTROL - FUND 50

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.

	FY 2010-11 Budget	FY 2010-11 Forecast	FY 2011-12 Budget	Budget vs Budget Change Amount	% Change
Appropriation (Expenses)	\$9,885,957	\$9,328,180	\$8,682,000	(\$1,203,957)	-12.18%
Reserves	\$19,129,429	\$20,425,404	\$17,795,731	(\$1,333,698)	
Revenue (primarily Property Taxes)	\$5,512,803	\$5,960,640	\$6,052,327	\$539,524	9.79%



GENERAL FUND/FLOOD CONTROL (50)
Budget Including Reserves



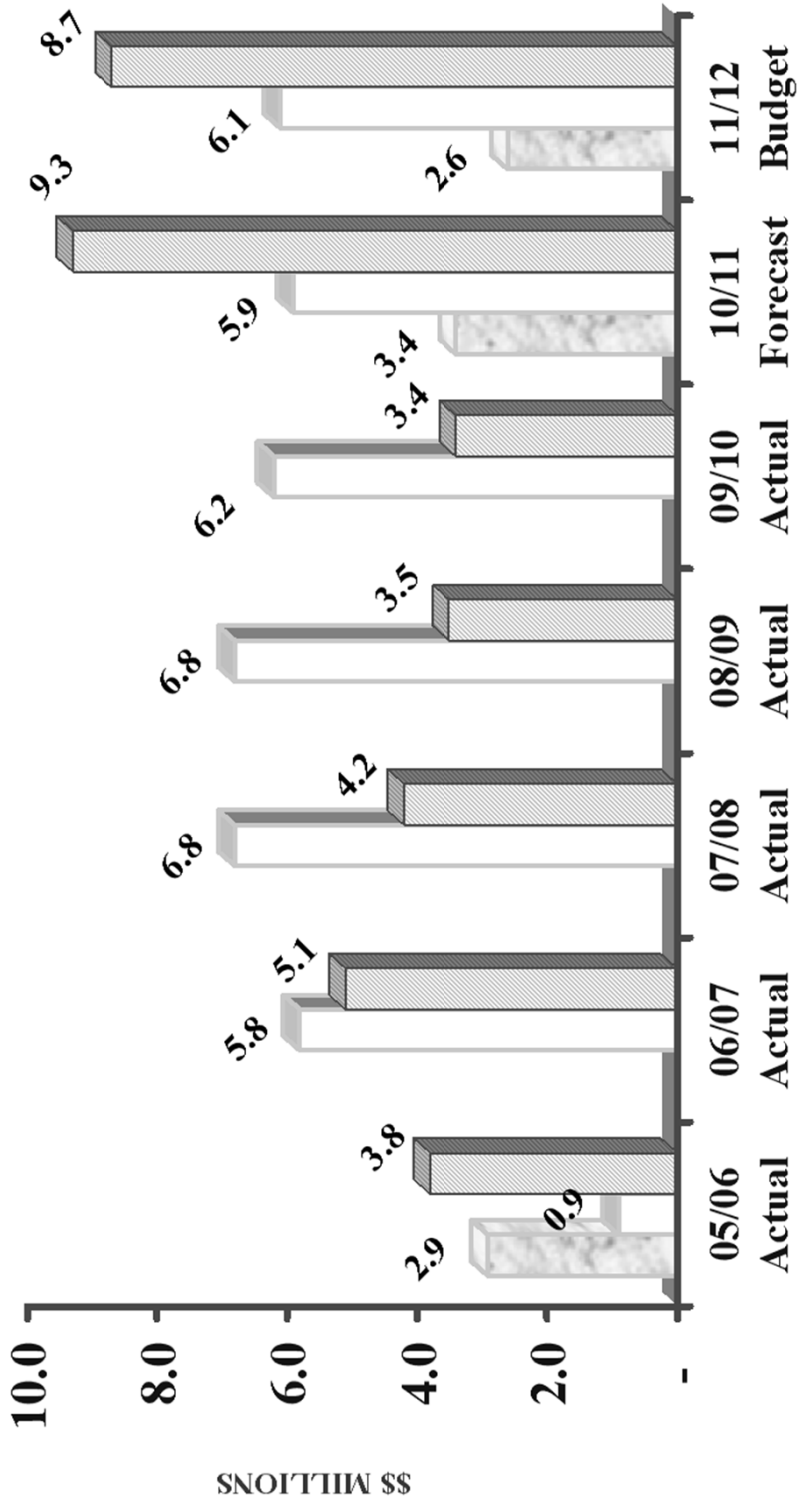
SUMMARY: REVENUES/EXPENDITURES
GENERAL FUND/FLOOD CONTROL (50)

	Fiscal Year 2010/11 Forecast	Fiscal Year 2011/12 Budget	Change	% Change
Beginning Available Fund Balance	\$23,792,944	\$20,425,404		
<u>Estimated Revenue</u>				
Current Tax Revenue	\$5,560,767	\$5,671,983	\$111,215	2%
Other Revenue	\$399,873	\$380,344	(\$19,529)	(5%)
Total Revenue:	\$5,960,640	\$6,052,327	\$91,686	2%
<u>Estimated Expenditures</u>				
Personnel	\$1,112,061	\$1,134,002	\$21,941	2%
Services & Supplies	\$3,916,119	\$7,547,998	\$3,631,879	93%
Fixed Assets	\$4,300,000	\$0	(\$4,300,000)	(100%)
Total Expenditures	\$9,328,180	\$8,682,000	(\$646,180)	(7%)
Net Revenue over Expenditures	(\$3,367,540)	(\$2,629,673)	\$737,867	(22%)
Estimated Ending Available Fund Balance	\$20,425,404	\$17,795,731	(\$2,629,673)	(13%)
Reserve Funds				
Operating/Emergency Reserves ¹	\$4,200,000	\$4,200,000	\$0	0%
Project Reserves	\$15,637,514	\$12,923,818	(\$2,713,696)	(17%)
Building Sinking Fund	\$587,890	\$671,913	\$84,023	14%
Reserve Funds Balance	\$20,425,404	\$17,795,731	(\$2,629,673)	(13%)

¹ FY 11/12 Operating/Emergency Reserves include cost saving initiatives, comprised of \$178,540 in anticipated personnel savings. While these savings are anticipated, amounts must be appropriated in order to maintain the vacant positions in Alameda County's budget.

GENERAL FUND/FLOOD CONTROL (50)

Revenue vs Expenses



FISCAL YEAR

Use of Fund Balance □ Revenue ▨ Expenses

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

Acct #	50 Account Description	Final Budget 10/11	Proposed Budget 11/12	Change Amount	Opr/Emer Reserves
<u>Revenues & Transfers</u>					
4111	Property Taxes Current Secured	\$4,589,203	\$5,362,311	\$773,108	
4112	Property Taxes Current Unsecured	\$300,000	\$306,000	\$6,000	
4113	Property Tax-Supplemental	\$0	\$3,672	\$3,672	
4114	Property Taxes Prior Secured	\$170,000	\$153,000	(\$17,000)	
4115	Property Taxes Sa Secured	\$36,000	\$10,200	(\$25,800)	
4116	Property Taxes Prior Unsecured	\$9,000	\$9,180	\$180	
4117	Property Taxes Prior Sa Unsecured	\$1,000	\$1,020	\$20	
4191	Other Licenses & Permits	\$2,000	\$816	(\$1,184)	
4211	Disaster Reimbursements	\$0	\$0	\$0	
4221	HPTR	\$54,000	\$54,000	\$0	
4241	Federal;Other	\$0	\$0	\$0	
4251	Local Housing Authority In-Lieu	\$600	\$600	\$0	
4311	Interest on Investments	\$300,000	\$100,000	(\$200,000)	
4331	Rent of Land & Buildings	\$17,000	\$17,460	\$460	
4610	Other Charges for Current Services	\$20,000	\$10,200	(\$9,800)	
4631	Plan Checking Fees	\$4,000	\$1,428	(\$2,572)	
4810	Other Revenue	\$10,000	\$22,440	\$12,440	
	Total Revenues	\$5,512,803	\$6,052,327	\$539,524	
<u>Expenditures, Reserves & Credits</u>					
Labor & Overhead Apportioned					
6100	6110 Direct Labor & Benefits Appor	\$983,781	\$865,067	(\$118,714)	\$178,540
	6120 Indirect Labor & Benefits Appor	\$430,599	\$351,315	(\$79,284)	
	Total Personnel	\$1,414,380	\$1,216,382	(\$197,998)	\$178,540
6200 Professional & Technical Svcs					
	6210 Professional & Tech Svcs	\$6,608,613	\$5,823,699	(\$784,914)	\$3,734,739
	6230 County Prof & Tech Services	\$35,000	\$25,000	(\$10,000)	
	6250 District Prof & Tech Services	\$0	\$0	\$0	
	6280 Dist Labor/Indirect - Misc	\$0	\$0	\$0	
6500 Utilities					
	6510 Gas & Electricity	\$0	\$0	\$0	
	6520 Communications	\$4,750	\$4,750	\$0	
6600 Facilities Services					
	6610 Cleaning Services	\$5,000	\$6,000	\$1,000	
	6610 Other	\$0	\$0	\$0	
	6612 Garbage Disposal	\$5,000	\$6,000	\$1,000	
	6614 Janitorial Service	\$0	\$0	\$0	
	6620 Maint Svcs & Mat - Equipment	\$172,996	\$130,090	(\$42,906)	\$127,090
	6630 Maint Svcs & Mat - Strcuts & Imp's	\$19,601,848	\$17,966,032	(\$1,635,816)	\$12,964,832
	6640 Rents & Leases - Equipment	\$86,932	\$72,058	(\$14,874)	\$44,058
	6650 Rents & Leases - Land, Strcuts	\$111,100	\$114,000	\$2,900	
	6670 Other Property Services	\$0	\$0	\$0	
6700 Services and Supplies					
	6720 Emergency & Safety	\$11,000	\$11,000	\$0	
	6740 Office Expense	\$59,500	\$92,400	\$32,900	
	6750 Organization Memberships & Dues	\$81,500	\$113,600	\$32,100	
	6760 Other Services & Supplies	\$128,131	\$117,459	(\$10,672)	\$74,559
	6761 Advertising & Legal Services	\$1,000	\$2,000	\$1,000	
	6762 Clothing & Personal Supplies	\$600	\$2,100	\$1,500	
	6764 Household Expense	\$400	\$400	\$0	
	6765 Laboratory Supplies	\$0	\$2,000	\$0	
	6766 Tools & Instruments	\$100	\$25,100	\$25,000	
	6767 State & Local Fees	\$25,200	\$10,200	(\$15,000)	
	6768 Uniform Service	\$1,100	\$1,100	\$0	
	6769 Other	\$99,731	\$74,559	(\$25,172)	
	6770 Training	\$16,000	\$17,500	\$1,500	
	6780 Transportation	\$500	\$500	\$0	
	6790 Travel	\$5,500	\$5,500	\$0	
6800 Equipment					
	6810 Equipment & Vehicle Expense	\$60,246	\$58,848	(\$1,398)	\$0
6900 Other					
	6910 Non-Operating Expense	\$6,000	\$31,000	\$25,000	
	Total Services & Supplies	\$26,994,616	\$24,589,436	(\$2,405,180)	\$16,945,278
	6245 Reprographics-AlaCo	\$0	\$0	\$0	
	Total Non-Discretionary Expenditure	\$0	\$0	\$0	
7500 Capital Land, Structures, & Equip					
	7510 Capital Structures & Improvmts	\$587,890	\$671,913	\$84,023	\$671,913
	7520 Capital Equipment	\$18,500	\$0	(\$18,500)	
	Total Fixed Assets	\$606,390	\$671,913	\$65,523	\$671,913
	Total Expenditures	\$29,015,386	\$26,477,731	(\$4,888,984)	\$17,795,731
	% Change General Fund/Flood Control Budget			-16.85%	

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**STATE WATER FACILITIES FUND
BUDGET**

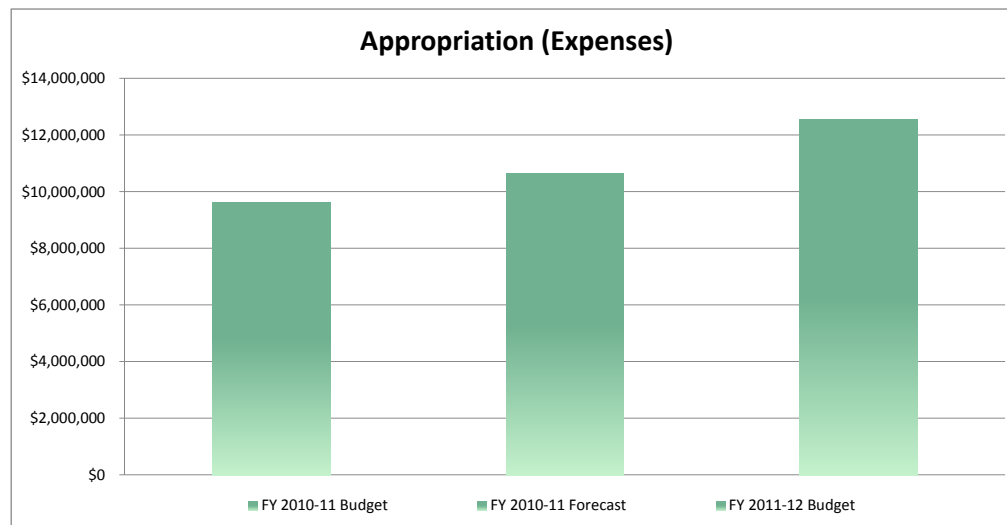
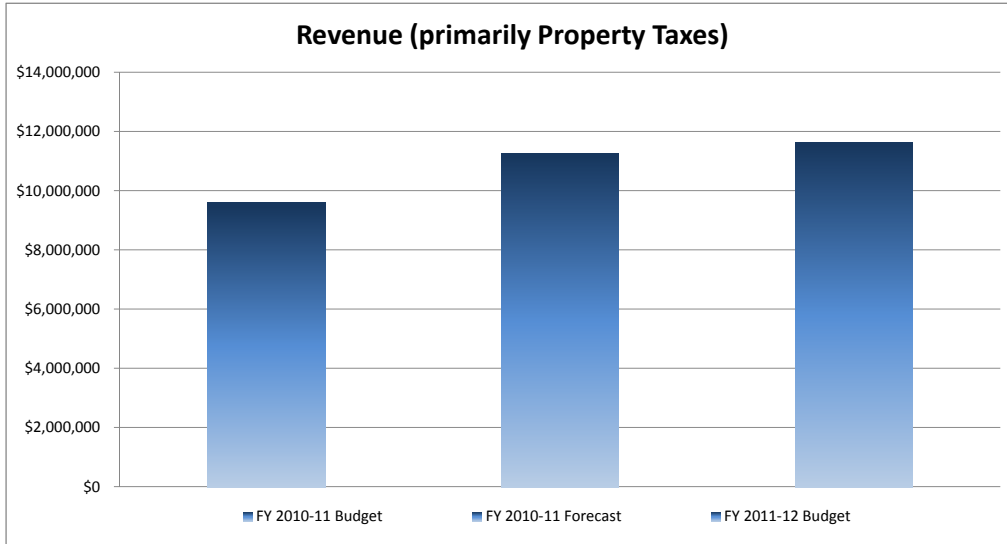
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**ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
FISCAL YEAR 2011-12**

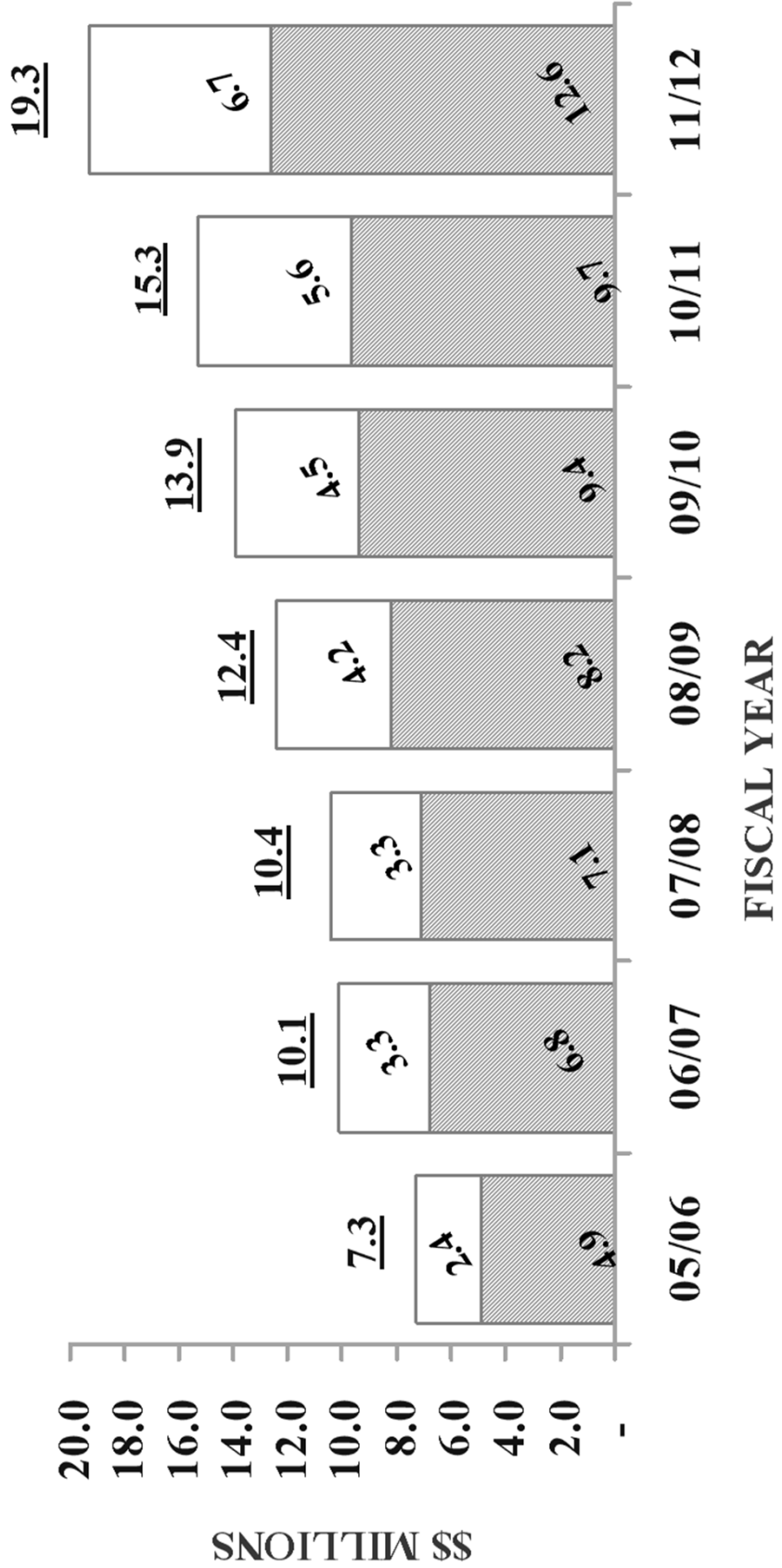
STATE WATER FACILITIES FUND - FUND 51

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.

	FY 2010-11 <u>Budget</u>	FY 2010-11 <u>Forecast</u>	FY 2011-12 <u>Budget</u>	Budget vs Budget <u>Change Amount</u>	<u>% Change</u>
Appropriation (Expenses)	\$9,650,490	\$10,635,201	\$12,561,522	\$2,911,032	30.16%
Reserves	\$5,647,949	\$7,655,127	\$6,748,292	\$1,100,343	
Revenue (primarily Property Taxes)	\$9,597,029	\$11,274,780	\$11,654,687	\$2,057,658	21.44%



STATE WATER FACILITIES FUND (51)
Budget Including Reserves

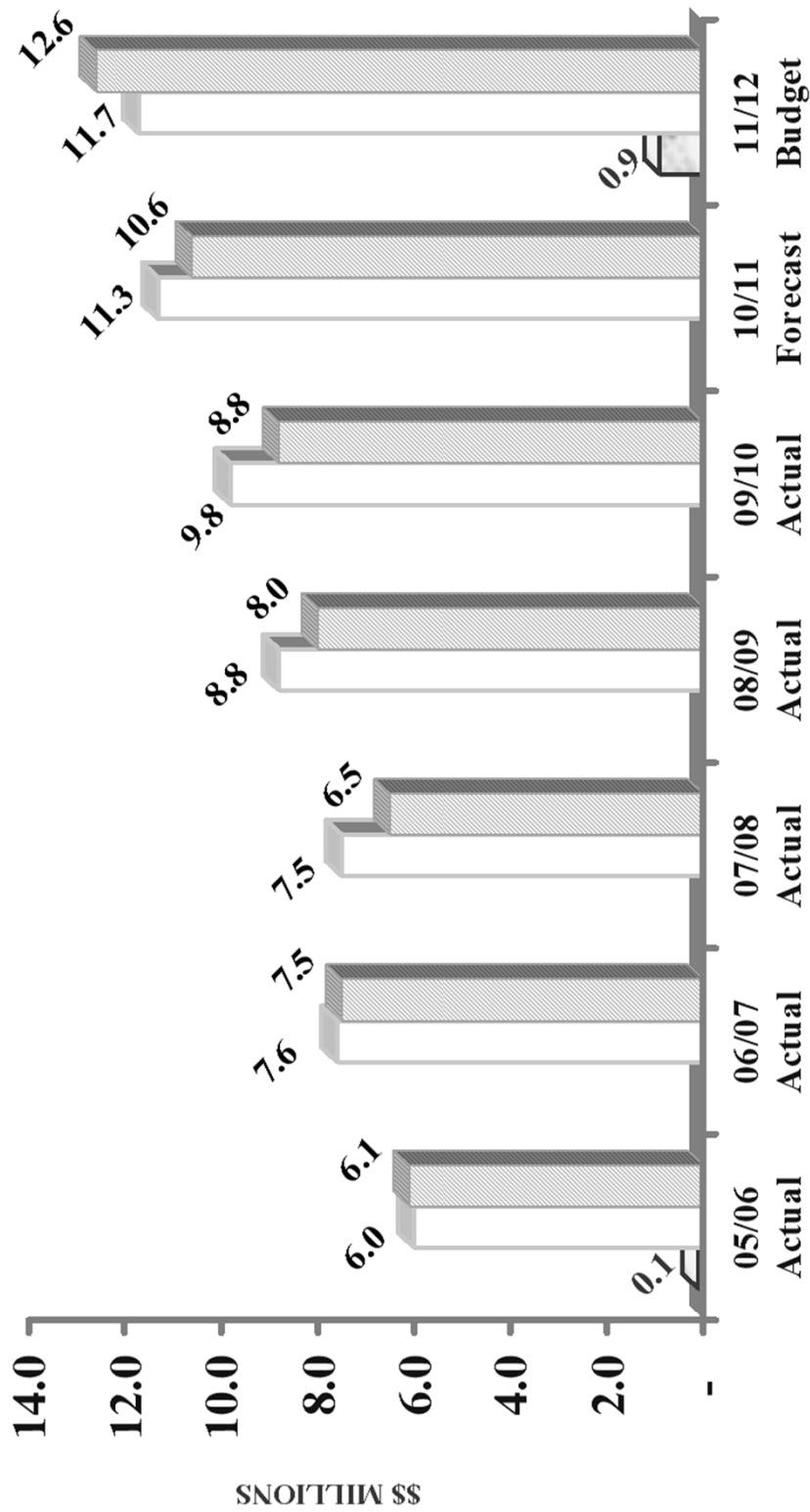


■ Budget Expenses □ Emer/Oper Reserves

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

	Fiscal Year 2010/11 Forecast	Fiscal Year 2011/12 Budget	Change	% Change
Beginning Available Fund Balance	\$7,015,548	\$7,655,127		
Adjustment	\$0	\$0		
Net Beginning Available Fund Balance	\$7,015,548	\$7,655,127		
<u>Estimated Revenue</u>				
Current Tax Revenue	\$9,100,000	\$9,300,000	\$200,000	2%
Other Revenue	\$2,174,780	\$2,354,687	\$179,907	8%
Total Revenue:	\$11,274,780	\$11,654,687	\$379,907	3%
<u>Estimated Expenditures</u>				
Payments to Dept of Water Resources	\$13,735,201	\$15,849,339	\$2,114,138	15%
Transfer from Fund 73 - Expansion	(\$3,100,000)	(\$3,287,818)	(\$187,818)	6%
Total Expenditures	\$10,635,201	\$12,561,522	\$1,926,321	18%
Net Revenue over Expenditures	\$639,579	(\$906,835)	(\$1,546,414)	(242%)
Estimated Ending Available Fund Balance	\$7,655,127	\$6,748,292	(\$906,835)	(12%)
Reserve Funds	\$7,655,127	\$6,748,292	(\$906,835)	(12%)
Net Expenditures & Reserves	\$18,290,328	\$19,309,814	\$1,019,486	6%
Total Appropriation	\$21,390,328	\$22,597,631	\$1,207,303	6%

