

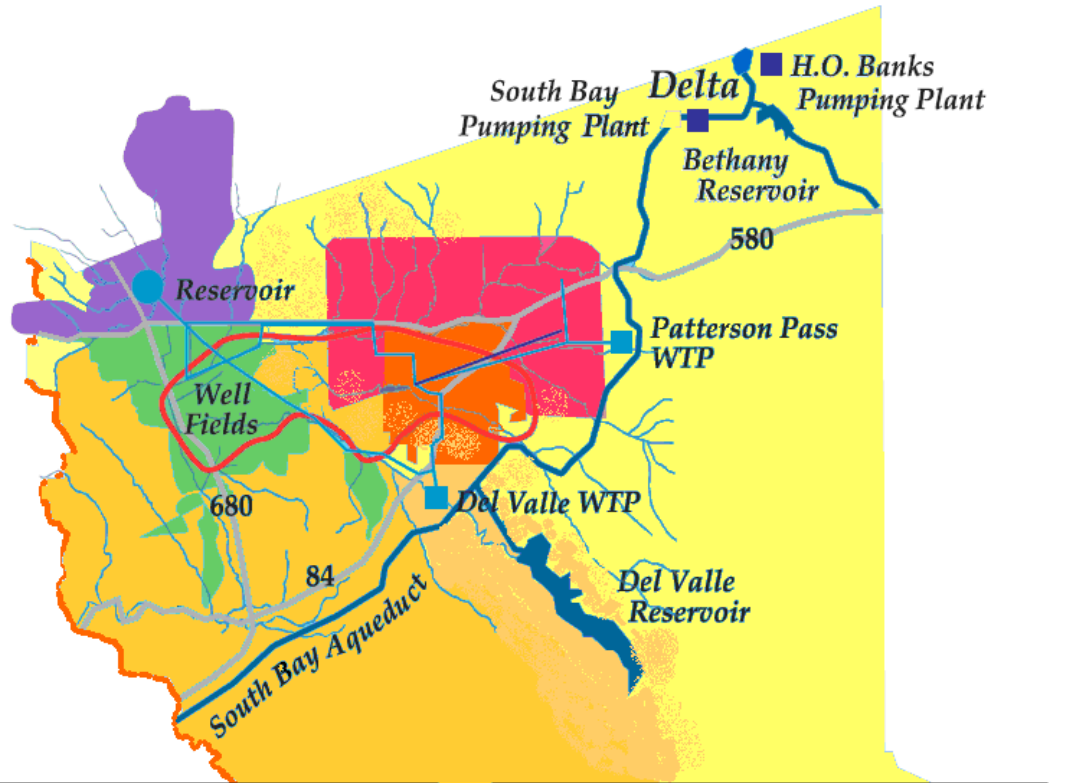
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT



FISCAL YEAR 2009-10 PROPOSED BUDGET

MISSION

Zone 7 Water Agency is committed to providing a reliable supply of high quality water and an effective flood control system to the Livermore-Amador Valley. In fulfilling our present and future commitments to the community, we will develop and manage the water resources in a fiscally responsible, innovative, proactive and environmentally sensitive way.



- City of Pleasanton
- City of Livermore
- Dublin San Ramon Service District
- California Water Service Company

- Zone 7 Transmission Facilities
- Main Groundwater Basin Boundary
- Streams and Flood Control Channels

ORGANIZATIONAL FACT SHEET
FEBRUARY 2009

Governing Board:

Sarah L. Palmer, President
Richard L. Quigley, Vice President
Sands H. Figuers
John J. Greci
Stephen A. Kalthoff
Dale H. Myers
William R. Stevens

Administration:

General Manager Jill Duerig

Operating Divisions:

Engineering Kurt Arends
Finance/Administrative John Yue
Operations Vince Wong

Employees:

117 Full-time Equivalent Positions

Authority:

