



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

ORIGINATING DIVISION: ADMINISTRATIVE SERVICES

CONTACT PERSON: Osborn Solitei

AGENDA DATE: June 21, 2017

ITEM NO: 13

SUBJECT: Proposed Mid-Cycle Budget Amendment for FY 2017-18

SUMMARY:

- Zone 7 adopted its first two-year budget for fiscal years FY 2016-18 in June of 2016.
- Staff has conducted a mid-cycle review and are proposing amendments to the FY 2017-18 Budget to include necessary adjustments to projected revenues, expenditures, capital projects and reserve levels.
- For instance, staff are proposing to amend Fund 100 – Water Enterprise to reflect revised estimates for revenues decreasing \$2.4M and expenditures decreasing \$0.6M from the FY 2017-18 Budget. This budget amendment assumes that the current temporary surcharge of \$0.57 per 100 cubic feet (ccf) will sunset on December 31, 2017; any extension of the temporary surcharge will require a separate Board approval. Currently there are no plans to recover water from Semitropic and Cawelo in 2017 because supplies are abundant; instead, Zone 7 is sending additional water to these out-of-basin groundwater storage banks. In addition, Zone 7 plans to maximize local groundwater recharge in 2017. In the proposed budget amendment, personnel costs have decreased \$1.1M due to retirements and implementation of the Koff & Associates classification, staffing studies and succession plan.
- On January 18, 2017, the Zone 7 Board approved an additional appropriation (Resolution No.17-01) of \$9.6M, \$2.5M less than the \$12M in the lease agreement for the purchase of the North Canyons administrative building. On April 28, 2017, Zone 7 closed escrow on the building purchase for \$9M. Lease payments ended as of April 2017 for a total, three-year cost savings of \$3.8M. The total cost savings for this building is \$7.1M (which includes the \$3.8M savings, avoided costs of \$500K for moving expenses and \$2.8M in avoided contributions to the building sinking fund). The O & M costs for the building are now in Funds 100 and 200. The proposed budget amendment incorporates changes related to this early building acquisition.

RECOMMENDED ACTION:

Discuss and adopt the proposed budget amendments for FY 2017-18 by approving the attached resolution.

ATTACHMENTS:

Memorandum

Resolution

Exhibit A - Annual Budget by Account Classification (FY 2017-18 Amended Budget)

Exhibit B - Capital Improvement Program (CIP) Project/Program Listing



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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MEMORANDUM

DATE: June 21, 2017
TO: Board of Directors
FROM: Osborn Solitei, Treasurer/Assistant General Manager, Finance
SUBJECT: Proposed Mid-Cycle Budget Amendment for FY 2017-18

BACKGROUND:

Zone 7 adopted its first two-year budget for fiscal years FY 2016-17 and 2017-18 in June of 2016. A two-year budget process involves a mid-cycle review of the second budget year to confirm the budget is in-line with Board priorities, economic conditions, capital project schedules, projected revenues/expenses from the first budget year and reserve policy requirements.

Proposed budget amendments by fund are shown in the tables below:

Fund 100 – Water Enterprise Operations

Revenue Category	FY 2016-17 End-of-Year Projection	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	Change	
				FY 2017-18 Budget Amendment (%)	FY 2017-18 Budget Amendment (\$)
Water Sales	\$43,555,115	\$51,416,458	\$49,034,188	-5%	-\$2,382,270
Charges for Services	104,000	131,500	131,500	0%	0
Aid from Gov. Agencies	112,819	0	0	0%	0
Investment Earnings	28,000	26,852	43,954	64%	17,102
Other Revenue	344,136	137,797	137,797	0%	0
Total	\$44,144,070	\$51,712,607	\$49,347,439	-5%	-\$2,365,168

Fund 100 Revenues

- On June 15, 2016, the Zone 7 Board lifted the local drought emergency and set a voluntary 10% conservation target to support ongoing statewide water conservation efforts. Current year water sales have increased above FY 2015-16 amounts, but are still well below 2013 peak sales. FY 2016-17 conservation is hovering around 27% relative to FY 2012-13 levels.

