

NOTICE OF REGULAR MEETING OF BOARD OF DIRECTORS

DATE: Tuesday, June 11, 2024  
TIME: 6:00 p.m. Closed Session  
7:00 p.m. Open Session (time approximate)  
LOCATION: Zone 7 Administration Building  
100 North Canyons Parkway, Livermore, California  
VIDEO/TELECONFERENCE:  
<https://us02web.zoom.us/j/83679634975>  
(669) 444-9171, Meeting ID: 836 7963 4975  
LIVE STREAMING: Comcast Channel 29  
AT&T U-Verse Channel 99 (Livermore)  
Streaming Live at [tv29live.org](http://tv29live.org)

Any member of the public wishing to address the Board on an item under discussion may do so upon receiving recognition from the President. If the public wishes to provide comment before the meeting, please email [publiccomment@zone7water.com](mailto:publiccomment@zone7water.com) by 3:00 p.m. on Tuesday, June 11<sup>th</sup>.

In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available at the Zone 7 Administrative Building lot. If you are a person with a disability and you need disability-related modifications or accommodations to participate in this meeting, please contact the Executive Assistant, Donna Fabian, at (925) 454-5000 or fax (925) 454-5723. Notification 48 hours prior to the meeting will enable Zone 7 to make reasonable arrangements to ensure accessibility to this meeting. {28 CFR 35.102-35, 104 ADA Title II}.

**AGENDA**

1. Call Zone 7 Water Agency Meeting to Order
2. Closed Session

- a. Conference with Legal Counsel – Anticipated Litigation: Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2): (1 potential case).
- b. Conference with Labor Negotiators pursuant to Government Code section 54954.5: Agency Negotiators: Valerie Pryor/Osborn Solitei Employee Organizations: Alameda County Management Employees Association; Alameda County Building and Construction Trades Council, Local 342, AFL-CIO; International Federation of Professional and Technical Engineers, Local 21, AFL-CIO; Local 1021 of the Service Employees International Union, CTW; Unrepresented Management
- c. Conference with Legal Counsel – Existing litigation pursuant to Gov't Code section 54956.9(d) (1): (1) State Water Contractors v. California Department of Fish & Wildlife (JCCP Case No. 5117), (2) Stark v. Alameda County Flood Control and Water Conservation District, Zone 7 (Alameda County Superior Court Case No. 22-CV-5837), (3) Bautista v. Alameda County Flood Control and Water Conservation District, Zone 7 (Alameda County Superior Court Case No. 22-CV-10679); (4) Alameda County Flood Control & Water Conservation District, Zone 7 v. County of Alameda, (Alameda County Superior Court Case No. 23-CV-51449); (5) Alameda County Flood Control & Water Conservation District, Zone 7 v. City of Pleasanton (Alameda County Superior Court Case No. 24-CV-61595); (6) In re: Aqueous Film-Forming Foams Products Liability Litigation (S.D. South Carolina, MDL No. 2:18-mn-2873-RMG).
- d. Conference with Legal Counsel – Anticipated Litigation: Initiation of litigation pursuant to § 54956.9(d) (one case)

3. Open Session and Report Out of Closed Session

4. Pledge of Allegiance

5. Roll Call of Directors

6. Public Comment on Non-Agenda Items

*The Public Comment section provides an opportunity to address the Board of Directors on items that are not listed on the agenda, or informational items pertinent to the agency's business. The Board welcomes your comments and requests that speakers present their remarks in a respectful manner, within established time limits, and focus on issues which directly affect the agency or are within the jurisdiction of the agency. The Board will not be able to act on matters brought to its attention under this item until a future board meeting.*

7. Minutes

- a. Regular Board Meeting Minutes of May 15, 2024

8. Consent Calendar

- a. Award a Contract for Environmental Health and Safety Program Assessment Services
- b. Award a Contract for On-Call Geotechnical Engineering Support Services
- c. Award Contracts for On-Call Flood Protection Engineering Support Services
- d. Amendment to Contract with MacKay & Soms for Flood Protection Engineering Support Services for Storm Damage Repairs

- e. Award a Contract for On-Call Ecological Engineering and Geomorphology Support Services
- f. Award a Contract for On-Call Hydrologic and Hydraulic Modeling Support Services
- g. Award a Contract for On-Call Operated Equipment Supply for Engineered Repairs and Upgrades to Flood Protection Facilities
- h. Award a Contract for On-Call Land Surveying Services
- i. Award a Contract for the Risk and Resilience Assessment and Emergency Response Plan Update
- j. Award a Blanket Purchase Order for Water Quality Maintenance Services, Repairs, and Equipment Supplies
- k. Award a Blanket Purchase Order for Laboratory Equipment and Supplies
- l. Award Contracts for On-Call SCADA Configuration and Programming Services
- m. Award a Contract for Unarmed Security Guard Services
- n. Amend a Contract for HVAC Preventive Maintenance and As Needed Repair Services
- o. Award a Contract for On-Call Trucking Services for Flood Protection Systems
- p. Authorize an Amendment to the Contract for Janitorial Services
- q. Annual Review of the Investment Policy

Recommended Action: Adopt Resolutions

9. Commendation for Director Angela Ramirez Holmes

Recommended Action: Adopt Resolution

10. Appointment of Los Vaqueros Reservoir Expansion Joint Powers Authority Board Representative

Recommended Action: Adopt Resolution

11. Proposed Two-Year Operating and Capital Budget for Fiscal Years 2024-25 and 2025-26

Recommended Action: Adopt Resolution

12. Adoption of Energy Policy

Recommended Action: Adopt Resolution

13. Committees

- a. Water Resources Committee Meeting Notes of April 30, 2024

14. Reports – Directors

- a. Written Reports
- b. Verbal Reports

15. Items for Future Agenda – Directors

16. Staff Reports

- a. General Manager's Report
- b. May Outreach Activities

- c. Legislative Update
- d. Monthly Water Inventory and Water Budget Update
- e. Investment Report as of March 31, 2024 (Unaudited)
- f. FY 2023-24 Unaudited Third Quarter Revenue & Expenditure Report

17. Adjournment

18. Upcoming Board Schedule: (All meeting locations are in the Boardroom at 100 North Canyons Parkway, Livermore, unless otherwise noted.)
- a. Finance Committee Meeting: June 13, 2024, 11:00 a.m.
  - b. Regular Board Meeting: July 17, 2024, 7:00 p.m.



MINUTES OF THE BOARD OF DIRECTORS  
ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

REGULAR MEETING  
May 15, 2024

Directors Present: Sandy Figuers  
Dennis Gambs  
Laurene Green (attended virtually)  
Kathy Narum  
Sarah Palmer

Directors Absent: Dawn Benson

Staff Present: Chris Hentz, Assistant General Manager – Engineering  
Osborn Solitei, Treasurer/Assistant General Manager – Finance  
Ken Minn, Water Resources Manager  
Nzinga Arrington, Administrative Assistant

General Counsel: Rebecca Smith, Downey Brand

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Item 1 – Call Zone 7 Water Agency Meeting to Order

President Figuers called the Regular Meeting of the Board of Directors to order at 7:10 p.m.

Item 2 – Closed Session

The Board did not meet in Closed Session.

Item 3 – Open Session and Report Out of Closed Session

There was nothing to report out of Closed Session because the Board did not meet.

Item 4 – Pledge of Allegiance

President Figuers led the Pledge of Allegiance.

Item 5 – Roll Call of Directors

Director Benson was absent.

## Item 6 – Public Comment

Dave Lunn, a resident of Livermore, provided public comment via email.

## Item 7 – Minutes

Director Palmer made a motion to approve the Special Board meeting minutes of April 3, 2024, and Director Narum seconded the motion. The minutes were approved by a roll call vote of 5-0 with Director Benson absent. Director Palmer made a motion to approve the Regular Board meeting minutes of April 17, 2024, and Director Narum seconded the motion. The minutes were approved by a roll call vote of 5-0 with Director Benson absent.

## Item 8 – Consent Calendar

Director Narum motioned to approve Items 8a through 8e, with Director Palmer seconding the motion. The items on the Consent Calendar were then unanimously approved by a roll call vote of 5-0 with Director Benson absent.

## Item 9 – Reports – Directors

Director Palmer reported that she went to the ACWA Spring Conference with a surprise visit from Governor Gavin Newsom. She also reported that ACWA Region 5 will host a program and tour of the Pajaro Valley on September 13<sup>th</sup>.

Director Gambs reported that he also attended the ACWA Conference and various Committee meetings.

## Item 10 – Items for Future Agenda – Directors

No items were requested for consideration at an upcoming Board meeting.

## Item 11 – Staff Reports

Osborn Solitei, Treasurer/Assistant General Manager – Finance, highlighted the General Manager's report by stating that DWR announced an increase in the State Water Project (SWP) water supply allocation from 30% to 40%.

He also stated that Zone 7 is having a tour of the Patterson Pass Water Treatment Plant Saturday from 10:00 a.m. to 2:00 p.m. in celebration of Water Awareness Month. Director Palmer asked how people can find out more and where they can sign up. Mr. Solitei responded that information is on Zone 7's website.

Chris Hentz, Assistant General Manager – Engineering, gave a Chain of Lakes PFAS treatment facility project update with an anticipated startup and testing of the facility date of November 2024.

Item 12 – Adjournment - President Figuers adjourned the meeting at 7:27 p.m.

**ORIGINATING SECTION:** Water Supply Engineering**CONTACT:** Chris Hentz**AGENDA DATE:** June 11, 2024**SUBJECT:** Award a Contract for Environmental Health and Safety Program Assessment Services**SUMMARY:**

- To support Zone 7 Water Agency's (Zone 7) mission to deliver safe, reliable, efficient, and sustainable water and flood protection services, Zone 7 will perform a comprehensive assessment of its Environmental Health and Safety (EH&S) Program. The assessment is in support of Strategic Plan Initiative 11 – Review professional development approach to maintain workforce capability for now and into the future.
- To continuously improve the safety of our workplace and ensure compliance with all existing and emerging local, state and federal EH&S requirements and use of industry best practices, Zone 7 will conduct an independent audit and assessment of its EH&S programs and practices. The results of the audit will be used to prepare a list of prioritized updates to the existing EH&S program. Findings and recommendations will be provided in a written report detailing the methods and observations.
- In accordance with Zone 7's Purchasing Policy, a competitive procurement process was completed. A Request for Proposals (RFP) was issued on March 20, 2024, for Environmental Health and Safety Program Assessment Services. Eight proposals were received and evaluated the proposals based upon the criteria outlined in the RFP. The top three firms were invited to interviews, with the selection committee selecting Yorke Engineering, LLC, as the best qualified firm to provide the requested services.
- Staff recommends that the Board authorize the General Manager to negotiate, execute, and amend, as needed, a professional services agreement with Yorke Engineering, LLC, for Environmental Health and Safety Program Assessment services in an amount not-to-exceed \$150,000 in Fiscal Years (FY) 2023-25 with an option to amend the contract for up to two additional years in an amount of \$50,000 per fiscal year, for a total not to exceed \$250,000, which includes a 10% contingency.

**FUNDING:** Funding is available in Fund 100 – Water Enterprise Operations. Funding for additional fiscal years will be requested in subsequent budget requests.**RECOMMENDED ACTION:** Adopt the attached Resolution.**ATTACHMENT:** Resolution

ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY

SECONDED BY

**Award a Contract for Environmental Health and Safety  
Program Assessment Services**

WHEREAS, to support Zone 7's mission to deliver safe, reliable, efficient, and sustainable water and flood protection services, it is essential to have an effective environmental health and safety program; and

WHEREAS, an environmental health and safety program is in support of Strategic Plan Initiative 11 – Review professional development approach to maintain workforce capability for now and into the future; and

WHEREAS, Zone 7 desires to have a comprehensive independent assessment performed of its environmental health and safety program; and

WHEREAS, the assessment would be based primarily on Cal/OSHA General Industry Safety Orders, local and state regulatory requirements for environmental safety and reporting, and industry best practices; and

WHEREAS, the assessment is intended to determine a list of prioritized improvements to the existing environmental health and safety program; and

WHEREAS, in accordance with Zone 7's Purchasing Policy, a competitive procurement process was completed to select a consulting firm to provide these services; and

WHEREAS, a Request for Proposals was issued on March 20, 2024, and eight proposals were received; and

WHEREAS, the selection committee evaluated the proposals and performed interviews based upon the capabilities requested and criteria outlined in the request for proposals and determined that Yorke Engineering, LLC, was the best qualified firm to provide the requested services.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate, execute, and amend as needed, a professional services

agreement with Yorke Engineering, LLC, for Environmental Health and Safety Program Assessment Services, in an amount not-to-exceed \$150,000, which includes a 10% contingency; and,

BE IT FURTHER RESOLVED, that the Board of Directors authorizes the General Manager to amend the contract for Environmental Health and Safety Program Assessment Services, based on satisfactory performance, for up to two additional one-year terms (FY 2025-27), for a total three-year not-to-exceed contract amount of \$250,000.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on June 11, 2024.

By: \_\_\_\_\_  
President, Board of Directors

**ORIGINATING SECTION:** Flood Protection Engineering/Water Supply Engineering

**CONTACT:** Edward Reyes/Brandon Woods

**AGENDA DATE:** June 11, 2024

**SUBJECT:** Award a Contract for On-Call Geotechnical Engineering Services Contract

**SUMMARY:**

- To support Zone 7 Water Agency's (Zone 7) mission to deliver safe, reliable, efficient, and sustainable water and flood protection services, Zone 7 implements projects to maintain its water and flood protection systems. These projects and related activities are in support of Strategic Plan Initiative 3 – Continue to effectively implement infrastructure projects in the Water System Capital Improvement Program, and Strategic Plan Initiative 9 – Continue to maintain the Flood Protection System.
- Zone 7 has an ongoing need for geotechnical engineering support services for current and future water supply and flood protection projects. Zone 7's current contract with Cal Engineering & Geology, Inc., (now Haley & Aldrich, Inc.) for these services for the water supply system expires on June 30, 2024. Zone 7 currently does not have a contract for these services for the flood protection system and anticipates needing them to address the large number of planned flood facility repair projects.
- In accordance with Zone 7's Purchasing Policy, a competitive procurement process was completed. A Request for Qualifications (RFQ) was issued on January 19, 2024, for Engineering and Other Professional Services. Eight statements of qualifications (SOQs) were received in the geotechnical engineering support services category. The selection committee evaluated the SOQ's based upon the capabilities requested and criteria outlined in the RFQ and determined that Haley & Aldrich, Inc., (Haley & Aldrich) was the best qualified firm to provide the requested services.
- Expenditures for the current contract term, which began in December 2020, are approximately \$35,000 to date. The proposed contract amount is higher than previously expended amounts due to the number of capital improvements and storm damage repair projects anticipated to require geotechnical engineering support.
- Staff recommends that the Board authorize the General Manager to negotiate, execute, and amend, as needed, a contract with Haley & Aldrich, Inc., or another qualified firm should negotiations with Haley & Aldrich, Inc., fail, for geotechnical engineering services for a not-to-exceed amount of \$150,000 (\$50,000 annually) for the three-year period of Fiscal Years (FYs) 2024-25 to 2026-27, with the option to amend the contract, based on satisfactory performance, for up to two additional one-year terms (FYs 2027-28 to 2028-29) for a total five-year not-to-exceed contract amount of \$250,000.

**FUNDING:**

Funding is included in the Proposed Two-Year Budget for FYs 2024-25 and 2025-26 for Fund 100 – Water Enterprise Operations, Fund 120 – Water Enterprise Renewal & Replacement/System-Wide Improvements, Fund 130 – Water Enterprise Expansion, and Fund 200 – Flood Protection Operations. Funding for additional fiscal years will be requested in subsequent budget requests.

**RECOMMENDED ACTION:**

Adopt the attached Resolution.

**ATTACHMENT:**

Resolution

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Award a Contract for On-Call Geotechnical Engineering Support Services**

WHEREAS, to support Zone 7's mission to deliver safe, reliable, efficient, and sustainable water and flood protection services, Zone 7 implements projects to maintain its water and flood protection system; and

WHEREAS, these projects and related activities are in support of Strategic Plan Initiative 3 – Continue to effectively implement infrastructure projects in the Water System Capital Improvement Program, and Strategic Plan Initiative 9 – Continue to maintain the Flood Protection System; and

WHEREAS, Zone 7 requires geotechnical engineering support services for the implementation of projects and related activities; and

WHEREAS, in accordance with Zone 7's Purchasing Policy, a competitive procurement process was completed to select a consulting firm to provide these services; and

WHEREAS, a Request for Qualifications was issued on January 19, 2024, and eight statements of qualifications were received; and

WHEREAS, the selection committee evaluated the statements of qualifications based upon the capabilities requested and criteria outlined in the Request for Qualifications and determined that Haley & Aldrich, Inc., was the best qualified firm to provide the requested services.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate, execute, and amend as necessary a contract with Haley & Aldrich, Inc., for on-call geotechnical engineering support services for a not-to-exceed amount of \$150,000 for the three-year period of Fiscal Years (FYs) 2024-25 to 2026-27; and

BE IT FURTHER RESOLVED, that the Board of Directors authorizes the General Manager to amend the contract for on-call geotechnical engineering support services, based on satisfactory performance, for up to two additional one-year terms (FYs 2027-28 to 2028-29), for a total five-year not-to-exceed contract amount of \$250,000; and



BE IT FURTHER RESOLVED that the Board of Directors authorizes the General Manager to negotiate and execute agreement(s) with similarly qualified firms should the General Manager be unable to negotiate agreement(s) with the selected firm, or if, subsequent to implementing the agreement(s), the services are deemed not satisfactory by Zone 7.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on June 11, 2024.

By: \_\_\_\_\_  
President, Board of Directors

**ORIGINATING SECTION:** Flood Protection Engineering**CONTACT:** Jeff Tang/Edward Reyes**AGENDA DATE:** June 11, 2024**SUBJECT:** Award Contracts for On-Call Flood Protection Engineering Support Services**SUMMARY:**

- To support Zone 7 Water Agency's (Zone 7) mission to deliver safe, reliable, efficient, and sustainable flood protection services, Zone 7 implements flood protection projects and related activities. These projects and related activities are in support of Strategic Plan Initiative 9 – Continue to maintain the Flood Protection System.
- Zone 7 has an ongoing need for flood protection engineering support services for these projects and related activities for existing Zone 7 flood protection facilities. Zone 7's current contracts with Environmental Science Associates (ESA) and MacKay & Soms Civil Engineers, Inc., (MacKay & Soms) for these services expire on June 30, 2024.
- In accordance with Zone 7's Purchasing Policy, a competitive procurement process was completed. A Request for Qualifications (RFQ) was issued on January 19, 2024, for Engineering and Other Professional Services. Eight statements of qualifications (SOQs) were received for the flood protection engineering support services category. The selection committee evaluated the SOQ's based upon the capabilities requested and criteria outlined in the RFQ and determined that Wood Rodgers, Inc., (Wood Rodgers) and MacKay & Soms are the best qualified firms to provide the requested services.
- The previous support services expenditures during the current contract term, which began in July 2023 (ESA) and February 2023 (MacKay & Soms), are anticipated to be approximately \$100,000 to \$250,000 for each contract, respectively. Having two firms to provide these services will allow staff to schedule work in the most efficient manner in consideration of consultant strengths and availability.
- Staff recommends two contracts for these services, and that the Board authorize the General Manager to negotiate, execute, and amend as needed a contract with the following:
  - 1) Wood Rodgers, Inc., or another qualified firm should negotiations with Wood Rodgers, Inc., fail, for a not-to-exceed amount of \$150,000 for the three-year period of Fiscal Years (FYs) 2024-25 to 2026-27, with the option to amend the contract, based on satisfactory performance, for up to two additional one-year terms (FYs 2027-28 to 2028-29) for a total five-year not-to-exceed contract amount of \$250,000.

- 2) MacKay & Soms, Civil Engineers, Inc., or another qualified firm should negotiations with MacKay & Soms, Civil Engineers, Inc., fail, for a not-to-exceed amount of \$150,000 for the three-year period of Fiscal Years (FYs) 2024-25 to 2026-27, with the option to amend the contract, based on satisfactory performance, for up to two additional one-year terms (FYs 2027-28 to 2028-29) for a total five-year not-to exceed contract amount of \$250,000.

**FUNDING:**

Funding is included in the Proposed Two-Year Budget for FYs 2024-25 and 2025-26 and will be included in subsequent fiscal year budget requests for Fund 200 – Flood Protection Operations.

**RECOMMENDED ACTION:**

Adopt the attached Resolutions.

**ATTACHMENT:**

Two (2) Board Resolutions

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

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Award a Contract to Wood Rodgers for  
On-Call Flood Protection Engineering Support Services**

WHEREAS, to support Zone 7 Water Agency's (Zone 7) mission to deliver safe, reliable, efficient, and sustainable flood protection services, Zone 7 implements flood protection projects and related activities; and

WHEREAS, these projects and related activities are in support of Strategic Plan Initiative 9 – Continue to maintain the Flood Protection System; and

WHEREAS, Zone 7 has an ongoing need for flood protection engineering support services for these projects and related activities for existing Zone 7 flood protection facilities; and

WHEREAS, in accordance with Zone 7's Purchasing Policy, a competitive procurement process was completed to select a consulting firm to provide these services; and

WHEREAS, a Request for Qualifications was issued on January 19, 2024, and eight statements of qualifications were received; and

WHEREAS, the selection committee evaluated the statements of qualifications based upon the capabilities requested and criteria outlined in the Request for Qualifications and determined that Wood Rodgers, Inc., was a best qualified firm to provide the requested services.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate, execute, and amend, as needed, a contract with Wood Rodgers, Inc., for on-call flood protection engineering support services for a not-to-exceed amount of \$150,000, for a three-year period (FY 2024-25 to FY 2026-27); and

BE IT FURTHER RESOLVED that the Board of Directors authorizes the General Manager to amend the contract for on-call flood protection engineering support services, based on satisfactory performance for up to two additional one-year terms (FYs 2027-28 to 2028-29), for a total five-year not-to-exceed contract amount of \$250,000; and

BE IT FURTHER RESOLVED that the Board of Directors authorizes the General Manager to negotiate and execute agreement(s) with similarly qualified firms should the General Manager be unable to negotiate agreement(s) with the selected firm, or if, subsequent to implementing the agreement(s), the services are deemed not satisfactory by Zone 7.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on June 11, 2024.

By: \_\_\_\_\_  
President, Board of Directors

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

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Award a Contract to MacKay & Soms for  
On-Call Flood Protection Engineering Support Services**

WHEREAS, to support Zone 7 Water Agency's (Zone 7) mission to deliver safe, reliable, efficient, and sustainable flood protection services, Zone 7 implements flood protection projects and related activities; and

WHEREAS, these projects and related activities are in support of Strategic Plan Initiative 9 – Continue to maintain the Flood Protection System; and

WHEREAS, Zone 7 has an ongoing need for flood protection engineering support services for these projects and related activities for existing Zone 7 flood protection facilities; and

WHEREAS, in accordance with Zone 7's Purchasing Policy, a competitive procurement process was completed to select a consulting firm to provide these services; and

WHEREAS, a Request for Qualifications was issued on January 19, 2024, and eight statements of qualifications were received; and

WHEREAS, the selection committee evaluated the statements of qualifications based upon the capabilities requested and criteria outlined in the Request for Qualifications and determined that MacKay & Soms Civil Engineers, was a best qualified firm to provide the requested services.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate, execute, and amend, as needed, a contract with MacKay & Soms Civil Engineers for on-call flood protection engineering support services for a not-to-exceed amount of \$150,000, for a three-year period (FY 2024-25 to FY 2026-27); and

BE IT FURTHER RESOLVED that the Board of Directors authorizes the General Manager to amend the contract for on-call flood protection engineering support services, based on satisfactory performance, for up to two additional one-year terms (FYs 2027-28 to 2028-29), for a total five-year not-to-exceed contract amount of \$250,000; and

BE IT FURTHER RESOLVED that the Board of Directors authorizes the General Manager to negotiate and execute agreement(s) with similarly qualified firms should the General Manager be unable to negotiate agreement(s) with the selected firm, or if, subsequent to implementing the agreement(s), the services are deemed not satisfactory by Zone 7.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on June 11, 2024.

By: \_\_\_\_\_  
President, Board of Directors



100 North Canyons Parkway  
Livermore, CA 94551  
(925) 454-5000

**ORIGINATING SECTION:** Flood Protection Engineering

**CONTACT:** Jeff Tang/Edward Reyes

**AGENDA DATE:** June 11, 2024

**SUBJECT:** Amendment to Contract with MacKay & Soms for Flood Protection Engineering Support Services for Storm Damage Repairs

**SUMMARY:**

- To support Zone 7 Water Agency's (Zone 7) mission to deliver safe, reliable, efficient, and sustainable flood protection services, Zone 7 implements flood protection projects and related activities. The proposed action is in support of Strategic Plan Initiative 9 – Continue to maintain the Flood Protection System.
- In February 2023, the General Manager negotiated and executed contract A23-72-MAC with MacKay & Soms Civil Engineers, Inc., in the amount of \$250,000 for flood protection engineering support services. MacKay & Soms provided design support to address high priority damages in Zone 7's flood protection system caused by the 2023 winter storms.
- Most of the design for repair at these high priority damage sites has been completed and is ready for bid advertisement. However, one site requires design modifications to address regulatory permitting concerns. An amendment is needed to provide continued engineering support to complete the redesign, as well as provide support during construction. The additional services require increasing contract A23-72-MAC to \$350,000.
- Staff recommends that the Board authorize the General Manager to amend contract A23-72-MAC with MacKay & Soms Civil Engineers, Inc., to increase the amount by \$100,000, increasing the total contract to a not-to-exceed amount of \$350,000.

**FUNDING:** Funding is included in the Proposed Two-Year Budget for FYs 2024-25 and 2025-26 for Fund 200 – Flood Protection Operations.

**RECOMMENDED ACTION:** Adopt the attached Resolution.

**ATTACHMENT:** Resolution



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

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Amendment to Contract with MacKay & Soms for Flood Protection Engineering  
Support Services for Storm Damage Repairs**

WHEREAS, the proposed action is in support of Strategic Plan Initiative 9 – Continue to maintain the Flood Protection System; and

WHEREAS, in February 2023, the General Manager negotiated and executed contract A23-72-MAC with MacKay & Soms Civil Engineers, Inc., in the amount of \$250,000 for flood protection engineering support services to address high priority damages in Zone 7's flood protection system caused by the 2023 winter storms; and

WHEREAS, MacKay & Soms Civil Engineers', Inc., performance under contract A23-72-MAC has been to the Agency's satisfaction; and

WHEREAS, the contract amount needs to be increased by an additional \$100,000 to provide additional channel repair redesign and construction phase support.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to execute an amendment to the contract with MacKay & Soms Civil Engineers, Inc., for flood protection engineering support services for an additional \$100,000, increasing the total contract to a not-to-exceed amount of \$350,000.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on June 11, 2024.

By: \_\_\_\_\_  
President, Board of Directors

**ORIGINATING SECTION:** Flood Protection Engineering**CONTACT:** Jeff Tang/Edward Reyes**AGENDA DATE:** June 11, 2024**SUBJECT:** Award a Contract for On-Call Ecological Engineering and Geomorphology Support Services**SUMMARY:**

- To support Zone 7 Water Agency's (Zone 7) mission to deliver safe, reliable, efficient, and sustainable flood protection services, Zone 7 implements flood protection projects and related activities. These projects and related activities are in support of Strategic Plan Initiative 9 – Continue to maintain the Flood Protection System.
- Zone 7 has an ongoing need for ecological engineering and geomorphology support for the design and management of flood control facilities, including habitat restoration and erosion control. Geomorphic services include assessing erosion and sediment transport. Zone 7's current contracts with Environmental Science Associates (ESA) and CBEC Eco Engineering (CBEC) for these services expire on June 30, 2024.
- In accordance with Zone 7's Purchasing Policy, a competitive procurement process was completed. A Request for Qualifications (RFQ) was issued on January 19, 2024, for Engineering and Other Professional Services and four statements of qualifications (SOQs) were received. The selection committee evaluated the SOQ's based upon the capabilities requested and criteria outlined in the RFQ and determined that ESA was the best qualified firm to provide the requested services.
- The previous support services expenditures during the current contract term, which began in July 2021, are anticipated to be approximately \$150,000 (ESA) and \$95,000 (CBEC), the majority of which was used in Fiscal Year (FY) 2023-24 for each contract. The proposed contract amount is higher than previously expended amounts due to the number of storm damage repair projects anticipated to require these services.
- Staff recommends that the Board authorize the General Manager to negotiate, execute, and amend, as needed, a contract with Environmental Science Associates, or another qualified firm should negotiations with Environmental Science Associates, fail, for ecological engineering and geomorphology support services for a not-to-exceed amount of \$300,000 (\$100,000 annually) for the three-year period of FYs 2024-25 to 2026-27, with the option to amend the contract, based on satisfactory performance, for up to two additional one-year terms (FYs 2027-28 to 2028-29) for a total five-year not-to-exceed contract amount of \$500,000.

**FUNDING:**

Funding is included in the Proposed Two-Year Budget for FYs 2024-25 and 2025-26 for Fund 200 – Flood Protection Operations. Funding for additional fiscal years will be requested in subsequent budget requests.

**RECOMMENDED ACTION:**

Adopt the attached Resolution.

**ATTACHMENT:**

Resolution

ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT  
BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Award a Contract for On-Call Ecological Engineering and  
Geomorphology Support Services**

WHEREAS, to support Zone 7 Water Agency's (Zone 7) mission to deliver safe, reliable, efficient, and sustainable flood protection services, Zone 7 implements flood protection projects and related activities; and

WHEREAS, these projects and related activities are in support of Strategic Plan Initiatives 9 – Continue to maintain the Flood Protection System; and

WHEREAS, Zone 7 has an ongoing need for ecological engineering and geomorphology support services to assist in the implementation of ecologically friendly flood protection projects and geomorphic related activities; and

WHEREAS, in accordance with Zone 7's Purchasing Policy, a competitive procurement process was completed to select a consulting firm to provide these services; and

WHEREAS, a Request for Qualifications was issued on January 19, 2024, and four statement of qualifications were received; and

WHEREAS, the selection committee evaluated the statement of qualifications based upon the capabilities requested and criteria outlined in the Request for Qualifications and determined that Environmental Science Associates, was the best qualified firm to provide the requested services.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate, execute, and amend, as needed, a contract with Environmental Science Associates, for on-call ecological engineering and geomorphology support services for a not-to-exceed amount of \$300,000 for the three-year period of Fiscal Years (FYs) 2024-25 to 2026-27; and

BE IT FURTHER RESOLVED that the Board of Directors authorizes the General Manager to amend the contract for on-call ecological engineering and geomorphology support services, based on satisfactory performance, for up to two additional one-year terms (FYs 2027-28 to 2028-29), for a total five-year not-to-exceed contract amount of \$500,000; and

BE IT FURTHER RESOLVED that the Board of Directors authorizes the General Manager to negotiate and execute agreement(s) with similarly qualified firms should the General Manager be unable to negotiate agreement(s) with the selected firm, or if, subsequent to implementing the agreement(s), the services are deemed not satisfactory by Zone 7.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on June 11, 2024.

By: \_\_\_\_\_  
President, Board of Directors

**ORIGINATING SECTION:** Flood Protection Engineering**CONTACT:** Jeff Tang/Edward Reyes**AGENDA DATE:** June 11, 2024**SUBJECT:** Award a Contract for On-Call Hydrologic and Hydraulic Modeling Support Services**SUMMARY:**

- To support Zone 7 Water Agency's (Zone 7) mission to deliver safe, reliable, efficient, and sustainable flood protection services, Zone 7 implements flood protection projects and related activities. These projects and related activities are in support of Strategic Plan Initiative 9 – Continue to maintain the Flood Protection System.
- Zone 7 has an ongoing need for hydrologic and hydraulic modeling support services to assist in identifying flood impacts and determining channel capacities for maintenance activities in our flood protection facilities. Zone 7's current contracts with Environmental Science Associates (ESA) and Wood Rodgers, Inc., for these services expire on June 30, 2024.
- In accordance with Zone 7's Purchasing Policy, a competitive procurement process was completed. A Request for Qualifications (RFQ) was issued on January 19, 2024, for Engineering and Other Professional Services. Nine statements of qualifications (SOQs) were received for the hydrologic and hydraulic modeling support services category. The selection committee evaluated the SOQ's based upon the capabilities requested and criteria outlined in the RFQ and determined that ESA was the best qualified firm to provide the requested services.
- The previous support services expenditures during the current three-year contract term, which began in July 2021, are anticipated to be approximately \$150,000 (ESA). The proposed contract amount is higher than previously expended amounts due to the number of storm damage repair projects anticipated to require hydrologic and hydraulic modeling support.
- Staff recommends that the Board authorize the General Manager to negotiate, execute, and amend as needed, a contract with Environmental Science Associates, or another qualified firm should negotiations with Environmental Science Associates, fail, for hydrologic and hydraulic modeling support services for a not-to-exceed amount of \$300,000 for the three-year period of Fiscal Years (FYs) 2024-25 to 2026-27, with the option to amend the contract, based on satisfactory performance, for up to two additional one-year terms (FYs 2027-28 to 2028-29) for a total five-year not-to-exceed contract amount of \$500,000.

**FUNDING:**

Funding is included in the Proposed Two-Year Budget for FYs 2024-25 and 2025-26 for Fund 200 – Flood Protection Operations and Fund 210 – Flood Protection Development Impact Fee. Funding for additional fiscal years will be requested in subsequent budget requests.

**RECOMMENDED ACTION:**

Adopt the attached Resolution.

**ATTACHMENT:**

Resolution

## ZONE 7

### ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT BOARD OF DIRECTORS

#### RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

#### **Award a Contract for On-Call Hydrologic and Hydraulic Modeling Support Services**

WHEREAS, to support Zone 7 Water Agency's (Zone 7) mission to deliver safe, reliable, efficient, and sustainable flood protection services, Zone 7 implements flood protection projects and related activities; and

WHEREAS, these projects and related activities are in support of Strategic Plan Initiative 9 – Continue to maintain the Flood Protection System; and

WHEREAS, Zone 7 has an ongoing need for hydrologic and hydraulic modeling support services to assist in identifying flood impacts and determining channel capacities for maintenance and improvement activities in our flood protection facilities; and

WHEREAS, in accordance with Zone 7's Purchasing Policy, a competitive procurement process was completed to select a consulting firm to provide these services; and

WHEREAS, a Request for Qualifications was issued on January 19, 2024, and nine statements of qualifications were received; and

WHEREAS, the selection committee evaluated the statements of qualifications based upon the capabilities requested and criteria outlined in the Request for Qualifications and determined that Environmental Science Associates was the best qualified firm to provide the requested services.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate, execute, and amend, as needed, a contract with Environmental Science Associates, for on-call hydrologic and hydraulic modeling support services for a not-to-exceed amount of \$300,000 for the three-year period of Fiscal Years (FYs) 2024-25 to 2026-27; and

BE IT FURTHER RESOLVED that the Board of Directors authorizes the General Manager to amend the contract for on-call hydrologic and hydraulic modeling support services, based on satisfactory performance, for up to two additional one-year terms (FYs 2027-28 to 2028-29), for a total five-year not-to-exceed contract amount of \$500,000; and



BE IT FURTHER RESOLVED that the Board of Directors authorizes the General Manager to negotiate and execute agreement(s) with similarly qualified firms should the General Manager be unable to negotiate agreement(s) with the selected firm, or if, subsequent to implementing the agreement(s), the services are deemed not satisfactory by Zone 7.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on June 11, 2024.

By: \_\_\_\_\_  
President, Board of Directors

**ORIGINATING SECTION:** Flood Protection Engineering

**CONTACT:** Justin Pascual/Edward Reyes

**AGENDA DATE:** June 11, 2024

**SUBJECT:** Award a Contract for On-Call Operated Equipment Services for Repairs and Upgrades to Flood Protection Facilities

**SUMMARY:**

- To support Zone 7 Water Agency's (Zone 7) mission to deliver safe, reliable, efficient, and sustainable flood protection services, Zone 7 implements projects to maintain its flood protection system. These projects and related activities are in support of Strategic Plan Initiative 9 – Continue to maintain the Flood Protection System.
- Zone 7 has an ongoing need for services to perform repairs and upgrades to repair flood control channels. These services include providing equipment that is operated by the contractor's staff, including excavators, grading and compaction equipment, and other equipment for removing and placing materials within the flood control facilities.
- The existing services expenditures totaled approximately \$810,000 in FY 2022-23. The existing contract expires June 30, 2024.
- In accordance with the California Public Contract Code, Zone 7 advertised and solicited bids for the first year of a three-year contract to define unit prices. On May 8, 2024, Zone 7 received three bids for the first year of work, with a low bid of \$980,980 from Fanfa, Inc.
- Bids were reviewed by Zone 7 staff who determined that the lowest responsive and responsible bidder is Fanfa, Inc. The proposed contract is structured such that payments will be made on an on-call and time and materials basis using the unit prices included in the contractor's bid, with the unit prices adjusted for inflation in each year after the initial year.
- The proposed contract is for the three-year period starting July 1, 2024, in an amount consistent with the budget of \$1,100,000 per fiscal year.
- Staff recommends that the Board:
  - 1) Authorize the General Manager to execute a three-year construction contract with Fanfa, Inc., in a total amount not-to-exceed \$3,300,000 (\$1,100,000 per fiscal year); and

- 2) Authorize the General Manager to approve adjustments each year to the Contract Unit Prices in FYs 2025-26 and 2026-27 based on changes in Engineering News Record Construction Cost Index for the San Francisco Bay Area as published by McGraw-Hill Publishing. The cost index for each one-year period (July 1 to June 30), shall be applied at the beginning of each fiscal year.

**FUNDING:**

Funding is included in the Proposed Two-Year Budget for FYs 2024-25 and 2025-26 for Fund 200 – Flood Protection Operations. Funding for additional fiscal years will be requested in subsequent budget requests.

**RECOMMENDED ACTION:**

Adopt the attached Resolution.

**ATTACHMENT:**

Resolution

ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Award a Contract for On-Call Operated Equipment Services for Repairs and Upgrades to Flood Protection Facilities**

WHEREAS, to support Zone 7's mission to deliver safe, reliable, efficient, and sustainable flood protection services, Zone 7 implements projects to maintain its flood protection system; and

WHEREAS, these projects and related activities are in support of Strategic Plan Initiative 9 – Continue to maintain the Flood Protection System; and

WHEREAS, Zone 7 requires as-needed services to provide contractor supplied and operated equipment for the implementation of repairs to flood protection systems; and

WHEREAS, the project specifications and addenda were developed and advertised for bids for the first year of a three-year contract to define unit prices in accordance with the California Public Contract Code; and

WHEREAS, three bids were received and publicly read by the Zone 7 General Manager's authorized representatives at the Zone 7 Administration Office, 100 North Canyons Parkway, Livermore, on May 8, 2024, at 2:00 pm; and

WHEREAS, the lowest responsive and responsible bid received for Project No. 305-24 is the bid by Fanfa, Inc., with a bid amount of \$980,980.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to execute a three-year construction contract with Fanfa, Inc., in a total amount not-to-exceed \$3,300,000; and

BE IT FURTHER RESOLVED that the Board of Directors authorizes the General Manager to execute adjustments each year to the Contract Unit Prices in Fiscal Years (FYs) 2025-26 and 2026-27 based on changes in Engineering News Record Construction Cost Index for the San Francisco Bay Area as published by McGraw-Hill Publishing, where the cost index for each one-year period (July 1 to June 30), shall be applied at the beginning of each fiscal year.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on June 11, 2024.

By: \_\_\_\_\_  
President, Board of Directors

**ORIGINATING SECTION:** Water Supply Engineering/Flood Protection Engineering

**CONTACT:** Elliott Levitsky/Brandon Woods

**AGENDA DATE:** June 11, 2024

**SUBJECT:** Award a Contract for On-Call Land Surveying Services

**SUMMARY:**

- To support Zone 7 Water Agency's (Zone 7) mission to deliver safe, reliable, efficient, and sustainable water and flood protection services, Zone 7 implements projects to maintain its water and flood protection systems. These projects and related activities are in support of Strategic Plan Initiative 3 – Continue to effectively implement infrastructure projects in the Water System Capital Improvement Program, and Strategic Plan Initiative 9 – Continue to maintain the Flood Protection System.
- Zone 7 has an ongoing need for land surveying services for current and future water supply and flood protection projects. Zone 7's current contracts with Kier & Wright Civil Engineers and Surveyors, Inc., (Kier & Wright) and Towill, Inc., for these services expire on June 30, 2024.
- In accordance with Zone 7's Purchasing Policy, a competitive procurement process was completed. A Request for Qualifications (RFQ) was issued on January 19, 2024, for Engineering and Other Professional Services. Five statements of qualifications (SOQs) were received in the land surveying services category. The selection committee evaluated the SOQ's based upon the capabilities requested and criteria outlined in the RFQ and determined that Kier & Wright was the best qualified firm to provide the requested services.
- Expenditures for the current contracts' terms, which began in July 2020, are approximately \$135,000 total to date. The proposed contract amount is higher than previously expended amounts due to the number of capital improvements and storm damage repair projects anticipated to require surveying support.
- Staff recommends that the Board authorize the General Manager to negotiate, execute, and amend, as needed, a contract with Kier & Wright Civil Engineers and Surveyors, Inc., or another qualified firm should negotiations with Kier & Wright Civil Engineers and Surveyors, Inc., fail, for land surveying services for a not-to-exceed amount of \$225,000 (\$75,000 annually) for the three-year period of Fiscal Years (FYs) 2024-25 to 2026-27, with the option to amend the contract, based on satisfactory performance, for up to two additional one-year terms (FYs 2027-28 to 2028-29) for a total five-year not-to-exceed contract amount of \$375,000.

**FUNDING:**

Funding is included in the Proposed Two-Year Budget for FYs 2024-25 and 2025-26 and will be included in subsequent fiscal year budget requests for the following funds based on the scope of services needed: Fund 100 – Water Enterprise Operations, Fund 120 – Water Enterprise Renewal & Replacement/System-Wide Improvements, Fund 130 – Water Enterprise Expansion, and Fund 200 – Flood Protection Operations.

**RECOMMENDED ACTION:**

Adopt the attached Resolution.

**ATTACHMENT:**

Resolution

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Award a Contract for On-Call Land Surveying Services**

WHEREAS, to support Zone 7's mission to deliver safe, reliable, efficient, and sustainable water and flood protection services, Zone 7 implements projects to maintain its water and flood protection system; and

WHEREAS, these projects and related activities are in support of Strategic Plan Initiative 3 – Continue to effectively implement infrastructure projects in the Water System Capital Improvement Program, and Strategic Plan Initiative 9 – Continue to maintain the Flood Protection System; and

WHEREAS, Zone 7 requires land surveying services for the implementation of projects and related activities; and

WHEREAS, in accordance with Zone 7's Purchasing Policy, a competitive procurement process was completed to select a consulting firm to provide these services; and

WHEREAS, a Request for Qualifications was issued on January 19, 2024, and five statements of qualifications were received; and

WHEREAS, the selection committee evaluated the statements of qualifications based upon the capabilities requested and criteria outlined in the Request for Qualifications and determined that Kier & Wright Civil Engineers and Surveyors, Inc., was a best qualified firm to provide the requested services.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate, execute, and amend as necessary a contract with Kier & Wright Civil Engineers and Surveyors, Inc., for on-call land surveying services for a not-to-exceed amount of \$225,000 for the three-year period of Fiscal Years (FYs) 2024-25 to 2026-27; and

BE IT FURTHER RESOLVED that the Board of Directors authorizes the General Manager to amend the contract for on-call land surveying services, based on satisfactory performance, for up to two additional one-year terms (FYs 2027-28 to 2028-29), for a total five-year not-to-exceed contract amount of \$375,000; and



BE IT FURTHER RESOLVED that the Board of Directors authorizes the General Manager to negotiate and execute agreement(s) with similarly qualified firms should the General Manager be unable to negotiate agreement(s) with the selected firm, or if, subsequent to implementing the agreement(s), the services are deemed not satisfactory by Zone 7.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on June 11, 2024.

By: \_\_\_\_\_  
President, Board of Directors

**ORIGINATING SECTION:** Water Supply Engineering**CONTACT:** Athena Watson/Brandon Woods**AGENDA DATE:** June 11, 2024**SUBJECT:** Award a Contract for the Risk and Resilience Assessment and Emergency Response Plan Update**SUMMARY:**

- To support Zone 7 Water Agency's (Zone 7) mission to deliver safe, reliable, efficient, and sustainable water and flood protection services, an update to Zone 7's Risk and Resilience Assessment (RRA) and Emergency Response Plan (ERP) needs to be performed. These documents are in support of Strategic Plan Initiative 17 – Refresh emergency preparedness program.
- The 2018 America's Water Infrastructure Act (AWIA) requires community water systems serving more than 3,300 people to develop or update an RRA and ERP. The RRA includes assessments of natural hazards and malevolent acts, resilience of water facility infrastructure, and operations and maintenance, among other things. The ERP provides an action plan for addressing risks identified in the RRA.
- Zone 7 previously contracted with Kennedy/Jenks Consultants, Inc., (Kennedy/Jenks) to complete an RRA and ERP in 2020. The RRA and ERP are required to be updated every five years, with the next updates due March 31, 2025, and September 30, 2025, respectively.
- Consistent with Zone 7's Purchasing Policy, professional services are exempt from competitive pricing requirements and may be selected as a sole source. Staff recommends the Board award a sole-source contract to Kennedy/Jenks given their expert understanding of Zone 7's current facilities as it relates to the RRA and ERP. Kennedy/Jenks is uniquely qualified to effectively update the RRA and ERP to identify new risks and response plans, and to meet the regulatory timeframe.
- Staff recommends that the Board authorize the General Manager to negotiate, execute, and amend, as needed, a sole-source professional services agreement with Kennedy/Jenks Consultants, Inc., to update the RRA and ERP Update in an amount not-to-exceed \$188,000, which includes a 10% contingency.

**FUNDING:**

Funding is included in the Proposed Budget for Fiscal Year (FY) 2024-25 for Fund 100 – Water Enterprise Operations.

**RECOMMENDED ACTION:**

Adopt the attached Resolution.

**ATTACHMENT:**

Resolution

ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY

SECONDED BY

**Award a Contract for the Risk and Resilience Assessment  
and Emergency Response Plan Update**

WHEREAS, to support Zone 7's mission to deliver safe, reliable, efficient, and sustainable water and flood protection services, an update to Zone 7's Risk and Resilience Assessment (RRA) and Emergency Response Plan (ERP) needs to be performed; and

WHEREAS, these documents are in support of Strategic Plan Initiative 17 – Refresh emergency preparedness program; and

WHEREAS, in accordance with America's Water Infrastructure Act, Zone 7 prepared an RRA and ERP in 2020; and

WHEREAS, key components of the RRA include assessments of natural hazards and malevolent acts; resilience of water facility infrastructure; monitoring practices; financial systems; chemical storage and handling; and operations and maintenance; and

WHEREAS, the ERP provides an action plan for addressing risks identified in the Risk and Resilience Assessment; and

WHEREAS, the RRA and ERP must be updated every five years; and

WHEREAS, Kennedy/Jenks Consultants, Inc., was determined to be best suited to provide the services to complete Zone 7's RRA and ERP Update based on their prior work to prepare the current RRA and ERP that must be integrated into the update, and the need to expedite completion of the update for regulatory compliance.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate, execute, and amend as needed, a sole-source professional services agreement with Kennedy/Jenks Consultants, Inc., to complete the

RRA and ERP Update, in an amount not-to-exceed \$188,000, which includes a 10% contingency.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on June 11, 2024.

By: \_\_\_\_\_  
President, Board of Directors

**ORIGINATING SECTION:** Water Quality/Maintenance

**CONTACT:** Pony Yim/Angela O'Brien/David Zachry

**AGENDA DATE:** June 11, 2024

**SUBJECT:** Award a Blanket Purchase Order for Water Quality Maintenance Services, Repairs, and Equipment Supplies

**SUMMARY:**

- To support Zone 7 Water Agency's (Zone 7) mission to deliver a safe and reliable supply of high-quality water for the Tri-Valley, Zone 7 monitors water quality throughout the water system. These activities are in support of Zone 7 Strategic Plan Initiative 5 – Meet or surpass all drinking water health and safety requirements.
- Zone 7 monitors water quality parameters such as turbidity, chlorine, monochloramine, and free ammonia using analytical instruments from Hach Company (Hach). Zone 7 has standardized with Hach for these analytical instruments to facilitate maintenance, replacement of parts, and repair.
- Expenditures from the current Fiscal Year (FY) are approximately \$117,000 to date. The annual amount for the proposed blanket purchase order (BPO) is similar to the previously expended amount. The current BPO expires on June 30, 2024.
- Zone 7 Purchasing Policy allows for Sole Source of Services under Section 6(r)(b)(3) for equipment installation, maintenance, parts and/or repair to comply with manufacturer's warranty or specific knowledge of the equipment and its use in a water agency environment. The proposed Sole Source of Services from Hach Company for the purchase of Hach equipment's, maintenance and repair services follows the Policy.
- Staff recommends that the Board authorize the General Manager to execute a BPO with Hach Company for a total not-to-exceed amount of \$505,000 (approximately \$168,000 annually) for the three-year term of July 1, 2024, to June 30, 2027.

**FUNDING:**

Funding is included in the Proposed Two-Year Budget for FYs 2024-25 and FY 2025-26 for Fund 100 – Water Enterprise Operations. Funding for additional fiscal years will be requested in subsequent budget requests.

**RECOMMENDED ACTION:**

Adopt the attached Resolution.

**ATTACHMENT:**

Resolution

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY

SECONDED BY

**Award a Blanket Purchase Order for  
Water Quality Maintenance Services, Repairs, and Equipment Supplies**

WHEREAS, to support Zone 7's mission to deliver a safe and reliable supply of high-quality water for the Tri-Valley, Zone 7 monitors water quality throughout the water system; and

WHEREAS, these activities are in support of Zone 7 Strategic Plan Initiative 5 – Meet or surpass all drinking water health and safety requirements; and

WHEREAS, Zone 7 uses analytical instruments from Hach Company and Hach Company is the proprietor and sole distributor of Hach Company equipment chemicals and parts; and

WHEREAS, the current blanket purchase order (BPO) expires on June 30, 2024; and

WHEREAS, Zone 7 Purchasing Policy allows for Sole Source of Services under Section 6(r)(b)(3) for equipment installation, maintenance, parts and/or repair to comply with manufacturer's warranty or specific knowledge of the equipment and its use in a water agency. The proposed Sole Source of Services from Hach Company is in compliance with the Policy.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to execute a Blanket Purchase Order with Hach Company for a total not-to-exceed amount of \$505,000 for the three-year term of July 1, 2024, to June 30, 2027.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on June 11, 2024.

By: \_\_\_\_\_  
President, Board of Directors



**ORIGINATING SECTION:** Water Quality**CONTACT:** Pony Yim/Angela O'Brien**AGENDA DATE:** June 11, 2024**SUBJECT:** Award a Blanket Purchase Order for Laboratory Equipment and Supplies**SUMMARY:**

- To support Zone 7 Water Agency's (Zone 7) mission to deliver a safe and reliable supply of high-quality water for the Tri-Valley, Zone 7 provides in-house water quality laboratory analytical services for regulatory compliance as well as operational, engineering, and water resources support. These services are in support of Zone 7 Strategic Plan Initiative 5 – Meet or surpass all drinking water health and safety requirements.
- Zone 7 has an ongoing need for laboratory equipment and supplies to monitor water quality. To ensure consistency and reliable operation for many of Zone 7's analytical techniques, Zone 7 has standardized around Fisher Scientific Company LLC (Fisher Scientific) instruments, chemicals, and laboratory supplies.
- Expenditures from the current Fiscal Year (FY) are approximately \$38,000 to date. The annual amount for the proposed Blanket Purchase Order (BPO) is similar to the previously expended amount. The current BPO expired on May 31, 2024.
- The proposed purchase would be made through a Cooperative Purchasing Organization that has awarded contracts through competitive bid processes, as provided for by the Agency's Purchasing Policy, Section 6(s).
- Staff recommends that the Board authorize the General Manager to execute a Blanket Purchase Order with Fisher Scientific Company LLC for a total not-to-exceed amount of \$250,000 (approximately \$50,000 per fiscal year) for the term of July 1, 2024, to February 28, 2029.

**FUNDING:**

Funding is included in the Proposed Two-Year Budget for FYs 2024-25 and FY 2025-26 for Fund 100 – Water Enterprise Operations. Funding for additional fiscal years will be requested in subsequent budget requests.

**RECOMMENDED ACTION:** Adopt the attached Resolution.**ATTACHMENT:** Resolution

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

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Award a Blanket Purchase Order for Laboratory Equipment and Supplies**

WHEREAS, to support Zone 7's mission to deliver a safe and reliable supply of high-quality water for the Tri-Valley, Zone 7 provides in-house water quality laboratory analytical services for regulatory compliance as well as operational, engineering, and water resources support; and

WHEREAS, these services are in support of Zone 7 Strategic Plan Initiative 5 – Meet or surpass all drinking water health and safety requirements; and

WHEREAS, Zone 7 uses analytical instruments, chemicals, and laboratory supplies from Fisher Scientific Company LLC to analyze for constituents in the water; and

WHEREAS, the current blanket purchase order expired on May 31, 2024; and

WHEREAS, the proposed purchase would be made through a Cooperative Purchasing Organization that has awarded contracts through competitive bid processes, as provided for by the Agency's Purchasing Policy, Section 6(s).

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to execute a Blanket Purchase Order with Fisher Scientific Company LLC for a total not-to-exceed amount of \$250,000 for the term of July 1, 2024, to February 28, 2029.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on June 11, 2024.

By: \_\_\_\_\_  
President, Board of Directors

**ORIGINATING SECTION:** Operations**CONTACT:** Willis Costello/Richard Gould**AGENDA DATE:** June 11, 2024**SUBJECT:** Award On-Call Contracts for SCADA Configuration and Programming Services**SUMMARY:**

- To support Zone 7 Water Agency's (Zone 7) mission to deliver a safe and reliable supply of high-quality water for the Tri-Valley, Zone 7 implements improvements, modifications, and renewal/replacement projects under the Capital Improvement Program (CIP). These projects are in support of Strategic Plan Initiative 3 – Continue to effectively implement infrastructure projects in the Water System CIP.
- Zone 7 has an ongoing need for SCADA Configuration and Programming services for existing Zone 7 facilities and projects. Zone 7's current contract with TJC and Associates (TJC) for these services expires on June 30, 2024.
- In accordance with Zone 7's Purchasing Policy, a competitive procurement process was completed. A Request for Qualifications (RFQ) was issued on January 19, 2024, for Engineering and Other Professional Services. Six statements of qualifications (SOQs) were received in the SCADA Configuration and Programming Services category. The selection committee evaluated the SOQ's based upon the capabilities requested and criteria outlined in the RFQ and determined that Enterprise Automation and TJC and Associates were the best qualified firms to provide the requested services.
- The previous support services expenditures have been approximately \$82,000 over the current fiscal year. Two contracts are propose in amounts that are higher than previous fiscal years to implement the SCADA Hardware and Software Upgrade Project and the Plant PLC Upgrade Project, in addition to supporting other planned capital project, including the Chain of Lakes PFAS Project, and the Stoneridge PFAS Project.
- Staff recommends two contracts for these services, and that the Board authorize the General Manager to negotiate, execute, and amend, as needed, a contract with the following:
  1. Enterprise Automation, or another qualified firm should negotiations with Enterprise Automation fail, for SCADA Configuration and Programming Services in an amount of \$100,000 annually, for a not-to-exceed amount of \$300,000 for a 3-year period of Fiscal Years 2024-25 through 2026-27 with the option to amend the contract based, on satisfactory performance, for up to two additional one-year terms (FYs 2027-28 to 2028-29), for a total five-year not-to-exceed contract amount of \$500,000.

2. TJC and Associates, or another qualified firm should negotiations with TJC and Associates fail, for SCADA Configuration and Programming Services for a not-to-exceed amount of \$150,000 for a 3-year period of Fiscal Years 2024-25 through 2026-27 with the option to amend the contract based, on satisfactory performance, for up to two additional one-year terms (FYs 2027-28 to 2028-29), for a total five-year not-to-exceed contract amount of \$250,000.

**FUNDING:**

Funding is included in the Proposed Two-Year Budget for FYs 2024-25 and 2025-26 and will be included in subsequent fiscal year budget requests for Fund 120 – Water Enterprise Renewal & Replacement/System-Wide Improvements.

**RECOMMENDED ACTION:**

Adopt the attached Resolutions.

**ATTACHMENTS:**

Two (2) Board Resolutions

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

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Award a Contract to Enterprise Automation for  
On-Call SCADA Configuration and Support Services**

WHEREAS, to support Zone 7's mission to deliver a safe and reliable supply of high-quality water for the Tri-Valley, Zone 7 implements improvements, modifications, and renewal/replacement projects under the Capital Improvement Program; and

WHEREAS, these projects are in support of Strategic Plan Initiative 3 – Continue to effectively implement infrastructure projects in the Water System Capital Improvement Program; and

WHEREAS, Zone 7 requires SCADA configuration and programming services for implementation of capital improvement projects and other related activities; and

WHEREAS, in accordance with Zone 7's Purchasing Policy, a competitive procurement process was completed to select a consulting firm to provide these services; and

WHEREAS, a Request for Qualifications was issued on January 19, 2024, and six statements of qualifications were received; and

WHEREAS, the selection committee evaluated the statements of qualifications based upon the capabilities requested and criteria outlined in the request for qualifications and determined that Enterprise Automation was the best qualified firm to provide the requested services.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate, execute, and amend as necessary a contract with Enterprise Automation for SCADA configuration and programming services for a not-to-exceed amount of \$200,000 for the Fiscal Year 2024-25 and 2025-26; and

BE IT FURTHER RESOLVED that the Board of Directors authorizes the General Manager to amend the contract for SCADA configuration and programming services, based on satisfactory performance, for up to three additional one-year terms (FYs 2026-27 to 2028-29), for a total five-year not-to-exceed contract amount of \$500,000 (\$100,000 annually); and

BE IT FURTHER RESOLVED that the Board of Directors authorizes the General Manager to negotiate and execute agreement(s) with similarly qualified firms should the General Manager be unable to negotiate agreement(s) with the selected firm, or if, subsequent to implementing the agreement(s), the services are deemed not satisfactory by Zone 7.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on June 11, 2024.

By: \_\_\_\_\_  
President, Board of Directors

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

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Award a Contract to TJC and Associates for  
On-Call SCADA Configuration and Programming Services**

WHEREAS, to support Zone 7's mission to deliver a safe and reliable supply of high-quality water for the Tri-Valley, Zone 7 implements improvements, modifications, and renewal/replacement projects under the Capital Improvement Program; and

WHEREAS, these projects are in support of Strategic Plan Initiative 3 – Continue to effectively implement infrastructure projects in the Water System Capital Improvement Program; and

WHEREAS, Zone 7 requires SCADA configuration and programming services for implementation of capital improvement projects and other related activities; and

WHEREAS, in accordance with Zone 7's Purchasing Policy, a competitive procurement process was completed to select a consulting firm to provide these services; and

WHEREAS, a Request for Qualifications was issued on January 19, 2024, and six statements of qualifications were received; and

WHEREAS, the selection committee evaluated the statements of qualifications based upon the capabilities requested and criteria outlined in the request for qualifications and determined that TJC and Associates was the best qualified firm to provide the requested services.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate, execute, and amend as necessary a contract with TJC and Associates for SCADA configuration and programming services for a not-to-exceed amount of \$100,000 for the Fiscal Year 2024-25 and 2025-26; and

BE IT FURTHER RESOLVED that the Board of Directors authorizes the General Manager to amend the contract for SCADA configuration and programming services, based on satisfactory performance, for up to three additional one-year terms (FYs 2026-27 to 2028-29), for a total five-year not-to-exceed contract amount of \$250,000 (\$50,000 annually); and

BE IT FURTHER RESOLVED that the Board of Directors authorizes the General Manager to negotiate and execute agreement(s) with similarly qualified firms should the General Manager be unable to negotiate agreement(s) with the selected firm, or if, subsequent to implementing the agreement(s), the services are deemed not satisfactory by Zone 7.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on June 11, 2024.