STATE WATER FACILITIES FUND (51)
Revenue vs Expenses



FISCAL YEAR

□ Use of Fund Balance □ Revenue ▨ Expenses

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

Acct #	51 Account Description	Final Budget 10/11	Proposed Budget 11/12	Change Amount	Opr/Emer Reserves
<u>Revenues & Transfers</u>					
4111	Property Taxes Current Secured	\$7,405,000	\$8,839,167	\$1,434,167	
4112	Property Taxes Current Unsecured	\$245,000	\$285,833	\$40,833	
4113	Property Tax-Supplemental	\$150,000	\$175,000	\$25,000	
4114	Property Taxes Prior Secured	\$154,500	\$150,000	(\$4,500)	
4115	Property Taxes Sa Secured	\$15,914	\$0	(\$15,914)	
4116	Property Taxes Prior Unsecured	\$5,150	\$0	(\$5,150)	
4117	Property Taxes Prior Sa Unsecured	\$1,030	\$0	(\$1,030)	
4221	Homeowners Prop Tax Relief	\$45,000	\$45,000	\$0	
4251	Local Housing Authority In-Lieu	\$100	\$505	\$405	
4311	Interest on Investments	\$90,000	\$25,000	(\$65,000)	
4321	Interest from Other Sources	\$80,000	\$0	(\$80,000)	
4541	Water Service Surcharge	\$890,335	\$1,184,182	\$293,847	
4810	Other Revenue	\$515,000	\$950,000	\$435,000	
	<u>Total Revenues</u>	<u>\$9,597,029</u>	<u>\$11,654,687</u>	<u>\$2,057,658</u>	
<u>Expenditures, Reserves & Credits</u>					
6410	Water - DWR Fixed Charges	\$18,398,439	\$22,597,631	\$4,199,192	\$6,748,292
6419	Transfer from Fund 73 (Expansion)	(\$3,100,000)	(\$3,287,818)	(\$187,818)	
	<u>Total Expenditures</u>	<u>\$15,298,439</u>	<u>\$19,309,814</u>	<u>\$4,011,374</u>	<u>\$6,748,292</u>
	% Change State Water Facilities Fund			26.22%	

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**WATER ENTERPRISE FUND
BUDGET**

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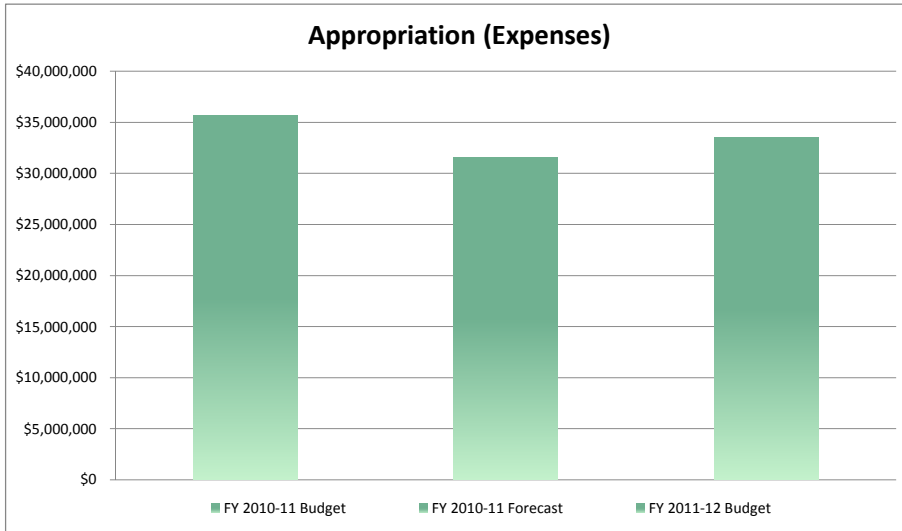
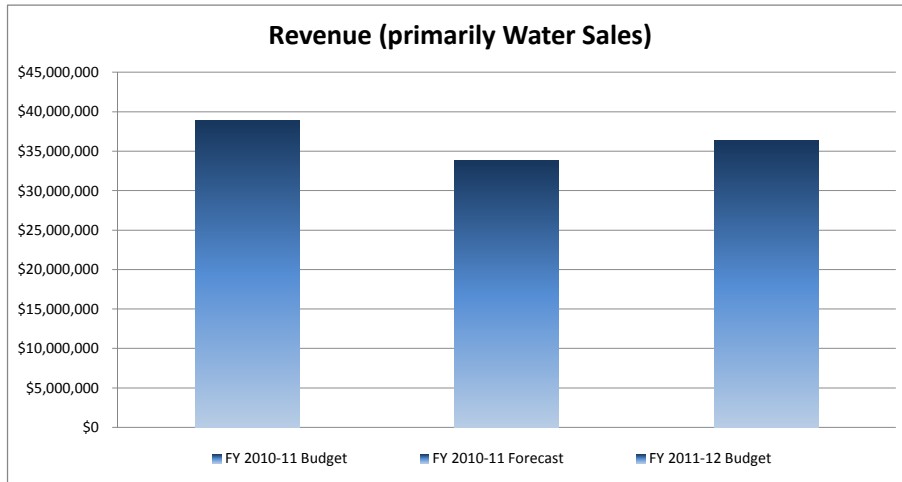
**ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
FISCAL YEAR 2011-12**

WATER ENTERPRISE FUND - FUND 52

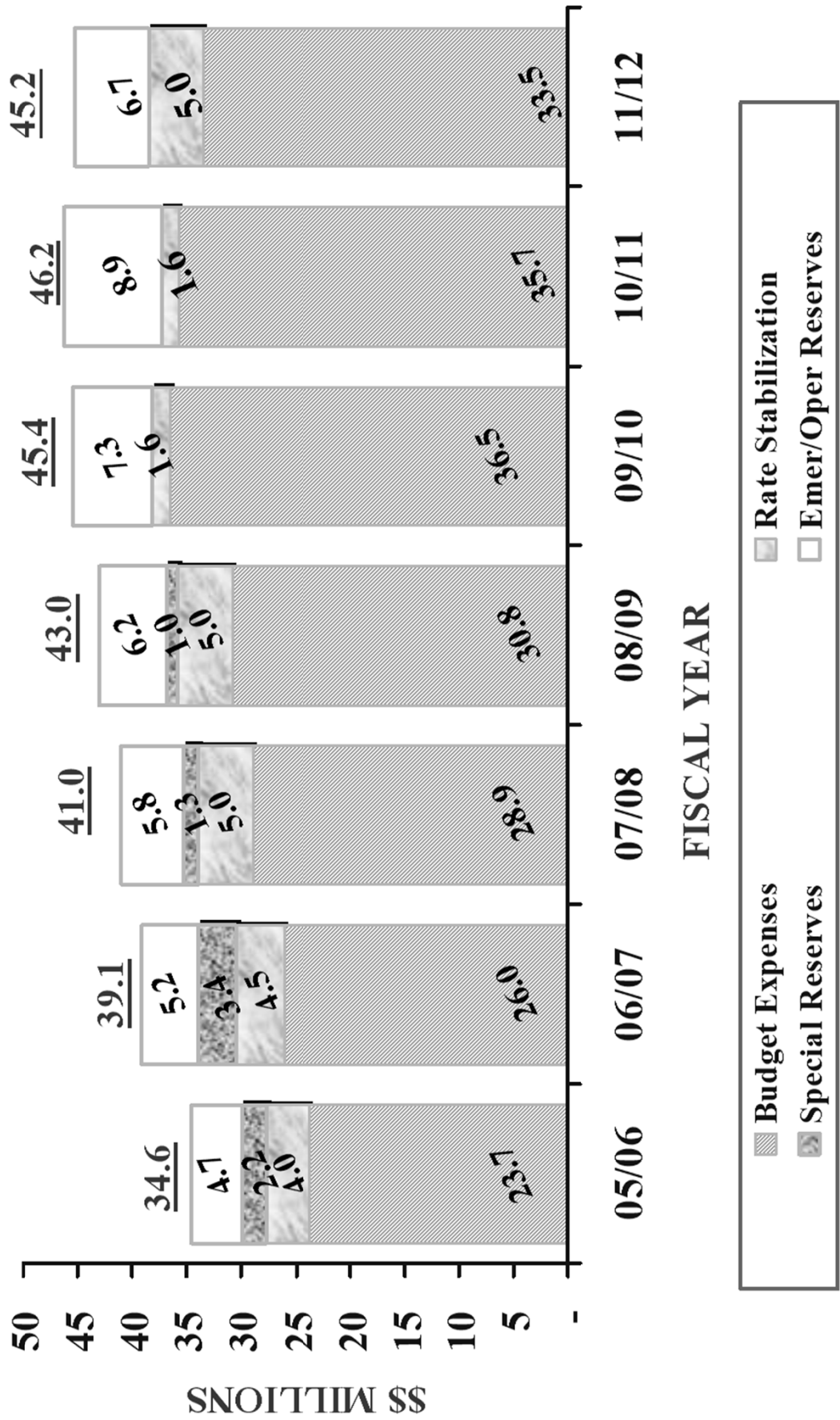
This budget finances Zone 7's water program which includes general administration, facilities engineering, operations and maintenance of the water supply and delivery system, water resources management, and water supply planning and design.

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.

	FY 2010-11 Budget	FY 2010-11 Forecast	FY 2011-12 Budget	Budget vs Budget Change Amount	% Change
Appropriation (Expenses)	\$35,716,839	\$31,572,847	\$33,542,069	(\$2,174,770)	-6.09%
Reserves	\$10,504,666	\$11,314,569	\$11,708,414	\$1,203,748	
Revenue (primarily Water Sales)	\$38,900,537	\$33,895,185	\$36,348,800	(\$2,551,737)	-6.56%



WATER ENTERPRISE BUDGET (52)
Budget Including Reserves

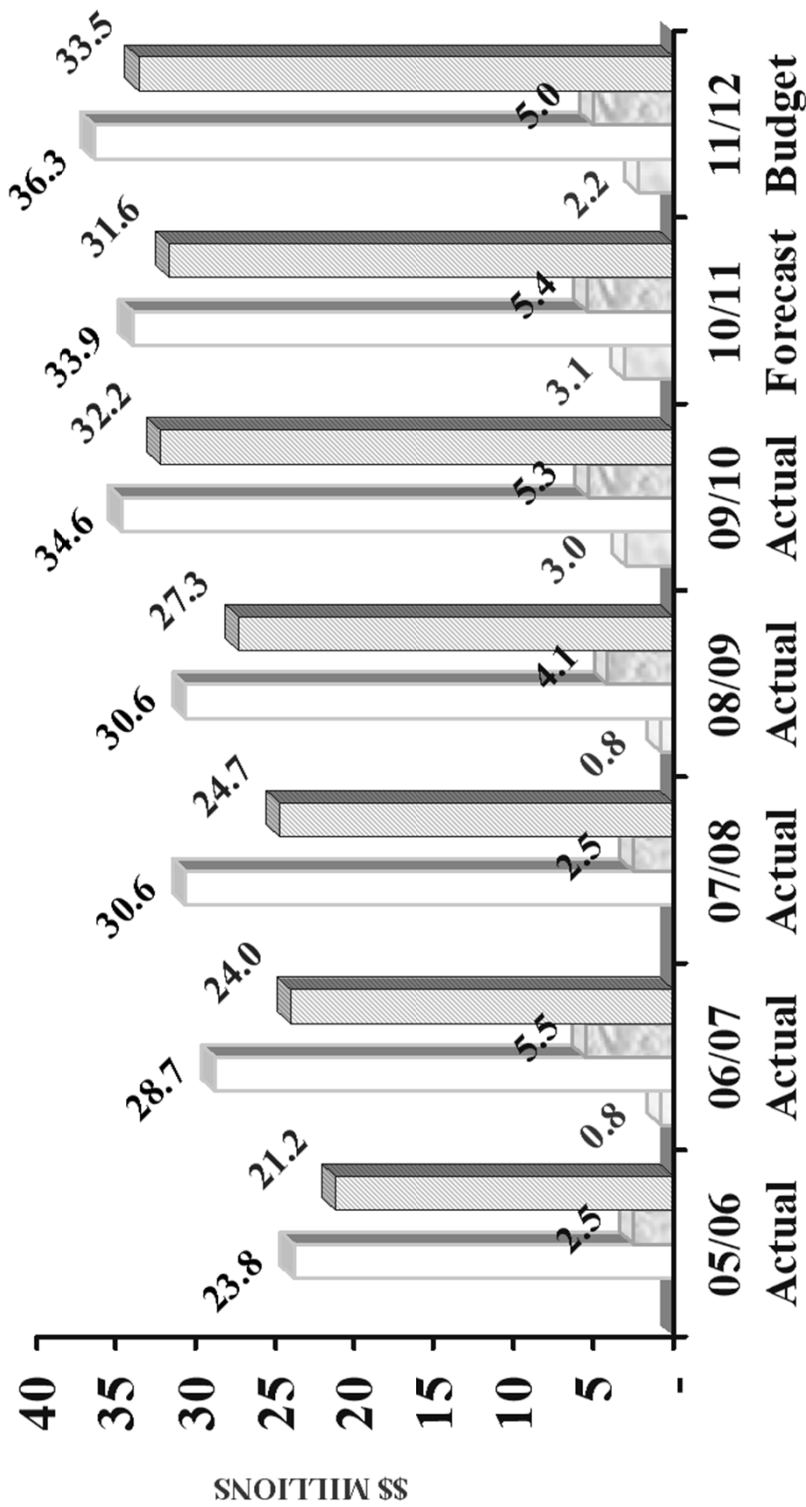


SUMMARY:REVENUES/EXPENDITURES
WATER ENTERPRISE FUND (52)

	Fiscal Year 2010/11 Forecast	Fiscal Year 2011/12 Budget	Change	% Change
Beginning Available Fund Balance				
Adjustments	\$22,230,970	\$18,025,113		
Net Beginning Available Fund Balance	(\$1,113,305) \$21,117,665	\$18,025,113		
Estimated Revenue				
Water Sales	\$33,645,153	\$36,176,100	\$2,530,947	8%
Interest	\$110,000	\$100,000	(\$10,000)	(9%)
Other	\$140,032	\$72,700	(\$67,332)	(48%)
Total Revenue:	\$33,895,185	\$36,348,800	\$2,453,615	7%
Estimated Expenditures				
Personnel	\$12,374,630	\$12,458,267	\$83,636	1%
Services & Supplies	\$18,064,530	\$19,862,601	\$1,798,071	10%
County Cost	\$1,068,652	\$1,150,201	\$81,549	8%
Fixed Assets	\$65,035	\$71,000	\$5,965	9%
Credits to Other Funds		\$0	\$0	0%
Total Expenditures	\$31,572,847	\$33,542,069	\$1,969,221	6%
Net Revenue over Expenditures	\$2,322,338	\$2,806,731	\$484,393	21%
Estimated Ending Available Fund Balance	\$23,440,003	\$20,831,844	(\$2,608,159)	(11%)
Year End Fund Contributions				
Transfer to Fund 72 - Renewal & Repl/Syst Imp	(\$5,414,890)	(\$5,044,148)	\$370,742	(7%)
Estimated Net Ending Available Funds	\$18,025,113	\$15,787,696	(\$2,237,417)	(12%)
Reserve Funds				
Rate Stabilization Fund	\$5,000,000	\$5,000,000	\$0	0%
Operating/Emergency Reserves ¹	\$6,314,569	\$6,708,414	\$393,844	6%
Designated Account Reserves				
Personnel	\$0	\$0	\$0	0%
Chemicals	\$0	\$0	\$0	0%
Utilities	\$0	\$0	\$0	0%
Water	\$0	\$0	\$0	0%
Total Designated Reserves	\$0	\$0	\$0	0%
Net Reserves	\$11,314,569	\$11,708,414	\$393,845	3%
Net Estimated Ending Available Fund Balance	\$6,710,544	\$4,079,282	(\$2,631,262)	(39%)

¹ FY 11/12 Operating/Emergency Reserves include of \$1,821,051 in anticipated personnel savings. While these savings are anticipated, amounts must be appropriated in order to maintain the vacant positions in Alameda County's budget.

WATER ENTERPRISE FUND (52)
Revenue vs Expenses



FISCAL YEAR

Use of Fund Balance Revenue Fund Transfer Out Expenses

BUDGET WORKSHEET
WATER ENTERPRISE FUND (52)

Acct #	Account Description	Final Budget 10/11	Proposed Budget 11/12	Change Amount	Oper/Emer Reserves
Revenues & Transfers					
4230	SB 90 Claims	\$0	\$700	\$700	
4310	Interest on Investments	\$400,000	\$100,000	(\$300,000)	
4320	Interest from Other Sources	\$0	\$0	\$0	
4330	Rent of Land and Buildings	\$31,000	\$31,000	\$0	
4510	Treated Water Sales	\$37,422,512	\$35,738,630	(\$1,683,882)	
4520	Untreated Water Sales	\$731,025	\$435,450	(\$295,575)	
4530	Temporary Water Sales	\$0	\$2,020	\$2,020	
4720	Transfers From Other Deposits	\$0	\$0	\$0	
4810	Other Revenues	\$316,000	\$41,000	(\$275,000)	
	Total Revenues	\$38,900,537	\$36,348,800	(\$2,551,737)	
	Transfer to Fund 72 (R&R/SWI)	(\$5,414,890)	(\$5,044,148)	\$370,742	
	Total Transfers	(\$5,414,890)	(\$5,044,148)	\$370,742	
	Net Revenue Available	\$33,485,647	\$31,304,652	(\$2,180,995)	
Expenditures, Reserves & Credits					
Labor & Overhead Apportioned					
6110	Direct Labor & Benefits Appor	\$18,207,527	\$17,986,175	(\$221,352)	\$1,821,051
	Total Personnel	\$18,207,527	\$17,986,175	(\$221,352)	\$1,821,051
Professional & Technical Svcs					
6210	Professional & Tech Svcs	\$3,105,286	\$2,735,499	(\$369,787)	\$342,114
6230	County Prof & Tech Services	\$86,250	\$80,100	(\$6,150)	
6250	District Prof & Tech Services	\$0	\$0	\$0	
Chemicals					
6310	Chemicals	\$3,545,995	\$3,530,995	(\$15,000)	\$0
Water					
6420	SWP - Variable Costs	\$5,343,653	\$3,086,802	(\$2,256,851)	\$0
6429	Credits for Variable Cost fr Expansio	(\$101,283)		\$101,283	
6430	Water Entitlement/Option Purchases	\$829,215	\$858,000	\$28,785	
6460	Water Storage	\$524,950	\$1,252,750	\$727,800	
6480	Water Other	\$689,162	\$965,449	\$276,287	
6490	Water Rate Designations	\$1,600,000	\$5,000,000	\$3,400,000	\$5,000,000
Utilities					
6510	Gas & Electricity	\$2,880,463	\$2,128,465	(\$751,998)	\$0
6520	Communications	\$135,097	\$139,023	\$3,926	
Facilities Services					
6610	Cleaning Services	\$72,074	\$53,596	(\$18,478)	
6610	Other	\$2,500	\$2,500	\$0	
6612	Garbage Disposal	\$21,578	\$9,400	(\$12,178)	
6614	Janitorial Service	\$47,996	\$41,696	(\$6,300)	
6620	Maint Svcs & Mat - Equipment	\$2,530,699	\$1,645,453	(\$885,246)	\$1,515,083
6630	Maint Svcs & Mat - Structs & Imp's	\$4,825,469	\$3,822,858	(\$1,002,611)	\$1,515,083
6640	Rents & Leases - Equipment	\$2,495,069	\$1,614,033	(\$881,036)	\$1,515,083
6650	Rents & Leases - Land, Structs	\$34,975	\$35,375	\$400	
6670	Other Property Services	\$75,650	\$33,250	(\$42,400)	
Services and Supplies					
6720	Emergency & Safety	\$72,125	\$55,500	(\$16,625)	
6740	Office Expense	\$602,800	\$892,080	\$289,280	
6750	Organization Memberships & Dues	\$427,077	\$372,605	(\$54,472)	
6760	Other Services & Supplies	\$601,952	\$600,505	(\$1,447)	
6761	Advertising & Legal Services	\$14,250	\$11,500	(\$2,750)	
6762	Clothing & Personal Supplies	\$23,535	\$17,835	(\$5,700)	
6764	Household Expense	\$8,500	\$2,200	(\$6,300)	
6765	Laboratory Supplies	\$177,670	\$127,885	(\$49,785)	
6766	Tools & Instruments	\$34,000	\$20,480	(\$13,520)	
6767	State & Local Fees	\$308,522	\$398,625	\$90,103	
6768	Uniform Service	\$35,475	\$21,980	(\$13,495)	
6769	Other	\$0	\$0	\$0	
6770	Training	\$291,294	\$253,934	(\$37,360)	
6780	Transportation	\$31,480	\$35,025	\$3,545	
6790	Travel	\$70,884	\$84,800	\$13,916	
Equipment					
6810	Equipment & Vehicle Expense	\$254,300	\$272,500	\$18,200	
Other					
6910	Non-Operating Expense	\$264,150	\$296,350	\$32,200	
	Total Discretionary Expenditures	\$31,288,786	\$29,844,947	(\$1,445,286)	\$9,887,363
6241	County Tie-line	\$5,473	\$4,500	(\$973)	
6242	Maint-Electronic Equip-GSA	\$36,487	\$29,700	(\$6,787)	
6243	Equip & Vehicle Fuel & Oil-GSA	\$29,667	\$16,416	(\$13,251)	
6244	Data Processing Services	\$111,960	\$96,383	(\$15,577)	
6245	Reprographics-AlaCo	\$14,000	\$0	(\$14,000)	
6246	Risk Management Ins	\$188,718	\$354,389	\$165,671	
	Total Non-Discretionary Expendit	\$386,305	\$501,388	\$115,083	\$0
	Total Services & Supplies	\$31,675,091	\$30,346,335	(\$1,330,203)	\$9,887,363
6247	County Indirect Costs	\$650,000	\$568,713	(\$81,287)	
Capital Land, Structures, & Equip					
7510	Capital Structures & Improvmts				
7520	Capital Equipment	\$70,500	\$71,000	\$500	\$0
	Total Fixed Assets	\$70,500	\$71,000	\$500	\$0
Intra Fund Transfers					
7610	Credit for Inter-departmental Charge	(\$4,381,612)	(\$3,721,740)	\$659,872	
	Total Expenditures	\$46,221,506	\$45,250,483	(\$972,470)	\$11,708,414
	% Change Water Enterprise Budget			-2.10%	

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RENEWAL & REPLACEMENT
SYSTEMWIDE IMPROVEMENTS
PROGRAMS

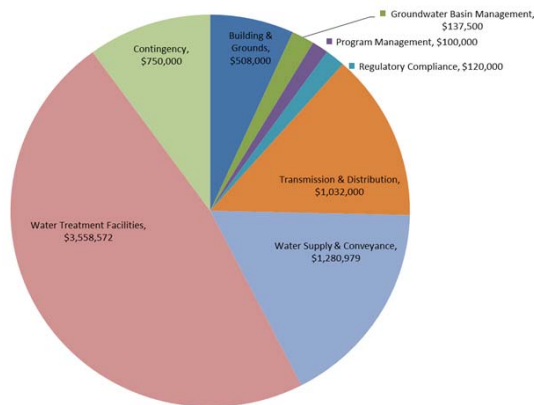
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ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
FISCAL YEAR 2011-12
WATER ENTERPRISE CAPITAL IMPROVEMENT PROGRAMS
RENEWAL & REPLACEMENT & SYSTEMWIDE IMPROVEMENTS
(FUND 72)

