

2020-2024

Zone 7 Water Agency

5-YEAR STRATEGIC PLAN



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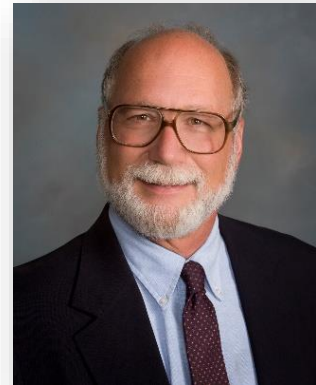
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MESSAGE FROM THE BOARD PRESIDENT

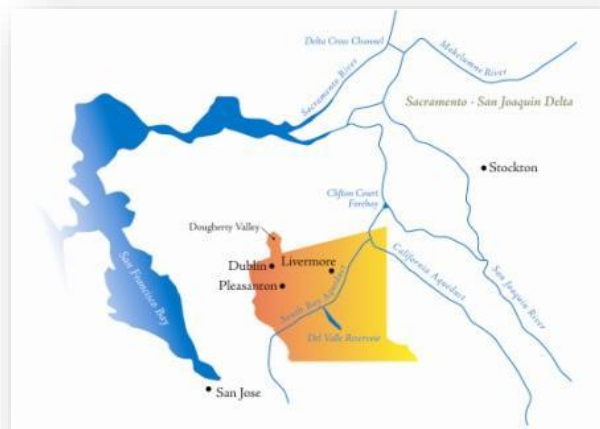
On behalf of the Board of Directors of the Zone 7 Water Agency, welcome to our 2020-2024 Strategic Plan.

On June 18, 1957, *Livermore-Amador Valley* voters overwhelmingly approved creation of Zone 7 Water Agency in order to place under local control, through a locally elected board of directors, the vital matters of flood protection and water resource management in eastern Alameda County.



Zone 7 Water Agency supplies treated drinking water to retailers serving over 260,000 people in Pleasanton, Livermore, Dublin and, through special agreement with the Dublin San Ramon Services District, to the Dougherty Valley area and supplies untreated water for irrigation of 3,500 acres, primarily South Livermore Valley vineyards. Zone 7 Water Agency also owns and maintains 37 miles of local flood-protection channels, about a third of all the Valley's channels and creeks. The remaining channels are owned either privately or by other public agencies, which are responsible for repairs and maintenance.

Reliable, high quality water and flood protection service is critical to an economically and environmentally vibrant community. Providing that service is increasingly complex as utilities must manage numerous challenges. Some of these include finding and maintaining adequate surface and groundwater resources, treating water to ensure its health and safety, coping with the loss of skilled retirees, engaging the community and communicating the value of water, managing the maintenance and replacement of aging water and flood protection infrastructure, and ensuring adequate financial resources to meet these challenges.



The Board and staff of Zone 7 Water Agency have created this 5-Year Strategic Plan to guide the agency in the coming years. The Strategic Plan is designed to support their vision to *provide excellent water and flood protection services to enhance the quality of*

life, economic vitality, and environmental health of the communities we serve. This vision will be accomplished by fulfilling the mission of Zone 7 Water Agency to: deliver safe, reliable, efficient, and sustainable water and flood protection services.

Seven goals have been established:

Goal A – Reliable Water Supply and Infrastructure: Provide customers with reliable water supply and delivery.

Goal B – Safe Water: Provide customers with safe water.

Goal C – Groundwater Management: Manage and protect the groundwater basin as the State designated Groundwater Sustainability Agency.

Goal D – Effective Flood Protection: Provide an effective system of flood protection.

Goal E – Effective Operations: Provide the Agency with effective leadership, administration, and governance.

Goal F – Stakeholder Engagement: Engage our stakeholders to foster mutual understanding.

Goal G – Fiscal Responsibility: Operate the Agency in a fiscally-responsible manner.



Zone 7 Water Agency is committed to meeting the needs of the community we serve by delivering on these goals.

Sandy Figuers

Sandy Figuers, Board President

MESSAGE FROM THE GENERAL MANAGER

It is an exciting and challenging time in the water community. The Board has identified Zone 7 Water Agency's strategic goals and staff are committed to achieving them. As General Manager, I have the privilege and responsibility to manage a talented and dedicated staff to bring this plan to life and meet our commitments to the community we serve.



Several significant challenges face the Zone 7 Water Agency. First and foremost, is managing in the face of the COVID-19 pandemic and ensuring the safety of our employees and reliable delivery of our services.

Other challenges include defining and pursuing higher levels of water reliability. The droughts of recent years have demonstrated to all utilities that adequate dry year storage supplies are the difference between manageable cutbacks for residents/customers and cutbacks that affect the local landscape and economy. Zone 7 Water Agency has opportunities to participate in a variety of potential regional water supply and storage and supply projects including storage in surface reservoirs, possible groundwater opportunities, potable reuse water, brackish desalination, other regional projects, and the Delta Conveyance Project. The Agency's Board will set this course and staff will pursue the appropriate opportunities.