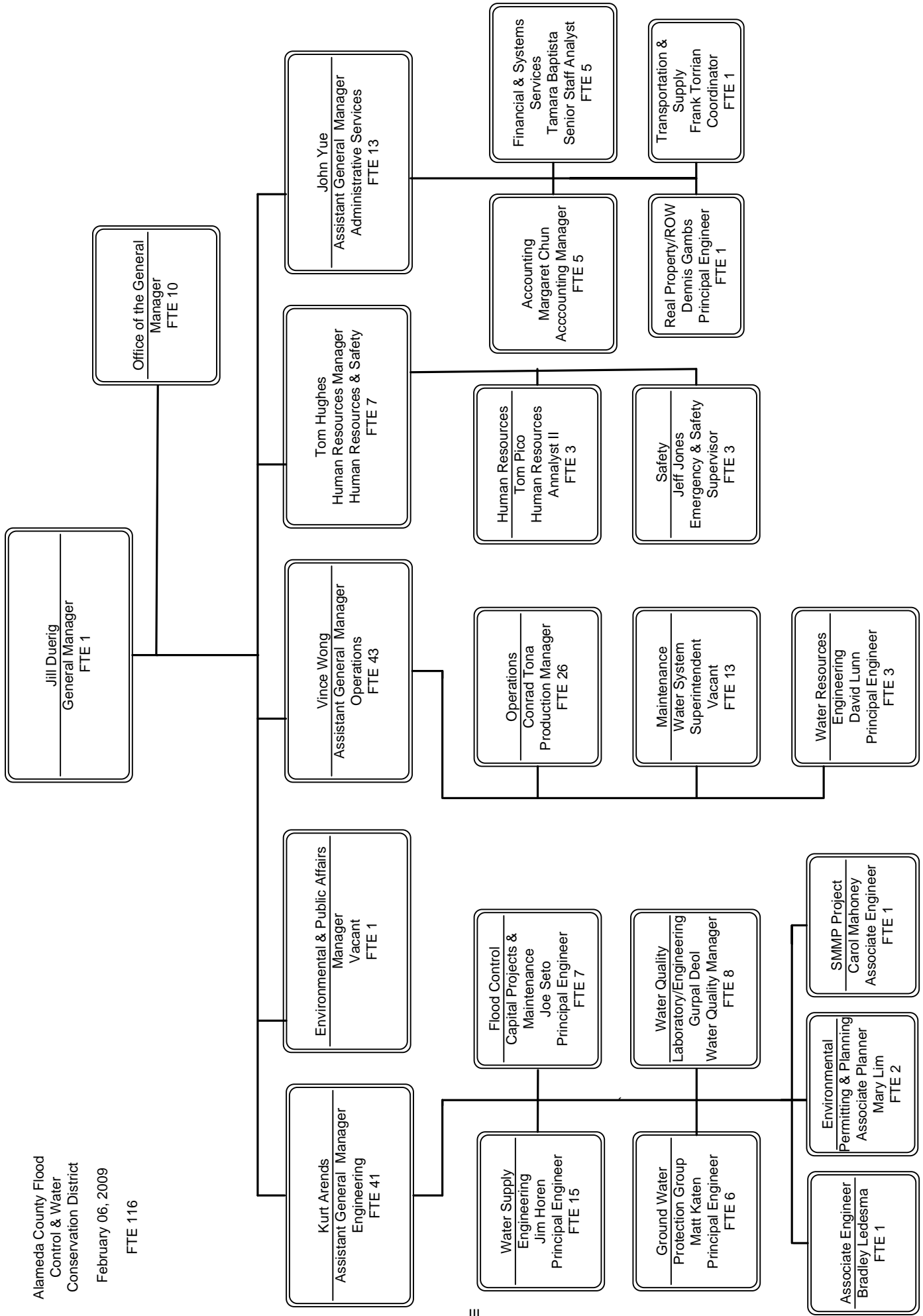
Zone 7 is part of the Alameda County Flood Control and Water Conservation District created by an act of the California State Legislature in 1949. The Alameda County Board of Supervisors acts as the ex officio Board of Supervisors of the District. Zone 7 was created as a zone of the District in 1957 and is governed by a seven member Board of Directors elected at large from the service area for four-year overlapping terms.

Territory:

430 square miles of water service area.
620 square miles of flood control watershed.