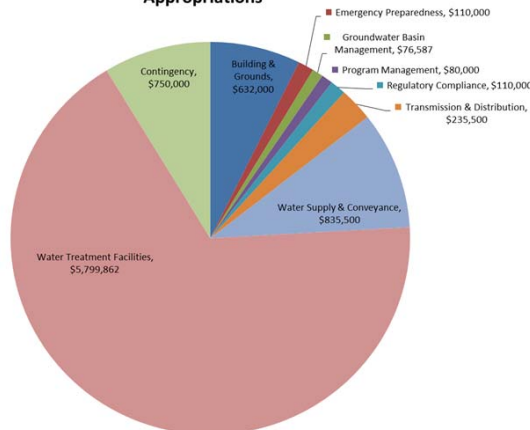
The purpose of these programs is to ensure that the current water treatment and delivery systems are functioning effectively and that capital replacement and improvement needs are funded. The budgets for these programs are funded primarily from the sale of treated and untreated water and Facility Use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

	FY 2010-11	FY 2010-11	FY 2011-12	Budget vs Budget	
	Budget	Forecast	Budget	Change Amount	% Change
SWI Appropriation (Expenses)	\$2,900,449	\$2,137,004	\$2,953,479	\$53,030	1.83%
R/R Appropriation (Expenses)	\$5,729,000	\$5,350,919	\$4,533,572	(\$1,195,428)	(20.87%)
Total	\$8,629,449	\$7,487,923	\$7,487,051	(\$1,142,398)	(13.24%)
Reserves	\$12,477,239	\$18,231,240	\$16,378,506	\$3,901,267	
Revenue (primarily Water Sales)	\$6,346,222	\$6,031,092	\$5,634,317	(\$711,905)	(11.22%)

FY 11/12 Budget
Renewal/Replacement & Systemwide Improvements Project
Appropriations



Renewal/Replacement & Systemwide Improvements Project
Appropriations

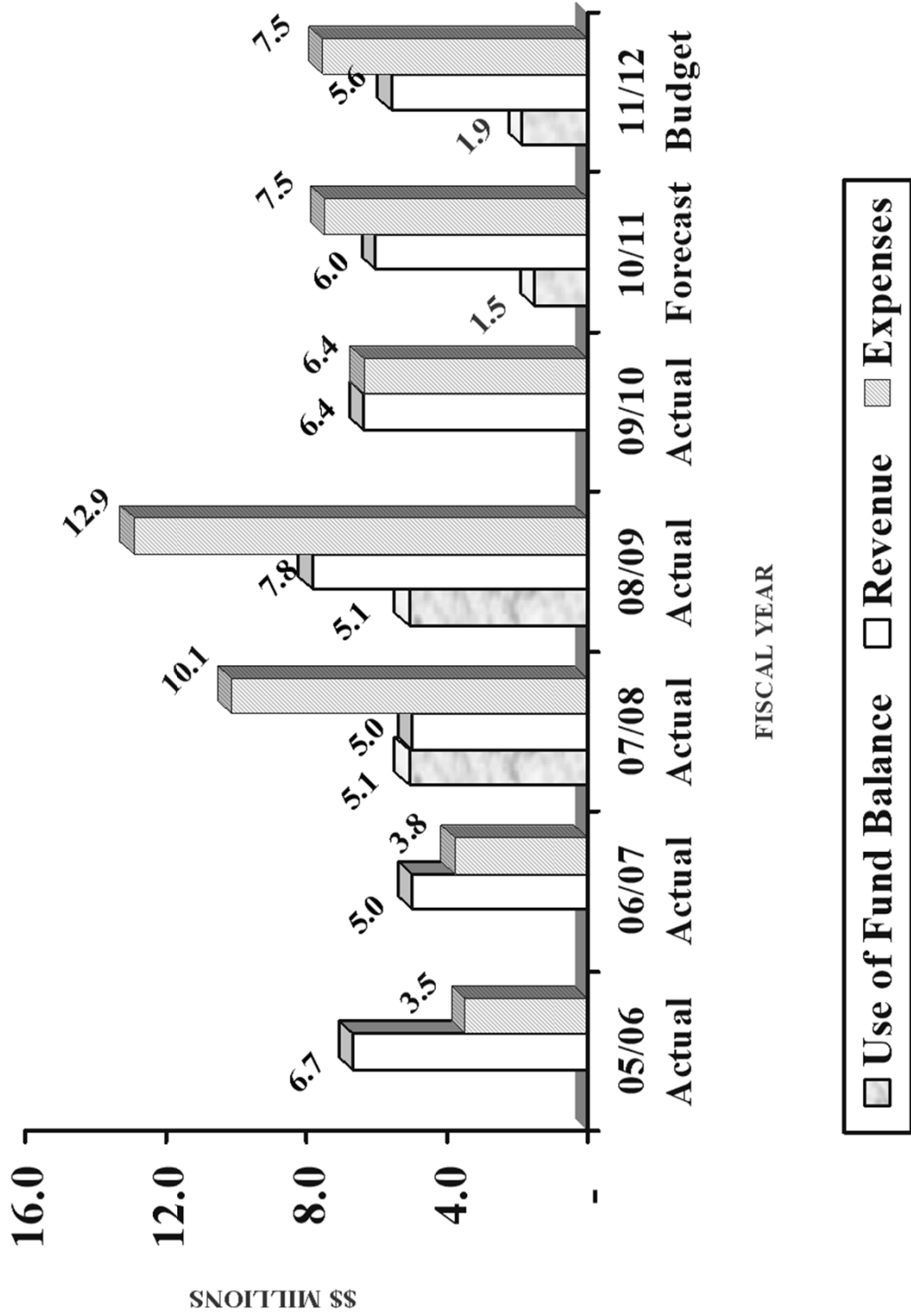


**SUMMARY:REVENUES/EXPENDITURES
WATER ENTERPRISE CAPITAL FUNDS
RENEWAL & REPLACEMENT, SYSTEMWIDE IMPROVEMENTS
PROGRAMS (FUND 72)**

	Fiscal Year 2010/11 Forecast	Fiscal Year 2011/12 Budget	Change	% Change
Beginning Available Fund Balance	\$19,688,071	\$18,231,240		
Adjustments	\$0	\$0		
Net Beginning Available Fund Balance	\$19,688,071	\$18,231,240		
<u>Estimated Revenue</u>				
Interest	\$84,361	\$76,034	(\$8,327)	(10%)
Fund Transfers from Fund 52 - Water Enterprise	\$5,414,891	\$5,044,148	(\$370,743)	(7%)
Other	\$30,000	\$0	(\$30,000)	(100%)
Facility Use Fees	\$501,840	\$514,135	\$12,295	2%
Total Revenue:	\$6,031,092	\$5,634,317	(\$396,775)	(7%)
<u>Estimated Expenditures</u>				
Personnel	\$1,969,623	\$1,450,979	(\$518,644)	(26%)
Contracts	\$2,046,805	\$690,500	(\$1,356,305)	(66%)
Construction	\$2,709,321	\$2,997,572	\$288,251	11%
Other	\$762,173	\$1,598,000	\$835,827	110%
Contingency		\$750,000	\$750,000	0%
Total Expenditures	\$7,487,923	\$7,487,051	(\$872)	(1%)
Net Revenue over Expenditures	(\$1,456,831)	(\$1,852,734)	(\$395,903)	27%
Estimated Ending Available Fund Balance	\$18,231,240	\$16,378,506	(\$1,852,734)	(10%)
<u>Reserve Funds</u>				
Building Sinking Fund	\$2,313,878	\$2,691,980	\$378,102	16%
Net Estimated Ending Available Fund Balance	\$15,917,362	\$13,686,526	(\$2,230,836)	(14%)

CAPITAL IMPROVEMENT/RENEWAL/REPLACEMENT FUND (72)

Revenue vs Expenses



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

Job Number	Project Description/Name	Fund Number	Funding Req. 2011/2012
GROUNDWATER BASIN MANAGEMENT			
96072	Well Destruction of Former Army Wells on DSRSD Property Adjacent to Mocho Demineralization Plant	72	\$137,500
	Groundwater Basin Management Subtotal:		\$137,500
TRANSMISSION & DISTRIBUTION			
96072	Automation of Identified Turnouts and Line Valves	72	\$75,000
	Transmission & Distribution Subtotal:		\$75,000
WATER SUPPLY & CONVEYANCE			
54516	Arroyo del Valle Water Right Permit Extension	72	\$500,000
53093	Bay Area Regional Desalination Project	72	\$69,979
54512	Commercial High Efficiency Toilet Rebate Program	72	\$50,000
54513	Commercial High Efficiency Urinal Rebate Program	72	\$100,000
54510	Commercial Landscape Conservation Program	72	\$30,000
54515	Greenplumbers Training Program	72	\$10,000
54505	High Efficiency Toilet Rebate Program	72	\$86,000
54504	High-Efficiency Washing Machine Rebate Program	72	\$150,000
54514	Schools In/Out Survey & Hardware Replacement Program	72	\$50,000
54501	Water Conservation Best Management Practices	72	\$75,000
96072	Water-Efficient Landscape Rebate Program	72	\$50,000
96072	Weather Based Irrigation Controller Rebate Program (CI/MF)	72	\$100,000
96072	Weather Based Irrigation Controller Rebate Program(SF)	72	\$10,000
	Water Supply & Conveyance Subtotal:		\$1,280,979
WATER TREATMENT FACILITIES			
96072	DVWTP Chemical Systems/Parking Lot Improvements	72	\$288,000
96072	DVWTP Sludge Handling Improvements	72	\$200,000
96072	PPWTP Filter Improvements Study	72	\$80,000
96072	PPWTP Sludge Handling Improvements	72	\$880,000
53069	Water Quality Management Program	72	\$12,000
	Water Treatment Facilities Subtotal:		\$1,460,000
	SYSTEMWIDE IMPROVEMENTS TOTAL		\$2,953,479
BUILDING & GROUNDS			
54053	North Canyons Administrative & Engineering Building Lease	72	\$508,000
	Building & Grounds Subtotal:		\$508,000
PROGRAM MANAGEMENT			
54071	Asset Management Program Management	72	\$40,000
54508	Capital Improvement Program Management	72	\$10,000
54507	System-Wide Improvements and Renewal/Replacement Program Management	72	\$50,000
	Program Management Subtotal:		\$100,000
REGULATORY COMPLIANCE			
54042	Laboratory Equipment Replacement	72	\$120,000
	Regulatory Compliance Subtotal:		\$120,000
TRANSMISSION & DISTRIBUTION			
96072	CWS Turnout No. 7 Modifications	72	\$107,000
96072	Pleasanton Turnout No. 3 Replacement	72	\$100,000
53096	Santa Rita Pipeline Relocation	72	\$750,000
	Transmission & Distribution Subtotal:		\$957,000
WATER TREATMENT FACILITIES			
96072	Dougherty Access Road Rehabilitation	72	\$50,000
96072	Dougherty Reservoir Recoating Project	72	\$800,000
54083	Minor Renewal/Replacement Projects	72	\$250,000
54072	PPWTP Clarifier Rehabilitation Project	72	\$343,572
54059	PPWTP Ultrafiltration Membrane Replacement	72	\$400,000
54048	SCADA Enhancements	72	\$225,000
96072	Well Pump, Motor and Casing Inspections	72	\$30,000
	Water Treatment Facilities Subtotal:		\$2,098,572
	RENEWAL & REPLACEMENTS TOTAL		\$3,783,572
	SYSTEMWIDE IMPROVEMENTS/RENEWAL & REPLACEMENT PROJECTS TOTAL		\$6,737,051
CONTINGENCY FUNDS			
96172	Contingency	72	\$750,000
	Contingency Funds Subtotal:		\$750,000
	SYSTEMWIDE IMPROVEMENTS/RENEWAL & REPLACEMENTS PROGRAM SUBTOTAL		\$7,487,051
SINKING FUNDS			
	Administrative & Engineering Building - Sinking Fund	72	\$378,102
	Sinking Funds Subtotal:		\$378,102
	SYSTEMWIDE IMPROVEMENTS/RENEWAL & REPLACEMENTS PROGRAM TOTAL		\$7,865,153

EXPANSION PROGRAMS

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**ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
FISCAL YEAR 2011-12**

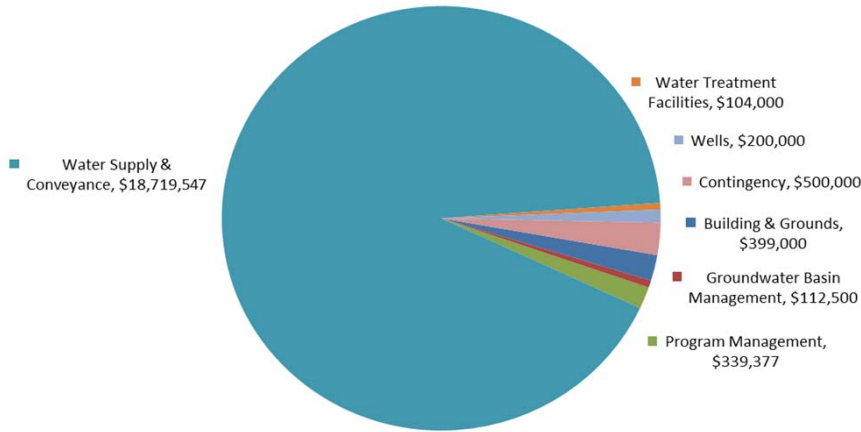
WATER ENTERPRISE CAPITAL IMPROVEMENT PROGRAMS EXPANSION (FUND 73)

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.

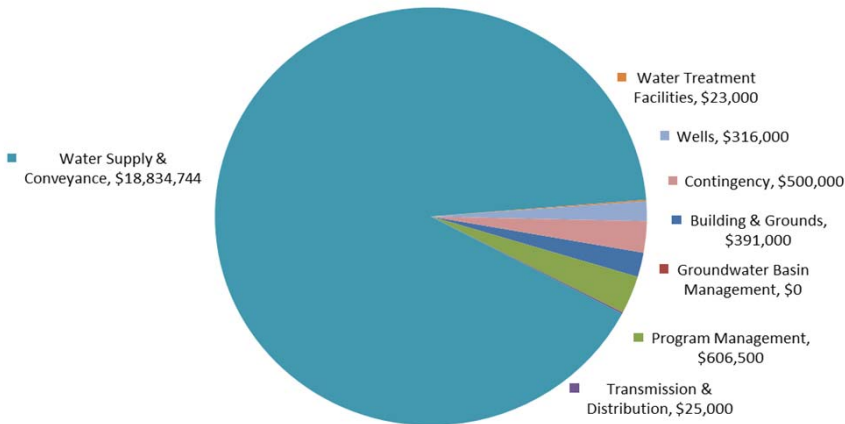
The funding for this program comes entirely from connection fees and is in conformance with the Board's stated policy that new development funds its own needs.

	FY 2010-11 Budget	FY 2010-11 Forecast	FY 2011-12 Budget	Budget vs Budget Change Amount	% Change
Appropriation (Expenses)	\$20,696,244	\$17,525,495	\$20,374,424	(\$321,820)	(1.55%)
Reserves	(\$1,827,043)	\$21,591,567	\$11,954,280	\$13,781,323	
Revenue (primarily Connection Fees)	\$8,315,074	\$9,842,124	\$10,737,137	\$2,422,063	29.13%

FY 11/12 Budget Expansion Appropriations



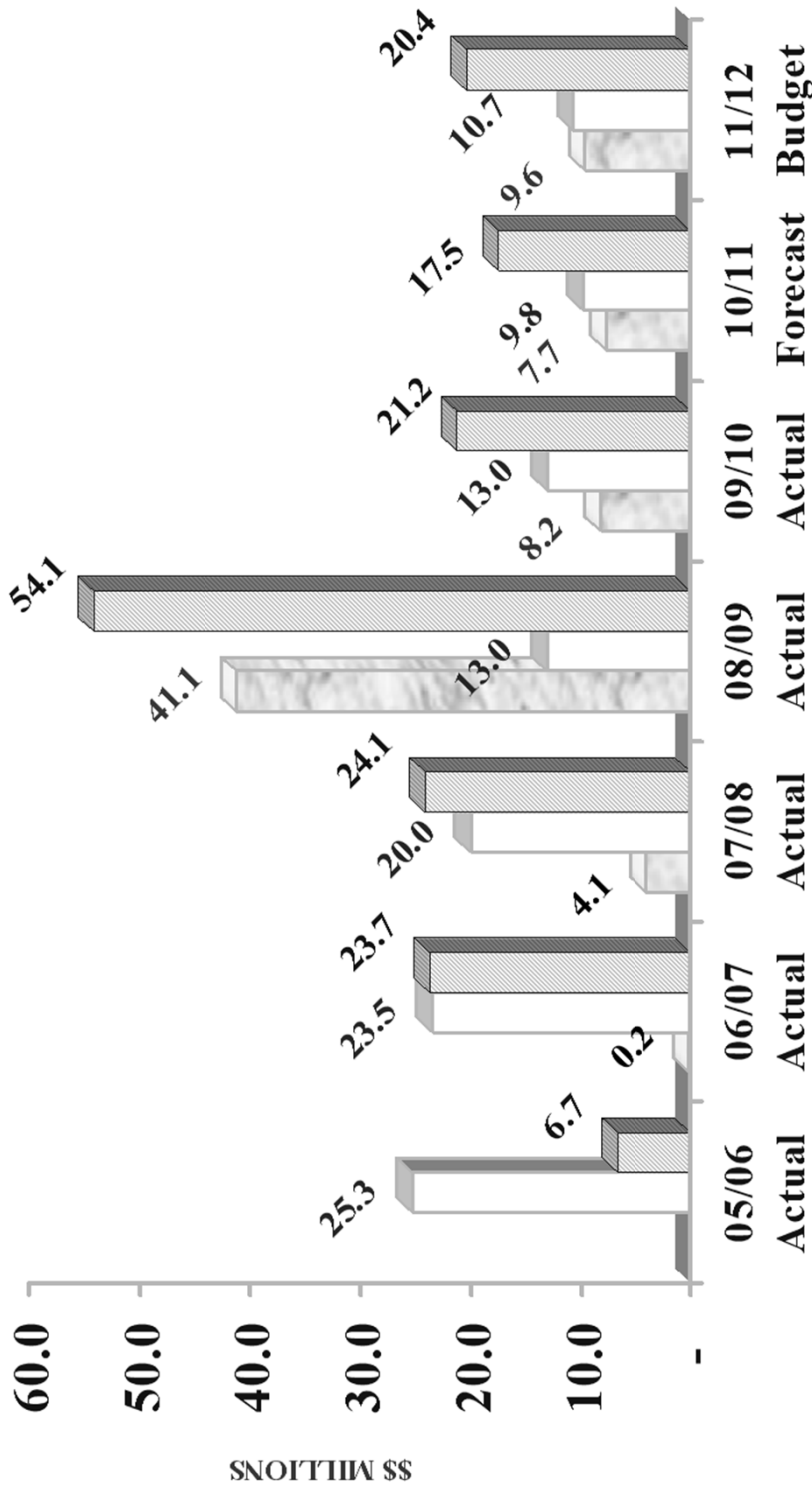
FY 10/11 Budget Expansion Appropriations



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

	Fiscal Year 2010/11 Forecast	Fiscal Year 2011/12 Budget	Change	% Change
Beginning Available Fund Balance	\$21,580,505	\$21,591,567		
Adjustments (Deferred revenue)	\$7,694,433			
Net Beginning Available Fund Balance	\$29,274,938	\$21,591,567		
Estimated Revenue				
Connection Fees	\$8,020,827	\$8,501,965	\$481,138	6%
Interest	\$207,897	\$380,824	\$172,927	83%
Fund Transfers	\$0	\$0	\$0	0%
ISA	\$0	\$0	\$0	0%
Other	\$1,613,400	\$1,854,349	\$240,949	15%
Total Revenue:	\$9,842,124	\$10,737,137	\$895,013	9%
Estimated Expenditures				
Personnel	\$725,000	\$722,962	(\$2,038)	(0%)
Contracts	\$467,885	\$274,000	(\$193,885)	(41%)
Construction	\$821,561	\$1,270,000	\$448,439	55%
Water Purchases/Costs	\$14,026,818	\$16,767,585	\$2,740,767	20%
Other	\$984,231	\$839,877	(\$144,354)	(15%)
Contingency	\$500,000	\$500,000	\$0	0%
Total Expenditures	\$17,525,495	\$20,374,424	\$2,848,929	16%
Net Revenue over Expenditures	(\$7,683,371)	(\$9,637,287)	(\$1,953,916)	25%
Estimated Ending Available Fund Balance	\$21,591,567	\$11,954,280	(\$9,637,287)	(45%)
Reserve Funds				
Building Sinking Fund	\$1,356,376	\$1,390,846	\$34,470	3%
Future Contractor's Share Sinking Fund	\$1,053,737	\$1,075,442	\$21,705	2%
South Bay Aqueduct Sinking Fund	\$6,398,562	\$6,528,459	\$129,897	2%
Net Reserves	\$8,808,676	\$8,994,748	\$186,072	2%
Net Estimated Ending Available Fund Balance	\$12,782,891	\$2,959,532	(\$9,823,359)	(77%)
Installment Sale Agreement (ISA) Funding	\$30,500,000	\$30,500,000		
Net Estimated Available Fund Balance + ISA Funding	\$43,282,891	\$33,459,532		

CAPITAL EXPANSION FUND (73)
Revenue vs Expenses



Use of Fund Balance Revenue Expenses

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

Job Number	Project Description/Name	Fund Number	Funding Req. 2011/2012
BUILDING & GROUNDS			
55048	North Canyons Administrative & Engineering Building Lease	73	\$399,000
	Building & Grounds Subtotal:		\$399,000
PROGRAM MANAGEMENT			
55050	Capital Improvement Program Management	73	\$37,500
55001	Connection Fee Program Administration	73	\$25,000
55010	Interest on Installment Sale Agreement	73	\$276,877
	Program Management Subtotal:		\$339,377
WATER SUPPLY & CONVEYANCE			
57101	Arroyo Mocho Lake H Diversion Structure	73	\$40,000
55430	Bay Area Regional Desalination Project	73	\$129,962
51401	Bay-Delta Conservation Program/DHCCP Program Participation	73	\$257,361
55052	Bay-Delta Conservation Program/DHCCP	73	\$40,000
55106	Cawelo Groundwater Banking Program Debt Service	73	\$1,293,056
57102	Chain of Lakes Facilities and Improvements	73	\$560,000
96073	Cope Lake Facilities and Improvements	73	\$500,000
55043	CUWA Membership	73	\$60,000
55053	Delta Outreach	73	\$30,000
51401	Fixed Cost of Water Entitlement	73	\$287,818
51401	Fourth Contractor's Share of the SBA	73	\$3,000,000
55003	High Efficiency Toilet Rebate Program	73	\$29,000
55303	High-Efficiency Washing Machine Rebate Program	73	\$50,000
51410	Semitropic Stored Water Recovery Unit	73	\$48,000
55037	South Bay Improvement and Enlargement Project	73	\$11,698,074
51408	SWP Peaking Payment (Lost Hills & Bellridge Water Districts)	73	\$331,276
96073	Walker Ranch Conservation Easement Mgmt and Maintenance	73	\$340,000
55300	Water Conservation Best Management Practices	73	\$25,000
	Water Supply & Conveyance Subtotal:		\$18,719,547
WATER TREATMENT FACILITIES			
96073	Land Acquisition for PPWTP Expansion	73	\$100,000
55054	Water Quality Management Program	73	\$4,000
	Water Treatment Facilities Subtotal:		\$104,000
WELLS			
96073	Well Master Plan Wells - Future Phases	73	\$200,000
	Wells Subtotal:		\$200,000
	EXPANSION PROJECTS TOTAL		\$19,874,424
CONTINGENCY FUNDS			
96173	Contingency Funds	73	\$500,000
	Contingency Funds Subtotal:		\$500,000
	EXPANSION PROGRAM SUBTOTAL		\$20,374,424
SINKING FUNDS			
96073	Administrative & Engineering Building - Sinking Fund	73	\$34,470
96073	Fourth Contractor's Share of the SBA - Sinking Fund	73	\$21,705
96073	South Bay Aqueduct Improvement & Enlargement - Sinking Fund	73	\$129,897
	Sinking Funds Subtotal:		\$186,072
	EXPANSION PROGRAM TOTAL		\$20,560,496

FLOOD PROTECTION AND STORMWATER DRAINAGE PROGRAMS

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**ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
FISCAL YEAR 2011-12**

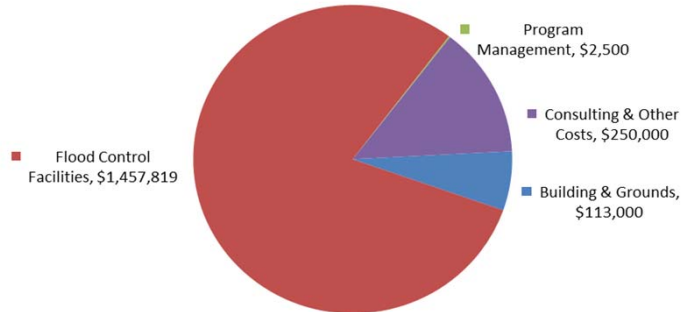
**FLOOD PROTECTION AND STORM WATER DRAINAGE
DEVELOPMENT IMPACT FEE FUND
FUND 76**

On March 18, 2009, the Zone 7 Board of Directors adopted Ordinance 2009-01, which replaced the Special Drainage Area (SDA) 7-1 development impact fee previously adopted by Zone 7. The new ordinance also established the Flood Protection and Storm Water Drainage Development Impact Fee Fund (Fund 76); consequently, all funds from SDA Operations (Fund 71) and the SDA 7-1 Trust Fund (Fund 90) were transferred to Fund 76, while all of the outstanding SDA 7-1 exemption credits were liquidated.