Increasing the percentage of fixed revenue will be important. Provision of water and flood protection services requires meeting significant fixed costs. These fixed costs are best met with fixed revenues. Zone 7 Water Agency revenues are currently 37.5% from fixed sources. As the service area builds out, revenues from development will drop and place further pressure on finances.

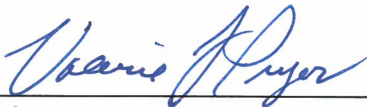


Providing water and flood protection services is capital intensive. Rising costs of imported purchased water, water treatment, energy, and labor place upward pressure on water rates. Accordingly, operating the Agency's systems efficiently and effectively while maintaining outstanding customer service are key priorities in the coming years. Delivery of these services rely on having expert and

dedicated staff. Maintaining internal skills and knowledge as the baby boomer generation retires will be a challenge for all utilities.

Finally, water and wastewater technologies are constantly improving, and infrastructure is constantly aging. Managing the maintenance and replacement of water and flood protection facilities while maintaining high levels of service will be a significant engineering and financial challenge. New technologies can help reduce costs and improve service and will be considered as we move forward.

I am confident Zone 7 Water Agency is up to the task and am proud to have the opportunity to manage this organization to meet these challenges.



Valerie Pryor, General Manager

STRATEGIC PLAN INTRODUCTION AND PROCESS

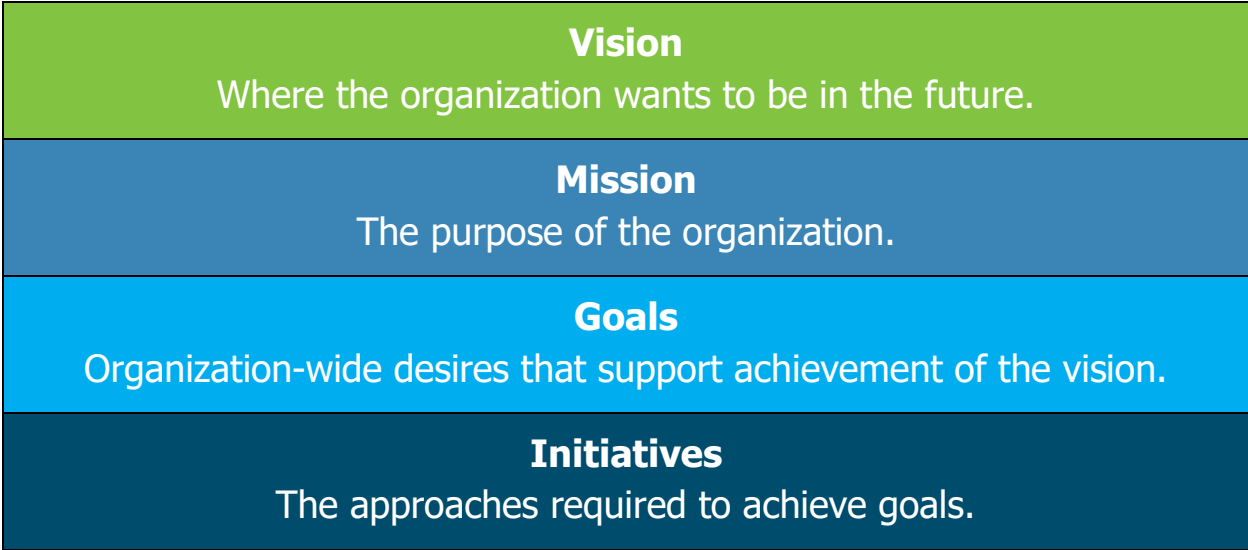
The 5-year Strategic Plan is intended to establish the framework for addressing these challenges to maintain reliable and high-quality water and flood protection service to Livermore-Amador Valley.

The Strategic Plan was developed through a collaborative process with the Board of Directors, management and staff. The planning consultant interviewed each of the 7 Board members regarding their perspectives on the future challenges for Zone 7 Water Agency. These interviews were followed by a management workshop. Four workshop sessions with the employees and supervisors mined key strengths, weaknesses, opportunities, and threats facing the agency. The Board discussed the strategic challenges facing Zone 7 Water Agency and refined a vision, mission, and set of goals for the 5-Year Strategic Plan at a Board Retreat in early 2020. Based upon staff input and Board direction, the management team then developed “initiatives” for each of these goals. The Strategic Plan will be funded through the budget process and progress tracked, reevaluating the plan regularly to adjust as conditions warrant.

The Board of Directors reviewed and accepted the 2020-2024 Strategic Plan on June 17, 2020.

The Strategic Plan is structured in a supporting fashion: the Initiatives support the Goals, which support the Mission and achievement of the Vision as depicted in Figure 1.

Figure 1: Hierarchy of Strategic Plan Elements



Multiple initiatives are planned for each goal area of the Strategic Plan.