By: \_\_\_\_\_  
President, Board of Directors



**ORIGINATING SECTION:** Operations  
**CONTACT:** Rich Gould

**AGENDA DATE:** June 11, 2024

**SUBJECT:** Award of Contract for Unarmed Security Guard Services

**SUMMARY:**

- To support Zone 7 Water Agency's (Zone 7) mission to deliver a safe and reliable supply of high-quality water for the Tri-Valley, in support of Strategic Plan Goal A, Reliable Water Supply and Infrastructure, and Goal B, Safe Water;
- Zone 7 uses unarmed stationary and motor patrol services (security guard services) at its Water Treatment facilities, field facilities (wellfields, reservoir, and pump & control stations), and two office buildings (Parkside and North Canyons). Security guards are stationed at the Water Treatment facilities Monday through Friday during business hours. Mobile officers perform routine patrols of field facilities two or more times per week. As needed security guard services are used when necessary.
- The existing 5-year services contract with Platinum Security expires on June 30, 2024. Zone 7's practice is to competitively procure such services every three to five years. The cost for the most recent 12-month period, including contingency, was approximately \$240,000.
- In accordance with the Agency Purchasing Policy which allows procurement of professional services based on qualifications and experience (without a bidding process based on pricing), the selection of the security firm was done through a competitive procurement process.
- A request for proposal (RFP) was issued on March 20, 2024. The RFP was advertised on the Agency's website and distributed via email to 18 firms. Nine proposals were received.
- Upon review of the proposals, ABC Security Service, Inc., was found to be the best suited by the selection committee to provide an unarmed security guard services for the Agency based on the firm's experience, professionalism and responsiveness.
- Staff recommends awarding a three-year contract to ABC Security Service, Inc., in the amount not-to-exceed \$260,000 in FY 2024-25, \$273,000 in FY 2025-26 and

\$286,650 in FY 2026-27, for a total contract amount of \$819,650, including 10% contingency.

- Optionally, the contract may be extended, based on satisfactory performance, for up to two additional one-year terms, \$300,983 in FY 2027-28 and \$316,032 in FY 2028-29, including 10% contingency, for a total five-year not-to-exceed contract amount of \$1,436,664.

**FUNDING:**

Funding is included in the proposed Two-Year Budget for FYs FY 2024-25 and FY 2025-26 and will be included in subsequent fiscal year budget request in Fund 100 – Water Enterprise Fund.

**RECOMMENDED ACTION:**

Adopt the attached Resolution.

**ATTACHMENT:**

Resolution

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

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Services Contract with ABC Security Service, Inc. for  
Unarmed Security Guard Services**

WHEREAS, to support Zone 7's mission to deliver a safe and reliable supply of high-quality water for the Tri-Valley, Zone 7 uses unarmed security guard services at its water treatment facilities, field facilities (wellfields, reservoir, and pump & control stations), and office buildings; and

WHEREAS, these projects are in support of Strategic Plan Goal A, Reliable Water Supply and Infrastructure, and Goal B, Safe Water; and

WHEREAS, in accordance with Zone 7's Purchasing Policy, a competitive procurement process was completed to select a security guard firm to provide these services; and

WHEREAS, through a selection process, ABC Security Service, Inc., was determined to be the best qualified firm to provide these services and perform the required work; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District, does hereby authorize the General Manager to negotiate, execute, and amend as needed a security guard services contract with ABC Security Service, Inc., in the amount not-to-exceed \$260,000 in FY 2024-25, \$273,000 in FY 2025-26 and \$286,650 in FY 2026-27, for a total contract amount of \$819,650, including 10% contingency, and

BE IT FURTHER RESOLVED that the General Manager is authorized to negotiate, execute, and amend as needed two optional one-year contract extensions based on satisfactory performance, for a total five-year not-to-exceed contract amount of \$1,436,664, which includes a 10% contingency.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on June 11, 2024.

By: \_\_\_\_\_  
President, Board of Directors

**ORIGINATING SECTION:** Maintenance**CONTACT:** Joe Cerro**AGENDA DATE:** June 11, 2024**SUBJECT:** Amend contract for HVAC Preventative Maintenance, and As-Needed Repair Services**SUMMARY:**

- To support Zone 7's mission to deliver safe, reliable, efficient, and sustainable water and flood protection service, Zone 7 proactively implements projects to maintain and repair Heating, Ventilation and Air Conditioning (HVAC) units at its operating facilities. These activities are in support of Strategic Plan Initiative #14 - evaluate current program to increase ratio of preventative to reactive maintenance and increasing the preventative maintenance percentage as a positive return on investment in the overall operation of the different facilities.
- Pursuant to Resolution No. 23-16, dated March 15, 2023, the Board authorized a contract with Frank, M. Booth Inc. for HVAC Preventative Maintenance and As-Needed Services for a total not-to-exceed amount of \$375,000 (\$75,000 per fiscal year) through June 30, 2027.
- Due to the condition of aging equipment at Del Valle Water Treatment Plant and Patterson Pass Water Treatment Plant, the level of repairs and costs in FY 2023-24 will exceed the existing contract authorization, and an increase of \$25,000 is needed to complete the work.
- Staff recommends the Board authorize the General Manager to amend the contract with Frank M. Booth, Inc., for an additional \$25,000 in FY 2023-24, increasing the five-year contract total to a not-to-exceed amount of \$400,000

**FUNDING:**

Funding is available in Fund 100 – Water Enterprise Operations.

**RECOMMENDED ACTION:**

Adopt the attached Resolution.

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Amend Contract for HVAC Preventative Maintenance and  
As-Needed Repair Services**

WHEREAS, Zone 7 of the Alameda County Flood Control and Water Conservation District is committed to delivering safe, reliable, efficient, and sustainable water and flood protection services; and

WHEREAS, pursuant to Board Resolution No. 23-16 dated March 15, 2023, the Board authorized a contract with Frank, M. Booth, Inc., for HVAC Preventative Maintenance and As-Needed Services for a total not-to-exceed amount of \$375,000, (75,000 per fiscal year) through June 30, 2027; and

WHEREAS, current services required for fiscal year (FY) 2023-24 will exceed the \$75,000 authorized by the Board due to larger than anticipated repairs to the agencies HVAC Preventative Maintenance, and As-Needed Repair Services; and

WHEREAS, in order to continue effectively meeting Strategic Initiative No. 14 and maintain the Agency HVAC Preventative Maintenance, and As-Needed Repair Services, an additional \$25,000 is needed for the Frank, M. Booth, Inc., contract for FY 2023-24, increasing the total five-year contract to a not-to-exceed amount of \$400,000.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate, execute and amend the contract with Frank, M. Booth, Inc., for HVAC Preventative Maintenance and As-Needed Services of an additional \$25,000 in FY 2023-24, increasing the five-year contract total to a not-to-exceed amount of \$400,000.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on June 11, 2024.

By: \_\_\_\_\_  
President, Board of Directors

**ORIGINATING SECTION:** Flood Maintenance**CONTACT:** Michael Miller**AGENDA DATE:** June 11, 2024**SUBJECT:** Award a Contract for Trucking Services**SUMMARY:**

- To support Zone 7 Water Agency's (Zone 7) mission to deliver safe, reliable, efficient, and sustainable flood protection services, Zone 7 implements flood maintenance projects and related activities that require transportation of materials. These projects and related activities are in support of Strategic Plan Initiative 9 – Continue to maintain the Flood Protection System.
- Trucking services provide labor, materials, and equipment to transport gravel, rock, sediment and other materials along flood control channels and roads and the Chain of Lakes. The flood maintenance department does not have in-house equipment to perform this work.
- The existing three-year Trucking services contract, which was bid in 2021, was for an amount not to exceed \$85,000 per year, with total expenditures of \$255,000 over the three-year period. The existing contract expires on July 1, 2024.
- In accordance with the California Public Contract Code, Zone 7 advertised and solicited bids (RFQ No. 2025-03) for a three-year contract, with the option to extend the contract for two additional years and received 7 bids, with a low bid of \$283,100 (approximately \$94,367 per fiscal year) from Burke Transport Inc.
- Bids were reviewed by Zone 7 staff who determined that the lowest responsive and responsible bidder is Burke Transport Inc. The proposed contract is structured such that payments will be made on an on-call and time and materials basis using the unit prices included in the contractor's bid, with the unit prices adjusted for inflation in each year after the initial year.
- The proposed contract is for a three-year period starting July 1, 2024, in an amount of \$140,000 per fiscal year, which is consistent with the proposed 2-year budget and increased to \$150,000 per fiscal year in FY 2027-28 and FY 2028-29 as an inflationary adjustment.

- Staff recommends that the Board:
  - 1) Authorize the General Manager to execute a three-year construction contract with Burke Transport, Inc., in a total amount not to exceed \$420,000 (\$140,000 per fiscal year); and
  - 2) Authorize the General Manager to extend the contract for up to two additional one-year terms, based on satisfactory performance, in an amount not to exceed \$150,000 per fiscal year for FY 2027-28 and FY 2028-29, for a total five year not-to-exceed contract amount of \$720,000; and
  - 3) Authorize the General Manager to execute adjustments each year to the Contract Unit Prices based on changes in Engineering News Record Construction Cost Index for the San Francisco Bay Area as published by McGraw-Hill Publishing. The cost index for each one-year period (July 1 to June 30), shall be applied at the beginning of each fiscal year.

**FUNDING:**

Funding is included in the proposed two-year budget for FYs 2024-25 and 2025-26 for Fund 200 – Flood Maintenance. Funding for additional years will be requested in subsequent budget requests.

**RECOMMENDED ACTION:**

Adopt the attached Resolution.

**ATTACHMENT:**

Resolution

ZONE  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY

SECONDED BY

**Award Contract for Trucking Services**

WHEREAS, Zone 7 of the Alameda County Flood Control and Water Conservation District is committed to delivering safe, reliable, efficient, and sustainable water and flood protection services; and

WHEREAS, Zone 7 owns many miles of gravel roads; and keeping them in good repair allows staff to inspect facilities; trucking services are in support of Strategic Plan Goal D: Effective Flood Protection, Initiative #9 Continue to maintain the Flood Protection System, and

WHEREAS, Burke Trucking will provide transport of gravel and other materials to maintenance worksites and staging areas; and

WHEREAS, Zone 7 conducted a Request for Quote (RFQ #2025-03) process for as needed trucking services, Burke Trucking was the lowest responsible bidder.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to execute a trucking services contract with Burke Trucking Inc., for \$140,000 per fiscal year for the next three fiscal years (FY 2024/25, FY 2025/26, and FY 2026/27) for a contract amount not-to-exceed \$420,000; and

BE IT FURTHER RESOLVED that the General Manager be authorized to extend the contract for up to two additional one-year terms based on satisfactory performance in an amount of \$300,000 (\$150,000 per fiscal year) for FY 2027-28 and FY 2028-29, for a total five year not-to-exceed contract amount of \$720,000, and adjust the hourly rate increases per the Engineering News Record Construction Cost Index for San Francisco as published by McGraw-Hill Publishing Company (ENR Index).

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on June 11, 2024.

By: \_\_\_\_\_  
President, Board of Directors



**ORIGINATING SECTION:** Operations  
**CONTACT:** Rich Gould

**AGENDA DATE:** June 11, 2024

**SUBJECT:** Authorize an Amendment to the Contract for Janitorial Services for Operating Facilities

**SUMMARY:**

- This item supports Zone 7's Mission to deliver safe, reliable, efficient, and sustainable water and flood protection services by maintaining its facilities. Janitorial services are needed to provide cleaning services to maintain professional, sanitary conditions for the employees of Zone 7 at operating facilities, including the water treatment plants and other locations.
- The existing four-year services contract with Jan-Pro Cleaning Systems, procured through a competitive solicitation process, expires on June 30, 2024. The cost for the most recent 12-month period, including contingency, was approximately \$91,000.
- Zone 7 is preparing solicitation documents to competitively select a vendor for the next contract period consistent with Zone 7's Purchasing Policy. The next contract is not anticipated to be in place until as late as January 2025.
- To continue to provide janitorial services to Zone 7's facilities during the procurement process, staff recommends authorizing an amendment to the existing contract with Jan-Pro Cleaning Systems to provide an additional six-months of services, in an amount not-to-exceed \$50,000 including, for a total contract amount not-to-exceed \$391,788.

**FUNDING:**

Funding is included in the proposed Two-Year Budget for FYs FY 2024-25 in Fund 100 – Water Enterprise Operation Fund.

**RECOMMENDED ACTION:**

Adopt the attached Resolution.

**ATTACHMENT:**

Resolution

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Authorize an Amendment to the Contract for  
Janitorial Services for Operating Facilities**

WHEREAS, to support Zone 7's Mission to deliver safe, reliable, efficient, and sustainable water and flood protection services by maintaining its facilities, janitorial services are needed to maintain professional, sanitary conditions for the employees of Zone 7 at operating facilities, including the water treatment plants and other locations; and

WHEREAS, the existing contractor was competitively procured to provide services through June 30, 2024; and,

WHEREAS, A competitive procurement process to select a contractor to provide these services is not anticipated to be complete until January 2025; and

WHEREAS, to continue to provide necessary janitorial services to Zone 7's facilities during the procurement process, an additional \$50,000 and six-month contract extension is needed for Jan-Pro Cleaning Systems to continue providing janitorial services at the Agency operating facilities.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District, does hereby authorize the General Manager to negotiate and execute an amendment to the janitorial services contract with Jan-Pro Cleaning Systems, in the amount not-to-exceed \$50,000 in FY 2024-25, for a total contract amount of \$391,788.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on June 11, 2024.

By: \_\_\_\_\_  
President, Board of Directors

**ORIGINATING SECTION:** Administration**CONTACT:** Osborn Solitei**AGENDA DATE:** June 11, 2024**SUBJECT:** Annual Review of the Investment Policy**SUMMARY:**

- The Agency's Investment Policy ("Policy") sets forth guidelines that ensure the Agency's funds are invested in compliance with State Law and in a prudent manner. The proposed action is in support of Strategic Plan Goal G – Fiscal Responsibility: Operate the Agency in a fiscally responsible manner and Strategic Plan Initiative No. 24 – Continue to effectively manage financial resources for the Agency. In carrying out these fiscal responsibilities and continuing best practice and maintaining sound financial management policies, staff continues to submit its annual investment policy to the Board.
- The Policy is reviewed on an annual basis by the Finance Committee and approved by the Board. The last recommended change to the Policy was approved by Board Resolution No. 23-46, dated June 21, 2023.
- The California Debt and Investment Advisory Commission ("CDIAC") annually revises its Local Agency Investment Guidelines to include statutory changes that affect local government investments. One of the recommended changes is to bring the Policy language into better alignment with the California Code.
- Senate Bill 882, also known as the Local Government Omnibus Act of 2023, took effect January 1, 2024. It made a number of changes to Code, including one change to Section 53601(o) which clarified that mortgage-backed securities issued by federal agencies and Government-sponsored enterprises (GSEs) are exempt from the requirements of that particular section, 53601(o). To be more consistent with Code, we have updated the policy to include the following language:
  - › **Section 12.14 Asset-backed Securities** – A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. For securities eligible for investment not issued or guaranteed by federal agencies and GSEs, the following limitations apply:
    - Maximum limit: Twenty percent (20%) of the portfolio
    - Maximum maturity: Five (5) years
    - Credit Requirement: "AA" rating category, equivalent or better by an NRSRO

- In the Glossary, under the section titled Structured Note, we have updated the London Interbank Offered Rate ("LIBOR") to the Secured Overnight Financing Rate ("SOFR") to appropriately describe the example of the relationship between two interest rates with regards to "dual index floaters". LIBOR was phased out on June 30, 2023.
- The Investment Policy was discussed at the Finance Committee meeting on May 29, 2024. The Committee unanimously accepted the changes and recommended for the policy to be presented to the full Board for approval.

**FUNDING:**

N/A

**RECOMMENDED ACTION:**

Adopt the attached Resolution approving the Investment Policy.

**ATTACHMENTS:**

1. Resolution
2. Investment Policy

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY

SECONDED BY

**Adopting Investment Policy and Delegating Authority  
to Deposit and Invest Funds to The Treasurer**

WHEREAS, the Policy is reviewed on an annual basis and the proposed action is in support of Strategic Plan Goal G – Fiscal Responsibility: Operate the Agency in a fiscally responsible manner and Strategic Plan Initiative No. 24 – Continue to effectively manage financial resources for the Agency; and

WHEREAS, Pursuant to Resolution No. 16-160 dated September 21, 2016, and in compliance with Section 36 of the District Act, the Zone 7 Board of Directors appointed an Agency Treasurer to be responsible for its investments and to have custody of the Agency's funds; and

WHEREAS, the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern; and

WHEREAS, the Board of Directors of Zone 7, in accordance with Section 53600, *et. seq.*, of the Government Code of the State of California, finds that public funds should be prudently invested or deposited consistent with applicable laws and the policies of the Board to produce revenue for the Agency; and

WHEREAS, from time to time, there are Agency funds available for the purpose of investment or deposit; and

WHEREAS, it will be more convenient in the handling of any bonds or other securities purchased that they be held in safekeeping by Agency-approved banks while they are the property of this Agency; and

WHEREAS, as part of best practice and sound financial management the Agency will continue to submit its annual investment policy to the Board; and

WHEREAS, pursuant to Resolution No. 23-46 date June 21, 2023, the Board adopted the Agency investment policy delegating authority to deposit and invest funds to the Treasurer; and

WHEREAS, a proposed Agency Investment Policy effective July 1, 2024, is presented herewith, to be in effect until a subsequent policy is adopted.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District that the Treasurer appointed by the Agency pursuant to California Government Code Sections 53607 and 53608, is hereby authorized to invest or deposit for safekeeping, as far as possible, all money belonging to, or in the custody of, the Agency pursuant to the Government Code and as directed by the policies of the Board; and

BE IT FURTHER RESOLVED that the Treasurer and/ or designee be and are hereby authorized to invest in permissible investments, or to deposit in interest-bearing accounts with authorized financial institutions, funds in a sinking fund or funds of this Agency from any of the various accounts of this Agency when such funds will not be needed for the immediate necessities of the Agency; and

BE IT FURTHER RESOLVED that this resolution is effective July 1, 2024, and shall be reconsidered by the Board annually; 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 adopt the attached Investment Policy.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on June 11, 2024.

By: \_\_\_\_\_  
President, Board of Directors



## POLICY AND PROCEDURE

<b>POLICY TITLE:</b> <b>Investment Policy</b>	<b>NUMBER:</b> <b>2021-03</b>	<b>PAGE:</b> <b>1 of 28</b>
<b>APPROVED BY:</b> <b>Zone 7 Board</b>	<b>REVISION:</b>	<b>EFFECTIVE DATE:</b> <b>July 1, <del>2023</del>2024</b>

This policy is intended to provide guidelines for the prudent investment of surplus cash, reserves, trust funds and restricted monies and to outline a policy for maximizing the efficiency of the Agency's cash management system.

### 1.0 POLICY

It is the policy of the Board of Directors of the Zone 7 Water Agency ("Agency") to invest public funds in a manner which conforms to the four fundamental criteria in order of importance, as listed:

- Safety of Principal
- Liquidity
- Return on Investment, or Yield
- Diversity

### 2.0 INVESTMENT AUTHORITY

In accordance with Section 53600, *et. seq.*, of the Government Code of the State of California, the authority to invest Agency public funds has been delegated to the Agency Treasurer/Assistant General Manager – Finance.

### 3.0 DELEGATION OF AUTHORITY

Responsibility for the investment program is specifically delegated by the Board to the Board-appointed Treasurer or, if no such appointment has been made, to the General Manager, hereafter referred to as Treasurer who will establish procedures for the investment program, consistent with this Investment Policy. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities, including procedures to execute investment transactions in the absence of the Treasurer. All participants in the investment process shall seek to act responsibly as custodians of the public trust. No officer or designee may engage in an investment transaction except as provided under the terms of this policy and supporting procedures.

The Agency may engage the services of one or more external investment managers to assist in the management of the Agency's investment portfolio in a manner consistent with the

Agency's objectives. Such external managers may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such managers must be registered under the Investment Advisers Act of 1940.

#### **4.0 STATEMENT OF OBJECTIVES**

Per Section 53600.5 of the California Government Code, the primary objective of the Treasurer shall be to safeguard the principal of the funds under his or her control when investing public funds. The secondary objective will be to maintain liquidity as required by the Agency and the third objective is to obtain a return on investment of these funds.

In order of priority, the four fundamental criteria shall be followed in the investment of funds:

- 4.1 Safety of Principal** – Investments shall be undertaken in a manner which first seeks to ensure the preservation of principal in the portfolio. Each investment transaction shall be entered only after taking into consideration the quality of the issuer, the underlying security or collateral, and diversification of the portfolio. Cash flow analysis will be conducted and utilized to avoid the need to sell securities prior to maturity. The Agency shall seek to preserve principal by mitigating both credit and market risk.
- 4.2 Liquidity** – Every effort shall be made to ensure that the Agency's portfolio is sufficiently liquid to meet current and anticipated operating requirements. Cash flow analysis should be performed on an ongoing basis. Investments shall be made to ensure maturities are compatible with anticipated cash flow requirements.
- 4.3 Return on Investment, or Yield** – Investments shall be undertaken to produce an investment return consistent with the primary objectives of Safety of Principal and Liquidity, and the Prudent Investor Standard.
- 4.4 Diversity** – The objective is to avoid over concentration or exposure to any one issuer, instrument or maturity sector as specified in the Summary Table of Investment Guidelines and Eligible Securities herein, so that no single investment or class of investments can have a disproportionate impact on the total portfolio. This restriction does not apply to U.S. Treasury securities.

The investment portfolio shall be diversified and designed to attain a market average rate of return, considering cash flow requirements. The Treasurer shall have an overall investment objective of holding investments to maturity and not investing with the objective of trading for speculative purposes. However, the Treasurer may swap or sell securities in order to:

- i) raise cash to meet unanticipated cash-flow requirements



- ii) swap old securities for current coupon securities
- iii) Maintain portfolio allocation limits
- iv) maintain a duration target
- v) Improve the quality, liquidity, or return of the portfolio
- vi) avoid further erosion and loss of investment principal due to deterioration in creditworthiness, as well as to respond to rapidly changing interest rate environments

## 5. CONCENTRATION OF RISK

Governmental Accounting Standards Board (GASB) statement No. 40 – *Deposits and Investment Risk Disclosures – An Amendment of GASB No. 3*. It recognizes that there are many factors that can affect the value of investments. Investment risk factors include credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

**Credit risk** is the risk of loss due to failure of an issuer of a security or a financial institution. The Agency purchases U.S. Treasuries and high-grade securities which will lessen this type of risk. In addition, the portfolio will be diversified so that the failure of any one issuer will not unduly harm the Agency's cash flow.

**Custodial credit risk** is the risk that in the event of the failure of the custodian, the investments may not be returned. The Agency's investment securities are to be held by a third-party custodian designated by the Agency and evidenced by safekeeping receipts.

**Concentration of credit risk** is the risk associated with a lack of diversification of having too much invested in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory, geographic, or credit developments. The Agency's investments will be diversified and will not exceed maximum percentages allowed in the California Government Code.

**Interest rate risk** is the risk that the market value of securities in the portfolio will fall due to an increase in general interest rates. Interest rate risk may be reduced by structuring the portfolio so that securities are maturing periodically to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The Agency will limit investments to a maximum maturity of five years (unless otherwise authorized by Agency Board).

**Foreign currency risk** results from investment in foreign currency-denominated securities. The Agency will not invest in foreign currency (i.e., non-US dollar) dominated instruments.

## **6.0 SCOPE**

The Investment Policy applies to all funds of the Agency including Water Enterprise Operations Funds, Renewal/Replacement & System-Wide Improvement Fund, State Water Facilities Fund, Water Enterprise Capital Expansion Fund, Flood Control Operations Fund, Flood Protection Development Impact Fee Fund, Water Facilities Fund, Water Supply and Reliability Fund, Vehicle/Equipment Replacement Reserve Fund, Endowments, and all other funds held by the Agency. This investment policy does not apply to proceeds of notes, bonds or similar external financings which would be invested pursuant to bond indentures or State of California Government Code Section 53600, *et. seq.*, as applicable.

## **7.0 PRUDENT INVESTOR STANDARD**

All investments and evaluation of such investments shall be made with the Prudent Investor Standard as set forth in the California Government Code, Sections 53600.3 and 27000.3, which is defined as a standard of conduct whereby any person authorized to make investment decisions on behalf of the Agency acts with care, skill, prudence and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of the Agency with the aim to safeguard principal and meet the liquidity needs of the Agency.

## **8.0 PORTFOLIO ADJUSTMENTS**

Portfolio percentage limitations and credit rating requirements for each category of investment are applicable only at the date of purchase. Should an investment percentage be exceeded due to instances such as the fluctuation in overall portfolio size, or market valuation changes, the Treasurer is not required to sell the affected securities.

Should a security held in the portfolio be downgraded below the minimum rating criteria specified in this Investment Policy, the Treasurer or investment advisor, if one is utilized, shall perform a credit analysis of such security to determine whether to hold or sell the security. The Treasurer may elect to sell the security immediately to minimize losses in the event that an orderly disposition with minimal losses cannot be achieved. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored.

The Treasurer shall note in a quarterly report securities which have been downgraded below investment grade and the status of disposition.

## **9.0 SAFEKEEPING AND CUSTODY**

All securities transactions entered into by the Agency shall be conducted on a delivery-versus-payment (DVP) basis pursuant to a custodial safekeeping agreement. All securities owned by the Agency shall be held in safekeeping by an independent custodian designated by the

Treasurer. Financial institutions providing safekeeping services shall provide reports or receipts which verify securities held in safekeeping.

## **10.0 REPORTING AND DISCLOSURE**

The Treasurer shall submit a quarterly report within 45 days following the end of the quarter covered by the report to the Agency Board of Directors pursuant to California Government Code Section 53646 (b)(1). The report shall at a minimum provide information on compliance to this policy and on the composition of the portfolio for each fund with:

- Types of investment
- Issuer
- Maturity dates
- Par and dollar amount
- Market values including source of the valuation
- Rates of Interest
- Expected yields to maturity

In addition, the quarterly report shall also include a statement denoting the ability to meet the Agency's expenditure requirements for the next six (6) months.

## **11.0 COLLATERALIZATION**

Collateral is required for investments in certificates of time deposit and agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value for certificate of time deposit and for repurchase agreements it will be at least 102% of market value of principal and accrued interest.

## **12.0 INVESTMENT GUIDELINES AND ELIGIBLE SECURITIES**

Section 53600, *et seq.*, of the Government Code of the State of California prescribes the statutory requirement relating to investments by local treasurers, providing guidance on:

- i. Allowable Investments
- ii. Portfolio diversification requirements including proportional limits on investment types, maximum maturity, and minimum credit rating criteria.

The maximum maturity of any investment in the portfolios shall not exceed five (5) years except when specifically authorized by the Agency Board of Directors through resolution. When practical, the Treasurer shall solicit more than one quotation on each trade for the purpose of awarding investment trades on a competitive basis. The Agency will conform to the legal provisions set forth in the Government Code with further and more specific requirements about allowable investments and restrictions as detailed below:

### **12.1 US Treasury Bonds, Bills and Notes**

Bills, notes, and bonds issued by the U.S. Treasury which are direct obligations of the federal government.

- Maximum limit: Not Applicable (N.A.)
- Maximum maturity: Five (5) years
- Credit Requirement: N.A.

### **12.2 Federal Agency Bonds and Notes**

Notes, bonds, or other instruments of federal agencies, or United States government-sponsored enterprises (GSEs). Not all are direct obligations of the U. S. Treasury but may involve federal sponsorship and/or guarantees, in some instances.

- Maximum limit: N.A.
- Maximum maturity: Five (5) years
- Credit Requirement: N.A.

### **12.3 Banker's Acceptances**

Bills of exchange or time drafts drawn on and accepted by a commercial bank, typically created from a letter of credit issued in a foreign trade transaction.

- Maximum limit: forty percent (40%) of the portfolio
- Maximum maturity: One-hundred eighty (180) days
- Issued by banks with total deposits of over one billion dollars (\$1,000,000,000)
- Twenty-five percent (25%) limitation to any one issuer
- Credit requirement: Ratings of A1, P1 or F1 or better by two Nationally Recognized Statistical Rating Organizations (NRSRO). No rating may be lower than any of the rating listed above.
- Issued by banks from offices in the USA.

### **12.4 Commercial Paper**

Commercial paper is defined as short-term, unsecured promissory notes issued by financial and non-financial companies to raise short-term cash. Financial companies issue commercial paper to support their consumer and/or business lending; non-financial companies issue for operating funds.

- Maximum limit: Forty percent (40%) of the portfolio until January 1, 2026. After January 1, 2026, Twenty-five percent (25%) of the portfolio
- Maximum Maturity: Two hundred seventy (270) days

- Maximum Issuer Exposure: No more than five percent (5%) of the portfolio shall be invested in the commercial paper and the medium-term notes of any one issuer
- Credit requirement: Ratings of "A1" or higher, or the equivalent, by an NRSRO.
- Limited to paper issued by corporations organized and operating in the U.S. with total assets in excess of five hundred million (\$500,000,000) and rated in a rating category of "A" its equivalent or higher for the issuer's debt, other than commercial paper, if any, as provided by an NRSRO.

### **12.5 Medium Term Corporate Notes**

Corporate and depository institution debt securities. Issuers are banks and bank holding companies, thrifts, finance companies, insurance companies and industrial corporations. These debt obligations that are generally unsecured.

- Maximum limit: Thirty percent (30%) of the portfolio
- Maximum maturity: Five (5) years
- Maximum Issuer Exposure: No more than five percent (5%) of the portfolio shall be invested in the commercial paper or medium-term notes of any single issuer
- Credit Requirement: "A" rating category, equivalent or better by an NRSRO.
- Eligibility: Limited to corporations organized and operating within the United States or depository institutions licensed by the United States or any State and operating within the United States.

### **12.6 Negotiable Certificates of Deposit**

Issued by a nationally or state-chartered bank, a savings association, or a federal association, a state or federal credit union or by a federally licensed or state-licensed branch of a foreign bank.

- Maximum limit: Thirty percent (30%) of the portfolio
- Maximum Issuer Exposure: Five percent (5%) per issuer
- Maximum maturity: Five (5) years
- Credit Requirement: "A" rating category, equivalent or better long-term, or "A-1", equivalent or better short-term, by an NRSRO
- Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more

### **12.7 Certificates of Time Deposit**

Time deposits, which are non-negotiable, are issued most commonly by commercial banks, savings and loans and credit unions with federal deposit insurance available for amounts up to two hundred-fifty thousand (\$250,000).

- Maximum limit: Thirty percent (30%) of the portfolio for all deposits

- Maximum maturity: Five (5) years
- On uncollateralized deposits, limited to FDIC insured amount of two hundred-fifty thousand (\$250,000)
- Amounts over FDIC insured amount must be fully collateralized
- Credit Requirement: For federally insured deposits of two hundred-fifty thousand (\$250,000) or less, no minimum credit rating required. For deposits over two hundred-fifty thousand (\$250,000): Ratings of rating category "A" or the equivalent or better by any two NRSRO

Pursuant to Government Code 53637, the Agency is prohibited from investing in certificate of deposits of a state or federal credit union if a member of the Agency's Board of Directors or decision-making authority serves on the board of directors or committee.

### **12.8 Money Market Mutual Funds**

Regulated by the SEC, these funds operate under strict maturity and diversification guidelines. These funds have no federal guarantee but are viewed as a very safe short-term cash investment.

- Maximum limit: Twenty percent (20%) of the portfolio
- Maximum Maturity: N.A.
- Maximum Issuer Exposure: Ten percent (10%) of the portfolio
- Rating Requirement: Top ranking or highest letter and numerical rating provided by at least two NRSROs
- Daily liquidity
- Net Asset Value (NAV) requirement: one dollar (\$1.00)
- Funds must be invested in securities and obligations permitted under the California Government Code

### **12.9 State of California, Local Agency Investment Fund (LAIF)**

LAIF is a pooled investment fund overseen by the State Treasurer, which operates like a money market fund, but is for the exclusive benefit of governmental entities within the state. The maximum investment amount currently authorized by Local Agency Investment Fund (LAIF) is seventy-five million (\$75 million), which is subject to change. The LAIF is in trust in the custody of the State of California Treasurer. The Agency's right to withdraw its deposited monies from LAIF is not contingent upon the State's failure to adopt a State Budget.

- Maximum limit: Current State limit
- Maximum Maturity: N.A.

### **12.10 Municipal Bonds and Notes**

Municipal obligations issued by the State of California and any other of the states in the union. Including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the 50 states.

Bonds, notes, warrants, or other evidences of indebtedness of a local agency within California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

- Maximum limit: Forty percent (40%) of the portfolio
- Maximum maturity: Five (5) years
- Credit Requirement: "A" rating category, equivalent or better by an NRSRO

### **12.11 Repurchase Agreement**

A repurchase agreement is a purchase of authorized securities with terms including a written agreement by the seller to repurchase the securities on a future date and price.

- Maximum limit: Twenty percent (20%) of the portfolio
- Maximum maturity: Three hundred sixty (360) days
- Master Repurchase Agreement must be on file
- Limited to primary dealers or financial institutions rated "A" or better by Moody's or equivalent.
- Fully collateralized at market value of at least one hundred two percent (102%) with US government or federal agency securities

### **12.12 California Asset Management Program (CAMP)**

- Maximum limit: Ten percent (10%) of the portfolio
- Rated highest rating by an NRSRO

### **12.13 Supranational Obligations**

United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.

- Maximum limit: Thirty percent (30%) of the portfolio
- Maximum maturity: Five (5) years
- Credit Requirement: "AA" rating category, equivalent or better by any NRSRO

### **12.14 Asset-backed Securities**

A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. For securities eligible for investment not issued or guaranteed by federal agencies and GSEs, the following limitations apply:

- Maximum limit: Twenty percent (20%) of the portfolio
- Maximum maturity: Five (5) years
- Credit Requirement: "AA" rating category, equivalent or better by an NRSRO

### **13.0 CREDIT RATING**

Credit rating requirements for eligible securities referred to in this policy shall mean the numeric, alpha, and/or alpha-numeric designations assigned by a National Recognized Statistical Rating Organizations (NRSRO).

Please see Rating Description table herein, below.

### **14.0 MONITORING SAFETY AND LIQUIDITY**

The Treasurer shall monitor on an ongoing basis investments for exposure to risk and credit deterioration to ensure primary objectives of safety of principal and liquidity are adhered to. Such matters shall be reported to the Agency Board of Directors as part of the Treasurer's quarterly and/or annual report.

### **15.0 ADMINISTRATION**

The Treasurer may, at any time, establish more restrictive requirements for securities approved for investment as deemed appropriate in this Investment Policy. These restrictions may include, but are not limited to, higher credit ratings, lower percentage limits by security type or issuer, shorter maturities, and additional collateral requirements for collateralized investments.

### **16.0 AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**

Investments not purchased directly from the issuer will be purchased from institutions licensed by the State of California as a broker/dealer, including:

- National or California State Chartered Banks
- Federal or California Chartered Savings Institutions
- Brokerage firms designated as a primary government dealer by the Federal Reserve Bank



- Member of a federally regulated securities exchange
- Institutions licensed by the State of California as a broker/dealer
- Federal or state savings institutions or associations as defined in Finance Code Section 5102

The Treasurer or designee will maintain a current and eligible list of reputable primary and regional dealers, brokers, and financial institutions with whom securities trading and placement of funds are authorized. A strong capital base credit worthiness, and, where applicable, a broker/dealer staff experienced in transactions with California local governments are the primary criteria for inclusion on the Agency's approved list.

Approved dealers and brokers shall be limited to primary dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule) and which provide proof of Financial Industry Regulatory Authority (FINRA) certification; proof of California State registration; and a completed Agency broker/dealer questionnaire. In addition, prior to approval and for every two years thereafter, approved dealers and brokers must provide: an audited financial statement; certification of receipt, review of and willingness to comply with the current Investment Policy; and certification of compliance with Rule G-37 of the Municipal Securities Rulemaking Board regarding limitations on political contributions to the Board of Directors of the Agency or to any candidate for these offices.

The Treasurer may remove a firm from the approved list at any time due to any failure to comply with any of the above criteria; any failure to successfully execute a transaction; any change in broker/dealer staff; or any other action, event, or failure to act which, in the sole discretion of the Treasurer is materially adverse to the best interests of the Agency.

If the Agency utilizes an external investment advisor, the advisor will perform due diligence and maintain their own list of approved broker/dealers. The advisor is authorized to transact with its own approved broker/dealer list on behalf of the Agency.

## **17.0 INVESTMENT SECURITY**

To ensure a high degree of internal control, the Agency shall comply with the following:

- All securities purchased from dealers and brokers shall be held in safekeeping by the Agency's custodial bank, a national bank, a State chartered bank or trust company, established for this purpose as someone other than the selling party of the security. Securities purchased will be covered by a trust or safekeeping receipt in a manner that establishes the Agency's ownership. All transactions completed on a delivery versus pay basis (DVP).
- All trade confirmation shall be received directly and reviewed for conformity to the original transaction by an individual other than the person originating the transaction.

All trade confirmation must be an original; copies of confirmations are not allowed. Any discrepancies will be brought to the attention of the Treasurer.

### **18.0 FUND WIRE PROCEDURES**

Payment for securities purchased from broker dealers that are ineligible for safekeeping will be made through the Agency's custodial bank. Funds will only be transferred subsequently but immediately following the custodial bank's acknowledgement that they are prepared to make settlement on the terms and conditions specified by the Agency. Payment for securities purchased from bank investment departments that will be safely kept with the trust department of the bank will be made immediately upon confirmation of the trade.

### **19.0 PERFORMANCE REVIEW AND INTERNAL CONTROL**

The Treasurer or designee is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Agency are protected from loss, theft, or misuse. The internal control structure will be designed to provide reasonable assurance that these objectives are met. The internal control includes; the activities of any subordinate officials acting on behalf of the Agency. Procedures should include references to individuals authorized to execute transactions or transfers, safekeeping agreements, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking services contracts, as appropriate. An independent analysis by an external auditor shall be conducted annually to review internal control, account activity, and compliance with policies, procedures, and applicable laws.

### **20.0 ETHICS AND CONFLICT OF INTEREST**

All officers and employees involved in the investment process shall refrain from engaging in any personal business activity which could conflict with proper execution and management of the investment program or that could impair their ability to make impartial investment decisions. Any material financial interests in financial institutions which do business with the Agency should be disclosed to the General Manager of the Agency. All individuals involved in the investment process are required to annually file applicable financial disclosures as required by the Fair Political Practices Commission.

### **21.0 POLICY REVIEW AND ADOPTION**

This Investment Policy shall be reviewed at least annually to ensure it is consistent with the Agency's objectives and relevance to current law and financial and economic trends. Any amendments to this Policy, other than State and Federal Laws, which automatically supersede the relevant sections, shall be forwarded to the Board of Directors for adoption by resolution.

**22.0 HISTORY**

<b>Date</b>	<b>Action</b>	<b>Resolution</b>
May 17, 2017	Originally Adopted	17-42
May 16, 2018	Adopted	18-42
May 15, 2019	Adopted	19-38
April 15, 2020	Adopted	20-47
June 16, 2021	Adopted	21-48
June 15, 2022	Adopted	22-47
<u>June 21, 2023</u>	<u>Adopted</u>	<u>23-46</u>

**SUMMARY TABLE OF  
INVESTMENT GUIDELINES AND ELIGIBLE SECURITIES**

<b>Authorized Investments</b>	<b>Maximum % Holdings</b>	<b>Purchase Restrictions</b>	<b>Maximum Maturity</b>	<b>Credit Quality</b>
US Treasury Bonds, Bills and Notes	100%	N.A.	5 Years	<b><i>N.A.</i></b>
Federal Agency and GSE Bonds & Notes	100%	N.A.	5 Years	<b><i>Full backing by the federal government of the United States of America</i></b>
Bankers' Acceptance	40%	25% limitation to a single issuer	180 days	<b><i>"A-1/P-1" rated by an NRSRO or equivalent for domestic banks</i></b>
Commercial Paper	40% until 1/1/2026; 25% after 1/1/2026	5% limitation to single issuer	270 days	<b><i>"A-1/P-1" rating category, equivalent or better by an NRSRO</i></b>
Medium Term Corporate Notes	30%	5% limitation to a single issuer. Limited to US licensed and operating corporations	5 years	<b><i>"A" rating category, equivalent or better by an NRSRO</i></b>
Negotiable CD	30%	National or state chartered bank, S&L, or branch of foreign bank	5 years	<b><i>"A" rating category, equivalent or better by an NRSRO</i></b>
Certificates of Time Deposit	30%	See California Government Code Section 53637	5 years	<b><i>Limit to FDIC Insured amount \$250,000, Fully collateralized on amounts over the insured amount in accordance with California Government Code</i></b>

Authorized Investments	Maximum % Holdings	Purchase Restrictions	Maximum Maturity	Credit Quality
Money Market Mutual Funds	20%	10% per fund Must maintain constant NAV of \$1.00	Daily Liquidity	<b><i>Top ranking or highest letter and numerical by 2 NRSRO Fund must be invested in securities and obligation permitted under Government Code</i></b>
State of California, Local Agency Investment Fund ("LAIF")	Current State Limit	N.A.	N.A.	<b><i>Subject to California Government Code Section 16429.1 limitations</i></b>
Municipal Bonds & Notes	40%	N.A.	5 Years	<b><i>"A" rating category, equivalent or better by an NRSRO</i></b>
Repurchase Agreements ("REPO")	20%	Limited to primary dealers or financial institutions rated "A" or better by Moody's	360 days	<b><i>Fully collateralized (min 102% of funds borrowed with daily mark to market) with US Government or federal agency securities with maximum 5-year maturities</i></b>
California Asset Management Program ("CAMP")	10%	N.A.	Daily Liquidity	<b><i>Highest rating by an NRSRO</i></b>
Section 115 Pension Trust Fund	By Board Approval	By Board Approval	N.A.	<b><i>Investment Guidelines Document for the Trust Fund</i></b>
Supranational Obligations	30%	Issued by: International Bank for Reconstruction & Development, International Finance	5 Years	<b><i>"AA" rating category, equivalent or better by an NRSRO</i></b>

Authorized Investments	Maximum % Holdings	Purchase Restrictions	Maximum Maturity	Credit Quality
		Corporation, or Inter-American Development Bank		
Asset-Backed Securities	20%	N.A.	5 Years	<b><i>"AA" rating category, equivalent or better by an NRSRO</i></b>

**RATING DESCRIPTION TABLE**

<b>Long Term Debt Ratings</b>			
<b>Credit Quality</b>	<b>Moody's</b>	<b>S&amp;P</b>	<b>Fitch</b>
<b>Strongest Quality</b>	Aaa	AAA	AAA
<b>Strong Quality</b>	Aa1/Aa2/Aa3	AA+/AA/AA-	AA
<b>Good Quality</b>	A1/A2/A3	A+/A/A-	A
<b>Medium Quality</b>	Baa1/Baa2/Baa3	BBB+/BBB/BBB-	BBB
<b>Speculative</b>	Ba1/Ba2/Ba3	BB+/BB/BB-	BB
<b>Low</b>	B1/B2/B3	B+/B/B-	B
<b>Poor</b>	Caa	CCC+	CCC
<b>Highly Speculative</b>	Ca/C	CCC/CCC-/CC	CC
<b>Short Debt Ratings</b>			
<b>Credit Quality</b>	<b>Moody's</b>	<b>S&amp;P</b>	<b>Fitch</b>
<b>Strongest Quality</b>	P-1	A-1+	F1
<b>Strong Quality</b>		A-1	
<b>Good Quality</b>	P-2	A-2	F2
<b>Medium Quality</b>	P-3	A-3	F3

Note: Investment Grade ratings applies to securities with at least a medium credit quality or higher by one of the nationally recognize rating organization, anything below the medium credit quality is non-investment grade.

## EXHIBIT A GLOSSARY

**ACCRETION:** Adjustment of the difference between the prices of a bond bought at an original discount and the par value of the bond.

**AGENCIES:** Federal agency securities and/or Government-sponsored enterprises (GSEs), also known as U.S. Government instrumentalities. Securities issued by Government National Mortgage Association (GNMA) are considered true agency securities, backed by the full faith and credit of the U.S. Government. GSEs are financial intermediaries established by the federal government to fund loans to certain groups of borrowers, for example homeowners, farmers and students and are privately owned corporations with a public purpose. The most common GSEs are Federal Farm Credit System Banks, Federal Home Loan Banks, Federal Home Loan Mortgage Association, and Federal National Mortgage Association.

**AMORTIZATION:** Accounting procedure that gradually reduces the cost value of a limited life or intangible asset through periodic charges to income. For fixed assets, the term used is "depreciation." It is common practice to amortize any premium over par value paid in the purchase of preferred stock or bond investments.

**ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR):** The official annual financial report for the Agency. It includes combined statements and basic financial statements for each individual fund and account group prepared in conformity with Generally Accepted Accounting Principles (GAAP).

**APPRECIATION:** Increase in the value of an asset such as a stock bond, commodity, or real estate.

**ASKED PRICE:** The price a broker/dealer offers to sell securities.

**ASSET BACKED:** A type of security that is secured by receivables, such as credit card and auto loans. These securities typically pay principal and interest monthly.

**BANKERS' ACCEPTANCE (BA):** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer. This money market instrument is used to finance international trade.

**BASIS POINT:** One-hundredth of one percent (i.e., 0.01%).

**BENCHMARK:** A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investment.



**BID PRICE:** The price a broker/dealer offers to purchase securities.

**BOND:** A financial obligation for which the issuers promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

**BOOK VALUE:** The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

**BROKER:** A broker acts as an intermediary between a buyer and seller for a commission and does not trade for his/her own risk and account or inventory.

**CALLABLE SECURITIES:** A security that can be redeemed by the issuer before the scheduled maturity date.

**CASH EQUIVALENTS (CE):** Highly liquid and safe instruments or investments that can be converted into cash immediately. Examples include bank accounts, money market funds, and Treasury bills.

**CASH FLOW:** An analysis of all changes that affect the cash account during a specified period.

**CERTIFICATE OF DEPOSIT (CD):** A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

**COLLATERAL:** Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**COLLATERALIZED MORTGAGE OBLIGATION (CMO):** A type of mortgage-backed security that creates separate pools of pass-through rates for different classes of bondholders with varying maturities, called tranches. The repayments from the pool of pass-through securities are used to retire the bonds in the order specified by the bonds' prospectus.

**COMMERCIAL PAPER:** Short-term, unsecured, negotiable promissory notes of corporations.

**CORPORATE NOTE:** Debt instrument issued by a private corporation.

**COUPON:** The annual rate at which a bond pays interest.

**CREDIT RATINGS:** A grade given to a debt instrument that indicates its credit quality. Private independent rating services such as Standard & Poor's, Moody's and Fitch provide these.

**CREDIT RISK:** The risk that an obligation will not be paid, and a loss will result due to a failure of the issuer of a security.

**CUSIP:** Stands for Committee on Uniform Securities Identification Procedures. A CUSIP number identifies most securities, including stocks of all registered U.S. and Canadian companies, and U.S. government and municipal bonds. The CUSIP system—owned by the American Bankers Association and operated by Standard & Poor's—facilitates the clearing and settlement process of securities. The number consists of nine characters (including letters and numbers) that uniquely identify a company or issuer and the type of security.

**CURRENT YIELD:** The annual interest on an investment divided by the current market value. Since the calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

**CUSTODIAN:** A bank or other financial institution that keeps custody of stock certificates and other assets.

**DEALER:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his/her own risk and account or inventory.

**DEBENTURES:** A bond secured only by the general credit of the issuers.

**DELIVERY VERSUS PAYMENT (DVP):** Delivery of securities with a simultaneous exchange of money for the securities.

**DERIVATIVES:** A financial instrument that is based on, or derived from, some underlying asset, reference date, or index.

**DIRECT ISSUER:** Issuer markets its own paper directly to the investor without use of an intermediary.

**DISCOUNT:** The difference between the cost of a security and its value at maturity when quoted at lower than face value.

**DIVERSIFICATION:** Dividing investment funds among a variety of securities offering independent returns and risk profiles.

**DURATION:** A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. Duration measures the price sensitivity of a bond to changes in interest rates.

**FACE VALUE:** The principal amount owed on a debt instrument. It is the amount on which interest is computed and represents the amount that the issuer promises to pay at maturity.

**FAIR VALUE:** The amount at which a security could be exchanged between willing parties, other than in a forced or liquidation sale. If a market price is available, the fair value is equal to the market value.

**FANNIE MAE:** Trade name for the Federal National Mortgage Association (FNMA), a U.S. Government sponsored enterprise.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** A federal agency that provides insurance on bank deposits, guaranteeing deposits to a set limit per account, currently \$250,000.

**FEDERAL FARM CREDIT BANK (FFCB):** Government-sponsored enterprise that consolidates the financing activities of the Federal Land Banks, the Federal Intermediate Credit Banks, and the Banks for Cooperatives. Its securities do not carry direct U.S. government guarantees.

**FEDERAL FUNDS RATE:** The rate of interest at which Federal funds are traded. This rate is considered to be the most sensitive indicator of the direction of interest rates, as it is currently pegged by the Federal Reserve through open-market operations.

**FEDERAL GOVERNMENT AGENCY SECURITIES:** Federal Agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

**FEDERAL HOME LOAN BANKS (FHLB):** Government sponsored enterprise (currently made up of 12 regional banks) that regulates and lends funds and provides correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. Although the banks operate under federal charter with government supervision, the securities are not guaranteed by the U. S. Government.

**FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC):** Government sponsored enterprise that helps maintain the availability of mortgage credit for residential housing. FHLMC finances these operations by marketing guaranteed mortgage certificates and mortgage participation certificates. Its discount notes and bonds do not carry direct U.S. government guarantees.

**FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA):** Government sponsored enterprise that is the largest single provider of residential mortgage funds in the United States. FNMA is a private stockholder-owned corporation. The corporation's purchases include a

variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted.

**FEDERAL OPEN MARKET COMMITTEE (FOMC):** A committee of the Federal Reserve Board, which establishes monetary policy and executes it through temporary and permanent changes to the supply of bank reserves.

**FEDERAL RESERVE SYSTEM:** The central bank of the U.S. which consists of a seven-member Board of Governors, 12 regional banks and about 5,700 commercial banks that are members.

**FED WIRE:** A wire transmission service established by the Federal Reserve Bank to facilitate the transfer of funds through debits and credits of funds between participants within the Fed system.

**FREDDIE MAC:** Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a U.S. government sponsored enterprise.

**GINNIE MAE:** Trade name for the Government National Mortgage Association (GNMA), a direct obligation bearing the full faith and credit of the U.S. Government.

**GOVERNMENT ACCOUNTING STANDARDS BOARD (GASB):** A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

**GUARANTEED INVESTMENT CONTRACTS (GICS):** An agreement acknowledging receipt of funds, for deposit, specifying terms for withdrawal, and guaranteeing a rate of interest to be paid.

**INTEREST RATE:** The annual yield earned on an investment, expressed as a percentage.

**INTEREST RATE RISK:** The risk of gain or loss in market values of securities due to changes in interest-rate levels. For example, rising interest rates will cause the market value of portfolio securities to decline.

**INVESTMENT AGREEMENTS:** A contract providing for the lending of issuer funds to a financial institution which agrees to repay the funds with interest under predetermined specifications.

**INVESTMENT GRADE (LONG TERM RATINGS):** The minimum, high quality ratings for long-term debt such as corporate notes. Investment Grade ratings are as follows: A3 (Moody's), A- (S&P), and A- (Fitch).

**INVESTMENT PORTFOLIO:** A collection of securities held by a bank, individual, institution or government agency for investment purposes.

**LIQUIDITY:** A liquid asset is one that can be converted easily and rapidly into cash with minimum risk of principal.

**LOCAL AGENCY INVESTMENT FUND (LAIF):** An investment pool sponsored by the State of California and administered/managed by the State Treasurer. Local government units, with consent of the governing body of that agency, may voluntarily deposit surplus funds for the purpose of investment. Interest earned is distributed by the State Controller to the participating governmental agencies on a quarterly basis.

**LOCAL AGENCY INVESTMENT POOL:** A pooled investment vehicle sponsored by a local agency or a group of local agencies for use by other local agencies.

**MARKET RISK:** The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates. Systematic risk of a security that is common to all securities of the same general class (stocks, bonds, notes, money market instruments) and cannot be eliminated by diversification (which may be used to eliminate non-systematic risk).

**MARKET VALUE:** The price at which a security is currently being sold in the market. See FAIR VALUE.

**MASTER REPURCHASE AGREEMENT:** A written contract covering all future transactions between the parties to repurchase agreements and reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

**MATURITY:** The date that the principal or stated value of a debt instrument becomes due and payable.

**MEDIUM-TERM CORPORATE NOTES (MTNs):** Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts either on a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

**MODIFIED DURATION:** The percent change in price for a 100-basis point change in yields. This is a measure of a portfolio's or security's exposure to market risk.

**MONEY MARKET:** The market in which short-term debt instruments (Treasury Bills, Discount Notes, Commercial Paper, Banker's Acceptances and Negotiable Certificates of Deposit) are issued and traded.

**MORTGAGED BACKED SECURITIES:** A type of security that is secured by a mortgage or collection of mortgages. These securities typically pay principal and interest monthly.

**MUNICIPAL BONDS:** Debt obligations issued by states and local governments and their agencies, including cities, counties, government retirement plans, school Agencies, state universities, sewer agency, municipally owned utilities and authorities running bridges, airports, and other transportation facilities.

**MUTUAL FUND:** An entity that pools money and can invest in a variety of securities which are specifically defined in the fund's prospectus.

**NEGOTIABLE CERTIFICATE OF DEPOSIT:** A large denomination certificate of deposit which can be sold in the open market prior to maturity.

**NET PORTFOLIO YIELD:** Calculation in which the 365-day basis equals the annualized percentage of the sum of all Net Earnings during the period divided by the sum of all Average Daily Portfolio Balances.

**NATIONALLY RECOGNIZED RATING ORGANIZATION (NRSRO):** is a credit rating agency that issues credit rating that U.S. Securities and Exchange Commission permits other financial firms to use for certain regulatory purposes.

**OPEN MARKET OPERATIONS:** Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit: Sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

**PAR VALUE:** The amount of principal which must be paid at maturity. Also referred to as the face amount of a bond. See FACE VALUE.

**PORTFOLIO:** The collection of securities held by an individual or institution.

**PREMIUM:** The difference between the par value of a bond and the cost of the bond, when the cost is above par.

**PRIMARY DEALER:** A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. These dealers are authorized to buy and sell government securities in direct dealing with the Federal Reserve Bank of New York in its execution of market operations to carry out U.S. monetary policy. Such dealers must be qualified in terms of reputation, capacity, and adequacy of staff and facilities.

**PRIME (SHORT TERM RATING):** High quality ratings for short term debt such as commercial paper. Prime ratings are as follows: P1 (Moody's), A1 (S&P), and F1 (Fitch).

**PRINCIPAL:** The face value or par value of a debt instrument, or the amount of capital invested in a given security.

**PRIVATE PLACEMENTS:** Securities that do not have to be registered with the Securities and Exchange Commission because they are offered to a limited number of sophisticated investors.

**PROSPECTUS:** A legal document that must be provided to any prospective purchaser of a new securities offering registered with the Securities and Exchange Commission that typically includes information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements (also known as an "official statement").

**PRUDENT INVESTOR STANDARD:** A standard of conduct for fiduciaries. Investments shall be made with judgment and care--under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

**PUBLIC DEPOSIT:** A bank that is qualified under California law to accept a deposit of public funds.

**PURCHASE DATE:** The date in which a security is purchased for settlement on that or a later date. Also known as the "trade date."

**RATE OF RETURN:** 1) The yield which can be attained on a security based on its purchase price or its current market price. 2) Income earned on an investment, expressed as a percentage of the cost of the investment.

**REALIZED GAIN (OR LOSS):** Gain or loss resulting from the sale or disposal of a security.

**REGIONAL DEALER:** A financial intermediary that buys and sells securities for the benefit of its customers without maintaining substantial inventories of securities and that is not a primary dealer.

**REPURCHASE AGREEMENT (RP or REPO):** A transaction in which a counterparty or the holder of securities (e.g. investment dealer) sells these securities to an investor (e.g. the Agency) with a simultaneous agreement to repurchase them at a fixed date. The security "buyer" (e.g. the Agency) in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate the "buyer" for this. Dealers use



RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

**REVERSE REPURCHASE AGREEMENT (REVERSE REPO):** The opposite of a repurchase agreement. A reverse repo is a transaction in which the Agency sells securities to a counterparty (e.g. investment dealer) and agrees to repurchase the securities from the counterparty at a fixed date. The counterparty in effect lends the seller (e.g. the Agency) money for the period of the agreement with terms of the agreement structured to compensate the buyer.

**RISK:** Degree of uncertainty of return on an asset.

**SAFEKEEPING:** A service which banks offer to clients for a fee, where physical securities are held in the bank's vault for protection and book-entry securities are on record with the Federal Reserve Bank or Depository Trust Company in the bank's name for the benefit of the client. As agent for the client, the safekeeping bank settles securities transactions, collects coupon payments, and redeems securities at maturity or on call date, if called.

**SECURITIES AND EXCHANGE COMMISSION (SEC):** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**SECONDARY MARKET:** A market for the repurchase and resale of outstanding issues following the initial distribution.

**SECURITIES:** Investment instruments such as notes, bonds, stocks, money market instruments and other instruments of indebtedness or equity.

**SETTLEMENT DATE:** The date on which a trade is cleared by delivery of securities against funds.

**SOFR:** Acronym for "Secured Overnight Financing Rate," which represents a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities.

**SPREAD:** The difference between two figures or percentages. It may be the difference between the bid (price at which a prospective buyer offers to pay) and asked (price at which an owner offers to sell) prices of a quote, or between the amount paid when bought and the amount received when sold.

**STRUCTURED NOTE:** A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities, or indices. Examples include "inverse floating rate" notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising and "dual index floaters", which pay interest based on the relationship between two other interest rates, for example, the yield on the ten-year



Treasury note minus the ~~Liber~~ SOFR rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

**SUPRANATIONALS:** are international institutions that provide development financing, advisory services and/or financial services to their member countries to achieve the overall goal of improving living standards through sustainable economic growth. The Government Code allows local agencies to purchase the United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.

**TIME DEPOSIT:** A deposit with a California bank or savings and loan association for a specific amount and with a specific maturity date and interest rate. Deposits of up to \$250,000 are insured by FDIC. Deposits over \$250,000 are collateralized above the insurance with either government securities (at 110% of par value), first trust deeds (at 150% of par value), or letters of credit (at 105% of par value).

**TOTAL RATE OF RETURN:** A measure of a portfolio's performance over time. It is the internal rate of return which equates the beginning value of the portfolio with the ending value and includes interest earnings and realized and unrealized gains and losses on the portfolio. For bonds held to maturity, total return is the yield to maturity.

**TRUSTEE OR TRUST COMPANY OR TRUST DEPARTMENT OF A BANK:** A financial institution with trust powers which acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

**UNDERWRITER:** A dealer which purchases a new issue of municipal securities for resale.

**UNIFORM NET CAPITAL RULE:** Securities and Exchange Commission requirement that member firms as well as nonmember broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

**U.S. GOVERNMENT AGENCY SECURITIES:** Securities issued by U.S. government agencies, most of which are secured only by the credit worthiness of the particular agency. See AGENCIES.

**U.S. TREASURY OBLIGATIONS:** Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are the benchmark for interest rates on all other securities in the U.S. The Treasury issues both discounted securities and fixed coupon

notes and bonds. The income from Treasury securities is exempt from state and local, but not federal, taxes.

**TREASURY BILLS:** Securities issued at a discount with initial maturities of one year or less. The Treasury currently issues three-month and six-month Treasury bills at regular weekly auctions. It also issues very short-term "cash management" bills as needed to smooth out cash flows.

**TREASURY NOTES:** Intermediate-term coupon-bearing securities with initial maturities of one year to ten years.

**TREASURY BOND:** Long-term coupon-bearing securities with initial maturities of ten years or longer.

**UNREALIZED GAIN (OR LOSS):** Gain or loss that has not become actual. It becomes a realized gain (or loss) when the security in which there is a gain or loss is actually sold. See REALIZED GAIN (OR LOSS).

**VOLATILITY:** Characteristic of a security, commodity, or market to rise or fall sharply in price within a short-term period.

**WEIGHTED AVERAGE MATURITY:** The average maturity of all the securities that comprise a portfolio that is typically expressed in days or years.

**YIELD:** The annual rate of return on an investment expressed as a percentage of the investment. See CURRENT YIELD; YIELD TO MATURITY.

**YIELD CURVE:** Graph showing the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity.

**YIELD TO MATURITY:** Concept used to determine the rate of return if an investment is held to maturity. It considers purchase price, redemption value, time to maturity, coupon yield, and the time between interest payments. It is the rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

**ORIGINATING SECTION:** Office of the General Manager**CONTACT:** Carol Mahoney/Valerie Pryor**AGENDA DATE:** June 11, 2024**SUBJECT:** Commendation for Director Angela Ramirez Holmes**SUMMARY:**

Zone 7 would like to recognize and commend Director Angela Ramirez Holmes for her service and dedication in fulfilling the mission to “deliver safe, reliable, efficient and sustainable water and flood protection services.” Ms. Ramirez Holmes, who has served on the Zone 7 Board of Directors since 2012, has been instrumental in achieving the strategic planning goals of the agency, particularly in her service on agency committees related to fiscal responsibility, administration, legislation, and local governance.