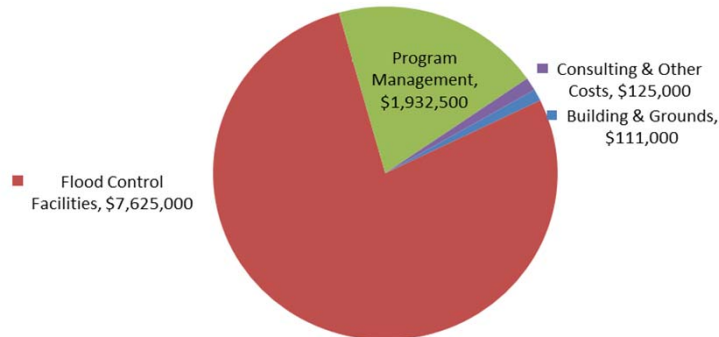
The purpose of this program is to ensure that Zone 7 is able to meet future needs for flood control facilities. The program is primarily intended to provide funding for any flood control facilities required for new development. The funding for this program comes entirely from new development fees. Funds are expended on the planning, design, lands and R/W acquisition, environmental review, permitting, construction, etc for drainage projects.

	FY 2010-11 Budget	FY 2010-11 Forecast	FY 2011-12 Budget	Budget vs Budget Change Amount	% Change
Appropriation (Expenses)	\$9,793,500	\$6,375,035	\$1,823,319	(\$7,970,181)	(81.38%)
Reserves	\$14,447,515	\$29,657,920	\$29,473,750	\$15,026,235	
Revenue (primarily Development Impact Fees)	\$825,279	\$1,958,890	\$1,639,149	\$813,870	98.62%

**FY 11/12 Budget Flood Protection and Stormwater
Drainage Appropriations**



**FY 10/11 Budget Flood Protection and Stormwater
Drainage Appropriations**

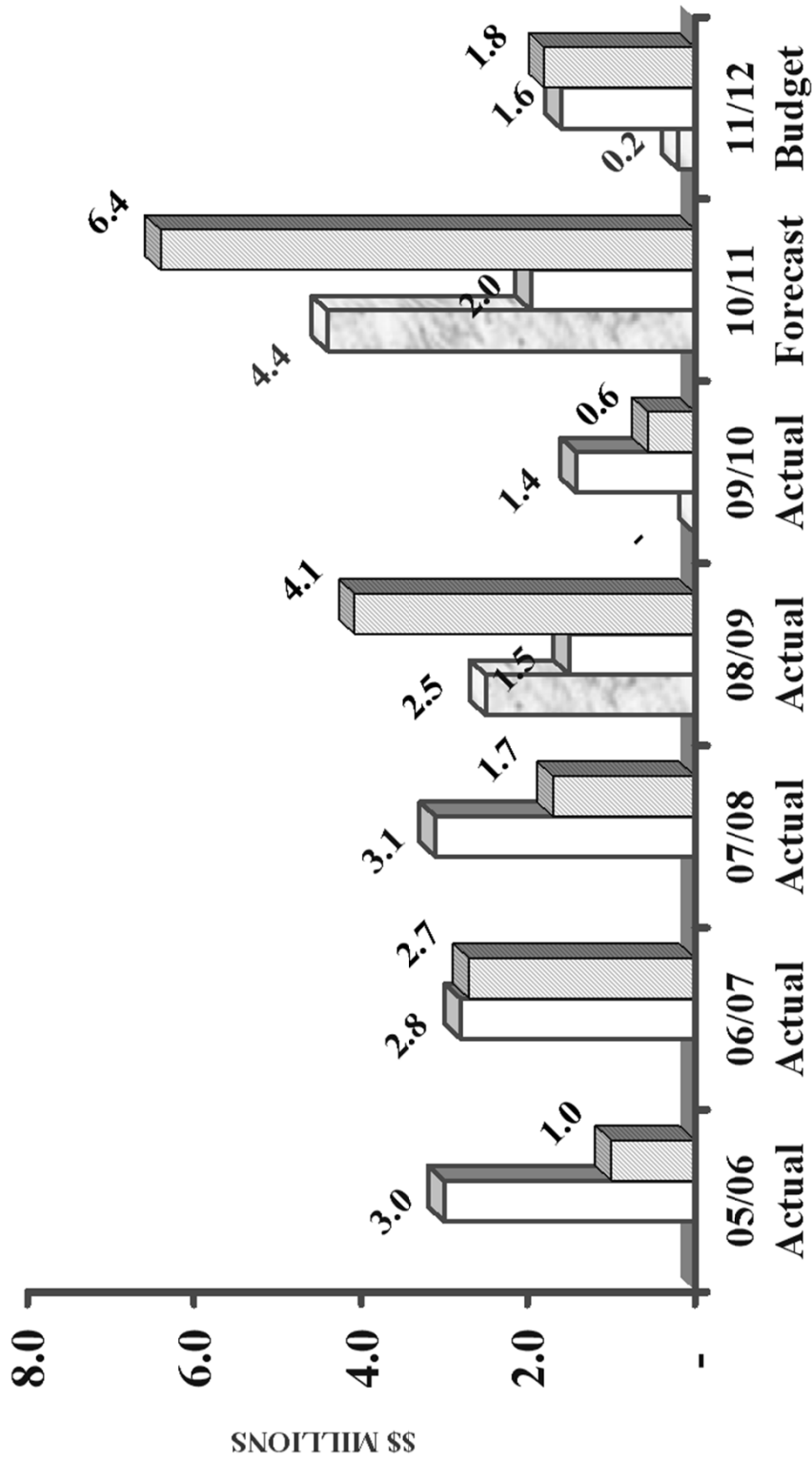


SUMMARY: REVENUES/EXPENDITURES
FLOOD PROTECTION &
STORMWATER DRAINAGE FUND
(FUND 76)

	Fiscal Year 2010/11 Forecast	Fiscal Year 2011/12 Budget	Change	% Change
Beginning Available Fund Balance	\$34,074,065	\$29,657,920		
Adjustments	\$0	\$0		
Net Beginning Available Fund Balance	\$34,074,065	\$29,657,920		
<u>Estimated Revenue</u>				
Interest	\$158,890	\$139,149	(\$19,742)	(12%)
Fld Protect/Storm Drainage Fees	\$1,800,000	\$1,500,000	(\$300,000)	(17%)
Other	\$0	\$0	\$0	0%
Total Revenue:	\$1,958,890	\$1,639,149	(\$319,741)	(16%)
<u>Estimated Expenditures</u>				
Personnel	\$400,000	\$408,179	\$8,179	2%
Contracts	\$147,133	\$764,840	\$617,707	420%
Construction	\$5,716,902	\$229,500	(\$5,487,402)	(96%)
Other	\$111,000	\$420,800	\$309,800	279%
Total Expenditures	\$6,375,035	\$1,823,319	(\$4,551,716)	(71%)
Net Revenue over Expenditures	(\$4,416,145)	(\$184,170)	\$4,231,975	(96%)
Estimated Ending Available Fund Balance	\$29,657,920	\$29,473,750	(\$184,170)	(1%)
<u>Reserve Funds</u>				
Building Sinking Fund	\$567,355	\$651,378	\$84,023	15%
Net Estimated Ending Available Fund Balance	\$29,090,565	\$28,822,372	(\$268,193)	(1%)

FLOOD PROTECTION & STORMWATER DRAINAGE FUND (76)

Revenue vs Expenses



Use of Fund Balance
 Revenue
 Expenses

**EXHIBIT C
 BUDGET REQUEST
 FLOOD PROTECTION AND STORM WATER DRAINAGE**

Job Number	Project Description/Name	Fund Number	Funding Req. 2011/2012
BUILDING & GROUNDS			
61154	North Canyons Administrative & Engineering Building Lease	76	\$113,000
	Building & Grounds Subtotal:		\$113,000
FLOOD CONTROL FACILITIES			
96076	Arroyo de la Laguna Improvements	76	\$290,023
96076	Arroyo Las Positas @ N. Vasco (R 1-7)	76	\$255,924
96076	Arroyo Mocho @ Stanley (R 3-5)	76	\$101,818
96076	DIF Update	76	\$326,169
96076	El Charro Specific Plan	76	\$37,401
61160	Flood Control Hydrology Study	76	\$340,480
61157	Flow Studies- Steelhead Restore	76	\$18,000
96076	Lower Arroyo Mocho (R 8-3)	76	\$19,493
61161	Sediment Study	76	\$68,510
	Flood Control Facilities Subtotal:		\$1,457,819
PROGRAM MANAGEMENT			
61156	Capital Improvement Program Management	76	\$2,500
	Program Management Subtotal:		\$2,500
CONSULTING & OTHER COSTS			
96076	Administrative, Consulting and Other Program Costs	76	\$250,000
	Consulting & Other Costs Subtotal:		\$250,000
	FLOOD PROTECTION AND STORM WATER DRAINAGE SUBTOTAL:		\$1,823,319
SINKING FUNDS			
96076	Administrative & Engineering Building - Sinking Fund	76	\$84,023
	Sinking Fund Subtotal:		\$84,023
	FLOOD PROTECTION AND STORM WATER DRAINAGE TOTAL		\$1,907,342

**ACTIVITY
INDICATORS/ACCOMPLISHMENTS**

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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

	2009-10 Estimated	2009-10 Actual	2010-11 Estimated	2011-12 Projected
ADMINISTRATIVE SERVICES				
Personal Expense Claims Processed	120	109	145	125
Contracts 125		80	100	110
Average Monthly Water Billings	25	22	23	22
IT Help tickets	180	273	340	350
Water Awareness/Conservation Events	50	45	50	50
Water Conservation Rebates	3,000	3,165	3,824	4,200
Large Landscape CII Audits	20	17	20	35
Large Landscape School Audits	10	7	5	4
School Programs	225	343	340	340

	2009-10 Estimated	2009-10 Actual	2010-11 Estimated	2011-12 Projected
HR AND SAFETY SERVICES				
Training Classes Attended	400	416	600	500
CPR, First Aid, and BBP Training (hrs)	316	216	350	320
General Safety Training (hrs)	355	444	450	450
Hazard Comm/HAZWOP Training (hrs)	497	589	500	520

	2009-10 Estimated	2009-10 Actual	2010-11 Estimated	2011-12 Projected
FLOOD CONTROL				
Channels Maintained (miles)	37	37	37	37
Encroachment Permits Issued	33	34	36	38
Development Reviews	40	27	40	40
Active DIF Projects	3	3	3	3

	2009-10 Estimated	2009-10 Actual	2010-11 Estimated	2011-12 Projected
WATER SUPPLY ENGINEERING				
New Water Connections	550	544	381	390
Capital Projects (\$M)	\$37	\$28	\$25	\$28
Development Reviews	40	27	40	40
Encroachment Permits	5	4	7	10
Groundwater Level Measurements *	890	669	890	785
External CEQA Reviews	15	13	15	15
CEQA Documentation for Zone 7 Projects	20	22	25	25
Well Permits issued	115	117	120	125
Groundwater Samples**	170	166	170	170
Treated Water Contractors	10	10	10	9
Untreated Contractors Monitored	74	72	74	74
Main Basin artificial recharge (Acre-Feet)	3,000	6,800	8,000	8,000
Water from Banking programs (Acre Feet)	4,000	0	0	0
Energy used (Mega Watt Hours)	8,600	12,100	12,100	12,100
Green House Gas emissions (Metric tons)	2,600	4,100	4,100	4,100

*Water year (Oct through Sept)

**Collected and reviewed

Agency Administration and Administrative

Services provides executive direction and administrative 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; real property services and information technology coordination, including Geographical information systems. The Office of the General Manager coordinates legislative relations activities, and implements water conservation and public outreach programs.

Human Resources and Safety Services provides safety and human resources administration, health and safety training support to agency employees, and process safety review of active capital projects. Monitors, provides notification and training to Zone 7 Water Agencies, managers and staff of current regulatory requirements and pending legislative changes.

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 Development Impact Fee Program which provides funding from new development for planning, design and construction of new flood control projects.

Water Supply Engineering provides planning, design, and project management for capital projects; protection and management of local groundwater resources; and various engineering support services. Engineering services include: project planning, facility design, construction and construction management for major capital projects; regulatory oversight and permitting of all wells and borings within the service area; support to Zone 7 operations for regulatory compliance; collection and analysis of groundwater data for basin management purposes. 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 energy use and carbon footprint; operates climatological, surface water and mining area monitoring programs; and maintains agency historic water use databases.

	2009-10 Estimated	2009-10 Actual	2010-11 Estimated	2011-12 Projected
WATER QUALITY LAB				
Samples Analyzed	1,400	1,200	1,500	1,550
Bacteriology Samples Analyzed	1,200	1,260	1,250	1,300

Water Quality Section 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.

	2009-10 Estimated	2009-10 Actual	2010-11 Estimated	2011-12 Projected
WATER OPERATIONS				
Well Water Treated (M/gals)	3,600	3,800	2,500	2,500
Surface Water Treated (M/gals)	10,600	8,800	9,000	9,200
Vehicles Maintained	40	41	41	43
Maintenance Jobs Completed	1,500	1,500	1,600	1,600

Water Operations operates and maintains three water treatment plants, nine wells, one demineralization facility and the water enterprise distribution system; schedules all of the agency's water deliveries; and operates the main basin artificial groundwater recharge program. Ensures proper operation of facilities and treatment and distribution of water. Responsible for vehicle fleet purchase and maintenance. Provides maintenance and construction services for the entire system including mechanical and electrical services and underground pipeline repair and maintenance.

Major accomplishments for FY 2010-11:

Completed 28 bank repairs which translates into 1,397 linear feet of banks; 11 road and drainage improvement projects for a total of 5,874 linear feet of road work; and 12 concrete channel lining and outfall structure repairs. Total construction cost was over \$650,000. In addition, staff managed various maintenance activities such as vegetation management, down tree removal, hydroseeding, fence and gate repairs, horizontal drilling and debris and trash removal totaling about an additional \$400,000

Negotiated and executed the Partnership Agreement between Zone 7 and the City of Livermore. The Partnership Agreement allows that \$10,000,000 will be available to the City of Livermore to facilitate the flood protection improvements along the Arroyo las Positas in the El Charro Specific Plan area. In addition to the flood protection improvements, the City is offering easements or fee title to three properties now owned by the City that will assist both parties in meeting the flood protection goals of the community.

Completion of the Operations Plan for the Chain-of-Lakes Wells No. 1 and 2.

Completion of the first year performance evaluation report for the Mocho Groundwater Demineralization Plant.

Completion of the annual report and the biennial Implementation Plan update for the Water Quality Management Program.

Completion of power upgrade of the Del Valle Water Treatment Plant.

Completion of power upgrade of the Patterson Pass Water Treatment Plant.

Completion of pipeline relocation at Kittyhawk and Airway Rd.

Completed preliminary study of Lakes C and D's aquifer recharge potential using a State (Prop 84) grant (\$250K) to fund approximately 85% of the total project cost.

Constructed 2 new key basin monitoring wells; one to monitor the Lower Bernal Subbasin and one to monitor the Lower Mocho 2 Subbasin groundwater levels and water quality.

Worked with the former quarry operator to complete necessary slope repairs and drainage improvements around Lake I.

DIVISION SUMMARIES

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ADMINISTRATIVE SERVICES

Description of Services:

Administration and Administrative Services are responsible for providing the business, human resources, real property, safety, public outreach, legislative relations services, and information technology services for the Agency. This is accomplished through the efforts of five groups.

Office of the General Manager: provides public outreach, including schools, and legislative relations services. This group includes Zone 7's water conservation programs that are planned and implemented in partnership with Valley water retailers. Finally, this group also provides information to the general public about the Agency's financial performance.

Human Resources & Safety Department: 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; develops and provides employee health and safety programs; conducts technical safety reviews on Agency capital projects; monitors health, safety, and regulatory compliance; and provides Agency training for the areas listed above.

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

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

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

2011-12 Goals and Objectives:

Provide accounting and financial support services efficiently and effectively:

- Transition finance and accounting services from Alameda County to assume independent operations.
- Implement new Accounting software.

Enhance purchasing and information system support services:

- Review and update information technology policies and procedures.
- Transition finance and accounting services from Alameda County to assume independent operations.

Ensure availability of staff recruitment resources:

- Develop an improved system for proactive management and planning of human resources that will allow the agency and its employees to be better prepared to meet the agency's future requirements in ensuring effective delivery of services to the public.

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

- Facilitate safety improvements throughout the agency while ensuring compliance with the California Regulatory and Prevention Programs.

Provide Real Property Services effectively and efficiently:

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

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.

- 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.

OPERATING BUDGET SUMMARY

	2010-2011	2011-2012	
Category	Budget	Proposed	Difference
Personnel	\$5,062,120	\$4,265,707	(\$796,413)
Operating	\$12,043,891	\$11,189,487	(\$854,404)
Equipment	\$27,500	\$10,000	(\$17,500)
Total	\$17,133,511	\$15,465,194	(\$1,668,317)

Summary of Increases/Decreases:

Personnel: Decrease represents anticipated soft hiring freeze positions for FY 2011-12.

Operating: Decrease represents cost savings efforts in services and supplies.

Equipment: Equipment decrease represents anticipated equipment.

STAFFING SUMMARY

	2010-2011	2011-2012	
	Budget	Proposed	Difference
FTE*	35	33	-2

*Full Time Equivalent Positions

Summary of Staffing Changes: The decrease in personnel represents the transfer of 2 FTE; 1) Transportation and Supply Coordinator to Operations and 2) a reclassification of 1 Environmental and Public Affair Manager to an Associate Engineer in Engineering. Soft hiring freeze vacancies are included in the FTE count.

ENGINEERING

Description of Services:

Engineering is responsible for the planning, design, implementation, and construction of capital improvements that support flood control and the water utility. Engineering is responsible for managing the flood protection system, managing groundwater supply, protecting groundwater, and ensuring environmental compliance. Engineering is also responsible for monitoring and administering deliveries to untreated water customers, assuring drinking water regulatory compliance, and managing water supply sources. In addition, Engineering provides Water Quality support services related to treatment plant process optimization and regulatory compliance, including the Safe Drinking Water Act.

Water Supply Engineering (WSE): plans, designs and constructs major water supply, conveyance, production, and delivery facilities for expansion, system-wide improvements and renewal/replacement programs. WSE also manages the agency's Capital Improvement and Asset Management Programs and provides long term and operational water supply planning.

Environmental Services (ES): provides environmental planning and regulatory compliance services in support of water supply, water quality, and flood protection operations, including maintenance, planning and capital projects. ES also supports Bay Area and statewide partnerships that encourage water supply, water quality management, and flood protection planning. ES also has responsibility for updates to the agency's Hazardous Materials Business Plans and Risk Management Plans.

Flood Control (FC): Of the 620 square miles of the Alameda Creek watershed, Zone 7 provides regional flood protection management services to approximately 425 square miles located in the upper watershed areas. Management activities include implementing the Development Impact Fee (DIF) program, and maintenance and land rights administration of approximately 37 miles of flood control channels and access roads which Zone 7 currently owns; the purpose of the DIF program is to plan, design, and construct new flood control projects to address future development's impact on the FC system.

Groundwater (GPP): develops and manages Zone 7's groundwater protection programs and investigations. Groundwater also manages the planning and conceptual design of groundwater recharge and pumping facilities, along with the final design and construction of small facilities related to the groundwater programs. Provides well inspection services and field measurements of groundwater and surface water resources.

Water Quality (WQ): 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. WQ also provides technical support to Operations and to water retail customers to resolve or understand water quality issues, as well as providing analytical support services to our retailers.

Mission:

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

2011-12 Goals and Objectives:

Provide regional flood protection facilities designed for a 100-year storm event:

- Finalize an implementation plan that will provide the basis for a new comprehensive maintenance and capital improvement programs (both 5 and 10 year) and continue to manage a comprehensive maintenance program for the flood protection system that will provide and maintain flood protection facilities designed for a 100-year storm event.
- Continue to monitor land use activities to ensure that new urban development adequately addresses potential impacts caused by increased runoff and pursue grant funding opportunities for the flood protection program.

Protect and manage the groundwater basin:

- Continue implementation and improvement of the groundwater management program to protect groundwater quality and storage and optimize the use of the groundwater basin while minimizing the impacts, including any future salt degradation of the groundwater resources.
- 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).

Reliably provide high quality water:

- Continue providing water supply that meets all CDPH and EPA health-related standards.
- Coordinate ongoing implementation of various capital improvement projects and activities called out by Zone 7's Water Quality Policy Goals and its Water Quality Management Program, which set forth water targets that are more stringent than regulated standards and for a few aesthetic-related parameters such as hardness, taste and odor.
- Continue to work with retailers in preparing the 2010 biennial update of the Water Quality Management Program Implementation Plan considering Policy Principles outlined in the Joint Water Quality Resolution with City of Pleasanton and DSRSD and to complete Water System Master Plan and 2010 Urban Water Management Plan.

Plan, design and construct major water supply, production and delivery facilities:

- Continue to provide support to DWR for construction of South Bay Aqueduct Improvement and Enlargement Project.
- Investigate feasibility of future Chain of Lakes C and D to be reclaimed and developed as groundwater replenishment facilities at the conclusion of aggregate mining.

Manage Agency's water supply sources:

- To provide maximum reliability for current year and beyond while meeting current water demands.
- Maximize use of surface water sources and maintain local groundwater basin near the top of its working storage capacity and continue to develop Arroyo del Valle water rights.

Continue to manage facilities and protect Zone 7 interests in the Chain of Lakes. Coordinate activities with quarry operators and other regional projects (eg. BART, Hwy 84).

Continue participation in the Bay-Delta Conservation Plan to develop and work towards implementation of a long term fix to the Sacramento - San Joaquin delta.

Ensure that all agency activities comply with applicable environmental laws and regulations, while supporting the agency's ability to meet its flood control, water supply, and water quality mission.