ZONE 7 WATER AGENCY'S VISION AND MISSION

The Zone 7 Water Agency's Vision statement reflects a legacy of service and establishes a high bar for continuing this service. The Vision statement represents the aspirations of Zone 7 Water Agency as follows:

"Provide excellent water and flood protection services to enhance the quality of life, economic vitality, and environmental health of the communities we serve."



Zone 7 Water Agency has established the following mission statement to guide decision making on behalf of the customers and communities we serve:

"Deliver safe, reliable, efficient, and sustainable water and flood protection services."

ZONE 7 WATER AGENCY'S VALUES

*"Our shared values guide all our actions."
Valerie Pryor, General Manager*



Integrity

We maintain the highest ethical standards and open, honest communications.

Customer Service

We are prompt, respectful, and courteous in all of our interactions.



Safety

We are committed to public and employee safety.

Transparency

We operate in an open and transparent fashion.

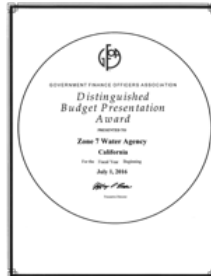


Innovation

We encourage innovation, creativity, and ingenuity.

Collaboration

We embrace collaboration to enhance our services.



Fiscal Responsibility

We operate in a productive, cost effective, and efficient manner.

Leadership and Service

We maintain a diverse team of highly skilled professionals devoted to honest, humble, courteous, and accountable stewardship of our resources.

Environmental Sensitivity

We deliver our services in an environmentally-sensitive manner.

Proactivity

We proactively address issues and embrace continuous improvement.

ZONE 7 WATER AGENCY'S GOALS

Zone 7 Water Agency's strategic planning focuses on seven goal areas that provide direction for achieving our vision and mission.



ZONE 7 WATER AGENCY'S INITIATIVES

Major Strategic Plan Initiatives that are planned to be undertaken in the next 5 years support each of the above Goals. The funding of Initiatives will occur through the normal budget process. These initiatives are summarized below and described in more detail following. Note that the initiatives are not listed in a priority order.

1. Establish a diversified water supply plan
2. Evaluate and develop appropriate new water supply and reliability opportunities
3. Continue to effectively implement infrastructure projects in the Water System Capital Improvement Program (CIP)
4. Implement Ozone
5. Meet or surpass all drinking water health and safety requirements
6. Assess treatment requirements and strategy for PFAS and Cr6
7. Manage the GSA and implement the groundwater management plan
8. Study and refine knowledge of the groundwater basins
9. Continue to maintain the Flood Protection System
10. Update the flood protection strategy
11. Review professional development approach to maintain workforce capability for now and into the future
12. Review and develop strategies for water treatment operator recruitment and retention
13. Review and update Board policies
14. Evaluate current program to increase ratio of preventative to reactive maintenance
15. Optimize the procurement process
16. Develop and implement an energy strategy
17. Refresh emergency preparedness program
18. Develop and implement a climate change strategy
19. Optimize Agency communications program
20. Redesign the Agency website
21. Conduct water supply reliability public outreach program
22. Develop a long-range finance strategy
23. Track State and federal funding opportunities
24. Continue to effectively manage financial resources



RELIABLE WATER SUPPLY AND INFRASTRUCTURE

PROVIDE CUSTOMERS WITH RELIABLE WATER SUPPLY AND INFRASTRUCTURE

Initiative #1 – Establish a diversified water supply plan

Initiative Description – The Zone 7 Water Agency portfolio is highly dependent on water supplies transported through the Delta, primarily from the State Water Project. The Delta’s ability to convey water has become increasingly unreliable due to aging levees, earthquake risk, climate change, and increasingly stringent regulations resulting from declining ecosystem conditions. As the Agency considers a number of new water supply and storage projects, the Agency will endeavor to establish a diversified water supply and storage portfolio that focuses on local storage and supplies.

Anticipated Activities – Key activities are anticipated to include:

- Complete the Tri-Valley Municipal and Industrial (M&I) demand study
- Complete the Conjunctive Use Study
- Review, and update as necessary, the Agency’s water supply risk model to support its ability to rigorously inform decision-making
- Complete the 2021 Water Supply Evaluation Update
- Complete the 2020 Urban Water Management Plan
- Complete and implement the Chain of Lakes Pipeline Alignment Study and determine how it can help increase local water supplies
- Develop a Chain of Lakes model that could support planning, design, and decision-making on water supply projects connected to the Chain of Lakes operations
- Complete studies and planning activities to support policy decisions on enhanced water supplies, such as extending the permit for the Arroyo Valle water rights, evaluating the benefits and impacts of projects that provide enhanced reliability and water supplies
- Assess the Agency’s current portfolio of projects to enhance long-term water supply reliability and evaluate options to diversify the portfolio

Initiative #2 – Evaluate and develop appropriate new water supply and reliability opportunities

Initiative Description – A key Zone 7 goal is to provide customers with reliable water supply and delivery. Zone 7 studies have shown that to ensure current and future water supplies are reliable, additional water supply and reliability measures are required. This initiative outlines the programs currently being reviewed. There may be additional opportunities.