Through her service as the Board President in 2018-2019 and again in 2021-2022, as well as Vice President in 2020-2021; Ms. Ramirez Holmes exemplified community leadership in water policy by encouraging agency transparency and public involvement. She was often heard asking about how decisions being put forward were perceived by local water retailers, cities, and the public and she encouraged the agency to take a hard look at how the cost of water would impact the greater community. This dedication led Ms. Ramirez Holmes to focus her energy on regional water supplies, including the Los Vaqueros Reservoir Expansion Project.

In November 2021, Ms. Ramirez Holmes was appointed as the first Chair of the newly formed Los Vaqueros Reservoir Joint Powers Authority. Reaffirming this role in January of 2024, she was selected to act as Chair for a third term. Ms. Ramirez Holmes has served the residents of the Tri-Valley with distinction on the Zone 7 board of Directors, and upon her resignation effective May 12, 2024, it is the desire of Zone 7 to recognize her accomplishments and wish her best in her future endeavors.

**FUNDING:**

N/A

**RECOMMENDED ACTION:**

Adopt the attached Resolution.

**ATTACHMENT:**

Resolution

ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY

SECONDED BY

**Commendation for Director Angela Ramirez Holmes**

WHEREAS, Director Angela Ramirez Holmes has served with distinction the citizens of the Tri-Valley within the boundaries of Zone 7 of the Alameda County Flood Control and Water Conservation District (Zone 7); and

WHEREAS, since her election in 2012, Ms. Ramirez Holmes has contributed to elevating the goals of the agency by providing effective leadership, administration, fiscal responsibility, transparency and governance; and

WHEREAS, through her service as Board President in 2018-2019 and again in 2021-2022, as well as Vice President in 2020-2021, Ms. Ramirez Holmes exemplified community leadership in water policy by encouraging agency transparency and public involvement; and

WHEREAS, she shared her many years of experience with government relations and public affairs to foster understanding, not just among her fellow Board of Directors, but also to encourage staff to use plain language to describe the complex topics discussed in the Administrative, Finance, Legislative, and Liaison Committees on which she served – actually establishing the Legislative Committee and acting as Chair for both the Legislative and Finance committees; and

WHEREAS, as the long time Chair of the Finance Committee, Ms. Ramirez Holmes encouraged the establishment of a Post-Employment Benefits Trust and is a steward of public funds and advocate for rate-payer protections; and

WHEREAS, Ms. Ramirez Holmes not only contributed to thoughtful and fiscally responsible decision making, but also had a hand in important governance actions such as increased public transparency through the initiation of televising meetings and the review and update of all Zone 7 Board approved policies; and

WHEREAS, this attention to policy level governance and fiscal responsibility led to Ms. Ramirez Holmes being appointed Chair of the Los Vaqueros Reservoir Joint Powers Authority in November 2021, where she has been twice reconfirmed;

NOW, THEREFORE, BE IT RESOLVED that this Board does hereby acknowledge, commend and thank Ms. Angela Ramirez Holmes for her fine public service on the Board of Directors of Zone 7 of Alameda County Flood Control & Water Conservation District.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on June 11, 2024.

By: \_\_\_\_\_  
President, Board of Directors

**ORIGINATING SECTION:** Office of the General Manager

**CONTACT:** Valerie Pryor

**AGENDA DATE:** June 11, 2024

**SUBJECT:** Appointment of Los Vaqueros Reservoir Expansion Joint Powers Authority Board Representative

**SUMMARY:**

- To support the Mission to deliver safe, reliable, efficient, and sustainable water, Zone 7 Water Agency (Zone 7) has been evaluating participation in the Los Vaqueros Reservoir Expansion Project (Project). This action supports Strategic Plan Goal A – Reliable Water Supply and Infrastructure and is to implement Strategic Plan Initiative #2 – Evaluate and develop appropriate new water supply and reliability opportunities.
- The Project involves the expansion of the existing Los Vaqueros Reservoir, increasing the capacity from 160,000 acre-feet to 275,000 acre-feet (AF), and provides facility upgrades and construction of the Transfer-Bethany Pipeline. The Project will provide environmental, water supply reliability, operational flexibility, water quality, and recreational benefits. The Project includes eight regional partners. The Project is located in Contra Costa County, and most facilities are owned by Contra Costa Water District (CCWD).
- Zone 7 has been investing in the Project since 2016. The Los Vaqueros Reservoir Joint Powers Authority (JPA) was formed in October 2021 to govern the design, construction, operation, and maintenance of the Project. The JPA membership consists of CCWD, local agency partners, and the Department of Water Resources (as a non-voting member). The Zone 7 Board approved participation in the JPA in August 2021 and has been actively involved; Director Ramirez Holmes has served as the Chair of the JPA since its formation, and President Figuers serves as an alternate, representing Zone 7 as a local agency partner.
- With the resignation of Director Angela Ramirez Holmes from the Zone 7 Board of Directors, there is the opportunity for Zone 7 to select a new Director to the JPA.
- The JPA agreement requires Directors and Alternates to be appointed by formal action. While the Zone 7 practice is for the Board President to make these types of appointments, staff recommends the Board confirm the President's appointments by resolution.

**FUNDING:**

The Agency will be responsible for all costs associated with the participation of its Board Member and the Alternate as allowed under the current "Zone 7 Board of Directors"

Compensation and Expense Reimbursement Policy.” Funds will be available in Fund 100 – Water Enterprise Operations.

**RECOMMENDED ACTION:**

Adopt the attached Resolution confirming the Board President’s appointment of the Director to serve on the Los Vaqueros Reservoir JPA Board of Directors.

**ATTACHMENT:**

Resolution

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

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Appointment of Los Vaqueros Reservoir Expansion  
Joint Powers Authority Board Representative**

WHEREAS, to support the Mission Statement to deliver safe, reliable, efficient, and sustainable water, Zone 7 Water Agency (Zone 7) has been considering the Los Vaqueros Reservoir Expansion Project (Project) since 2016; and

WHEREAS, Zone 7's participation in the Project supports Strategic Plan Initiative No. 1 (Establish a diversified water supply plan), with the Project providing emergency conveyance and water supply storage upstream of Zone 7; and

WHEREAS, to further advance the Project, a Joint Powers Authority (JPA) was created to govern the design, construction, operation, and maintenance of the Project under the Los Vaqueros Reservoir Joint Exercise of Powers Agreement (JPA Agreement); and

WHEREAS, Zone 7 has been participating in the project since 2016 and is a member of the JPA; and

WHEREAS, the JPA requires Directors and Alternates be appointed by formal action and while the Zone 7 practice is for the Board President to make these types of appointments, staff recommends the Board confirm the President's appointments by resolution; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District the Board authorizes the appointment of \_\_\_\_\_ as Director to serve on the Los Vaqueros Reservoir JPA Board of Directors.

BE IT FURTHER RESOLVED that the Board hereby appoints one Alternate Board Member to the Los Vaqueros Reservoir JPA Board of Directors, that being Director \_\_\_\_\_.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on June 11, 2024.

By: \_\_\_\_\_  
President, Board of Directors



**ORIGINATING SECTION:** Administrative Services

**CONTACT:** Osborn Solitei

**AGENDA DATE:** June 11, 2024

**SUBJECT:** Proposed Two-Year Operating and Capital Budget for Fiscal Years 2024-25 and 2025-26

**SUMMARY:**

- The proposed budget is aligned with Strategic Plan Goal G - Fiscal Responsibility: Operate the Agency in a fiscally responsible manner and Strategic Plan Initiative No. 24 – Continue to effectively manage financial resources for the Agency. In carrying out these fiscal responsibilities, staff proposes a biennial budget for the Board's review and approval. The proposed budget covers fiscal years (FY) 2024-25 and 2025-26 with a mid-cycle budget review planned for FY 2025-26.
- For the purpose of developing this budget, the Board approved water rates for Calendar Years (CY) 2025 and 2026 have been incorporated into the revenue assumptions. However, the proposed budget does not set rates; it is a planning document. Pursuant to Board Resolution No. 22-93, dated November 16, 2022, the Board shall revisit the rate schedule for CY 2025 and 2026, through a public process, with any changed rates adopted by November 2024.
- The proposed budget was presented to the Board at the May 1, 2024, Special Board Meeting. After discussion, the Board did not recommend any changes, and directed staff to bring the proposed budget to the June 11, 2024, Regular Board meeting for approval and adoption.
- The following assumptions have been incorporated into the proposed budget:
  - › **Water Rates:** 5.5% water rate increases approved by the Board for CYs 2025 and 2026.
  - › **State Water Project (SWP) Property Tax:** No increase to the SWP property tax for FY 2024-25 and 2025-26.
  - › **Connection Fee Revenue:** \$10M in connection fee revenue for both FY 2024-25 and FY 2025-26. This is a \$15M reduction from the current year budget.
  - › **Storm Damage Repairs:** Phase 1 of the 2023 Storm repairs, which includes 78 damaged sites totaling \$18.7M over two years.

- › **Personnel:** Addition of five full-time positions, at a cost of \$1.1M, a 4% annual cost of living adjustment each year, and an estimated 10% vacancy rate.
- › **Section 115 Pension Trust:** Contributions of \$150K to the Pension Trust for FY 2024-25 and FY 2025-26 as unallocated fund balance is estimated to be available at the end of each fiscal year.
- › **Reserves:** All reserves are compliant with Reserve Policy.

The table below summarizes the Agency-wide proposed budget.

	<b>FY 2023-24 Projection<sup>1</sup></b>	<b>FY 2024-25 Proposed Budget</b>	<b>FY 2025-26 Proposed Budget</b>
<b>Estimated Beginning Fund Balance</b>	<b>\$322,915,000</b>	<b>\$287,268,000</b>	<b>\$295,177,000</b>
<b>Revenue<sup>2</sup></b>	146,145,000	165,920,000	152,537,000
<b>Expenses<sup>3</sup></b>	181,792,000	158,011,000	172,871,000
<b>Operating Impact (Rev-Exp)</b>	(35,647,000)	7,909,000	(20,334,000)
<b>Estimated Ending Fund Balance</b>	<b>\$287,268,000</b>	<b>\$295,177,000</b>	<b>\$274,843,000</b>

<sup>1</sup> Amounts based on FY 2023-24 Second Quarter (Q2) projections and are subject to change.

<sup>2</sup> Increase in revenue in FY 2024-25 is due to a one-time collection of grants for the Stoneridge PFAS (\$16M) and Chain of Lakes PFAS (\$958K) projects.

<sup>3</sup> The decrease in expenses in FY 2024-25 is due to the construction of major water system projects in the prior year such as the Stoneridge PFAS (\$10M) and Chain of Lakes PFAS (\$22M).

## **RECOMMENDED ACTION:**

Adopt the attached Resolution approving the Two-Year Operating and Capital Budget for Fiscal Years 2024-25 and 2025-26.

## **ATTACHMENTS:**

1. Resolution
2. Exhibit A – FY 2024-25 and FY 2025-26 Proposed Budget – Summary of Budget by Account Classification
3. Exhibit B – FY 2024-25 and FY 2025-26 Proposed Capital Projects Listing

## OPERATING BUDGETS

### Fund 100 – Water Enterprise Operations Fund (Fund 100)

*Primary Funding Source: Water Rates*

The purpose of this fund is to ensure the delivery of high-quality drinking and irrigation water to the Livermore-Amador Valley. This operations and maintenance fund includes water treatment and transmission of potable (drinking) water, distribution of untreated agricultural/irrigation water, and surface water and groundwater management. Water distributed is a combination of locally stored and imported water from the State Water Project. Programs in the fund include water treatment, water quality analysis, water resource management, groundwater recharge and protection, general administration, maintenance, out-of-area water banking infrastructure, and water supply planning and engineering.

The table below summarizes the proposed budget for Fund 100. This proposed budget uses projected unallocated fund balance for FYs 2024-25 and 2025-26:

	FY 2023-24 Projection <sup>1</sup>	FY 2024-25 Proposed Budget	FY 2025-26 Proposed Budget
<b>Estimated Beginning Fund Balance</b>	<b>\$29,369,000</b>	<b>\$32,050,000</b>	<b>\$30,794,000</b>
<b>Revenue</b>	67,230,000	68,185,000	72,165,000
<b>Expenses</b>	64,549,000	69,441,000	72,442,000
<b>Operating Impact (Rev-Exp)</b>	2,681,000	(1,256,000)	(277,000)
<b>Estimated Ending Fund Balance<sup>2</sup></b>	<b>\$32,050,000</b>	<b>\$30,794,000</b>	<b>\$30,517,000</b>

<sup>1</sup>Amounts based on FY 2023-24 Q2 projections and are subject to change.

<sup>2</sup>The estimated ending fund balance includes target reserves, Section 115 Pension Trust, and unallocated fund balance.

## Fund 100 Detailed Budget

The table below provides a detailed breakdown of the proposed FY 2024-25 and FY 2025-26 Fund 100 budget.

<b>Fund 100 - Water Enterprise Operations</b>	<b>FY 2023-24 Projection<sup>1</sup></b>	<b>FY 2024-25 Proposed Budget</b>	<b>FY 2025-26 Proposed Budget</b>
<b>Estimated Beginning Fund Balance</b>	<b>\$29,369,000</b>	<b>\$32,050,000</b>	<b>\$30,794,000</b>
<b>Revenue</b>			
Water Sales	66,148,000	67,393,000	71,268,000
Investment Earnings	750,000	479,000	454,000
State Grant	-	-	130,000
Other Revenue	332,000	313,000	313,000
<b>Total Revenue</b>	<b>67,230,000</b>	<b>68,185,000</b>	<b>72,165,000</b>
<b>Expenses</b>			
Personnel	18,508,000	20,255,000	21,005,000
Professional Services	2,950,000	4,216,000	3,589,000
County Services	1,909,000	1,133,000	1,936,000
Insurance Services	760,000	850,000	900,000
Legal Services	340,000	455,000	455,000
Water	6,288,000	5,952,000	7,273,000
Delta Conveyance Project	2,375,000	3,300,000	3,300,000
Chemicals	3,821,000	4,000,000	4,000,000
Utilities	2,410,000	2,308,000	2,428,000
Telecommunications	157,000	251,000	238,000
Maintenance Services	2,207,000	2,533,000	2,484,000
Rental Services	309,000	556,000	546,000
Office Supplies and Other Services	620,000	739,000	595,000
Organizational Memberships and Support	470,000	442,000	424,000
Los Vaqueros Reservoir Expansion Project	992,000	-	320,000
Training and Travel	160,000	199,000	197,000
Water Conservation Program	120,000	158,000	158,000
Equipment	160,000	-	-
Debt Service	3,342,000	4,976,000	4,976,000
Capital Funding	16,651,000	17,118,000	17,618,000
<b>Total Expenses</b>	<b>64,549,000</b>	<b>69,441,000</b>	<b>72,442,000</b>
Operating Impact (Rev-Exp)	2,681,000	(1,256,000)	(277,000)
<b>Estimated Ending Fund Balance</b>	<b>\$32,050,000</b>	<b>\$30,794,000</b>	<b>\$30,517,000</b>

<sup>1</sup>Amounts based on FY 2023-24 Q2 projections and are subject to change.

### Revenue

The FY 2024-25 and FY 2025-26 proposed revenue is \$68.2M and \$72.2M. Revenue highlights and assumptions are described below.

- **Water Sales:** The proposed budget assumes rate increases of 5.5% for CYs 2025 and 2026, as adopted via Resolution No. 22-93, dated November 16, 2022. Treated water

sales are estimated to be 34,000 AF in FY 2024-25 and 35,000 AF in FY 2025-26. Untreated water sales are estimated at 5,000 AF each year. Water sales estimates are based on a five-year historical average.

- **Investment Earnings:** The proposed budget assumes investment earnings of 2.5% in FY 2024-25 and 1.5% in FY 2025-26.
- **Grants:** FY 2025-26 includes receipt of Prop 1 Integrated Regional Water Management Program Round 2 grant proceeds for the water supply risk model enhancements and optimization project, which funds approximately 50% of the total project cost.
- **Other Revenue:** The proposed budget includes miscellaneous revenue such as well permit fees and DWR refunds.

## Expenses

The FY 2024-25 and FY 2025-26 proposed expenses are \$69.4M and \$72.4M. Expense highlights and assumptions are described below.

- **Personnel:** The proposed budget assumes the addition of five full-time equivalent (FTE) positions, at a cost of \$1.1M, a 4% annual cost of living adjustment each year, and an estimated 10% vacancy rate. The newly proposed positions are described in the table below.

Position	Justification
Water Treatment Plant Operator (2 FTE)	Two additional Water Treatment Operators to reduce the occurrence of extended-duration solo-work at the treatment plants.
Water Quality Laboratory Supervisor, Zone 7 (1 FTE)	This new Laboratory Supervisor position is required for compliance with the new California Environmental Laboratory Accreditation Program regulations, which requires the Agency to designate a "Technical Manager" and a "Quality Manager".
CMMS Position (1 FTE)	This new position will be responsible for development, implementation, and management of the new CMMS program.
Senior Network Engineer (1 FTE)	This new position will be responsible for assessing, planning, designing, and managing network infrastructure, SCADA applications, and cybersecurity.

- **Professional Services:** The proposed professional services are summarized below, categorized primarily by section.

Professional Services	FY 2024-25 Proposed	FY 2025-26 Proposed
<b>Communications</b> (Communication Services, School & Outreach, Website)	\$507,000	\$537,000
<b>Engineering</b> (As-needed Engineering Services, Water Infrastructure Act Risk and Resiliency Assessment)	390,000	190,000
<b>Finance</b> (Cost System Programming, As-needed Grant/Loan Support, External Auditor)	173,000	176,000
<b>Groundwater</b> (GW Model Update, GW Database Development and Implementation, other as-needed studies)	735,000	445,000
<b>Human Resources</b> (HR Related Activities, Support)	90,000	95,000
<b>Information Technology Services</b>	313,000	321,000
<b>Office of General Manager</b> (Legislative Services, Strategic Planning)	330,000	202,000
<b>Security Guard Services</b>	255,000	275,000
<b>Water Supply Planning</b> (Energy Strategic Plan, Water Supply Model – partially grant funded, Demand Study, Urban Water Management Plan, Arroyo Del Valle Water Rights CEQA Compliance)	743,000	840,000
<b>Water Quality</b> (PFAS Monitoring, Analytical Support)	323,000	150,000
<b>Other</b> (SCADA Services, Safety Consultant)	107,000	108,000
<b>Contingency</b>	250,000	250,000
<b>Total</b>	<b>\$4,216,000</b>	<b>\$3,589,000</b>

- **Water Production:** Includes water, chemicals, and utilities. Based on current information, the proposed budget anticipates drier conditions in CYs 2025 and 2026 and surface water as the primary source of water supply.
  - › **Water** – Water costs in FY 2024-25 are estimated to be \$5.95M and increase to \$7.3M in FY 2025-26. Based on current information, the proposed budget allocates funding for State Water Project (SWP) conveyance, water recovery from local storage, recovery/storage from the Kern County banking program, and purchase of additional water supplies. The increase in FY 2025-26 reflects planned recovery of banked water from Kern County.
  - › **Chemicals** – The proposed budget incorporates the continued inflationary cost increases to chemicals and the assumption of predominately treating surface water to meet demands.
  - › **Utilities** – The proposed budget primarily reflects energy costs associated with the treatment of surface water at the Agency’s ozone facilities.
- **Water Reliability Projects:** The proposed budget estimates \$3.3M per year for the Delta Conveyance project and \$320K in FY 2025-26 for the Los Vaqueros Reservoir Expansion project. Due to project delays, no payment is planned for FY 2024-25 for the Los Vaqueros project.

- **Water Conservation Program:** The proposed budget allocates funding to the Agency's rebate program to continue efforts dedicated to incentivizing Tri-Valley residents to convert to water efficient appliances and drought resistant landscapes.
- **Computerized Maintenance Management System (CMMS):** The proposed budget includes funding for a new CMMS position and \$1.6M in capital funding for CMMS support. The new system will need continued support to ensure that the project is successfully implemented and sustained. Successful implementation of the new CMMS will lower reactive maintenance and increase asset uptime, reliability, and safety, extending the useful life of Zone 7 assets.
- **Debt Service:** The proposed budget includes annual debt service payments for the Agency's 2018 and 2023 Series A Bonds.

## Reserves

Per Resolution No. 19-37, dated May 15, 2019, the Board approved the revised reserve policy. The proposed budget recommends continuing to fund reserves at target levels. The corresponding target reserve requirements for the proposed budget are shown in the table below.

Fund 100 Reserves	Target Policy	FY 2024-25 Proposed Budget	FY 2025-26 Proposed Budget
Operating	90 days of budgeted operating expenses	\$12,902,000	\$13,518,000
Emergency	2.5% of water enterprise assets	8,381,000	8,465,000
Economic Uncertainties	15% of budgeted volume-based water sales	5,298,000	5,611,000
<b>Total Target Reserves<sup>1</sup></b>		<b>\$26,581,000</b>	<b>\$27,594,000</b>
Section 115 Pension Trust Fund <sup>2</sup>		1,920,000	2,047,000
Unallocated Fund Balance <sup>3</sup>		2,293,000	876,000
<b>Total Proposed Reserves Budget</b>		<b>\$30,794,000</b>	<b>\$30,517,000</b>

1. **Target Reserves** - The proposed budget meets the Agency's reserve policy requirement of funding all reserves at target levels.
2. **Section 115 Pension Trust Fund** - The proposed budget includes contributions of \$150K to the Pension Trust for FY 2024-25 and FY 2025-26 as unallocated fund balance is estimated to be available at the end of each FY.
3. **Unallocated Fund Balance** – The unallocated fund balance is the remaining balance of funds after all reserves have been funded at target level. Based on the proposed budget, this balance is projected to be approximately \$876K by the end of FY 2025-26. The unallocated fund balance is unrestricted, giving the Board discretion of how and when to use it. At the February 15, 2024, Finance Committee Meeting, staff were given direction on the Committee's preferred use of unallocated fund balance. These options include:
  - i. Offsetting future rate increases,
  - ii. Funding the annual contribution to the IRS Section 115 Pension Trust per the adopted Board policy,
  - iii. Funding for water supply reliability projects.

## Fund 110 – State Water Facilities Fund (Fund 110)

*Primary Funding Source: Property Tax Override: The property tax override is exempt from the ad valorem property tax levy limitations of Article XIII A of the Constitution of the State of California as the indebtedness was approved prior to July 1, 1978.*

This fund finances the Agency's contractual obligation to DWR to import water to the Agency. The purpose is to pay the fixed costs of the State Water Project delivery system, which includes repayment of voter-approved, State-incurred, long-term debt.

The table below summarizes the proposed budget and projected reserve balances in Fund 110. Details of the proposed budget can be found in Exhibit A.

	FY 2023-24 Projection <sup>1</sup>	FY 2024-25 Proposed Budget	FY 2025-26 Proposed Budget
<b>Estimated Beginning Fund Balance</b>	<b>\$48,613,000</b>	<b>\$51,731,000</b>	<b>\$52,960,000</b>
<b>Revenue</b>	29,426,000	29,941,000	29,655,000
<b>Expenses</b>	26,308,000	28,712,000	31,252,000
<b>Operating Impact (Rev-Exp)</b>	3,118,000	1,229,000	(1,597,000)
<b>Estimated Ending Fund Balance</b>	<b>\$51,731,000</b>	<b>\$52,960,000</b>	<b>\$51,363,000</b>
<b>Reserve Policy Maximum</b>	28,712,000	31,252,000	33,752,000
<b>Above/(Below) Policy Max.<sup>2</sup></b>	23,019,000	21,708,000	17,611,000

<sup>1</sup>Amounts based on FY 2023-24 Q2 projections and are subject to change.

<sup>2</sup>Although the projected year-end fund balance exceeds the reserve maximum, State Water Project costs are highly volatile and unpredictable. Based on the State Water Project budget report for CYs 2024 and 2025, the total capital need for the next 12 years is estimated to be \$6.0B, of which the Agency is responsible for its proportional share.

### Revenue

The FY 2024-25 and FY 2025-26 proposed revenue is \$29.9M and \$29.7M. Revenue highlights and assumptions are described below.

- **Property Taxes:** The proposed budget assumes no increase in the property tax override in FY 2024-25 and FY 2025-26.
- **Investment Earnings:** The proposed budget assumes investment earnings of 2.5% in FY 2024-25 and 1.5% in FY 2025-26.
- **Other Revenue:** Other revenue includes miscellaneous revenue such as DWR refunds.

### Expenses

The FY 2024-25 and FY 2025-26 proposed expenses are \$28.7M and \$31.3M. Expense highlights and assumptions are described below.

- **Professional Services:** The proposed budget includes Fund 110's share of the Agency's investment advisory services.
- **Water:** The proposed FY 2024-25 budget assumes an increase of 6% over the FY 2023-24 projection and FY 2025-26 assumes a 9% increase over the prior year. The increases are based on rising operating and maintenance costs and DWR's projection of increasing costs due to critical infrastructure improvement needs.



## Fund 200 – Flood Protection Operations (Fund 200)

*Primary Funding Source: Ad valorem property taxes equal to one percent (1%) of the full cash value, of which Zone 7 of the Alameda County Flood and Water Conservation District receives a proportionate share.*

Fund 200 funds the Agency's general flood administration and flood control services to ensure controlled drainage of the Tri-Valley's excess stormwater runoff. The Agency manages a watershed of 425 square miles in eastern Alameda County, receiving drainage from parts of Contra Costa, Santa Clara, and San Joaquin Counties. More than 37 miles of flood control channels and regional drainage facilities are owned and maintained by the Agency. This fund 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.

The table below summarizes the proposed budget and projected reserve balances for Fund 200.

	<b>FY 2023-24 Projection<sup>1</sup></b>	<b>FY 2024-25 Proposed Budget</b>	<b>FY 2025-26 Proposed Budget</b>
<b>Estimated Beginning Fund Balance</b>	<b>\$23,917,000</b>	<b>\$23,830,000</b>	<b>\$13,620,000</b>
<b>Revenue</b>	12,837,000	13,498,000	15,958,000
<b>Expenses</b>	12,924,000	23,708,000	19,430,000
<b>Operating Impact (Rev-Exp)</b>	(87,000)	(10,210,000)	(3,472,000)
<b>Estimated Ending Fund Balance</b>	<b>\$23,830,000</b>	<b>\$13,620,000</b>	<b>\$10,148,000</b>
<b>Reserve Policy Maximum<sup>2</sup></b>	6,644,000	12,060,000	9,932,000
<b>Above/below Policy Max.</b>	17,186,000	1,560,000	216,000

<sup>1</sup>Amounts based on FY 2023-24 Q2 projections and are subject to change.

<sup>2</sup>Reserve policy max is equal to 50% of O&M plus the Section 115 Pension Trust balance allocated to this fund.

## Fund 200 Detailed Budget

The table below provides a detailed breakdown of the proposed FY 2024-25 and FY 2025-26 Fund 200 budget.

<b>Fund 200 - Flood Protection Operations</b>	<b>FY 2023-24 Projection<sup>1</sup></b>	<b>FY 2024-25 Proposed Budget</b>	<b>FY 2025-26 Proposed Budget</b>
<b>Estimated Beginning Fund Balance</b>	<b>\$23,917,000</b>	<b>\$23,830,000</b>	<b>\$13,620,000</b>
<b>Revenue</b>			
Property Taxes	11,630,000	12,573,000	13,077,000
Grants		94,000	2,465,000
Investment Earnings	550,000	595,000	180,000
Other Revenue	657,000	236,000	236,000
<b>Total Revenue</b>	<b>\$12,837,000</b>	<b>\$13,498,000</b>	<b>\$15,958,000</b>
<b>Expenses</b>			
Personnel	2,719,000	3,133,000	3,208,000
Professional Services	3,750,000	3,264,000	3,175,000
County Services	100,000	110,000	110,000
Telecommunications	5,000	6,000	6,000
Maintenance Services	5,500,000	16,224,000	11,920,000
Rental Services	10,000	88,000	45,000
Office Supplies and Other Services	700,000	717,000	797,000
Organizational Memberships and Support	75,000	88,000	91,000
Training and Travel	25,000	27,000	27,000
Equipment	25,000	35,000	35,000
Capital Funding	15,000	16,000	16,000
<b>Total Expenses</b>	<b>\$12,924,000</b>	<b>\$23,708,000</b>	<b>\$19,430,000</b>
Operating Impact (Rev-Exp)	(87,000)	(10,210,000)	(3,472,000)
<b>Ending Fund Balance</b>	<b>\$23,830,000</b>	<b>\$13,620,000</b>	<b>\$10,148,000</b>

<sup>1</sup>Amounts based on FY 2023-24 Q2 projections and are subject to change.

## Revenue

The FY 2024-25 and FY 2025-26 proposed revenue is \$13.5M and \$15.9M. Revenue highlights and assumptions are described below.

- **Property Taxes:** The proposed FY 2024-25 property tax collection is based on amounts provided by the County. FY 2025-26 assumes a 4% increase in assessed valuation.
- **Grants:** The Agency is pursuing Federal and State assistance/funding from the U.S Army Corps of Engineers (USACE), the Federal Emergency Management Agency (FEMA), and the California Office of Emergency Services (CAL OES) for the 2023 Storm repairs. FY 2024-25 and FY 2025-26 include \$94K and \$2.5M in grant funding, respectively for Phase 1 Repairs (described in the Expenses section below).

- **Investment Earnings:** The proposed budget assumes investment earnings of 2.5% in FY 2024-25 and 1.5% in FY 2025-26.

## Expenses

The FY 2024-25 and FY 2025-26 proposed expenses are \$23.7M and \$19.4M. Expense highlights and assumptions are described below.

- **Personnel:** The proposed budget estimates 4% increases each year for a cost-of-living adjustment.
- **Professional Services:** The proposed budget includes \$3.2M each year to provide services such as engineering support, hydraulic modeling, environmental planning & permitting, construction management, and the next phase of the Flood Management Plan (FMP).
- **Repairs and Maintenance:** The proposed budget provides funding for Phase 1 of the 2023 Storm repairs, which includes 78 damaged sites totaling \$18.7M over two years:
  - › FY 2024-25: The proposed budget assumes USACE will repair 48 damaged sites at a total cost of \$40M. The Agency will be responsible for 20%, or \$8M, which has been included in the budget. FY 2024-25 also includes \$3.7M to repair six high-priority sites.
  - › FY 2025-26: The proposed budget includes \$7M for the repair of 24 damaged sites.
- **Professional and Maintenance Services:** The proposed professional and maintenance services are summarized below.

Professional & Maintenance Services	FY 2024-25 Proposed Budget	FY 2025-26 Proposed Budget
<b>2023 Storm Damage Repair Project Phase 1</b> (repair of 78 sites)	\$11,730,000	\$6,981,000
<b>Maintenance</b> (Flood Maintenance, Landscaping, Mowing, Trucking, Pest Control, Vegetation Spraying)	3,668,000	3,665,000
<b>Engineering</b> (Hydraulic Modeling, Surveying, Engineering Design and Support Services)	2,055,000	2,004,000
<b>Finance</b> (investment advisory services)	5,000	5,000
<b>Flood Management Plan</b> (future phases of FMP and strategic O&M consulting)	944,000	944,000
<b>Planning</b> (Environmental Planning, Programmatic Permitting Support, Living Arroyos Program)	696,000	706,000
<b>Contingency</b>	500,000	500,000
<b>Alamo Creek Pilot Project<sup>1</sup></b>		400,000
<b>Total</b>	<b>\$19,598,000</b>	<b>\$15,205,000</b>

<sup>1</sup>Total estimated project cost is \$6.2M, of which \$5.8M has been appropriated in prior years' budgets. The Agency was awarded a \$4.6M grant for this project.

## CAPITAL BUDGETS

### Fund 120 – Water Enterprise Renewal/Replacement & System-wide Improvements (Fund 120)

*This is a sub-fund of Fund 100 – Water Enterprise Operations Fund*

*Primary funding source: Water rates via capital funding from Fund 100*

The purpose of this fund is to ensure funding is available for capital renewal, replacement, and system-wide improvement projects needed to keep the current water treatment and delivery systems functioning effectively. Fund 120 pays for capital projects as outlined in the Agency's asset management program and the capital improvement program.

The table below summarizes the proposed budget and projected reserve balances for Fund 120. Details of the proposed budget can be found in Exhibit A.

	FY 2023-24 Projection <sup>1</sup>	FY 2024-25 Proposed Budget	FY 2025-26 Proposed Budget
<b>Estimated Beginning Fund Balance</b>	<b>\$74,784,000<sup>2</sup></b>	<b>\$34,914,000</b>	<b>\$57,323,000</b>
<b>Revenue</b>	17,921,000	35,700,000	18,212,000
<b>Expenses</b>	57,791,000	13,291,000	24,887,000
<b>Operating Impact (Rev-Exp)</b>	(39,870,000)	22,409,000	(6,675,000)
<b>Estimated Ending Fund Balance</b>	<b>\$34,914,000</b>	<b>\$57,323,000</b>	<b>\$50,648,000</b>
<b>Reserve Policy Requirement<sup>3</sup></b>	19,632,000	31,244,000	42,138,000
<b>Above/Below Policy Requirement</b>	15,282,000	26,079,000	8,510,000

<sup>1</sup>Amounts based on FY 2023-24 Q2 projections plus prior-year carryovers (subject to change).

<sup>2</sup>Includes approximately \$29.7M in 2023 Revenue Bond proceeds.

<sup>3</sup>Reserve policy requirement is comprised of 100% of the following years' capital budget, debt rate stabilization fund, and the Section 115 Pension Trust balance allocated to this fund. Any reserves above the policy requirement will fund future projects as set forth in the Asset Management Plan/Capital Improvement Plan.

### Revenue

The FY 2024-25 and FY 2025-26 proposed revenue is \$35.7M and \$18.2M. Revenue highlights and assumptions are described below.

- **Capital Funding:** The proposed budget assumes a 3% increase in capital funding from Fund 100 for FY 2024-25 and FY 2025-26.
- **Grants:** The Agency has been awarded a \$16M grant from the DWR's Sustainable Groundwater Management Grant Program for development of the Stoneridge Well IX PFAS treatment facility and a \$960K federal grant to help fund the Chain of Lakes PFAS treatment facility. Both grants are anticipated to be received in FY 2024-25.
- **Investment Earnings:** The proposed budget assumes investment earnings of 2.5% in FY 2024-25 and 1.5% in FY 2025-26.

### Expenses

The FY 2024-25 and FY 2025-26 proposed expenses are \$13.3M and \$24.9M. Expense highlights and assumptions are described below.

- **Professional Services:** The proposed budget includes Fund 120's portion of the Agency's Investment Advisory services.
- **Capital Projects:** The proposed budget includes \$13.3M in FY 2024-25 and \$24.9M in FY 2025-26 for renewal/replacement and system-wide improvement capital projects including the following:
  - › Chain of Lakes Conveyance System
  - › Mocho Groundwater Demineralization Plant and Mocho Wellfield PFAS Compliance Conceptual Design
  - › Del Valle Water Treatment Plant and Patterson Pass Water Treatment Plant HVAC Replacement
  - › Patterson Pass Water Treatment Plant Improvements and Replacements
  - › Regional Project Feasibility Study

See Exhibit B for the capital projects listing.

## Fund 130 – Water Enterprise Expansion (Fund 130)

*Primary Funding Source: Water Connection Fees*

The purpose of this fund is to ensure the Agency can meet future needs of new customers with development paying its own way. The program is primarily intended to provide funding for new or expanded facilities and additional water supplies to serve additional capacity requirements of development, many of them fixed (i.e., bond payment obligations for debt incurred by others to increase capacity, such as the enlargement portion of the South Bay Aqueduct Improvement and Enlargement Project). Developer fees can only be used for projects related to water system expansion.

The table below summarizes the proposed budget and projected reserve balances for Fund 130. Details of the proposed budget can be found in Exhibit A.

	FY 2023-24 Projection <sup>1</sup>	FY 2024-25 Proposed Budget	FY 2025-26 Proposed Budget
<b>Estimated Beginning Fund Balance</b>	<b>\$70,387,000</b>	<b>\$66,651,000</b>	<b>\$60,741,000</b>
<b>Revenue</b>	15,400,000	15,119,000	13,835,000
<b>Expenses</b>	19,136,000	21,029,000	23,077,000
<b>Operating Impact (Rev-Exp)</b>	(\$3,736,000)	(\$5,910,000)	(\$9,242,000)
<b>Estimated Ending Fund Balance</b>	<b>\$66,651,000</b>	<b>\$60,741,000</b>	<b>\$51,499,000</b>
<b>Reserve Policy Requirement<sup>2</sup></b>	39,862,000	42,234,000	44,978,000
<b>Above/Below Policy Requirement</b>	26,789,000	18,507,000	6,521,000

<sup>1</sup>Amounts based on FY 2023-24 Q2 projections and are subject to change.

<sup>2</sup>Reserve policy requirement is comprised of 60% of non-discretionary expenses, debt rate stabilization fund, sinking funds and the Section 115 Pension Trust balance allocated to this fund. Any reserves above the policy requirement will fund future capital expansion projects as set forth in the Capital Improvement Plan.

### Revenue

The FY 2024-25 and FY 2025-26 proposed revenue is \$15.1M and \$13.8M. Revenue highlights and assumptions are described below.

- **Connection Fee Revenue:** The primary revenue source in this fund is connection fee revenue, which has continued to decline since 2019. The proposed budget assumes \$10M in connection fee revenue each year, which is equal to the projected amount to be received in FY 2023-24. A connection fee study is currently underway. The study will evaluate the number of future connections in the service area and the allocation of capital projections to the Water Expansion Fund.
- **Investment Earnings:** The proposed budget assumes investment earnings of 2.5% in FY 2024-25 and 1.5% in FY 2025-26.
- **Other Revenue:** Other revenue includes miscellaneous revenue such as DWR refunds.

### Expenses

The FY 2024-25 and FY 2025-26 proposed expenses are \$21M and \$23.1M. Expense highlights and assumptions are described below.

- **Professional Services:** The proposed budget includes Fund 130's portion of the Agency's Investment Advisory services.
- **Legal Services:** The proposed budget includes \$200K annually for legal services.
- **Water:** The proposed budget includes the annual debt service payments for the South Bay Aqueduct (SBA) enlargement and the future contractor's share of the SBA of approximately \$17M per year.
- **Water Supply Reliability Projects:** The proposed budget includes funding for continuing participation in the following projects:
  - Los Vaqueros Reservoir Expansion Project: \$85K in FY 2024-25 and \$170K in FY 2025-26
  - Sites Reservoir Project \$450K in FY 2024-25 and \$1M in FY 2025-26
- **Debt Service:** The proposed budget includes \$1.1M annually for debt service payments.
- **Capital Projects:** The proposed budget includes \$2.4M in FY 2024-25 and \$3.2M in FY 2025-26 for capital projects planning, including:
  - › Well Master Plan
  - › Regional Well Project Feasibility Study
  - › Groundwater Contaminant Mobilization Follow-up Study
  - › COL Conveyance System

See Exhibit B for the capital projects listing.

## Fund 210 – Flood Protection Development Impact Fee Fund (Fund 210)

*Primary Funding Source: Development Impact Fees*

The purpose of this fund is to ensure that the Agency can meet future needs for expansion-related flood control facilities. The program is primarily intended to provide funding for any flood control facilities required for new development. Funds are expended on the planning, design, lands and right of way acquisition, environmental review, permitting, and construction for drainage projects.

The table below summarizes the proposed budget and projected reserve balances for Fund 210. Details of the proposed budget can be found in Exhibit A.

	FY 2023-24 Projection <sup>1</sup>	FY 2024-25 Proposed Budget	FY 2025-26 Proposed Budget
<b>Estimated Beginning Fund Balance</b>	<b>\$75,845,000</b>	<b>\$78,092,000</b>	<b>\$79,739,000</b>
<b>Revenue</b>	3,331,000	3,477,000	2,712,000
<b>Expenses</b>	1,084,000	1,830,000	1,783,000
<b>Operating Impact (Rev-Exp)</b>	2,247,000	1,647,000	929,000
<b>Estimated Ending Fund Balance<sup>2</sup></b>	<b>\$78,092,000</b>	<b>\$79,739,000</b>	<b>\$80,668,000</b>

<sup>1</sup>Amounts based on FY 2023-24 Q2 projections and are subject to change.

<sup>2</sup>Per the Reserve Policy, this fund is not required to have a minimum or maximum balance.

### Revenue

The FY 2024-25 and FY 2025-26 proposed revenue is \$3.5M and \$2.7M. Revenue highlights and assumptions are described below.

- **Development Fees:** Development fees have been trending lower since FY 2021-22 (averaging \$1.3M per year). Therefore, the proposed budget is conservatively estimating \$1.5M in development fee revenue per year.
- **Investment Earnings:** The proposed budget assumes investment earnings of 2.5% in FY 2024-25 and 1.5% in FY 2025-26.

### Expenses

The proposed expenses are \$1.8M each year. Expense highlights and assumptions are described below.

- **Professional Services:** The proposed budget includes approximately \$1.3M each year to provide services related to flood expansion such as engineering support, hydraulic modeling, environmental planning, the next phase of the FMP and \$500K of annual contingency.



ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY

SECONDED BY

**Two-Year Operating and Capital Budget for Fiscal Years 2024-25 and 2025-26**

WHEREAS, Zone 7 of the Alameda County Flood Control and Water Conservation District is committed to delivering safe, reliable, efficient, and sustainable water and flood protection services; and

WHEREAS, the Proposed Two-Year Budget for Fiscal Years 2024-25 and 2025-26 is in support of Strategic Plan Goal G – Fiscal Responsibility – Operate the Agency in a fiscally responsible manner and Strategic Initiative No. 24 – Continue to effectively manage financial resources.

NOW THEREFORE, 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, including revenues, expenses, and the use of fund balances for Fiscal Years 2024-25 and 2025-26 (Exhibit A):

1. Fund 100 – Water Enterprise Operations;
2. Fund 110 – State Water Facilities;
3. Fund 120 – Water Enterprise Renewal & Replacement and System-Wide Improvements;
4. Fund 130 – Water Enterprise Capital Expansion;
5. Fund 200 – Flood Protection Operations;
6. Fund 210 – Flood Protection Development Impact Fee Fund (DIF); 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 proposed capital projects (Exhibit B) for Fiscal Years 2024-25 and 2025-26 and authorizes the General Manager to implement such projects; 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 \$22,000,000 for Fiscal Year 2024-25 and \$22,000,000 for Fiscal Year 2025-26 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 – State Water Facilities Fund, 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 Zone 7 Budget for Fiscal Years 2024-25 and 2025-26 and authorizes 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:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on June 11, 2024.

By: \_\_\_\_\_  
President, Board of Directors

## Exhibit A - Summary of Budget by Account Classification

The schedule below summarizes the proposed budget by fund and account classification. The schedule includes revenue, expenses and projected reserve balances at fiscal year-end. 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/Development Impact Fee Fund).

	Fund 100	Fund 110	Fund 120	Fund 130	Fund 200	Fund 210	Total
<b>FY 2024-25 Estimated Beginning Fund Balance</b>	<b>\$32,050,000</b>	<b>\$51,731,000</b>	<b>\$34,914,000</b>	<b>\$66,651,000</b>	<b>\$23,830,000</b>	<b>\$78,092,000</b>	<b>\$287,268,000</b>
<b>Revenue</b>							
Water Sales and Service	67,393,000	2,773,000					70,166,000
Property Taxes		22,201,000			12,573,000		34,774,000
Connection/Development Fees				10,000,000		1,500,000	11,500,000
Investment Earnings	479,000	1,292,000	1,378,000	1,669,000	595,000	1,952,000	7,365,000
Grants			16,958,000		94,000		17,052,000
Other Revenue	313,000	3,675,000	452,000	3,450,000	236,000	25,000	8,151,000
Capital Funding			16,912,000				16,912,000
<b>Total Revenue</b>	<b>\$68,185,000</b>	<b>\$29,941,000</b>	<b>\$35,700,000</b>	<b>\$15,119,000</b>	<b>\$13,498,000</b>	<b>\$3,477,000</b>	<b>\$165,920,000</b>
<b>Expenses</b>							
Personnel	20,255,000		2,118,000	379,000	3,133,000	147,000	26,032,000
Professional Services	4,216,000	16,000	29,000	50,000	3,264,000	1,183,000	8,758,000
County Services	1,133,000				110,000		1,243,000
Insurance Services	850,000						850,000
Legal Services	455,000			200,000			655,000
Water	5,952,000	28,696,000		16,790,000			51,438,000
Delta Conveyance Project	3,300,000						3,300,000
Chemicals	4,000,000						4,000,000
Utilities	2,308,000						2,308,000
Telecommunications	251,000				6,000		257,000
Maintenance Services	2,533,000				16,224,000		18,757,000
Rental Services	556,000				88,000		644,000
Office Supplies and Other Services	739,000				717,000		1,456,000
Organizational Memberships and Support	442,000				88,000		530,000
Los Vaqueros Expansion Project							-
Sites Reservoir Project				450,000			450,000
Training and Travel	199,000				27,000		226,000
Water Conservation Program	158,000						158,000
Capital Projects			11,144,000	2,068,000		500,000	13,712,000
Equipment					35,000		35,000
Debt Service	4,976,000			1,092,000			6,068,000
Subtotal (before capital funding)	52,323,000	28,712,000	13,291,000	21,029,000	23,692,000	1,830,000	140,877,000
Capital Funding	17,118,000				16,000		17,134,000
<b>Total Expenses</b>	<b>69,441,000</b>	<b>28,712,000</b>	<b>13,291,000</b>	<b>21,029,000</b>	<b>23,708,000</b>	<b>1,830,000</b>	<b>158,011,000</b>
Operating Impact (Revenue-Expenses)	(1,256,000)	1,229,000	22,409,000	(5,910,000)	(10,210,000)	1,647,000	7,909,000
<b>FY 2024-25 Estimated Ending Fund Balance</b>	<b>\$30,794,000</b>	<b>\$52,960,000</b>	<b>\$57,323,000</b>	<b>\$60,741,000</b>	<b>\$13,620,000</b>	<b>\$79,739,000</b>	<b>\$295,177,000</b>
<b>Reserves</b>							
Operating	12,902,000	52,960,000			11,854,000		77,716,000
Debt Rate Stabilization			6,300,000	2,300,000			8,600,000
Emergency	8,381,000						8,381,000
Reserve for Economic Uncertainties	5,298,000						5,298,000
Section 115 Trust	1,920,000		57,000	19,000	206,000		2,202,000
SBA Enlargement				21,000,000			21,000,000
Future Contractor's Share of SBA				8,170,000			8,170,000
Capital Projects			50,966,000	29,252,000	1,560,000	79,739,000	161,517,000
Unallocated Fund Balance	2,293,000						2,293,000
<b>Total Reserves</b>	<b>30,794,000</b>	<b>\$52,960,000</b>	<b>\$57,323,000</b>	<b>\$60,741,000</b>	<b>\$13,620,000</b>	<b>\$79,739,000</b>	<b>\$295,177,000</b>

## Exhibit A - Summary of Budget by Account Classification

The schedule below summarizes the proposed budget by fund and account classification. The schedule includes revenue, expenses and projected reserve balances at fiscal year-end. 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/Development Impact Fee Fund).

	Fund 100	Fund 110	Fund 120	Fund 130	Fund 200	Fund 210	Total
<b>FY 2025-26 Estimated Beginning Fund Balance</b>	<b>\$30,794,000</b>	<b>\$52,960,000</b>	<b>\$57,323,000</b>	<b>\$60,741,000</b>	<b>\$13,620,000</b>	<b>\$79,739,000</b>	<b>\$295,177,000</b>
<b>Revenue</b>							
Water Sales and Service	71,268,000	2,995,000					74,263,000
Property Taxes		22,201,000			13,077,000		35,278,000
Connection/Development Fees				10,000,000		1,500,000	11,500,000
Investment Earnings	454,000	784,000	812,000	835,000	180,000	1,187,000	4,252,000
Grants	130,000				2,465,000		2,595,000
Other Revenue	313,000	3,675,000	2,000	3,000,000	236,000	25,000	7,251,000
Capital Funding			17,398,000				17,398,000
<b>Total Revenue</b>	<b>\$72,165,000</b>	<b>\$29,655,000</b>	<b>\$18,212,000</b>	<b>\$13,835,000</b>	<b>\$15,958,000</b>	<b>\$2,712,000</b>	<b>\$152,537,000</b>
<b>Expenses</b>							
Personnel	21,005,000		2,194,000	393,000	3,208,000	152,000	26,952,000
Professional Services	3,589,000	16,000	29,000	50,000	3,175,000	1,131,000	7,990,000
County Services	1,936,000				110,000		2,046,000
Insurance Services	900,000						900,000
Legal Services	455,000			200,000			655,000
Water	7,273,000	31,236,000		17,400,000			55,909,000
Delta Conveyance Project	3,300,000						3,300,000
Chemicals	4,000,000						4,000,000
Utilities	2,428,000						2,428,000
Telecommunications	238,000				6,000		244,000
Maintenance Services	2,484,000				11,920,000		14,404,000
Rental Services	546,000				45,000		591,000
Office Supplies and Other Services	595,000				797,000		1,392,000
Organizational Memberships and Support	424,000				91,000		515,000
Los Vaqueros Expansion Project	320,000			80,000			400,000
Sites Reservoir Project				1,000,000			1,000,000
Training and Travel	197,000				27,000		224,000
Water Conservation Program	158,000						158,000
Capital Projects			22,664,000	2,854,000		500,000	26,018,000
Equipment					35,000		35,000
Debt Service	4,976,000			1,100,000			6,076,000
<i>Subtotal (before capital funding)</i>	<i>54,824,000</i>	<i>31,252,000</i>	<i>24,887,000</i>	<i>23,077,000</i>	<i>19,414,000</i>	<i>1,783,000</i>	<i>155,237,000</i>
Capital Funding	17,618,000				16,000		17,634,000
<b>Total Expenses</b>	<b>72,442,000</b>	<b>31,252,000</b>	<b>24,887,000</b>	<b>23,077,000</b>	<b>19,430,000</b>	<b>1,783,000</b>	<b>172,871,000</b>
Operating Impact (Revenue-Expenses)	(277,000)	(1,597,000)	(6,675,000)	(9,242,000)	(3,472,000)	929,000	(20,334,000)
<b>FY 2025-26 Estimated Ending Fund Balance</b>	<b>\$30,517,000</b>	<b>\$51,363,000</b>	<b>\$50,648,000</b>	<b>\$51,499,000</b>	<b>\$10,148,000</b>	<b>\$80,668,000</b>	<b>\$274,843,000</b>
<b>Reserves</b>							
Operating	13,518,000	51,363,000			9,715,000		74,596,000
Debt Rate Stabilization			6,300,000	2,300,000			8,600,000
Emergency	8,465,000						8,465,000
Reserve for Economic Uncertainties	5,611,000						5,611,000
Section 115 Trust	2,047,000		66,000	22,000	217,000		2,352,000
SBA Enlargement				22,590,000			22,590,000
Future Contractor's Share of SBA				8,950,000			8,950,000
Capital Projects			44,282,000	17,637,000	216,000	80,668,000	142,803,000
Unallocated Fund Balance	876,000						876,000
<b>Total Reserves</b>	<b>\$30,517,000</b>	<b>\$51,363,000</b>	<b>\$50,648,000</b>	<b>\$51,499,000</b>	<b>\$10,148,000</b>	<b>\$80,668,000</b>	<b>\$274,843,000</b>

Exhibit B  
FY 2024-25 and FY 2025-26 Proposed Capital Projects Listing

**Fund 120 – Water Renewal/Replacement and System-wide Improvements  
Capital Project Listing**

<b>Project Listing</b>	<b>FY 2024-25 Proposed Budget</b>	<b>FY 2025-26 Proposed Budget</b>
Asset Management Program Management	-	110,000
Capital Improvement Program Management	392,000	160,000
Chain of Lakes Conveyance System	600,000	1,760,000
CMMS Support (NEW)	475,000	1,125,000
Contingency	750,000	750,000
DVWTP and PPWTP HVAC Replacement	625,000	1,166,000
Energy Master Plan Priority Projects	-	110,000
Hopyard Pipeline Corrosion Protection Improvement Project	110,000	477,000
Laboratory Equipment Replacement	110,000	170,000
Maintenance Yard and Building Storage Study (NEW)	188,000	-
Maintenance Yard and Building (NEW)	-	400,000
MGDP and Mocho Wellfield PFAS Compliance Conceptual Design (NEW)	300,000	-
MGDP RO Membrane Replacement	-	250,000
Minor Renewal/Replacement Projects	800,000	840,000
Mocho Wellfield PFAS Treatment Facility Project	2,291,000	7,347,000
Monitoring Well Replacements & Abandonments (NEW)	206,000	-
North Canyons Renewal/Replacement and Improvements	50,000	50,000
North Canyons/Parkside EV Charges	50,000	-
On-call Design and Construction Services	825,000	850,000
PPWTP Improvements and Replacements	2,300,000	3,926,000
PPWTP Sludge Handling Rehabilitation	850,000	-
Production Well Pump Replacement Project	-	430,000
Regional Project Feasibility Study (NEW)	900,000	-
SCADA Upgrades and Replacements	850,000	340,000
Silver Oaks Pump Station Replacement	400,000	3,333,000
System-Wide Installation of Line Valves	-	110,000
Wells & MGDP Electrical Upgrades/Replacement Project - Phase 2	190,000	1,154,000
<b>Total<sup>1</sup></b>	<b>13,262,000</b>	<b>24,858,000</b>

<sup>1</sup>Fund total does not include \$29K each year for professional services.

Exhibit B  
FY 2024-25 and FY 2025-26 Proposed Capital Projects Listing

The adopted FY 2024-25 Five-Year Water System Capital Improvement Plan was reviewed as part of the budget process. The proposed adjustments are summarized below.

**Fund 120 – Capital Project Descriptions (Newly Proposed)**

**Computerized Maintenance Management System (CMMS) Support - \$1.6M**

In FY 2024-25, the Agency will implement a new CMMS system. The new CMMS system will need continued support to ensure the project is successfully implemented and sustained. Successful implementation of the new CMMS will lower reactive maintenance and increase asset uptime, reliability, and safety, extending the useful life of Zone 7 assets.

**Maintenance Yard and Building Storage Study - \$188K**

The Maintenance Yard and Building Project is in the CIP to begin design in FY 2026-27 and be completed by FY 2027-28. This study will inform the design for that project.

**Maintenance Yard and Building Storage Building - \$400K**

Project is currently in the CIP to begin design in FY 2026-27. The anticipated scope of this project includes design and construction of additional facilities to provide additional equipment storage areas, maintenance work areas, and office space for Maintenance staff. Bringing some of the design budget to FY 2025-26 allows for 10% design, including developing the 10% design level cost estimate, to proceed immediately following the study, based on the study's recommendations.

**MGDP and Mocho Wellfield PFAS Compliance Conceptual Design - \$300K**

This study will evaluate PFAS treatment options for the Mocho wellfield and identify near-term modifications that can be implemented to reduce loss of the Mocho wellfield capacity should the treatment facility not be online by the compliance date.

**Monitoring Well Replacements & Abandonments - \$206K**

This project involves removing a well currently located in a busy turn lane on Bollinger Canyon Road and drilling a replacement well near Iron Horse trail. In addition, modifications to several existing monitoring wells will be made to install telemetry equipment and replace some well housings.

**Regional Project Feasibility Study - \$900K**

This study is to evaluate the feasibility of developing new municipal groundwater wells in the Bernal subbasin jointly with the City of Pleasanton. The study will be cost-shared 50/50 between the City of Pleasanton and Zone 7. If the study finds that it's feasible to construct new wells to pump the City's groundwater production quota and additional capacity for Zone 7, a regional groundwater project will be developed. This project will include installing new wells, constructing pipelines, and upgrading Hopyard treatment facilities. This project is split 50/50 with Fund 130 – Water Enterprise Capital Expansion.

Exhibit B  
FY 2024-25 and FY 2025-26 Proposed Capital Projects Listing

**Fund 120 – Capital Project Descriptions (Proposed Schedule/Budget Adjustment)**

**Asset Management Program Management- \$110K**

This project includes ongoing program management of the Asset Management Program. Activities include facilitating condition assessments, maintaining the asset database, regular updates of the Asset Management Program, and other ongoing implementation tasks. The budget in FY 2024-25 has been reallocated to the Capital Improvement Program Management Project to complete the 10-Year Capital Improvement and Asset Management Plan Update. The proposed adjustment will decrease the proposed capital budget by \$90K.

**Capital Improvement Program Update - \$552K**

This project includes ongoing program management of the Capital Improvement Program including annual report preparation, Zone 7 labor, and other Capital Improvement Program related efforts. The budget is proposed to increase in FY 2024-25 because of the consolidation of the Asset Management Program budget and staff labor. The proposed adjustment will increase the proposed capital budget by \$352K.

**Chain of Lakes Facilities Improvements – Water Supply - \$0**

This project has been removed as projects are yet to be defined. This proposed adjustment will decrease the proposed capital budget by \$230K.

**DVWTP and PPWTP HVAC Replacement - \$1.8M**

This project will replace key equipment including but not limited to boilers and appurtenances, air handling units and exhaust fans, air cooled chiller for the Laboratory Building, associated system control and pressure valves, switches, appurtenances, etc., and digital control systems for the HVAC. The design phase was accelerated to expedite the replacements as a single project. Staff estimates two low demand periods will be needed to complete the HVAC replacements. Therefore, the construction schedule has been extended an additional year and the proposed adjustment will decrease the proposed capital budget by \$934K.

**DVWTP Sewer Line Connection and Access Road Modifications -\$0**

The project is proposed to be deferred as there is no imminent extension of sewer connection in the vicinity. The project implementation schedule is dependent on the schedule of private development that involves sewer extension. The proposed adjustment will decrease the proposed capital budget by \$240K.

**Energy Master Plan Priority Projects - \$110K**

The Energy Master Plan is currently in development. This project has been deferred one year as priority projects will be identified through the completion of the Energy Master Plan. The proposed adjustment will decrease the proposed capital budget by \$390K.

**MGDP HVAC System Replacement - \$0**

The project is proposed to be deferred one year to allocate resources to the DVWTP and PPWTP HVAC replacements as those replacements are a higher priority based on current conditions. The proposed adjustment will decrease the proposed capital budget by \$450K.

Exhibit B  
FY 2024-25 and FY 2025-26 Proposed Capital Projects Listing

**MGDP RO Membrane Replacement - \$250K**

The membranes are in good condition and have a few years of remaining useful life. A replacement schedule will be reassessed annually based on the performance of the membranes. The proposed adjustment will decrease the proposed capital budget by \$1.66M.

**Mocho Wellfield PFAS Treatment Facility - \$9.6M**

The project design and construction schedule has been revised from two years to four based on the addition of the MGDP and Mocho Wellfield PFAS Compliance Conceptual Design study. This proposed adjustment will decrease the proposed capital budget by \$23M.

**North Canyons/Parkside EV Chargers - \$50K**

The EV charger project is ongoing. The additional budget in FY 2024-25 is needed to complete the project. The proposed adjustment will increase the proposed capital budget by \$50K.

**PPWTP Improvements and Replacements - \$6.2M**

This project consolidates existing PPWTP renewal/replacement projects and addresses modifications for operational and maintenance needs, safety, and regulatory compliance. Partial construction costs have been accelerated one year to address high priority replacements. The construction phase has been extended by one year. The proposed adjustments will decrease the proposed capital budget by \$3.1M.

**PPWTP Sludge Handling Rehabilitation - \$890K**

This project consists of the rehabilitation of four sludge drying beds. The rehabilitation consists of replacing the media, underdrain system, and inlet valves. The budget has been increased for additional staff labor. This proposed adjustment will increase the proposed capital budget by \$260K.

**Production Well Pump Replacement Project - \$430K**

This project is budgeted annually to replace production wells identified as needing critical and immediate repairs. The budget has been removed in FY 2024-25 as no wells have been identified for replacement next year. The proposed adjustment will decrease the proposed capital budget by \$400K.

**Silver Oaks Pump Station Replacement - \$3.7M**

This project consists of replacement of the existing pump station in total, including land acquisition, rebuilding the pump station, and constructing a standard block building structure. The budget for the land acquisition has been deferred one year to allow proper time to complete the acquisition. The proposed adjustment will increase the proposed capital budget by \$103K.

**System-Wide Installation of Line Valves - \$110K**

This project has been deferred to FY 2025-26 as no specific valve installation has been identified for FY 2024-25. This proposed adjustment will not affect the proposed capital budget.



Exhibit B  
FY 2024-25 and FY 2025-26 Proposed Capital Projects Listing

**Wells & MGD Electrical Upgrades/Replacement Project - Phase 2 (Formally named Mocho 3 and 4 Switchgear Replacement Project) - \$1.3M**

This project has been identified as phase 2 and accelerated one year for the project to be eligible for a possible grant. The proposed adjustment will increase the proposed capital budget by \$954K.