In conjunction with Safety and Operations staff, provide updates for and ensure compliance with Hazardous Materials Business Plans and Risk Management Plans.

OPERATING BUDGET SUMMARY

Category	2010-2011 Budget	2011-2012 Proposed	Difference
Personnel	\$6,557,625	\$6,606,882	\$49,257
Operating	\$4,982,043	\$8,206,911	\$3,224,868
Equipment	\$18,500	\$0	(\$18,500)
Total	\$11,558,168	\$14,813,793	\$3,255,625

Summary of Increases/Decreases:

Personnel: Anticipated salary and benefit increases for fiscal year 2011-12, and normal step progression, which is offset by the soft hiring freeze positions.

Operating: Increase represents professional and technical services for Flood Control.

Equipment: Decrease represents anticipated maintenance equipment.

STAFFING SUMMARY

	2010-2011 Budget	2011-2012 Proposed	Difference
FTE*	43	44	1

*Full Time Equivalent Positions

Summary of Staffing Changes: The increase in personnel represents the transfer of 1 FTE, Environmental and Public Affairs Manager from Administration. Soft hiring freeze vacancies are included in the FTE count.

OPERATIONS

Description of Services:

Operations Division manages and maintains the Agency's water production, treatment and delivery facilities to supply municipal and industrial water customers, and provides fleet management services for the entire Agency.

Operations: operates three surface water treatment plants (Del Valle conventional Water Treatment Plant (WTP), Patterson Pass conventional WTP, and Patterson Pass ultra-filtration WTP), nine wells, a groundwater demineralization plant, the transmission system for the water enterprise, several rate control/pump stations, and numerous metered turnout facilities to the retail water agencies to ensure proper operation of facilities and treatment and delivery of water.

Maintenance: provides maintenance and construction services for the entire treated water system (e.g., water treatment plants, wells, demineralization plant, and rate control/pump stations) including mechanical, electrical, and instrumentation services; performs underground pipeline repair and maintenance; and provides vehicle fleet management services to the Agency.

Engineering Support: coordinates scheduling of capital projects (including replacement & repair project) with operations and maintenance activities; and provides technical support (e.g., hydraulic analysis, cathodic protection, coordination with cities, retailers, and other utilities) on transmission system.

Mission:

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

2011-12 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 and as required in the event of unscheduled or emergency situations.
- Meet and/or exceed all drinking water requirements through diligent operation of the Agency's three water treatment plants, nine wells, demineralization plant, and transmission system.

Maximize use of staff and facilities:

- Maintain a knowledgeable, trained staff through the development of an organized training program.
- Maintain Agency's water production, treatment, and transmission facilities with a minimum of service disruption through the annual Operations Plan developed by the Water Supply Engineering section for the water treatment plants and distribution facilities.
- Optimize and maintain our remote control and monitoring system with in-house staff, and reduce the need for outside contract services.

- Maintain equipment and instrumentation under a planned program to prevent catastrophic failure.

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

- Implement recently installed Computer Maintenance Management System (CMMS) by completing data migration and instructing/training Operations staff on using CMMS.
- Continue to monitor and refine operations of recent major production and transmission pipeline facilities (Mocho Demineralization Plant, Chain of Lakes wells, Altamont Pipeline and El Charro Pipeline).
- Continue training on upgraded data radio communication system and the new Wonderware SCADA software upgrade.
- Continue to optimize the processes at all facilities at all times.

OPERATING BUDGET SUMMARY

Category	2010-2011 Budget	2011-2012 Proposed	Difference
Personnel	\$6,600,820	\$6,426,537	(\$174,283)
Operating	\$10,218,764	\$9,273,598	(\$945,166)
Equipment	\$43,000	\$61,000	\$18,000
Total	\$16,862,584	\$15,761,135	(\$1,101,449)

Summary of Increases/Decreases:

Personnel: Decrease represents the soft hiring freeze positions.

Operating: Decrease represents primarily the shift of contracted maintenance services to in-house staff.

Equipment: Increase represents anticipated maintenance equipment.

STAFFING SUMMARY

	2010-2011 Budget	2011-2012 Proposed	Difference
FTE*	45	43	-2

*Full Time Equivalent Positions

Summary of Staffing Changes: The decrease in personnel represents the soft hiring freeze positions.

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FUND SUMMARY

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ZONE 7 WATER AGENCY -- FUND SUMMARY REPORT

Fund	Fund No	Primary Funding Sources	Primary Fund Purpose	Ending Fund Balance At 06/30/10	Excess Rev Over (Under) Expenditures	Committed Or Encumbered At 12/31/10	Available Fund Balance At 12/31/10
General Fund	50	Property Taxes	Flood Control Operations Flood Control District Related General Administration	23,921,091	1,505,722	(1,136,056)	24,290,757
State Water Facilities Fund	51	Property Taxes	Fixed State Water Charges State Water Project Bonded Indebtedness	7,015,548	548,788	(7,093,424)	470,912
Water Enterprise Fund	52	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	20,932,041	4,516,917	(6,626,942)	16,114,571
Capital Improvement, Renewal & Replacement	72	Originally financed by Revenue Bonds, Transfers from Water Enterprise EOFY	Improvement, Renewal and Replacement Program Transfer from Water Enterprise	19,688,071	(1,426,839) 2,707,446	(2,857,674)	18,111,005
Fixed Assets (Equipment)	74	ACO Reserve (Accum Capital Outlay)	Motor Vehicle Replacement & Capital Equipment	241,404	41,409		282,814
Capital Expansion Fund	73	Connection Fees	Water Enterprise Capital Expansion Projects	29,274,938	(4,104,110)	(4,798,522)	20,372,306
Flood Protection Fund	76	Development Impact Fees	Flood protection and storm water drainage facilities Reserve for reimbursement to developers	34,074,065	1,372,511	(278,547)	35,168,029
Water Facilities Trust	91	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	2,598,779 120,974 1,837 20,650 627,917 48,745		(5,437) (37,650) (648,488)	2,606,151 121,314 0 0 0 48,980
Water Supply/Reliability Trust	95	Water supply/reliability/quality & Delta related projects	Future water, water storage and Delta-related projects	4,694,985	13,213		4,708,198

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POSITION CHANGE DETAIL

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ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
FY 2011-12

BUDGET REQUEST DETAIL
ADDITIONAL POSITIONS SUMMARY

Position	Position Class	Salary*	Flood Control	Flood Control Capital Fund	Water Enterprise
1	Water Resources Technician I/II	\$125,443			

* includes benefits

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CAPITAL EQUIPMENT SUMMARY

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Capital Equipment Summary
 2011/2012

Item #	Account # 7520 Description	Water Enterprise Fund 52	General Fund 50	Cap IR&R Fund 72	Cap Exp Fund 73	FPSD Fund 76
1	ADM: As Required	5,000				
2	ADM: As Required (JR)	5,000				
<i>Subtotal</i>	<i>Administration</i>	<i>10,000</i>				
1	FCADM: Equipment	-				
2	MNT: Equipment as Required	46,000				
3	OPS: Equipment as Required	15,000				
<i>Subtotal</i>	<i>Operations/Maintenance</i>	<i>61,000</i>				
Total:		71,000	-	-	-	

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BUDGET DETAIL BY SECTION

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Water Enterprise Fund/General Fund
EXHIBIT A

2011/2012 FUND 52

Item PROFESSIONAL & TECHNICAL SERVICES 6210

Acct #	#	Description	ADM	ASD	HRS	WQE	LAB	WSE	GPE	OPER	DWTP	PPWTP	DIST SYS	DMN	MAINT	TOTAL
6210 - PROFESSIONAL & TECHNICAL SERVICES																
AUDITING SERVICES																
6211	1	Auditing Services	30,300													30,300
6211	2	Audit for HR/Safety Services and Costs		2,500	8,000											8,000
6211	3	MISC	1,750	2,500												4,250
6211		AUDITING SERVICES	1,750	2,500	8,000											42,550
DWR PAYMENTS AUDIT																
6212	1	DWR Payments Audit	47,500													47,500
6212	2	MISC														
6212		DWR PAYMENTS AUDIT	47,500													47,500
ENGINEERING SERVICES																
6213	1	Chain of Lakes Inspections						5,000		1,000			1,000			5,000
6213	2	Construction Testing Services (Soils & Materials)								5,000			5,000			1,000
6213	3	Contract Engineering					25,000			75,000			75,000			30,000
6213	4	Corrosion														75,000
6213	5	Drafting Services					30,000									30,000
6213	6	Electrical Consulting Services								22,200	9,000	8,800	3,400	1,000		22,200
6213	7	Stream Gaging	17,500					8,500		500						8,500
6213	8	MISC	17,500					8,500		500						18,000
6213		ENGINEERING SERVICES	17,500					8,500		500				500		188,700
INFORMATION SYSTEMS																
6214	1	ITD Services	70,730	15,000			2,000	11,000	6,400	31,000	15,000	7,000	7,000	2,000		136,130
6214	2	Network			9,000		500									9,500
6214	3	MISC			9,000		2,500	11,000	6,400	31,000	15,000	7,000	7,000	2,000		145,630
6214		INFORMATION SYSTEMS	70,730	15,000	9,000		2,500	11,000	6,400	31,000	15,000	7,000	7,000	2,000		
CONSTRUCTION MGMT/INSPECTION																
6215	1	MISC														
6215		CONSTRUCTION MGMT/INSPECTION														
LABORATORY ANALYSIS																
6216	1	Analytical Services	1,000				20,000		750							20,750
6216	2	MISC					3,000									4,000
6216		LABORATORY ANALYSIS	1,000				23,000		750							24,750
LEGAL SERVICES																
6217	1	KCWA Hyatt-Thermalito	50,000													50,000
6217	2	MISC	5,000		7,500											12,500
6217	3	Outside Legal Services	350,000		5,000											355,000
6217		LEGAL SERVICES	405,000		12,500											417,500
SURVEY SERVICES																
6218	1	Survey Services	2,500					10,000	37,500							47,500
6218	2	MISC														2,500
6218		SURVEY SERVICES	2,500					10,000	37,500							50,000
OTHER PROFESSIONAL & TECH SERVICES																
6219	1	3E-MSDS Management Program			4,000											4,000
6219	2	Acctg Consulting & Tech Services		6,500												6,500
6219	3	Air Photo - LandUse Study						20,000	3,000							23,000
6219	4	Appraisals/Title Reports, Land Acquisition														
6219	5	Benefits Consulting Services			100,000											100,000
6219	6	CCAR Green House Gas Certification						10,000								10,000
6219	7	Communications Support	80,000							5,000						85,000
6219	8	Construction Management- Field Inspections														
6219	9	Delivery Services	10,000													10,000
6219	10	Delta	30,000													30,000
6219	11	Delta Outreach	25,000													25,000
6219	12	Environmental Consultant	15,000													15,000
6219	13	File Services														

Water Enterprise Fund/General Fund
EXHIBIT A

2011/2012
PROFESSIONAL & TECHNICAL SERVICES 6210

FUND 52

Acct #	#	Description	ADM	ASD	HRS	WQE	LAB	WSE	GPE	OPER	DWWT	PPWTP	DIST SYS	DMN	MAINT	TOTAL
6219	14	Flows Study & Steehead	25,000													25,000
6219	15	Geophysical Well Logging							700							700
6219	16	Govt Affairs/Grants	77,500													77,500
6219	17	Groundwater Modeling Support							50,000							50,000
6219	18	Groundwater Sampling							20,340							20,340
6219	19	Human Resources Services - Fingerprinting			640											640
6219	20	Industrial Hygienist Services			5,000											5,000
6219	21	Mail Services	20,000													20,000
6219	22	Organizational Studies & Legal Costs	160,000	1,000												161,000
6219	23	Public Outreach/Government Affairs	165,000													165,000
6219	24	Publications - Graphics, Layout & Printing	60,000													60,000
6219	25	Resp. Exams	8,000													8,000
6219	26	Security Services	2,850							188,000	85,000	60,000	43,000			190,850
6219	27	System Integration Services (SCADA)								10,000				10,000		10,000
6219	28	Temporary Services	75,000	55,000												130,000
6219	29	Test Development		500	10,000											10,500
6219	30	US Geologic Survey Surface Water Stations							25,225							25,225
6219	31	Water Quality Treatment Solutions			30,000	10,000		5,000		75,000	10,000	10,000	50,000	5,000		75,000
6219	32	MISC/RESERVES	52,500													52,500
6219		OTHER PROFESSIONAL & TECH SERVICES	645,850	56,500	45,640	10,000		5,000	96,265	273,000	95,000	70,000	93,000	5,000	10,000	1,475,755
6210		TOTAL	1,337,580	78,000	171,140	10,000	25,500	56,000	143,915	309,500	110,000	77,000	100,000	7,500	15,000	2,393,385
6230 - COUNTY PROFESSIONAL & TECHNICAL SERVICES																
6230		Alcolink	32,500													32,500
6230	2	Counsel	5,000													5,000
6230	3	General (tax admin;vect control;PWA)	5,000													5,000
6230	4	Temporary Services Admin	25,000													25,000
6230	5	MISC	5,000		7,000			600								12,600
6230		COUNTY PROFESSIONAL & TECHNICAL SERVICES	40,000		7,000			600								80,100
6230		TOTAL	40,000		7,000			600								
6240 - COUNTY OTHER SERVICES																
6247	*	COUNTY INDIRECT COSTS														
6247	1	County Indirect Costs	568,713													568,713
6247		COUNTY INDIRECT COSTS	568,713													568,713
6240	*	COUNTY OTHER SERVICES														
6240	1	Misc	501,388													501,388
6240		COUNTY OTHER SERVICES	501,388													501,388
6240		TOTAL	1,070,101													1,070,101
TOTAL PROFESSIONAL SERVICES																
			2,462,681	78,000	178,140	10,000	25,500	56,600	143,915	309,000	110,000	77,000	100,000	7,000	15,000	3,543,586

Water Enterprise Fund/General Fund
EXHIBIT A

2011/2012
PROFESSIONAL & TECHNICAL SERVICES 6210

Acct #	Item #	Description	FCADM	FCE	FUND 50 TOTAL
6210 - PROFESSIONAL & TECHNICAL SERVICES					
AUDITING SERVICES					
6211	1	Auditing Services	3,000		3,000
6211		AUDITING SERVICES			
ENGINEERING SERVICES					
6213	1	ADLL Improvements		290,500	290,500
6213	2	Channel Restoration		25,000	25,000
6213	3	Construction Testing Services (Soils & Materials)		324,500	324,500
6213	4	Development Impact Fee (i.e., finance, outreach & reporting)		25,000	25,000
6213	5	Drafting Services		50,000	50,000
6213	6	Environmental Testing/Engineering		50,000	50,000
6213	7	Geomorphology Study		25,000	25,000
6213	8	Geotechnical Engineering		206,500	206,500
6213	9	Hydrology/Hydraulic Engineers		22,410	22,410
6213	10	Lower Arroyo Mocho (Reach8-3)		62,250	62,250
6213	15	Potential IRWMP Flood Improvement Project (ADLL)		83,000	83,000
6213	11	Sediment Study		50,000	50,000
6213	12	Stream Gage Instrumentation		50,000	50,000
6213	13	Urban Creek Council (SMPL)		207,500	207,500
6213	14	MISC		1,471,660	
6213		ENGINEERING SERVICES			
6214		INFORMATION SYSTEMS			
6214	1	ITD Services	10,000		10,000
6214	2	MISC		2,500	2,500
6214		INFORMATION SYSTEMS	10,000	2,500	12,500
6216		LABORATORY ANALYSIS			
6216	1	Analytical Services		25,000	25,000
6216		LABORATORY ANALYSIS		25,000	25,000
6217		LEGAL SERVICES			
6217	1	Outside Legal Services	30,000	100,000	130,000
6217		LEGAL SERVICES	30,000	100,000	130,000
6218		SURVEY SERVICES			
6218	1	Survey Services		100,000	100,000
6218		SURVEY SERVICES		100,000	100,000
6219		OTHER PROFESSIONAL & TECH SERVICES			
6219	1	Air Photo - LandUse Study		5,000	5,000
6219	2	Appraisals/TitleReports, Land Acquisition		25,000	25,000
6219	3	Communications Support	6,800	6,800	6,800
6219	4	Environmental Consultant		75,000	75,000
6219	5	Govt Affairs/Grants	7,500	7,500	7,500
6219	6	Horticultural Consultant		25,000	25,000
6219	7	Public Outreach/Government Affairs	20,000	20,000	20,000
6219	8	Publications - Graphics, Layout & Printing	5,000	5,000	5,000
6219	9	Resp. Exams		2,500	2,500
6219	10	Sedimentation Program Consultant		25,000	25,000
6219	11	SMMP			
6219	12	MISC/RESERVES	150,000	150,000	150,000
6219		OTHER PROFESSIONAL & TECH SERVICES	188,300	157,500	345,800
6219		TOTAL	232,300	1,856,660	2,088,960
6230 - COUNTY PROFESSIONAL & TECHNICAL SERVICES					
COUNTY PROFESSIONAL & TECHNICAL SERVICES					
6230	1	General (tax admin,vect control,PWA)	25,000		25,000
6230		COUNTY PROFESSIONAL & TECHNICAL SERVICES	25,000		25,000
6230		TOTAL	25,000		25,000
TOTAL PROFESSIONAL SERVICES			257,300	1,856,660	2,113,960

Travel Request
Fund: 52 & 50
2011/2012

Account #6790

Item #	Description	ADM	ASD	HRS	LAB	WSE	GPE	OPER	DWTP	PPWTP	DWF	DMN	MNT	FUND 52 TOTAL	FC ADMN	FCE	FUND 50 TOTAL
1	ADM: ACWA Water Conference	12,000												12,000			
2	ADM: AWWA Conferences	3,000												3,000			
3	ADM: Bd. Members	7,500												7,500			
4	ADM: Sr. Staff/ EPA Conferences	12,500												12,500			
4	ADM: CSDA Conference	3,000												3,000			
4	ADM: Dept of Water Res/State Water Contractors	4,000												4,000			
4	ADM: WaterReuse Committee	1,000												1,000			
4	ASD: Administrative Services Conferences		1,500											1,500			
4	ASD: AWWA Conference		1,000											1,000			
4	ASD: Financial and Administrative Services		1,500											1,500			
4	EPA: Bay Delta related expenses	2,000												2,000			
4	EPA: Conferences and Seminars	2,000												2,000			
4	HRS: AWWA Conferences			4,000										4,000			
4	HRS: CSTI			1,000										1,000			
4	HRS: Labor Relations Conference			5,000										5,000			
4	HRS: MISC			1,500										1,500			
4	HRS: Services Conferences			2,000										2,000			
4	HRS: State Personnel Board Training			2,000										2,000			
4	GPE: Groundwater conference						680							680			
4	GPE: Groundwater training course						1,020							1,020			
4	WQE: AWWA Conferences													500			
4	WQE: Local vendor seminars/conferences.													1,000			
4	WQL: AWWA Conferences				1,000									1,000			
4	WQL: Local vendor seminars/conferences.				500									500			
4	WSE: Annual AWWA Conferences (Airfare only)					600								600			
4	WSE: Annual SWP Operations Meeting in LA					1,200								1,200			
4	WSE: Bay Delta Related expenses					600								600			
4	WSE: CAINV AWWA Spring Conference (Airfare only)					600								600			
4	WSE: CAINV AWWA Workshops (Airfare only)					600								600			
4	WSE: DWR Water Operations meetings					600								600			
4	WSE: Misc Technical Training (i.e. H2O Net) (Airfare only)																
4	WSE: Semitropic Monitoring Meetings																
4	OPS: Conferences, Workshops, Symposiums							11,000	3,000	3,000	3,000	2,000		11,000			
4	MTN: Conferences, Workshops, Symposiums							2,000						2,000			
4	FCE: Professional Conferences														500		5,000
4	FCADM: Flood Control travel expenses															5,000	500
	TOTAL TRAVEL	47,000	4,000	13,500	1,500	3,600	1,700	13,000	3,000	3,000	3,000	2,000	2,000	84,800	500	5,000	5,500

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CAPITAL IMPROVEMENT PROGRAM DETAIL

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**FUND 72
 RENEWAL/REPLACEMENT &
 SYSTEMWIDE IMPROVEMENT PROJECTS
 2011/2012
 Summary Table**

SYSTEMWIDE IMPROVEMENT PROJECTS				
Job Number	Project Title	Total Project Cost	FY 2011/2012 Budget	Page
GROUNDWATER BASIN MANAGEMENT				
96072	Well Destruction of Former Army Wells on DSRSD Property Adjacent to Mocho Demineralization Plant	\$137,500	\$137,500	84
	SUBTOTAL	\$137,500	\$137,500	
TRANSMISSION & DISTRIBUTION				
96072	Automation of Identified Turnouts and Line Valves	\$75,000	\$75,000	84
	SUBTOTAL	\$75,000	\$75,000	
WATER SUPPLY & CONVEYANCE				
54516	Arroyo del Valle Water Right Permit Extension	\$990,000	\$500,000	85
53093	Bay Area Regional Desalination Project	\$175,000	\$69,979	86
54512	Commercial High Efficiency Toilet Rebate Program	\$50,000	\$50,000	86
54513	Commercial High Efficiency Urinal Rebate Program	\$100,000	\$100,000	87
54510	Commercial Landscape Conservation Program	\$48,000	\$30,000	87
54515	Greenplumbers Training Program	\$10,000	\$10,000	88
54505	High Efficiency Toilet Rebate Program	\$1,446,750	\$86,000	88
54504	High-Efficiency Washing Machine Rebate Program	\$938,250	\$150,000	89
54514	Schools In/Out Survey & Hardware Replacement Program	\$50,000	\$50,000	89
54501	Water Conservation Best Management Practices	\$3,225,000	\$75,000	90
96072	Water-Efficient Landscape Rebate Program	\$50,000	\$50,000	90
96072	Weather Based Irrigation Controller Rebate Program (CII/MF)	\$100,000	\$100,000	91
96072	Weather Based Irrigation Controller Rebate Program(SF)	\$10,000	\$10,000	91
	SUBTOTAL	\$7,193,000	\$1,280,979	
WATER TREATMENT FACILITIES				
96072	DVWTP Chemical Systems/Parking Lot Improvements	\$2,545,000	\$288,000	92
96072	DVWTP Sludge Handling Improvements	\$3,300,000	\$200,000	92
96072	PPWTP Filter Improvements Study	\$80,000	\$80,000	93
96072	PPWTP Sludge Handling Improvements	\$5,200,000	\$880,000	93
53069	Water Quality Management Program	\$2,823,000	\$12,000	94
	SUBTOTAL	\$13,948,000	\$1,460,000	
SYSTEMWIDE IMPROVEMENT TOTAL		\$21,353,500	\$2,953,479	

Water Rates – Systemwide Improvements

Program	Groundwater Basin Management		
Project	Well Destruction of Former Army Wells on DSRSD Property Adjacent to Mocho Demineralization Plant		
Priority	Strategic Planning Priority 1.4		
Project Description	This project involves the destruction of two former Army production wells located on the Mocho 3 & 4 property. In addition to these two Army wells, there is an additional monitoring well located adjacent to one of the Army wells which will also be destroyed as part of this project.		
Justification	Part of Zone 7's agreement with DSRSD to obtain the necessary easement to locate the Mocho Groundwater Demineralization Plant (MGDP) on the Mocho 4 well site was for Zone 7 to destroy the remaining abandoned Army wells located on the Mocho 3 & 4 properties. One well was destroyed during construction of the plant, but there are two remaining abandoned Army wells which need to be destroyed. In addition to these two wells, there is one existing monitoring well located adjacent to the Army well on the Mocho 3 property which needs to be destroyed. It was determined that it would be more cost effective to bundle these two destruction projects together.		
Responsible Section	WSE/GP Water Supply Engineering/Groundwater Protection		
Operating Impact	Provide protection of the groundwater basin by destroying abandoned wells which could be potential sources for groundwater contamination.		
In Service Date	Month: December	Year: 2011	
Total Project Cost	\$250,000 (55% Water Rates and 45% Connection Fees)		
Source of Funds	Fund 72	Water Rates	55%
Fiscal Year 11/12	Amount (\$1000)	\$138	