Anticipated Activities – Key activities are anticipated to include:

- Continue to pursue these projects as long as they demonstrate progress toward attaining new sustainable water supplies both regionally and locally and are fiscally feasible:
 - Bay Area Regional Desalination Project
 - Delta Conveyance
 - Los Vaqueros Reservoir Expansion
 - Potable Reuse
 - Sites Reservoir
 - Water Transfers
 - Intertie with a neighboring water agency
- Continue to evaluate and pursue water conservation activities to help the retailers comply with State mandates for long-term water use efficiency standards beginning in 2023

Initiative #3 – Continue to effectively implement infrastructure projects in the Water System Capital Improvement Program (CIP)

Initiative Description – Water system infrastructure is critical to providing a safe and reliable supply of water. Existing infrastructure must be maintained, upgraded, and/or replaced to ensure reliable operations. Modifications to infrastructure related to technological advances and improvements must be considered and incorporated if necessary, to improve system reliability and operations/maintenance efficiency. New infrastructure must be developed to serve future growth in the Valley and to comply with future anticipated water quality regulations. This initiative documents how Zone 7 will continue to update and implement its Capital Improvement Program (CIP) and the Asset Management Program (AMP). The CIP encompasses the near-term (10-year) implementation and funding plan for projects required to meet the long-term mission and goals. The AMP includes the asset inventory and long-term (40-year) renewal and replacement schedule for the water system assets, determines the total funding need

over the planning horizon, and documents Zone 7's funding plan.

Anticipated Activities – Key anticipated activities include:

- Implement capital projects in the CIP
- Continue to maintain and update the water system Asset Management Program (AMP)
- Complete Pipeline Inspection Program Study
- Continue working with the Department of Water Resources to implement projects to maintain/improve South Bay Aqueduct reliability
- Maintain as-built drawings



SAFE WATER

PROVIDE CUSTOMERS WITH SAFE WATER IN AN ENVIRONMENTALLY-SENSITIVE MANNER

Initiative #4 – Implement Ozone

Initiative Description – The upgrade of Zone 7 Water Agency's surface water treatment plants includes replacing aging treatment facilities and the addition of raw water ozonation. The addition of ozonation will improve overall treated water quality, reduce tastes & odor events, and improve production reliability by improving downstream treatment plant processes. Ozone is highly effective in inactivating pathogens such as *Giardia* and *Cryptosporidium* thereby reducing chlorine use and disinfection byproduct formation.

Ozonation is also the most effective water treatment process in destroying contaminants of emerging concern such as algal toxins, endocrine disruptors, and pharmaceuticals. This initiative documents that both Zone 7 Water Agency's treatment plants are being upgraded and modernized to continue to meet our commitment to providing safe and reliable water supply.



Anticipated Activities – Key anticipated activities include:

- Complete the Del Valle Water Treatment Plant Ozonation Project in calendar year 2020

- Complete the Patterson Pass Water Treatment Plant Ozonation and Expansion Project in calendar year 2022
- Communicate the benefits of ozone to stakeholders

Initiative #5 – Meet or surpass all drinking water health and safety requirements

Initiative Description – The Zone 7 Water Agency is committed to providing water that is safe to drink. As a water wholesaler for the Valley, Zone 7 Water Agency collaborates with its Retailers, interacts\communicates with its customers, implements internal water quality goals that surpass State and federal primary standards by at least a margin of 20%, and monitors water quality at production facilities and in the transmission system with online monitoring and grab sampling for various water quality parameters. This ensures the water Zone 7 Water Agency delivers is safe to drink. This initiative describes how Zone 7 Water Agency will continue to provide high quality water.

Anticipated Activities – Key anticipated activities include:

- Continue to meet all applicable water quality goals, standards, and regulations
- Communicate transparently about water quality
- Track regulatory changes at the State and federal levels pertaining to water quality
- Maintain Environmental Laboratory Accreditation Program (ELAP) certification and explore options to expand certification for additional methods
- Optimize processes to continue producing water with turbidity of less than 0.1 NTU (Nephelometric Turbidity Unit) as compared to the standard of 0.3 NTU (one of the requirements of American Water Works Association’s Partnership for Safe Water)



Initiative #6 – Assess treatment requirements and strategy for PFAS and Cr6

Initiative Description – Per- and polyfluoroalkyl Substances (PFAS) are unregulated contaminants of emerging concern to drinking water due to their tendency to accumulate in groundwater and their potential adverse health effects. Zone has implemented procedures to deliver water supply below response levels by limiting use of any affected wells, blending with other sources of water, and by reverse osmosis treatment. A study is being conducted to assess treatment options. This study is also

evaluating treatment options for hexavalent chromium (Cr6) to meet an anticipated future regulation.