**Fund 120 – Capital Project Descriptions (No Proposed Adjustments)**

**Chain of Lakes Conveyance System - \$2.4M**

This project consists of a new multi-purpose 36-in conveyance pipeline and 12-MGD pump station connecting DVWTP/SBA with Lakes H/I/Cope. Active gravel mining operations may continue until 2060, delaying completion of the Chain of Lakes (COLs) by 30 years beyond the previous planning horizon. This means that previously planned groundwater recharge, local water right perfection, and other key water management strategies (e.g., to reduce salt loading) are also potentially delayed because they are tied to the COLs. Zone 7 is therefore planning to construct this project to allow Zone 7 to proceed with planned and potential uses of the COLs regardless of when the remaining projects are turned over to Zone 7.

**Laboratory Equipment - \$280K**

Replacement of various monitoring and analytical laboratory equipment and components in the water quality laboratory. This equipment includes gas chromatography/mass spectrometry (GC/MS) instruments, total organic carbon (TOC) analyzer, cyanotoxin analyzer, ion chromatography (IC) instruments, and turbidimeters.

**Minor Renewal/Replacement Projects - \$1.6M**

As needed replacement and repair of water system assets which individually are not large enough to implement as a capital project. In the past, this project has included emergency pipeline repair leaks on the Hopyard and Cross Valley pipelines, pump replacements at the various pump stations in the distribution system, and a line valve replacement.

**North Canyons Renewal/Replacement Project - \$100K**

This project includes small repairs/improvement projects, including but not limited to phone system replacements, audio-visual system improvements, roof repairs and other building repairs as needed.

**On-Call Design and Construction Services - \$1.7M**

This project provides funding for on-call as-needed contracts for unforeseen and unplanned repairs for replacement and rehabilitation of existing water system infrastructure.

**SCADA Upgrades and Replacements - \$1.2M**

There is an ongoing need for reprogramming, installation of additional devices, and upgrading of the existing devices to continue to provide a reliable SCADA system for the plants and transmission system operation. The SCADA system will also require major software and hardware upgrades about every five years.

Exhibit B  
FY 2024-25 and FY 2025-26 Proposed Capital Projects Listing

**Fund 130 – Water Enterprise Capital Expansion  
Capital Project Listing**

<b>Project Listing</b>	<b>FY 2024-25 Proposed Budget</b>	<b>FY 2025-26 Proposed Budget</b>
Capital Improvement Program Management	100,000	160,000
Cawelo Groundwater Banking Program Debt Service	1,092,000	1,100,000
Chain of Lakes Conveyance System	460,000	1,560,000
City Reach Pipeline Mitigation Planning	-	410,000
Contingency	500,000	500,000
Fourth Contractor's Share of South Bay Aqueduct - Payment to DWR	3,000,000	3,000,000
Groundwater Contaminant Mobilization Follow-up Study (NEW)	100,000	-
Los Vaqueros Reservoir Expansion	85,000	170,000
North Canyons Renewal/Replacement and Improvements	2,000	2,000
Regional Project Feasibility Study (NEW)	900,000	-
Sites Reservoir	450,000	1,000,000
South Bay Aqueduct Enlargement Project - Payment to DWR	13,790,000	14,400,000
Well Master Plan (NEW)	300,000	525,000
<b>Total<sup>1</sup></b>	<b>20,779,000</b>	<b>22,827,000</b>

<sup>1</sup>Fund total does not include \$250K each year for professional and legal services.

The adopted FY 2024-25 Five-Year Water System Capital Improvement Plan was reviewed as part of the budget process. The proposed adjustments are summarized below.

**Fund 130 – Newly Proposed Capital Project Descriptions**

**Groundwater Contaminant Mobilization Follow-up Study - \$100K**

The Desktop Groundwater Contaminant Mobilization Follow-up Study will advance the Agency's investigation of potable reuse as a potential new water supply. Additionally, this study will also support the Agency in understanding and characterizing the Livermore Valley Groundwater Basin. This study may include work such as additional reactive transport modeling based on the Agency's updated groundwater model, groundwater sampling, bench testing, and field testing.

**Regional Project Feasibility Study - \$900K**

This study is to evaluate the feasibility of developing new municipal groundwater wells in the Bernal subbasin jointly with the City of Pleasanton. The study will be cost-shared 50/50 between the City of Pleasanton and Zone 7. If the study finds that it's feasible to construct new wells to pump the City's groundwater production quota (GPQ) and additional capacity for Zone 7, a regional groundwater project will be developed. This project will include installing new wells, constructing pipelines, and upgrading Hopyard treatment facilities. This project is split 50/50 with Fund 120 – Water Renewal/Replacement and System-wide Improvements.

**Well Master Plan - \$825K**

This effort was originally budgeted in FY 2023-24. However, no proposals were received from the request for proposal process. This effort has been budgeted in FY 2024-25 and FY 2025-26 to reflect the newly anticipated schedule.

Exhibit B  
FY 2024-25 and FY 2025-26 Proposed Capital Projects Listing

**Fund 130 – Capital Project Descriptions (Proposed Schedule/Budget Adjustment)**

**Capital Improvement Program Management - \$260K**

Ongoing program management of the Capital Improvement Program including annual report preparation, Zone 7 labor, and other Capital Improvement Program related efforts. The budget is proposed to increase in FY 2024-25 because of an increase to staff labor. The proposed adjustment will increase the proposed capital budget by \$60K.

**Chain of Lakes Facilities Improvements – Water Supply - \$0**

This project has been removed as projects are yet to be defined. This proposed adjustment will decrease the proposed capital budget by \$510K.

**City Reach Pipeline Mitigation Planning – \$410K**

The mitigation need is for the City Reach of Altamont Pipeline. This limited mitigation need can be fulfilled by purchasing mitigation credits at a suitable mitigation bank or by developing a Zone 7 mitigation project. The project requires additional time to secure regulatory concurrence, identify an approved alternative mitigation approach, and complete administrative permitting work. This proposed adjustment will not affect the proposed capital budget.

**El Charro Pipeline Phase 2 - \$0**

This project includes planning, land/easement acquisition, design, and construction of a pipeline that loops the transmission system in the vicinity of the Chain of Lakes wells. The project is contemplated to occur in parallel with the Chain of Lakes Conveyance System project. Deferring the project for one year allows more time to develop the Chain of Lakes Conveyance System Project schedule. The proposed adjustment will decrease the proposed capital budget by \$2.5M.

**Los Vaqueros Reservoir Expansion Project - \$255K**

This proposed project will expand the existing Los Vaqueros Reservoir by an additional 115,000 acre-feet of storage capacity and construct the Transfer-Bethany Pipeline and other supporting facilities. The reservoir is owned by Contra Costa Water District and is located in Contra Costa County. The project will use existing infrastructure to divert water from the Delta and Sacramento River. Diverted water may also be directly delivered to project participants. Zone 7 has been participating in the project planning phase for a storage allocation of up to 10,000 acre-feet. The project budget is proposed to increase for increased staff time and the anticipation of the project securing funding by February 2025. This proposed adjustment will increase the proposed capital budget by \$125K.

**PPWTP Centrifuge Facility - \$0**

This project can be postponed because of improvements planned to the PPWTP sludge handling rehab. Postponing this project allows resources to be allocated to other priorities. This proposed adjustment will decrease the proposed capital budget by \$5.5M.

Exhibit B  
FY 2024-25 and FY 2025-26 Proposed Capital Projects Listing

**Sites Reservoir Project - \$1.5M**

This project will construct a 1.5 million acre-feet off-stream reservoir and supporting facilities. The reservoir will be located in Glenn and Colusa Counties. This project will use existing infrastructure to divert excess stormwater flows from the Sacramento River to fill the reservoir. Captured water can be released when needed for project participants. Project participants include water agencies across California and federal and state agencies. Zone 7 has been participating in the project planning phase for a storage allocation of 62,340 acre-feet, which provides average reservoir releases of approximately 10,000 acre-feet per year. The budget has been revised based on updated information provided by the Sites Authority. This proposed adjustment will decrease the capital budget by \$1.5M

**Fund 130 – Capital Project Descriptions (No Proposed Adjustments)**

**Chain of Lakes Conveyance System - \$2M**

This project consists of a new multi-purpose 36-in conveyance pipeline and 12-MGD pump station connecting DVWTP/SBA with Lakes H/I/Cope. Active gravel mining operations may continue until 2060, delaying completion of the Chain of Lakes (COLs) by 30 years beyond the previous planning horizon. This means that previously planned groundwater recharge, local water right perfection, and other key water management strategies (e.g., to reduce salt loading) are also potentially delayed because they are tied to the COLs. Zone 7 is therefore planning to construct this project to allow Zone 7 to proceed with planned and potential uses of the COLs regardless of when the remaining projects are turned over to Zone 7.

**Cawelo Groundwater Banking Program Debt Service - \$2.2M**

On June 21, 2006, the Zone 7 Board of Directors approved an agreement with the Cawelo Water District for a water banking and exchange program. The banking program increased Zone 7's dry-year water supply by up to 10,000 acre-feet per year. Zone 7 can store up to 120,000 acre-feet of water within the Cawelo Water District area. Cawelo financed this program with a \$21.1 million sale of Certificates of Participation (COPs) on August 15, 2006. In 2018, the COPs were refunded with the Livermore Valley Water Financing Authority Series A Revenue Bonds. The portion of the debt payment allocated to the banking and exchange program is paid from the expansion capital fund.

**Fourth Contractor's Share of South Bay Aqueduct (Payment to DWR) - \$6M**

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. This project reflects Fund 130's share of the Water System Revenue Bond and Transportation Capital Cost Component charges associated with this capacity per Amendments 19 and 20. Fund 110 pays for the Transportation Minimum Cost Component of this capacity.

**North Canyons Renewal/Replacement and Improvements - \$4K**

This project includes small repairs/improvement projects, including but not limited to phone system replacements, audio-visual system improvements, roof repairs and other building repairs as needed.

Exhibit B  
FY 2024-25 and FY 2025-26 Proposed Capital Projects Listing

**South Bay Aqueduct Enlargement Project (Payment to DWR) - \$28.2M**

South Bay Aqueduct improvements by DWR can convey an additional 130 cubic feet per second through Reach 1 and 80cfs through Reaches 2 through 4. The project is in-service with ongoing payments.

**ORIGINATING SECTION:** Integrated Planning  
**CONTACT:** James Carney/Ken Minn

**AGENDA DATE:** June 11, 2024

**SUBJECT:** Adoption of Energy Policy

**SUMMARY:**

- To support Zone 7 Water Agency's (Zone 7) mission to deliver safe, reliable, efficient, and sustainable water and flood protection services, Zone 7 is developing an Energy Policy and an Energy Master Plan (EMP) for the board's consideration. This action supports Strategic Plan Goal E – Effective Operations and is to implement Strategic Plan Initiative #16: Develop and Implement an Energy Strategy.
- The key objective of the energy policy is to outline Zone 7's goals and priorities regarding energy management. Accordingly, this policy will allow staff to identify, prioritize, and recommend projects that are compatible with the EMP.
- The Energy Policy will guide the EMP to define Zone 7's energy strategy and identify priorities of energy-related activities, projects, and capital investments that are consistent with the agency's mission, strategic goals, and energy policy. It will comprise four main components: 1) baseline energy assessment; 2) development of a Zone 7 energy policy; 3) project identification, screening, and prioritization; and 4) monitoring and reporting.
- On April 3, 2024, the Board provided input and direction on the energy policy development in a special board meeting. Applying this input and direction, the staff has completed preparation of the draft energy policy. Attachment A includes the Draft Energy Policy for the Board's review and Attachment B is the summary of Input and Direction received from the Special Board Meeting.
- Following the Board's review of the Draft Energy Policy, staff requests the Board approve the attached resolution to adopt the energy policy.

**FUNDING:** No funding is requested at this time.

**RECOMMENDED ACTION:** Adopt the attached Resolution.

**ATTACHMENTS:**

Attachment A – Energy Policy

Attachment B – The Summary of the Board's Input and Direction

Attachment C – Resolution

## POLICY AND PROCEDURE

<b>POLICY TITLE:</b> Energy Policy	<b>NUMBER:</b> XXXX-XX	<b>PAGE:</b> 1 of 3
<b>APPROVED BY:</b> Zone 7 Board	<b>REVISION:</b>	<b>EFFECTIVE DATE:</b> June 11, 2024

WHEREAS, the Zone 7 Board of Directors acknowledges the integral relationship between energy use and its mission to “deliver safe, reliable, efficient, and sustainable water and flood protection services”; and

WHEREAS, the Zone 7 Board of Directors desires to provide the Agency with effective leadership and governance and address Initiative #16 – Develop and Implement an Energy Strategy, from the 2020-2024 Zone 7 Water Agency 5-Year Strategic Plan; and

WHEREAS, effective energy management is aligned with the Agency’s values of fiscal responsibility, proactivity, innovation, and environmental sensitivity; and

WHEREAS, energy management is a component that contributes to Zone 7’s overall operational reliability and resilience; and

WHEREAS, a comprehensive energy policy should consider fiscal responsibility, resource optimization, operational reliability and resilience, environmental responsibility, and regulatory compliance and governance;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts the following energy policy.

With respect to the following energy management focus areas, it is the Board’s policy to:

### *Compliance and Governance*

- Meet federal, state, and local energy and greenhouse gas emission regulatory targets in a manner that maintains quality of service and aligns with other Zone 7 policies.
- Monitor energy-related regulatory and legislative developments at the local, state, and federal levels, and advocate for the Agency’s interests, as appropriate and consistent with the Agency’s Legislative Framework as adopted in Resolution 21-99.
- Achieve regulatory compliance for the Zone 7 fleet through a fleet management program which meets Zone 7’s core operational needs and supports efforts to reduce and/or eliminate hydrocarbon-based fuels and tailpipe emissions.

### *Resource Optimization*

- Conserve energy through operational practices, programs, projects, and initiatives that make efficient use of Agency staff resources and improve energy efficiency.
- Incorporate energy efficiency into the design of new facilities.

### *Fiscal Responsibility*

- Evaluate and pursue fiscally responsible energy investments that demonstrate good stewardship of public funds in support of the Agency's mission.
- Achieve cost savings or avoid expected future costs, reduce the Agency's exposure to energy price volatility, and leverage available energy procurement and funding opportunities.
- Pursue initiatives to improve energy efficiency, install or participate in renewable power generation, and mitigate greenhouse gas emissions, while considering factors such as anticipated payback period, life cycle costs, and alignment with Zone 7's policies and goals.

### *Reliability and Resilience*

- Promote investments that support and enhance Zone 7's operational reliability and resilience to energy disruptions.
- Maintain a diverse portfolio of energy sources and suppliers, and consider innovative projects that contribute to energy resilience.

### *Environmental Responsibility*

- Implement projects and programs that are aligned with the Agency's value of environmental sensitivity by minimizing impacts to the environment, promoting sustainable practices, and reducing or eliminating the Agency's greenhouse gas emissions.
- Continue to procure or develop renewable energy sources to minimize reliance on fossil fuel-based energy sources.



**HISTORY**

<b>Date</b>	<b>Action</b>	<b>Resolution</b>
June 11, 2024	Adopted	

## **Attachment B – The Summary of the Board’s Input and Direction**

A Special Board Meeting was held on April 3, 2024, to receive the Board’s input and direction on developing the Zone 7 Energy Policy as part of the ongoing Energy Master Plan study. Staff applied this input and direction to prepare the Draft Energy Policy. This summary compiles the key themes and comments from the Board, and documents how each comment was addressed in the Draft Energy Policy.

### **Comment 1: How often will the Board have input on the energy policy? On energy projects? (Director Green)**

The policy will be routinely reviewed and updated, consistent with the process applied to other Zone 7 policies. Planned projects will be brought to the Board through the CIP and budget process that the Board approves. Specific project contracts will also require Board approval. The final Energy Master Plan report will describe the recommended process and timing for review and update of the plan itself.

### **Comment 2: Zone 7 should have a policy that is flexible and succinct. (Multiple Directors)**

Concur. The draft policy focuses on providing program-level guidance that will be implemented by staff. Additionally, the policy is intended to be consistent with the Agency’s values and support the Agency’s mission.

### **Comment 3: The policy should not position Zone 7 as an early adopter of risky or unproven technologies. (Director Palmer)**

Concur. The draft policy does not prescribe projects or technologies. Instead, it is intended to give staff the flexibility to consider all potential technologies and assess their costs, benefits, and risks.

### **Comment 4: The policy should not compromise the core water supply and flood control mission of the Agency. (Multiple Directors)**

Concur. The recitals section of the draft policy notes that energy management should be complementary to the Agency’s mission. Under the Compliance and Governance focus area, the draft policy notes that energy management activities should be complementary to the Agency’s mission, as well as other policies.

**Comment 5: The policy should acknowledge the role of advocacy given that actions by the CPUC or other entities can affect Zone 7. (Director Narum)**

Concur. Under the Compliance and Governance focus area, a policy statement has been added to address advocacy.

**Comment 6: Consider whether redundancy should be called out specifically. (Director Narum)**

With respect to operational resilience, redundancy is generally considered to be a component of resilience, rather than a standalone consideration. The draft policy addresses Zone 7's overall operational resilience in both the recitals section and the policy's provisions. As such, a standalone policy statement on redundancy was not included in the draft policy.

**Comment 7: The policy should acknowledge that Zone 7 is open to and should consider innovative approaches. (Director Benson)**

Concur. The draft policy recitals section notes that innovation is one of Zone 7's values, and the draft policy language under the Reliability and Resilience focus area references consideration of innovative approaches.

**Comment 8: Consideration of project ROI should be clarified so that it is understood what, if any, metric is being applied and how the metric is used in deciding whether to implement a project. A quantitative ROI metric may not be necessary given the range of project types, sizes, and expected returns that may be considered through the policy. (Multiple Directors)**

Concur. The draft policy recitals include the identified focus areas, one of which is fiscal responsibility. Additionally, the policy statements under Fiscal Responsibility have been revised to include the payback period and life cycle costs should be considered in evaluating projects. It is recommended that the policy avoids prescribing a specific minimum payback period or other metric, as not all project types will be evaluated on financials alone. The draft policy language directs that staff will consider project financials, while still allowing flexibility to make decisions based on other considerations and priorities.

**Comment 9: The policy, or perhaps the Energy Master Plan, should be clear about how ROI is being considered for stand-alone energy project versus design or engineering choices that are part of a project with other purposes (Director Gambs)**

See response to comment #8. Additionally, the policy language is intended to be flexible with respect to different types of projects that may have different primary goals or drivers. For facility design projects primarily related to water supply, the intent of the policy is to enable staff to consider energy-related opportunities that may be complementary, rather than to constrain facility design.

**Comment 10: ROI, and more broadly affordability of water service, is something that is a Zone 7 value, and so may be woven throughout the policy. (Director Narum)**

Concur. See responses to comments #8 and #9. Additionally, with respect to affordability, the recitals in the draft policy note that fiscal responsibility/effective use of public funds (i.e. affordability) is a consideration in decision-making. This is reiterated by the language in the Fiscal Responsibility section of the policy.

**Comment 11: How will Zone 7 monitor staff resource impacts? Additionally, how will projects be screened early on for ROI to avoid expending resources unnecessarily? (Director Benson)**

The energy master plan study includes development of a conceptual-level project screening framework. This framework will be part of the energy master plan report, and staff will be able to use this framework going forward to perform early screening and prioritization of projects. This project identification and screening step will include consideration of staff resource impacts when evaluating potential projects. Priority projects that are identified from this process will be recommended for budget/implementation through the CIP, or may require additional feasibility analysis, which would be brought to the Board through Zone 7's regular contracting process.

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Adoption of the Energy Policy**

WHEREAS, adopting the energy policy supports Strategic Plan Goal E – Effective Operations and guides implementation of Strategic Plan Initiative #16: Develop and Implement an Energy Strategy; and

WHEREAS, the energy policy is to outline Zone 7's goals and priorities regarding energy management. Accordingly, this policy will allow staff to identify, prioritize, and recommend projects that are compatible with the Energy Master Plan; and

WHEREAS, the energy policy guides effective energy management aligning with the Agency's values of fiscal responsibility, proactivity, innovation, and environmental sensitivity; and

WHEREAS, energy management contributes to Zone 7's overall operational reliability and resilience; and

WHEREAS, the energy policy accounts for fiscal responsibility, resource optimization, operational reliability and resilience, environmental responsibility, and regulatory compliance and governance;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District adopts the Energy Policy.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on June 11, 2024.

By: \_\_\_\_\_  
President, Board of Directors

ZONE 7 BOARD OF DIRECTORS  
SUMMARY NOTES OF THE WATER RESOURCES COMMITTEE

April 30, 2024  
3:00 p.m.

Directors Present: Sandy Figuers  
Laurene Green  
Sarah Palmer

Staff Present: Valerie Pryor, General Manager  
Osborn Solitei, Treasurer/Assistant General Manager – Finance  
Ken Minn, Water Resources Manager  
Jacob Danielsen, Water Resources Technician  
Lira Walter, Administrative Assistant

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1. Call Meeting to Order

Director Figuers called the meeting to order at 3:03 p.m.

2. Public Comment on Items Not on the Agenda

There was no public comment.

3. The Livermore Valley Hydrogeologic Investigations and Groundwater Model Update

Jacob Danielsen, Water Resources Technician, stated that he is the Project Manager of the Livermore Valley Groundwater Model Update Project and that he would be providing a status report. Mr. Danielsen mentioned that in September 2023, the Board authorized the execution of a contract with EKI Environmental Water, Incorporated (EKI) to complete the groundwater model update project. EKI has completed several tasks, including geophysical surveys, Mocho well field testing, and the integration of new and existing data into three-dimensional stratigraphic modeling software. He added that the project is continuing within budget and on schedule, with the model expected to be functional in October 2024. Mr. Danielsen introduced Anona Dutton, Vice President and Director of Water Resources and Engineering at EKI, and Aaron Lewis, Hydrogeologist and the model update Project Manager at EKI, who discussed key findings from the hydrogeologic investigations and provided a report on the overall project status.

Ms. Dutton began by thanking Mr. Danielsen and greeting the Directors. She introduced herself and mentioned that while EKI has been involved with the project since November, they have supported the Agency for several years on various tasks related to the Sustainable Groundwater Management Act. This current project is an extension of their ongoing efforts. Ms. Dutton outlined that she and Aaron would cover the key project objectives, provide a status update, and report on the geophysical survey work and interpretation completed so far, as well as the integration of aquifer pumping tests and other existing data into the three-

dimensional model under development. The aim is to enhance the groundwater model and tools to support operational and management decision-making for the basin.

Ms. Dutton explained that the scope of work focuses on refining and upgrading the existing groundwater model by integrating the latest information to support sustainable groundwater management and decision-making. Specific efforts include collecting data to address hydrogeologic gaps or uncertainties in the basin and using it to refine the three-dimensional hydrogeologic conceptual model. This updated model will be used to extend the groundwater flow model's simulation period to current and future conditions, including climate change projections. These simulations will support sustainable groundwater management and the joint regional groundwater development project with the City of Pleasanton, particularly for well siting. Additionally, a decision support tool will be developed, providing a user interface for district staff to interact with the numerical groundwater model and run scenarios for operational decision-making.

The project consists of several tasks related to both management and technical work. Ms. Dutton presented initial technical work efforts, including one completed aquifer pumping test, with another anticipated to start the next day, geophysical surveys conducted throughout the basin, and the development of the geologic model. She mentioned that they would show both static views and a three-dimensional movie tour of the basin to illustrate their work. Ms. Dutton concluded by turning the presentation over to Mr. Lewis, who has led the technical work and would provide detailed information on how new and existing data is being utilized and findings to date.

Mr. Lewis provided a high-level summary of the project's work efforts and main findings to date, as well as their implications for updating the numerical groundwater flow model. He began by summarizing the results of the first aquifer pumping test, conducted in late January and early February at the District's Mocho 3 well. This test involved a 72-hour constant rate test followed by a 72-hour recovery period, monitoring 20 wells within and surrounding Zone 7's Mocho production well field, including the new PFAS Sentinel wells in Ken Mercer Sports Park. The primary objectives were to improve estimates of aquifer storage and transmissivity, identify regions of hydraulic connectivity and disconnectivity, and detect any hydraulic barriers to groundwater flow. Findings included a group of wells in direct hydraulic communication with Mocho 3, while no drawdown was observed at the PFAS Sentinel wells or upper aquifer monitoring wells, suggesting hydraulic separation.

Mr. Lewis then discussed the geophysical studies aimed at addressing data gaps identified in Zone 7's alternative groundwater sustainability plan. Geophysics was chosen as a cost-effective, non-invasive tool to gather data from areas lacking existing wells. The project included five geophysical surveys using electrical resistivity, seismic, and electromagnetic methods in urban areas and stream corridors of the Livermore Valley Groundwater Basin. These surveys aimed to improve the conceptual understanding and geometric representation of major hydraulic features. Key findings included the confirmation of a depositional boundary and insights into the basin's geometry and aquifer properties.

Mr. Lewis elaborated on the use of the collected data, integrating it into Zone 7's existing database of lithology logs and down-hole geophysical logs to build a three-dimensional

geologic model using Leapfrog software. This model allows for comprehensive evaluation of the basin's structure and properties, supporting the creation of a more advanced and reliable tool for groundwater management. He demonstrated how the model compiles various data sources to visualize the basin's aquifer and aquitard units, providing a detailed three-dimensional representation that enhances understanding and communication with stakeholders. The presentation included a video tour of the model, showcasing the integration of transient electromagnetic data and the overall structure of the groundwater system.

Ms. Dutton provided an overview of the ongoing work being conducted in coordination with Zone 7 staff. She mentioned the anticipated commencement of another pumping test near the Cal Water wells, which aims to refine the understanding of aquifer characteristics in that part of the basin. Following this, the team will focus on extensive modeling work. Ms. Dutton emphasized that the collected data has been gathered cost-effectively and has significantly enhanced the understanding of key features and data gaps in the basin.

The integration of this data into three-dimensional models is expected to improve the understanding of groundwater flow and transport complexities within the basin. This will also aid in refining and calibrating the numerical model to better simulate these conditions. The goal is to develop a robust tool that supports ongoing groundwater sustainability and management, addressing various challenges associated with groundwater resources.

Ms. Dutton highlighted that the project is progressing as planned, with deadlines set for fall to the end of the year. The primary aim is to support the Zone 7 and the City of Pleasanton in their regional groundwater development project, especially in predictive scenarios of groundwater flow and transport, ensuring sustainability and water quality. She confirmed that the project is on track with the interim technical work products, meeting the overall project deadline, and remaining within budget. She concluded by inviting questions and handing over to Ken Minn, Water Resources Manager, to lead the Q&A session. Mr. Minn then stated that staff continue to work on the Groundwater Model, that this is just a status update, and staff will schedule meetings every quarter to report back to the Committee the progress staff are making and particularly with the calibration results down the line.

#### 4. Verbal Reports

Director Palmer mentioned that she attended a meeting on paving standards through ACWA.

#### 5. Adjournment

Director Figuers adjourned the meeting at 4:08 p.m.





**For the regular DCA Board Meeting we covered**

- Resolution Approving the Third Amendment to the VMA Communications Inc. Agreement for Communications Support Services
- Resolution Approving a Surplus Property Policy.

Next Full DCA Board Meeting is June 20.

**DELTA CONVEYANCE DESIGN AND CONSTRUCTION AUTHORITY  
FINANCE COMMITTEE MEETING AGENDA  
May 16, 2024****1. CALL TO ORDER**

**2. ROLL CALL – Any private remote meeting attendance will be noticed or approved at this time.**

**3. APPROVAL OF MINUTES**

**(a) April 18, 2024, Finance Committee Meeting Minutes**

**4. DISCUSSION ITEMS**

**(a) Review Fiscal Year 24/25 Budget Summary and Detail  
Recommended Action: Informational Only.**

This will be brought to the full board in June

DCA Proposed Fiscal Year 2024/25 Annual Budget Summary

Agenda Item 4a | Attachment 1

CODE	Description	Approved FY 23/24 Budget \$	Proposed FY 24/25 Budget \$
		\$ 40,442,554	\$ 43,000,200
10	PROGRAM MANAGEMENT OFFICE	\$ 16,685,519	\$ 19,727,300
100	PMO-Executive Office	\$ 5,382,983	\$ 4,736,700
110	PMO-Community Engagement	\$ 1,263,072	\$ 1,224,600
120	PMO-Program Controls	\$ 4,230,306	\$ 4,905,500
130	PMO-Administration	\$ 3,229,589	\$ 3,535,700
140	PMO-Procurement and Contract Administration	\$ 555,508	\$ 762,900
150	PMO-Property	\$ 570,364	\$ 1,231,300
160	PMO-Permitting Management	\$ 489,208	\$ 1,254,600
170	PMO-Health and Safety	\$ 488,585	\$ 431,600
180	PMO-Quality Management	\$ 391,560	\$ 698,600
190	PMO-Sustainability	\$ 84,344	\$ 501,500
210	PMO-Geotechnical Management		\$ 444,300
30	PROGRAM INITIATION	\$ 23,757,035	\$ 13,938,700
300	PI-Engineering	\$ 15,656,019	\$ 13,938,700
310	PI-Fieldwork	\$ 8,101,016	\$ -
40	PROGRAM DELIVERY	\$ -	\$ 9,334,200
410	PDPD-Project Geotechnical		\$ 9,334,200

Next DCA Finance Committee Meeting is June 6

## **ACWA**

**May 21 ACWA Strategic Planning Committee.** We are working on streamlining and focusing the ACWA Strategic Plan

## **May 28 ACWA Water Quality Committee**

We met to discuss the PFAS/PFOA MCLs and guidelines and how the Federal and State Guidelines compare. California differs in having to deal with PFHxS where this is not yet directly addressed in Federal guidelines. See Office of Environmental Health Hazard Assessment. <https://oehha.ca.gov/>

Next ACWA Board Meeting is June 7

ACWA Region 5 Program and Tour (this is OUR Region) September 13

**Zone 7 Strategic Planning** continues

**ORIGINATING SECTION:** Administration

**CONTACT:** Valerie Pryor

**AGENDA DATE:** June 11, 2024

**SUBJECT:** General Manager's Report

**SUMMARY:**

The following highlights a few of the key activities which occurred last month. Also attached is a list of the General Manager (GM) contracts executed during May.

Engineering and Water Quality:

**PFAS Monitoring:** The results for the second quarter PFAS samples have been received. All delivered water PFAS concentrations and quarterly running annual average values were below the applicable State response levels and the new federal maximum contaminant levels (MCLs). Although Zone 7 is not required to comply with the new federal PFAS MCLs until 2029, we have voluntarily made operational changes to continue to meet the MCLs, demonstrating our commitment to providing a safe and reliable high-quality water supply to our customers. The quarterly PFAS monitoring summary report is accessible on Zone 7's PFAS Information web page at [www.zone7water.com/pfas](http://www.zone7water.com/pfas).

**Chain of Lakes Wells PFAS Treatment Facility Project:** The contractor completed construction of the vessel system concrete foundation and pad (see photo). The contractor continues with various other sitework, including site storm drain installation and electrical installation. Vessel system installation is projected to be in July. The project is anticipated to be complete in fall 2024.



**2023 Storm Damage Repairs:** As a result of the 2023 winter storms, staff have identified 177 damage sites along channels owned by Zone 7. Zone 7 is seeking assistance for repairing the damaged sites with aid from FEMA/CalOES and US Army Corps of Engineers (USACE). Staff has executed an engineering design contract to provide engineering and permitting support for 51 damage sites. These sites include high, medium, and low priority sites. A kickoff meeting was held in April and design efforts are underway. USACE has finalized and approved the project information reports for 48 damage sites. Construction for these sites will be separated into two construction seasons and will be completed by the end of 2025. Staff is proposing for USACE to prioritize repairs on Line G (Arroyo Mocho, see photo) and Line F (Alamo Canal). USACE will be scheduling a kickoff meeting with staff in the following weeks. Staff is currently preparing bid documents for the repair of four other high priority storm damage sites. Staff plans to construct these repairs in summer/fall 2024 pending environmental permits.



#### Integrated Water Resources:

The State Water Project allocation remains at 40%. May treated water supply comprised 90% surface water and 10% groundwater.

Staff continues to track the demand conditions, and in May 2024, Zone 7's treated water production volume was 5% higher than the same time in 2023. Calendar year to date (through May) treated production and untreated deliveries are approximately 19% lower than the same period in 2020.



**State Water Project Delivery Capability Report:** On May 6, DWR released the draft State Water Project Delivery Capability Report (DCR) for 2023. DWR's DCR is released every two years to update estimates of current and future State Water Project (SWP) delivery capability over a range of hydrological conditions. New this year, the report analyzes the SWP's ability to deliver water under three different future climate change scenarios through 2043. This shows how the SWP will perform under different potential hydrological circumstances and identifies additional potential vulnerabilities. Key discussion points:

- Under future climate conditions, California's hydrology will likely become more extreme, with periods of high flows — that current infrastructure and operations cannot capture — and longer, more severe dry periods that challenge operations. *Without any changes to the SWP*, DWR's latest report forecasts substantial reductions in SWP deliveries due to the impacts of climate change, regulatory constraints within current federal and state permits, and aging infrastructure.
- The 2023 DCR shows a modest decrease in average SWP reliability *assuming conditions do not change*, from 56% to 54%. However, in the three climate change scenarios, average SWP reliability is reduced from 48 to 43%.
- This report shows the need to invest in above- and below-ground storage and to modernize and repair SWP facilities, including construction of the Delta Conveyance Project and the repair of the California Aqueduct.

**Delta Conveyance Project:** On May 16, two major documents DCP documents were released; an Updated Cost Estimate and a Benefit-Cost Analysis. The update Cost Estimate came in at \$20.1 billion in 2023 dollars. This estimate is consistent with the \$16 billion cost estimate prepared in 2020 once inflation is factored in, even though the 2023 estimate was developed independently. As part of the Cost Estimate, the Delta Conveyance Design and Construction Authority (DCA) evaluated several design and construction innovations, which show potential to decrease the project cost to \$18.9 billion.

The subsequent Benefit-Cost Analysis identified a cost benefit ratio of 2.2, meaning for every \$1.00 spent, \$2.20 in value would be obtained. This analysis looked at many different benefits including urban water supply reliability, agricultural water supply reliability, water quality, and seismic reliability and discounted the benefits and costs in accordance with federal and state guidelines.

Zone 7 representatives continue to serve on the Boards of the DCA and the Delta Conveyance Finance Authority (DCFA). Board packets for both the DCA and the DCFA can be found at: <https://www.dcdca.org/meetings/>.

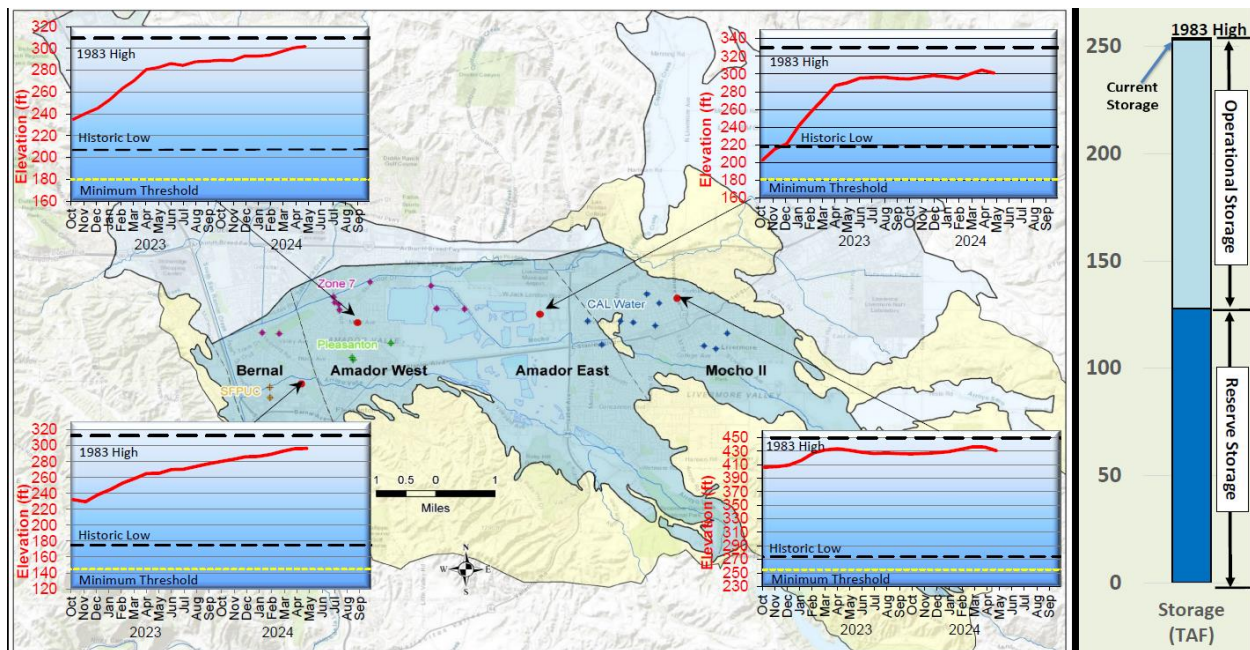
**Los Vaqueros Reservoir Expansion (LVE).** The Los Vaqueros Reservoir JPA Board met on May 3. The JPA Board approved the Multi-party Agreement Amendment No. 6 to extend the term to June 30, 2025, at no cost. Contra Cost Water District's Board will consider the

amendment in an upcoming meeting. If approved by Contra Costa Water District, then the amendment will be sent to the partners for approval.

**Sites Reservoir.** The Sites Reservoir Committee and Authority Board met on May 17. The Sites JPA provided a status update on environmental permitting efforts. Discussion items included a status update on the Operations Plan, a review of contracting strategies, and a review of various pre-construction approvals required by the counties impacted by project construction.

**Livermore Valley Groundwater Basin Condition:** Staff completed monthly groundwater measurements for the month of May. Water levels in the western part of the basin continue to increase. The water levels in Mocho II and Amador East subbasins show a slight decline. Current groundwater levels are approaching the historic high of 1983 and the total storage including the portion of the storage below SGMA's minimum threshold is approximately 252 thousand Acre-feet (99% of the basin's total storage capacity).

The estimated storage capacity above the Minimum Thresholds (operational storage) is 126,000 AF. Currently, the Basin is at approximately 99% of its storage capacity above minimum thresholds (124,900 AF out of 126,000 AF).



### Operations and Maintenance:

Staff worked on several projects including support work for the Del Valle Water Treatment Plant (DVWTP) Ozonation post-project work, the Patterson Pass Water Treatment Plant (PPWTP) Expansion and Ozonation Project, the Mocho Groundwater Demineralization Plant Concentrate Conditioning project and the Chain of Lakes PFAs Treatment Facility Project. Staff is in the process of commissioning the Stoneridge Facility. Staff is reviewing proposals from Computerized Maintenance Management System (CMMS) proposers).

Administration:

**FY 2024-26 Two-Year Budget:** Staff kicked-off the FY 2024-26 Two-Year Budget on January 18, 2024. The Two-Year Budget was presented to the Board on May 1, 2024, at a Special Board Meeting (Board Workshop). The budget as directed by the Board will be formally adopted by the Board at the June 11, 2024, Regular Board meeting.

**Patterson Pass Water Treatment Plant Tours:** Eighty-five (85) people attended the tours on May 18. Initial feedback was positive and there will be a post-tour survey for additional feedback.



## Monthly List of GM Contracts

**May 2024**

<u>Contracts</u>	<u>Amount</u>	<u>Purpose</u>
Doc Bailey	\$35,000	Mobile Crane Inspection and Repair Services for the Agency's Truck Mounted and Stationary Cranes.
Wood Rodgers, Inc.	\$50,000	Engineering Services Proposal for Operation and Maintenance Planning Assistance.
<b>Total May 2024</b>	<b>\$85,000</b>	

**ORIGINATING SECTION:** Office of the General Manager  
**CONTACT:** Alexandra Bradley

**AGENDA DATE:** June 11, 2024

**SUBJECT:** May Outreach Activities

**SUMMARY:**

To deliver on the Agency's 2020-2024 Strategic Plan Goal F which strives to engage our stakeholders to foster mutual understanding, staff implements and oversees a multi-faceted outreach and communications program to connect with and engage stakeholders. Through an open and transparent approach, the Agency seeks to deliver effective customer-centric communications, reaching constituents where, when, and how they prefer. Effective communication builds confidence, trust, and awareness among constituents, increases participation to help with effective decision-making, and helps strengthen Zone 7's commitment to its mission and vision. This monthly staff report provides timely updates on progress towards meeting the goal of engaging our stakeholders.

**Communications Plan Updates**

**Conservation Outreach:** Staff leveraged May as Water Awareness month to promote public outreach and education events to heighten public awareness about water supply and the need for conservation and water use efficiency. Efforts included the Patterson Pass Water Treatment Plant Tours, the Bringing Back the Natives Garden Talks and Tours, a Spring Irrigation Tune-Up Workshop, the bi-monthly newsletter, and targeted social media posts to raise awareness about water supply and available rebate programs.

**Newsletter:** Staff sent out the bi-monthly newsletter which can be viewed [here](#).

**Press:** Staff sent out two press releases:

- [Zone 7 celebrates Water Awareness Month with free in-person tours of Patterson Pass Water Treatment Plant](#)
- [Zone 7 Water Agency Response to Delta Conveyance Project Release of State Benefit Cost Analysis](#)

**Annual Consumer Confidence Report:** Staff is finalizing the annual consumer confidence report in advance of the required July 1, 2024, publication date.

**Outreach Program Updates**

**Schools' Program:** Zone 7 teachers wrapped up the school year by visiting 22 classrooms in May. Teachers who participated in our program this year will be sent a survey to help us ensure that we are meeting teachers' current needs.

## **In-Person Events:**

Girl Scout Journey Support, May 3, 2024. Staff worked with Dublin San Ramon Service District to help over 19 Girl Scouts and their families complete a Girl Scout Journey. DSRSD provided a scavenger hunt throughout their demonstration garden and Zone 7 provided materials for scouts to audit their homes for leaks. Zone 7 also provided water saving tools such as shower timers and plate scrapers.

Bringing Back the Natives Tour, Sunday, May 5, 10:00am-5:00pm. Zone 7 will have a booth at a resident's home during the tour to educate visitors about native plants and lawn rebates. The booth featured rebate information, an activity for children and snacks for volunteers. Our presence was well received by over 200 visitors to the garden. There were many questions about lawn rebates, as people volunteered that they would like to replace their lawns with native gardens and we're looking for ideas.

Quest Science Event – Bubbles!, Saturday, May 11, 2024, 10:00am-1:00pm, Quest Plaza at Stockmen's Park, 29 S. Livermore Ave. Zone 7 joined 16 other local groups in a hands-on science event focused on Bubbles! Families enjoyed exploring the properties of water, specifically cohesion and surface tension. Many insightful conversations were had. The conservation giveaways were thoroughly appreciated.

Marylin Avenue Family Science Night, Marylin Avenue School, Livermore, Monday, May 13 from 6:00pm-8:00pm. Zone 7 participated in this STEM school's family science night. Over 125 family members engaged with the water model at the Zone 7 booth.

Patterson Pass Water Treatment Plant Tours, Saturday, May 18, 2024, 9:30am-3:00pm. To celebrate May as Water Awareness Month Zone 7 offered public tours of the Patterson Pass Water Treatment Plant, featuring a 15-minute introduction to the facility and its upgrades, followed by a 45-minute guided walking tour. Guests enjoyed refreshments, snacks, and free water-related promotional items while enjoying a behind-the-scenes look at the complex world of water treatment. Nine time slots were initially offered, and one time slot was added after tours reached capacity. All time slots were registered to capacity with a total of 150 registrants, and 85 registrants showed up for the tour. An event summary is included as an attachment to this report.

Spring Irrigation Tune-Up Workshop, Saturday, May 25th, 9:00am-12:00pm at the Zone 7 Administration Building. This was a hands-on demo to teach participants how to manage and adjust their irrigation system. The workshop included guidance on how to test zones, calculate water usage, flush systems, and more! There were 7 attendees for the workshop. Smart Irrigation Controller Rebate applications were also provided.

Please visit [www.zone7water.com/calendar](http://www.zone7water.com/calendar) for the most up-to-date schedule of public events.

## **ATTACHMENTS:**

General Monthly Analytics Dashboard for Zone7Water.com  
Patterson Pass Water Treatment Plant Tours Outreach Summary

Highlights:

Total users

4,801

↓ -15.7%

Views

13,551

↓ -16.8%

New users

4,431

↓ -17.1%

Engagement rate

57.77%

↑ 2.0%

Sessions

7.0K

↓ -17.6%

User engagement

96:50:31

↓ -8.8%

Most visited pages on the website - users and pageviews

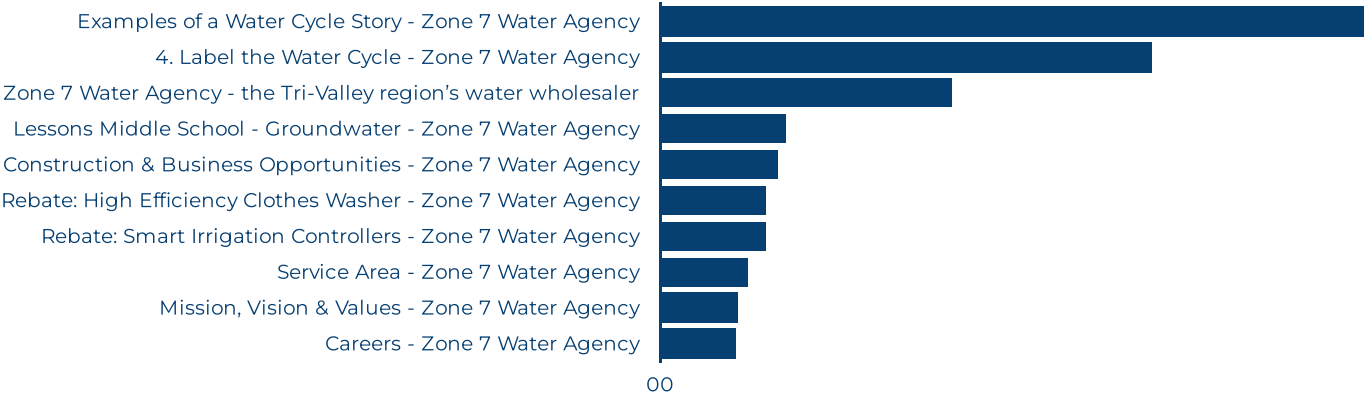
	Page title	Views	Total users
1.	Zone 7 Water Agency - the Tri-Valley region's water wholesaler	1,671	981
2.	Examples of a Water Cycle Story - Zone 7 Water Agency	961	743
3.	Construction & Business Opportunities - Zone 7 Water Agency	737	417
4.	4. Label the Water Cycle - Zone 7 Water Agency	661	555
5.	Floating Solar Array on Lake I for Zone 7 Water Agency #2025-08 - Zone 7 Water Agency	520	337
6.	Careers - Zone 7 Water Agency	416	246
7.	Board Meetings - Zone 7 Water Agency	332	173
8.	Lessons Middle School - Groundwater - Zone 7 Water Agency	329	152
9.	2. Explore Permeability - Zone 7 Water Agency	300	136
10.	Operated Equipment Supply for Engineering Repairs and Upgrades to Flood Protection Facilities - Zone 7	226	186

Acquisition source/medium - where traffic sessions come from

	Session source	Session medium	Sessions
1.	google	organic	3,616
2.	(direct)	(none)	2,389
3.	bing	organic	209
4.	cityofpleasantonca.gov	referral	88
5.	PATCH	BANNER	72
6.	dsrsd.com	referral	65
7.	homedepot.com	referral	40
8.	user_password_reset	email	39
9.	FB	AD	38

1 - 100 / 100

Pages with the most time spent by users



## Facebook Snapshot Analytics

Total Posts

23

Engagement

106

Clicks

861

Page Followers

1,125

Reach

Facebook reach ⓘ

55.2K ↑ 12.1%

Export



Visits

Facebook visits ⓘ

404 ↑ 1.5%

Export

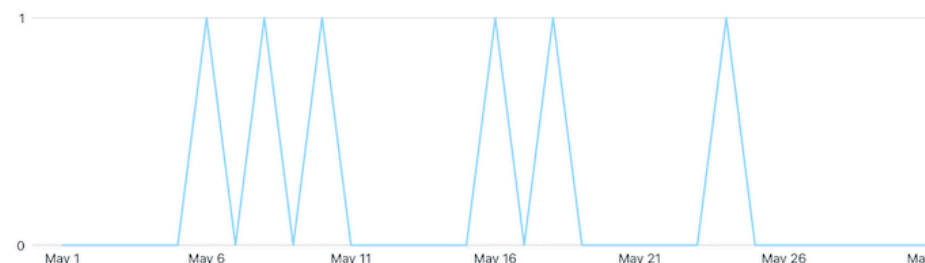


Follows

Facebook follows ⓘ

6 ↑ 50%

Export



Ad trends

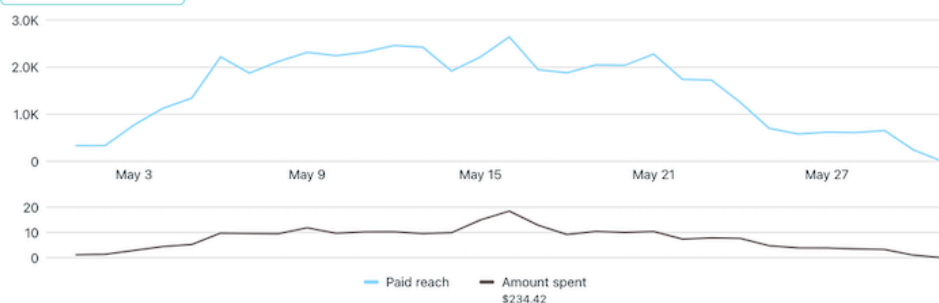
Export

Paid reach ⓘ

22,930 ↑ 170.6%

Paid impressions ⓘ

63,744 ↑ 303.3%



## Mailchimp Delivery Analytics

Total Eblasts Sent

3

Total Deliveries

2,766

Avg. Open Rate %

41.1%

Total Clicks

136

## Monthly YouTube Performance

Total Views

23,897


Total Watch Time


398.6 hrs


Impressions

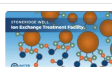
10,416

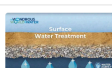
Top Five Videos of Month

- 

Stoneridge Well Ion Exchange PFAS Treatment Facility Now Open  
Sep 13, 2023
- 

Tri-Valley Water Partners\_Our Water's Journey  
Aug 24, 2023
- 

Patterson Pass Water Treatment Plant - Treatment and Plant Up...  
Sep 14, 2022
- 

Wondrous World of Water - Ion Exchange PFAS Treatment  
Aug 3, 2023
- 

Wondrous World of Water - Surface Water Treatment  
Jun 11, 2021

## Insights & Opportunities

### WEBSITE

- Website traffic was down overall in May, compared to several months of unusually high traffic. However, at 4,800 users, we are still experiencing higher traffic this year than our monthly average of approximately 4k per month over the past three years. This year's monthly average is currently 5,884.
- The education program and lessons continue to be a popular area of our website with multiple school districts locally and across the country utilizing the lessons on a regular basis - we expect to see a dip in traffic over the summer months while school is out, which happens every year.

### SOCIAL MEDIA

- We saw a return to major engagement with new events in May for Water Awareness Month with our annual Patterson Pass Water Treatment Plant Tours and the Spring Irrigation Plant workshop. Engagement was up over 12% on Facebook last month.
- Video views on YouTube performed even better this month as part of our new effort to ensure all of our video content is reaching the community with a supportive distribution strategy. The initiative is increasing engagement across the board with our top ten videos of the month receiving the following number of views, just within the month of May.
  - Stoneridge Well Facility Now Open - 8,817
  - Tri-Valley Water Partners - Our Water's Journey - 3,250
  - Patterson Pass Water Treatment Plant Upgrades - 3,219
  - Wondrous World of Water - Ion Exchange PFAS Treatment - 2,220
  - Wondrous World of Water - Surface Water Treatment - 1,658
  - Water Reliability Highlights - Annual Report Short - 1,614
  - Stoneridge Well Vessel Installation - 1,461
  - Tri-Valley Water Partner - Our Water's Journey :60 Version - 1,112
  - \*Wondrous World of Water - Ozone Treatment - 385
  - \*Wondrous World of Water - Groundwater Recharge - 72

\*these two videos had organic traffic only.

### DIRECT MAIL

- The bi-monthly newsletter was sent in May, promoting the tours and Water Awareness Month. The newsletter continues to receive higher engagement than government industry standard with 41% open rate last month.

## OUTREACH SUMMARY - Water Awareness Month & Patterson Pass Water Treatment Plant Tours

The Zone 7 Water Communications team worked with our retail partners to invite the public to tour the upgraded Patterson Pass Water Treatment Plant on Saturday, May 18 in honor Water Awareness Month.

### Objectives

- Tie in tours of the treatment plant with California's Water Awareness Month efforts.
- Implement annual promotion of in-person tours of the upgraded Patterson Pass Water Treatment Facility.
- Encourage the public to visit the upgraded facility which now offers ozonation as a water treatment and learn where their water comes from.

### Summary of Outreach Efforts

To accomplish these objectives, the team developed a full suite of creative assets. Those assets were used in various outreach tactics including creating a landing page for the tours on the website which linked to an event registration page, then driving traffic to the website with a small paid media investment on YouTube and Facebook, along with articles and special updates in *The Latest From Zone 7* newsletter and all social media platforms. Finally, the team hosted a series of tours, beginning at 9:30am, every half hour until 2pm. Every tour slot "sold out" with the original nine slots filling to capacity for registrations, and the added tenth slot filling in only 24 hours.

### Results - 72,252 gross impressions

#### Website Traffic

zone7water.com/tours  
172 views  
576 events

#### Facebook Performance

259 total clicks/7 posts  
10,065 reach  
14,675 impressions

#### YouTube Video Performance

4,947 YouTube views  
22,300 YouTube impressions

#### Nextdoor

11 reactions/3 posts  
35,105 impressions

On the following pages, we have included samples of assets and links to where you can view reels and videos, web pages, infographics and other materials used to invite community participation.





## Celebrate Water Awareness Month

*with free tours of*

# PATTERSON PASS

## WATER TREATMENT PLANT



**Saturday, May 18**  
Every half hour  
beginning at 10am

Register for a slot at

[zone7water.com/tours](https://zone7water.com/tours)



# WATER AGENCY

THE LATEST FROM



Water Reliability



Water Quality



Flood Protection

## May News



Celebrate Water Awareness Month  
with free tours of

### PATTERSON PASS WATER TREATMENT PLANT



**Saturday, May 18**  
Every half hour  
beginning at 10am



WATER AGENCY

Register for a slot at [zone7water.com/tours](https://zone7water.com/tours)

## Celebrate Water Awareness Month with an in-person tour of Patterson Pass Water Treatment Facility!

Patterson Pass Water Treatment Facility will again open its doors to the public for in-person tours! Come tour the upgraded facility on Saturday, May 18, 2024, from 10 AM - 2 PM. Tours will start every half hour and consist of a 15-minute introduction followed by a 45-minute walking tour. You will learn about the upgrades to the facility and see how your water is treated before it gets delivered to you!

We will also have cookies, refreshments, and fun freebies for you and your families. You can learn more about Patterson Pass Water Treatment Facility and view time slots at [zone7water.com/tours](https://zone7water.com/tours).