Current Service Functions:

Treated Water Wholesale
Untreated Water Retail
Flood Control





ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

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

February 18, 2009

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

SUBJECT: Final Budget for Fiscal Year 2009-10

The final budget for the Zone 7 Water Agency for fiscal year 2009-10, as adopted by the Board at its February 18, 2009 meeting, is being forwarded for your records. The budget document is the financial plan for the coming fiscal year. It is intended to provide a summary of the programs and objectives of the Agency and the financing to support them.

Summary

The final fiscal year 2009-10 budget is summarized in the following table. Operating Funds comprising of General Fund/Flood Control (Fund 50), State Water Facilities (Fund 51) and Water Enterprise (Fund 52) total \$85.3 million, of which \$52.1 million are in expenditures and \$33.2 million are in reserves. Capital Funds comprising of Special Drainage Area 7-1 Program (Fund 71), Renewal & Replacement Program and Systemwide Improvements Program (collectively Fund 72) and Expansion Program (Fund 73) total \$41.8 million.

	Budget FY 2008/09	Budget FY 2009/10	Change Amount	% Change
<u>Operating Funds</u>				
General Fund/Flood Control	\$6,577,733	\$6,190,569	(\$387,164)	-5.9%
Reserves	\$15,718,641	\$19,842,155	\$4,123,514	
State Water Facilities	\$8,226,597	\$9,397,448	\$1,170,851	14.2%
Reserves	\$4,373,070	\$4,494,915	\$121,845	
Water Enterprise	\$30,752,911	\$36,465,068	\$5,712,157	18.6%
Reserves	\$7,123,882	\$8,893,014	\$1,769,132	
Operating Funds Totals	\$72,772,834	\$85,283,169	\$12,510,335	17.2%
<u>Capital Funds</u>				
Special Drainage Area (SDA) 7-1 Program	\$15,159,988	\$16,771,500	\$1,611,512	
Renewal & Replacement Program	\$3,798,000	\$4,055,500	\$257,500	
Systemwide Improvements Program	\$9,490,405	\$5,068,940	(\$4,421,465)	
Expansion Program	\$83,299,243	\$15,773,055	(\$67,526,188)	
Capital Funds Totals	\$111,747,636	\$41,668,995	(\$70,078,641)	-62.7%
Grand Total	\$184,520,470	\$126,952,164	(\$57,568,306)	-31.2%

Issues and Trends

The most significant financial issues facing the Agency continue to be the funding of the capital improvement programs for the water and flood control programs in the changing economy, and operating costs for new facilities and water treatment.

A Federal court ruling in the Bay Delta environmental actions resulted in a 30% reduction in DWR pumping since June 2007. Combined with the effects of local conservation and other recycling efforts, water demands have decreased while production costs remain high because of high fixed costs plus increasing chemicals and utilities expenses.

New development revenue has continued but at a greatly reduced rate. Increased operating costs resulting from the construction of new facilities will continue to impact water rates in future years.

Additionally, as the operations and distributions infrastructure age with time, the annual contribution from the Water Enterprise Fund to the Renewal/Replacement and System-wide Improvement Fund at the rate that is commensurate with the needs of the assets are becoming more critical and essential. The fiscal year 2009-10 budget provides \$210,000 for an updated Asset Management study. This study will assess the condition of the infrastructure assets and update the existing asset management plan. This is planned to be a collaborative effort to include participation by the retailer agencies.

The Stream Management Master Plan has estimated over \$473 million in flood control related projects that will be evaluated, prioritized and have funding sources identified.

Water Quality program enhancements have been included as part of the on-going capital improvement program. The South Bay Aqueduct expansion/improvement project is being financed by the Department of Water Resources and funded from connection fees. Construction is in progress on the Altamont Pipeline- Livermore Reach and is funded from connection fees.

Local land use issues and the economic environment continue to affect projected growth in the Zone 7 service area, impacting revenue from connection fees and the timing for expansion capital improvements.