Anticipated Activities – During the five-year strategic planning period, key anticipated activities include:

- Complete the PFAS/Cr6 treatment feasibility study in calendar year 2020
- Discuss the outcomes of the study and potential rate impacts with the retailers and the Zone 7 Board in calendar year 2020
- Design and construct necessary treatment facilities to continue providing safe drinking water that meets or exceeds standards for PFAS and Cr6
- Continue to engage the public on safe drinking water matters

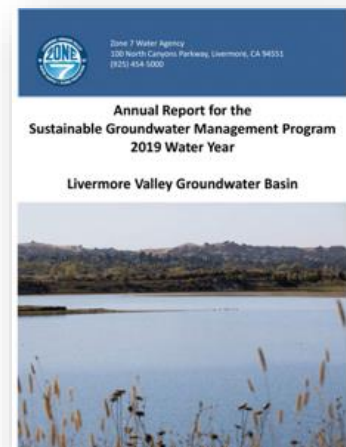


GROUNDWATER MANAGEMENT

WE MANAGE AND PROTECT THE GROUNDWATER BASIN AS THE STATE-DESIGNATED GROUNDWATER SUSTAINABILITY AGENCY

Initiative #7 – Manage the GSA and implement the groundwater management plan

Initiative Description – Zone 7 Water Agency has managed the Livermore Valley Groundwater Basin for more than 50 years. Sustainable groundwater management has been accomplished by replenishing pumped groundwater with surface water from the South Bay Aqueduct. Because of its long history with replenishing the Basin, Zone 7 Water Agency was designated as the exclusive Groundwater Sustainability Agency (GSA) for the basin in accordance with the Sustainable Groundwater Management Act (SGMA) adopted by the State Legislature in 2014. This initiative consists of administering the groundwater program as the GSA and implementing the Basin’s Alternative Groundwater Sustainability Plan (Alternative GSP).



Anticipated Activities – During the five-year strategic planning period, key activities are anticipated to include:

- Prepare required annual reports for the Sustainable Groundwater Management Program

- Implement the recently awarded \$500,000 grant from DWR for the preparation of the first Five-Year Update of the Alternative GSP Update by January 1, 2022
- Continue to implement the permitting and monitoring programs such as, well permits and inspections, Toxic Site Surveillance, stream flow and precipitation measurements related to the sustainable management of the groundwater basin
- Evaluate the groundwater monitoring program and well network in light of the Five-Year Update to the Alternative GSP and consider preparation of a grant request to DWR to install new monitoring wells, if needed
- Migrate and update the groundwater databases to better communicate the status of the basin throughout the year
- Incorporate information from the studies and planning efforts identified in Initiative #1 and Initiative #8

Initiative #8 – Study and refine knowledge of the groundwater basins

Initiative Description – The Zone 7 Water Agency currently manages the groundwater basin according to the “historic low” that was most recently updated in October 2015. As Zone 7 Water Agency deals with salt and nutrient management, PFAS contamination and implementation of the SGMA, additional study of the groundwater basin would be beneficial. This initiative will help to optimize and protect groundwater resources.

Anticipated Activities – Key activities are anticipated to include:

- Refine and expand existing groundwater basin data, including geologic cross sections and monitoring wells to continue to model and understand the groundwater basin
- Conduct additional basin modeling to incorporate the extended cross sections and other data to evaluate how the new information impacts future drought scenarios and future basin salt loading
- Investigate the sources and/or potential remedial alternatives, if feasible, for contaminants of emerging concern, such as PFAS
- Evaluate and update, as necessary, the estimated main basin safe yield (established in 1992) and operational and reserve storage volumes
- Incorporate Chain of Lakes current and projected activities in groundwater modeling and evaluation



EFFECTIVE FLOOD PROTECTION

PROVIDE AN EFFECTIVE SYSTEM OF FLOOD PROTECTION

Initiative #9 – Continue to maintain the Flood Protection System

Initiative Description – The Zone 7 Water Agency manages approximately 40 miles of flood channels in the Tri-Valley area. Maintaining the system and reducing flood risk involved preventative and reactive maintenance as well as storm damage repairs. This initiative describes the Zone 7 Water Agency’s commitment to maintaining these channels for flood protection and watershed stewardship.

Anticipated Activities – Key activities are anticipated to include:

- Continue to perform preventative and reactive maintenance
- Review and update, if necessary, inspection and maintenance Standard Operating Procedures
- Review flood channel roads and access for potential improvements to make maintenance easier to perform
- Continue public outreach and engagement efforts to increase the understand of flood protection as well as watershed processes and stewardship
- Perform storm damage repairs in a timely fashion
- Continue to coordinate with local and regional park and recreation agencies for trail access where appropriate

Initiative #10 – Update the flood protection strategy

Initiative Description – The current Stream Management Master Plan (SMMP, 2006) no longer reflects the current regulatory or financial environment and requires an update. This initiative encompasses that update, but also recognizes that a thorough review of the overall strategy is required.