Sign Up Now →



## UPCOMING EVENTS

### Upcoming Events

As part of Zone 7's commitment to transparency, we would like to invite our community to join us at local community events. These events provide an opportunity to learn more about our water and the services Zone 7 provides. Some of our upcoming events include:

- Sunday, May 5 at 10 AM**  
**Mring Back the Natives Tour →**
- Sat, May 11 at 10 AM**  
**Science at Stockmen's Park: Bubble Bonanza →**
- Mon, May 13 at 6 PM**  
**Marilyn Avenue Family Science Night →**
- Wed, May 15 at 7 PM**  
**City Board Meeting →**
- Fri, May 18 at 10 AM**  
**Patterson Pass Water Treatment Tours →**

[View Calendar of all events →](#)



**WATER AGENCY**






**ZONE 7 WATER AGENCY**  
 300 NORTH CANYONS PARKWAY  
 LIVERMORE, CA 94551 | 925.454.5000

Want to jump how you receive these emails?  
[We can update your preferences or unsubscribe](#)

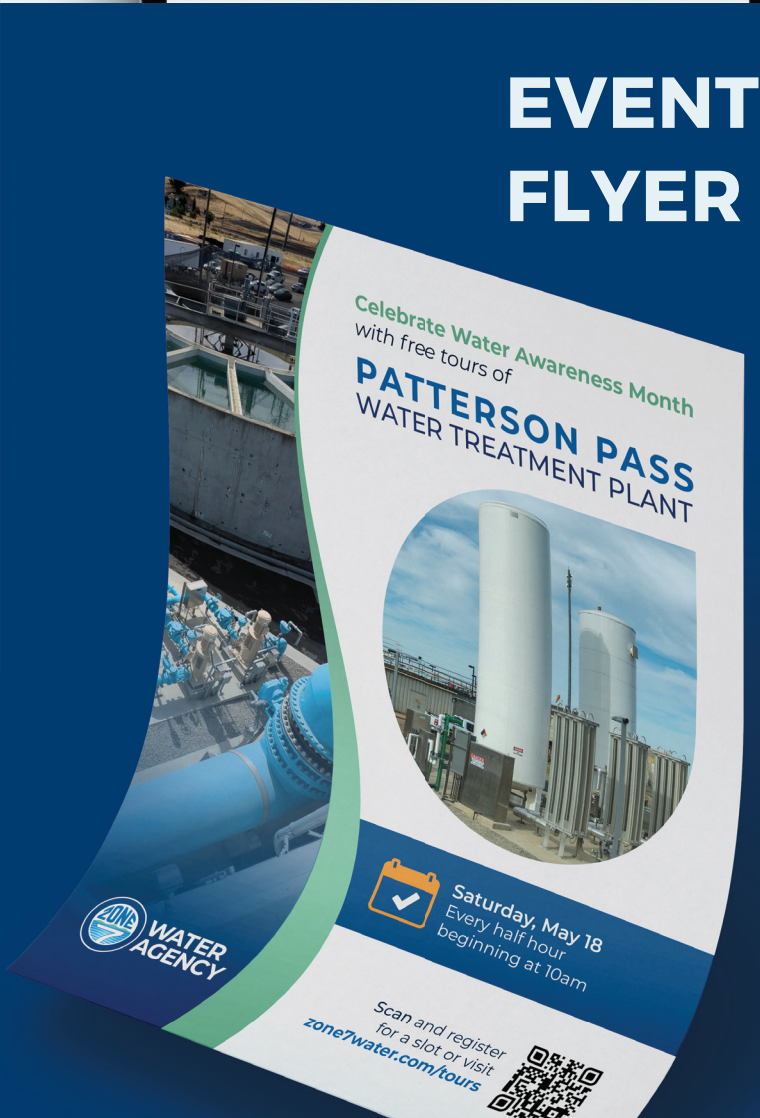
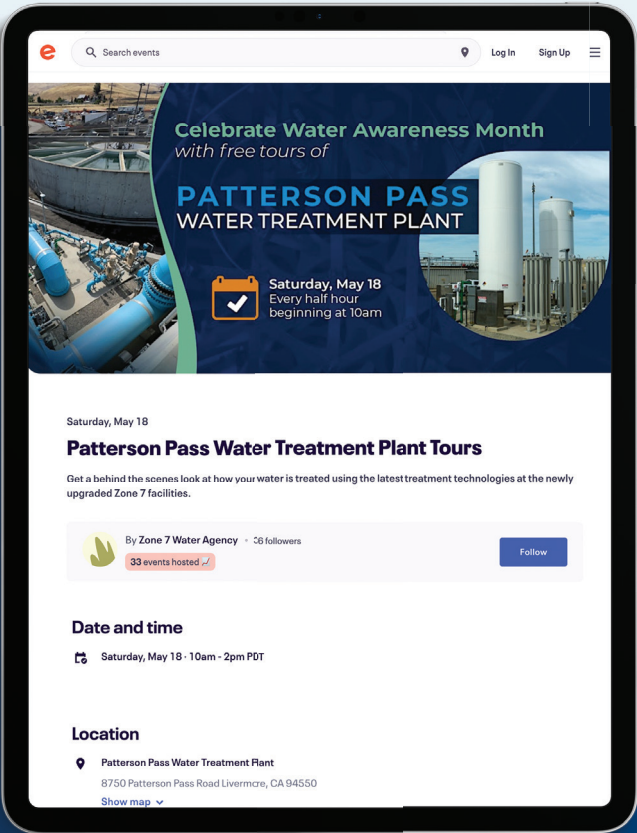
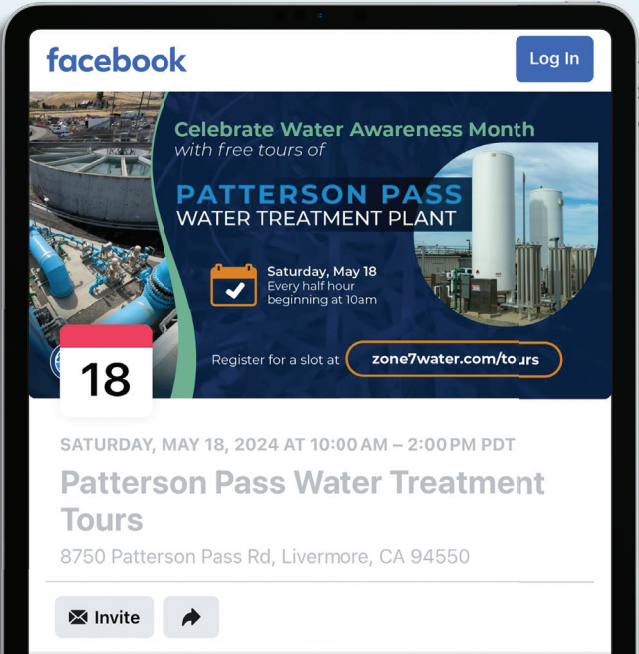
# PRESS RELEASE

[illegible]



# FACEBOOK EVENT + EVENTBRITE RSVP

Facebook Graphic



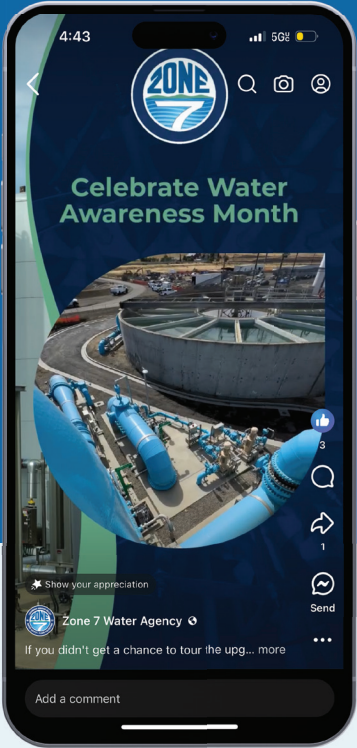


# PROMOTIONAL

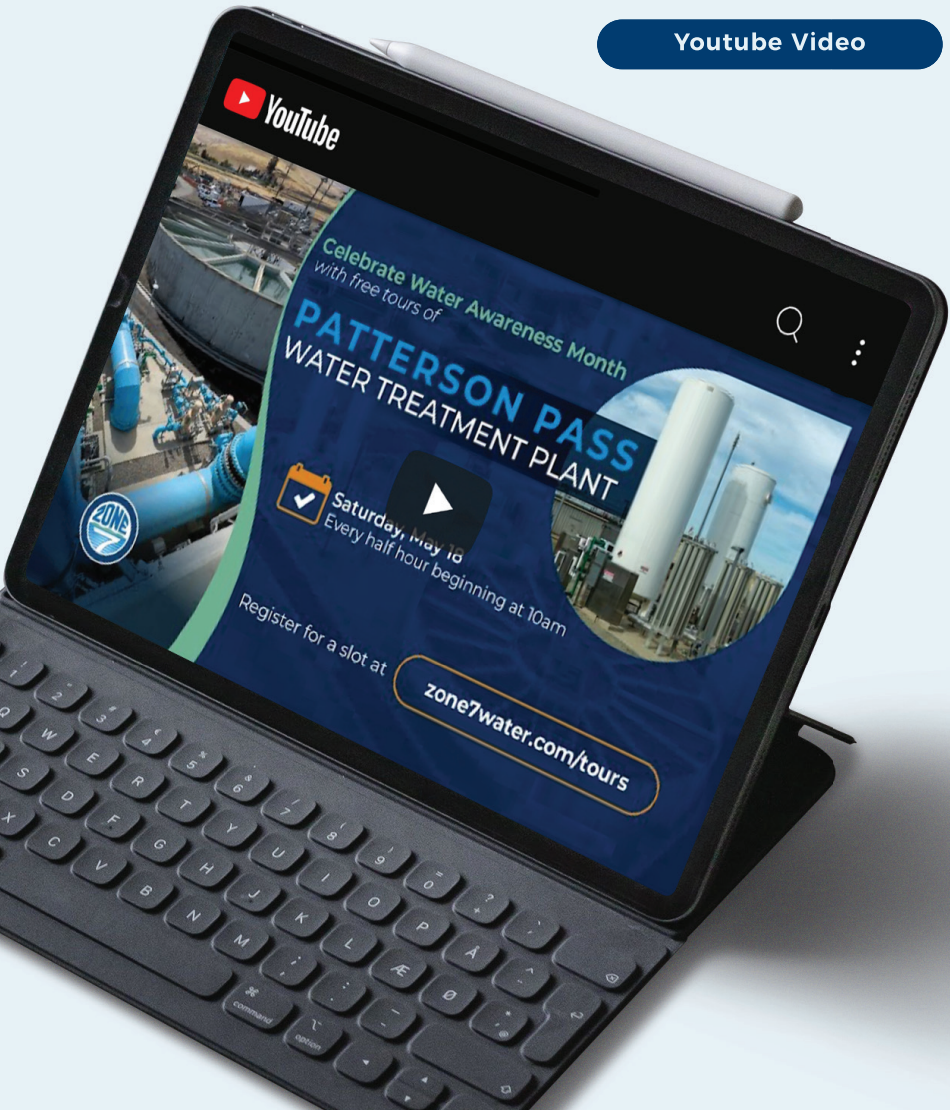
Landing Page Graphic



Promo Reel



Youtube Video



NextDoor Graphic



**ORIGINATING SECTION:** Office of the General Manager

**CONTACT:** Carol Mahoney/Valerie Pryor

**AGENDA DATE:** June 11, 2024

**SUBJECT:** Legislative Update

**SUMMARY:**

Zone 7 staff, with the support of Agency consultants, monitors legislation that is being considered in Sacramento, as well as other political and regulatory activities of interest. This item supports Strategic Plan, Goal F – Stakeholder Engagement, engage our stakeholders to foster understanding of their needs, the Agency, and its function. California’s Assembly, Senate, and Committees began the second year of their two-year legislative cycle that is slated to end September 30, 2024 – with the Governor’s signature or veto. The attached is the legislative executive summary of bills of potential interest prepared by The Gualco Group, Inc., with supplemental information on other organization’s positions provided by Zone 7 staff. The legislature is scheduled to go into recess upon adjournment on July 3, 2024, returning on August 5, 2024.

Included in the attached summary are bill positions taken by other organizations, if known, like the Association of California Water Agencies (ACWA), California Special Districts Association (CSDA), California Municipal Utilities Association (CMUA) and the State Water Contractors (SWC). Some other organizations use a priority ranking number after their position where a rank of “3” is the lowest priority and a “1” is the highest priority in the position category. For brevity, “O/A” indicates oppose unless amended and “W/A” indicates watch and amend. Additionally, if staff or our consultant have provided educational information on specific bills to outside organizations or legislator’s offices, this will be noted in the summary.

**FUNDING:**

N/A

**RECOMMENDED ACTION:**

Information only.

**ATTACHMENT:**

Legislative Executive Summary – for June 2024



**EXECUTIVE SUMMARY**  
**State Legislation**



**Prepared for the Zone 7 Water Agency  
by The Gualco Group, Inc.**

Bill	Topic	Synopsis	Staff Recommendation	Status of the Bill / Comments as of 06/03/2024
<b>BROWN ACT LEGISLATION</b>				
<a href="#"><u>AB 817 (Pacheco)</u></a>	<b>Open meetings: teleconferencing: subsidiary body</b>	This bill, until January 1, 2026, would authorize a subsidiary body, as defined, to use similar alternative teleconferencing provisions and would impose requirements for notice, agenda, and public participation, as prescribed. The bill would require at least one staff member of the local agency to be present at a designated primary physical meeting location during the meeting. The bill would require the local agency to post the agenda at the primary physical meeting location. The bill would require the members of the subsidiary body to visibly appear on camera during the open portion of a meeting that is publicly accessible via the internet or other online platform, as specified. The bill would also require the subsidiary body to list a member of the subsidiary body who participates in a teleconference meeting from a remote location in the minutes of the meeting.	Watch  Others: ACWA = Favor CMUA = Support CSDA = Support3	Senate Committee on Local Government
<a href="#"><u>AB 2302 (Addis)</u></a>	<b>Open meetings: local agencies: teleconferences</b>	Current law imposes prescribed restrictions on remote participation by a member under alternative teleconferencing provisions, including establishing limits on the number of meetings a member may participate in solely by teleconference from a remote location, prohibiting such participation for a period of more than 3	Watch  Others: ACWA = Favor CMUA = Favor CSDA = Support3	Senate Committee on Local Government



consecutive months or 20% of the regular meetings for the local agency within a calendar year, or more than 2 meetings if the legislative body regularly meets fewer than 10 times per calendar year. This bill would revise those limits, instead prohibiting such participation for more than a specified number of meetings per year, based on how frequently the legislative body regularly meets.

[SB 537](#)  
[\(Becker\)](#)

**Open meetings:  
multijurisdictional,  
cross-county  
agencies:  
teleconferences**

The bill would authorize the legislative body of a multijurisdictional, cross-county agency, as specified, to use alternate teleconferencing provisions if the eligible legislative body has adopted an authorizing resolution, as specified. The bill would also require the legislative body to provide a record of attendance of the members of the legislative body, the number of community members in attendance in the teleconference meeting, and the number of public comments on its internet website within 10 days after a teleconference meeting, as specified. The bill would require at least a quorum of members of the legislative body to participate from one or more physical locations that are open to the public and within the boundaries of the territory over which the local agency exercises jurisdiction.

Watch

Others:  
CSDA = Watch

Assembly Floor –  
Inactive File  
(Notice to  
remove from  
Inactive File  
06/03/2024)

## GENERAL

[AB 1211](#)  
[\(Mathis\)](#)

**Safe Drinking Water  
State Revolving  
Fund: internet  
website information:  
updates**

Current law requires the State Water Resources Control Board, at least once every 2 years, to post information on its internet website regarding implementation of the Safe Drinking Water State Revolving Fund Law and expenditures from the Safe Drinking Water State Revolving Fund, as specified. This bill would require the board to post the information at least annually.

Watch

Others:  
CMUA = Watch  
SWC = Watch2

Senate  
Committee on  
Environmental  
Quality

[AB 1820](#)  
[\(Schiavo\)](#)

**Housing  
development  
projects: fees and  
exactions**

Current law requires a housing development project be subject only to the ordinances, policies, and standards adopted and in effect when the preliminary application was submitted. This bill would authorize a development proponent that submits a preliminary application for a housing development project to request a preliminary fee and exaction estimate, as defined, and would

Watch

Others:  
ACWA = Watch  
CMUA = Neutral  
CSDA = Oppose3  
SWA = Watch2

Senate  
Committee on  
Local  
Government

require the local agency to provide the estimate within 10 business days of the submission of the preliminary application.

**AB 1828**  
**(Waldron)**

**Personal income taxes: voluntary contributions: Endangered and Rare Fish, Wildlife, and Plant Species Conservation and Enhancement Account: Native California Wildlife Rehabilitation Voluntary Tax Contribution Fund: covered grants**

Current law, until January 1, 2025, allows an individual taxpayer to contribute amounts in excess of the taxpayer's personal income tax liability for the support of specified funds and accounts, including, among others, to the Endangered and Rare Fish, Wildlife, and Plant Species Conservation and Enhancement Account, a continuously appropriated account established in the Fish and Game Preservation Fund, or until December 1 of a calendar year that the Franchise Tax Board determines the amount of contributions estimated to be received will not at least equal the minimum contribution amount of \$250,000. This bill would extend the operability of the taxpayer contribution described above until the sooner of January 1, 2032, or until December 1 of a calendar year that the Franchise Tax Board determines the amount of contributions estimated to be received will not at least equal the minimum contribution amount of \$250,000.

Watch

Others:  
None

Senate  
Committee on  
Revenue &  
Taxation

**AB 1957**  
**(Wilson)**

**Public contracts: best value construction contracting for counties**

Current law also authorizes certain counties (including Alameda) to use a best value construction contracting method to award individual annual contracts, not to exceed \$3,000,000, for repair, remodeling, or other repetitive work to be done according to unit prices, as specified. Current law establishes procedures and criteria for the selection of a best value contractor and requires that bidders verify specified information under oath. Current law requires the board of supervisors of a participating county to submit a report that contains specified information about the projects awarded using the best value procedures described above to the appropriate policy committees of the Legislature and the Joint Legislative Budget Committee before March 1, 2024. Current law repeals the pilot program provisions on January 1, 2025. This bill would instead authorize any county of the state to utilize this program and would

Watch

Others:  
CSDA = Watch

Senate  
Committee on  
Appropriations

extend the operation of those provisions until January 1, 2030.

**AB 2285**  
**(Rendon)**

**Natural resources:  
equitable outdoor  
access: 30x30 goal:  
urban nature-based  
projects**

This bill would provide that, to advance and promote environmental, conservation, and public access policies and budget actions, the Governor's office, state agencies, and the Legislature, when distributing resources, shall aspire to recognize the coequal goals and benefits of the 30x30 goal and Outdoors for All, and, to the extent practical, maximize investment in urban communities consistent with those initiatives. The bill would encourage decisionmakers, when distributing resources to achieve the goals and benefits of the 30x30 goal and Outdoors for All, to consider factors that are unique to urban settings, including, among other things, higher land value acquisition and development costs per acre, the acute health needs of a local population due to historic lack of greenspace access and development externalities, local park needs assessment plans, and the availability of mobility options near a proposed land conservation site.

Watch

Others:

CSDA = Watch

SWC = Watch1

Senate  
Committee on  
Natural  
Resources and  
Water

**AB 2320**  
**(Irwin)**

**Wildlife Connectivity  
and Climate  
Adaptation Act of  
2024: wildlife  
corridors**

This bill, the Wildlife Connectivity and Climate Adaptation Act of 2024, would require the agency, as part of that report, to identify key wildlife corridors, as defined, in the state, connections between large blocks of natural areas and habitats, progress on protecting additional acres of wildlife corridors, and goals for wildlife corridor protection in the next 5 years, as provided.

Watch

Others:

SWC = Watch2

Senate  
Committee on  
Natural  
Resources and  
Water

**AB 2409**  
**(Papan)**

**Office of Planning  
and Research:  
permitting  
accountability  
transparency  
dashboard**

Would require the Office of Planning and Research, on or before January 1, 2026, to create and maintain, as specified, a permitting accountability transparency internet website (dashboard). The bill would require the dashboard to include a display for each permit to be issued by specified state agencies for all covered projects. The bill would define various terms for these purposes. The bill would also require the dashboard to include, but not be limited to, information for each permit to be issued by a state agency that is required

Watch

Others:

ACWA = Favor

CMUA = Sponsor

CSDA = Support3

SWC = Watch1

DEAD

for the completion of the project, including, among other requirements, the permit application submission date. The bill would require each state agency with a responsibility for issuing a permit for a covered project to provide information in the appropriate time and manner as determined by the office.

**AB 2561**  
**(McKinnor)**

**Local public  
employees: vacant  
positions**

Would require each public agency with bargaining unit vacancy rates exceeding 10% for more than 90 days within the past 180 days to meet and confer with a representative of the recognized employee organization to produce, publish, and implement a plan consisting of specified components to fill all vacant positions within the subsequent 180 days. The bill would require the public agency to present this plan during a public hearing to the governing legislative body and to publish the plan on its internet website for public review for at least one year.

Watch

Others:  
CUMA = Oppose  
CSDA = Oppose2

Senate  
Committee on  
Rules

**SB 903**  
**(Skinner)**

**Environmental  
health: product  
safety:  
perfluoroalkyl and  
polyfluoroalkyl  
substances**

Would, beginning January 1, 2032, prohibit a person from distributing, selling, or offering for sale a product that contains intentionally added PFAS, as defined, unless the Department of Toxic Substances Control has made a determination that the use of PFAS in the product is a currently unavoidable use, the prohibition is preempted by federal law, or the product is previously used. The bill would specify the criteria and procedures for determining whether the use of perfluoroalkyl and polyfluoroalkyl substances ("PFAS") in a product is a currently unavoidable use, for renewing that determination, and for revoking that determination.

Watch

Others:  
ACWA = Favor  
CMUA = Support  
CSDA = Support

DEAD  
(Held under  
submission in  
Senate  
Appropriations)

**SB 1072**  
**(Padilla)**

**Local government:  
Proposition 218:  
remedies**

Would require a local agency, if a court determines that a fee or charge for a property-related service, as specified, violates the above-described provisions of the California Constitution relating to fees and charges, to credit the amount of the fee or charge attributable to the violation against the amount of the revenues required to provide the property-related service, unless a refund is explicitly provided for by statute.

Watch

Others:  
ACWA = Favor  
CMUA = Support  
CSDA = Support3  
SWC = Watch2

At Assembly  
Desk



## NATURAL RESOURCES BOND

<a href="#"><u>AB 305</u></a> <a href="#"><u>(Villapudua)</u></a>	<b>California Flood Protection Bond Act of 2024</b>	General Obligation Bond - \$4,500,000,000	Watch	Senate Committee on Natural Resources and Water
<a href="#"><u>AB 1567</u></a> <a href="#"><u>(Garcia)</u></a>	<b>Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2024</b>	General Obligation Bond - \$15,995,000,000	Watch	Senate Committee on Natural Resources and Water
<a href="#"><u>SB 638</u></a> <a href="#"><u>(Eggman)</u></a>	<b>Climate Resiliency and Flood Protection Bond Act of 2024</b>	General Obligation Bond - \$6,000,000,000	Watch	Assembly Committee on Water, Parks, & Wildlife
<a href="#"><u>SB 867</u></a> <a href="#"><u>(Allen)</u></a>	<b>Drought, Flood, and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024</b>	General Obligation Bond – \$15,500,000,000	Watch	Assembly Committee on Natural Resources

## UTILITY MANAGEMENT

### [SB 937](#) [\(Wiener\)](#)

#### **Development projects: permits and other entitlements: fees and charges**

This bill would extend by 24 months the period for the expiration, effectuation, or utilization of a housing entitlement, entitlement for a priority residential development project, as those terms are defined, that was issued before January 1, 2024, and that will expire before December 31, 2025, except as specified. The bill would toll this 24-month extension during any time that the housing entitlement is the subject of a legal challenge. The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

Watch

At Assembly Desk

Others:

ACWA = Watch

CMUA = Neutral

CSDA = O/A2

SWC = Watch2

### [SB 1210](#) [\(Skinner\)](#)

#### **New housing construction: electrical, gas, sewer, and water service: service connection information**

This bill would, for new housing construction, require the above-described utilities, on or before January 1, 2026, to publicly post on their internet websites (1) the schedule of fees for a service connection, capacity, or other point of connection charge for each housing development type, including, but not limited to, accessory dwelling unit, mixed-use, multifamily, and single-family developments, except as specified, and (2) the estimated timeframes for completing typical service connections needed for each housing development type, as specified. The bill would exempt from its provisions an independent special district that does not maintain an internet website due to a hardship, as provided.

Watch and Educate

At Assembly Desk

Others:

ACWA = Watch

CMUA = Watch

CSDA = Neutral

## WATER RIGHTS

### [AB 460](#) [\(Bauer-Kahan\)](#)

#### **State Water Resources Control Board: water rights and usage: interim relief: procedures**

Authorizes the State Water Resources Control Board in conducting specified investigations or proceedings to inspect the property or facilities of a person or entity, as specified. The bill would authorize the board, if consent is denied for an inspection, to obtain an inspection warrant, as specified, or in the event of an emergency affecting public health and safety, to conduct an inspection without consent or a warrant.

Watch

Senate Committee on Natural Resources and Water

Others:

ACWA = Oppose

CMUA = Oppose

CSDA = Watch

SWC = Oppose1

**AB 1272**  
**(Wood)**

**State Water  
Resources Control  
Board: drought  
planning**

Would require the State Water Resources Control Board, in consultation with the Department of Fish and Wildlife, to adopt principles and guidelines for diversion and use of water in coastal watersheds, as specified, during times of water shortage for drought preparedness and climate resiliency. The bill would require that the principles and guidelines allow for the development of locally generated watershed-level plans to support public trust uses, public health and safety, and the human right to water in times of water shortage, among other things.

Watch

Others:  
CMUA = Watch  
CSDA = Watch  
SWC = Watch1

Held at Senate  
Desk

**AB 1563**  
**(Bennett)**

**Groundwater  
sustainability  
agency: groundwater  
extraction permit:  
verification**

Current law authorizes a groundwater sustainability agency to request of the county, and requires a county to consider, that the county forward permit requests for the construction of new groundwater wells, the enlarging of existing groundwater wells, and the reactivation of abandoned groundwater wells to the agency before permit approval. This bill would instead require a county to forward permit requests for the construction of new groundwater wells, the enlarging of existing groundwater wells, and the reactivation of abandoned groundwater wells to the groundwater sustainability agency before permit approval.

Watch

Others:  
ACWA = Oppose  
CMUA = Watch  
CSDA = Watch  
SWC = Watch1

Senate  
Committee on  
Local  
Government

**WATER SUPPLY**

**AB 1573**  
**(Friedman)**

**Water conservation:  
landscape design:  
model ordinance**

Requires updated model ordinance to include provisions that require that plants included in a landscape design plan be selected based on their adaptability to climatic, geological, and topographical conditions of the project site, as specified. The bill would also exempt landscaping that is part of a culturally specific project, as defined, ecological restoration projects that do not require a permanent irrigation system, mined-land reclamation projects that do not require a permanent irrigation system, and existing plant collections, as part of botanical gardens and arboretums open to the public, from the model ordinance.

Not Favor

Others:  
ACWA = Watch  
CMUA = Neutral  
CSDA = Neutral  
SWC = Watch2

Senate Floor

**AB 1827**  
**(Papan)**

**Local government:  
fees and charges:  
water: higher-  
consumptive water  
parcels**

This bill would provide that the fees or charges for property-related water service imposed or increased, as specified, may include the incrementally higher costs of water service due to specified factors, including the higher water usage demand of parcels. The bill would provide that the incrementally higher costs of water service associated with higher water usage demands, the maximum potential water use, or projected peak water usage may be allocated using any method that reasonably assesses the water service provider's cost of serving those parcels that are increasing potential water usage demand, maximum potential water use, or projected peak water usage.

Watch

Others:  
ACWA = Support  
CMUA = Support  
CSDA = Support3  
SWC = Watch2

Senate  
Committee on  
Local  
Government

**AB 2257**  
**(Wilson)**

**Local government:  
property-related  
water and sewer fees  
and assessments:  
remedies**

This bill would prohibit, if a local agency complies with specified procedures, a person or entity from bringing a judicial action or proceeding alleging noncompliance with the constitutional provisions for any new, increased, or extended fee or assessment, as defined, unless that person or entity has timely submitted to the local agency a written objection to that fee or assessment that specifies the grounds for alleging noncompliance, as specified. This bill would provide that local agency responses to the timely submitted written objections shall go to the weight of the evidence supporting the agency's compliance with the substantive limitations on fees and assessments imposed by the constitutional provisions.

Watch

Others:  
ACWA = Sponsor  
CMUA = Support  
CSDA = Support3  
SWC = Watch2

Senate  
Committee on  
Judiciary and  
Senate  
Committee on  
Local  
Government

**SB 366**  
**(Caballero)**

**The California Water  
Plan: long-term  
supply targets**

Would revise and recast certain provisions regarding The California Water Plan to, among other things, require the department to instead establish a stakeholder advisory committee and to expand the membership of the committee to include tribes, labor, and environmental justice interests. The bill would require the department to coordinate with the California Water Commission, the State Water Resources Control Board, other state and federal agencies as appropriate, and the stakeholder advisory committee to develop a comprehensive plan for addressing the state's water needs and meeting specified long-term water supply

Favor

Others:  
ACWA = Support  
CMUA = Sponsor  
CSDA = Support3  
SWC = Support1

Assembly  
Committee on  
Water, Parks,  
and Wildlife  
(Re-referred on  
4/8/2024)

targets established by the bill for purposes of The California Water Plan. The bill would require the plan to provide recommendations and strategies to ensure enough water supply for all designated beneficial uses.

**SB 1110**  
**(Ashby)**

**Urban retail water  
suppliers:  
informational order:  
conservation order**

Current law authorizes the State Water Resources Control Board, on and after January 1, 2024, to issue informational orders pertaining to water production, water use, and water conservation to an urban retail water supplier that does not meet its urban water use objective, as provided. This bill would instead authorize the board to issue the informational orders on and after January 1, 2026.

Watch

Others:  
ACWA = Favor  
CMUA = Support  
CSDA = Watch  
SWC = Watch

Assembly  
Committee on  
Water, Parks,  
and Wildlife

**SB 1255**  
**(Durazo)**

**Public water  
systems: needs  
analysis**

This bill would require the State Water Resources Control Board to update a needs analysis of the state's public water systems to include an assessment, as specified, of the funds necessary to provide a 20% discount for low-income households served by community water systems with fewer than 3,000 service connections and for community water systems with fewer than 3,000 service connections to meet a specified affordability threshold on or before July 1, 2026, and on or before July 1 of every 3 years thereafter.

Watch

Others:  
ACWA = Watch  
CMUA = Watch  
CSDA = Watch  
SWC = Watch1

At Assembly  
Desk

**SGMA**

**AB 828**  
**(Connolly)**

**Sustainable  
groundwater  
management:  
managed wetlands**

The Sustainable Groundwater Management Act requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans, except as specified. Current law defines various terms for purposes of the act. This bill would add various defined terms for purposes of the act, including the terms "managed wetland" and "small community water system."

Watch

Others:  
ACWA = Oppose  
CMUA = Not Favor  
CSDA = Watch  
SWC = Watch2

Senate  
Committee on  
Natural  
Resources and  
Water

**AB 2079**  
**(Bennett)**

**Groundwater  
extraction: large-  
diameter, high-  
capacity wells:  
permits**

This bill would require a local enforcement agency, as defined, to perform specified activities at least 30 days before determining whether to approve a permit for a new large-diameter, high-capacity well, as defined. The bill would require, if the proposed large-diameter, high-capacity well is to be located in an area subject to management by a groundwater sustainability agency, the applicable groundwater sustainability agency, upon notice of a permit application, to provide specified information to the local enforcement agency, including, but not limited to, the name of the applicable groundwater sustainability agency, the agency manager and contact information, and the applicable sustainable management criteria related to groundwater levels, including the groundwater level measurable objectives and minimum thresholds.

Watch

Others:

ACWA = O/A

CMUA = O/A

CSDA = Watch

SWC = Watch1

Senate  
Committee on  
Natural  
Resources and  
Water

**SB 1156**  
**(Hurtado)**

**Groundwater  
sustainability  
agencies: financial  
disclosures**

This bill would require members of the executive team, board of directors, and other groundwater management decision makers of groundwater sustainability agencies to file statements of economic interests. The bill would require that these statements be filed with the Fair Political Practices Commission and would require the commission to establish guidelines and procedures for the submission and review of the statements.

Watch

Others:

ACWA = W/A

CMUA = Watch

CSDA = Watch

SWC = Watch1

At Assembly  
Desk

**ORIGINATING SECTION:** Integrated Planning

**CONTACT:** Sal Segura/Ken Minn

**AGENDA DATE:** June 11, 2024

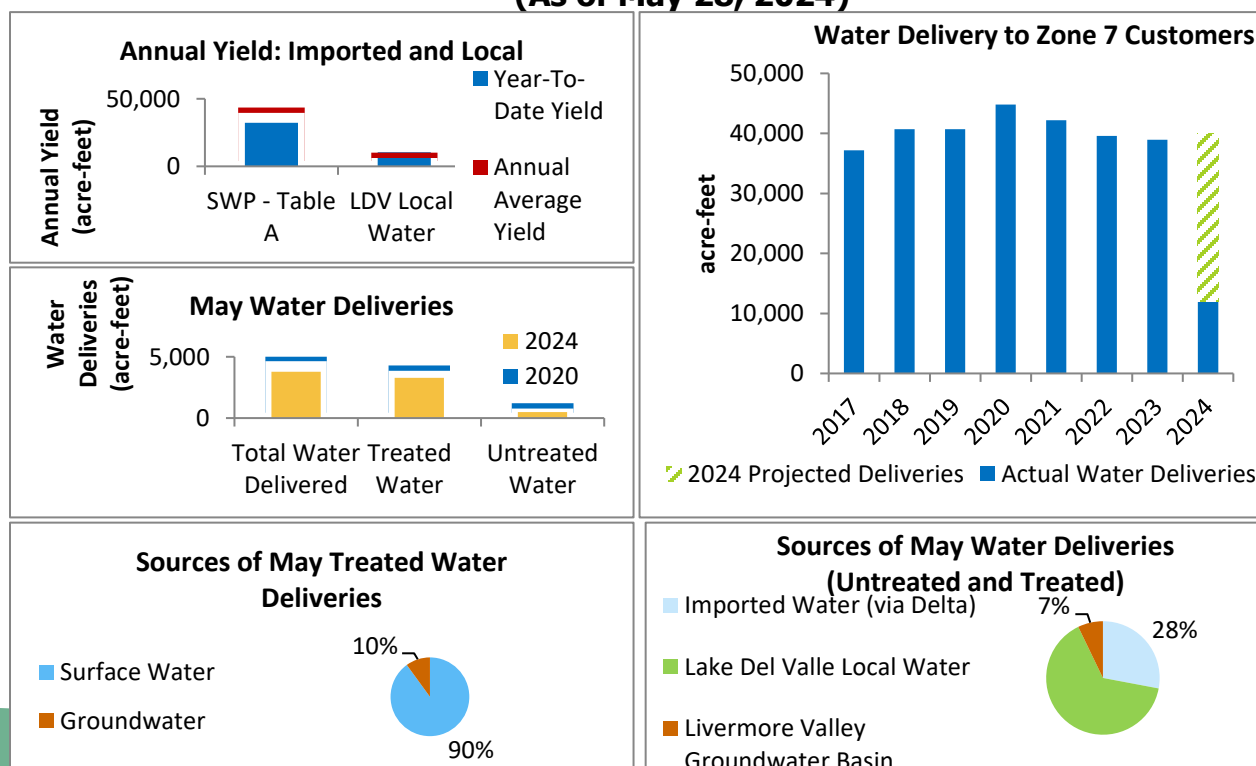
**SUBJECT:** Monthly Water Inventory and Water Budget Update

**SUMMARY:**

To support the Mission to deliver safe, reliable, efficient, and sustainable water, Zone 7 Water Agency (Zone 7) has been managing water supplies. This report summarizes current water supply, usage, and storage conditions to support Strategic Plan Goal A – Reliable Water Supply and Infrastructure and is to implement Strategic Plan Initiative #2 – Evaluate and develop appropriate new water supply and reliability opportunities.

An overall analysis of the annual water supply was included in the 2024 Annual Sustainability Report prepared in April. A summary of Long-term water supply planning is also included in the Urban Water Management Plan (UWMP), which is updated every five years and assesses water supply reliability on a 20-year time horizon. The next update of UWMP is due on July 1, 2026. These plans and evaluations consider the various sources of supply and storage available to Zone 7 locally, in State Water Project (SWP) facilities, and in Kern County storage and recovery programs.

**Summaries of 2024 Water Supplies, Deliveries, and Available Water  
(As of May 28, 2024)**



## ZONE 7 WATER INVENTORY AND WATER BUDGET (May 2024)

### Supply and Demand (See Table , Figure 1, Figure 2, Figure 3, and Figure 4)

- Monthly totals: 3,770 acre-feet (AF) delivered to customers (3,270 AF treated production and 500 AF estimated untreated deliveries) and 700 AF to recharge.
- Total treated water production increased by 47% compared to last month.
- Treated water sources were 90% surface water and 10% groundwater this month.
  - Treatment plant production was 31.2 million gallons per day (MGD).
  - Wellfield production was 3.3 MGD.

### Comparison of Demands: 2024 vs 2020 baseline (See Table 1)

- In May 2024, Zone 7's overall water demands were 19% less compared to the same time in 2020: treated water production was 15% less, and estimated untreated deliveries were 35% less than May 2020.

**Table 1: May 2024 comparison – Treated and Untreated Demands**

	<b>Treated Production</b>	<b>Untreated Delivery</b>	<b>Total</b>
<b>May 2024 (AF)</b>	3,270	500	3,770
<b>May 2020 (AF)</b>	3,860	770	4,630
<b>May 2024 vs May 2020</b>	15% less	35% less	19% less

### Imported Water (See Table and Table 3)

- The State Water Project allocation remains at 40%. DWR's ability to export water south across the Delta continues to be limited by permit conditions, despite Lake Oroville reaching maximum capacity and releasing all inflows to the Feather River.

**Table 2: Available Water Supplies for 2024 (as of June 1, 2024)**

<b>Sources of Water Supplies</b>	<b>Acre-Feet (AF)</b>
Table A (Based on 40% allocation)	32,250
Water Transfers/ Exchanges	0
SWP Carryover + Backed Up Water (Preliminary Estimate)	16,830
Lake Del Valle (Carryover + 2024 Yield)	10,460
Livermore Valley Groundwater Basin (Above Minimum Thresholds AF)	124,900
Kern Storage and Recovery Programs	95,600
<b>Total</b>	<b>280,040</b>



---

**Groundwater***(See Table 3 and Figure 5)*

- The Livermore Valley Groundwater Basin comprises four subbasins. The Basin's estimated maximum storage capacity is 254,000 AF including the storage capacity below the Minimum Thresholds established in the Alternative Groundwater Sustainability Plan. The estimated storage capacity above the Minimum Thresholds (operational storage) is 126,000 AF. Currently, the Basin is at approximately 99% of its storage capacity above minimum thresholds (124,900 AF out of 126,000 AF).
- It is important to note that not all of the storage above the Minimum Thresholds (MT's) is accessible with Zone 7's existing wells as 80% of Zone 7's groundwater facilities are in the Amador West subbasin. Furthermore, the presence of Per- and polyfluoroalkyl substances (PFAS) compounds in the groundwater basin limits the use of some wells.
- In May, the total pumping from Zone 7 wellfield was 320 AF, making up 10% of the treated supply.
- Estimated groundwater basin overflow on the west side of the Basin is 0 AF in May.
- In May, Zone 7 recharged approximately 700 AF through releases into Arroyo Mocho.

---

**Stream Outflow***(See Table 3)*

- Surface runoff exceeded the 10 cubic feet per second (CFS) baseflow at the Arroyo de la Laguna at the Verona stream gauge for the entire month of May, resulting in a stream outflow of 1,100 AF.

Note: some surface flows out of the Livermore-Amador Valley are mandated for other downstream purposes.

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**Local Precipitation***(See Figure 7)*

- 0.51 inches of precipitation were recorded at Livermore Airport in May.
- Thus far in Water Year 2024, Livermore has received 14.83 inches of rain, or 105% of the average for the Water Year to Date.

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**Sierra Precipitation***(See Figure 8)*

- 2.2 inches of precipitation were recorded in the Northern Sierras in May. The historical average precipitation in May is 2.8 inches.
- Cumulative precipitation in the Northern Sierra for Water Year 2024 is 47.2 inches or 92% of the seasonal average to date.

---

**Sierra Snowpack***(See Figure 9)*

- Snowpack in the Northern Sierras is 82% of the average for May 28 at 6.6 inches of snow water equivalent.

**Lake Oroville***(See Figure 10)*

- As of May 28, Lake Oroville storage is 100% of total capacity representing 125% of average storage condition at this time of the year.
  - Storage: 3,523,051 AF
  - Storage as a percentage of total capacity increased by 2% over the month of May.

**San Luis Reservoir***(See Figure 11)*

- San Luis Reservoir is a joint-use facility between the State Water Project and the Central Valley Project. Its total storage capacity is 2,027,835 AF, and the SWP's share of the total capacity is 1,062,180 AF. As of May 28, the total reservoir storage is 1,241,322 AF, of which approximately 450,000 AF belongs to SWP. Currently, the SWP's share of the reservoir capacity is 42% full.

**NOTE:** Numbers presented are estimated and subject to refinement over the course of the year.

**Lake Del Valle***(See Table 3 and Figure 6)*

- Lake Del Valle currently holds 38,700 AF and is receding due to evaporative losses.
- During the month of May, DWR released 2,000 AF to supply deliveries to SBA contractors and maintain Arroyo Valle flowing. A modest amount of seepage from the watershed is slowing the loss due to evaporation.
- Zone 7's estimated water storage in Lake Del Valle at the end of May is approximately 10,460 AF after supplying 2,900 AF to treatment plants.
- Zone 7 captured approximately 100 AF in Lake Del Valle in May.

### Table 3: Quarterly Water Inventory

#### Water Inventory for Zone 7 Water Agency

Note: Values are rounded. All units in AF unless noted otherwise. Subject to adjustment over the year.

	2023 Jan-Dec	2024 - Q1 Jan-Mar	2024 - Q2 Apr-Jun	2024 - YTD Jan-Dec
<b>Source</b>				
<b>Incoming Supplies</b>				
State Water Project (SWP) - Table A	55,530	0	0	0
State Water Project - Article 21	2,360	0	0	0
Lake Del Valle Local Water	4,310	1,000	2,900	3,900
Water Transfers/Exchanges	0	0	0	0
<b>Subtotal</b>	<b>62,200</b>	<b>1,000</b>	<b>2,900</b>	<b>3,900</b>
<b>From Storage</b>				
State Water Project - Carryover	1,630	4,250	4,120	8,370
Livermore Valley Groundwater Basin	1,670	840	480	1,320
Kern Storage and Recovery Programs	0	0	0	0
<b>Subtotal</b>	<b>3,300</b>	<b>5,090</b>	<b>4,600</b>	<b>9,690</b>
<b>Total Supply</b>	<b>65,500</b>	<b>6,090</b>	<b>7,500</b>	<b>13,590</b>
<b>Water Use</b>				
<b>Customer Deliveries</b>				
Treated Water Demand <sup>1</sup>	34,030	5,480	5,500	10,980
Untreated Water Demand	4,870	110	800	910
<b>Subtotal</b>	<b>38,900</b>	<b>5,590</b>	<b>6,300</b>	<b>11,890</b>
<b>To Storage</b>				
Livermore Valley Groundwater Basin Recharge	8,600	500	1,200	1,700
Kern Storage and Recovery Programs	10,000	0	0	0
<b>Subtotal</b>	<b>18,600</b>	<b>500</b>	<b>1,200</b>	<b>1,700</b>
<b>SWP Transfer</b>				
Westside 5 (Kern) <sup>2</sup>	<b>8,000</b>			
<b>Total Water Use</b>	<b>65,500</b>	<b>6,090</b>	<b>7,500</b>	<b>13,590</b>
<b>Available Water Supplies</b>				
<b>Incoming Supplies</b>	<b>End-of-2023</b>			
SWP - Table A (%)	100%	30%	40%	40%
SWP - Table A Remaining	0	24,190	32,250	32,250
Water Transfers/Exchanges	0	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>24,190</b>	<b>32,250</b>	<b>32,250</b>
<b>Storage Balance</b>	<b>End-of-2023</b>			
SWP Carryover + Backed Up Water <sup>3</sup>	25,200	20,950	16,830	16,830
Lake Del Valle Local Water	5,000	12,260	10,460	10,460
Livermore Valley Groundwater Basin <sup>4</sup>	118,600	122,700	124,900	124,900
Kern Storage and Recovery Programs	95,600	95,600	95,600	95,600
<b>Subtotal</b>	<b>244,400</b>	<b>251,510</b>	<b>247,790</b>	<b>247,790</b>
<b>Total Available Water</b>	<b>244,400</b>	<b>275,700</b>	<b>280,040</b>	<b>280,040</b>
<b>Watershed Conditions</b>	<b>End-of-2023</b>			
Precipitation at Livermore Station (in) <sup>5</sup>	19.2	9.77	1.87	11.64
Lake Del Valle Local Water Net Yield	7,010	8,260	1,100	9,360
Measured Change in Groundwater Basin Storage	27,900	4,100	2,200	6,300
Surface Water Outflow <sup>6</sup>	166,810	33,890	3,610	37,500

<sup>1</sup> Includes a small amount of unaccounted-for water.

<sup>2</sup> In 2023, Zone 7 executed a transfer agreement with the Westside Districts

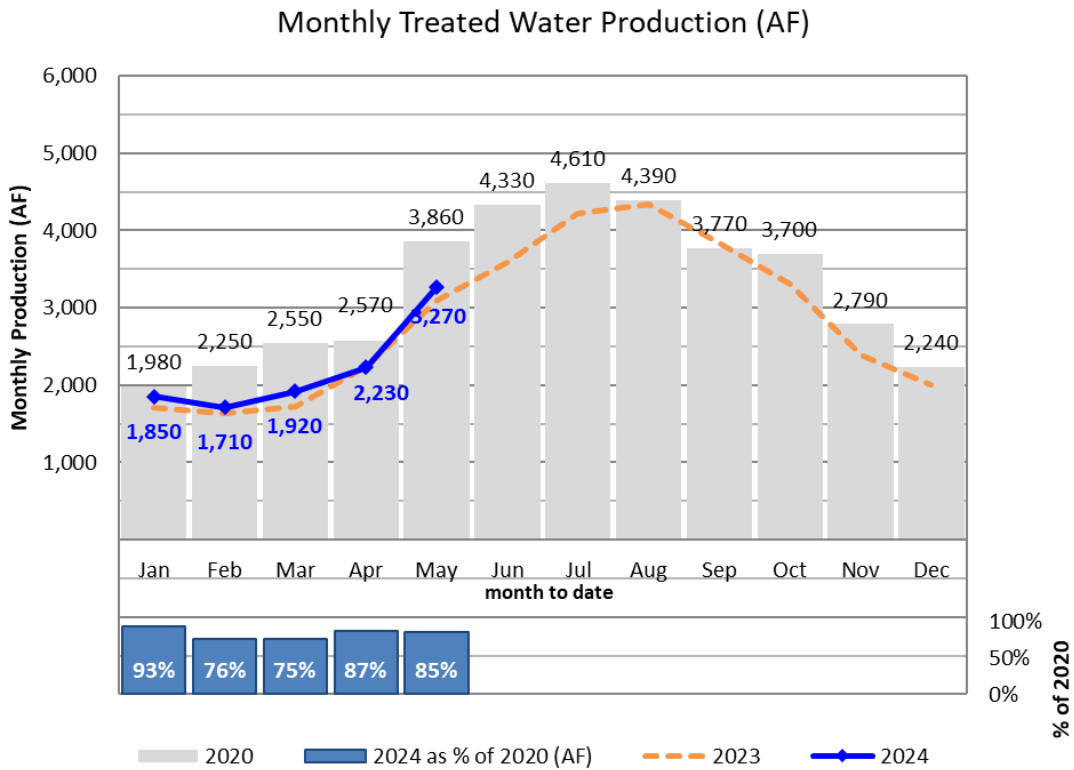
<sup>3</sup> Backed Up Water is recovered water from Kern Storage and Recovery Programs that is moved to San Luis Reservoir for storage.

<sup>4</sup> Storage volume is based on most recent groundwater level data; amount shown excludes 128,000 AF of storage below the minimum thresholds.

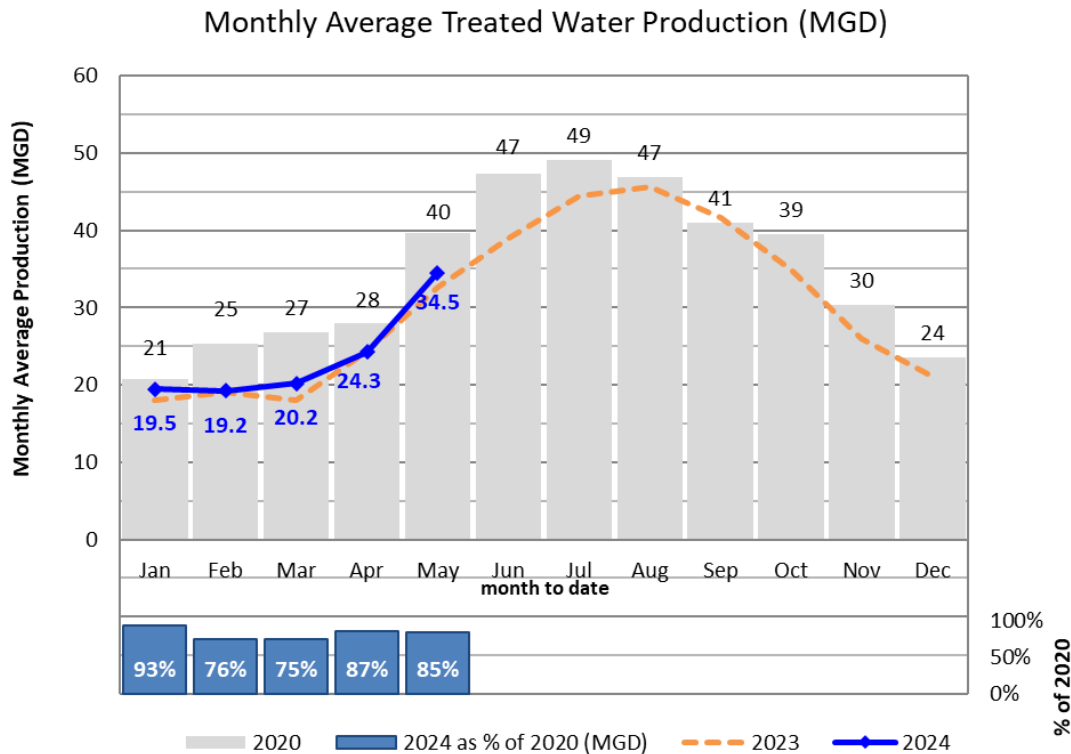
<sup>5</sup> Local precipitation reported in Table 3 for 2024 YTD is reported on a calendar year basis.

<sup>6</sup> Surface Water Outflow is estimated based on flow at USGS gage Arroyo De La Laguna at Verona.

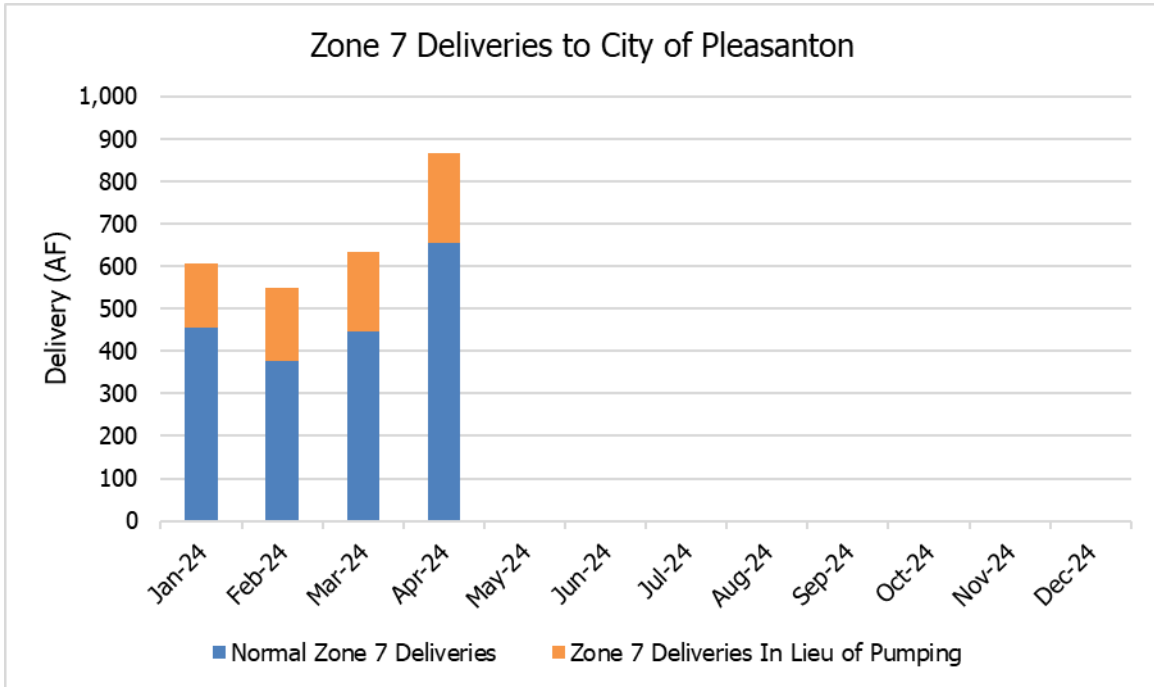
**Figure 1: Monthly Treated Water Production in Acre-Feet (AF)**



**Figure 2: Monthly Treated Water Production in Average Million Gallons Per Day (MGD)**

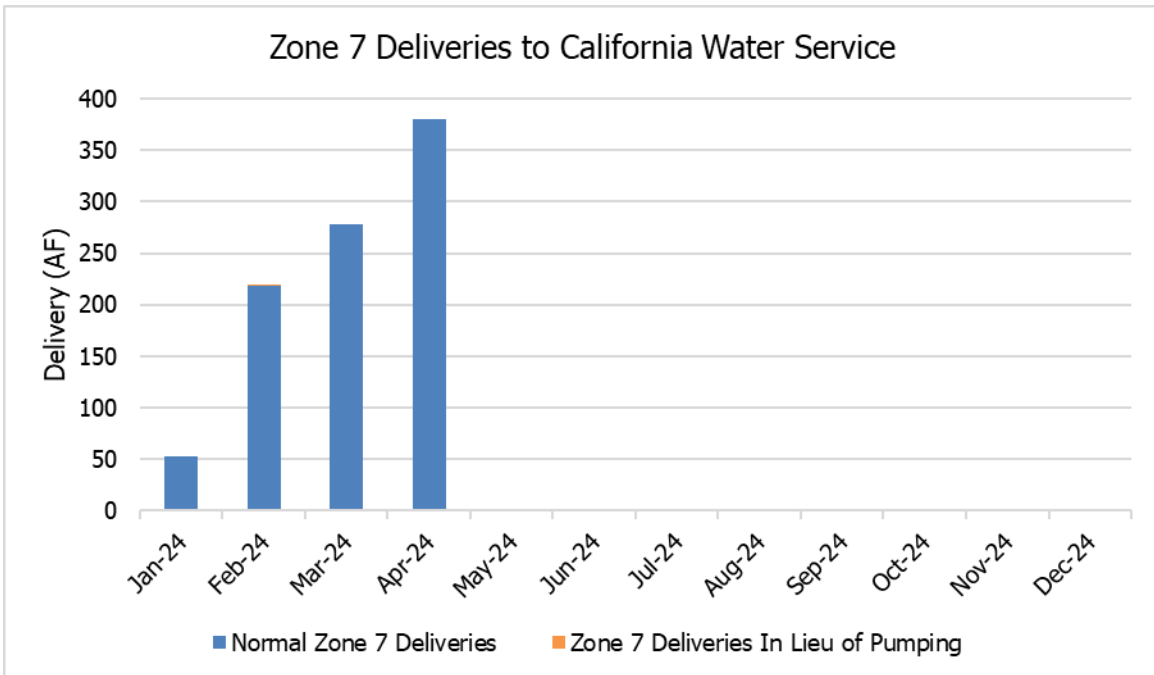


**Figure 2: Pleasanton Estimated In-Lieu Demand  
(Based on 2018-2021 Pumping)**



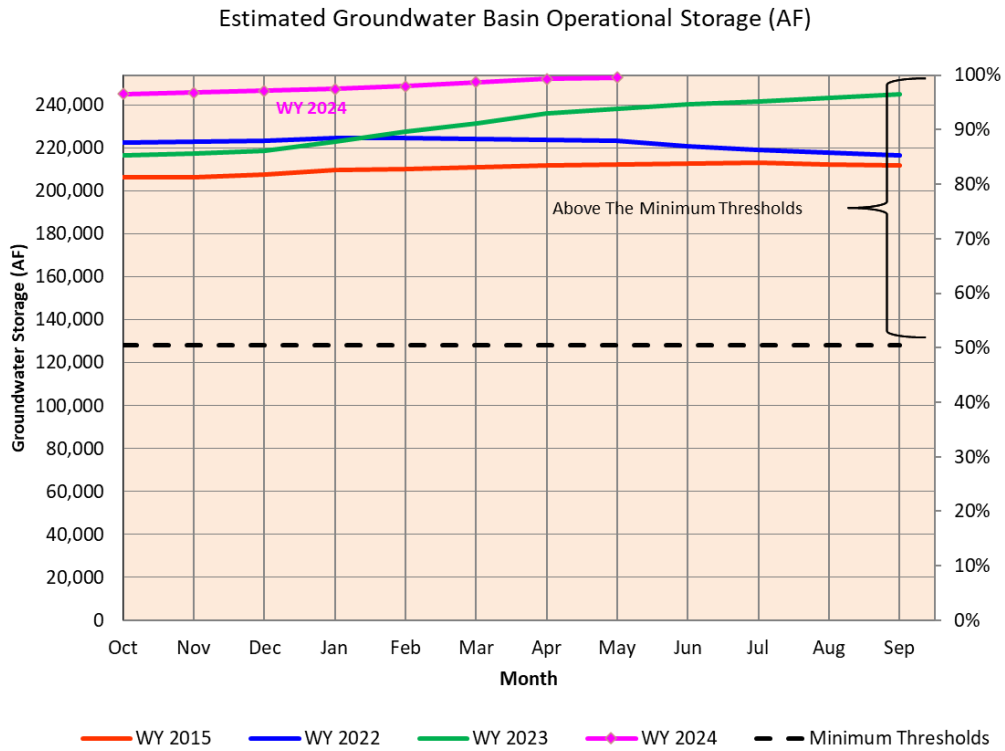
\*Pleasanton's pumping data for May is not yet available and will be reflected in future inventories.

**Figure 3: California Water Service Estimated In-Lieu Demand  
(Based on 2018-2021 Pumping)**



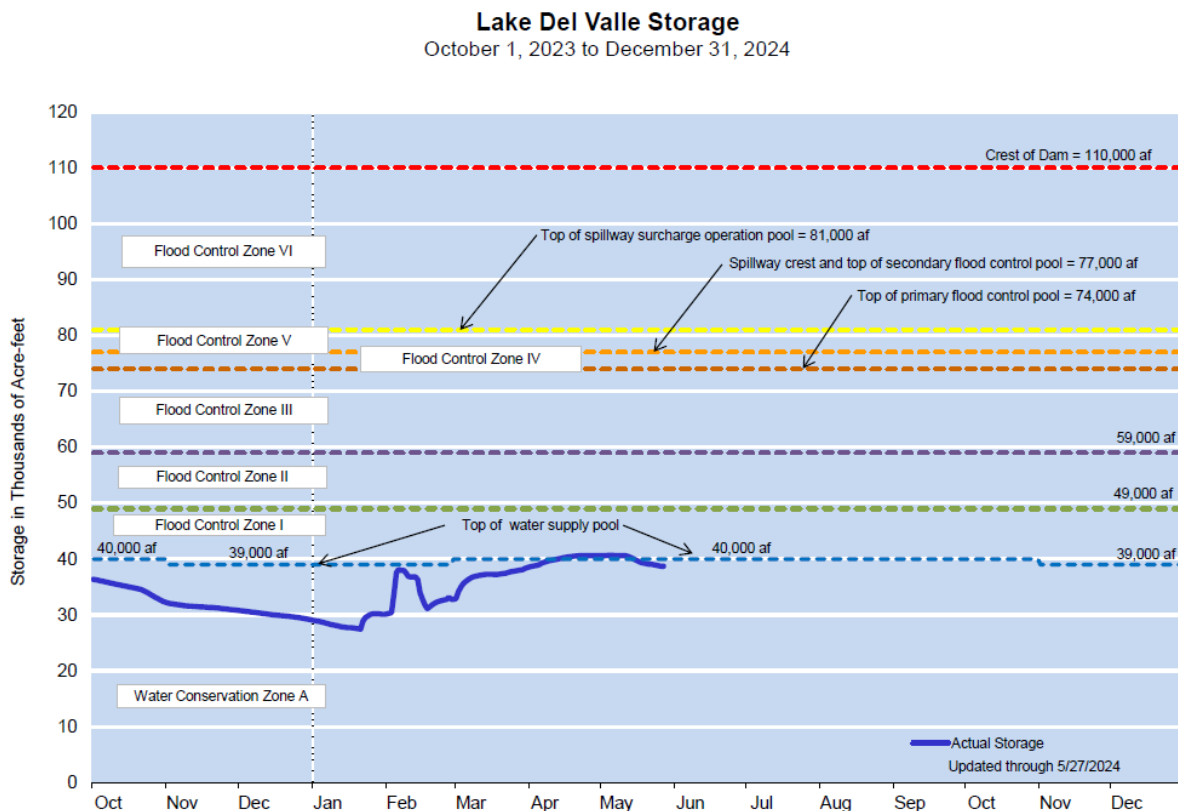
\*Cal Water's pumping data for May is not yet available and will be reflected in future inventories.

**Figure 4: Livermore Valley Groundwater Basin Storage\***



\*The estimated groundwater basin storage represents the combined total storage from all four subbasins.