Program	Transmission & Distribution		
Project	Automation of Identified Turnouts and Line Valves		
Priority	Strategic Planning Priority 1.3		
Project Description	Installation of actuators, power, and communications at the Mocho Pipeline line valve, near the MGDP.		
Justification	Optimal operation within the transmission system has lagged behind the recent completions of MGDP, Chain of Lakes Wells 1&2 and the Altamont Pipeline. Automating the Mocho Pipeline line valve improves control of flow east from the MGDP.		
Responsible Section	WSE/OPS	Water Supply Engineering/Operations	
Operating Impact	Improves reliability and operational flexibility.		
In Service Date	Month: March	Year: 2011	
Total Project Cost	\$75,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 11/12	Amount (\$1000)	\$75	

Water Rates – Systemwide Improvements

Program	Water Supply & Conveyance		
Project	Arroyo del Valle Water Right Permit Extension		
Priority	Strategic Planning Priority 1.1, 1.2, 1.4		
Project Description	<p>Zone 7 has an existing permit with the State Water Resources Control Board – Division of Water Rights to divert water from Arroyo del Valle. The permit was set to expire on December 31, 2007. Zone 7 filed a petition for extension of time on December 19, 2007. The purpose of this project is to secure an extension through 2040. As part of this work, Zone 7 will need to complete a hydrologic and environmental study.</p>		
Justification	<p>Zone 7 has been diligently pursuing and constructing the necessary facilities to perfect its existing water right permit on Arroyo del Valle. The majority of the project is complete and in use. However, Zone 7 cannot finish the project until a number of gravel mining pits are completed – completion of the gravel mining pits is outside of Zone 7’s control. Ultimately, the long-term annual average yield could increase Zone 7’s water supplies by approximately 3,800 acre-feet with completion of the gravel pits. Several organizations have filed a protest against the petition for extension of time. This project is required to complete the extension, and ensure Zone 7 does not lose existing water supplies.</p>		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	Protects existing water supplies and water system reliability.		
In Service Date	Month: December Year: 2013		
Total Project Cost	\$990,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 11/12	Amount (\$1000)	\$500	

Water Rates – Systemwide Improvements

Program	Water Supply and Conveyance		
Project	Bay Area Regional Desalination Project – Feasibility Study		
Priority	Strategic Planning Priority 1.5		
Project Description	<p>The Bay Area Regional Desalination Project (BARDP) is a joint effort with other major Bay Area water providers (San Francisco Public Utilities Commission [SFPUC], Santa Clara Valley Water District [SCVWD], East Bay Municipal Utility District [EBMUD], and Contra Costa Water District [CCWD]) to evaluate the feasibility of a regional desalination facility. As a partner in the BARDP, Zone 7 is evaluating the feasibility and benefits of receiving additional water supply from the BARDP. The appropriate amount and timing of water supply from the BARDP will be determined in the Water System Master Plan. The total project cost presented below includes costs for the feasibility study, anticipated to be completed in 2012.</p>		
Justification	<p>The BARDP would represent a new source of drought-resistant water supply for Zone 7, helping to reduce any projected shortfall in our water supply. The BARDP would provide additional reliability to Zone 7's water supply portfolio since the water would not be conveyed through the Delta. Finally, the BARDP would result in water quality improvements as higher-quality water would be delivered from EBMUD's system to the west side of Zone 7's system.</p>		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	Increased water supply and reliability, and improved water quality.		
In Service Date	Month: December	Year: 2012	
Total Project Cost	\$500,000 (35% Water Rates and 65% Connection Fees)		
Source of Funds	Fund 72	Water Rates	35%
Fiscal Year 11/12	Amount (\$1000)	\$70	

Program	Water Supply and Conveyance		
Project	Commercial High Efficiency Toilet Rebate Program		
Priority	Strategic Planning Priority 1.6		
Project Description	<p>To increase water conservation within the Commercial, Industrial and Institutional (CII) sector, Zone 7 will offer rebate incentives for High-Efficiency Toilets (HETs).</p>		
Justification	<p>To decrease water consumption by replacing 3.5 gallon per flush (gpf) toilets with 1.28 or less High -Efficiency Toilets to the CII sector. HETs can save approximately 19,000 gallons per year when replacing an average (3.5 gpf), non-efficient toilet and 4,000 gallons per year when replacing an Ultra-low Flush (1.6 gpf), without sacrificing performance.</p>		
Responsible Section	OGM	Office of the General Manager	
Operating Impact	Decreased potable water demands and increase system reliability.		
In Service Date	Month: June	Year: 2020	
Total Project Cost	\$50,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 11/12	Amount (\$1000)	\$50	

Water Rates – Systemwide Improvements

Program	Water Supply and Conveyance		
Project	Commercial High Efficiency Urinal Rebate Program		
Priority	Strategic Planning Priority 1.6		
Project Description	To increase water conservation within the Commercial, Industrial and Institutional (CII) sector, Zone 7 will offer rebate incentives for High-Efficiency Urinals (HEUs).		
Justification	To decrease water consumption by replacing 2.0 gallons per flush (gpf) urinals with 0.5 gpf or less High-Efficiency Urinals to the CII sector. HEUs can save approximately 20,000 gallons of water per year when replacing a non-efficient urinal and without sacrificing performance.		
Responsible Section	OGM Office of the General Manager		
Operating Impact	Decreased potable water demands and increase system reliability.		
In Service Date	Month: June	Year: 2020	
Total Project Cost	\$100,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 11/12	Amount (\$1000)	\$100	

Program	Water Supply and Conveyance		
Project	Commercial Landscape Conservation Program		
Priority	Strategic Planning Priority 1.6		
Project Description	Surveys and replacement for CII large landscape water users, including evaluation of existing irrigation system components, system layout and irrigation practices to use water more efficiently and improve water conservation technology.		
Justification	Studies show that large landscape surveys can reduce water use up to 35%.		
Responsible Section	OGM Office of the General Manager		
Operating Impact	Decreased potable water demands and increase system reliability.		
In Service Date	Month: June	Year: 2020	
Total Project Cost	\$48,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 11/12	Amount (\$1000)	\$30	

Water Rates – Systemwide Improvements

Program	Water Supply and Conveyance		
Project	GreenPlumbers Training Program		
Priority	Strategic Planning Priority 1.6		
Project Description	This program is a training sponsorship. GreenPlumbers is a national training and accreditation program. The organization's goal is to train and deploy a green army of thousands of plumbers to promote the benefits of water conservation and the reduction of Greenhouse Gas (GHG) emissions. The focus is on changing the consumer and plumbing behavior through the use of energy efficient and water saving technologies.		
Justification	The focus is to train local plumbers in the Tri-Valley area. This program would add a contract with GreenPlumbers®, which is an innovative program that assists plumbers in understanding their role in the environment and public health. As a grassroots effort, the plan is a voluntary one that can be implemented quickly without legislation or regulation.		
Responsible Section	OGM Office of the General Manager		
Operating Impact	Decreased potable water demands and increase system reliability.		
In Service Date	Month: June	Year: 2020	
Total Project Cost	\$10,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 11/12	Amount (\$1000)	\$10	

Program	Water Supply & Conveyance		
Project	High Efficiency Toilet Rebate Program		
Priority	Strategic Planning Priority 1.6 and 4.3		
Project Description	This program encourages the replacement of existing high-water-using toilets with high-efficiency toilets (HET) that use 1.28 gallons or less per flush in residential dwelling by offering homeowners a \$150 rebate for installation of a HET.		
Justification	This program replaces existing high-water-using toilets with HETs. The estimated water savings from an HET is on the order of 48 gallons/day. The toilet rebate program is a water conservation BMP that Zone 7 implements in conjunction with its retailing water agencies.		
Responsible Section	OGM Office of the General Manager		
Operating Impact	Decreased potable water demands.		
In Service Date	Ongoing		
Total Project Cost	\$1,929,000 (75% Water Rates; 25% Connection Fees)		
Source of Funds	Fund 72	Water Rates	75%
Fiscal Year 11/12	Amount (\$1000)	\$86	

Water Rates – Systemwide Improvements

Program	Water Supply & Conveyance	
Project	High-Efficiency Washing Machine Rebate Program	
Priority	Strategic Planning Priority 1.6 and 4.3	
Project Description	This program encourages the purchase and installation of high-efficiency washing machines by offering buyers from \$75 to \$200 rebates. New regulations will require all 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	OGM Office of the General Manager	
Operating Impact	Decreased potable water demands.	
In Service Date	Ongoing	
Total Project Cost	\$1,251,000 (75% Water Rates and 25% Connection Fees)	
Source of Funds	Fund 72	Water Rates 75%
Fiscal Year 11/12	Amount (\$1000)	\$150

Program	Water Supply and Conveyance	
Project	Schools In/Out Survey & Hardware Replacement Program	
Priority	Strategic Planning Priority 1.6	
Project Description	To increase water conservation by offering selected schools in Zone 7's service area outdoor large landscape irrigation survey and irrigation hardware replacements and also included are indoor plumbing surveys and hardware replacement to improve efficiency and the latest technology.	
Justification	This is a targeted comprehensive program for schools to provide additional financial support to achieve potential indoor and outdoor water savings, through services and limited hardware replacement. Potential indoor and outdoor water savings for schools range from 20 percent to 38 percent. Through this program, Zone 7 will subsidize potentially up to 100% of the conservation measures implemented.	
Responsible Section	OGM Office of the General Manager	
Operating Impact	Decreased potable water demands and increase system reliability.	
In Service Date	Month: June	Year: 2020
Total Project Cost	\$50,000	
Source of Funds	Fund 72	Water Rates 100%
Fiscal Year 11/12	Amount (\$1000)	\$50

Water Rates – Systemwide Improvements

Program	Water Supply & Conveyance		
Project	Water Conservation Best Management Practices		
Priority	Strategic Planning Priority 1.6		
Project Description	As listed in the MOU regarding Urban Water Conservation in California which 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 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	OGM	Office of the General Manager	
Operating Impact	Decreased potable water demands and increase system reliability.		
In Service Date	Ongoing		
Total Project Cost	\$4,300,000 (75% Water Rates; 25% Connection Fees)		
Source of Funds	Fund 72	Water Rates	75%
Fiscal Year 11/12	Amount (\$1000)	\$75	

Program	Water Supply and Conveyance		
Project	Water-Efficient Landscape Rebate Program		
Priority	Strategic Planning Priority 1.6		
Project Description	The Water Efficient Landscape Rebate program is offered to customers to increase water conservation by providing incentives to customers in the Tri-Valley area. The landscape rebate program will focus on removing existing water-intensive lawns and replacing them with water-efficient landscape such as low water use, drought tolerant, and Mediterranean plants to adapt to local climate. Water efficient landscapes may also include plants lists, a manufacture list of drip irrigation systems and permeable hardscape. This program would provide a rebate for every square foot of grass replaced with water efficient landscapes.		
Justification	This project promotes environmental sustainability and improves environmental stewardship by reducing potable water use, carbon emissions from mechanized gardening, and fertilizer, herbicides, and pesticide laden water run-off into local streams. Studies have shown landscape water use is a major source of water use and waste.		
Responsible Section	OGM	Office of the General Manager	
Operating Impact	Decreased potable water demands and increase system reliability.		
In Service Date	Month: June	Year: 2020	
Total Project Cost	\$50,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 11/12	Amount (\$1000)	\$50	

Water Rates – Systemwide Improvements

Program	Water Supply and Conveyance		
Project	Weather Based Irrigation Controller Rebate Program- Commercial, Industrial and Institutional and Multi Family (CII/MF)		
Priority	Strategic Planning Priority 1.6		
Project Description	The Weather-Based Irrigation controller (WBIC) Program for CII and Multi-family involves the replacement of standard irrigation "clock-type" controllers with self-adjusting automatic irrigation controllers that schedule irrigation events using Evapotranspiration (ET) controllers. Program includes conducting an outdoor survey at the customer's site to determine the existing type of irrigation system and provide a list of qualifying WBIC hardware replacement to improve efficiency and the latest technology. Customer will select a model from a qualifying list and customer with self-install the WBIC, and provide proof of install to complete the rebate application form and submit the rebate application to Zone 7.		
Justification	This program will save approximately 42 acre-feet over the life span of the equipment.		
Responsible Section	OGM Office of the General Manager		
Operating Impact	Decreased potable water demands and increase system reliability.		
In Service Date	Month: June	Year: 2020	
Total Project Cost	\$100,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 11/12	Amount (\$1000)	\$100	

Program	Water Supply and Conveyance		
Project	Weather Based Irrigation Controller Rebate Program – Single Family (SF)		
Priority	Strategic Planning Priority 1.6		
Project Description	The Weather-Based Irrigation controller (WBIC) Program for single-family involves the replacement of standard irrigation "clock-type" controllers with self-adjusting automatic irrigation controllers that schedule irrigation events using Evapotranspiration (ET) controllers. Conduct an outdoor survey at the customer's site to determine the existing type of irrigation system and provide a list of qualifying WBIC hardware replacement to improve efficiency and the latest technology. Customer will select a model from a qualifying list and customer with self-install the WBIC, and provide proof of install to complete the rebate application form and submit the rebate application to Zone 7.		
Justification	This program will save approximately 23 acre-feet over the life span of the equipment.		
Responsible Section	OGM Office of the General Manager		
Operating Impact	Decreased potable water demands and increase system reliability.		
In Service Date	Month: June	Year: 2020	
Total Project Cost	\$10,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 11/12	Amount (\$1000)	\$10	

Water Rates – Systemwide Improvements

Program	Water Treatment Facilities		
Project	DVWTP Chemical Systems/Parking Lot Improvements		
Priority	Strategic Planning Priority 1.3		
Project Description	<p>This project consolidates the following DVWTP improvement and renewal/replacement projects: DVWTP Caustic Soda Chemical Storage Upgrade; DVWTP Chemical Feed System Replacement; DVWTP Filter Gallery Pipe Supports Upgrade; and, DVWTP Parking Lot Rehabilitation.</p> <p>Upgrade existing caustic soda chemical storage facility at DVWTP due to inadequate capacity. Project may involve new storage tanks, a new temperature-controlled storage building, chemical fill line improvements, chemical delivery truck roadway access improvements, and removal of existing under-sized tank. Replace existing chemical feed systems, including pumps, which require regular maintenance. Provide adequate secondary containment, sufficient backup pumps, and SCADA control for all chemical feed systems.</p>		
Justification	<p>Chemical storage tank is not sized to properly and efficiently schedule chemical deliveries. Existing chemical feed systems are subject to constant mechanical failure. Replacement of the DVWTP parking lot is needed to return it to an acceptable standard; thereby ensuring safety conditions including chemical deliveries.</p>		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	Improves ability to comply with regulatory requirements, increases operational effectiveness, increases reliability and safety, and decreases maintenance.		
In Service Date	Month: June	Year: 2013	
Total Project Cost	\$2,545,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 11/12	Amount (\$1000)	\$288	

Program	Water Treatment Facilities		
Project	DVWTP Sludge Handling Improvements		
Priority	Strategic Planning Priority 1.3		
Project Description	<p>Sludge bed capacity limitations have become a bottleneck in the treatment process since the DVWTP coagulant was upgraded from alum to ferric chloride and the plant performance increased to 40 MGD. Currently, a low bid centrifuge rental services contract is in place to manage the sludge drying process. The FY 11/12 budget will enable Zone 7 to start the process to procure its own mechanical dewatering system when the centrifuge rental services contract is no longer viable.</p>		
Justification	<p>This project would enable Zone 7 to take full advantage of the maximum treated water production at DVWTP at anticipated operational costs.</p>		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	Increased operational reliability, flexibility and effectiveness.		
In Service Date	Month: December	Year: 2013	
Total Project Cost	\$3,300,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 11/12	Amount (\$1000)	\$200	

Water Rates – Systemwide Improvements

Program	Water Treatment Facilities		
Project	PPWTP Filter Improvements Study		
Priority	Strategic Planning Priority 1.3		
Project Description	This study includes an evaluation of the performance of existing conventional plant filters and recommend improvements. Study area includes evaluation of the plant performance of filter media, underdrain system, filter-to-waste system, adequacy of filter bed capacity, and filter walls structural condition.		
Justification	This project will determine long-term improvements at the conventional plant filters to improve their efficiency and reliability. The structural walls are over 45 years old and the filter media was installed in 1985.		
Responsible Section	WSE	Water Supply Engineering	
Operating Impact	Increased operational flexibility and reliability.		
In Service Date	Month: June	Year: 2012	
Total Project Cost	\$80,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 11/12	Amount (\$1000)	\$80	

Program	Water Treatment Facilities		
Project	PPWTP Sludge Handling Improvements		
Priority	Strategic Planning Priority 1.3		
Project Description	Sludge bed capacity limitations have become a bottleneck in the treatment process since the addition of the UF plant and coagulant upgrade from alum to ferric chloride. Currently, a low bid centrifuge rental services contract is in place to manage the sludge drying process. Upon further assessment, additional sludge drying beds to meet capacity needs may be the long term solution. This project is to acquire adjacent land to the PPWTP site and install additional sludge drying beds. The FY 11/12 budget will enable Zone 7 to start the process to acquire land the needed land and prepare the preliminary design of the sludge drying beds so that construction can take place when the centrifuge rental services contract is no longer viable.		
Justification	This project would enable Zone 7 to take full advantage of the maximum treated water production at PPWTP at anticipated operational costs.		
Responsible Section	WSE	Water Supply Engineering	
Operating Impact	Increased operational reliability, flexibility and effectiveness.		
In Service Date	Month: December	Year: 2014	
Total Project Cost	\$5,200,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 11/12	Amount (\$1000)	\$880	

Water Rates – Systemwide Improvements

Program	Water Treatment Facilities	
Project	Water Quality Management Program	
Priority	Strategic Planning Priority 1.2 and 1.12	
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 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 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	Ongoing	
Total Project Cost	\$3,764,000 (75% Water Rates; 25% Connection Fees)	
Source of Funds	Fund 72	Water Rates 75%
Fiscal Year 11/12	Amount (\$1000)	\$12

**FUND 72
 RENEWAL/REPLACEMENT &
 SYSTEMWIDE IMPROVEMENT PROJECTS
 2011/2012
 Summary Table**

<i>RENEWAL & REPLACEMENT PROJECTS</i>				
Job Number	Project Title	Total Project Cost	FY 2011/2012 Budget	Page
BUILDINGS & GROUNDS				
54053	North Canyons Administrative & Engineering Building Lease	\$7,412,370	\$508,000	96
	SUBTOTAL	\$7,412,370	\$508,000	
PROGRAM MANAGEMENT				
54071	Asset Management Program Management	\$1,200,000	\$40,000	96
54508	Capital Improvement Program Management	\$200,000	\$10,000	97
54507	System-Wide Improvements and Renewal/Replacement Program Management	\$2,159,000	\$50,000	97
	SUBTOTAL	\$3,559,000	\$100,000	
REGULATORY COMPLIANCE				
54042	Laboratory Equipment Replacement	\$6,037,000	\$120,000	97
	SUBTOTAL	\$6,037,000	\$120,000	
TRANSMISSION AND DISTRIBUTION				
96072	CWS Turnout No. 7 Modifications	\$107,000	\$107,000	98
96072	Pleasanton Turnout No. 3 Replacement	\$100,000	\$100,000	98
53096	Santa Rita Pipeline Relocation	\$750,000	\$750,000	98
	SUBTOTAL	\$957,000	\$957,000	
WATER TREATMENT FACILITIES				
96072	Dougherty Access Road Rehabilitation	\$100,000	\$50,000	99
96072	Dougherty Reservoir Recoating Project	\$1,600,000	\$800,000	100
54083	Minor Renewal/Replacement Projects	\$9,400,000	\$250,000	101
54072	PPWTP Clarifier Rehabilitation Project	\$1,760,000	\$343,572	101
54083	PPWTP Ultrafiltration Membrane Replacement	\$17,500,000	\$400,000	102
54072	SCADA Enhancements	\$24,175,000	\$225,000	102
54059	Well Pump, Motor and Casing Inspections	\$390,000	\$30,000	103
	SUBTOTAL	\$54,925,000	\$2,098,572	
RENEWAL & REPLACEMENT TOTAL		\$72,890,370	\$3,783,572	
SYSTEMWIDE IMPROVEMENTS/RENEWAL & REPLACEMENT PROJECTS TOTAL		\$94,243,870	\$6,737,051	
CONTINGENCY FUNDS				
96172	Contingency		\$750,000	
	SUBTOTAL	\$0	\$750,000	
SYSTEMWIDE IMPROVEMENTS/RENEWAL & REPLACEMENT PROGRAM SUBTOTAL		\$94,243,870	\$7,487,051	
SINKING FUNDS				
96072	Administrative & Engineering Building - Sinking Fund	\$5,764,650	\$378,102	103
	SUBTOTAL	\$5,764,650	\$378,102	
SYSTEMWIDE IMPROVEMENT / RENEWAL & REPLACEMENT PROGRAM TOTAL		\$100,008,520	\$7,865,153	

Water Rates – Renewal Replacement

Program	Program Management		
Project	Capital Improvement Program Management		
Priority	Strategic Planning Priority 1.3		
Project Description	Ongoing program management of the Capital Improvement Plan.		
Justification	Provides for better tracking of program management costs.		
Responsible Section	ASD/WSE	Administrative Services/Water Supply Engineering	
Operating Impact	None		
In Service Date	Ongoing		
Total Project Cost	\$1,000,000 (20% Water Rates; 45% Connection Fees; and 5% Stormwater Drainage Fees)		
Source of Funds	Fund 72	Water Rates	20%
Fiscal Year 11/12	Amount (\$1000)	\$10	

Program	Program Management		
Project	System-Wide Improvement, Renewal/Replacement Program Management		
Priority	Strategic Planning Priority 1.3		
Project Description	Ongoing program management of the SWI and R&R programs.		
Justification	Provides for better tracking of program management costs.		
Responsible Section	WSE	Water Supply Engineering	
Operating Impact	None		
In Service Date	Ongoing		
Total Project Cost	\$2,159,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 11/12	Amount (\$1000)	\$50	

Program	Regulatory Compliance		
Project	Laboratory Equipment Replacement		
Priority	Strategic Planning Priority 1.2 and 1.3		
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	Ongoing		
Total Project Cost	\$6,037,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 11/12	Amount (\$1,000's)	\$120	

Water Rates – Renewal Replacement

Program	Transmission & Distribution		
Project	CalWater Turnout No. 7 Modifications		
Priority	Strategic Planning Priority 1.3 and 1.8		
Project Description	Replace/modification of the existing turnout.		
Justification	This turnout is beyond its useful life and may be a source of meter reporting error.		
Responsible Section	OPS/WSE	Operations/Water Supply Engineering	
Operating Impact	Improves reliability and safety.		
In Service Date	Month: March	Year: 2012	
Total Project Cost	\$107,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 11/12	Amount (\$1000)	\$107	

Program	Transmission & Distribution		
Project	Pleasanton Turnout No. 3 Replacement		
Priority	Strategic Planning Priority 1.3 and 1.8		
Project Description	Replacement/modification of the existing turnout.		
Justification	This turnout is a safety hazard for the Public passing by and for Zone 7 staff working within the vault. The project has not moved forward in the past due to scheduled construction of a new turnout (Pleasanton T/O 8) at a different location, which will no longer be constructed.		
Responsible Section	OPS/WSE	Operations/Water Supply Engineering	
Operating Impact	Improves reliability.		
In Service Date	Month: March	Year: 2012	
Total Project Cost	\$100,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 11/12	Amount (\$1000)	\$100	

Program	Transmission & Distribution		
Project	Santa Rita Pipeline Relocation		
Priority	Strategic Planning Priority 1.3		
Project Description	Relocation of the existing Santa Rita pipeline as required by the CalTrans Westbound I-580 project.		
Justification	Pipeline is a longitudinal encroachment on CalTrans Right of Way. CalTrans Westbound I-580 project is moving forward, thereby requiring the pipeline relocation.		
Responsible Section	OPS/WSE	Operations/Water Supply Engineering	
Operating Impact	Improves reliability.		
In Service Date	Month: March	Year: 2012	
Total Project Cost	\$750,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 11/12	Amount (\$1000)	\$750	