Anticipated Activities – Key anticipated activities include:

- Update the SMMP
- Implement robust stakeholder engagement for the SMMP update
- Evaluate costs and benefits of returning flood control function to Alameda County



- Complete the regulatory process to acquire a long-term, routine stream maintenance permits (aka Routine Maintenance Program or RMP)
- Develop an Asset Management Plan (AMP) for flood protection facilities
- Develop environmental mitigation strategy for both maintenance and capital projects
- Continue public outreach and engagement efforts, such as the Living Arroyos Program to increase the understanding of flood protection, as well as watershed processes and stewardship
- Advance policies with local municipalities which promote watershed-wide flood and stormwater management to provide effective flood protection system
- Evaluate off-stream storage opportunities to help mitigate flood risk



EFFECTIVE OPERATIONS

PROVIDE THE AGENCY WITH EFFECTIVE LEADERSHIP, ADMINISTRATION, AND GOVERNANCE

Initiative #11 – Review professional development approach to maintain workforce capability for now and into the future

Initiative Description – Zone 7 Water Agency depends on a professional and capable workforce. Effective recruitment and compensation are required to hire the workforce, and professional development is key to retaining this workforce. This initiative describes how Zone 7 Water Agency will modernize and refine its human resources programs.

Anticipated Activities – During the five-year strategic planning period, key activities are anticipated to include:

- Review Human Resources section staffing and fill vacant Human Resources position(s) as appropriate
- Standardize operating procedures and business process
- Develop a comprehensive personnel manual
- Develop an employee orientation/onboarding program
- Periodically conduct classification studies and update job descriptions as appropriate
- Provide supervisor training
- Conduct sexual harassment and abusive conduct prevention and awareness training for all employees
- Develop a comprehensive training program

- Provide all required and recommended safety programs
- Review cross-training programs
- Promote the tuition reimbursement program

Initiative #12 – Review and develop strategies for water treatment operator recruitment and retention

Initiative Description – In recent years, the water utility industry has been experiencing that “Silver Tsunami,” the term used in the water industry to refer to the ongoing exodus of Baby Boomers who are now hitting retirement age – taking with them significant water system experience and expertise. The water utility industry has had challenges in finding the workforce necessary to maintain water treatment operations. Zone 7 Water Agency is experiencing the same issues. In the last 12 months, 8 out of 22 Water Plant Operator positions turned over. This initiative describes how Zone 7 will review the situation and make recommendations for improvement.



Anticipated Activities – Key activities are anticipated to include:

- Perform a market survey of Water Plant Operator compensation and benefits
- Review the use of an internship or apprentice program for Water Plant Operators
- Review the use of temporary staffing services
- Review the use of retired annuitants
- Continue participation in BayWork (Bay Area water and wastewater workforce development collaborative)

Initiative #13 – Review and update Board policies

Initiative Description – This initiative describes a review of existing Zone 7 Water Agency Board policies. Many policies are out-of-date and are no longer needed. There is not a common understanding of the definition of a Board policy versus a resolution or other action.

Anticipated Activities – Key activities are anticipated to include:

- Develop a definition of Board Policy



- Create an official template for policies which documents revision dates
- Review and update Board policies
- Implement a program of reviewing and updating each policy every 3-5 years

Initiative #14 – Evaluate current program to increase ratio of preventative to reactive maintenance

Initiative Description – Provide maintenance on existing facilities that meets industry standards and preserves the Agency’s infrastructure. The current Zone 7 Water Agency ratio of preventative maintenance percentage is approximately 20%. This initiative strives to improve that ratio to 70% on a pathway to 85%. Preventative maintenance keeps assets and infrastructure in good working order and prevents unscheduled downtime and limits major repairs. Leaders in industry have an 85% preventive maintenance percentage with reactive maintenance and corrective maintenance making up the difference at 10% reactive and 5% corrective. As the preventative maintenance percentage increases; overall maintenance cost lowers and downtime on equipment diminishes. This means that facilities become more reliable in the long term. Increasing the preventive maintenance percentage is a positive return on investment in the overall operation of the different facilities.

Anticipated Activities – Key activities are anticipated to include:

- Fill vacant maintenance positions
- Continue development and use of the Computerized Maintenance Management Program (CMMS)
- Ensure staff is completely trained on CMMS
- Develop a consistent naming convention for assets in the CMMS
- Define maintenance assets (pumps, motors, valves, etc.)
- For each maintenance asset, evaluate “level of service” maintenance standards
- For each maintenance asset, provide a preventative maintenance schedule and define calendar-based or usage-based maintenance
- Generate preventative maintenance work orders for all installations and large assets
- Develop Standard Operating Procedures (SOPs) for each preventative maintenance cycle
- Develop work orders that code maintenance as preventative, reactive, or corrective
- Develop CMMS reports that track preventative, reactive, and corrective maintenance
- Increase the use of mobile devices to integrate field activities with CMMS
- Evaluate and optimize maintenance workflow practices

Initiative #15 – Optimize the procurement process

Initiative Description – Procurement is a function of business management that provides the resources needed for Zone 7 Water Agency to carry out its mission. Procurement is currently decentralized and does not take place in a standard manner. This initiative will provide a centralized procurement function that standardizes workflow, provides simplified and easier-to-understand processes, results in greater efficiencies and frees up project managers to focus on core activities in water and flood operations.