- FY 2017-18 water sales revenue has been updated based on the 2016 Wholesale Rate Study findings, which was completed after the FY 16-18 Two-Year Budget was adopted. The 2017-18 budget assumed temporary surcharges of \$0.52 per ccf in 2017 and \$0.35 per ccf in 2018. However, this proposed budget amendment assumes that the current surcharge of \$0.57 per ccf will sunset on December 31, 2017 and will not be extended.
- This proposed budget amendment still assumes a conservation rate of 20% from the sale of 32,026 acre-feet (AF) for FY 2017-18. FY 2016-17 water sales revenue assumed sales of 31,164 AF. Based on conservation levels thus far in FY 2016-17, staff has revised the projection to 28,902 AF; which impacts available funding for FY 2017-18 and therefore affects the proposed budget amendment.

Expense Category	FY 2016-17 End-of-Year Projection	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	Change	
				FY 2017-18 Budget Amendment (%)	FY 2017-18 Budget Amendment (\$)
Personnel	\$15,013,704	\$16,253,197	\$15,153,197	-7%	-\$1,100,000
Supplies	7,638,144	9,936,398	10,637,955	7%	701,557
Professional Services	1,613,608	2,303,484	2,277,769	-1%	-25,715
County Services	1,337,323	1,376,320	1,467,256	7%	90,936
Maintenance	1,373,773	1,973,585	1,973,585	0%	0
Other	1,591,351	1,706,464	1,677,917	-2%	-28,547
Debt Service	0	1,398,606	1,203,452	-14%	-195,154
Transfers	12,853,416	13,590,656	13,590,656	0%	0
Total	\$41,421,320	\$48,538,710	\$47,981,787	-1%	-\$556,923

Fund 100 Expenses

- In the proposed budget amendment, personnel costs have decreased \$1.1M due to retirements and implementation of the Koff & Associates classification, staffing studies and succession plan.
- Currently there are no plans to recover water from Semitropic and Cawelo in 2017 because supplies are abundant; instead, Zone 7 is sending additional water to these out-of-basin groundwater storage banks. In addition, Zone 7 plans to maximize local groundwater recharge in 2017.
- In the proposed budget amendment, County Services have increased by 7%, primarily due to updated County indirect costs from \$0.5M to \$0.6M.
- There is no net increase to the overall FY 2017-18 budget for the North Canyons building operations and maintenance (O&M) costs (i.e., utilities, landscaping, janitorial, and HVAC services).

Fund 100 Reserves

- On September 28, 2016, the Board adopted Resolution #16-166, approving a reserve policy which increased reserve requirements for this fund. The revisions to the policy will help maintain fiscal health and position Zone 7 to obtain a favorable credit rating. These changes are summarized in the table below:

Reserve		Interim Policy	Adopted Policy
Operating	Minimum	32 days of operating expenses	60 days of operating expenses
	Target	60 days of operating expenses	90 days of operating expenses
	Maximum	90 days of operating expenses	120 days of operating expenses
Emergency	Minimum	1% of Water Enterprise assets	2% of Water Enterprise Assets
	Target	2% of Water Enterprise assets	2.5% of Water Enterprise Assets
	Maximum	3% of Water Enterprise assets	No change
Drought Contingency	Minimum	7% of budgeted water sales	5% of budgeted water sales
	Target	no target	10% of budgeted water sales
	Maximum	20% of budgeted water sales	20% of budgeted water sales
Rate Stabilization	Minimum	6% of budgeted water sales	10% of budgeted water sales
	Target	\$6.8M	15% of budgeted water sales
	Maximum	no maximum	20% of budgeted water sales

- In the proposed budget amendment, there is a shift from the rate stabilization reserve to operating reserves to fund the operating reserve at the Board-approved minimum amount. Total reserves at the end of FY 2017-18 are projected to be \$9.5M, which is less than the previously-adopted FY 2017-18 Budget amount of \$10M. Neither the FY 2017-18 adopted nor the proposed amended budgets meet the Board-approved minimum reserve level of \$17.4M.