Water Rates – Renewal Replacement

Program	Water Treatment Facilities
Project	Dougherty Reservoir Access Road Rehabilitation
Priority	Strategic Planning Priority 1.3 and 1.8
Project Description	Preventive maintenance to the Dougherty Reservoir access road is periodically needed to minimize the potential for corrective maintenance and ensure the access road is properly maintained. This project consists of filling cracks and repairing localized damaged pavement areas then providing a slurry seal over the entire pavement surface. As this facility is jointly owned with the Dublin San Ramon Services District, Zone 7's project cost is \$50,000 which reflects a 50 percent share for both Zone 7 and DSRSD.
Justification	This project will maintain the Dougherty Reservoir access road in a safe and serviceable condition, extending the time period for which repaving and replacement repairs would be needed.
Responsible Section	WSE Water Supply Engineering
Operating Impact	Decrease maintenance, increase safety.
In Service Date	Month: May Year: 2011
Total Project Cost	\$100,000 (Maintenance costs for the Reservoir and access road are subject to 50%-50% cost sharing between Zone 7 and DSRSD)
Source of Funds	Fund 72 Water Rates 100%
Fiscal Year 11/12	Amount (\$1000) \$50

Water Rates – Renewal Replacement

Program Project	Water Treatment Facilities Dougherty Reservoir Recoating Project		
Priority	Strategic Planning Priority 1.3 and 1.8		
Project Description	<p>This project involves the recoating of the exterior and interior of the 4 MG steel tank, including the structural roof support system of columns, girders, and rafters. Project will also recoat all tank and piping appurtenances including roof hatch and vents, interior and exterior ladders, manways, inlet, outlet, and overflow pipes. A new cathodic protection system will be installed to replace the original system. As this facility is jointly owned with the Dublin San Ramon Services District, Zone 7's project cost is \$800,000, which reflects a 50 percent share for both Zone 7 and DSRSD. Scope includes a coating consultant field assessment of the tank condition to determine the degree of surface preparation necessary and design the coating system. Field assessment will identify any current trouble spots, including presence of surface pitting and broken blisters, rust spots and nodules, and coating delaminations. A heavy metals analysis for both the interior and exterior coatings should also be executed.</p>		
Justification	<p>The steel tank was constructed in 1984 and a recoat project is overdue. The interior and exterior coatings are the original and apparently have not undergone any preventative maintenance repairs. An inspection report for DSRSD in January 2009 indicates that there are multiple coating blisters on the interior surfaces and areas of corrosion on the roof. In addition, it was noted that the exterior coating seems to be failing, with multiple areas of rust and the coating easily flakes off to the steel substrate. Also, the existing cathodic protection anodes to protect the tank interior and the soil sided floor plates have likely reached their design life and would need to be removed prior to the interior coating. A new, more efficient cathodic protection system should be installed.</p>		
Responsible Section Operating Impact	WSE Water Supply Engineering A new coating will provide better protection and prolong the useful life of the storage reservoir.		
In Service Date	Month: June	Year: 2012	
Total Project Cost	\$1,600,000 (Zone 7 share is \$800,000)		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 11/12	Amount (\$1000)	\$800	

Water Rates – Renewal Replacement

Program	Water Treatment Facilities		
Project	Minor Renewal/Replacement Projects		
Priority	Strategic Planning Priority 1.3		
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	Ongoing		
Total Project Cost	\$9,400,000 (approximately \$250K annually)		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 11/12	Amount (\$1000)	\$250	

Program	Water Treatment Facilities		
Project	PPWTP Clarifier Rehabilitation Project		
Priority	Strategic Planning Priority 1.3		
Project Description	This project consists of full replacement of the clarifier mechanism at the conventional PPWTP, and includes: replacement of the steel structural components and drives; coating of steel components; repair and patch coating of concrete walls; coating of existing handrails; and replacement of cathodic protection system.		
Justification	The upflow solids contact clarifier at the conventional PPWTP has exceeded the manufacturer's expected useful life by nearly 30 years, and failure of this facility would shut down the 12 MGD plant. A new clarifier mechanism is needed in order to increase plant reliability and prolong facility service life.		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	Prolongs the facility's service life.		
In Service Date	Month: March	Year: 2012	
Total Project Cost	\$1,760,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 11/12	Amount (\$1000)	\$343	

Water Rates – Renewal Replacement

Program	Water Treatment Facilities		
Project	PPWTP Ultrafiltration Membrane Replacement		
Priority	Strategic Planning Priority 1.3		
Project Description	Replacement of ultrafiltration membranes. Although the membranes are currently functioning adequately, after several years of operation, membranes reach their useful lives and will need to be replaced at regular intervals.		
Justification	Several mechanisms for membrane fouling exist: absorption, pore blocking, particle deposition, and concentration polarization. As the fouling process continues, the flux through the membranes decreases. To minimize the effects of fouling, the membranes require frequent cleaning and eventually, replacement. As technology improves and/or existing membrane system become obsolete, system upgrades beyond the membranes can be expected, and these upgrades will replace this project in the CIP at that time.		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	Increase operating reliability and effectiveness.		
In Service Date	Ongoing		
Total Project Cost	\$17,500,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 11/12	Amount (\$1000)	\$400	

Program	Water Treatment Facilities		
Project	SCADA Enhancements		
Priority	Strategic Planning Priority 1.3		
Project Description	Since the completion of Phase I of the SCADA Improvements project (May 2004 completion), there is an ongoing need for reprogramming, installation of additional devices and upgrading of the existing devices to improve the use of the 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 also result in increased efficiency and enable operations to fine tune the treatment and transmission process.		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	Improved control, monitoring and reporting of process equipment through SCADA.		
In Service Date	Ongoing		
Total Project Cost	\$24,175,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 11/12	Amount (\$1000)	\$225	

Water Rates – Renewal Replacement

Program	Water Treatment Facilities		
Project	Well Pump, Motor and Casing Inspections		
Priority	Strategic Planning Priority 1.3		
Project Description	Zone 7 currently has seven production wells. This project involves annual inspection of well pumps, motors and casing and related repairs for one well.		
Justification	This project will improve reliability of production wells.		
Responsible Section	OPS	Operations & Maintenance	
Operating Impact	Increased operational service life of facilities thereby reducing future capital investments.		
In Service Date	Month:	Year: Ongoing	
Total Project Cost	\$390,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 11/12	Amount (\$1000)	\$30	

Program	Building & Grounds		
Project	Administrative & Engineering Building - Sinking Fund		
Priority	Strategic Planning Priority 1.3		
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	\$12,810,334 (45% - Fund 72; 35% - Fund 73; 10% - Fund 76 and 10% - Fund 50)		
Source of Funds	Fund 72	Water Rates	45%
Fiscal Year 11/12	Amount (\$1000)	\$378	

FUND 73
CAPITAL EXPANSION PROJECTS
2011/2012
Summary Table

CAPITAL EXPANSION PROJECTS				
Job Number	Project Title	Total Project Cost	FY 2011/2012 Budget	Page
BUILDINGS & GROUNDS				
55048	North Canyons Administrative & Engineering Building Lease	\$5,765,177	\$399,000	105
	SUBTOTAL	\$5,765,177	\$399,000	
GROUNDWATER BASIN MANAGEMENT				
96073	Well Destruction of Former Army Wells on DSRSD Property Adjacent to Mocho Demineralization Plant	\$112,500	\$112,500	105
	SUBTOTAL	\$112,500	\$112,500	
PROGRAM MANAGEMENT				
55050	Capital Improvement Program Management	\$450,000	\$37,500	106
55001	Connection Fee Program Administration	\$25,000	\$25,000	106
55010	Interest on Installment Sale Agreement	\$1,570,815	\$276,877	107
	SUBTOTAL	\$2,045,815	\$339,377	
WATER SUPPLY AND CONVEYANCE				
57101	Arroyo Mocho Lake H Diversion Structure	\$1,015,000	\$40,000	108
55430	Bay Area Regional Desalination Project	\$325,000	\$129,962	109
51401	Bay-Delta Conservation Program/DHCCP Program Participation	\$3,968,938	\$257,361	109
55052	Bay-Delta Conservation Program/DHCCP	\$40,000	\$40,000	109
55106	Cawelo Groundwater Banking Program Debt Service	\$38,614,000	\$1,293,056	110
57102	Chain of Lakes Facilities and Improvements	\$43,513,000	\$560,000	110
96073	Cope Lake Facilities and Improvements	\$600,000	\$500,000	111
55043	CUWA Membership	\$2,160,000	\$60,000	112
55053	Delta Outreach	\$112,500	\$30,000	112
51401	Fixed Cost of Water Entitlement	\$5,680,000	\$287,818	113
51401	Fourth Contractor's Share of the SBA	\$89,261,000	\$3,000,000	113
55003	High Efficiency Toilet Rebate Program	\$482,250	\$29,000	114
55303	High-Efficiency Washing Machine Rebate Program	\$312,750	\$50,000	114
51410	Semitropic Stored Water Recovery Unit	\$1,536,000	\$48,000	115
55037	South Bay Improvement and Enlargement Project	\$250,520,000	\$11,698,074	116
51408	SWP Peaking Payment (Lost Hills & Bellridge Water Districts)	\$6,936,000	\$331,276	116
96073	Walker Ranch Conservation Easement Mgmt and Maintenance	\$1,138,482	\$340,000	117
55300	Water Conservation Best Management Practices	\$1,075,000	\$25,000	117
	SUBTOTAL	\$448,825,920	\$18,719,547	
WATER TREATMENT FACILITIES				
96073	Land Acquisition for PPWTP Expansion	\$2,340,000	\$100,000	118
55054	Water Quality Management Program	\$941,000	\$4,000	118
	SUBTOTAL	\$3,281,000	\$104,000	
WELLS				
96073	Well Master Plan Wells - Future Phases	\$60,435,000	\$200,000	119
	SUBTOTAL	\$60,435,000	\$200,000	
EXPANSION PROJECT TOTAL		\$521,665,411	\$19,874,424	
CONTINGENCY				
96173	Contingency Funds		\$500,000	
	SUBTOTAL	\$0	\$500,000	
EXPANSION PROGRAM SUBTOTAL		\$521,665,411	\$20,374,424	
EXPANSION SINKING FUNDS				
96073	Administrative & Engineering Building - Sinking Fund	\$4,483,617	\$34,470	119
96073	Fourth Contractor's Share of the SBA - Sinking Fund	\$4,307,200	\$21,705	120
96073	South Bay Aqueduct Improvement & Enlargement - Sinking Fund	\$39,926,000	\$129,897	120
	SUBTOTAL	\$48,716,817	\$186,072	
CAPITAL EXPANSION PROGRAM TOTAL		\$570,382,228	\$20,560,496	

Connection Fees - Expansion

Program	Building & Grounds	
Project	North Canyons Administrative & Engineering Building Lease	
Priority	Strategic Planning Priority 1.3	
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	\$16,471,933 (45% - Fund 72; 35% - Fund 73; 10% - Fund 76 and 10% - Fund 50)	
Source of Funds	Fund 73	Connection Fees 35%
Fiscal Year 11/12	Amount (\$1000)	\$399

Program	Groundwater Basin Management	
Project	Well Destruction of Former Army Wells on DSRSD Property Adjacent to Mocho Demineralization Plant	
Priority	Strategic Planning Priority 1.4	
Project Description	This project involves the destruction of two former Army production wells located on the Mocho 3 & 4 property. In addition to these two Army wells, there is an additional monitoring well located adjacent to one of the Army wells which will also be destroyed as part of this project.	
Justification	Part of Zone 7's agreement with DSRSD to obtain the necessary easement to locate the Mocho Groundwater Demineralization Plant on the Mocho 4 well site was for Zone 7 to destroy the remaining abandoned Army wells located on the Mocho 3 & 4 properties. One well was destroyed during construction of the plant, but there are two remaining abandoned Army wells which need to be destroyed. In addition to these two wells, there is one existing monitoring well located adjacent to the Army well on the Mocho 3 property which needs to be destroyed. It was determined that it would be more cost effective to bundle these two destruction projects together.	
Responsible Section	WSE/GP Water Supply Engineering/Groundwater Protection	
Operating Impact	Provide protection of the groundwater basin by destroying abandoned wells which could be potential sources for groundwater contamination.	
In Service Date	Month: December	Year: 2011
Total Project Cost	\$250,000 (55% Water Rates and 45% Connection Fees)	
Source of Funds	Fund 73	Connection Fees 45%
Fiscal Year 11/12	Amount (\$1000)	\$113

Connection Fees - Expansion

Program	Program Management		
Project	Capital Improvement Program Management		
Priority	Strategic Planning Priority 1.3		
Project Description	Ongoing program management of the Capital Improvement Plan.		
Justification	Provides for better tracking of program management costs.		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	None		
In Service Date	Ongoing		
Total Project Cost	\$1,000,000 (20% Water Rates; 45% Connection Fees ;and 5% Stormwater Drainage Fees)		
Source of Funds	Fund 73	Connection Fees	75%
Fiscal Year 11/12	Amount (\$1000)	\$38	

Program	Program Management		
Project	Connection Fee Administration		
Priority	Strategic Planning Priority 1.11		
Project Description	This project is related to the administration of the waster connection fee program. Duties include the processing of water connection fee data collected by the retailers, annual evaluation of connection fees and potential increases, and processing & tracking of the water connection fee credit redemption.		
Justification	These funds will cover the costs associated with administering the connection fee program, a biennial routine evaluation of connection fees and a biennial comprehensive evaluation of connection fees, and the administration and tracking of the connection fee credit redemption program.		
Responsible Section	WSE Water supply Engineering		
Operating Impact	None		
In Service Date	Month:	Year: Ongoing	
Total Project Cost	\$25,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 11/12	Amount (\$1000)	\$25	

Connection Fees - Expansion

Program	Program Management		
Project	Interest on Installment Sale Agreement		
Priority	Strategic Planning Priority 1.11		
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. In February 2009, Zone 7 drew \$30.5M from this ISA.		
Justification	The ISA is needed to supplement connection fee revenue, which is the primary source of funding for the Expansion program.		
Responsible Section	ASD Administrative Services Division		
Operating Impact	None		
In Service Date	Month: January	Year: 2014	
Total Project Cost	\$1,570,815 (estimated)		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 11/12	Amount (\$1000)	\$277	

Connection Fees - Expansion

Program	Water Supply & Conveyance		
Project	Arroyo Mocho/Lake H Diversion Structure		
Priority	Strategic Planning Priority 1.11		
Project Description	<p>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 Zone 7 at Lake H 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-supplied equipment includes fish screens, automatic screen cleaning apparatuses, water flow and water level monitoring equipment, and security facilities.</p>		
Justification	<p>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 future water system reliability goals. 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, Zone 7 has 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, monitoring equipment and automatic controls.</p>		
Responsible Section	GP Groundwater Protection		
Operating Impact	Indirectly increases water supply reliability. Adds new O&M and repair & replacement expenses for Zone 7.		
In Service Date	Month: November	Year: 2013	
Total Project Cost	\$1,015,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 11/12	Amount (\$1000)	\$40	

Connection Fees - Expansion

Program	Water Supply and Conveyance		
Project	Bay Area Regional Desalination Project – Feasibility Study		
Priority	Strategic Planning Priority 1.5		
Project Description	<p>The Bay Area Regional Desalination Project (BARDP) is a joint effort with other major Bay Area water providers (San Francisco Public Utilities Commission [SFPUC], Santa Clara Valley Water District [SCVWD], East Bay Municipal Utility District [EBMUD], and Contra Costa Water District [CCWD]) to evaluate the feasibility of a regional desalination facility. As a partner in the BARDP, Zone 7 is evaluating the feasibility and benefits of receiving additional water supply from the BARDP. The appropriate amount and timing of water supply from the BARDP will be determined in the Water System Master Plan. The total project cost presented below includes costs for the feasibility study, anticipated to be completed in 2012.</p>		
Justification	<p>The BARDP would represent a new source of drought-resistant water supply for Zone 7, helping to reduce any projected shortfall in our water supply. The BARDP would provide additional reliability to Zone 7's water supply portfolio since the water would not be conveyed through the Delta. Finally, the BARDP would result in water quality improvements as higher-quality water would be delivered from EBMUD's system to the west side of Zone 7's system.</p>		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	Increased water supply and reliability, and improved water quality.		
In Service Date	Month:	December	Year: 2012
Total Project Cost	\$400,000 (35% Water Rates and 65% Connection Fees)		
Source of Funds	Fund 73	Connection Fees	65%
Fiscal Year 11/12	Amount (\$1000)	\$130	
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Program	Water Supply & Conveyance		
Project	Bay-Delta Conservation Program Participation		
Priority	Strategic Planning Priority 1.7		
Project Description	<p>Zone 7's proportional share of expenditures in support of the development of the Bay Delta Conservation Plan. Costs also include Zone 7's internal staff time associated with participating in the program.</p>		
Justification	<p>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.</p>		
Responsible Section	OGM	Office of the General Manager	
Operating Impact	Improved reliability.		
In Service Date	Ongoing		
Total Project Cost	\$15,875,750 (75% Water Rates and 25% Connection Fees)		
Source of Funds	Fund 73	Connection Fees	25%
Fiscal Year 11/12	Amount (\$1000)	\$297 (\$257K for program participation and \$40K for staff time)	

Connection Fees - Expansion

Program	Water Supply & Conveyance		
Project	Cawelo Groundwater Banking Program Debt Service		
Priority	Strategic Planning Priority 1.1		
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. The debt service would be over a 30-year period at a 5% interest.		
Justification	Increase reliability by providing additional water supplies during drought years.		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	Increased operational reliability.		
In Service Date	Month: June Year: 2034		
Total Project Cost	\$38,614,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 11/12	Amount (\$1000)	\$1,293	

Program	Water Supply & Conveyance		
Project	Chain of Lakes Facilities and Improvements		
Priority	Strategic Planning Priority 1.10		
Project Description	This project consists of the development, design, and implementation of improvements and facilities at the various lakes 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.		
Justification	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.		
Responsible Section	GP Groundwater Protection		
Operating Impact	Increase of water supply reliability. Increased O&M costs		
In Service Date	Month: December Year: 2030		
Total Project Cost	\$43,513,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 11/12	Amount (\$1000)	\$560	

Connection Fees - Expansion

Program	Water Supply & Conveyance		
Project	Cope Lake Facilities and Improvements		
Priority	Strategic Planning Priority 1.10		
Project Description	<p>This project provides for the development, design, and implementation of various improvements at Cope Lake, which are to be accomplished in a “phased-in” approach. Near-term, it provides for the laying back of over-steepened slopes, drainage improvements, and minor road grading, particularly along the eastern side of the lake to prevent total loss of the eastern bench. Phase 2 includes additional slope stabilization and wave-erosion measures, and maintenance road improvements necessary to maintain the integrity of the lakes shoreline during future water management operations.</p>		
Justification	<p>Zone 7 accepted Cope Lake from Hanson Aggregates in 2003 in an “as is” condition, and without a warranty. During the years that followed: ground cracking and ‘piping’ have developed along the eastern margins of the property; portions of the concrete rubble placed by Hanson to prevent wave-erosion has slid into the lake; and the access road along the eastern bench has become impassable due to mass wasting from the slopes above. Without repair and certain drainage improvements, the bench on which the access road is located will likely slide into the lake and may become un-repairable for use as a base for an access road (Miller Pacific Engineers Group, 2009). In the future, when Cope Lake water levels are “operated” for flood control and/or water supply as currently planned, the lake margins will require additional improvements so their integrity</p>		
Responsible Section	GP Groundwater Protection		
Operating Impact	Protection of asset, and reduction of future facility maintenance and repairs. Potential increase of water supply and flood control reliability.		
In Service Date	Month: June Year: 2016		
Total Project Cost	\$600,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 11/12	Amount (\$1000)	\$500	

Connection Fees - Expansion

Program	Water Supply & Conveyance		
Project	CUWA Membership		
Priority	Strategic Planning Priority 1.7		
Project Description	This expenditure is for the California Urban Water Agencies (CUWA) annual membership dues (\$60,000/year) and 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 Delta studies, which are intended to maintain and improve Delta water quality and reliability, even as Delta exports increase.		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	Increased reliability and water quality.		
In Service Date	Ongoing		
Total Project Cost	2,1600,00		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 11/12	Amount (\$1000)	\$60	

Program	Water Supply & Conveyance		
Project	Delta Outreach Program		
Priority	Strategic Planning Priority 5		
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	OGM Office of the General Manager		
Operating Impact	Improved reliability		
In Service Date	Ongoing		
Total Project Cost	\$450,000 (75% Water Rates and 25% Connection Fees)		
Source of Funds	Fund 73	Connection Fees	25%
Fiscal Year 11/12	Amount (\$1000)	\$30	

Connection Fees - Expansion

Program	Water Supply & Conveyance		
Project	Fixed Cost of Water Entitlement		
Priority	Strategic Planning Priority 1.1		
Project Description	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 Zone7'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	WSE Water Supply Engineering		
Operating Impact	Increased operation and maintenance.		
In Service Date	Month: June Year: 2013		
Total Project Cost	\$5,680,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 11/12	Amount (\$1000)	\$288	

Program	Water Supply & Conveyance		
Project	Fourth Contractor's Share of the SBA		
Priority	Strategic Planning Priority 1.1		
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 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.		
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	WSE Water Supply Engineering		
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	\$89,261,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 11/12	Amount (\$1000)	\$3,000	

Connection Fees - Expansion

Program	Water Supply & Conveyance		
Project	High Efficiency Toilet Rebate Program		
Priority	Strategic Planning Priority 1.6 and 4.		
Project Description	This program encourages the replacement of existing high-water-using toilets with high-efficiency toilets (HET) that use 1.28 gallons or less per flush in residential dwelling by offering homeowners a \$150 rebate for installation of a HET.		
Justification	<p>This program replaces existing high-water-using toilets with HETs. The estimated water savings from an HET is on the order of 48 gallons/day.</p> <p>The toilet rebate program is a water conservation BMP that Zone 7 implements in conjunction with its retailing water agencies.</p>		
Responsible Section	OGM	Office of the General Manager	
Operating Impact	Decreased potable water demands.		
In Service Date	Ongoing		
Total Project Cost	\$1,929,000 (75% Water Rates and 25% Connection Fees)		
Source of Funds	Fund 73	Connection Fees	25% 100%
Fiscal Year 11/12	Amount (\$1000)	\$29	

Program	Water Supply & Conveyance		
Project	High-Efficiency Washing Machine Rebate Program		
Priority	Strategic Planning Priority 1.6 and 4.		
Project Description	This program encourages the purchase and installation of high-efficiency washing machines by offering buyers from \$75 to \$200 rebates. New regulations will require all 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	OGM	Office of the General Manager	
Operating Impact	Decreased potable water demands.		
In Service Date	Ongoing		
Total Project Cost	\$1,251,000 (75% Water Rates and 25% Connection Fees)		
Source of Funds	Fund 73	Connection Fees	25%
Fiscal Year 11/12	Amount (\$1000)	\$50	

Connection Fees - Expansion

Program	Water Supply & Conveyance	
Project	Semitropic Stored Water Recovery Unit	
Priority	Strategic Planning Priority 1.1	
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.</p>	
Justification	Increase reliability by providing additional water supplies during drought years.	
Responsible Section	WSE Water Supply Engineering	
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 11/12	Amount (\$1000)	\$48

Connection Fees - Expansion

Program	Water Supply & Conveyance		
Project	South Bay Aqueduct Improvement & Enlargement Project		
Priority	Strategic Planning Priority 1.11		
Project Description	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. 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. The costs shown reflect the actual repayment of the debt plus interest.		
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	WSE Water Supply Engineering		
Operating Impact	Provides for enhanced long-term water supply, reliability and flexibility.		
In Service Date	Ongoing		
Total Project Cost	\$250,520,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 11/12	Amount (\$1000)	\$11,700	