Anticipated Activities – Key activities are anticipated to include:

- Hire a Procurement and Contracts Supervisor
- Formalize purchasing processes
- Create contract templates
- Provide training
- Manage contract renewal and bid processes



Initiative #16 – Develop and implement an energy strategy

Initiative Description – This initiative will plan and implement cost-effective energy projects and programs to optimize Zone 7's energy use portfolio, energy resiliency, and carbon footprint

Anticipated Activities – During the five-year strategic planning periodic, key activities are anticipated to include:

- Develop a Zone 7 Water Agency energy master plan
- Evaluate and implement cost-effective energy-efficient systems and alternative energy solutions
- Conduct an energy assessment to identify ways to reduce energy use and/or reduce the carbon footprint
- Include discussion of the water/energy nexus in external communications

Initiative #17 – Refresh emergency preparedness program

Initiative Description – This initiative describes the activities Zone 7 Water Agency will perform to update and keep current its emergency preparedness programs. Emergency preparedness and response planning are critical to maintain operations during emergencies. Emergencies range from small pipeline breaks to pandemics and large-scale natural disasters. The Environmental Protection Agency (EPA) has mandated that Emergency Response Plans be updated by September 2020, and a firm and staff have been engaged. Staff will then expand on the Emergency Response Plan to update

and modernize key elements of the Emergency Preparedness Program. The Hazard Mitigation Plan, the Hazardous Materials Business Plan, the Risk Management Plan, the East Bay Regional Communication Systems Authority (EBRCSA), and industry standard best practices for emergencies will be utilized to ensure that the Emergency Preparedness Program is robust.

Anticipated Activities – Key activities are anticipated to include:

- Update the Emergency Response Plan
- Review and update staffing assigned to emergency preparedness
- Ensure that staff are trained appropriately and effectively for emergencies
- Review emergency standby power strategy
- Review emergency communications strategies; both within Zone 7 and with responding agencies and fully integrate into the EBRCSA to coordinate with Alameda County agencies during an emergency
- Coordinate emergency response planning efforts with the County and local cities and water retail agencies
- Review the SCADA and Business network security and resiliency plan
- Coordinate the Emergency Response Plan with the Hazard Mitigation Plan
- Implement the EBRCSA to upgrade the radio system and provide radio interoperability for the Agency’s public health first responders

Initiative #18 – Develop and implement a climate change strategy

Initiative Description – Climate change will impact water and flood operations. Studies indicate that California will confront more extreme droughts and floods as well as rising temperatures. The State Water Project has historically depended on snowpack to store water, but climate change will likely reduce snowpack and create more and earlier runoff. Zone 7 Water Agency receives on average 80% of its raw water supply from the San Francisco Bay Delta. The delta system is vulnerable to sea level rise and there are federal and State efforts to help this system be less vulnerable which will have a direct impact on Zone 7 Water Agency and how this water is received. As runoff increases and starts earlier in the year, flood control maintenance efforts should be efficient and timely in the dry season to make sure that the flood water will leave the valley quickly and with as little damage as possible. This initiative documents that Zone 7 Water Agency must plan for and manage these challenges.



Anticipated Activities – Key activities are anticipated to include:

- Monitor climate change information and policy

- Incorporate climate change impacts into water and flood system planning and engineering design
- Coordinate with Retailers about the effects of climate change on the wholesale water and flood systems so Retail agencies can plan for water deliveries and flood impacts
- Coordinate with the California Department of Water Resources and the Federal Emergency Management Agency's efforts on flood control modeling and initiatives



STAKEHOLDER ENGAGEMENT

ENGAGE OUR STAKEHOLDERS TO FOSTER UNDERSTANDING OF THEIR NEEDS, THE AGENCY, AND ITS FUNCTIONS

Initiative #19 – Optimize Agency communications program

Initiative Description – This initiative describes Zone 7's commitment to operating in an open and transparent manner. Maintaining effective communication strategies for the Agency is key to serving the community with openness and transparency and maintaining the commitment to customer service and integrity.

Anticipated Activities – During the five-year strategic planning periodic, key activities are anticipated to include:

- Refine brand identity, develop the master narrative and key messages, and update design guidelines and branded materials
- Produce the annual report
- Prepare positioning statements, key messages, and Q&A style responses
- Provide proactive updates to the community on flood maintenance, construction projects, potable reuse, and emergency operations
- Manage and enhance the outreach and schools' program
- Increase presence and influence on social media platforms
- Conduct a biannual report to the Board on the program
- Develop an in-person or virtual tour program of water treatment facilities
- Promote water conservation and rebate programs



- Support and promote the Living Arroyos program
- Continue cultivation of relationships with local media
- Facilitate annual legislative briefings for agency advocacy
- Maintain strong working relationships with local agencies, non-profit, partner and government organizations

Initiative #20 – Redesign Agency website

Initiative Description – The Zone 7 website requires updating. Cyber threats are posing an increased risk to vulnerable public agencies. Enhanced security measures are vital to maintain public documents and agency information as well as mitigate financial risk from cyber threats. This initiative describes the major anticipated activities.