Fund 100 Reserves	FY 2016-17 End-of-Year Projection	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2017-18 Minimum Reserve Level
Operating Reserves	\$5,426,733	\$2,941,321	\$5,653,337	\$5,653,337
Emergency Reserves	2,703,152	2,518,258	3,842,200	4,378,794
Drought Contingency	0	0	0	2,451,709
Rate Stabilization Reserves	0	4,509,359	0	4,903,419
Total Reserves	\$8,129,885	\$9,968,938	\$9,495,537	\$17,387,259

Fund 110 - State Water Facilities

Revenue Category	FY 2016-17 End-of-Year Projection	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	Change	
				FY 2017-18 Budget Amendment (%)	FY 2017-18 Budget Amendment (\$)
Property Taxes	\$17,895,912	\$18,650,000	\$20,150,000	8%	\$1,500,000
Dougherty Valley Surcharge	2,270,670	1,626,913	2,227,320	37%	600,407
DWR Refunds	2,649,423	1,522,774	3,307,288	117%	1,784,514
Aid from Gov. Agencies	51,299	45,610	45,610	0%	0
Investment Earnings	49,206	30,000	75,888	153%	45,888
Total	\$22,916,510	\$21,875,297	\$25,806,106	18%	\$3,930,809

Fund 110 Revenues

- In the proposed budget amendment, the Property Tax Override would increase by 8% based on revenue requirements. DWR refunds are increasing by \$1.8M, because the South Bay Aqueduct Power charges paid in the prior year are refunded as a credit and applied as revenue the following year.

Expense Category	FY 2016-17 End-of-Year Projection	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	Change	
				FY 2017-18 Budget Amendment (%)	FY 2017-18 Budget Amendment (\$)
Supplies	\$20,985,607	\$20,433,428	\$25,109,685	23%	\$4,676,257
Total	\$20,985,607	\$20,433,428	\$25,109,685	23%	\$4,676,257

Fund 110 Expenses

- This is a pass-through fund for fixed charges associated with the State Water Project (SWP). In the proposed budget amendment, SWP charges are increasing by 23% based on increased charges related to the South Bay Aqueduct (SBA) Enlargement and Improvement Project. Board Resolution #17-19, authorized the General Manager to negotiate and execute Contract Amendment No. 26 to Zone 7's water supply contract with DWR to incorporate Zone 7's increased SBA capacity. Zone 7's operational costs such as Minimum Operation, Maintenance, Power and Replacement (minimum OMPR) transportation charges were supposed to increase by approximately \$1 to 1.5 million/year, starting in 2015 when the SBA Enlargement project came online due to the increased conveyance capacity. DWR did not include these costs in Zone 7's Statement of Charges for 2015, 2016 and 2017 because DWR required an amendment to Zone 7's water supply contract to reflect Zone 7's increased flow capacity. DWR is planning to retroactively recalculate the charges and include them in Zone 7's 2018 Statement of Charges.

Fund 120 - Water Enterprise Renewal/Replacement & System-wide Improvements

Revenue Category	FY 2016-17 End-of-Year Projection	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	Change	
				FY 2017-18 Budget Amendment (%)	FY 2017-18 Budget Amendment (\$)
Grant Revenue	\$2,817,551	\$0	\$0	0%	\$0
Facility Use Fees	1,000,000	600,000	600,000	0%	0
Charges for Services	1,000	2,500	2,500	0%	0
Investment Earnings	163,931	153,369	153,093	0%	-276
Other Revenue	6,536	0	0	0%	0
Debt Proceeds	0	39,342,788	34,000,000	-14%	-5,342,788
Transfers	12,661,760	13,399,000	13,399,000	0%	0
Total	\$16,650,778	\$53,497,657	\$48,154,593	-10%	-\$5,343,064

Fund 120 Revenues

- In the proposed budget amendment, debt proceeds would decrease \$5.3M because borrowing for the ozone projects will be phased over two years. The previously-adopted budget assumes receipt of \$39M in debt proceeds for both ozone projects in FY 2017-18. On April 19, 2017, the Zone 7 Board approved borrowing of \$30M from the Drinking Water State Revolving Fund for the DVWTP Ozone Project. Assuming separate Board approvals are obtained, this amount is proposed to increase to \$34M because the Engineer’s estimate for the project was recently increased by 14%. Due to the phasing of the ozone projects (DVWTP bid in Winter 2017 and PPWTP in Summer 2018), this budget amendment assumes debt proceeds of \$34M for the DVWTP Ozone Project only. The FY 2018-19 budget will include a separate debt issuance for the PPWTP Project.