For fiscal year 2009-10, the Agency will continue to focus on implementing plans to ensure the availability of a sustainable water supply and drought storage protection, taking delivery and beginning operation of the demineralization plant to improve water quality, evaluate future water source impacts of climate changes, and to finalize the programmatic requirements and funding sources to complete the necessary flood control improvements to meet the needs of the service area community.

Staffing

The proposed budget for 2009-10 provides for 117.0 full-time equivalent positions. One new position, a Water Resources Technician for a Well Permit program, is recommended in the proposed budget but will not be pursued unless and until a new well ordinance and associated fees are in effect. During 2008-09, the Board approved recommendations by staff to re-align staffing resources. Four (4) positions, Senior Procurement & Contracts Specialist, Assistant Water Resources Planner, Associate Control Systems Engineer and Instrument Technician were added and funded by other unfilled positions and/or savings from services and supplies with no incremental increase to the approved 2008-09 budget. As of February 9, 2009, there are ten (10) vacant, unfilled positions. Due to current fiscal concerns, no position is filled unless a strong contemporary

justification is provided. Effectively, this might be considered a “soft” hiring freeze. In addition, there will be a continuing focus on cutting back on outside services contracts and accomplishing more with existing staff.

Operating Budgets

The operating budget appropriations are increasing by \$12.5 million over the previous fiscal year’s budget: \$6.5 million in expenditures and \$6.0 million in additional reserves. The General/Flood Control Fund budget is decreasing by \$0.4 million reflecting resumption of normal flood control system maintenance in fiscal year 2009-10 after some catch-up projects performed in the previous year. Project Reserve funds for major maintenance projects are increasing by \$4.1 million due in part to mild storm seasons in the previous two periods and in anticipation of projects pending the results adoption of a new 10-year Capital Improvement Plan (CIP), which will recommend specific projects to be undertaken. The sinking fund reserve is increasing by \$0.1 million to reflect the annual contribution for the future building purchase.

The State Water Facilities Fund budget is increasing by \$1.2 million based on anticipated State Department of Water Resources charges for fiscal year 2009-10. The reserve fund in this budget is increasing by \$0.1 million to reflect the cash flow needs pending receipt of property taxes, to mitigate the potential loss of availability of development funds and to address any changes implemented midyear by the Department of Water Resources. A portion of the State Water Project charges are funded by the Expansion program.

The Water Enterprise Fund budget is increasing by \$5.7 million over the 2008-09 budget, reflecting a \$3.8 million increase in water treatment related costs for water, power and chemicals and a \$2.0 million increase in other operating costs primarily in personnel, professional services, and maintenance of facilities. The emergency/operating reserves are being recommended at \$8.9 million and represent approximately 20% of operating costs. A Rate Stabilization Reserve Fund was established after the drought in the early 1990’s in order to mitigate rate fluctuations in case of a major loss of revenue due to a prolonged drought or emergency supply outage. This amount is based on a potential 10% reduction in water sale revenue due to expected water conservation in the event of a drought. However, at the November 2008 Board meeting, the Board authorized the use of this rate stabilization reserve if needed due to conservation and the court-ruled DWR pumping reduction. For FY 2008-09, \$3.4 million is planned on being used to offset lower water sales revenue, if needed.

The operating budgets revenue is estimated to increase by \$7.1 million. The General/Flood Control Fund revenue is projected to increase by \$0.1 million primarily reflecting a carry-over of property tax revenue stream due to the slower economy. The State Water Facilities Fund revenue is projected to increase by \$0.6 million primarily reflecting property taxes and increased reimbursements needed to fund anticipated charges from the Department of Water Resources for the State Water Project. The Water Enterprise Fund revenue is projected to increase by \$6.4 million primarily due to the Board-approved 2009 water rates and the proposed 2010 water rates.

Capital Budgets

The capital projects expenditures budget is decreasing by \$70.2 million. The net decrease is comprised of a \$67.7 million decrease in the Expansion program and a \$4.4 million decrease in the

Systemwide Improvements program. This is offset by a \$1.6 million increase in the Special Drainage Area program and a \$0.3 million increase in the Renewal and Replacement program.