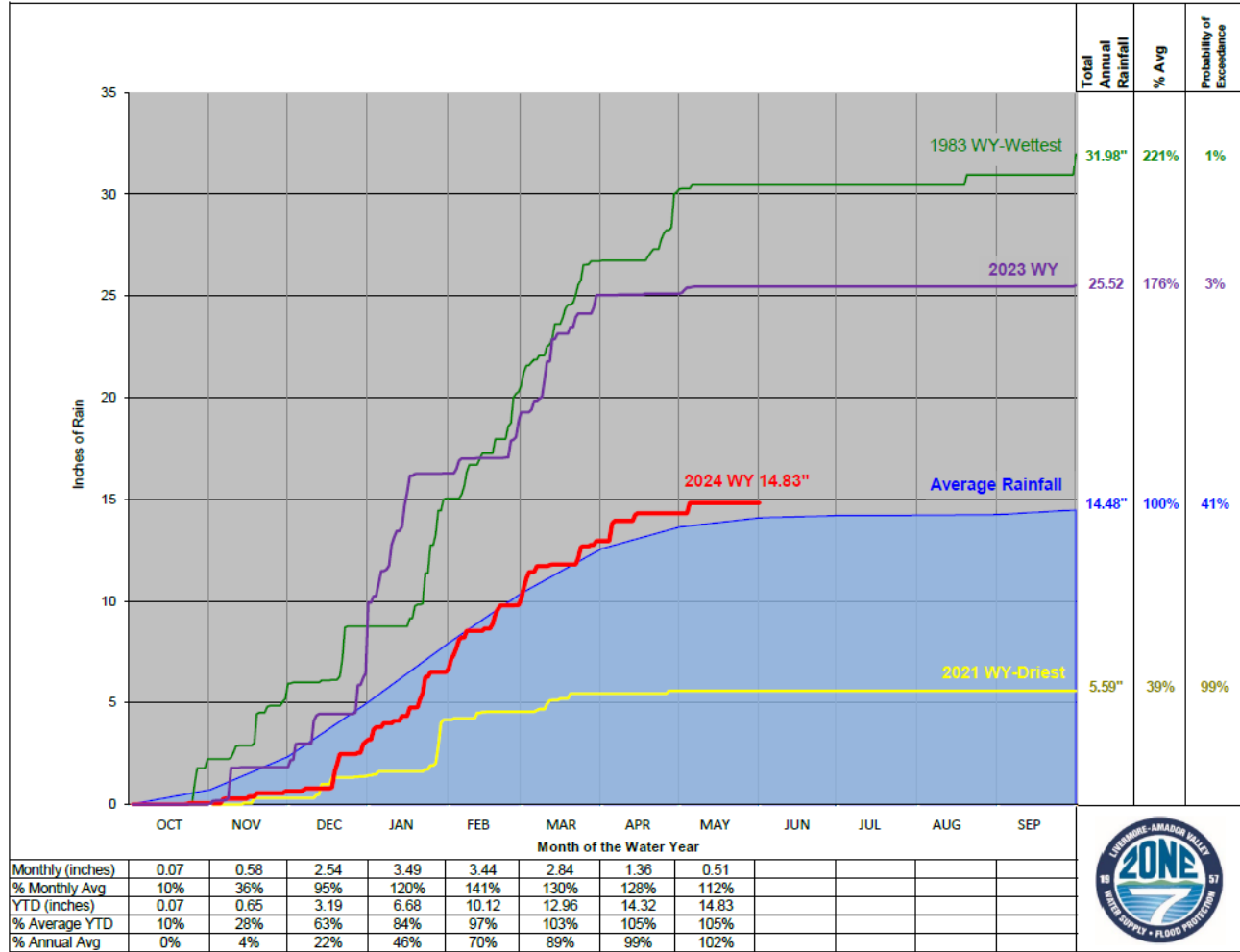
**Figure 5: Lake Del Valle Storage**



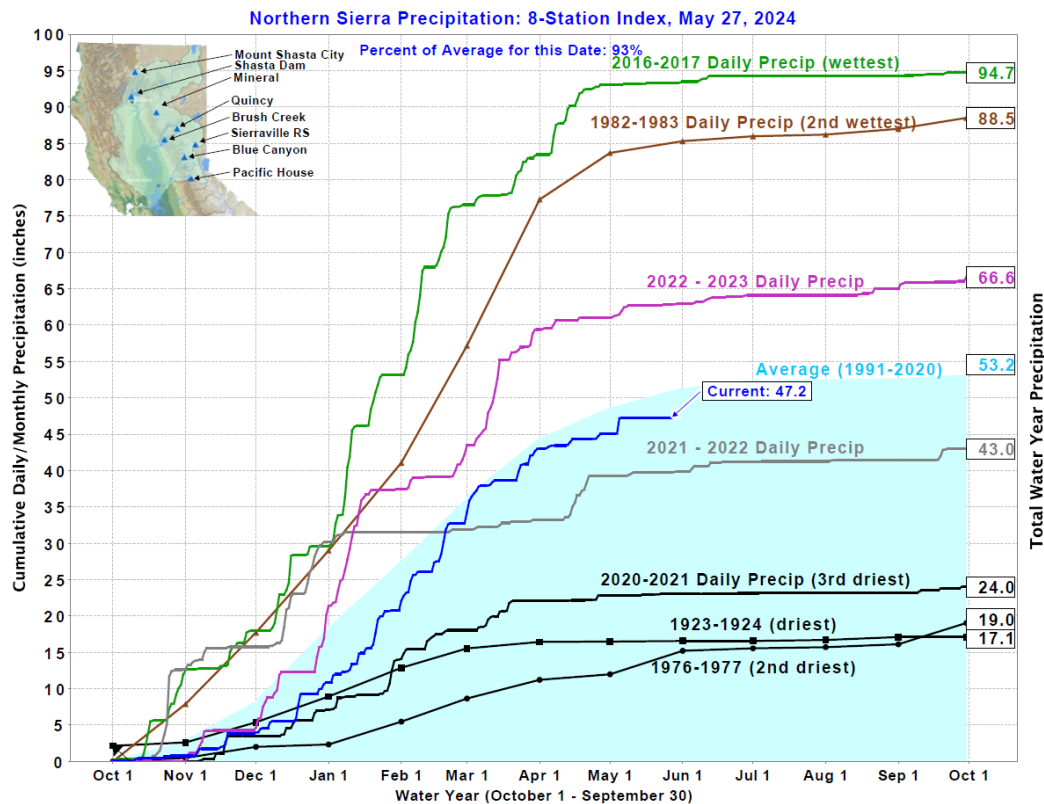
(Source : <https://water.ca.gov/-/media/DWR-Website/> )

## Figure 6: Local Precipitation

ZONE 7 WATER AGENCY  
GRAPH OF LIVERMORE RAINFALL INDEX



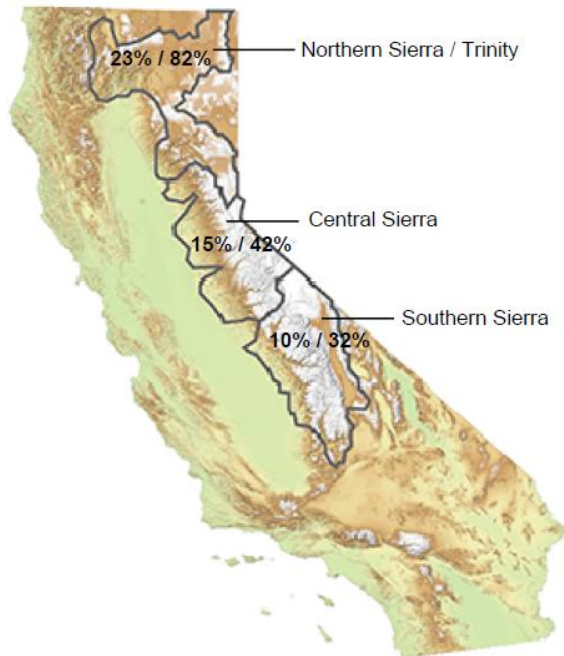
**Figure 7: Cumulative Precipitation in the North Sierra**



(Source : [http://cdec.water.ca.gov/cgi-progs/products/PLOT\\_ESI.pdf](http://cdec.water.ca.gov/cgi-progs/products/PLOT_ESI.pdf))

**Figure 8: Sierra Snowpack**

% of April 1 Average / % of Normal for This Date



NORTH	
Data as of May 28, 2024	
Number of Stations Reporting	25
Average snow water equivalent (Inches)	6.6
Percent of April 1 Average (%)	23
Percent of normal for this date (%)	82

CENTRAL	
Data as of May 28, 2024	
Number of Stations Reporting	49
Average snow water equivalent (Inches)	4.1
Percent of April 1 Average (%)	15
Percent of normal for this date (%)	42

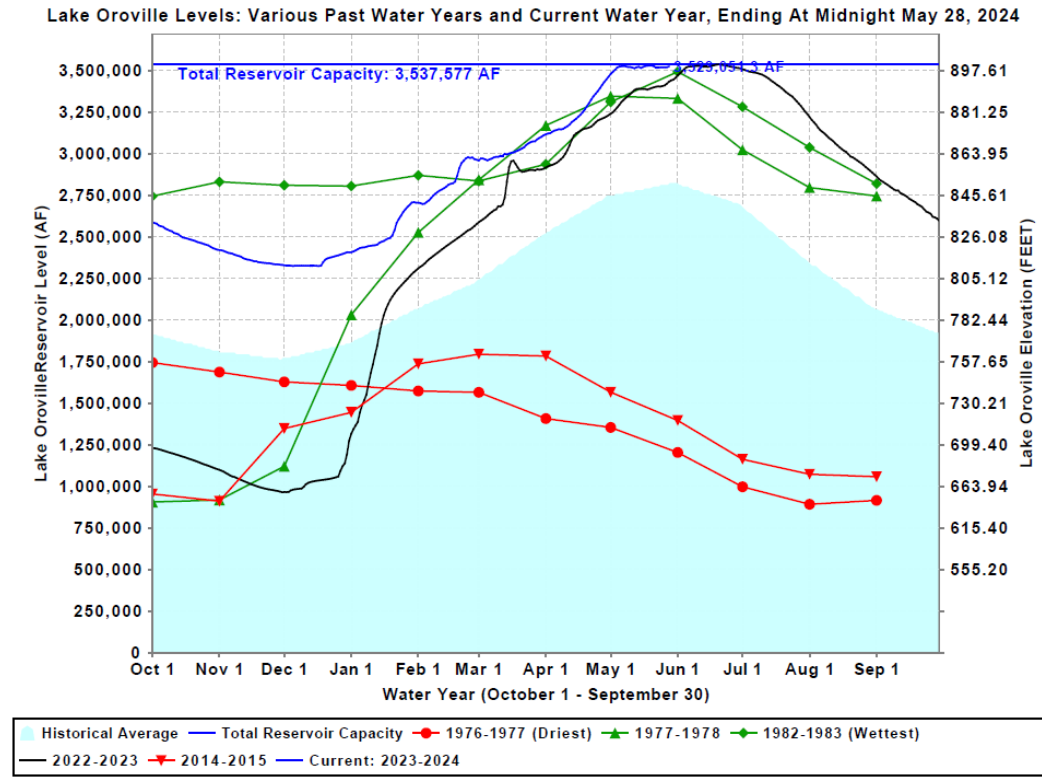
SOUTH	
Data as of May 28, 2024	
Number of Stations Reporting	27
Average snow water equivalent (Inches)	2.2
Percent of April 1 Average (%)	10
Percent of normal for this date (%)	32

STATE	
Data as of May 28, 2024	
Number of Stations Reporting	101
Average snow water equivalent (Inches)	4.2
Percent of April 1 Average (%)	16
Percent of normal for this date (%)	48

(Source : <https://cdec.water.ca.gov/reportapp/javareports?name=swccond.pdf>)

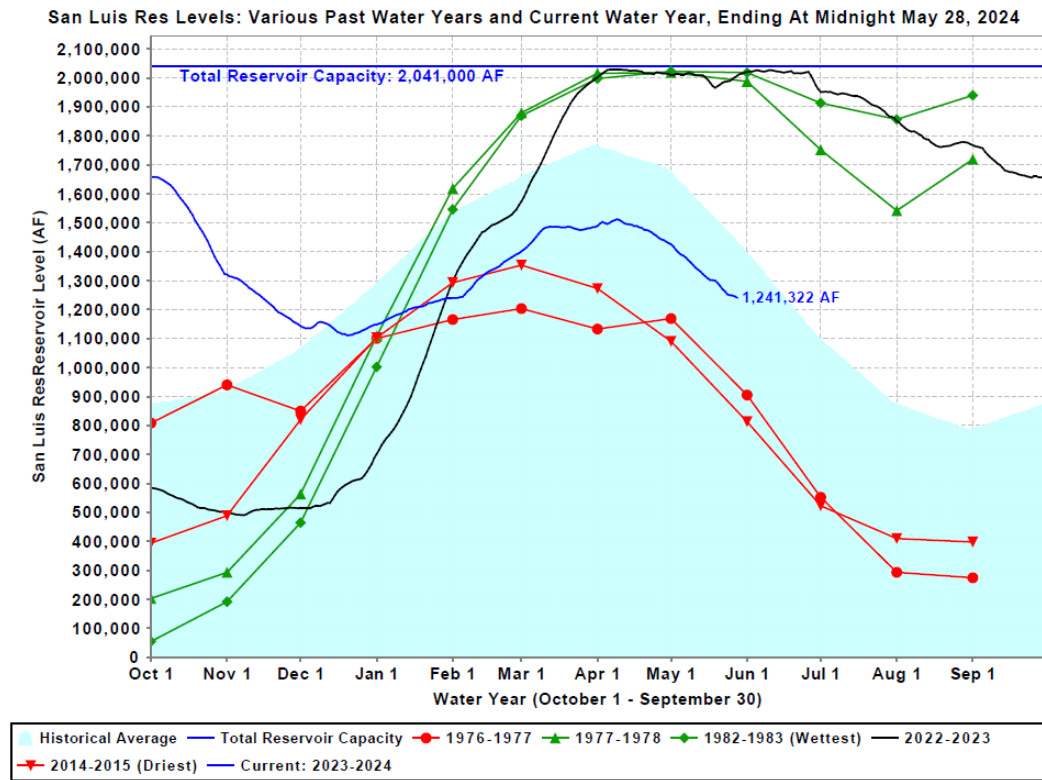


## Figure 10: Lake Oroville Storage



(Source : <https://cdec.water.ca.gov/resapp/ResDetail.action?resid=ORO>)

## Figure 11: San Luis Reservoir Storage



(Source : <https://cdec.water.ca.gov/resapp/ResDetail.action?resid=SNL>)



100 North Canyons Parkway  
Livermore, CA 94551  
(925) 454-5000

March 31, 2024

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

Subject: **Investment Report as of March 31, 2024 (Unaudited)**

Dear Board Members:

Pursuant to Resolution No. 23-46, dated June 30, 2023, the Board adopted the Agency investment policy. In accordance with Strategic Plan Initiative No. 24 – Continue to effectively manage financial resources for the Agency in a prudent manner and in accordance with the Investment Policy, attached is the Agency quarterly informational investment report as of March 31, 2024. Enclosed with this report is a detailed composition of investments held in Zone 7's name by securities category as of March 31, 2024. This report reflects the market value and cost of purchase of the securities.

All Agency investments in this investment management portfolio conform to the investment policy and are in accordance with California Government Code Section 53600, et. seq. Below is the Agency's investment portfolio management summary:

Investment Type	Face Amount	Market Value	Book Value	% of Portfolio	Permitted by Agency Policy	In Compliance	Book Yield (YTM at Cost)
U.S. Treasury Bond/ Note	\$ 90,110,000	\$ 84,988,658	\$ 88,298,688	60.92%	No Limit	Yes	2.87%
Corporate Bonds (Medium Term Notes)	21,595,000	21,184,644	21,573,966	15.18%	30%	Yes	4.18%
Federal Agency Commercial Mortgage-Backed Security	21,944,065	21,949,048	21,929,529	15.73%	No Limit	Yes	4.86%
Negotiable Certificate of Deposit (CD)	1,350,000	1,341,695	1,364,097	0.96%	30%	Yes	5.08%
Asset-Backed Securities	4,855,000	4,874,072	4,869,709	3.49%	20%	Yes	5.08%
Money Market (1)	5,180,373	5,180,373	5,180,373	3.71%	20%	Yes	5.18%
<b>Total Investments</b>	<b>\$ 145,034,439</b>	<b>\$ 139,518,490</b>	<b>\$ 143,216,362</b>	<b>100%</b>			<b>3.50%</b>
US Bank	2,066,000	2,066,000	2,066,000				
<b>Total Cash &amp; Investments</b>	<b>\$ 147,100,439</b>	<b>\$ 141,584,490</b>	<b>\$ 145,282,362</b>				<b>3.50%</b>

(1) **Money Market:** The Money Market Book Yield (Yield to Maturity at Cost) is not part of the overall securities YTM at Cost from PFM Asset Management, it's from the U.S. Bank as custody bank.

In addition, the Agency has cash and investments pooled with the Alameda County Treasury. The County Treasurer acts as the disbursing agent for these funds for the Agency and the cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer for the County.



As of March 31, 2024, the County Treasurer held approximately \$146,376,082 (unaudited) for the Agency. The amount held by the County Treasurer is sufficient to meet all operating cash needs for the Agency within the next six months. Here is a link to the County investment reports: <https://treasurer.acgov.org/treasury/reports.page?>

I hereby certify that, to the best of my actual knowledge, this report includes all investments in the Agency pool investment portfolio and is in conformity with the Agency's current investment policy dated July 1, 2023.

Market value amounts are from PFM Asset Management which provides investment management services for the Agency. U.S. Bank provides the Agency custody services. Book value amounts include premiums or discounts and are adjusted at year end on the general ledger.

Sincerely,

*Osborn Solitei*

---

Osborn Solitei,  
Treasurer

Attachment:

- Zone 7 Investment Performance Review for the Quarter Ended March 31, 2024

cc. Valerie Pryor, General Manager



# ZONE 7 WATER AGENCY

## Investment Performance Review For the Quarter Ended March 31, 2024

### Client Management Team

Monique Spyke, Managing Director  
Joseph Creason, Portfolio Manager  
Jeremy King, Key Account Manager

### PFM Asset Management LLC

1 California Street Ste. 1000  
San Francisco, CA 94111-5411  
415-393-7270

213 Market Street  
Harrisburg, PA 17101-2141  
717-232-2723

**NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE**

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## Market Update

## Current Market Themes



- ▶ The U.S. economy is characterized by:
  - ▶ Robust growth that continues to show surprising strength
  - ▶ Sticky inflation that remains above the Federal Reserve (Fed)'s 2% target
  - ▶ Labor markets continuing to show impressive job gains and low unemployment
  - ▶ Resilient consumer spending supported by wage growth that is outpacing inflation



- ▶ Federal Reserve reaffirms rate cut expectations
  - ▶ Forecast of 75 basis points of cuts this year
  - ▶ After entering the year expecting 6 cuts in 2024, markets have adjusted their expectations to only 2 to 3 cuts in 2024
  - ▶ Fed officials reaffirm that restoring price stability is the priority, but further confidence in inflation moving toward the 2% target is needed, which may delay the timing of rate cuts

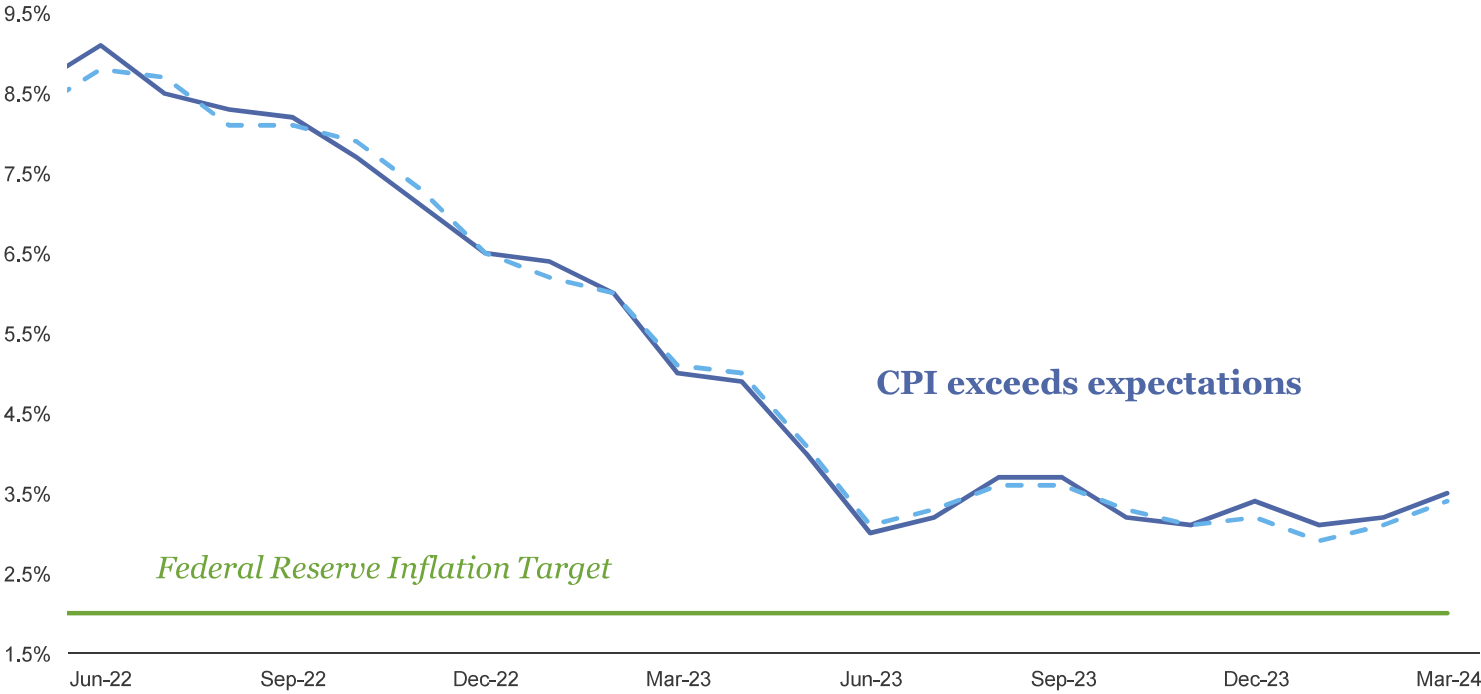


- ▶ Treasury yields increase following the change in market expectations
  - ▶ Yields on maturities between 2 and 10 years rose 30–40 basis points during the quarter
  - ▶ Yield curve inversion persists
  - ▶ Spreads in most sectors fell to multi-year lows given the strong economic environment

Inflation Remains Range Bound After Significant Decline in CPI in 2022 and Early 2023

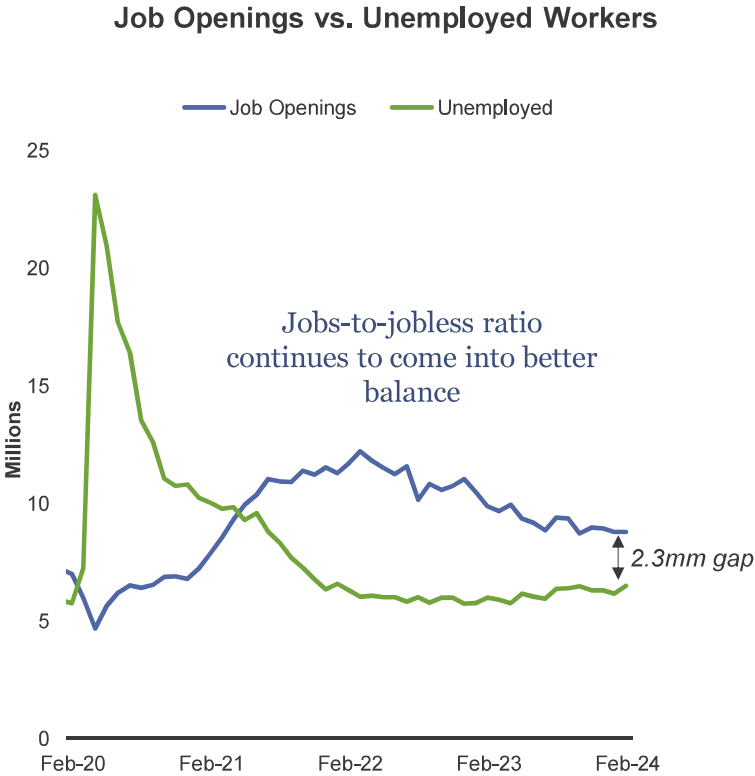
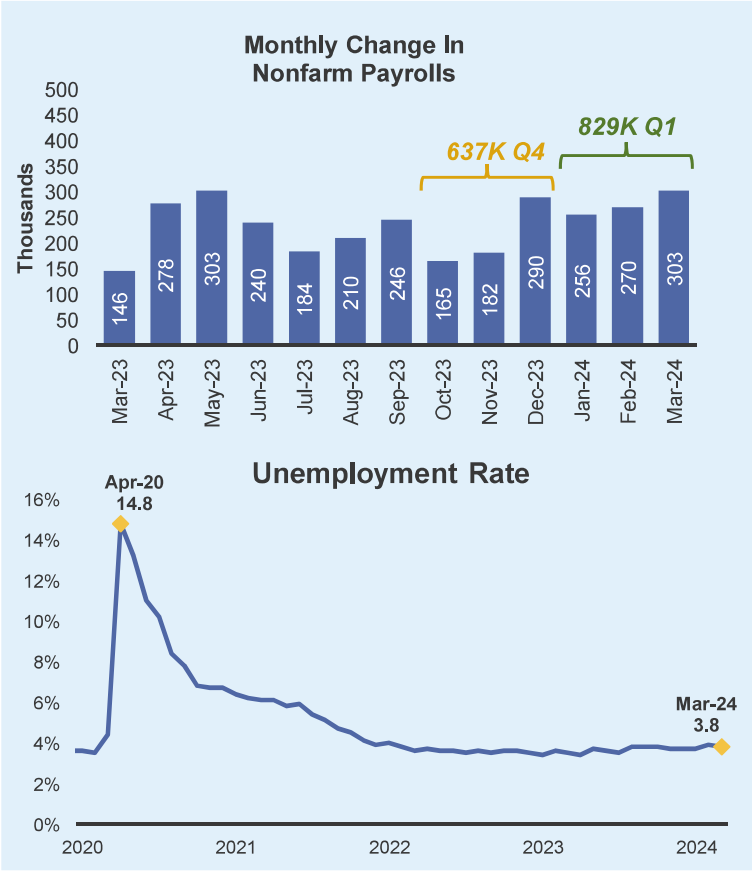
Consumer Price Index  
Year-Over-Year Changes

CPI    CPI Forecast    Fed Target



Source: Bloomberg, as of 4/10/2024.

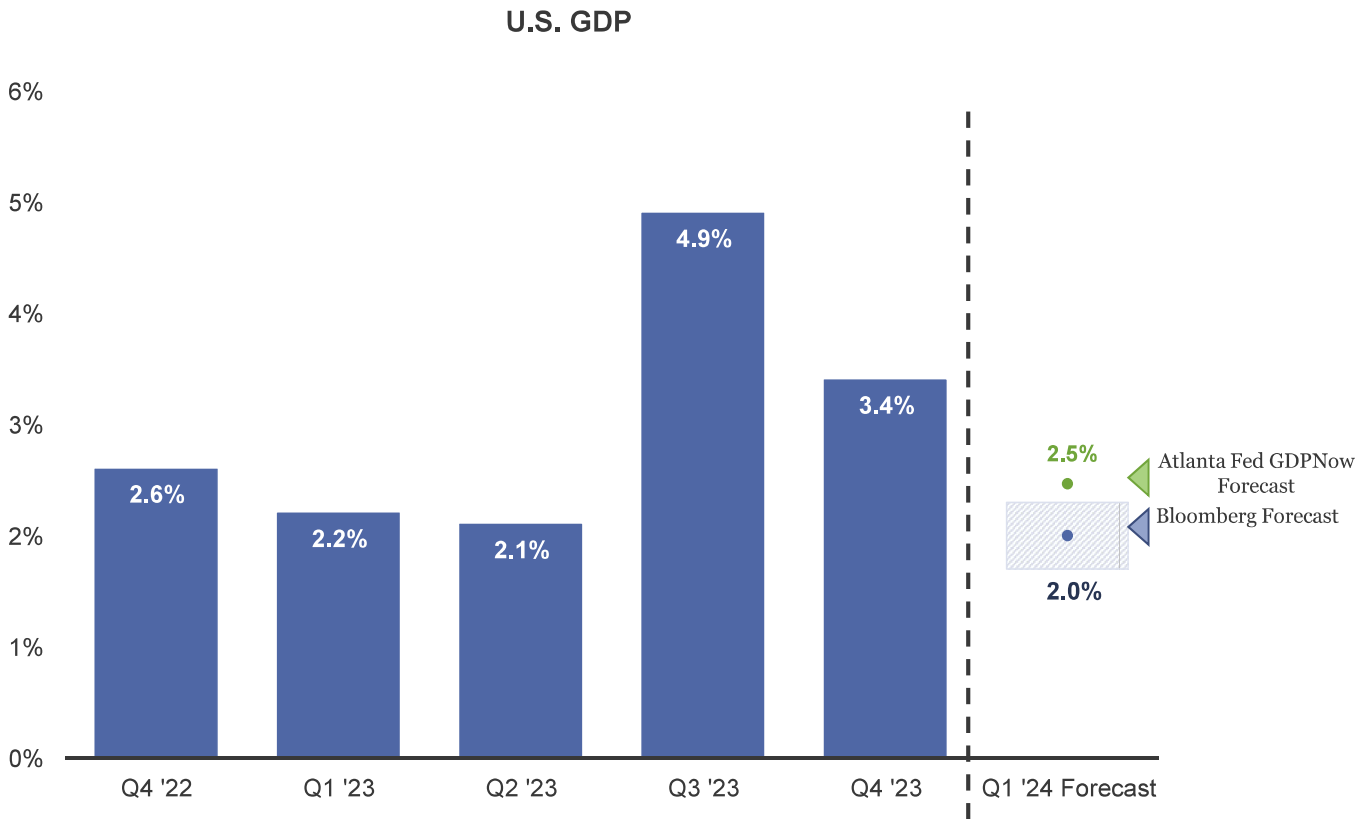
Labor Market Remains Strong



Source: Bloomberg. Job openings as of February 2024. Monthly change in nonfarm payrolls and unemployment rate as of March 2024. Data is seasonally adjusted.



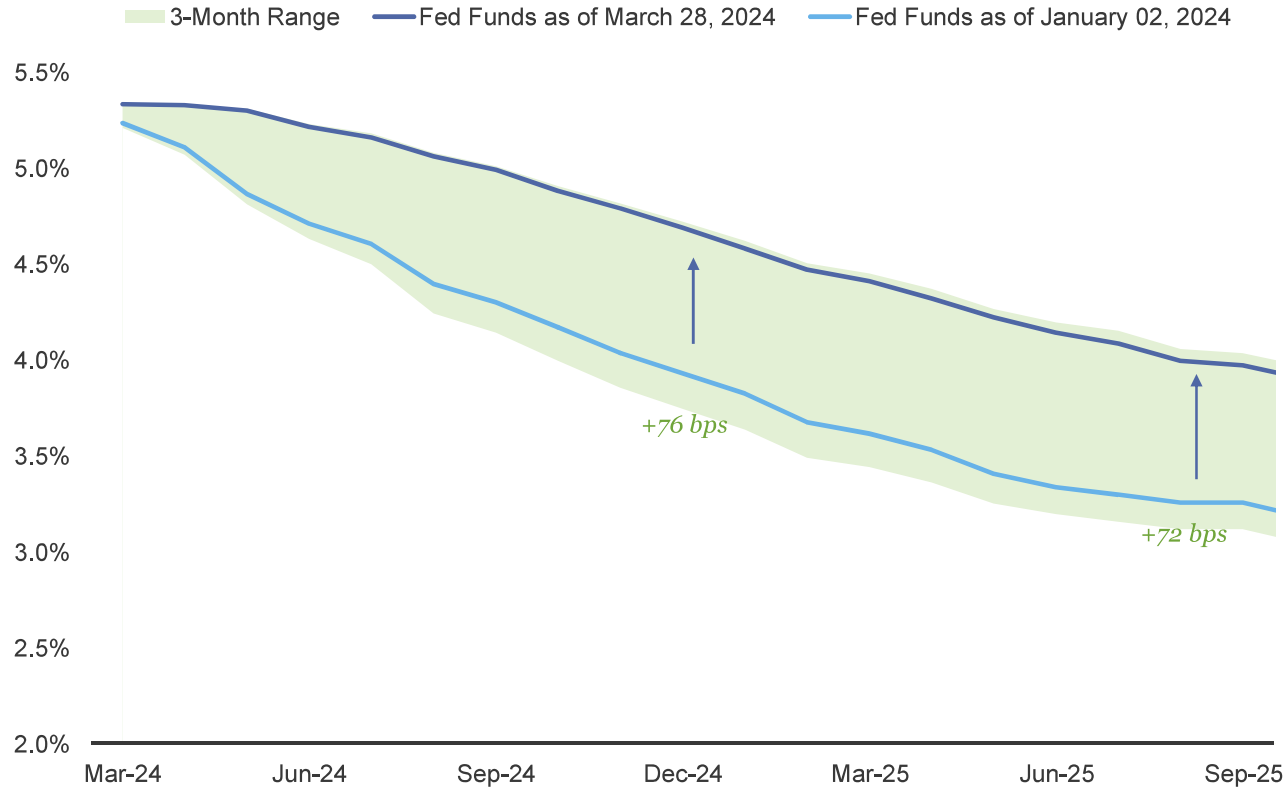
Consumer Spending Continues to Drive Strong Economic Growth



Source: Bureau of Economic Analysis, U.S. Department of Commerce; as of March 28, 2024.  
GDPNow estimates provided by the Federal Reserve Bank of Atlanta; as of April 4, 2024. The Atlanta Fed GDPNow estimate is a model-based projection not subject to judgmental adjustments. It is not an official forecast of the Atlanta Fed, its president, the Federal Reserve System, or the Federal Open Market Committee. Bloomberg Forecasts as of March 2024.

Market Reversed Course and Now  
Expects a Slower Pace of Rate Cuts

Implied Fed Funds Rate



Market reprices expectations for number of cuts in 2024 in response to hotter than expected inflation and a resilient labor market

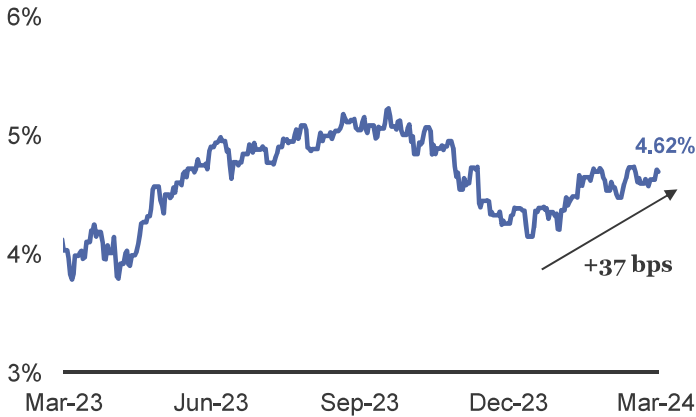
Source: Bloomberg, as of March 2024.

## Yields Reprice on Fed Patience

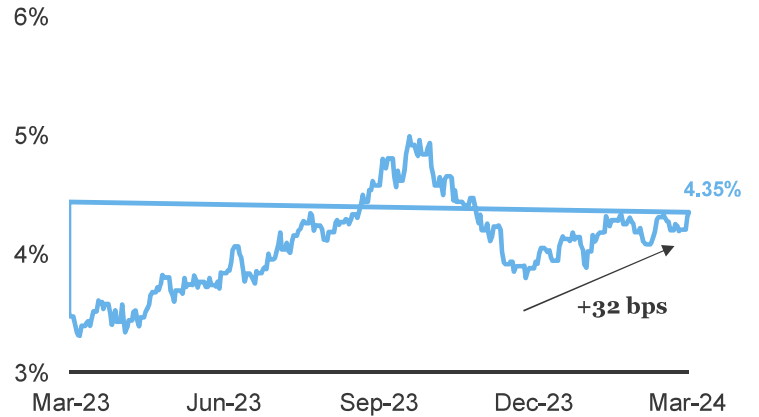
From the  
March 24 FOMC  
Meeting  
Press Conference

“...the Committee needs to see **more evidence** to build our **confidence** that inflation is moving down sustainably toward our 2 percent goal, and **we don’t expect that it will be appropriate to begin to reduce rates until we’re more confident** that that is the case”

2-Year Treasury Yield



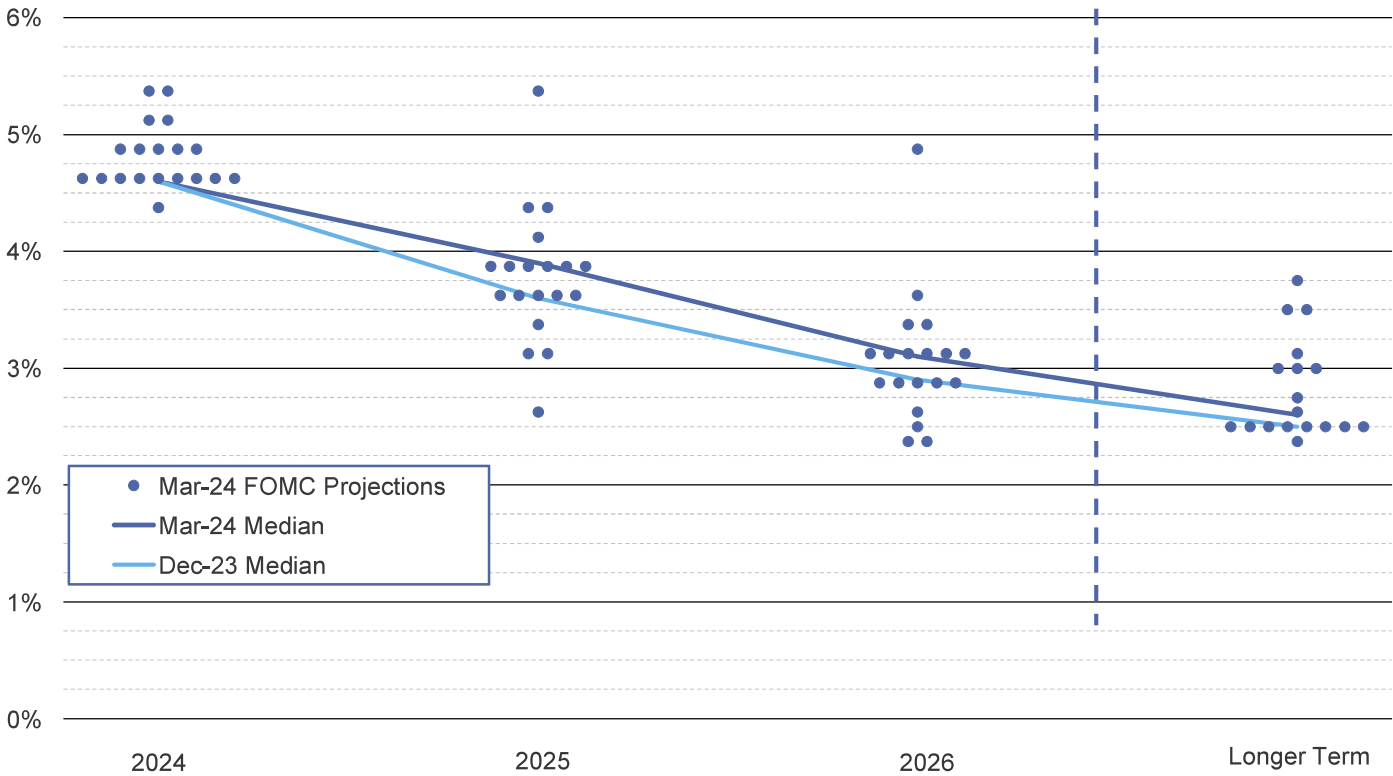
10-Year Treasury Yield



Source: Federal Reserve, Bloomberg, as of 3/31/2024.

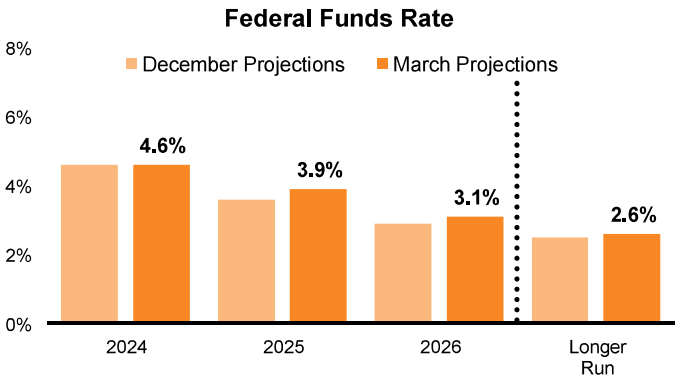
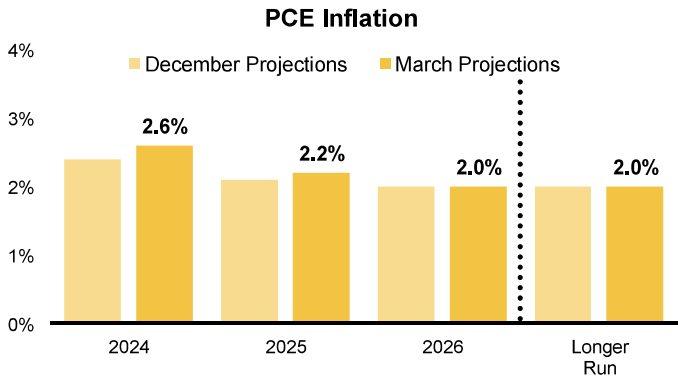
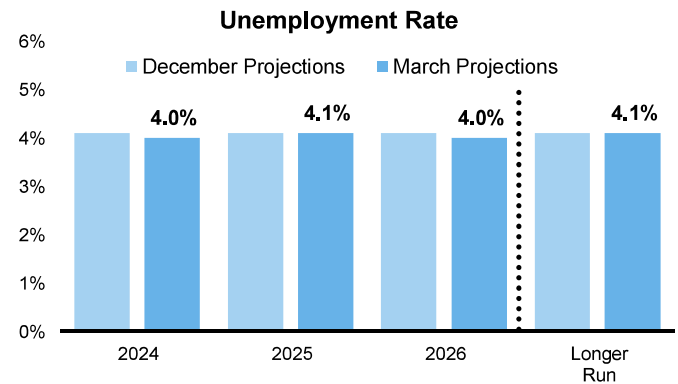
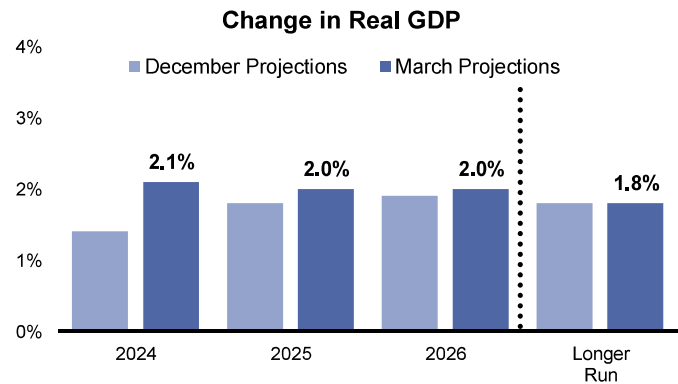
Fed’s Updated “Dot Plot” Shows  
Little Change in 2024 Expectation

Fed Participants’ Assessments of ‘Appropriate’ Monetary Policy



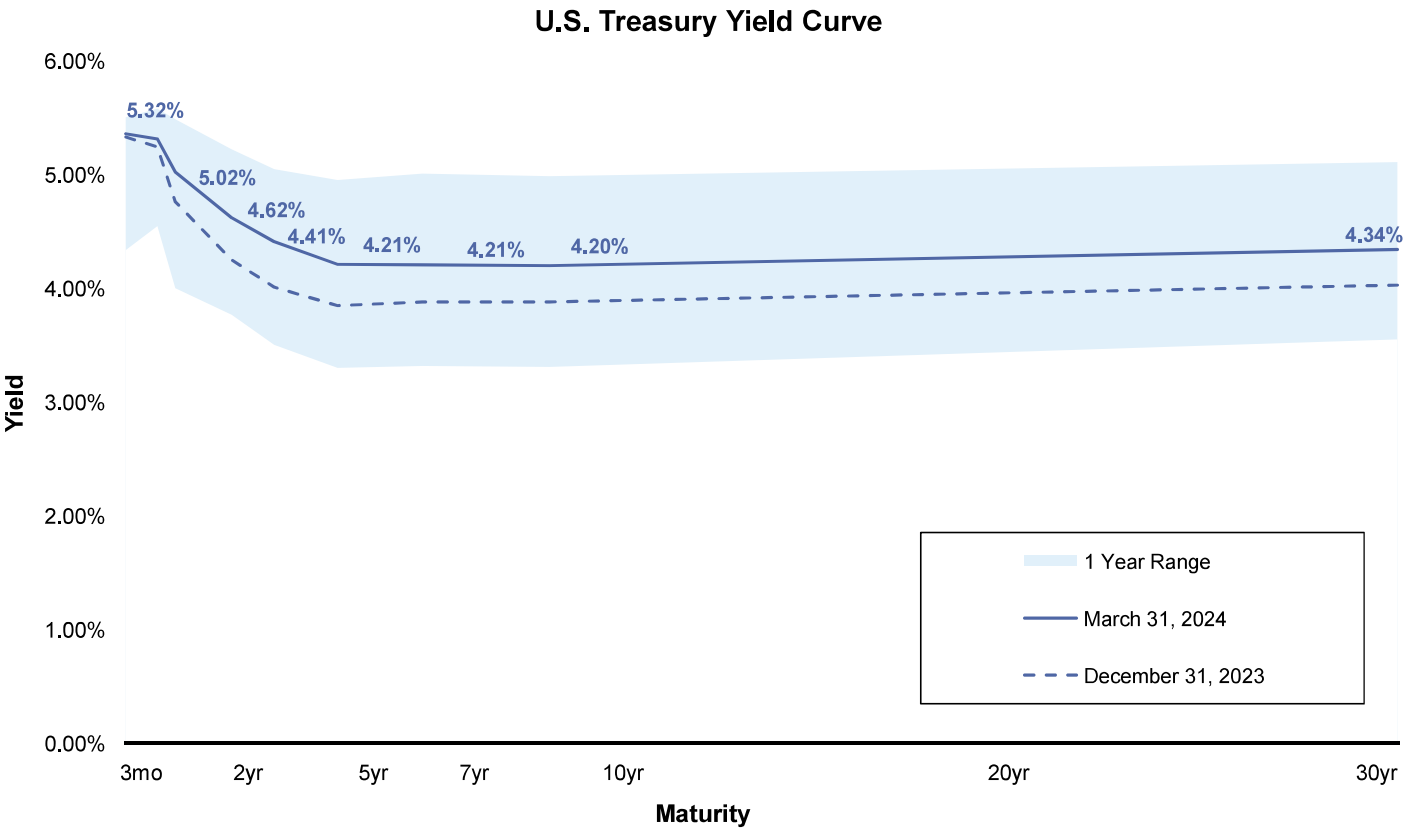
Source: Federal Reserve. Individual dots represent each Fed members’ judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end.

Summary of Economic Projections Show Stronger Economic Story



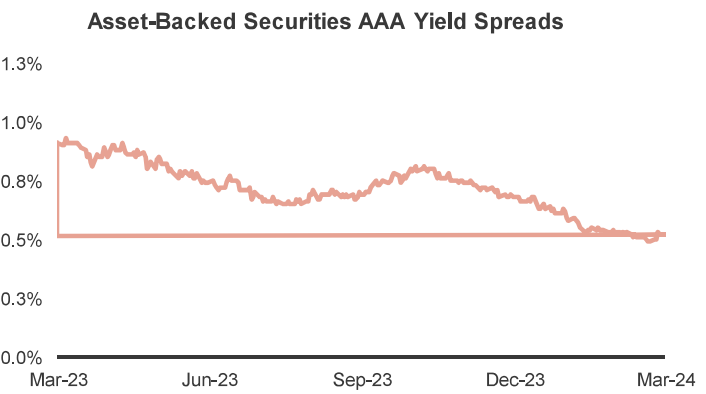
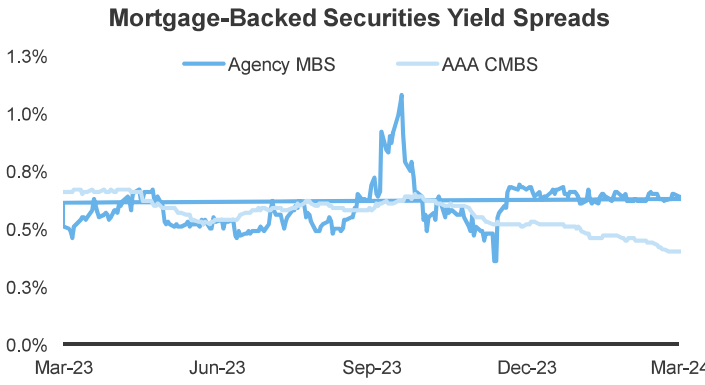
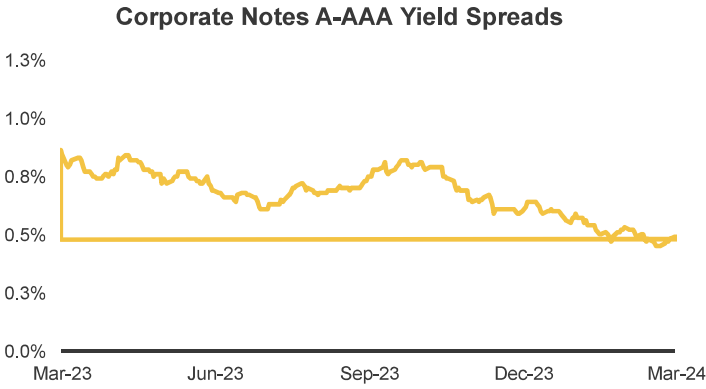
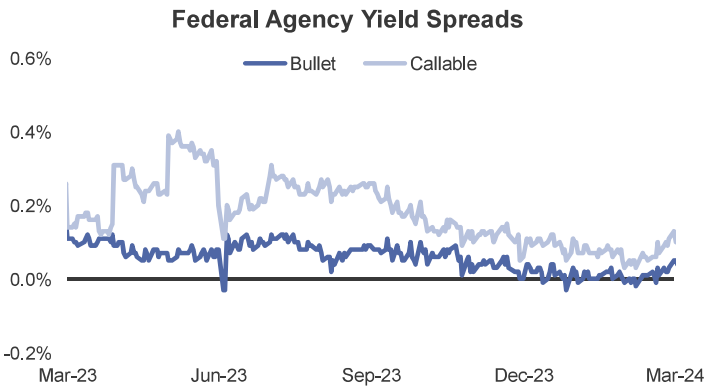
Source: Federal Reserve, latest economic projections as of March 2024.

Treasury Yields Move Higher as Market Evolves to Revised Fed Expectations



Source: Bloomberg, as of 3/31/2024.

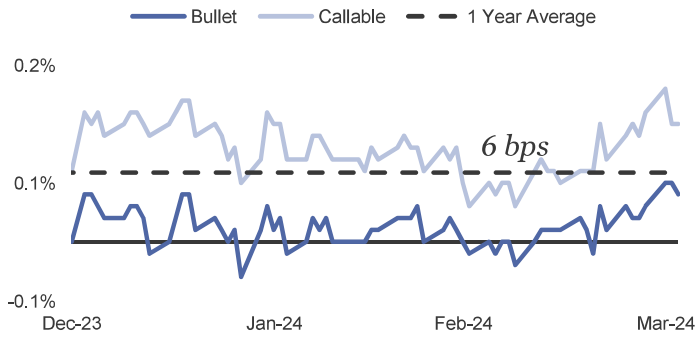
Sector Yield Spreads



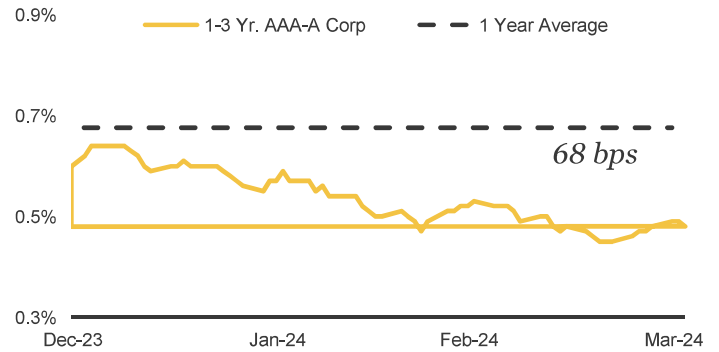
Source: ICE BofA 1-3 year Indices via Bloomberg, MarketAxess and PFMAM as of March 31, 2024. Spreads on ABS and MBS are option-adjusted spreads of 0-3 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries.  
CMBS is Commercial Mortgage-Backed Securities and represented by the ICE BofA Agency CMBS Index.

## Sector Yield Spreads

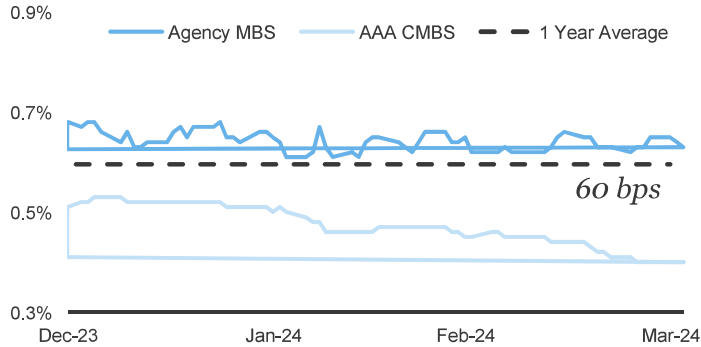
### Federal Agency Yield Spreads



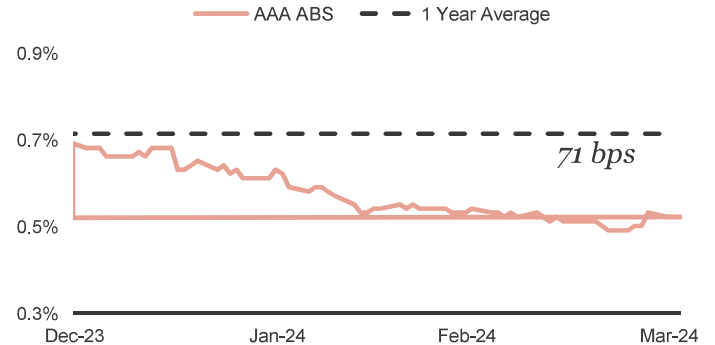
### Corporate Notes A-AAA Yield Spreads



### Mortgage-Backed Securities Yield Spreads



### Asset-Backed Securities AAA Yield Spreads



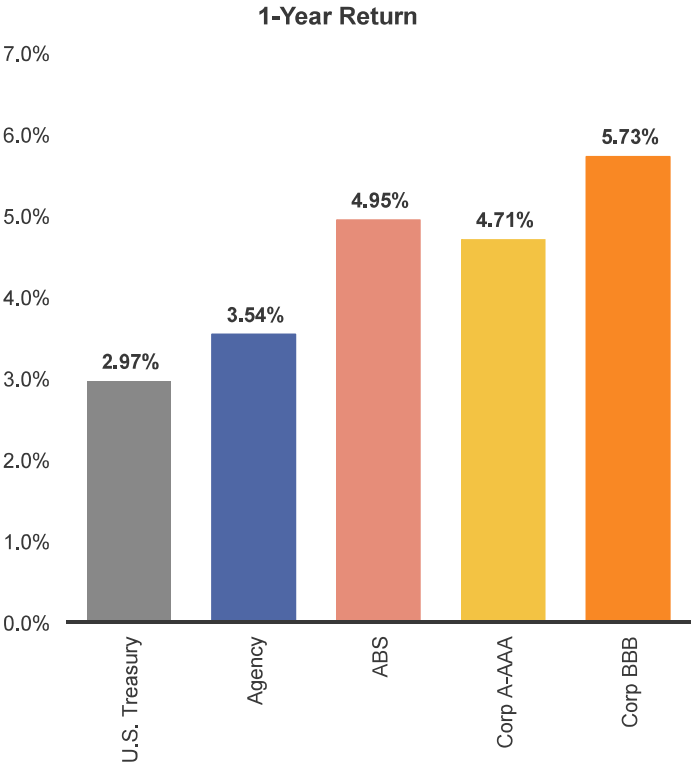
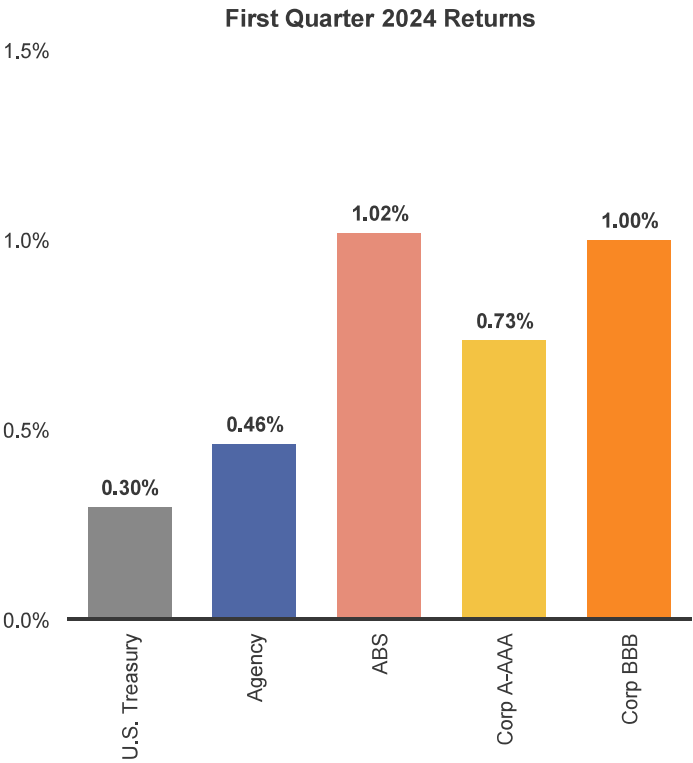
Source: ICE BofA 1-3 year Indices via Bloomberg, MarketAxess and PFMAM as of March 31, 2024. Spreads on ABS and MBS are option-adjusted spreads of 0-3 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries.

CMBS is Commercial Mortgage-Backed Securities and represented by the ICE BofA Agency CMBS Index.









Fixed-Income Index Total Returns in 1Q 2024

1-3 Year Indices



Source: ICE BofA Indices. ABS indices are 0-3 year, based on weighted average life. As of March 31, 2024.

Factors to Consider for 6-12 Months

<p><b>Monetary Policy:</b></p>  <ul style="list-style-type: none"><li>• Fed guidance implies a soft landing and 3 rate cuts for 2024. Market expectations have been volatile but recently converged to Fed projections.</li><li>• Globally, central banks are nearing the start of cutting cycles with the Swiss central bank being the first to cut.</li></ul>	<p><b>Economic Growth:</b></p>  <ul style="list-style-type: none"><li>• U.S. resiliency continues as expectations for a soft-landing command center stage. Strength is led by consumers supported by a robust labor market.</li><li>• Eurozone growth set to improve in 2024 H2. Although Chinese growth targets seem aspirational, emerging economies are expected to grow.</li></ul>	<p><b>Inflation:</b></p>  <ul style="list-style-type: none"><li>• Inflation continued to moderate but has proven to be stickier than expected, predominantly in housing and other service sectors.</li><li>• Further upside surprises in inflation indicators may complicate the Fed's path for monetary policy.</li></ul>
<p><b>Financial Conditions:</b></p>  <ul style="list-style-type: none"><li>• Financial conditions continue to soften as the “Fed pivot” remains in play amid sustained strength in various economic indicators.</li><li>• With interest rates elevated, we continue to focus on identifying potential pockets of stress within financial markets.</li></ul>	<p><b>Consumer Spending (U.S.):</b></p>  <ul style="list-style-type: none"><li>• Consumer confidence reached a multi-year high following strong wage growth, a resilient labor market, and slowly moderating inflation.</li><li>• Hiring and wage growth have played a role in boosting personal income, which combined with record U.S. household net worth, supported spending.</li></ul>	<p><b>Labor Markets:</b></p>  <ul style="list-style-type: none"><li>• The labor market remains strong, but a few indicators are moderating from the extreme tightness of 2022.</li><li>• No sign of weakness in typical economically-sensitive industries, like retail, leisure and hospitality, and construction.</li></ul>

● Current outlook    ○ Outlook one quarter ago



Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg. The views expressed within this material constitute the perspective and judgment of PFM Asset Management LLC at the time of distribution (3/31/2024) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness, or suitability.

## Fixed-Income Sector Commentary – 1Q 2024

- ▶ **U.S. Treasuries** markets spent the quarter adjusting its expectations as strong economic data and Fed commentary pushed back on the notion that a rate cut was imminent. Yields reflected the repricing and are higher by over 30 basis points for maturities greater than a year.
- ▶ **Federal Agency, Municipal, and Supranational** yield spreads remained low and range bound. These sectors eked out positive excess returns, mostly from their modest incremental income. Callable agencies outperformed bullet agencies, as bond market volatility generally waned from recent multi-year highs.
- ▶ **Investment-Grade (IG) Corporates** produced strong excess returns on robust market demand and continued spread tightening in the sector. IG corporates finished the quarter at their tightest spread levels in over two years. Lower rated issues performed best. With spreads near historical tights, some caution in the sector is warranted.
- ▶ **Asset-Backed Securities** were the strongest-performing fixed income sector. The rally in the sector was led by ongoing optimism regarding the strength of the American consumer and, like IG corporates, robust appetite for investment opportunities in the sector. Incremental income from ABS remains attractive and our fundamental outlook for the economy is supportive for the sector.
- ▶ **Mortgage-Backed Securities** performance was mixed with spreads widening in longer maturity structures. Volatility was relatively muted compared to Q4 and helped bolster returns in the sector. Agency commercial mortgage-backed security spreads tightened more aggressively relative to pass-throughs, resulting in strong relative performance.
- ▶ **Short-term credit** (commercial paper and negotiable bank CDs) yield spreads continued to tighten over the quarter while the credit curve has steepened. Shorter-term maturities are less attractive and we prefer issues with maturities between 6 and 12 months.