Expense Category	FY 2016-17 End-of-Year Projection	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	Change	
				FY 2017-18 Budget Amendment (%)	FY 2017-18 Budget Amendment (\$)
Personnel	\$1,279,994	\$2,102,573	\$2,102,573	0%	\$0
North Canyons Building Lease	434,202	591,488	0	-100%	-591,488
Capital Projects	8,821,702	20,685,428	15,673,927	-24%	-5,011,501
Total	\$10,535,898	\$23,379,489	\$17,776,500	-24%	-\$5,602,989

Fund 120 Expenses

- On January 18, 2017, the Zone 7 Board approved an additional appropriation (Resolution No. 17-01) of \$9.6M (\$4.3M from this fund) for the purchase of the North Canyons administrative building. On April 28, 2017, Zone 7 closed escrow on the building purchase withdrawing \$4.1M from the sinking fund for this fund’s share of the purchase. Lease payments ended as of April 2017 and O&M costs in the proposed budget amendment are now in Funds 100 and 200.

- In the proposed budget amendment, capital project costs have decreased by 24% due to the multi-year nature of capital projects and phasing of expenditures for large capital projects based on cash flow projections. For example, design contracts for the DVWTP Ozone and PPTWP Upgrades and Ozone Projects were encumbered in FY 2016-17.

Fund 130 - Water Enterprise System Expansion

Revenue Category	FY 2016-17 End-of-Year Projection	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	Change	
				FY 2017-18 Budget Amendment (%)	FY 2017-18 Budget Amendment (\$)
Water Connection Fees	\$35,000,000	\$24,950,474	\$46,753,572	87%	\$21,803,098
Investment Earnings	362,572	127,882	459,935	260%	332,053
Other Revenue	3,073,231	3,020,000	3,020,000	0%	0
Transfers	1,025,000	0	0	0%	0
Total	\$39,460,803	\$28,098,356	\$50,233,507	79%	\$22,135,151

Fund 130 Revenues

- In the proposed budget amendment, estimated connection fee revenue has been updated to reflect the findings from the 2016-17 connection fee study. The study projects 1,693 connections to materialize in FY 2017-18, instead of the 930 previously projected.

Expense Category	FY 2016-17 End-of-Year Projection	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	Change	
				FY 2017-18 Budget Amendment (%)	FY 2017-18 Budget Amendment (\$)
Personnel	\$491,759	\$412,616	\$412,616	0%	\$0
Supplies	19,643,027	19,684,000	19,684,000	0%	0
North Canyons Building Lease	337,713	460,048	0	-100%	-460,048
Capital Projects	8,540,094	16,224,385	2,006,318	-88%	-14,218,067
Total	\$29,012,592	\$36,781,049	\$22,102,934	-40%	-\$4,678,115

Fund 130 Expenses

- On January 18, 2017, the Zone 7 Board approved an additional appropriation (Resolution No.17-01) of \$9.6M (\$3.36M in this fund) for the purchase of the North Canyons administrative building. On April 28, 2017, Zone 7 closed escrow on the building purchase withdrawing a total of \$3.2M from the sinking fund/capital project reserves for this fund's share of the purchase. Lease payments ended as of April 2017 and O&M costs are now in Funds 100 and 200.
- In the proposed budget amendment, capital project costs have decreased by 88% due to the multi-year nature of capital projects and phasing of expenditures for large capital projects based on cash flow projections. For example, design contracts for the PPTWP Upgrades and Ozone Projects were encumbered in FY 2016-17 and staff recommends deferral of the El Charro Phase 2 Pipeline based on the Transmission System Planning Update findings and

deferring construction of new wells until the review of the Well Implementation Plan is complete.