Anticipated Activities – During the five-year strategic planning periodic, key activities are anticipated to include:

- Map and analyze current website
- Complete stakeholder surveys and focus groups prior to redesign to determine objectives and needs of new website
- Ensure new content for website aligns with strategic goals of the agency and maintains consistent voice and branding throughout the site
- Change hosting provider to a more secure platform
- Change the Content Management System (CMS) to a more secure and user-friendly platform, to enhance security and enable training of additional staff to increase redundancy and ensure timely updates of the website

Initiative #21 – Conduct water supply reliability outreach program

Initiative Description – Zone 7 Water Agency continues to proactively seek ways to enhance storage flexibility, diversify its water supply portfolio, incorporate climate change, and improve long-term water supply reliability for the Livermore-Amador Valley in support of its mission. This initiative describes a community outreach program to engage the Tri-Valley residents and businesses on the region’s water supply challenges on potential solutions.

Anticipated Activities – During the five-year strategic planning period, key activities are anticipated to include:

- Work with the retailers on all aspects of the water supply reliability outreach program
- Conduct stakeholder meetings, surveys, and focus groups to understand public perception of water supply in the Tri-Valley area
- Develop strategy and define key messages
- Create program toolkit and plan for execution

- Utilize a strategic mix of paid, earned, social, and owned media
- Report on key metrics and adjust the program as needed



FISCAL RESPONSIBILITY

OPERATE THE AGENCY IN A FISCALLY-RESPONSIBLE MANNER

Initiative #22 – Develop a long-range finance strategy

Initiative Description – This initiative consists of forward-looking analysis to plan for the Agency’s future. Key issues to address in the future include replacement and rehabilitation costs for aging infrastructure, the need to invest in expensive new water supply and reliability projects, the need to comply with new water quality regulations, and the reduction of development-related revenues as the Agency’s service area reaches buildout.

Anticipated Activities – Key activities are anticipated to include:

- Develop a long-range financial forecast
- Analyze debt financing versus pay-as-you-go
- Develop strategy to provide adequate flood control revenue as buildout occurs and Development Impact Fee revenues are reduced
- Develop strategy to provide adequate State Water Project and Zone 7 Water Agency infrastructure revenue as buildout occurs and connection fee revenues are reduced

Initiative #23 – Track State and federal funding opportunities

Initiative Description – Key financial issues to address in the future include replacement and rehabilitation costs for aging infrastructure, the need to invest in expensive new water supply and reliability projects, and the reduction of development-related revenues as Zone 7 Water Agency’s service area reaches buildout. State and federal funding programs can assist in these areas.

Anticipated Activities – Key activities are anticipated to include:

- Track and pursue State and Federal funding opportunities

Initiative #24 – Continue to effectively manage financial resources

Initiative Description – This initiative consists of managing financial resources in a prudent manner that maintains Zone 7 Water Agency systems but provides reasonable rates to the community and demonstrates good stewardship of public funds.

Anticipated Activities – Key activities are anticipated to include:

- Provide quarterly and annual financial reports to the Finance Committee and Board
- Update financial policies every 3-5 years
- Evaluate the Agency’s unfunded pension and other post-employment benefits (OPEB) liabilities
- Continue to conduct an annual audit
- Maintain target levels of reserves
- Maintain a high bond rating
- Meet debt coverage ratios

GLOSSARY

The following key terms are used in this Strategic Plan:

Goal – Zone 7 Water Agency’s commitment to the community it serves.

Initiative – Measurable work activity that, when accomplished, will directly lead to the success of the Goal.

Mission – The primary reason(s) for the existence of the organization.

Strategic Plan – A structured plan for Zone 7 Water Agency to achieve its goals.

SWOT Analysis – Description of strengths, weaknesses, opportunities, and threats to identify areas of focus in the Strategic Plan.

Values – Non-negotiable standards that the staff and the Board believe in, and embody how they will act individually and as an organization.

Vision – What Zone 7 Water Agency aspires to become.

Board of Directors

Sandy Figuers, President

Dennis Gambs

Sarah Palmer

Dick Quigley

Angela Ramirez Holmes

Olivia Sanwong, Vice-President

Michelle Smith McDonald

Executive Team

Valerie Pryor, General Manager

Osborn Solitei, Treasurer/Assistant General Manager - Finance

Carol Mahoney, Integrated Water Resources Manager

Colter Andersen, Production Manager

Jarnail Chahal, Engineering Manager

Consulting Support

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