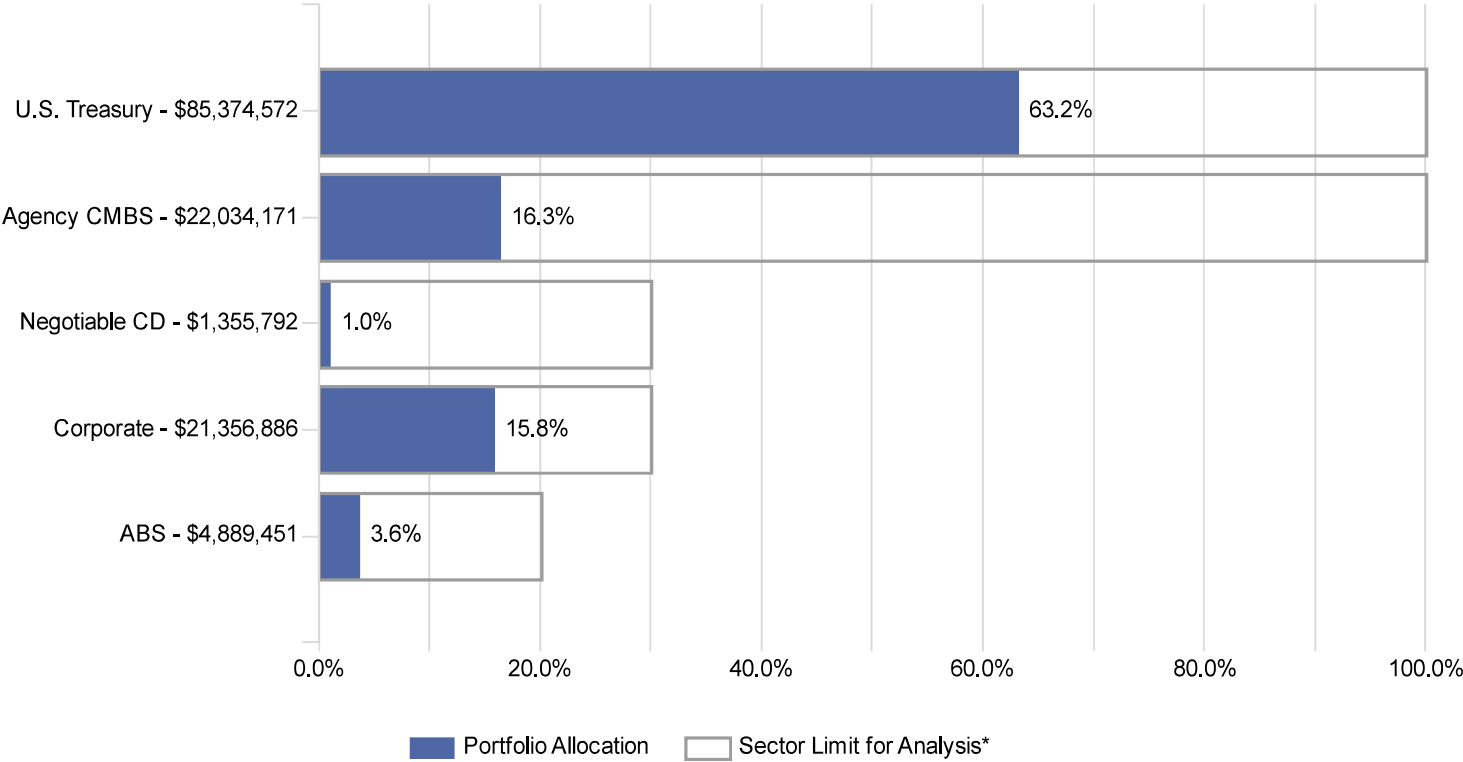
Fixed-Income Sector Outlook – 2Q 2024

Sector	Our Investment Preferences
COMMERCIAL PAPER / CD	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
TREASURIES	
T-Bill	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
T-Note	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
FEDERAL AGENCIES	
Bullets	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
Callables	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
SUPRANATIONALS	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
CORPORATES	
Financials	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
Industrials	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
SECURITIZED	
Asset-Backed	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
Agency Mortgage-Backed	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
Agency CMBS	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
MUNICIPALS	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>



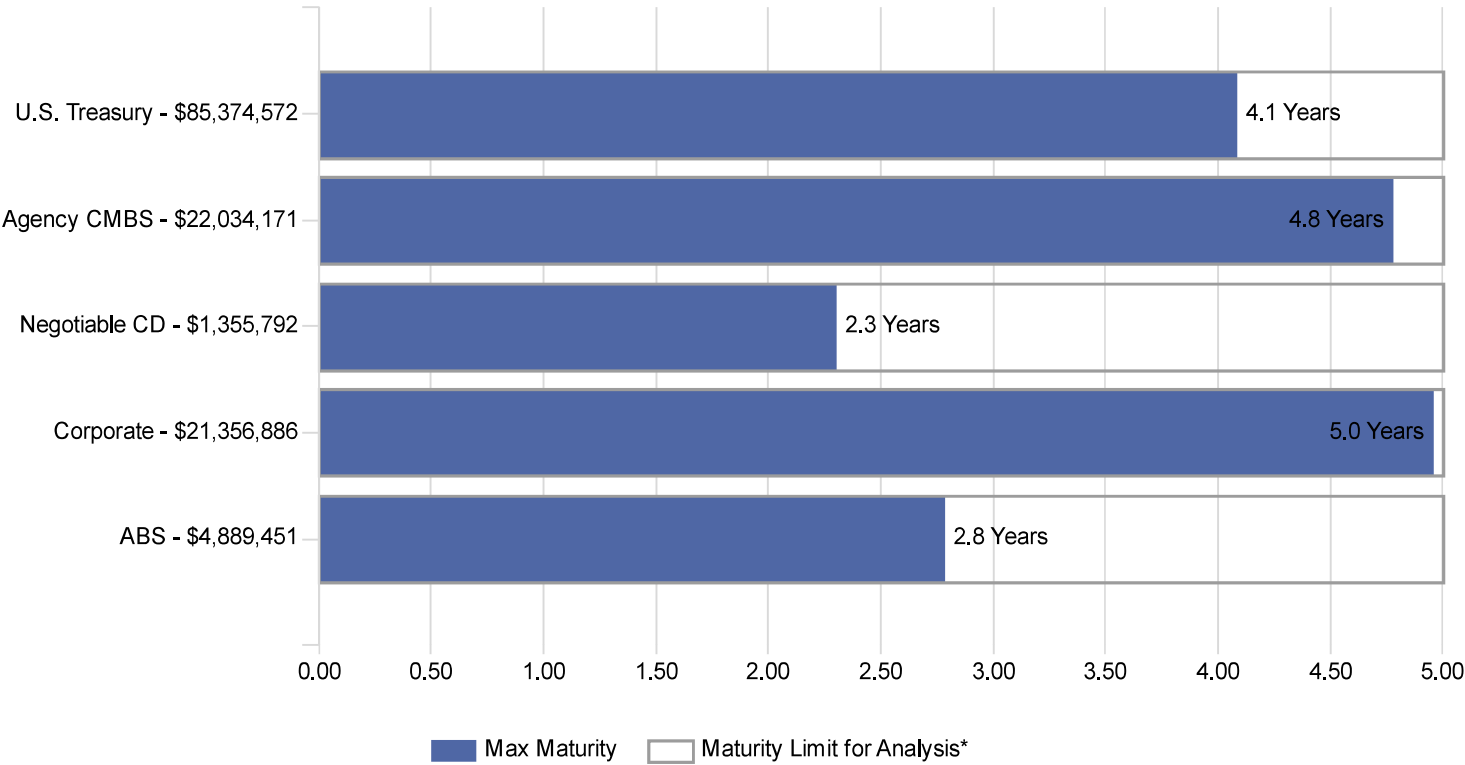
## Account Summary

Sector Allocation Analytics



For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest.  
\*Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.

Max Maturity Analytics



For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest and excludes balances invested in overnight funds.  
\*Maturity Limit for Analysis is derived from our interpretation of your most recent Investment Policy as provided.  
Mortgage-backed securities and asset-backed securities, if any, limit is based on weighted average life, if applicable. Callable securities, if any, limit is based on maturity date.

## Certificate of Compliance

During the reporting period for the quarter ended March 31, 2024, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management LLC*

*Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Asset and Investment Management ("AIM").*



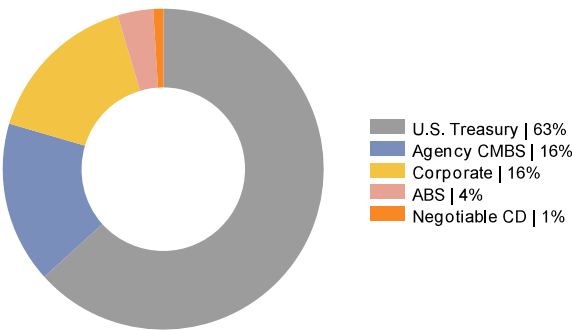
## Portfolio Review: ZONE 7 WATER AGENCY

Portfolio Snapshot - ZONE 7 WATER AGENCY<sup>1</sup>

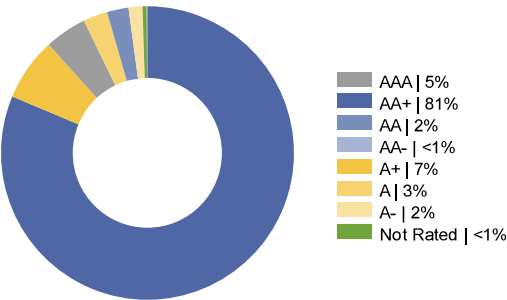
Portfolio Statistics

Total Market Value	\$140,297,282.93
Securities Sub-Total	\$134,338,116.34
Accrued Interest	\$672,755.65
Cash	\$5,286,410.94
Portfolio Effective Duration	2.54 years
Benchmark Effective Duration	2.52 years
Yield At Cost	3.50%
Yield At Market	4.70%
Portfolio Credit Quality	AA

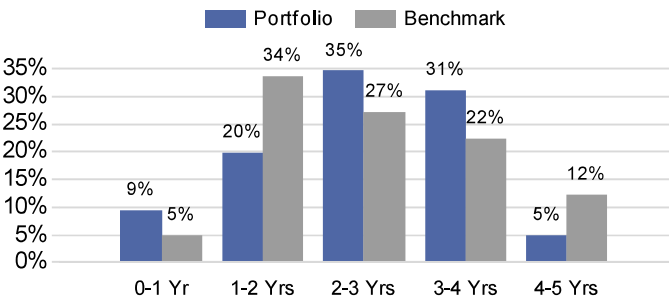
Sector Allocation



Credit Quality - S&P



Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest. The portfolio's benchmark is the ICE BofA 1-5 Year U.S. Treasury Index. Source: Bloomberg. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

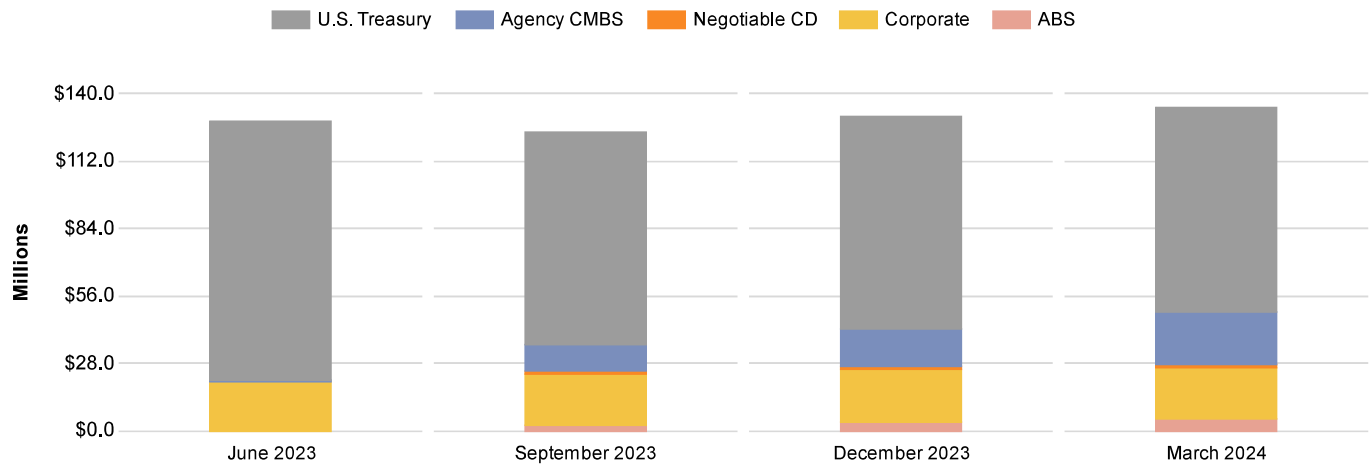
For the Quarter Ended March 31, 2024

ZONE 7 WATER AGENCY

Portfolio Characteristics

## Sector Allocation Review - ZONE 7 WATER AGENCY

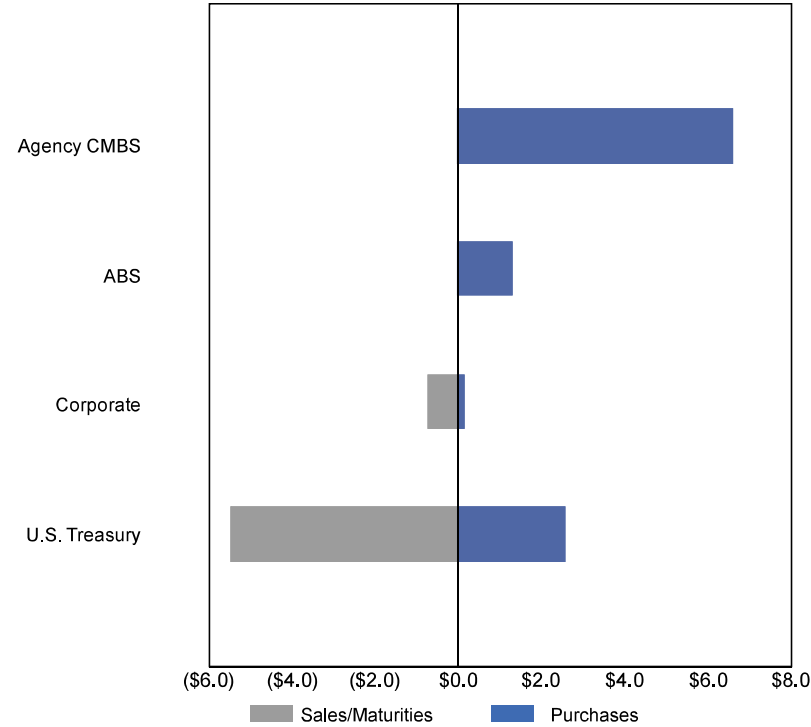
Security Type	Jun-23	% of Total	Sep-23	% of Total	Dec-23	% of Total	Mar-24	% of Total
U.S. Treasury	\$107.7	83.7%	\$88.1	71.2%	\$88.2	67.5%	\$85.0	63.3%
Agency CMBS	\$0.9	0.7%	\$10.8	8.8%	\$15.6	11.9%	\$21.9	16.3%
Negotiable CD	\$0.0	0.0%	\$1.3	1.1%	\$1.3	1.0%	\$1.3	1.0%
Corporate	\$20.1	15.6%	\$21.3	17.2%	\$21.9	16.8%	\$21.2	15.8%
ABS	\$0.0	0.0%	\$2.1	1.7%	\$3.6	2.8%	\$4.9	3.6%
<b>Total</b>	<b>\$128.7</b>	<b>100.0%</b>	<b>\$123.7</b>	<b>100.0%</b>	<b>\$130.6</b>	<b>100.0%</b>	<b>\$134.3</b>	<b>100.0%</b>



Market values, excluding accrued interest. Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM. Detail may not add to total due to rounding.

Portfolio Activity - ZONE 7 WATER AGENCY

Net Activity by Sector  
(\$ millions)



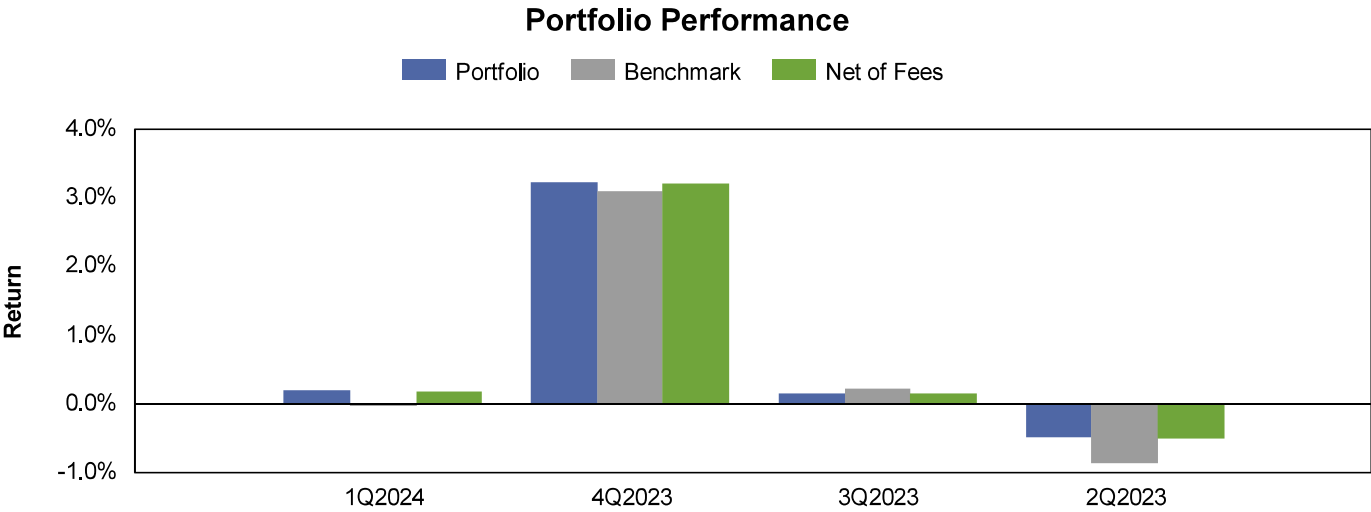
Sector	Net Activity
Agency CMBS	\$6,589,197
ABS	\$1,304,795
Corporate	(\$608,805)
U.S. Treasury	(\$2,913,447)
Total Net Activity	\$4,371,740

Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

For the Quarter Ended March 31, 2024

ZONE 7 WATER AGENCY

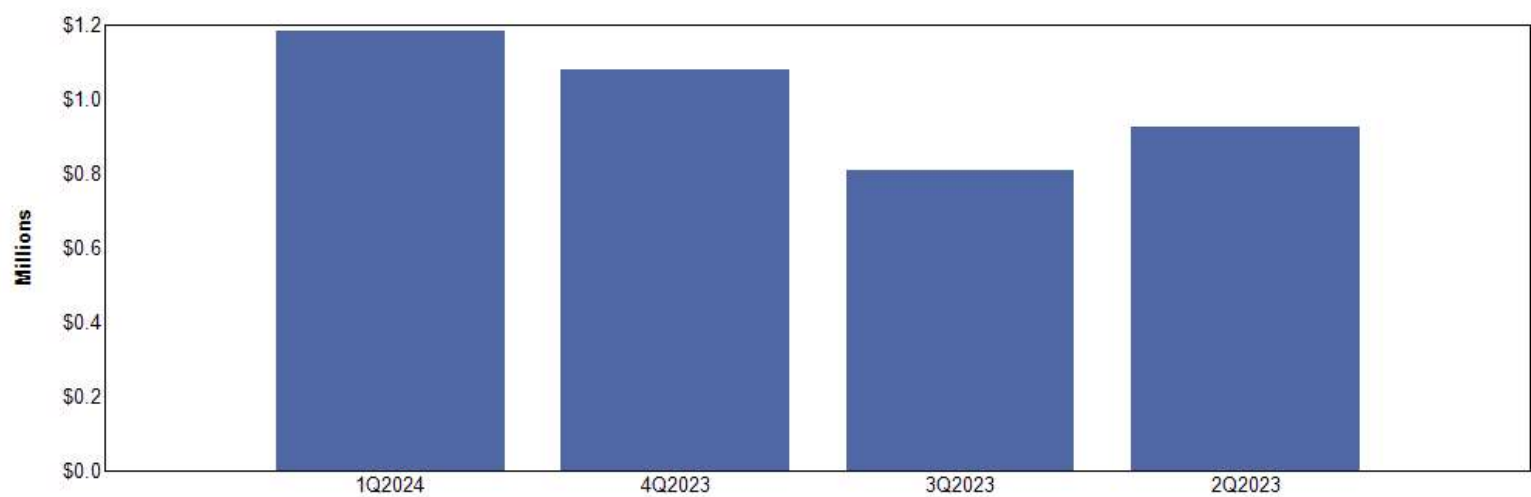
Portfolio Performance



Market Value Basis Earnings	1Q2024	4Q2023	3Q2023	2Q2023
Interest Earned <sup>1</sup>	\$917,674	\$842,902	\$710,235	\$599,139
Change in Market Value	(\$659,386)	\$3,420,672	(\$487,156)	(\$1,256,358)
Total Dollar Return	\$258,288	\$4,263,574	\$223,079	(\$657,219)
Total Return <sup>2</sup>				
Portfolio	0.19%	3.23%	0.16%	-0.49%
Benchmark <sup>3</sup>	-0.02%	3.10%	0.23%	-0.86%
Basis Point Fee	0.02%	0.02%	0.02%	0.02%
Net of Fee Return	0.18%	3.21%	0.14%	-0.50%

1. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.  
2. Returns are presented on a periodic basis.  
3. The portfolio's benchmark is the ICE BofA 1-5 Year U.S. Treasury Index. Source: Bloomberg.

Accrual Basis Earnings - ZONE 7 WATER AGENCY



Accrual Basis Earnings	1Q2024	4Q2023	3Q2023	2Q2023
Interest Earned <sup>1</sup>	\$917,674	\$842,902	\$710,235	\$599,139
Realized Gains / (Losses) <sup>2</sup>	(\$36,910)	(\$68,143)	(\$202,352)	\$344
Change in Amortized Cost	\$304,774	\$304,692	\$301,060	\$324,706
Total Earnings	\$1,185,538	\$1,079,450	\$808,943	\$924,189

1. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.  
2. Realized gains / (losses) are shown on an amortized cost basis.

# Portfolio Holdings and Transactions

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
<b>U.S. Treasury</b>	<b>63.2%</b>	
UNITED STATES TREASURY	63.2%	AA / Aaa / AA
<b>Agency CMBS</b>	<b>16.3%</b>	
FANNIE MAE	1.0%	AA / Aaa / AA
FREDDIE MAC	15.3%	AA / Aaa / AA
<b>Negotiable CD</b>	<b>1.0%</b>	
RABOBANK NEDERLAND	1.0%	A / Aa / AA
<b>Corporate</b>	<b>15.8%</b>	
AMAZON.COM INC	1.5%	AA / A / AA
APPLE INC	1.7%	AA / Aaa / NR
BANK OF AMERICA CO	1.5%	A / A / AA
BLACKROCK INC	0.1%	AA / Aa / NR
CITIGROUP INC	1.5%	A / Aa / A
DEERE & COMPANY	0.7%	A / A / A
HOME DEPOT INC	1.0%	A / A / A
JP MORGAN CHASE & CO	1.5%	A / Aa / AA
MICROSOFT CORP	1.5%	AAA / Aaa / NR
PACCAR FINANCIAL CORP	0.7%	A / A / NR
TARGET CORP	0.9%	A / A / A
TOYOTA MOTOR CORP	0.7%	A / A / A
WAL-MART STORES INC	1.0%	AA / Aa / AA
WELLS FARGO & COMPANY	1.5%	A / Aa / AA
<b>ABS</b>	<b>3.6%</b>	
AMERICAN EXPRESS CO	0.8%	AAA / NR / AAA
BANK OF AMERICA CO	0.4%	NR / Aaa / AAA
CHASE ISSURANCE	1.6%	AAA / NR / AAA
CITIGROUP INC	0.2%	AAA / Aaa / AAA

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
<b>ABS</b>	<b>3.6%</b>	
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	0.1%	NR / Aaa / AAA
HYUNDAI AUTO RECEIVABLES	0.3%	AAA / NR / AAA
TOYOTA MOTOR CORP	0.2%	AAA / NR / AAA
<b>Total</b>	<b>100.0%</b>	

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.



For the Quarter Ended March 31, 2024

ZONE 7 WATER AGENCY

Portfolio Composition

Issuer Distribution  
As of March 31, 2024

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	84,988,658	63.27 %
FREDDIE MAC	20,601,304	15.35 %
BANK OF AMERICA CO	2,503,066	1.86 %
CITIGROUP INC	2,339,176	1.74 %
APPLE INC	2,263,377	1.68 %
CHASE ISSURANCE	2,221,265	1.65 %
MICROSOFT CORP	2,011,694	1.50 %
JP MORGAN CHASE & CO	2,001,820	1.49 %
WELLS FARGO & COMPANY	1,953,988	1.45 %
AMAZON.COM INC	1,946,017	1.45 %
FANNIE MAE	1,347,745	1.00 %
RABOBANK NEDERLAND	1,341,695	1.00 %
HOME DEPOT INC	1,306,273	0.97 %
WAL-MART STORES INC	1,277,489	0.95 %
TARGET CORP	1,276,015	0.95 %
TOYOTA MOTOR CORP	1,242,491	0.92 %
AMERICAN EXPRESS CO	1,079,111	0.80 %
DEERE & COMPANY	1,000,951	0.75 %
PACCAR FINANCIAL CORP	982,040	0.73 %
HYUNDAI AUTO RECEIVABLES	399,220	0.30 %
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	129,652	0.10 %
BLACKROCK INC	125,070	0.09 %
Grand Total	134,338,116	100.00 %

For the Quarter Ended March 31, 2024

ZONE 7 WATER AGENCY

Portfolio Holdings

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 07/15/2021 0.375% 07/15/2024	91282CCL3	1,615,000.00	AA+	Aaa	2/7/2022	2/8/2022	1,574,498.83	1.43	1,281.13	1,610,211.01	1,592,289.06
US TREASURY NOTES DTD 01/15/2022 1.125% 01/15/2025	91282CDS7	3,030,000.00	AA+	Aaa	2/7/2022	2/8/2022	2,994,492.19	1.54	7,210.82	3,020,427.47	2,937,206.25
US TREASURY NOTES DTD 02/15/2022 1.500% 02/15/2025	91282CDZ1	5,100,000.00	AA+	Aaa	5/4/2022	5/5/2022	4,896,398.44	3.01	9,667.58	5,035,936.58	4,942,218.75
US TREASURY NOTES DTD 03/31/2020 0.500% 03/31/2025	912828ZF0	3,200,000.00	AA+	Aaa	4/1/2022	4/4/2022	3,005,750.00	2.62	43.72	3,135,250.00	3,060,499.84
US TREASURY NOTES DTD 04/30/2018 2.875% 04/30/2025	9128284M9	3,125,000.00	AA+	Aaa	5/3/2022	5/4/2022	3,120,361.33	2.93	37,763.99	3,123,326.34	3,055,664.06
US TREASURY NOTES DTD 07/31/2020 0.250% 07/31/2025	91282CAB7	3,145,000.00	AA+	Aaa	2/7/2022	2/8/2022	2,998,560.94	1.63	1,317.62	3,088,916.96	2,957,774.38
US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025	91282CAJ0	1,075,000.00	AA+	Aaa	7/6/2022	7/7/2022	990,175.78	2.89	233.70	1,036,899.11	1,007,812.50
US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025	91282CAJ0	1,685,000.00	AA+	Aaa	3/8/2022	3/9/2022	1,596,603.32	1.81	366.30	1,649,043.21	1,579,687.50
US TREASURY NOTES DTD 09/30/2020 0.250% 09/30/2025	91282CAM3	2,235,000.00	AA+	Aaa	5/3/2022	5/4/2022	2,039,612.11	2.97	15.27	2,149,154.88	2,088,328.13
US TREASURY NOTES DTD 11/30/2020 0.375% 11/30/2025	91282CAZ4	1,600,000.00	AA+	Aaa	4/13/2022	4/18/2022	1,477,187.50	2.61	2,016.39	1,543,517.40	1,488,249.92
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	3,160,000.00	AA+	Aaa	2/7/2022	2/8/2022	2,998,420.31	1.71	1,985.85	3,085,493.19	2,921,518.59
US TREASURY NOTES DTD 03/31/2021 0.750% 03/31/2026	91282CBT7	3,225,000.00	AA+	Aaa	4/1/2022	4/4/2022	2,995,848.63	2.64	66.09	3,110,345.68	2,988,164.06
US TREASURY NOTES DTD 03/31/2021 0.750% 03/31/2026	91282CBT7	3,405,000.00	AA+	Aaa	5/3/2022	5/4/2022	3,126,614.65	2.98	69.77	3,262,783.52	3,154,945.32
US TREASURY NOTES DTD 04/30/2021 0.750% 04/30/2026	91282CBW0	1,225,000.00	AA+	Aaa	2/17/2022	2/18/2022	1,170,162.11	1.86	3,861.78	1,197,831.62	1,131,593.75
US TREASURY NOTES DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	1,665,000.00	AA+	Aaa	3/8/2022	3/9/2022	1,592,546.48	1.82	4,196.62	1,627,928.57	1,533,881.25

For the Quarter Ended March 31, 2024

ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	6,760,000.00	AA+	Aaa	6/6/2022	6/8/2022	6,195,434.38	2.99	17,038.52	6,453,044.16	6,227,650.00
US TREASURY NOTES DTD 09/30/2021 0.875% 09/30/2026	91282CCZ2	3,420,000.00	AA+	Aaa	5/3/2022	5/4/2022	3,122,353.13	3.00	81.76	3,251,395.06	3,129,300.00
US TREASURY NOTES DTD 11/15/2016 2.000% 11/15/2026	912828U24	6,450,000.00	AA+	Aaa	6/6/2022	6/8/2022	6,181,669.92	3.01	48,906.59	6,291,418.74	6,054,937.50
US TREASURY NOTES DTD 02/15/2017 2.250% 02/15/2027	912828V98	5,300,000.00	AA+	Aaa	7/5/2022	7/7/2022	5,162,945.31	2.85	15,070.05	5,214,544.28	4,988,625.00
US TREASURY NOTES DTD 04/30/2020 0.500% 04/30/2027	912828ZN3	5,775,000.00	AA+	Aaa	8/3/2022	8/5/2022	5,161,406.25	2.92	12,137.02	5,376,110.83	5,128,921.88
US TREASURY NOTES DTD 05/15/2017 2.375% 05/15/2027	912828X88	6,220,000.00	AA+	Aaa	6/10/2022	6/13/2022	5,966,826.56	3.28	56,005.63	6,059,530.02	5,851,659.06
US TREASURY NOTES DTD 06/30/2020 0.500% 06/30/2027	912828ZV5	2,750,000.00	AA+	Aaa	8/9/2022	8/10/2022	2,440,410.16	2.99	3,475.27	2,544,473.97	2,429,023.30
US TREASURY NOTES DTD 08/15/2017 2.250% 08/15/2027	9128282R0	2,570,000.00	AA+	Aaa	9/1/2022	9/6/2022	2,436,580.86	3.40	7,307.55	2,478,958.45	2,399,336.07
US TREASURY NOTES DTD 09/30/2022 4.125% 09/30/2027	91282CFM8	1,940,000.00	AA+	Aaa	11/1/2022	11/3/2022	1,927,344.53	4.27	218.65	1,930,981.57	1,924,843.75
US TREASURY NOTES DTD 10/31/2022 4.125% 10/31/2027	91282CFU0	5,890,000.00	AA+	Aaa	12/13/2022	12/14/2022	6,019,303.91	3.63	102,124.35	5,984,909.94	5,843,063.77
US TREASURY NOTES DTD 11/15/1997 6.125% 11/15/2027	912810FB9	1,560,000.00	AA+	Aaa	1/26/2023	1/30/2023	1,730,685.94	3.62	36,225.00	1,689,038.57	1,648,481.33
US TREASURY NOTES DTD 02/28/2023 4.000% 02/29/2028	91282CGP0	1,270,000.00	AA+	Aaa	2/14/2024	2/15/2024	1,255,613.28	4.31	4,417.39	1,256,061.95	1,255,315.63
US TREASURY NOTES DTD 03/31/2023 3.625% 03/31/2028	91282CGT2	850,000.00	AA+	Aaa	5/31/2023	5/31/2023	842,263.67	3.83	84.19	843,604.17	828,617.23
US TREASURY NOTES DTD 04/30/2023 3.500% 04/30/2028	91282CHA2	865,000.00	AA+	Aaa	5/1/2023	5/1/2023	860,877.73	3.61	12,725.48	861,636.26	839,050.00
Security Type Sub-Total		90,110,000.00					85,880,948.25	2.87	385,914.08	87,912,773.51	84,988,657.88

For the Quarter Ended March 31, 2024

## ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Negotiable CD</b>											
COOPERAT RABOBANK UA/NY CERT DEPOS DTD 07/20/2023 5.080% 07/17/2026	21684LGS5	1,350,000.00	A+	Aa2	7/17/2023	7/20/2023	1,350,000.00	5.08	14,097.00	1,350,000.00	1,341,694.80
<b>Security Type Sub-Total</b>		<b>1,350,000.00</b>					<b>1,350,000.00</b>	<b>5.08</b>	<b>14,097.00</b>	<b>1,350,000.00</b>	<b>1,341,694.80</b>
<b>Corporate</b>											
AMAZON.COM INC CORPORATE NOTES DTD 04/13/2022 3.000% 04/13/2025	023135CE4	1,990,000.00	AA	A1	4/11/2022	4/13/2022	1,986,835.90	3.06	27,860.00	1,988,911.62	1,946,017.02
WALMART INC CORP NOTES (CALLABLE) DTD 06/27/2018 3.550% 06/26/2025	931142ED1	1,300,000.00	AA	Aa2	2/7/2022	2/9/2022	1,372,527.00	1.84	12,178.47	1,324,134.41	1,277,489.20
WELLS FARGO BANK NA BANK NOTES (CALLABLE) DTD 08/09/2023 5.450% 08/07/2026	94988J6D4	1,945,000.00	A+	Aa2	8/18/2023	8/22/2023	1,942,335.35	5.50	15,900.38	1,942,885.04	1,953,987.85
JP MORGAN CORP NOTES (CALLABLE) DTD 12/08/2023 5.110% 12/08/2026	48125LRU8	2,000,000.00	A+	Aa2	12/5/2023	12/8/2023	2,000,000.00	5.11	32,079.44	2,000,000.00	2,001,820.00
TARGET CORP CORP NOTES (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	1,375,000.00	A	A2	2/7/2022	2/9/2022	1,366,915.00	2.08	5,660.42	1,370,425.53	1,276,015.13
MICROSOFT CORP CORP NOTES (CALLABLE) DTD 02/06/2017 3.300% 02/06/2027	594918BY9	2,075,000.00	AAA	Aaa	12/14/2022	12/16/2022	2,015,634.25	4.06	10,461.46	2,034,154.17	2,011,693.83
BANK OF AMERICA CORP CORP NOTES (CALLABL DTD 03/11/2021 1.658% 03/11/2027	06051GJQ3	2,170,000.00	A-	A1	4/13/2022	4/18/2022	2,000,761.70	3.40	1,998.81	2,068,343.44	2,021,415.76
HOME DEPOT INC CORP NOTES (CALLABLE) DTD 09/14/2017 2.800% 09/14/2027	437076BT8	1,390,000.00	A	A2	1/26/2023	1/30/2023	1,311,326.00	4.16	1,837.89	1,331,227.54	1,306,273.35
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 01/12/2023 4.625% 01/12/2028	89236TKQ7	980,000.00	A+	A1	8/14/2023	8/16/2023	967,946.00	4.94	9,946.32	969,660.51	974,755.04

For the Quarter Ended March 31, 2024

## ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate</b>											
APPLE INC CORP NOTES CALLABLE DTD 05/10/2023 4.000% 05/10/2028	037833ET3	2,300,000.00	AA+	Aaa	5/10/2023	5/11/2023	2,302,001.00	3.98	36,033.33	2,301,637.79	2,263,377.10
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	195,000.00	A	A1	7/13/2023	7/14/2023	197,652.00	4.64	2,064.56	197,271.69	196,166.30
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	455,000.00	A	A1	7/11/2023	7/14/2023	454,322.05	4.98	4,817.31	454,419.27	457,721.36
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	345,000.00	A	A1	7/14/2023	7/18/2023	348,381.00	4.73	3,652.69	347,902.50	347,063.44
PACCAR FINANCIAL CORP CORPORATE NOTES DTD 08/10/2023 4.950% 08/10/2028	69371RS64	975,000.00	A+	A1	8/17/2023	8/21/2023	970,407.75	5.06	6,837.19	970,974.19	982,040.48
CITIBANK NA CORP NOTES (CALLABLE) DTD 09/29/2023 5.803% 09/29/2028	17325FBB3	1,975,000.00	A+	Aa3	9/26/2023	9/29/2023	1,975,000.00	5.80	636.72	1,975,000.00	2,043,737.90
BLACKROCK FUNDING INC CORPORATE NOTES (C DTD 03/14/2024 4.700% 03/14/2029	09290DAA9	125,000.00	AA-	Aa3	3/5/2024	3/14/2024	124,773.75	4.74	277.43	124,775.72	125,069.88
<b>Security Type Sub-Total</b>		<b>21,595,000.00</b>					<b>21,336,818.75</b>	<b>4.18</b>	<b>172,242.42</b>	<b>21,401,723.42</b>	<b>21,184,643.64</b>
<b>Agency CMBS</b>											
FHMS K061 A2 DTD 01/30/2017 3.347% 11/01/2026	3137BTUM1	957,886.32	AA+	Aaa	5/19/2023	5/24/2023	928,401.39	4.31	2,671.70	935,743.30	924,910.09
FHMS K064 A2 DTD 05/15/2017 3.224% 03/01/2027	3137BXQY1	1,320,000.00	AA+	Aaa	8/16/2023	8/18/2023	1,245,131.25	4.98	3,546.40	1,258,295.62	1,267,463.60
FHLMC MULTIFAMILY STRUCTURED P DTD 08/01/2017 3.117% 06/01/2027	3137F2LJ3	1,165,000.00	AA+	Aaa	8/17/2023	8/22/2023	1,089,457.03	5.01	3,026.09	1,101,673.19	1,112,240.40
FHMS K506 A1 DTD 09/01/2023 4.650% 05/01/2028	3137HAMG8	646,759.86	AA+	Aaa	9/7/2023	9/14/2023	637,087.58	5.01	2,506.19	638,117.36	644,030.92
FHMS K505 A2 DTD 07/01/2023 4.819% 06/01/2028	3137HACX2	1,350,000.00	AA+	Aaa	7/13/2023	7/20/2023	1,363,483.80	4.59	5,421.38	1,361,542.38	1,353,929.51

For the Quarter Ended March 31, 2024

ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Agency CMBS											
FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028	3137HAD45	1,080,153.08	AA+	Aaa	7/19/2023	7/27/2023	1,080,126.07	4.78	4,299.91	1,080,129.87	1,074,161.02
FNA 2023-M6 A2 DTD 07/01/2023 4.190% 07/01/2028	3136BQDE6	1,375,000.00	AA+	Aaa	7/18/2023	7/31/2023	1,351,689.45	4.58	4,801.04	1,354,867.57	1,347,744.56
FHMS K506 A2 DTD 09/01/2023 4.650% 08/01/2028	3137HAMH6	1,300,000.00	AA+	Aaa	9/7/2023	9/14/2023	1,280,769.10	4.99	5,037.50	1,282,700.01	1,295,996.70
FHMS KJ47 A1 DTD 09/01/2023 5.272% 08/01/2028	3137HAMN3	729,265.90	AA+	Aaa	9/19/2023	9/28/2023	729,262.25	5.27	3,203.91	729,262.60	738,265.99
FHMS K508 A2 DTD 10/01/2023 4.740% 08/01/2028	3137HAQ74	1,325,000.00	AA+	Aaa	10/11/2023	10/19/2023	1,295,934.80	5.26	5,233.75	1,298,376.82	1,325,148.76
FHMS K509 A2 DTD 10/01/2023 4.850% 09/01/2028	3137HAST4	1,015,000.00	AA+	Aaa	10/25/2023	10/31/2023	982,638.76	5.60	4,102.29	985,111.53	1,019,913.00
FHMS K507 A2 DTD 09/01/2023 4.800% 09/01/2028	3137HAMS2	1,300,000.00	AA+	Aaa	9/20/2023	9/28/2023	1,284,461.10	5.07	5,200.00	1,285,891.58	1,303,899.53
FHMS K510 A2 DTD 11/01/2023 5.069% 10/01/2028	3137HB3D4	515,000.00	AA+	Aaa	11/14/2023	11/21/2023	513,511.14	5.14	2,175.45	513,609.44	522,056.01
FHMS K511 A2 DTD 12/01/2023 4.860% 10/01/2028	3137HB3G7	750,000.00	AA+	Aaa	11/28/2023	12/7/2023	747,845.25	4.93	3,037.50	747,971.98	754,248.42
FHMS K512 A2 DTD 12/01/2023 5.000% 11/01/2028	3137HBCF9	680,000.00	AA+	Aaa	12/11/2023	12/21/2023	686,349.84	4.78	2,833.33	686,023.36	687,758.30
FHMS K513 A2 DTD 01/01/2024 4.724% 12/01/2028	3137HBFY5	770,000.00	AA+	Aaa	1/10/2024	1/18/2024	777,691.53	4.50	3,031.23	777,401.57	770,743.51
FHMS K514 A2 DTD 02/01/2024 4.572% 12/01/2028	3137HBLV4	780,000.00	AA+	Aaa	2/1/2024	2/8/2024	787,799.22	4.34	2,971.80	787,584.98	775,742.59
FHMS K518 A2 DTD 03/01/2024 5.400% 01/01/2029	3137HC2L5	975,000.00	AA+	Aaa	3/19/2024	3/28/2024	998,541.38	4.83	4,387.50	998,494.06	1,006,537.49
FHMS K516 A2 DTD 03/01/2024 5.477% 01/01/2029	3137HBPM0	1,350,000.00	AA+	Aaa	2/29/2024	3/7/2024	1,390,495.95	4.78	6,161.63	1,389,992.60	1,393,016.93
FHMS K517 A2 DTD 03/01/2024 5.355% 01/01/2029	3137HC2C5	1,210,000.00	AA+	Aaa	3/5/2024	3/14/2024	1,246,283.06	4.66	5,399.63	1,245,956.09	1,243,225.52
FHMS K515 A2 DTD 02/01/2024 5.400% 01/01/2029	3137HBPD0	1,350,000.00	AA+	Aaa	2/14/2024	2/22/2024	1,386,369.00	4.78	6,075.00	1,385,659.59	1,388,015.35
Security Type Sub-Total		21,944,065.16					21,803,328.95	4.86	85,123.23	21,844,405.50	21,949,048.20

For the Quarter Ended March 31, 2024

ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
ABS											
CHAIT 2024-A1 A DTD 01/31/2024 4.600% 01/15/2027	161571HV9	1,175,000.00	AAA	NR	1/24/2024	1/31/2024	1,174,821.05	4.61	2,402.22	1,174,830.65	1,168,819.27
CCCIT 2023-A1 A1 DTD 12/01/2023 5.230% 12/01/2027	17305EGW9	295,000.00	AAA	Aaa	12/4/2023	12/11/2023	294,963.01	5.23	5,142.83	294,965.60	295,437.90
TAOT 2023-D A3 DTD 11/14/2023 5.540% 08/15/2028	89239FAD4	265,000.00	AAA	NR	11/7/2023	11/14/2023	264,971.43	5.54	652.49	264,973.46	267,736.26
AMXCA 2023-3 A DTD 09/19/2023 5.230% 09/15/2028	02582JKD1	1,070,000.00	AAA	NR	9/12/2023	9/19/2023	1,069,952.17	5.23	2,487.16	1,069,956.72	1,079,110.52
CHAIT 2023-A1 A DTD 09/15/2023 5.160% 09/15/2028	161571HT4	1,045,000.00	AAA	NR	9/7/2023	9/15/2023	1,044,710.33	5.17	2,396.53	1,044,738.44	1,052,445.31
HART 2023-C A3 DTD 11/13/2023 5.540% 10/16/2028	44918CAD4	395,000.00	AAA	NR	11/3/2023	11/13/2023	394,948.06	5.54	972.58	394,951.62	399,219.67
BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028	05522RDH8	480,000.00	NR	Aaa	12/7/2023	12/14/2023	479,935.54	4.98	1,062.40	479,939.02	481,650.48
GMCAR 2024-1 A3 DTD 01/17/2024 4.850% 12/18/2028	36268GAD7	130,000.00	NR	Aaa	1/9/2024	1/17/2024	129,973.86	4.85	262.71	129,974.84	129,652.41
Security Type Sub-Total		4,855,000.00					4,854,275.45	5.08	15,378.92	4,854,330.35	4,874,071.82
Managed Account Sub Total		139,854,065.16					135,225,371.40	3.50	672,755.65	137,363,232.78	134,338,116.34
Securities Sub Total		\$139,854,065.16					\$135,225,371.40	3.50%	\$672,755.65	\$137,363,232.78	\$134,338,116.34
Accrued Interest											\$672,755.65
Total Investments											\$135,010,871.99

For the Quarter Ended March 31, 2024

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY									
1/9/2024	1/17/2024	130,000.00	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	129,973.86	4.85%	
1/10/2024	1/18/2024	770,000.00	3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	779,409.23	4.50%	
1/24/2024	1/31/2024	1,175,000.00	161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2027	1,174,821.05	4.61%	
2/1/2024	2/8/2024	780,000.00	3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	788,492.64	4.34%	
2/14/2024	2/15/2024	1,270,000.00	91282CGP0	US TREASURY NOTES	4.00%	2/29/2028	1,279,059.43	4.31%	
2/14/2024	2/15/2024	1,275,000.00	912797JH1	US TREASURY BILL	0.00%	3/12/2024	1,270,150.43	5.29%	
2/14/2024	2/22/2024	1,350,000.00	3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	1,390,621.50	4.78%	
2/29/2024	3/7/2024	1,350,000.00	3137HBPM0	FHMS K516 A2	5.47%	1/1/2029	1,391,728.28	4.78%	
3/5/2024	3/14/2024	125,000.00	09290DAA9	BLACKROCK FUNDING INC CORPORATE NOTES (C	4.70%	3/14/2029	124,773.75	4.74%	
3/5/2024	3/14/2024	1,210,000.00	3137HC2C5	FHMS K517 A2	5.35%	1/1/2029	1,248,622.90	4.66%	
3/19/2024	3/28/2024	975,000.00	3137HC2L5	FHMS K518 A2	5.40%	1/1/2029	1,002,490.13	4.83%	
Total BUY		10,410,000.00					10,580,143.20		0.00
INTEREST									
1/1/2024	1/25/2024	750,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	3,037.50		
1/1/2024	1/25/2024	1,320,000.00	3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
1/1/2024	1/25/2024	680,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	2,833.33		
1/1/2024	1/25/2024	963,557.64	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,687.52		



For the Quarter Ended March 31, 2024

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
1/1/2024	1/25/2024	1,325,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
1/1/2024	1/25/2024	648,390.66	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,512.51		
1/1/2024	1/25/2024	732,206.88	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	3,216.83		
1/1/2024	1/25/2024	1,015,000.00	3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
1/1/2024	1/25/2024	515,000.00	3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		
1/1/2024	1/25/2024	1,082,077.87	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,307.57		
1/1/2024	1/25/2024	1,300,000.00	3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
1/1/2024	1/25/2024	1,300,000.00	3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
1/1/2024	1/25/2024	1,350,000.00	3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.38		
1/1/2024	1/25/2024	1,375,000.00	3136BQDE6	FNA 2023-M6 A2	4.19%	7/1/2028	4,801.04		
1/1/2024	1/25/2024	1,165,000.00	3137F2LJ3	FHLMC MULTIFAMILY STRUCTURED P	3.11%	6/1/2027	3,026.09		
1/2/2024	1/2/2024		MONEY0002	MONEY MARKET FUND			22,918.92		
1/12/2024	1/12/2024	980,000.00	89236TKQ7	TOYOTA MOTOR CREDIT CORP CORPORATE NOTES	4.62%	1/12/2028	22,662.50		
1/14/2024	1/14/2024	995,000.00	24422EXB0	JOHN DEERE CAPITAL CORP CORPORATE NOTES	4.95%	7/14/2028	24,626.25		
1/15/2024	1/15/2024	395,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	1,823.58		
1/15/2024	1/15/2024	480,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	2,058.40		
1/15/2024	1/15/2024	3,030,000.00	91282CDS7	US TREASURY NOTES	1.12%	1/15/2025	17,043.75		

For the Quarter Ended March 31, 2024

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
1/15/2024	1/15/2024	1,045,000.00	161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
1/15/2024	1/15/2024	3,075,000.00	91282CCL3	US TREASURY NOTES	0.37%	7/15/2024	5,765.63		
1/15/2024	1/15/2024	1,070,000.00	02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
1/15/2024	1/15/2024	1,375,000.00	87612EBM7	TARGET CORP CORP NOTES (CALLABLE)	1.95%	1/15/2027	13,406.25		
1/15/2024	1/15/2024	265,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	1,223.42		
1/17/2024	1/17/2024	1,350,000.00	21684LGS5	COOPERAT RABOBANK UA/NY CERT DEPOS	5.08%	7/17/2026	33,718.50		
1/31/2024	1/31/2024	3,145,000.00	91282CAB7	US TREASURY NOTES	0.25%	7/31/2025	3,931.25		
1/31/2024	1/31/2024	3,160,000.00	91282CBH3	US TREASURY NOTES	0.37%	1/31/2026	5,925.00		
2/1/2024	2/1/2024		MONEY0002	MONEY MARKET FUND			23,578.10		
2/1/2024	2/25/2024	1,375,000.00	3136BQDE6	FNA 2023-M6 A2	4.19%	7/1/2028	4,801.04		
2/1/2024	2/25/2024	731,409.11	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	3,213.32		
2/1/2024	2/25/2024	1,320,000.00	3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
2/1/2024	2/25/2024	1,350,000.00	3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.38		
2/1/2024	2/25/2024	961,750.73	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,682.48		
2/1/2024	2/25/2024	770,000.00	3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	3,031.23		
2/1/2024	2/25/2024	515,000.00	3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		
2/1/2024	2/25/2024	750,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	3,037.50		

For the Quarter Ended March 31, 2024

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
2/1/2024	2/25/2024	1,081,520.78	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,305.35		
2/1/2024	2/25/2024	1,300,000.00	3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
2/1/2024	2/25/2024	1,325,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
2/1/2024	2/25/2024	1,300,000.00	3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
2/1/2024	2/25/2024	647,899.90	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,510.61		
2/1/2024	2/25/2024	1,015,000.00	3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
2/1/2024	2/25/2024	1,165,000.00	3137F2LJ3	FHLMC MULTIFAMILY STRUCTURED P	3.11%	6/1/2027	3,026.09		
2/1/2024	2/25/2024	680,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	2,833.33		
2/6/2024	2/6/2024	2,075,000.00	594918BY9	MICROSOFT CORP CORP NOTES (CALLABLE)	3.30%	2/6/2027	34,237.50		
2/7/2024	2/7/2024	1,945,000.00	94988J6D4	WELLS FARGO BANK NA BANK NOTES (CALLABLE	5.45%	8/7/2026	52,412.35		
2/10/2024	2/10/2024	975,000.00	69371RS64	PACCAR FINANCIAL CORP CORPORATE NOTES	4.95%	8/10/2028	24,131.25		
2/15/2024	2/15/2024	5,100,000.00	91282CDZ1	US TREASURY NOTES	1.50%	2/15/2025	38,250.00		
2/15/2024	2/15/2024	2,570,000.00	9128282R0	US TREASURY NOTES	2.25%	8/15/2027	28,912.50		
2/15/2024	2/15/2024	395,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	1,823.58		
2/15/2024	2/15/2024	480,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	1,992.00		
2/15/2024	2/15/2024	1,070,000.00	02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
2/15/2024	2/15/2024	1,175,000.00	161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2027	2,252.08		

For the Quarter Ended March 31, 2024

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
2/15/2024	2/15/2024	265,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	1,223.42		
2/15/2024	2/15/2024	1,045,000.00	161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
2/15/2024	2/15/2024	5,300,000.00	912828V98	US TREASURY NOTES	2.25%	2/15/2027	59,625.00		
2/16/2024	2/16/2024	130,000.00	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	507.90		
2/29/2024	2/29/2024	2,760,000.00	91282CAJ0	US TREASURY NOTES	0.25%	8/31/2025	3,450.00		
2/29/2024	2/29/2024	1,270,000.00	91282CGP0	US TREASURY NOTES	4.00%	2/29/2028	25,400.00		
3/1/2024	3/1/2024		MONEY0002	MONEY MARKET FUND			29,426.87		
3/1/2024	3/25/2024	1,300,000.00	3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
3/1/2024	3/25/2024	1,080,960.69	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,303.12		
3/1/2024	3/25/2024	1,300,000.00	3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
3/1/2024	3/25/2024	1,015,000.00	3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
3/1/2024	3/25/2024	730,568.73	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	3,209.63		
3/1/2024	3/25/2024	1,165,000.00	3137F2LJ3	FHLMC MULTIFAMILY STRUCTURED P	3.11%	6/1/2027	3,026.09		
3/1/2024	3/25/2024	1,375,000.00	3136BQDE6	FNA 2023-M6 A2	4.19%	7/1/2028	4,801.04		
3/1/2024	3/25/2024	780,000.00	3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	2,971.80		
3/1/2024	3/25/2024	680,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	2,833.33		
3/1/2024	3/25/2024	770,000.00	3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	3,031.23		

For the Quarter Ended March 31, 2024

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
3/1/2024	3/25/2024	1,350,000.00	3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	6,075.00		
3/1/2024	3/25/2024	1,350,000.00	3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.38		
3/1/2024	3/25/2024	1,320,000.00	3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
3/1/2024	3/25/2024	1,325,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
3/1/2024	3/25/2024	515,000.00	3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		
3/1/2024	3/25/2024	750,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	3,037.50		
3/1/2024	3/25/2024	959,937.75	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,677.43		
3/1/2024	3/25/2024	647,406.83	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,508.70		
3/11/2024	3/11/2024	2,170,000.00	06051GJQ3	BANK OF AMERICA CORP CORP NOTES (CALLABL	1.65%	3/11/2027	17,989.30		
3/14/2024	3/14/2024	1,390,000.00	437076BT8	HOME DEPOT INC CORP NOTES (CALLABLE)	2.80%	9/14/2027	19,460.00		
3/15/2024	3/15/2024	1,070,000.00	02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
3/15/2024	3/15/2024	265,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	1,223.42		
3/15/2024	3/15/2024	1,175,000.00	161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2027	4,504.17		
3/15/2024	3/15/2024	395,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	1,823.58		
3/15/2024	3/15/2024	480,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	1,992.00		
3/15/2024	3/15/2024	1,045,000.00	161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
3/16/2024	3/16/2024	130,000.00	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	525.42		

For the Quarter Ended March 31, 2024

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
3/29/2024	3/29/2024	1,975,000.00	17325FBB3	CITIBANK NA CORP NOTES (CALLABLE)	5.80%	9/29/2028	57,304.63		
3/31/2024	3/31/2024	3,420,000.00	91282CCZ2	US TREASURY NOTES	0.87%	9/30/2026	14,962.50		
3/31/2024	3/31/2024	6,630,000.00	91282CBT7	US TREASURY NOTES	0.75%	3/31/2026	24,862.50		
3/31/2024	3/31/2024	850,000.00	91282CGT2	US TREASURY NOTES	3.62%	3/31/2028	15,406.25		
3/31/2024	3/31/2024	1,940,000.00	91282CFM8	US TREASURY NOTES	4.12%	9/30/2027	40,012.50		
3/31/2024	3/31/2024	2,235,000.00	91282CAM3	US TREASURY NOTES	0.25%	9/30/2025	2,793.75		
3/31/2024	3/31/2024	3,200,000.00	912828ZF0	US TREASURY NOTES	0.50%	3/31/2025	8,000.00		
Total INTEREST		125,512,687.57					907,145.30		0.00
PAYDOWNS									
1/1/2024	1/25/2024	490.76	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	490.76		
1/1/2024	1/25/2024	797.77	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	797.77		
1/1/2024	1/25/2024	1,806.91	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	1,806.91		
1/1/2024	1/25/2024	557.09	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	557.09		
2/1/2024	2/25/2024	1,812.98	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	1,812.98		
2/1/2024	2/25/2024	493.07	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	493.07		
2/1/2024	2/25/2024	560.09	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	560.09		
2/1/2024	2/25/2024	840.38	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	840.38		

For the Quarter Ended March 31, 2024

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
3/1/2024	3/25/2024	646.97	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	646.97		
3/1/2024	3/25/2024	2,051.43	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,051.43		
3/1/2024	3/25/2024	1,302.83	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,302.83		
3/1/2024	3/25/2024	807.61	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	807.61		
Total PAYDOWNS		12,167.89					12,167.89		0.00
SELL									
1/12/2024	1/18/2024	260,000.00	91282CDV0	US TREASURY NOTES	0.87%	1/31/2024	260,640.72		-377.46
1/12/2024	1/18/2024	520,000.00	91282CEG2	US TREASURY NOTES	2.25%	3/31/2024	520,449.20		-2,877.50
1/25/2024	1/29/2024	720,000.00	46625HJT8	JPMORGAN CHASE & CO CORP NOTES	3.87%	2/1/2024	733,579.00		-415.34
1/25/2024	1/31/2024	225,000.00	91282CEG2	US TREASURY NOTES	2.25%	3/31/2024	225,558.75		-1,075.12
2/5/2024	2/8/2024	815,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	801,202.86		-8,127.69
3/1/2024	3/7/2024	50,000.00	91282CEG2	US TREASURY NOTES	2.25%	3/31/2024	50,381.31		-101.42
3/1/2024	3/7/2024	1,275,000.00	912797JH1	US TREASURY BILL	0.00%	3/12/2024	1,274,065.97		-1.42
3/11/2024	3/14/2024	460,000.00	91282CCL3	US TREASURY NOTES	0.37%	7/15/2024	452,714.76		-5,966.96
3/11/2024	3/14/2024	735,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	726,005.94		-5,530.41
3/11/2024	3/14/2024	165,000.00	91282CEG2	US TREASURY NOTES	2.25%	3/31/2024	166,426.00		-243.79

For the Quarter Ended March 31, 2024

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
SELL									
3/20/2024	3/21/2024	1,000,000.00	91282CCL3	US TREASURY NOTES	0.37%	7/15/2024	985,211.20		-12,192.78
Total SELL		6,225,000.00					6,196,235.71		-36,909.89



For the Quarter Ended March 31, 2024

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY	1/9/2024	1/17/2024	130,000.00	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	129,973.86	4.85%	
BUY	1/10/2024	1/18/2024	770,000.00	3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	779,409.23	4.50%	
BUY	1/24/2024	1/31/2024	1,175,000.00	161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2027	1,174,821.05	4.61%	
BUY	2/1/2024	2/8/2024	780,000.00	3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	788,492.64	4.34%	
BUY	2/14/2024	2/15/2024	1,270,000.00	91282CGP0	US TREASURY NOTES	4.00%	2/29/2028	1,279,059.43	4.31%	
BUY	2/14/2024	2/15/2024	1,275,000.00	912797JH1	US TREASURY BILL	0.00%	3/12/2024	1,270,150.43	5.29%	
BUY	2/14/2024	2/22/2024	1,350,000.00	3137HBDP0	FHMS K515 A2	5.40%	1/1/2029	1,390,621.50	4.78%	
BUY	2/29/2024	3/7/2024	1,350,000.00	3137HBPM0	FHMS K516 A2	5.47%	1/1/2029	1,391,728.28	4.78%	
BUY	3/5/2024	3/14/2024	125,000.00	09290DAA9	BLACKROCK FUNDING INC	4.70%	3/14/2029	124,773.75	4.74%	
BUY	3/5/2024	3/14/2024	1,210,000.00	3137HC2C5	FHMS K517 A2	5.35%	1/1/2029	1,248,622.90	4.66%	
BUY	3/19/2024	3/28/2024	975,000.00	3137HC2L5	FHMS K518 A2	5.40%	1/1/2029	1,002,490.13	4.83%	
INTEREST	1/1/2024	1/25/2024	750,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	3,037.50		
INTEREST	1/1/2024	1/25/2024	1,320,000.00	3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
INTEREST	1/1/2024	1/25/2024	680,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	2,833.33		
INTEREST	1/1/2024	1/25/2024	963,557.64	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,687.52		
INTEREST	1/1/2024	1/25/2024	1,325,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
INTEREST	1/1/2024	1/25/2024	648,390.66	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,512.51		
INTEREST	1/1/2024	1/25/2024	732,206.88	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	3,216.83		

For the Quarter Ended March 31, 2024

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	1/1/2024	1/25/2024	1,015,000.00	3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
INTEREST	1/1/2024	1/25/2024	515,000.00	3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		
INTEREST	1/1/2024	1/25/2024	1,082,077.87	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,307.57		
INTEREST	1/1/2024	1/25/2024	1,300,000.00	3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
INTEREST	1/1/2024	1/25/2024	1,300,000.00	3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
INTEREST	1/1/2024	1/25/2024	1,350,000.00	3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.38		
INTEREST	1/1/2024	1/25/2024	1,375,000.00	3136BQDE6	FNA 2023-M6 A2	4.19%	7/1/2028	4,801.04		
INTEREST	1/1/2024	1/25/2024	1,165,000.00	3137F2LJ3	FHLMC MULTIFAMILY STRUCTURED P	3.11%	6/1/2027	3,026.09		
INTEREST	1/2/2024	1/2/2024		MONEY0002	MONEY MARKET FUND			22,918.92		
INTEREST	1/12/2024	1/12/2024	980,000.00	89236TKQ7	TOYOTA MOTOR CREDIT CORP	4.62%	1/12/2028	22,662.50		
INTEREST	1/14/2024	1/14/2024	995,000.00	24422EXB0	JOHN DEERE CAPITAL CORP	4.95%	7/14/2028	24,626.25		
INTEREST	1/15/2024	1/15/2024	395,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	1,823.58		
INTEREST	1/15/2024	1/15/2024	480,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	2,058.40		
INTEREST	1/15/2024	1/15/2024	3,030,000.00	91282CDS7	US TREASURY NOTES	1.12%	1/15/2025	17,043.75		
INTEREST	1/15/2024	1/15/2024	1,045,000.00	161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
INTEREST	1/15/2024	1/15/2024	3,075,000.00	91282CCL3	US TREASURY NOTES	0.37%	7/15/2024	5,765.63		
INTEREST	1/15/2024	1/15/2024	1,070,000.00	02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
INTEREST	1/15/2024	1/15/2024	1,375,000.00	87612EBM7	TARGET CORP CORP NOTES	1.95%	1/15/2027	13,406.25		