Fund 200 – Flood Protection Operations

Revenue Category	FY 2016-17 End-of-Year Projection	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	Change	
				FY 2017-18 Budget Amendment (%)	FY 2017-18 Budget Amendment (\$)
Property Taxes	\$7,763,450	\$8,109,834	\$8,075,563	-0.4%	-\$34,271
Charges for Services	27,050	47,650	47,650	0.0%	0
Aid from Gov. Agencies	74,700	64,700	64,700	0.0%	0
Investment Earnings	116,692	48,662	65,247	34.1%	16,585
Other Revenue	138,273	110,910	110,910	0.0%	0
Total	\$8,120,165	\$8,381,756	\$8,364,070	-0.2%	-\$17,686

Fund 200 Revenues

- In the proposed budget amendment, property tax revenue has decreased by less than 1% based on updated County estimates.

Expense Category	FY 2016-17 End-of-Year Projection	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	Change	
				FY 2017-18 Budget Amendment (%)	FY 2017-18 Budget Amendment (\$)
Personnel	\$1,772,298	\$2,154,199	\$2,154,199	0%	\$0
Professional Services	3,351,653	959,828	959,828	0%	0
Maintenance	3,874,922	2,654,872	10,454,872	294%	7,800,000
North Canyons Building Lease	112,819	131,442	0	-100%	-131,442
Capital Projects	1,484,303	5,407,725	5,172,072	-4%	-235,653
Transfers	13,333	\$13,333	\$13,333	0%	0
Total	\$10,609,328	\$11,321,399	\$18,754,304	66%	\$7,432,905

Fund 200 Expenses

- On January 18, 2017, the Zone 7 Board approved an additional appropriation of \$9.6M (\$0.9M in this fund) for the purchase of the North Canyons administrative building. On April 28, 2017, Zone 7 closed escrow on the building purchase withdrawing a total of \$0.9M from the sinking fund for this fund’s share of the purchase. Lease payments ended as of April 2017 and O&M costs are now in Fund 100 and this fund.
- Maintenance includes the Flood Protection Emergency Repair Program which is proposed to increase from \$0.2M to \$8M. This amount covers FY 2017-18 project management and design for the 200+ damaged sites. Budget appropriations for construction costs will be made once contracts are awarded and more is known about FEMA reimbursement.

- The Stream Management Master Plan (SMMP) update will prioritize projects for a Flood Protection ten-year CIP.

Fund 210 - Flood Protection DIF Fund

Revenue Category	FY 2016-17 End-of-Year Projection	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	Change	
				FY 2017-18 Budget Amendment (%)	FY 2017-18 Budget Amendment (\$)
Development Fees	\$2,120,000	\$5,142,325	\$5,142,325	0%	\$0
Investment Earnings	312,292	183,123	286,501	56%	\$103,378
Other Revenue	0	25,000	25,000	0%	\$0
Total	\$2,432,292	\$5,350,448	\$5,453,826	2%	\$103,378

Fund 210 Revenues

- In the proposed budget amendment, investment earnings are updated.

Expense Category	FY 2016-17 End-of-Year Projection	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	Change	
				FY 2017-18 Budget Amendment (%)	FY 2017-18 Budget Amendment (\$)
Personnel	\$197,167	\$456,087	\$456,087	0%	\$0
North Canyons Building Lease	112,819	131,442	0	-100%	-131,442
Capital Projects	3,202,941	6,133,161	6,112,261	0%	-20,900
Total	\$3,512,928	\$6,720,690	\$6,568,348	-2%	-\$152,342

Fund 210 Expenses

- On January 18, 2017, the Zone 7 Board approved an additional appropriation of \$9.6M (\$0.9M in this fund) for the purchase of the North Canyons administrative building. On April 28, 2017, Zone 7 closed escrow on the building purchase withdrawing a total of \$0.9M from the sinking fund for this fund's share of the purchase. Lease payments ended as of April 2017 and O&M costs are now in Funds 100 and 200. The proposed budget amendment reflects this.
- In the proposed budget amendment, \$1M has been added for the Flood Protection Emergency Repair program.
- The SMMP update will prioritize projects for a Flood Protection ten-year CIP.

Reserve Policy

- Projected balances at June 30, 2018 are in compliance with the Board-adopted reserve policy minimums except for Fund 100. It has been previously communicated to the Board that this fund is projected to be compliance in 2-3 years.