Program	Water Supply & Conveyance		
Project	SWP Peaking Payment (Lost Hills & Belridge Water Districts)		
Priority	Strategic Planning Priority 1.1		
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	WSE Water Supply Engineering		
Operating Impact	Extra peaking allows Zone 7 to deliver or store additional water when available in the SWP system.		
In Service Date	Month: June Year: 2035		
Total Project Cost	\$6,936,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 11/12	Amount (\$1000)	\$331	

Connection Fees - Expansion

Program	Water Supply and Conveyance		
Project	Walker Ranch Conservation Easement Management and Maintenance		
Priority	Strategic Planning Priority 1.11		
Project Description	The Walker Ranch Conservation Easement was acquired in 2008. This conservation easement was a mitigation requirement of the United States Fish & Wildlife Service (USFWS) and California Department of Fish and Game (CDFG) to offset environmental impacts from the Altamont Water Treatment Plant and Pipeline Project. The conservation easement must be managed and maintained in perpetuity. USFWS and CDFG recognize that Zone 7 may not be best suited to manage and maintain the conservation easement over the long term. This project is to transfer title of the conservation easement, develop a conservation easement management plan and provide an endowment fund to an acceptable third party to manage and maintain the conservation easement in perpetuity.		
Justification	This project fulfills the environmental requirements of the completed Altamont Pipeline Livermore Reach Project. This project will also provide a mitigation offset for environmental impacts of the future Altamont projects or other future Zone 7 water supply and conveyance projects.		
Responsible Section	WSE	Water Supply Engineering	
Operating Impact	Environmental requirement for Altamont Pipeline Livermore Reach and protection of asset		
In Service Date	Month: June	Year: 2012	
Total Project Cost	\$1,138,452		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 11/12	Amount (\$1000)	\$340	

Program	Water Supply & Conveyance		
Project	Water Conservation Best Management Practices		
Priority	Strategic Planning Priority 1.6		
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	Ongoing		
Total Project Cost	\$4,300,000 (75% Water Rates and 25% Connection Fees)		
Source of Funds	Fund 73	Connection Fees	25%
Fiscal Year 11/12	Amount (\$1000)	\$25	

Connection Fees - Expansion

Program	Water Treatment Facilities		
Project	Land Acquisition for PPWTP Expansion		
Priority	Strategic Planning Priority 1.11		
Project Description	Zone 7 may be considering future plant expansion at PPWTP. The Department of Water Resources may have land adjacent to the PPWTP site that is available for PPWTP expansion. This project is to explore the potential to acquire the DWR land adjacent to the PPWTP site for coordination of new facility construction.		
Justification	The projected water demand growth to serve the current general plans of the three Cities and in the Dougherty Valley area will require additional treated water production. The DWR land is valuable geographically in that it is on high ground, near the South Bay Aqueduct and close to existing Zone 7 water transmission facilities. These advantages would lessen ancillary treatment and conveyance facilities relative to other locations.		
Responsible Section	WSE	Water Supply Engineering	
Operating Impact	Increased production and delivery capacity and improves operational flexibility.		
In Service Date	Month: June	Year: 2012	
Total Project Cost	\$2,340,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 11/12	Amount (\$1000)	\$100	

Program	Water Treatment Facilities		
Project	Water Quality Management Program		
Priority	Strategic Planning Priority 1.12		
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 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.		
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	Ongoing		
Total Project Cost	\$3,764,000 (75% Water Rates; 25% Connection Fees)		
Source of Funds	Fund 73	Connection Fees	25%
Fiscal Year 11/12	Amount (\$1000)	\$4	
Program	Wells		

Connection Fees - Expansion

Project Priority	Well Master Plan Wells, Future Phases Strategic Planning Priority 1.11
Project Description	This project involves planning for the construction of four new municipal water supply wells to meet Zone 7's M&I drought reliability goal through build-out. This fiscal year's work includes planning activities for the Well Master Plan project.
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 Operating Impact	WSE/GPP Water Supply Engineering/Groundwater Protection Increased cost associated with additional maintenance, power and chemicals estimated at \$80,000/year.
In Service Date	Month: June Year: 2020
Total Project Cost	\$60,435,000
Source of Funds	Fund 73 Connection Fees 100%
Fiscal Year 11/12	Amount (\$1000) \$200

Program Project Priority	Building & Grounds Administrative & Engineering Building - Sinking Fund (Interest Only) Strategic Planning Priority 1.3
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 Operating Impact	ASD Administrative Services Division None.
In Service Date	Month: Year: 2018
Total Project Cost	\$12,810,334 (45% - Fund 72; 35% - Fund 73; 10% - Fund 76 and 10% - Fund 50)
Source of Funds	Fund 73 Connection Fees 35%
Fiscal Year 11/12	Amount (\$1000) \$35

Connection Fees - Expansion

Program	Water Supply & Conveyance		
Project	Future Contractor's Share of the SBA - Sinking Fund (Interest Only)		
Priority	Strategic Planning Priority 1.1		
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	WSE Water Supply Engineering		
Operating Impact	None.		
In Service Date	Month:	Year: 2024	
Total Project Cost	\$4,307,200 (\$196,000 plus interest per year)		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 11/12	Amount (\$1000)	\$22	

Program	Water Supply & Conveyance		
Project	South Bay Aqueduct Improvement & Enlargement Project - Sinking Fund (Interest only)		
Priority	Strategic Planning Priority 1.11		
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	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.		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	None		
In Service Date	Month:	Year: 2024	
Total Project Cost	\$39,926,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 11/12	Amount (\$1000)	\$130	

FUND 76 - FLOOD PROTECTION AND STORM WATER DRAINAGE
2011/2012
Summary Table

FLOOD PROTECTION AND STORM WATER DRAINAGE PROJECTS				
Job Number	Project Title	Total Project Cost	FY 2011/2012 Budget	Page
BUILDINGS & GROUNDS				
61154	North Canyons Administrative & Engineering Building Lease	\$1,647,193	\$113,000	122
	SUBTOTAL	\$1,647,193	\$113,000	
FLOOD CONTROL FACILITIES				
96076	Arroyo de la Laguna Improvements	\$1,861,325	\$290,023	123
96076	Arroyo Las Positas @ N. Vasco (R 1-7)	\$1,588,988	\$255,924	124
96076	Arroyo Mocho @ Stanley (R 3-5)	\$729,945	\$101,818	125
96076	DIF Update	\$810,623	\$326,169	125
96076	El Charro Specific Plan	\$10,095,267	\$37,401	126
61160	Flood Control Hydrology Study	\$1,229,868	\$340,480	127
61157	Flow Studies- Steelhead Restore	\$18,000	\$18,000	127
96076	Lower Arroyo Mocho (R 8-3)	\$114,668	\$19,493	128
61161	Sediment Study	\$469,750	\$68,510	128
	SUBTOTAL	\$16,918,432	\$1,457,819	
PROGRAM MANAGEMENT				
61156	Capital Improvement Program Management	50,000	\$2,500	129
	SUBTOTAL	\$50,000	\$2,500	
TOTAL CAPITAL PROJECTS		\$18,615,625	\$1,573,319	
CONSULTING & OTHER COSTS				
96076	Administrative, Consulting and Other Program Costs		\$250,000	
	SUBTOTAL	\$0	\$250,000	
SPECIAL DRAINAGE AREA 7-1 SUBTOTAL		\$18,615,625	\$1,823,319	
SINKING FUNDS				
96076	Administrative & Engineering Building - Sinking Fund	\$1,281,033	\$84,023	129
	SUBTOTAL	\$1,281,033	\$84,023	
SPECIAL DRAINAGE AREA 7-1 TOTAL		\$19,896,659	\$1,907,342	

Fund 76 – Flood Protection and Stormwater Drainage Fund

Program Building & Grounds
Project North Canyons Administrative & Engineering Building Lease
Priority Strategic Planning Priority 1.3

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
Total Project Cost \$16,471,933 (45% - Fund 72; 35% - Fund 73; 10% - Fund 76 and 10% - Fund 50)
Source of Funds Fund 76 Flood Protection and Storm Water Drainage Fees 10%

Fiscal Year 11/12 Amount (\$1,000's) **\$113**

Fund 76 – Flood Protection and Stormwater Drainage Fund

Program	Flood Protection Facilities
Project	Arroyo de la Laguna Improvements
Priority	Strategic Planning Priority 2.5 & 2.7
Project Description	<p>This reach of the Arroyo de la Laguna has been identified as a pilot project area where excessive erosion and sedimentation has created bank instability. In an effort to protect the exit of the Valley's stormwater, Zone 7 partnered with Urban Creek Council (UCC) and the local landowners in a design grant that resulted in 30% design concepts. This project helps Zone 7 meet some of the more stringent environmental and habitat requirements of regulatory agencies, and addresses concerns of water quality issues to downstream communities. This pilot project seeks to restore a proper stream function and sediment transport through the reach. Zone 7 intends to partner with UCC on a Proposition 1E grant proposal to address further design and construction of the conceptual project, pending landowner concurrence, in April 2011. This phase of the project will explore construction and maintenance alternatives. Because the land is privately owned, long-term maintenance will be borne by others outside of Zone 7. Additionally, the Alameda County Resource Conservation District and the Natural Resources Conservation Service have received federal earmark funding for a project immediately downstream of the Verona Reach. Zone 7 plans to participate in their project by contributing research and design data from the Verona Reach to assist them in their design.</p>
Justification	<p>This project was identified in the SMMP and StreamWISE process as an area where increased biotechnical slope stability and possible channel reconfiguration should be explored to address excessive erosion and sedimentation.</p>
Responsible Section	FCE Flood Control Engineering
Operating Impact	Long-term maintenance will be addressed by others. Impacts to operations should only occur during planning, design, and construction.
In Service Date	Month: October Year: 2013
Total Project Cost	\$1,861,325 (83% Fund 50 and 17% Fund 76)
Source of Funds	Fund 76 Flood Protection and Stormwater Drainage Fees 17%
Fiscal Year 11/12	Amount (\$1,000's) \$290

Fund 76 – Flood Protection and Stormwater Drainage Fund

Program	Flood Protection Facilities
Project	Arroyo las Positas @ N. Vasco (R.1-7)
Priority	Strategic Planning Priority 2.3 & 2.7
Project Description	This reach of the Arroyo las Positas has recently been offered to Zone 7 ownership in a partially improved state from Alameda County. The channel is undersized to carry 100-year capacity and does not have full maintenance roads along the top of bank. Zone 7 is working with an adjacent landowner to pilot an experimental stormwater/channel overflow detention area. The adjacent development will detain stormwater up to the 25-year event in a low-lying park area. In flow events greater than the 25-year event, water from the channel will interact with and overflow into the park area, thereby providing additional storage of floodwaters. This creative detention is not sufficient, however, to alleviate the expansion of the existing undersized channel. Channel improvements as identified in the SMMP and StreamWISE process will be necessary to bring this reach of the Arroyo into compliance with the standards of the Zone 7 flood protection system.
Justification	This project was identified in the SMMP and StreamWISE process a partially improved channel that was undersized. The channel does not meet Zone 7 standards of providing 100-year flood protection to the surrounding properties and does not have full access for maintenance.
Responsible Section	FCE Flood Control Engineering
Operating Impact	The channel will require long-term maintenance. An existing city trail runs along the north side of the property and will need to be incorporated into the recreational use agreement.
In Service Date	Month: October Year: 2013
Total Project Cost	\$1,588,988 (83% Fund 50 and 17% Fund 76)
Source of Funds	Fund 76 Flood Protection and Stormwater Drainage Fees 17%
Fiscal Year 11/12	Amount (\$1,000's) \$256

Fund 76 – Flood Protection and Stormwater Drainage Fund

Program	Flood Protection Facilities
Project	Arroyo Mocho @ Stanley Reach (R.3-5)
Priority	Strategic Planning Priority 2.5 & 2.7
Project Description	This reach of the Arroyo Mocho has been identified as a pilot project area where the standard trapezoidal channel configuration may be modified or more heavily planted to experiment with meeting the more stringent environmental and habitat requirements of regulatory agencies. Additionally, this reach has possible fish barriers that will need to be addressed should steelhead trout be introduced into the Arroyo Mocho watershed. This pilot project seeks to create a more natural stream channel environment from the existing trapezoidal channel by modifying the configuration of the stream bed to more effectively pass sediment and flows while allowing for increased riparian habitat through plantings. Zone 7 has partnered with Urban Creek Council to apply for grant funding from the U.S. EPA for this site and anticipates notification of award by May 2011.
Justification	This project was identified in the SMMP and StreamWISE process as an area where increased riparian cover could be accomplished while removing fish passage barriers. The pilot project is necessary to judge how other portions of the Arroyo will react to channel modification and increased roughness.
Responsible Section	FCE Flood Control Engineering
Operating Impact	The result of this pilot project will be increased riparian cover to the open channel. Increased vegetation maintenance will be necessary; however, enhancing the riparian habitat will help zone 7 achieve the goals of the SMMP and assists in meeting regulatory requirements for long-term sediment management through improved sediment transport capacity.
In Service Date	Month: October Year: 2012
Total Project Cost	\$729,945 (83% Fund 50 and 17% Fund 76)
Source of Funds	Fund 76 Flood Protection and Stormwater Drainage Fees 17%
Fiscal Year 11/12	Amount (\$1,000's) \$102
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Program	Flood Protection Facilities
Project	Development Impact Fee Update
Priority	Strategic Planning Priority 2.2, 2.4 & 2.6
Project Description	The Development Impact Fee (DIF) was enacted in 2008 to replace the Special Drainage Area 7-1 (SDA 7-1) Fee structure and to bring the program in line with the Stream Management Master Plan. As a part of the adoption of the new ordinance and fee, Zone 7 agreed to reassess the amount of the fee in 2012. In anticipation of this update and reassessment, Zone 7 has initiated a Valley-wide hydrology and hydraulic model and will be using this model to look at the SMMP projects on a planning level to assess their need and cost estimates. The DIF will also examine the changing mitigation requirements for new projects and seeks to better address these costs.
Justification	Zone 7 agreed to reassess the DIF in 2012 as a part of our adoptions of a new ordinance in fee structure in 2008. This project anticipates the reassessment of the DIF projects and fee.
Responsible Section	FCE Flood Control Engineering
Operating Impact	The result of this evaluation may modify the existing fee structure and amount.
In Service Date	Month: January Year: 2013
Total Project Cost	\$810,623 (59% Fund 50 and 41% Fund 76)
Source of Funds	Fund 76 Flood Protection and Stormwater Drainage Fees 41%
Fiscal Year 11/12	Amount (\$1,000's) \$326

Fund 76 – Flood Protection and Stormwater Drainage Fund

Program	Flood Protection Facilities
Project	El Charro Specific Plan (R.5-2/R5-3)
Priority	Strategic Planning Priority 2.3, 2.4 & 2.7
Project Description	The El Charro Specific Plan was adopted by the City of Livermore in 2007 and has been undergoing project planning and design. The City and Zone 7 have worked on conjunction with one another to merge the flood protection goals of the SMMP and the City's development plans for the area. An agreement between the City and Zone 7 anticipates that specific flood infrastructure improvements shall be constructed as a part of the development and will contribute to regional flood protection once the remaining aspects of the Chain of Lakes projects can be completed. Zone 7's role in the anticipated infrastructure improvements will be minor, but will entail construction inspections and we may act as technical advisors.
Justification	Although the specific projects anticipated in this agreement are not the same as those envisioned in the SMMP, the project elements meet the goals and objective of our master plan. This project provides alternatives to those identified in the SMMP for addressing 100-year flow through the Las Positas Golf Course and provides a location where flows may be diverted into the Chain of Lakes for stormwater detention in the future.
Responsible Section	FCE Flood Control Engineering
Operating Impact	The agreement identifies a mechanism for addressing the costs of long-term maintenance.
In Service Date	Month: June Year: 2013
Total Project Cost	\$10,095,267 (43% Fund 50 and 57% Fund 76)
Source of Funds	Fund 76 Flood Protection and Stormwater Drainage Fees 57%
Fiscal Year 11/12	Amount (\$1,000's) \$37

Fund 76 – Flood Protection and Stormwater Drainage Fund

Program	Flood Protection Facilities		
Project	Flood Control Hydrology Study		
Priority	Strategic Planning Priority 2.2		
Project Description	To develop District-wide hydrology and hydraulic models for the streams in the Zone 7 service area.		
Justification	The Stream Management Master Plan (SMMP) and the associated Development Impact Fee are slated for an update in 2012-2013. This update involves the review and revision of hydrologic and hydraulic modeling to help evaluate the feasibility of existing SMMP projects or if new projects are needed to address flood protection issues in our service area. Models will be created using HEC-HMS and HEC-RAS (hydrology and hydraulic modeling software developed by the US Army Corps of Engineers). While HEC-HMS is being used to generate runoff amounts (hydrology), HEC-RAS is being used to route the runoff through the channel network (hydraulics). Both modeling efforts would consider existing conditions and future 100-yr build-out conditions.		
Responsible Section	FCE	Flood Control Engineering	
Operating Impact	Projects identified from the hydrology and hydraulic studies would have current and long term fiscal implications to flood control's capital improvement program.		
In Service Date	Month: December	Year: 2012	
Total Project Cost	\$1,229,868 (59% Fund 50 and 41% Fund 76)		
Source of Funds	Fund 76	Flood Protection and Stormwater Drainage Fees	41%
Fiscal Year 11/12	Amount (\$1,000's)	\$340	

Program	Flood Protection Facilities		
Project	Flows Studies – Steelhead Restoration		
Priority	Strategic Planning Priority 2.5		
Project Description	A Memorandum of Understanding (MOU) was approved by the 17 members of the Alameda Creek Fisheries Restoration Workgroup (Workgroup), and signed by Zone 7, in 2006. The recommendations from the Workgroup's efforts will provide the participants with a common basis for determining appropriate impact mitigation for projects such as our future SMMP projects, and also could spur opportunities for partnering on mitigation projects. Amendment no 1 to the current MOU was executed to provide additional work in conjunction with NMFS to assist in the preparation of their Steelhead Recovery Plan		
Justification	The primary benefit of this collaborative fisheries restoration framework for participating agencies is regulatory assurance and protection from potentially violating provisions of the Endangered Species Act in the course of operations and maintenance in the watershed.		
Responsible Section	OGM	Office of the General Manager	
In Service Date	Month: June	Year: 2012	
Total Project Cost	\$18,000		
Source of Funds	Fund 76	Flood Protection and Stormwater Drainage Fees	100%
Fiscal Year 11/12	Amount (\$1,000's)	\$18	

Fund 76 – Flood Protection and Stormwater Drainage Fund

Program	Flood Protection Facilities
Project	Lower Arroyo Mocho (R.8-3)
Priority	Strategic Planning Priority 2.5 & 2.7
Project Description	This project is needed to explore what options are available for Zone 7 to meet the needs of the local community, prevent flooding, and meet regulatory requirements for long-term sediment management through improved sediment transport capacity and increase riparian habitat.
Justification	This project was identified in both the SMMP and StreamWISE process as an area where localized flooding may occur and increased sedimentation is taking place. In very localized areas, the increased sedimentation has resulted in bank instability.
Responsible Section	FCE Flood Control Engineering
Operating Impact	The agreement identifies a mechanism for addressing the costs of long-term maintenance.
In Service Date	Month: June Year: 2013
Total Project Cost	\$114,668 (83% Fund 50 and 17% Fund 76)
Source of Funds	Fund 76 Flood Protection and Stormwater Drainage Fees 17%
Fiscal Year 11/12	Amount (\$1,000's) \$19

Program	Flood Protection Facilities
Project	Sediment Study
Priority	Strategic Planning Priority 2.2
Project Description	To develop a District-wide sediment transport analysis program and augment the existing stream gaging program for the streams in the Zone 7 service area.
Justification	As a part of the Stream Management Master Plan (SMMP) and Development Impact Fee Program updates, staff will be revising and creating technical studies/modeling in the areas of hydrology, hydraulic, geomorphology, sediment transport, and an environmental assessment. Several flood control channel sections owned and maintained by Zone 7 have experienced sediment accumulation and reduced capacity in past years, as was identified in the SMMP. To address future maintenance needs and assist in the acquisition of regulatory permits on these reaches, Zone 7 staff plans to continue to conduct a sediment transport study to better understand the magnitude, movement, and accumulation of sediment in local streams.
Responsible Section	FCE Flood Control Engineering
Operating Impact	Issues identified from the sediment study would have current and long term fiscal implications to flood control's capital improvement program.
In Service Date	Month: December Year: 2013
Total Project Cost	\$469,750 (83% Fund 50 and 17% Fund 76)
Source of Funds	Fund 76 Flood Protection and Stormwater Drainage Fees 17%
Fiscal Year 11/12	Amount (\$1,000's) \$68

Fund 76 – Flood Protection and Stormwater Drainage Fund

Program	Program Management		
Project	Capital Improvement Program Management		
Priority	Strategic Planning Priority 1.3		
Project Description	Ongoing program management of the Capital Improvement Plan.		
Justification	Provides for better tracking of program management costs.		
Responsible Section	WSE	Water Supply Engineering	
Operating Impact	None		
In Service Date	Ongoing		
Total Project Cost	\$1,000,000	(20% - Fund 72; 75% - Fund 73; and 5% - Fund 76)	
Source of Funds	Fund 76	Flood Protection and Stormwater Drainage Fees	5%
Fiscal Year 11/12	Amount (\$1000)	\$2	

Project	Administrative & Engineering Building – Sinking Fund		
Program	Building & Grounds		
Priority	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.		
Responsible Section	ASD Administrative Services Division		
Operating Impact	None.		
In Service Date	Month	Year 2018	
Total Project Cost	\$12,810,334 (45% - Fund 72; 35% - Fund 73; 10% - Fund 76 and 10% - Fund 50)		
Source of Funds	Fund 76	Flood Protection and Stormwater Drainage Fees	10%
Fiscal Year 11/12	Amount (\$1,000's)	\$84	

EXHIBIT A

FY 2011/12
 CAPITAL PROGRAM (FUNDS 72, 73 & 76)
 PROFESSIONAL & TECHNICAL SERVICES

JOB #	DESCRIPTION	FUND 72	FUND 73	FUND 76	FUNDS TOTAL
54516	AV Water Right Permit Extension	\$320,000			\$320,000
53093	Bay Area Regional Desalination Project	\$42,000			\$42,000
96072	Dougherty Reservoir Recoating Project	\$42,500			\$42,500
96072	DVWTP Chemical Systems/Parking Lot Improvements	\$113,000			\$113,000
96072	Minor Renewal/Replacement Projects	\$50,000			\$50,000
96072	Pleasanton Turnout No. 3 Replacement	\$10,000			\$10,000
54072	PPWTP Clarifier Rehabilitation Project	\$23,000			\$23,000
96072	PPWTP Filter Improvements Study	\$40,000			\$40,000
53096	Santa Rita Pipeline Relocation	\$50,000			\$50,000
55430	Bay Area Regional Desalination Project		\$78,000		\$78,000
55052	Bay-Delta Conservation Program/DHCCP		\$20,000		\$20,000
57102	Chain of Lakes Facilities and Improvements		\$10,000		\$10,000
55053	Delta Outreach		\$16,000		\$16,000
55037	South Bay Improvement and Enlargement Project		\$100,000		\$100,000
96073	Well Master Plan Wells - Future Phases		\$50,000		\$50,000
96076	Administrative, Consulting and Other Program Costs			\$247,000	\$247,000
61157	Arroyo de la Laguna Improvements			\$12,750	\$12,750
96076	Arroyo Las Positas @ N. Vasco (R 1-7)			\$4,590	\$4,590
96076	Arroyo Mocho @ Stanley (R 3-5)			\$59,500	\$59,500
61161	DIF Update			\$225,500	\$225,500
96076	Flood Control Hydrology Study			\$143,500	\$143,500
96076	Flow Studies- Steelhead Restore			\$12,500	\$12,500
61160	Lower Arroyo Mocho (R 8-3)			\$17,000	\$17,000
96076	Sediment Study			\$42,500	\$42,500
	TOTAL CAPITAL PROFESSIONAL SERVICES BY FUND	\$690,500	\$274,000	\$764,840	\$1,729,340

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, obligation and reserves 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 set aside 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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