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	1/15/2024	1/15/2024	265,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	1,223.42		
INTEREST	1/17/2024	1/17/2024	1,350,000.00	21684LGS5	COOPERAT RABOBANK UA/NY CERT	5.08%	7/17/2026	33,718.50		
INTEREST	1/31/2024	1/31/2024	3,145,000.00	91282CAB7	US TREASURY NOTES	0.25%	7/31/2025	3,931.25		
INTEREST	1/31/2024	1/31/2024	3,160,000.00	91282CBH3	US TREASURY NOTES	0.37%	1/31/2026	5,925.00		
INTEREST	2/1/2024	2/1/2024		MONEY0002	MONEY MARKET FUND			23,578.10		
INTEREST	2/1/2024	2/25/2024	1,375,000.00	3136BQDE6	FNA 2023-M6 A2	4.19%	7/1/2028	4,801.04		
INTEREST	2/1/2024	2/25/2024	731,409.11	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	3,213.32		
INTEREST	2/1/2024	2/25/2024	1,320,000.00	3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
INTEREST	2/1/2024	2/25/2024	1,350,000.00	3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.38		
INTEREST	2/1/2024	2/25/2024	961,750.73	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,682.48		
INTEREST	2/1/2024	2/25/2024	770,000.00	3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	3,031.23		
INTEREST	2/1/2024	2/25/2024	515,000.00	3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		
INTEREST	2/1/2024	2/25/2024	750,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	3,037.50		
INTEREST	2/1/2024	2/25/2024	1,081,520.78	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,305.35		
INTEREST	2/1/2024	2/25/2024	1,300,000.00	3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
INTEREST	2/1/2024	2/25/2024	1,325,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
INTEREST	2/1/2024	2/25/2024	1,300,000.00	3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
INTEREST	2/1/2024	2/25/2024	647,899.90	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,510.61		

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	2/1/2024	2/25/2024	1,015,000.00	3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
INTEREST	2/1/2024	2/25/2024	1,165,000.00	3137F2LJ3	FHLMC MULTIFAMILY STRUCTURED P	3.11%	6/1/2027	3,026.09		
INTEREST	2/1/2024	2/25/2024	680,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	2,833.33		
INTEREST	2/6/2024	2/6/2024	2,075,000.00	594918BY9	MICROSOFT CORP CORP NOTES	3.30%	2/6/2027	34,237.50		
INTEREST	2/7/2024	2/7/2024	1,945,000.00	94988J6D4	WELLS FARGO BANK NA BANK NOTES	5.45%	8/7/2026	52,412.35		
INTEREST	2/10/2024	2/10/2024	975,000.00	69371RS64	PACCAR FINANCIAL CORP CORPORATE	4.95%	8/10/2028	24,131.25		
INTEREST	2/15/2024	2/15/2024	5,100,000.00	91282CDZ1	US TREASURY NOTES	1.50%	2/15/2025	38,250.00		
INTEREST	2/15/2024	2/15/2024	2,570,000.00	9128282R0	US TREASURY NOTES	2.25%	8/15/2027	28,912.50		
INTEREST	2/15/2024	2/15/2024	395,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	1,823.58		
INTEREST	2/15/2024	2/15/2024	480,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	1,992.00		
INTEREST	2/15/2024	2/15/2024	1,070,000.00	02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
INTEREST	2/15/2024	2/15/2024	1,175,000.00	161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2027	2,252.08		
INTEREST	2/15/2024	2/15/2024	265,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	1,223.42		
INTEREST	2/15/2024	2/15/2024	1,045,000.00	161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
INTEREST	2/15/2024	2/15/2024	5,300,000.00	912828V98	US TREASURY NOTES	2.25%	2/15/2027	59,625.00		
INTEREST	2/16/2024	2/16/2024	130,000.00	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	507.90		
INTEREST	2/29/2024	2/29/2024	2,760,000.00	91282CAJ0	US TREASURY NOTES	0.25%	8/31/2025	3,450.00		
INTEREST	2/29/2024	2/29/2024	1,270,000.00	91282CGP0	US TREASURY NOTES	4.00%	2/29/2028	25,400.00		

For the Quarter Ended March 31, 2024

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	3/1/2024	3/1/2024		MONEY0002	MONEY MARKET FUND			29,426.87		
INTEREST	3/1/2024	3/25/2024	1,300,000.00	3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
INTEREST	3/1/2024	3/25/2024	1,080,960.69	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,303.12		
INTEREST	3/1/2024	3/25/2024	1,300,000.00	3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
INTEREST	3/1/2024	3/25/2024	1,015,000.00	3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
INTEREST	3/1/2024	3/25/2024	730,568.73	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	3,209.63		
INTEREST	3/1/2024	3/25/2024	1,165,000.00	3137F2LJ3	FHLMC MULTIFAMILY STRUCTURED P	3.11%	6/1/2027	3,026.09		
INTEREST	3/1/2024	3/25/2024	1,375,000.00	3136BQDE6	FNA 2023-M6 A2	4.19%	7/1/2028	4,801.04		
INTEREST	3/1/2024	3/25/2024	780,000.00	3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	2,971.80		
INTEREST	3/1/2024	3/25/2024	680,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	2,833.33		
INTEREST	3/1/2024	3/25/2024	770,000.00	3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	3,031.23		
INTEREST	3/1/2024	3/25/2024	1,350,000.00	3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	6,075.00		
INTEREST	3/1/2024	3/25/2024	1,350,000.00	3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.38		
INTEREST	3/1/2024	3/25/2024	1,320,000.00	3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
INTEREST	3/1/2024	3/25/2024	1,325,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
INTEREST	3/1/2024	3/25/2024	515,000.00	3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		
INTEREST	3/1/2024	3/25/2024	750,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	3,037.50		
INTEREST	3/1/2024	3/25/2024	959,937.75	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,677.43		

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	3/1/2024	3/25/2024	647,406.83	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,508.70		
INTEREST	3/11/2024	3/11/2024	2,170,000.00	06051GJQ3	BANK OF AMERICA CORP CORP NOTES	1.65%	3/11/2027	17,989.30		
INTEREST	3/14/2024	3/14/2024	1,390,000.00	437076BT8	HOME DEPOT INC CORP NOTES	2.80%	9/14/2027	19,460.00		
INTEREST	3/15/2024	3/15/2024	1,070,000.00	02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
INTEREST	3/15/2024	3/15/2024	265,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	1,223.42		
INTEREST	3/15/2024	3/15/2024	1,175,000.00	161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2027	4,504.17		
INTEREST	3/15/2024	3/15/2024	395,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	1,823.58		
INTEREST	3/15/2024	3/15/2024	480,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	1,992.00		
INTEREST	3/15/2024	3/15/2024	1,045,000.00	161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
INTEREST	3/16/2024	3/16/2024	130,000.00	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	525.42		
INTEREST	3/29/2024	3/29/2024	1,975,000.00	17325FBB3	CITIBANK NA CORP NOTES (CALLABLE)	5.80%	9/29/2028	57,304.63		
INTEREST	3/31/2024	3/31/2024	3,420,000.00	91282CCZ2	US TREASURY NOTES	0.87%	9/30/2026	14,962.50		
INTEREST	3/31/2024	3/31/2024	6,630,000.00	91282CBT7	US TREASURY NOTES	0.75%	3/31/2026	24,862.50		
INTEREST	3/31/2024	3/31/2024	850,000.00	91282CGT2	US TREASURY NOTES	3.62%	3/31/2028	15,406.25		
INTEREST	3/31/2024	3/31/2024	1,940,000.00	91282CFM8	US TREASURY NOTES	4.12%	9/30/2027	40,012.50		
INTEREST	3/31/2024	3/31/2024	2,235,000.00	91282CAM3	US TREASURY NOTES	0.25%	9/30/2025	2,793.75		
INTEREST	3/31/2024	3/31/2024	3,200,000.00	912828ZF0	US TREASURY NOTES	0.50%	3/31/2025	8,000.00		
PAYDOWN	1/1/2024	1/25/2024	490.76	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	490.76		

For the Quarter Ended March 31, 2024

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWN	1/1/2024	1/25/2024	797.77	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	797.77		
PAYDOWN	1/1/2024	1/25/2024	1,806.91	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	1,806.91		
PAYDOWN	1/1/2024	1/25/2024	557.09	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	557.09		
PAYDOWN	2/1/2024	2/25/2024	1,812.98	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	1,812.98		
PAYDOWN	2/1/2024	2/25/2024	493.07	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	493.07		
PAYDOWN	2/1/2024	2/25/2024	560.09	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	560.09		
PAYDOWN	2/1/2024	2/25/2024	840.38	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	840.38		
PAYDOWN	3/1/2024	3/25/2024	646.97	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	646.97		
PAYDOWN	3/1/2024	3/25/2024	2,051.43	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,051.43		
PAYDOWN	3/1/2024	3/25/2024	1,302.83	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,302.83		
PAYDOWN	3/1/2024	3/25/2024	807.61	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	807.61		
SELL	1/12/2024	1/18/2024	260,000.00	91282CDV0	US TREASURY NOTES	0.87%	1/31/2024	260,640.72		-377.46
SELL	1/12/2024	1/18/2024	520,000.00	91282CEG2	US TREASURY NOTES	2.25%	3/31/2024	520,449.20		-2,877.50
SELL	1/25/2024	1/29/2024	720,000.00	46625HJT8	JPMORGAN CHASE & CO CORP NOTES	3.87%	2/1/2024	733,579.00		-415.34
SELL	1/25/2024	1/31/2024	225,000.00	91282CEG2	US TREASURY NOTES	2.25%	3/31/2024	225,558.75		-1,075.12
SELL	2/5/2024	2/8/2024	815,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	801,202.86		-8,127.69
SELL	3/1/2024	3/7/2024	50,000.00	91282CEG2	US TREASURY NOTES	2.25%	3/31/2024	50,381.31		-101.42
SELL	3/1/2024	3/7/2024	1,275,000.00	912797JH1	US TREASURY BILL	0.00%	3/12/2024	1,274,065.97		-1.42

For the Quarter Ended March 31, 2024

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
SELL	3/11/2024	3/14/2024	460,000.00	91282CCL3	US TREASURY NOTES	0.37%	7/15/2024	452,714.76		-5,966.96
SELL	3/11/2024	3/14/2024	735,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	726,005.94		-5,530.41
SELL	3/11/2024	3/14/2024	165,000.00	91282CEG2	US TREASURY NOTES	2.25%	3/31/2024	166,426.00		-243.79
SELL	3/20/2024	3/21/2024	1,000,000.00	91282CCL3	US TREASURY NOTES	0.37%	7/15/2024	985,211.20		-12,192.78
TOTALS			142,159,855.46					17,695,692.10		-36,909.89



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- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

## Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **Commercial Paper:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **Contribution to Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

## Glossary

- Repurchase Agreements: A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- Settle Date: The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- Supranational: A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- Trade Date: The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- Unsettled Trade: A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- U.S. Treasury: The department of the U.S. government that issues Treasury securities.
- Yield: The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- YTM at Cost: The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- YTM at Market: The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.

**ORIGINATING SECTION:** Administration**CONTACT:** Osborn Solitei**AGENDA DATE:** June 11, 2024**SUBJECT:** FY 2023-24 Unaudited Third Quarter Revenue and Expenditure (R&E) Report**SUMMARY:**

The proposed action is in support of Strategic Plan Goal G – Fiscal Responsibility: Operate the Agency in a fiscally responsible manner, and Strategic Plan Initiative No. 24 – Continue to effectively manage financial resources for the Agency. In carrying out these fiscal responsibilities, staff provides quarterly financial reports to the Finance Committee and the Board. This quarterly report provides a summary of unaudited revenue and expenditures, fiscal year-end projections, and explanations of any major variances through the third quarter of fiscal year (FY) 2023-24 (July 1, 2023 – March 31, 2024) for the following funds:

- › Fund 100 – Water Enterprise Operations
- › Fund 110 – State Water Facilities
- › Fund 120 – Water Enterprise Renewal/Replacement & System-Wide Improvements
- › Fund 130 – Water Enterprise Capital Expansion
- › Fund 200 – Flood Protection Operations
- › Fund 210 – Flood Protection Development Impact Fee Fund (DIF)
- › Fund 300 – Water Facilities Fund

This report was presented to the Finance Committee on May 29, 2024. The Committee unanimously recommended the report be submitted to the next Regular Board meeting.

Highlights of this report include:

- › **State Water Project Allocation** – On April 23, 2024, DWR announced a 40% State Water Project (SWP) allocation for calendar year (CY) 2024.
- › **Grant Award for Stoneridge PFAS Project** – The Agency was formally awarded \$16 million for the Stoneridge PFAS Treatment Facility project in September 2023. DWR and the Agency signed the Grant Agreement on April 4, 2024.
- › **Water Connection Fees** – The Agency is projecting to collect approximately \$10.5M in water connection fees in FY 2023-24, a 70% decline in revenue since FY 2018-19, signaling a continued slowdown in development. Water connection fee revenue currently funds:
  - › Agency's water expansion projects
  - › SBA Expansion project annual debt service

- › Agency's share of the Sites Reservoir Project
- › Portion of the Agency's share of the Los Vaqueros Reservoir Expansion Project

## ANALYSIS:

The Agency maintains several funds; these fund balances are grouped into two categories – Unrestricted Fund Balances and Restricted Fund Balances.

## UNRESTRICTED FUNDS

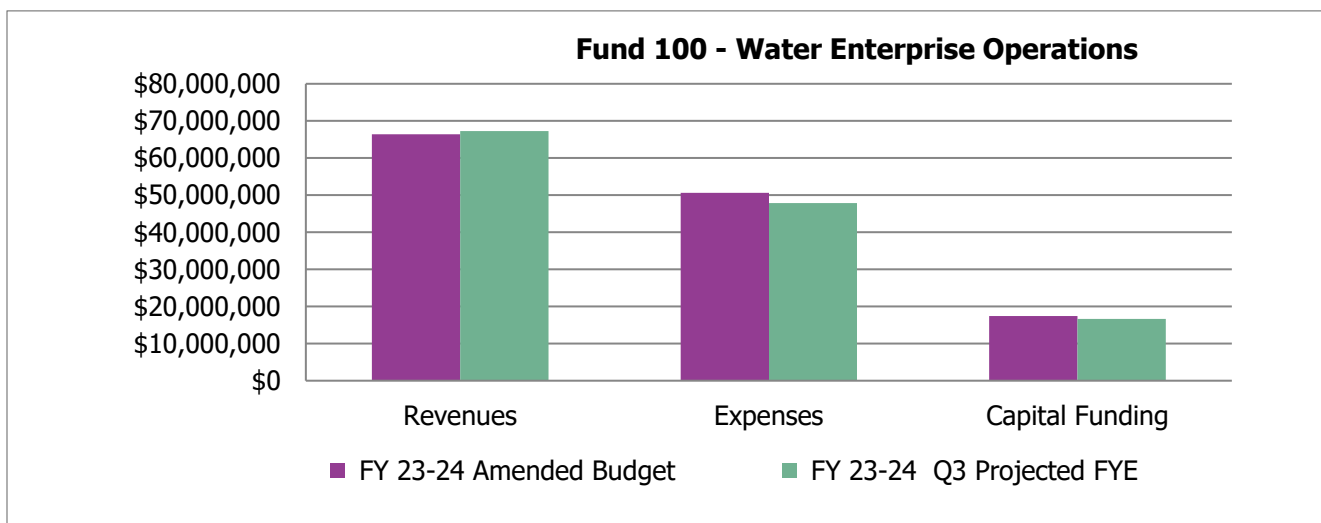
**Unrestricted Fund Balance:** This describes the portion of fund balance that is not restricted to use. To facilitate the discussion of reserve funds, this report will categorize the various funds as "Unrestricted Reserves" and "Restricted Reserves." In general, Board policy can most affect Unrestricted Reserves.

### Fund 100 – Water Enterprise Operations Fund

*Primary Funding Source: Water Rates*

The purpose of this fund is to ensure the delivery of high-quality drinking and irrigation water to the Livermore-Amador Valley. This operations and maintenance fund includes water treatment and distribution of potable (drinking) water, distribution of untreated agricultural/irrigation water, and management of surface water and groundwater. Water distributed is a combination of locally stored and imported water from the SWP. Activities include water treatment, water quality analysis, water resource management, groundwater recharge and protection, general administration, maintenance, out-of-area water banking infrastructure, and water supply planning and engineering.

The following graph shows the FY 2023-24 Amended Budget and third quarter (Q3) projected FYE revenues, expenditures, and capital funding.



## Details of Revenue and Expenses for Fund 100

<b>Fund 100 – Water Enterprise Operations</b>	<b>FY 23-24 Amended Budget</b>	<b>FY 23-24 Q3 YTD Actual</b>	<b>FY 23-24 Q3 Projected FYE</b>	<b>Year-End Over / (Under) Budget</b>
<b>Audited Beg. Fund Balance</b>	<b>\$29,266,000</b>	<b>\$29,369,000</b>	<b>\$29,369,000</b>	<b>\$103,000</b>
<b>Revenue</b>				
Water Sales <sup>1</sup>	65,763,000	45,372,849	66,148,000	385,000
Investment Earnings <sup>2</sup>	300,000	454,212	750,000	450,000
Other Revenue	332,000	244,686	332,000	-
<b>Total Revenue</b>	<b>66,395,000</b>	<b>46,071,747</b>	<b>67,230,000</b>	<b>835,000</b>
<b>Expenses</b>				
Labor <sup>3</sup>	17,005,000	14,593,644	18,508,000	1,503,000
Professional Services <sup>4</sup>	4,098,000	1,825,687	2,950,000	(1,148,000)
Legal Services	340,000	276,475	340,000	-
County Services	1,909,000	999,959	1,909,000	-
Insurance Services	735,000	740,913	760,000	25,000
Water <sup>5</sup>	10,555,000	6,470,989	8,663,000	(1,892,000)
Chemicals <sup>5</sup>	4,140,000	2,631,252	3,820,000	(320,000)
Utilities <sup>5</sup>	2,509,000	1,745,918	2,400,000	(109,000)
Repairs and Maintenance	2,162,000	1,731,444	2,162,000	-
Rental Services <sup>6</sup>	104,000	334,984	350,000	246,000
General/Other Supplies	930,000	649,113	930,000	-
Other Services (Rebates, Outreach) <sup>7</sup>	1,015,000	565,007	772,000	(243,000)
LVR Expansion Participation <sup>8</sup>	992,000	992,000	992,000	-
Debt Service <sup>9</sup>	4,127,000	3,342,050	3,342,000	(785,000)
<b>Total Expenses</b>	<b>50,621,000</b>	<b>36,899,436</b>	<b>47,898,000</b>	<b>(2,723,000)</b>
Capital Funding <sup>10</sup>	17,424,000	12,475,286	16,651,000	(773,000)
Estimated Revenue over Expenses	(1,650,000)	(3,302,975)	2,681,000	4,331,000
<b>Ending Fund Balance</b>	<b>\$27,616,000</b>	<b>\$26,066,025</b>	<b>\$32,050,000</b>	<b>\$4,434,000</b>

Note: Values are rounded to the thousands and may not add due to rounding.

## Revenue

**1. Water Sales:** Year-to-date (YTD) water sales revenue reflects water sales through March 31, 2024, and the following water rate increases that went into effect January 1, 2024.

- › Approved 5.5% increase in treated water rates for CY 2024 (Resolution No. 22-93, dated November 16, 2022)
- › Approved increase in untreated water rate to \$263/AF (Resolution No. 23-77, dated October 18, 2023)

Projected year-end water sales are based on trends.

**2. Investment Earnings:** Projected year-end interest earnings exceed budget and reflect current favorable market conditions.

## Expenditures

**3. Labor:** YTD labor includes payroll through March 31, 2024. A 5% cost of living adjustment took effect June 25, 2023. As of March 31, 2024, the Agency had a 13.4% vacancy rate. The projected year-end labor costs are based on trends and exceed budget as the budget planned for a vacancy rate of 15%.

**4. Professional Services:** Includes professional services related to water enterprise operations. The year-end projection is less than budget because of multi-year and as-needed services including:

- › water supply model (~\$220K)
- › groundwater model update (~\$150K)
- › groundwater studies (~\$150K)
- › energy master plan (~\$50K)
- › as-needed services (~\$300K)
- › contingency (~\$250K)

**5. Water production costs:** Includes Water, Chemicals, and Utilities.

*Water:* The Agency's SWP allocation in CY 2023 was 100% and is currently 40% for CY 2024. YTD expenses are primarily made up of the SWP conveyance costs including costs to send and store approximately 4,300 AF of water to Semitropic through the banking program, and the Agency's Delta Conveyance Project participation costs. The budget planned for conveying and storing water with the Semitropic and Cawelo banking programs, however, based on the current water operations plan, no additional water is anticipated to be stored this FY.

*Chemicals and Utilities:* The year-end projection is less than budget because of the high-quality of surface water reducing both the amount of chemicals needed to treat the water and the energy cost to produce the water.

**6. Rental Services:** Includes rents and leases on equipment and buildings, and beginning in FY 2023-24, includes leases on software and licenses. The YTD actuals are more than budget because of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* rule which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements. This is the first-year software and licenses have been included in this account classification.

**7. Other Services:** This category includes organizational memberships, rebates, communication services, and public outreach. The year-end projection is less than budget primarily because of lower demand for conservation rebates.

**8. Los Vaqueros Reservoir Expansion (LVE) Project Participation:** This category includes the Agency's participation costs in the development phase of the LVE project. Per Resolution No. 23-55, dated July 19, 2023, the Board approved Multiparty Agreement No. 5, committing \$1.239 million in funding to the project through June 30, 2024. The funding



is split 80/20 between Funds 100 and 130.

**9. Debt Service:** Includes annual debt service payments for the following Agency issued Livermore Valley Water Financing Water Revenue Bonds:

- › 2018 Series A, \$64,010,000 for Ozone projects and Cawelo prepayment.
- › 2023 Series A, \$28,795,000 for Chain of Lakes PFAS treatment facility project.

The overall year-end projection is less than budget because the actual January 1, 2024, interest payment on the 2023 Series A Bonds is less than budget.

**10. Capital Funding:** The projected capital funding is less than budget as the budget assumes a 6% annual adjustment, and the actual Engineering News Record Construction Cost Index (ENRCCI) adjustment from June 2022 to June 2023 was 0.1%.

## Water Supply Conditions

The SWP's current allocation for CY 2024 is 40% (see the Monthly Water Inventory and Water Budget Update in the May 15, 2024, Board Agenda packet). The [United States Drought Monitor](#) indicates no drought in most of California.

## Reserves

Per Strategic Plan Initiative No. 24, the Agency shall maintain target levels of reserves. As of March 31, 2024, Fund 100 reserves are fully funded at the target level. The projected unallocated fund balance is about \$4.4M. At the February 15, 2024, Finance Committee Meeting, staff were given direction on the Committee's preferred use of unallocated fund balance. These options include:

- Offsetting future rate increases,
- Funding the annual contribution to the IRS Section 115 Pension Trust per the adopted Board policy,
- Funding for water supply reliability projects.

The table below compares Minimum, Target, and Maximum reserves to projected fiscal year-end reserves.

<b>Fund 100 Reserves</b>	<b>Minimum</b>	<b>Target</b>	<b>Maximum</b>	<b>FY 23-24 Q3 Projected FYE</b>	<b>Actual Above / (Below) Target</b>
Operating Reserves <sup>1</sup>	\$8,214,000	\$12,321,000	\$16,428,000	\$12,321,000	-
Emergency Reserves <sup>2</sup>	6,617,000	8,271,000	9,925,000	8,271,000	-
Reserve for Economic Uncertainties <sup>3</sup>	3,621,000	5,432,000	7,243,000	5,432,000	-
<b>Subtotal</b>	<b>\$18,452,000</b>	<b>\$26,024,000</b>	<b>\$33,596,000</b>	<b>\$26,024,000</b>	-
Pension Trust Fund				1,599,000	-
Unallocated Fund Balance				4,427,000	4,427,000
<b>Total Reserves</b>	<b>\$18,452,000</b>	<b>\$26,024,000</b>	<b>\$33,596,000</b>	<b>\$32,050,000</b>	<b>\$4,427,000</b>

Note: Values are rounded to the thousands and may not add due to rounding.

<sup>1</sup>The FY 23-24 Q3 projected FYE Operating Reserve is funded at the target level of 90 days of operating expenses.

<sup>2</sup>The FY 23-24 Q3 projected FYE Emergency Reserve is funded at the target level of 2.5% of Water Enterprise assets.

<sup>3</sup>The FY 23-24 Q3 projected FYE Reserve for Economic Uncertainties is funded at 15% of FY 23-24 budgeted volume-based water sales revenue.

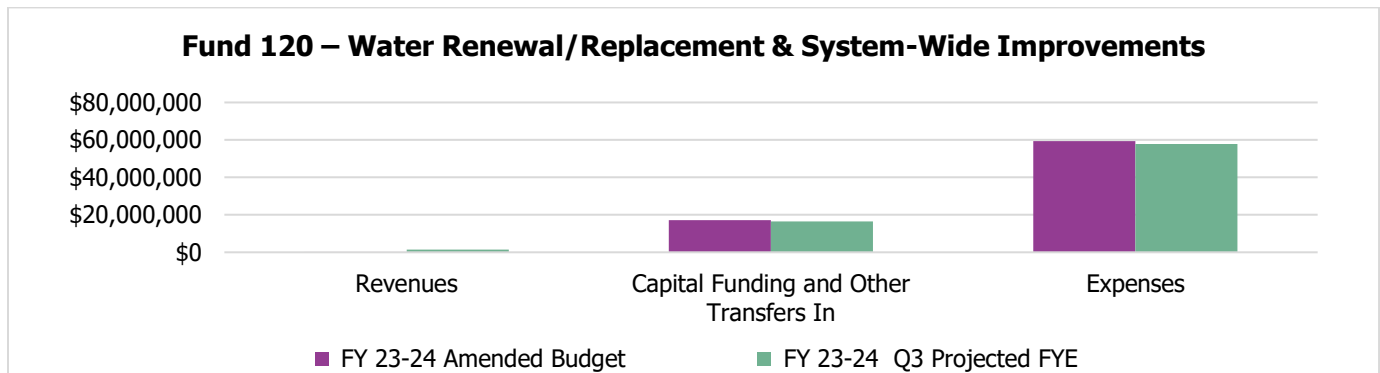
## Fund 120 – Water Renewal/Replacement & System-Wide Improvements

*This is a sub-fund of the Fund 100 – Water Enterprise Operations Fund*

*Primary Funding Source: Water Rates via a transfer from Fund 100*

The purpose of this fund is to ensure funding is available for capital renewal, replacement, and system-wide improvement investments needed to keep the current water treatment and delivery systems functioning effectively. Fund 120 pays for capital projects as outlined in the Agency's asset management program and the capital improvement program.

The following graph shows the FY 2023-24 Amended Budget and Q3 projected fiscal year-end revenue, capital funding, and expenditures.



Note: When expenses exceed revenue, capital reserves (working capital) are being expended.

### Details of Revenue and Expenses for Fund 120

Fund 120 - Water Enterprise Renewal/Replacement & Systemwide Improvements	FY 23-24 Amended Budget	FY 23-24 Q3 YTD Actual	FY 23-24 Q3 Projected FYE	Year-End Over/(Under) Budget
<b>Audited Beginning Fund Balance</b>	<b>\$44,990,000</b>	<b>\$45,119,000</b>	<b>\$45,119,000</b>	<b>\$129,000</b>
2023 Water Revenue Bond Proceeds	29,665,000	29,665,000	29,665,000	-
<b>Adjusted Beginning Fund Balance</b>	<b>74,655,000</b>	<b>74,784,000</b>	<b>74,784,000</b>	<b>129,000</b>
<b>Revenue</b>				
Investment Earnings <sup>1</sup>	100,000	1,291,017	1,432,000	1,332,000
Other Revenue	2,000	48,040	48,000	46,000
<b>Total Revenue</b>	<b>102,000</b>	<b>1,339,056</b>	<b>1,480,000</b>	<b>1,378,000</b>
<b>Other Financing Sources</b>				
Capital Funding <sup>2</sup>	17,214,000	12,330,453	16,441,000	(773,000)
<b>Total Other Financing Sources</b>	<b>17,214,000</b>	<b>12,330,453</b>	<b>16,441,000</b>	<b>(773,000)</b>
<b>Expenses</b>				
Labor <sup>3</sup>	1,706,000	1,045,406	1,752,000	46,000
Capital Projects <sup>4</sup>	57,579,000	14,356,351	56,039,000	(1,540,000)
<b>Total Expenses</b>	<b>59,285,000</b>	<b>15,401,757</b>	<b>57,791,000</b>	<b>(1,494,000)</b>
Estimated Revenue/Other Financing Sources over Expenses	(41,969,000)	(1,732,248)	(39,870,000)	2,099,000
<b>Ending Fund Balance</b>	<b>\$32,686,000</b>	<b>\$73,051,752</b>	<b>\$34,914,000</b>	<b>\$2,228,000</b>

Note: Values are rounded to the thousands and may not add due to rounding.

## Revenue

- 1. Investment Earnings:** Projected year-end interest earnings reflect favorable market conditions.
- 2. Capital Funding:** The projected capital funding is less than budget as the budget assumes a 6% annual adjustment, and the actual Engineering News Record Construction Cost Index (ENRCCI) adjustment from June 2022 to June 2023 was 0.1%.

## Expenses

- 3. Labor costs:** YTD labor includes payroll through March 31, 2024. The year-end projection is reflective of upcoming project work through the end of the fiscal year.
- 4. Capital Projects:** The year-end projection reflects multi-year projects currently in the construction phase or nearing completion including:
  - › Stoneridge PFAS Treatment Facility,
  - › Chain of Lakes PFAS Treatment Facility,
  - › Wells & MGD Electrical Upgrades/Replacement Project, and
  - › MGD Concentrate Conditioning.

## Reserves

The table below compares the FY 2023-24 Amended Budget ending reserve balances to the Q3 projected ending reserve balances.

Fund 120 Reserves	FY 23-24 Amended Budget FYE	FY 23-24 Q3 Projected FYE
Debt Service Rate Stabilization Reserve	\$6,300,000	\$6,300,000
Pension Trust	46,000	41,000
Designated for Capital Projects Reserve <sup>1</sup>	26,340,000	28,573,000
Total Reserve	\$32,686,000	\$34,914,000

<sup>1</sup>This reserve is designated for capital projects to fund the Fund 120 CIP projects the Agency has committed to over the next five years. The Zone 7 Board adopted the Five-Year Water System CIP on June 21, 2023 (Resolution No. 23-50).

Below is a summary of the major projects in progress. For more information on capital projects, see the Capital Projects Status Report in the May 15, 2024, Board meeting agenda packet.

Project	Total Estimated Cost	Fund 120 Share	Fund 120 Cash Financed	Fund 120 Bond Financing	Status	In-Service
Asset Management Program and Ten-Year CIP Update	\$1.15M	\$902K	\$902K	\$-	Planning	Feb. 2025
DVWTP Roadway/Parking Lot Repairs and Post Ozone Project	\$2.75M	\$2.75M	\$2.75M	\$-	Construction	June 2024
DVWTP Polymer Mixing System Replacement Project	\$785K	\$785K	\$785K	\$-	Substantially Complete	June 2024
Pipeline Inspection Study	\$250K	\$250K	\$250K	\$-	Study In-process	Summer 2024
MGDP Concentrate Conditioning	\$7.8M	\$7.8M	\$7.8M	\$-	Construction	Summer 2024
Chain of Lakes PFAS Treatment Facility Project <sup>1</sup>	\$24.4M	\$24.4M	\$2.4M	\$22M <sup>1</sup>	Design complete	Winter 2024
Stoneridge Well PFAS Project	\$16.3M	\$16.3M	\$16.3M	\$-	Functional completion September 2023	Closeout June 2024
Wells & MGDP Electrical Upgrades/Replacement Project	\$7.3M	\$7.3M	\$7.3M	\$-	Construction	Spring 2025
Electric Vehicle Chargers	\$651K	\$651K	\$651K	\$-	Planning	Winter 2024
PLC Modernization at DVWTP, MGDP, and PPWTP	\$700K	\$700K	\$700K	\$-	In-process	Summer 2024
SCADA Core Switch Replacement	\$400K	\$400K	\$400K	\$-	In-process	Summer 2024
DVWTP Booster Pump Station VFD and Underdrain Pump Station Replacement	\$1.25M	1.25M	\$1.25M	\$-	Planning / Design	Feb. 2026
MGDP and Mocho Wellfield PFAS Compliance Conceptual Design	\$500K	\$500K	\$500K	\$-	In-process	Dec. 2024
<b>Total</b>	<b>\$64.2M</b>	<b>\$64.0M</b>	<b>\$42.0M</b>	<b>\$22M</b>		

<sup>1</sup> The remaining ~\$8M in bond proceeds are eligible to be used for other water system improvements.

# Other Unrestricted Funds

Fund 300 - Water Facilities Fund was originally used for Chain of Lakes mitigation and planning reserve, quarry discharge exports, miscellaneous fees and deposits, and permit inspection deposits.

Fund	FY 2023-24 Beginning Audited Fund Balance	FY 2023-24 Q3 Unaudited Actual Interest Income & Misc. Deposits	FY 2023-24 Q3 Unaudited Actual Transfers Out	FY 2023-24 Q3 Projected Ending Fund Balance
Fund 300 - Water Facilities Fund	1,117,000	-	(1,117,000)	-

Fund 300 has been subsequently authorized by the Board for the Sites Reservoir Project and is expected to have a balance of \$0 by June 30, 2024:

- Per Resolution No. 22-05 dated January 19, 2022, the Board authorized the Third Amendment to the 2019 Sites Reservoir Project Agreement at 10,000 acre-feet of participation in an amount not-to-exceed \$4M through 2024.

## RESTRICTED FUNDS ANALYSIS

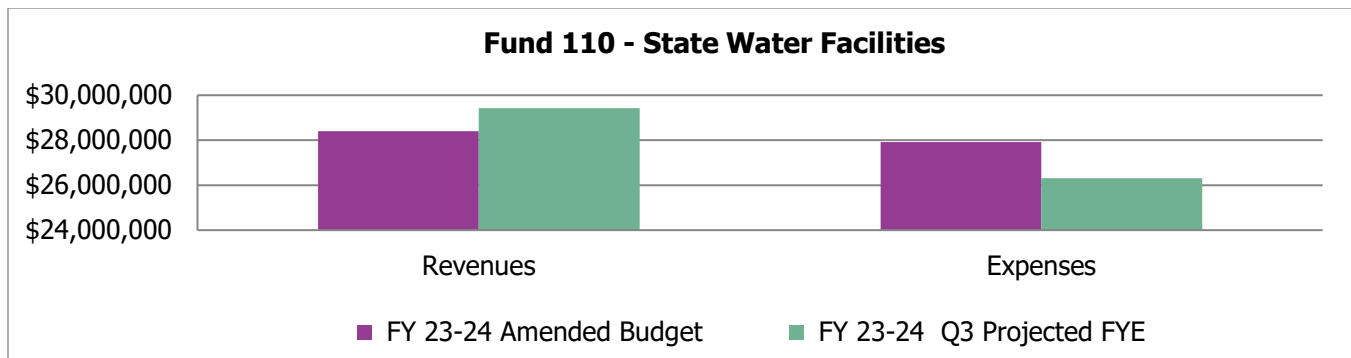
**Restricted Fund Balance:** Includes the portion of the fund balance that can only be spent for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers. It also includes a legally enforceable requirement that the resources can only be used for specific purposes enumerated in the law. The restricted funds are not available to serve as operating or emergency reserves and include property taxes, connection and developer fees received for capital projects, debt service requirements, and fees charged for the provision of future water resources.

### Fund 110 – State Water Facilities Fund

*Primary Funding Source: Property Tax Override: The property tax override is exempt from the ad valorem property tax levy limitations of Article XIII A of the Constitution of the State of California as the indebtedness was approved prior to July 1, 1978.*

Fund 110 funds the fixed cost payment to DWR to import water to the Agency including repayment of voter-approved, state-incurred, long-term debt.

The following graph shows the FY 2023-24 Amended Budget and Q3 projected fiscal year-end revenue and expenditures.



When expenses exceed revenue, operating reserves (working capital) are being expended.

## Details of Revenue and Expenses for Fund 110

Fund 110 - State Water Facilities	FY 23-24 Amended Budget	FY 23-24 Q3 YTD Actual	FY 23-24 Q3 Projected FYE	Year-End Over / (Under) Budget
<b>Audited Beg. Fund Balance</b>	<b>\$47,489,000</b>	<b>\$48,613,000</b>	<b>\$48,613,000</b>	<b>\$1,124,000</b>
<b>Revenue</b>				
Dougherty Valley Surcharge	2,350,000	2,567,692	2,568,000	218,000
Property Taxes <sup>1</sup>	22,201,000	14,219,321	22,201,000	-
DWR Refunds	3,675,000	1,224,995	3,382,000	(293,000)
Investment Earnings <sup>2</sup>	180,000	864,073	1,275,000	1,095,000
<b>Total Revenue</b>	<b>28,406,000</b>	<b>18,876,080</b>	<b>29,426,000</b>	<b>1,020,000</b>
<b>Expenses<sup>3</sup></b>	<b>27,923,000</b>	<b>25,418,797</b>	<b>26,308,000</b>	<b>(1,615,000)</b>
Estimated Revenue over Expenses	483,000	(6,542,717)	3,118,000	2,635,000
<b>Ending Fund Balance</b>	<b>\$47,972,000</b>	<b>\$42,070,283</b>	<b>\$51,731,000</b>	<b>3,759,000</b>

Note: Values are rounded to the thousands.

### Revenue

This is a pass-through fund for fixed charges associated with the SWP, assessed as a property tax override. The Agency budgets for the SWP fixed costs annually based on an estimated SWP Statement of Charges and requests the County collect that amount.

- Property Taxes:** YTD revenue includes the first installment of the property tax override. The second installment is due in April. The projection is based on budget as there is neither additional information nor significant trends available to change the fiscal year-end revenue projection.
- Investment Earnings:** Projected year-end interest earnings reflect favorable market conditions.

### Expenses

- Expenditures:** Include DWR fixed charges that occur both monthly and semi-annually. Transportation capital charges and the improvement portion of the SBA Improvement and Enlargement Project debt service payments are paid in January/July and March/September,

respectively. The year-end projection reflects anticipated payments through June 2024 based on the 2024 Statement of Charges.

### Reserves

The following table compares the FY 2023-24 Amended Budget ending reserve balance to the Q3 projected ending reserve balance and maximum reserve. Although the year-end projected reserve balance exceeds the reserve maximum, SWP costs are highly volatile and unpredictable. Based on the SWP Budget Report for CYs 2024 and 2025, the total capital need for the next 12 years is estimated to be \$6.0 billion, of which the Agency is responsible for its proportional share.

Fund 110 Reserves	FY 23-24 Amended Budget FYE	FY 23-24 Q3 Projected FYE <sup>1</sup>	Reserve Maximum
Total Reserve Balance	\$47,972,000	\$51,731,000	\$28,712,000

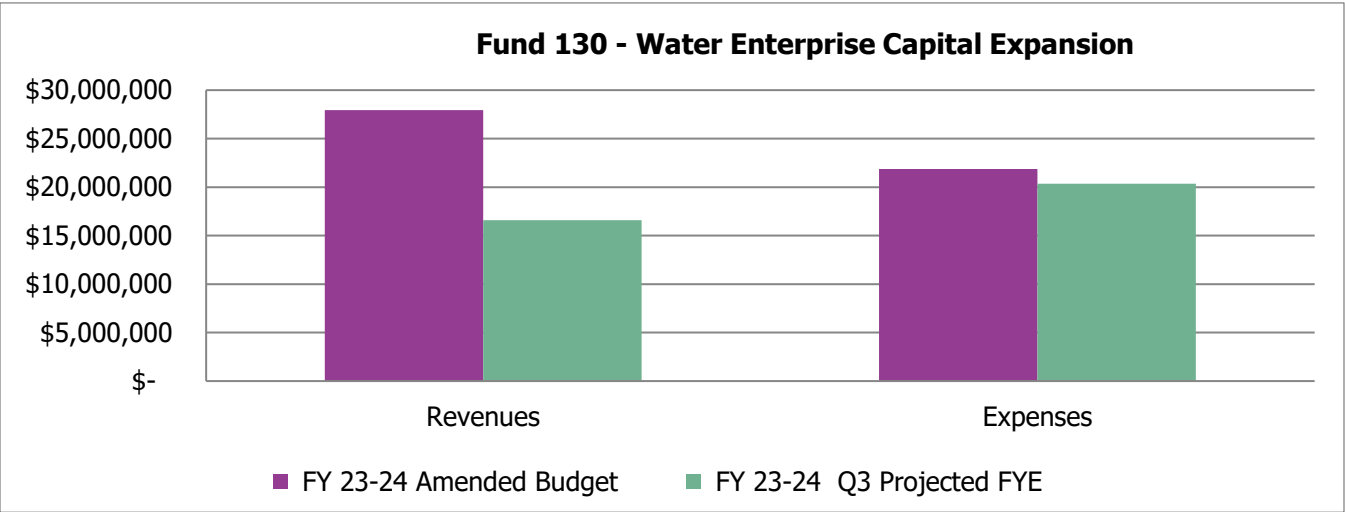
Note: Values are rounded to the thousands.  
<sup>1</sup> SWP costs are highly volatile and expected to increase significantly. Any reserve balance above the reserve maximum may be used to offset future cost increases.

### Fund 130 – Water Enterprise Capital Expansion

*Primary Funding Source: Water Connection Fees.*

The purpose of this fund is to ensure the Agency can meet the future needs of new customers with development paying its own way. The program is primarily intended to provide funding for new or expanded facilities and additional water supplies to serve the additional capacity requirements of development. Most expenses in this fund are fixed (i.e., bond payment obligations for debt incurred by others to increase capacity, such as the enlargement portion of the South Bay Aqueduct Improvement and Enlargement Project). Developer fees can only be used for projects related to water system expansion.

The following graph shows the FY 2023-24 Amended Budget and Q3 projected FYE revenue and expenditures.



## Details of Revenue and Expenses for Fund 130

Fund 130 - Water Enterprise Capital Expansion	FY 23-24 Adopted Budget	FY 23-24 Q3 YTD Actual	FY 23-24 Q3 Projected FYE	Year-End Over/(Under) Budget
<b>Audited Beg. Fund Balance</b>	<b>\$70,933,000</b>	<b>\$70,387,000</b>	<b>\$70,387,000</b>	<b>(\$546,000)</b>
<b>Revenue</b>				
Connection Fees <sup>1</sup>	24,812,000	8,527,043	10,500,000	(14,312,000)
Investment Earnings <sup>2</sup>	140,000	1,412,995	1,900,000	1,760,000
DWR Refunds	3,000,000	1,514,942	3,150,000	150,000
Other Revenue <sup>3</sup>	-	1,050,000	1,050,000	1,050,000
<b>Total Revenue</b>	<b>27,952,000</b>	<b>12,504,980</b>	<b>16,600,000</b>	<b>(11,352,000)</b>
<b>Expenses</b>				
Labor <sup>4</sup>	349,000	157,520	200,000	(149,000)
Professional Services	152,000	324,286	350,000	198,000
Water <sup>5</sup>	16,850,000	15,854,253	16,604,000	(246,000)
Capital Projects <sup>6</sup>	3,435,000	1,981,334	2,093,000	(1,342,000)
Debt Service	1,089,000	760,942	1,089,000	-
<b>Total Expenses</b>	<b>21,875,000</b>	<b>19,078,335</b>	<b>20,336,000</b>	<b>(1,539,000)</b>
Estimated Revenue over Expenses	6,077,000	(6,573,355)	(3,736,000)	(9,813,000)
<b>Ending Fund Balance</b>	<b>\$77,010,000</b>	<b>\$63,813,645</b>	<b>\$66,651,000</b>	<b>(\$10,359,000)</b>

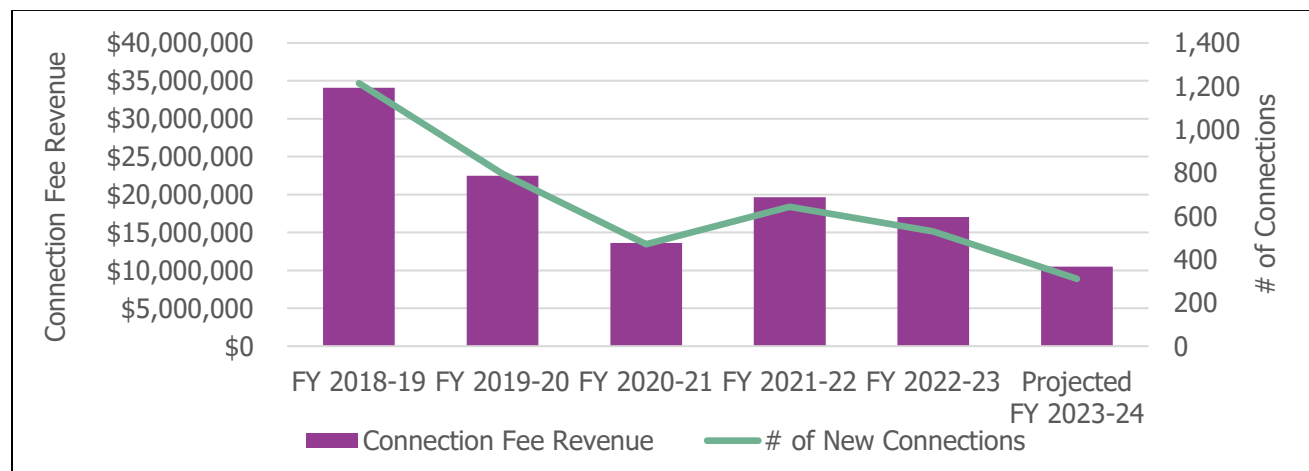
Note: Values are rounded to the thousands and may not add due to rounding.

### Revenue

The primary source of revenue is connection fees.

- 1. Connection Fees:** YTD revenue is through March 2024 and comprised of approximately 264 new connections, primarily from the Dublin San Ramon Services District service area. The year-end revenue projection is approximately \$14M less than budget based on trends and discussions with retailers.

Connection fee revenue has continued to decline since 2019. Staff continue to monitor the revenue source closely as most expenses in this fund are fixed. The following graph and table illustrate the declining trend in connection fee revenue and new connections since FY 2018-19.





	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Projected FY 2023-24
Connection Fee Revenue	\$34,068,092	\$22,461,926	\$13,609,527	\$19,669,510	\$17,023,627	\$10,500,000
# of New Connections	1,214	796	470	643	530	311

A connection fee study is currently underway. The study will evaluate the number of future connections in the service area and the allocation of capital projections to the Water Expansion Fund.

- 2. Investment Earnings:** Year-end projection reflects a higher-than-expected rate of return based on current favorable market conditions.
- 3. Other Revenue:** Includes Board approved transfer from Fund 300 – Water Facilities Fund for continued participation in the Sites Reservoir Project.

### Expenses

- 4. Labor:** YTD labor includes payroll through March 31, 2024, for water expansion projects. The year-end projection is based on YTD trends.
- 5. Water:** Projected expenses are comprised of both installments of the SBA debt service payments (paid in September and March).
- 6. Capital Projects:** The year-end projection is less than budget due to the multi-year projects including:
  - › Well Master Plan (~\$800K),
  - › COL Conveyance system (~\$135K), and
  - › COL Facilities and Improvements (~\$700K).

### Reserves

The table below compares the FY 2023-24 Amended Budget ending reserve balances to the Q3 projected ending reserve balances.

Fund 130 Reserves	FY 23-24 Amended Budget FYE	FY 23-24 Q3 Projected FYE
Sinking Funds <sup>1</sup>	\$26,933,000	\$26,933,000
Debt Service Rate Stabilization Reserve	2,300,000	2,300,000
Designated for Capital Projects Reserve <sup>2</sup>	47,761,000	37,404,000
Pension Trust Fund	16,000	14,000
<b>Total Reserves</b>	<b>\$77,010,000</b>	<b>\$66,651,000</b>

<sup>1</sup>This reserve was established by the Board to fund debt service payments that continue after build-out.

<sup>2</sup> This reserve is designated for capital projects to fund the Fund 120 CIP projects the Agency has committed to over the next five years. The Zone 7 Board adopted the Five-Year Water System CIP on June 21, 2023 (Resolution No. 23-50).

Below is a summary of the Agency's major projects in progress.

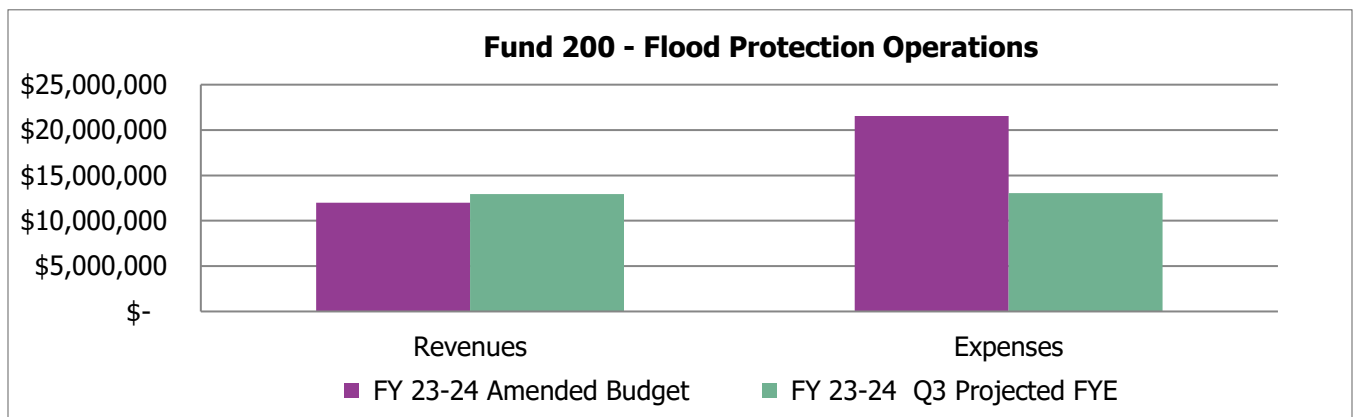
Project	Total Cost	Fund 130 Share	Status	In-service
Ten-Year CIP Update	\$1.15M	\$250K	Planning	Feb. 2024
Non-discretionary obligations	~\$18M annually	~\$18M	n/a	Payments through 2035

## Fund 200 – Flood Protection Operations

*Primary Funding Source: Ad valorem property taxes equal to one percent (1%) of the full cash value, of which Zone 7 of the Alameda County Flood and Water Conservation District receives a proportionate share.*

This fund uses property taxes to provide general administration, maintenance, and operation of regional flood protection facilities. The Agency manages a watershed of 425 square miles in eastern Alameda County, receiving drainage from parts of Contra Costa, Santa Clara, and San Joaquin Counties. Approximately 37 miles of flood control channels and regional drainage facilities are owned and maintained by the Agency. This fund 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. This fund also pays for renewal/replacement and improvement projects for the existing flood protection system.

The following graph shows FY 2023-24 Amended Budget and Q3 projected FYE revenue and expenditures.



## Details of Revenue and Expenses for Fund 200

Fund 200 - Flood Protection Operations	FY 23-24 Amended Budget	FY 23-24 Q3 YTD Actual	FY 23-24 Q3 Projected FYE	Year-End Over/(Under) Budget
<b>Audited Beg. Fund Balance</b>	<b>\$23,923,000</b>	<b>\$23,917,000</b>	<b>\$23,917,000</b>	<b>(\$6,000)</b>
<b>Revenue</b>				
Property Taxes <sup>1</sup>	11,344,000	7,907,978	11,630,000	286,000
Investment Earnings <sup>2</sup>	215,000	427,114	550,000	335,000
Other Revenue <sup>3</sup>	436,000	766,186	767,000	331,000
<b>Total Revenue</b>	<b>11,995,000</b>	<b>9,101,277</b>	<b>12,947,000</b>	<b>952,000</b>
<b>Expenses</b>				
Labor <sup>4</sup>	3,075,000	1,815,299	2,719,000	(356,000)
Professional Services <sup>5</sup>	5,450,000	1,681,594	3,750,000	(1,700,000)
Repairs and Maintenance <sup>6</sup>	11,876,000	2,261,513	5,805,000	(6,071,000)
Rental Services	50,000	3,610	10,000	(40,000)
Other Services/ Supplies	1,095,000	555,609	750,000	(345,000)
<b>Total Expenses</b>	<b>21,546,000</b>	<b>\$6,317,624</b>	<b>13,034,000</b>	<b>(8,512,000)</b>
Estimated Revenue over Expenses	(9,551,000)	2,783,653	(87,000)	9,464,000
<b>Ending Fund Balance</b>	<b>\$14,372,000</b>	<b>\$26,700,653</b>	<b>\$23,830,000</b>	<b>\$9,458,000</b>

Note: Values are rounded to the thousands and may not add due to rounding.

### Revenue

The primary source of revenue for this fund is property taxes.

- 1. Property Tax:** YTD revenue includes the first installment of property tax. The second installment is due in April. The revenue projection has been revised based on the property tax estimate provided by the County.
- 2. Investment Earnings:** Year-end projection reflects a higher-than-expected rate of return based on current favorable market conditions.
- 3. Other Revenue:** YTD revenue is primarily made up of funds received from DWR for the Stanley Reach improvements to satisfy DWR's project mitigation. The year-end projection is equal to the YTD actual.

### Expenses

Per Resolution No. 23-06, dated February 1, 2023, the Board declared a local state of flood emergency within its service area. Subsequent Resolutions (No. 23-07, No. 23-08, 23-80) were passed to fund emergency repair work and a need assessment in the amount of \$3.7M. These additional appropriations are reflected in the professional services and repairs and maintenance year-end projections.

- 4. Labor:** YTD labor includes payroll through March 31, 2024. Year-end projection is based on trends.

**5. Professional Services:** Year-end projection is less than budget due to multi-year services such as the Alamo Creek Project planning, design services to repair damages to flood protection facilities, as-needed services, and contingency.

**6. Repairs and Maintenance:** Includes flood engineering repair services and additional flood emergency projects. The year-end projection is less than budget due to multi-year projects such as the Alamo Creek Project and upcoming emergency flood repairs.

## Reserves

The table below compares the FY 2023-24 Amended Budget ending reserve balance to the Q3 projected ending reserve balance.

Fund 200 Reserves	FY 23-24 Amended Budget	FY 23-24 Q3 Projected FYE
Operating Reserves	\$1,800,000	\$1,800,000
Designated for Capital Projects Reserve	12,390,000	21,848,000
Section 115 Pension Trust	182,000	182,000
<b>Total Reserves</b>	<b>\$14,372,000</b>	<b>\$23,830,000</b>

The Agency is in the process of developing and implementing a Flood Management Plan to direct the Agency's future flood maintenance activities and capital projects. Per Resolution No. 22-73, dated August 17, 2022, the Board adopted the Flood Management Plan Phase 1. Flood Management Plan Phase 2A professional and project management services were approved at the February 15, 2023, Board meeting.

The following table lists major projects that are in progress.

Project	Total Cost	Fund 200 Share	Status	In-service
Alamo Creek Bank Stabilization Pilot Project <sup>1</sup>	\$6.1M	\$1.5M	Design	Winter 2025
2022-23 Storm Damage High Priority Repairs	\$2.75M	\$2.75M	Design	Winter 2024
2023 Storm Damage Repairs – Phase 1	TBD	TBD	Design / Permitting	Winter 2025

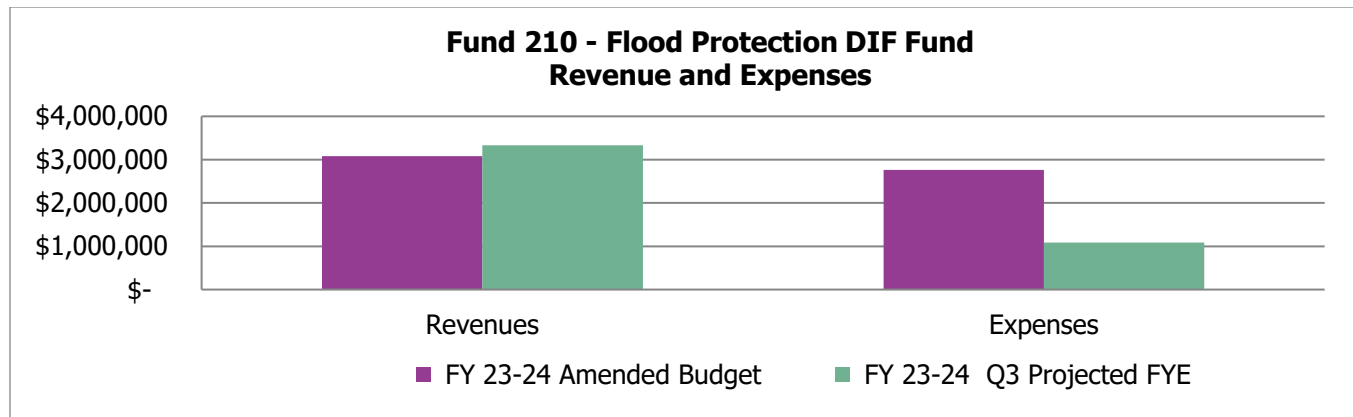
<sup>1</sup>DWR has awarded up to \$4.6M in grants through the Floodplain Management, Protection, and Risk Awareness (FMPRA) Grant program.

## Fund 210 – Flood Protection Development Impact Fee Fund

*Primary Funding Source: Development Impact Fees.*

The purpose of this fund is to ensure the Agency can meet future needs for expansion-related flood control facilities. The program is primarily intended to provide funding for any flood control facilities required for new development. Funds are expended on the planning, design, lands and right of way acquisition, environmental review, permitting, and construction for drainage projects.

The following graph shows the FY 2023-24 Amended Budget and Q3 projected FYE revenue and expenditures.



### Details of Revenue and Expenses for Fund 210

Fund 210 - Flood Protection DIF Fund	FY 23-24 Amended Budget	FY 23-24 Q3 YTD Actual	FY 23-24 Q3 Projected FYE	Year-End Over/(Under) Budget
<b>Audited Beg. Fund Balance</b>	<b>\$75,211,000</b>	<b>\$75,845,000</b>	<b>\$75,845,000</b>	<b>\$634,000</b>
<b>Revenue</b>				
Development Fees <sup>1</sup>	2,500,000	1,289,905	1,313,000	(1,187,000)
Investment Earnings <sup>2</sup>	553,000	1,220,285	1,900,000	1,347,000
Other Revenue	25,000	117,532	118,000	93,000
<b>Total Revenue</b>	<b>3,078,000</b>	<b>2,627,721</b>	<b>3,331,000</b>	<b>253,000</b>
<b>Expenses</b>				
Labor <sup>3</sup>	275,000	8,890	17,000	(258,000)
Capital Projects <sup>4</sup>	2,488,000	248,039	1,067,000	(1,421,000)
<b>Total Expenses</b>	<b>2,763,000</b>	<b>256,929</b>	<b>1,084,000</b>	<b>(1,679,000)</b>
Revenue over Expenses	315,000	2,370,792	2,247,000	1,932,000
<b>Estimated Ending Fund Balance</b>	<b>\$75,526,000</b>	<b>78,215,792</b>	<b>78,092,000</b>	<b>2,566,000</b>

Note: Values are rounded to the thousands and may not add due to rounding.

### Revenue

- 1. Development Impact Fees:** Revenue is primarily generated from development impact fees and interest earnings. The year-end projection is based on trends.
- 2. Investment Earnings:** Year-end projection reflects a higher-than-expected rate of return based on current favorable market conditions.

### Expenses

- 3. Labor:** Includes staff labor through March 31, 2024. Projection is based on YTD trends.

**4. Capital Projects:** Includes professional services, projects planned in the FY 2023-24 budget, and multi-year projects including the Flood Management Plan Phase 2.

### **Reserves**

The following table and chart compare the FY 2023-24 Amended Budget ending reserve balance to the Q3 projected ending reserve balance.

<b>Fund 210 Reserves</b>	<b>FY 23-24 Amended Budget FYE</b>	<b>FY 23-24 Q3 Projected FYE</b>
Capital Projects Reserve	\$75,526,000	\$78,092,000

The Agency is in the process of developing and implementing a Flood Management Plan to direct the Agency's future flood maintenance activities and capital projects. Per Resolution No. 22-73, dated August 17, 2022, the Board adopted the Flood Management Plan Phase 1. Flood Management Plan Phase 2A professional and project management services were approved at the Board meeting on February 15, 2023.