County Budget

- The agency will continue to submit annual budgets to Alameda County for the three operating funds (Funds 100, 110 & 200). Upon adoption by the Zone 7 Board, Zone 7's operating fund budgets are then included with the other County department's budgets and presented to the Board of Supervisors for adoption in June each year.

**Exhibit A - FY 2017-18
Annual Budget by Account Classification**

Estimated Change in Reserve Balances

The fund schedule below summarizes Zone7's overall financial picture by individual fund. It includes revenue and expenses as well as projected reserve balances at 6/30/2018. The fund schedules are grouped by type of fund: Enterprise (Water Enterprise Fund, State Water Facilities Fund, Renewal & Replacement/System Wide Improvement Fund and the Expansion Fund) and Governmental Funds (Flood Protection and Flood Protection/Stormwater Drainage Development Impact Fee Fund).

Summary of Annual Budget by Account Classification - FY 2017-18 Amended Budget

FY 2017-18 AMENDED BUDGET	Fund 100 Water Enterprise	Fund 110 State Water Facilities	Fund 120 Water Enterprise Capital Renewal/Replacement/Improvements	Fund 130 Water Enterprise Capital Expansion	Fund 200 Flood Protection/General Fund	Fund 210 Flood Protection Development Impact Fees	Total
1 Available Fund Balance July 1, 2016	\$ 5,407,135	\$ 12,936,524	\$ 29,243,930	\$ 69,445,048	\$ 20,666,298	\$ 56,059,068	\$ 193,758,001
2 FY 2016-17 Projected Change in Fund Balance (Revenue over Expenses)	2,722,750	1,930,903	3,262,169	8,706,730	(2,489,163)	1,941,689	16,075,078
3 Estimated Beginning Fund Balance July 1, 2017	8,129,885	14,867,427	32,506,098	78,151,778	18,177,134	58,000,757	209,833,079
4 Revenue							
5 Water Sales & Service	49,034,188	2,227,320					51,261,508
6 Property Taxes		20,150,000			8,075,563		28,225,563
7 Development Fees			600,000	46,753,572		5,142,325	52,495,897
8 Charges for Services	131,500		2,500		47,650		181,650
9 Aid from Governmental Agencies		45,610			64,700		110,310
10 Investment Earnings	43,954	75,888	153,093	459,935	65,247	286,501	1,084,618
11 Debt Service			34,000,000				34,000,000
12 Other Revenue	137,797	3,307,288		3,020,000	110,910	25,000	6,600,995
13 Subtotal (before transfers)	49,347,439	25,806,106	34,755,593	50,233,507	8,364,070	5,453,826	173,960,541
14 Transfers			13,399,000				13,399,000
15 Total Revenue	49,347,439	25,806,106	48,154,593	50,233,507	8,364,070	5,453,826	187,359,541
16 Expenses							
17 Personnel	15,153,197		2,102,573	412,616	2,154,199	456,087	20,278,672
18 Professional Services	2,277,769				959,828	7,500	3,245,097
19 County Services	1,467,256						1,467,256
20 Water Variable Costs	5,941,300						5,941,300
21 Water Fixed Costs		25,109,685		19,684,000			44,793,685
22 Chemicals	2,870,605						2,870,605
23 Utilities	1,775,726						1,775,726
24 Communications	157,127				2,268		159,395
25 Repairs and Maintenance	1,973,585				10,461,449		12,435,034
26 Rental Services	134,985				20,083		155,068
27 Other General Office Services/ Supplies	566,582				344,239		910,821
28 Organizational Membership/ Participation	420,000				120,725	7,500	548,225
29 Training and Travel	140,756				7,659		148,415
30 Water Conservation	258,467						258,467
31 Capital Projects			15,673,927	2,006,318	4,670,521	6,097,261	28,448,027
32 Equipment, Furniture and Vehicles	50,324						50,324
33 Debt Service	1,203,452						1,203,452
34 Subtotal (before transfers)	34,391,131	25,109,685	17,776,500	22,102,934	18,740,971	6,568,348	124,689,569
35 Transfers	13,590,656				13,333		13,603,989
36 Total Expenses	47,981,787	25,109,685	17,776,500	22,102,934	18,754,304	6,568,348	138,293,558
37 Estimated Ending Fund Balance June 30, 2018	9,495,537	15,563,848	62,884,191	106,282,351	7,786,900	56,886,235	258,899,062
38 Reserve Balances							
39 Operating	5,653,337	15,563,848			7,035,225		28,252,410
40 Rate Stabilization							-
41 Emergency	3,842,200						3,842,200
42 Drought Contingency							
43 Capital Projects			62,884,191	91,489,537	751,675	56,886,235	212,011,638
44 Sinking Funds - FY 2017-18 Contributions <i>Future Contractor's Share of the South Bay Aqueduct</i>				592,873			592,873
46 <i>South Bay Aqueduct Enlargement</i>				1,207,744			1,207,744
47 Sinking Funds Reserve Balance				14,792,814			14,792,814
48 Total Reserves	\$ 9,495,537	\$ 15,563,848	\$ 62,884,191	\$ 106,282,351	\$ 7,786,900	\$ 56,886,235	\$ 258,899,062
49 Change in Fund Balance (use of reserves) - line 48 minus line 3	1,365,652	696,421	30,378,093	28,130,573	(10,390,234)	(1,114,522)	49,065,983

Exhibit B - Capital Improvement Program (CIP)

Water Enterprise

Capital Project/Program Listing

Fund 120 – Renewal/Replacement & System-wide Improvements

FY 2017-18 Budget - Fund 120 Capital Project/Program List	
Project/Program	FY 2017-18 Amended Budget
Ozonation at DVWTP	\$11,352,000
DVWTP Interior Coating Improvements to the 4.5 MG Steel Clearwell	2,700,000
Contingency	750,000
DVWTP Polymer Mixing System	500,000
Minor Renewal/Replacement Projects	400,000
Mocho Well No.2 Repair Project	400,000
Ozonation at PPWTP	352,500
Booster Pump Station	300,000
SCADA Enhancements	260,000
PPWTP Upgrades	243,000
Monitoring Well Replacements & Abandonments	150,000
Laboratory Equipment Replacement	120,000
Asset Management Program Management	100,000
System-Wide Installation of Line Valves	60,000
Cope/Lake I/Lake H Management Plan	30,000
Capital Improvement Program Management	29,000
Water Quality Management Program	24,000
Chain of Lakes Master Planning	6,000
Total	\$17,776,500

Exhibit B - Capital Improvement Program (CIP)

Water Enterprise

Capital Project/Program Listing

Fund 130 - Expansion

FY 2017-18 Budget - Fund 130 Capital Project/Program List	
Project/Program	FY 2017-18 Amended Budget
South Bay Aqueduct Enlargement Project	\$15,324,000
Fourth Contractor's Share of the SBA	3,000,000
Cawelo Groundwater Banking	1,299,256
PPWTP Upgrades	\$567,000
Water Supply and Bay Area Regional Projects	520,000
Contingency	500,000
Ozonation at PPWTP	352,500
Review of Well Implementation Plan	200,000
Capital Improvement Program Management	\$86,000
Cope/Lake I/Lake H Management Plan	\$70,000
Belridge/Lost Hills Peaking Payment	50,000
Semitropic Stored Water Recovery Unit	49,178
Arroyo Mocho Diversion Facility Coordination & Implementation	25,000
Water Conservation Best Management Practices	20,000
Chain of Lakes Master Planning	14,000
High-Efficiency Washing Machine Rebate Program	10,000
Water Quality Management Program	6,000
Bay-Delta Conservation Planning (Zone 7)	5,000
Delta Outreach Program	5,000
Total	\$22,102,934

Exhibit B - Capital Improvement Program (CIP)

Flood Control

Capital Project/Program Listing

Fund 200 – General Fund/Flood Control

FY 2017-18 Budget – Fund 200 Capital Project List	
Project/Program	FY 2017-18 Amended Budget
Chain of Lakes Management Area	\$3,337,000
South San Ramon Creek Iron Horse Trail Floodplain and Riparian Restoration	349,000
Stream Maintenance Permit Program	300,000
Arroyo Mocho Granada-Murrieta Reach	260,000
Arroyo Mocho Medeiros Reach	258,000
Living Arroyos Program	200,000
Flood Control Asset Management Program	175,000
Hydrology and Hydraulic Mode	88,500
Sediment Transport Study	70,800
SMMP Financing Strategy and Implementation	21,500
Total	5,059,800

Exhibit B - Capital Improvement Program (CIP)

Flood Control

Capital Project/Program Listing

Fund 210 – Flood Protection DIF Fund

FY 2017-18 Budget – Fund 210 Capital Project/Program List	
Project/Program	FY 2017-18 Amended Budget
Chain of Lakes Management Area	\$4,226,370
Flood Protection Emergency Repair Program	1,000,000
Arroyo Mocho Granada-Murrieta Reach	345,000
Arroyo Mocho Medeiros Reach	342,000
Contingency	250,000
Development Impact Fee Study	175,000
South San Ramon Creek Iron Horse Trail Floodplain and Riparian Restoration	71,000
Hydrologic and Hydraulic Model Improvements	61,500
Sediment Transport Study	49,200
SMMP Financing Strategy and Implementation	28,500
Steelhead and Related Studies	7,500
Eastern Alameda County Conservation Strategy	7,500
Capital Improvement Program Management	4,778
Total	\$6,568,348

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

RESOLUTION NO 17-51
INTRODUCED BY DIRECTOR STEVENS
SECONDED BY DIRECTOR FIGUERS

MID-CYCLE BUDGET AMENDMENT FOR FY 2017-18

BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby approve the following budget amendment including revenues, expenses and the use of fund balances (reserves) for Fiscal 2017-18 (Exhibit A):

1. Water Enterprise Budget (Fund 100);
2. State Water Facilities Budget (Fund 110);
3. Water Renewal & Replacement, System-Wide Improvements Capital Projects (Fund 120);
4. Water Expansion Capital Projects (Fund 130);
5. General Fund/Flood Protection Budget (Fund 200);
6. Flood Protection/Stormwater Drainage DIF Capital Projects (Fund 210); and

BE IT FURTHER RESOLVED that the Board of Directors of Zone 7 does hereby request the Board of Supervisors of the Alameda County Flood Control and Water Conservation District to incorporate said budgets of Zone 7, where applicable; and

BE IT FURTHER RESOLVED that Section 1 (b) of Article XIII A of the California Constitution exempts ad valorem property tax levies to make payments upon indebtedness approved by voters prior to July 1, 1978, from the limitations set forth in Section 1 (a) of Article XIII A; and

BE IT FURTHER RESOLVED that the District's indebtedness from its State Water Supply Contract falls within such exemption; and

BE IT FURTHER RESOLVED, that consistent with the requirements of law and specifically within the limitations imposed by Article XIII A of the Constitution of the State of California there shall be levied a property tax within the District sufficient to raise the sum of \$20,000,000 for Fiscal Year 2017-18 to meet that portion of the District's State Water Supply Contract obligation. All funds received by the District pursuant to the aforementioned property tax levy shall be placed in Fund 110, a separate fund identified for the indebtedness set forth above; and

BE IT FURTHER RESOLVED that the Board of Directors of Zone 7 does hereby request the Board of Supervisors of said District to levy a tax on all property of Zone 7 sufficient to assure payment of sums due under the District's State Water Supply Contract for the State Water Facilities Fund to make payments; and

BE IT FURTHER RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby approve the personnel actions, if any, as contained in the amended Zone 7 Budget for Fiscal Years 2017-18 and authorize the General Manager to implement such personnel actions; and

BE IT FURTHER RESOLVED that the General Manager is authorized and directed to adjust accounts as the General Manager may deem necessary to account for any changes in available fund balances, revenues or expenditures.

ADOPTED BY THE FOLLOWING VOTE:

AYES: DIRECTORS FIGUERS, GRECI, PALMER, QUIGLEY, RAMIREZ HOLMES, STEVENS

NOES: NONE

ABSENT: DIRECTOR McGRAIL

ABSTAIN: NONE

I certify that the foregoing is a correct copy of a resolution adopted by the Board of Directors of Zone 7 of Alameda County Flood Control and Water Conservation District on

June 21, 2017

By


President, Board of Directors