The Special Drainage Area projects planned for 2009-10 include \$10.0 million for the purchase of Arroyo Las Positas Improvements near El Charro when completed by the developer; \$5.5 million for the Integrated Regional Water Master Plan Flood Protection Project in case the State's matching fund grant is awarded; \$0.6 million for cost sharing with the U.S. Corps of Engineers to conduct a feasibility study for improvements at Arroyo de la Laguna; \$0.4 million earmarked for the Streams Management Master Plan (SMMP) and new projects developed from that effort; \$0.2 million in consulting and other costs; \$0.1 million for design review and management of the SDA program; \$0.1 million for lease costs of the new administration building; and \$0.1 million contribution for building purchase sinking fund.

Among the projects in the Renewal & Replacement and Systemwide Improvements Programs being recommended are \$0.7 million for security improvements; \$0.4 million for groundwater basin management; \$0.1 million for program management; \$0.4 million for transmission planning and distribution; \$1.2 million for water supply and conveyance projects; \$4.8 million for water treatment facility upgrades and improvements; \$0.1 million for regulatory compliance projects; \$0.6 million for building & grounds; and \$0.3 million for building purchase sinking fund. A total of \$0.8 million in contingency funds for unanticipated and/or emergency projects is included in the proposed budget for these two programs combined.

Projects proposed under the Expansion Program include \$0.3 million for the Mocho Demineralization project; \$0.3 million for program management; \$50,000 for Transmission System Master Planning; \$0.3 million for the Altamont Pipeline – Livermore Reach; \$12.3 million for Water Supply and Conveyance projects; \$28,000 for Water Treatment facilities projects; and \$1.6 million for Well Master Plan Wells. There is also \$0.5 million for contingency funds, and \$0.4 million for the lease. The major reason for reduced expenditures planned in fiscal year 2009-10 is due to the substantial completion of the Altamont Pipeline – Livermore Reach in fiscal year 2008-09, and deferring the Altamont Water Treatment Plant (AWTP) project because of the slowed growth in the service area. The planned expenditures for 2009-10 are comprised mainly of fixed costs and already-committed projects, and include the deferral of the \$1.7 million South Bay Aqueduct Improvement & Enlargement Sinking Fund. It is anticipated that plans and permits already secured for the AWTP project will not be jeopardized by postponing the project.

Funds received by the Special Drainage Area Program are estimated at \$1.6 million, from an equal allocation of drainage fees between Agency and developer projects plus interest earned. Contributions from the Water Enterprise Fund and Facility Use Fees provide the primary funding for the Renewal & Replacement and Systemwide Improvements programs. Transfers from the Water Enterprise Fund are planned at \$5.3 million in fiscal year 2009-10. In addition, revenue of \$1 million is anticipated from Facility Use Fees from new water users in the Dougherty Valley area. The Expansion Program is funded through new development connection fees. Revenue from connection fees for fiscal year 2009-10 is projected at \$14.9 million based on estimated new connections and \$1.4 million refund from DWR for this fund's share of the South Bay Aqueduct 25% Bond Cover Charge. Additionally, \$0.4 million is estimated in interest earned. On January 2008, the Board-approved \$60 million Installment Sales Agreement (ISA) became effective. The ISA provides for the funding of the AWTP and the Altamont Pipeline Project. With the Altamont

Pipeline Project – Livermore Reach currently in progress and projected to be completed in June 2009, the ISA permits a draw of up to the project cost of \$28 million. The terms of the ISA permit drawing against the specified projects up to 18 months from the date the project is placed in service. As such, staff recommends deferring any potential ISA draw to no later than the 4th quarter of calendar year 2010. This recommendation will permit more time to assess the level and the speed of recovery in area development, which in turn correlate to connection fee revenue for this fund.

Very truly yours,

John Yue
Assistant General Manager
Finance & Business Services

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2009-2010
PROPOSED BUDGET

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

PROPOSED BUDGET
FISCAL YEAR 2009 - 2010

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ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
FISCAL YEAR 2009-10

SUMMARY

The proposed Zone 7 budgets for Fiscal Year 2009-10 are summarized as follows:

<u>Operating Funds</u>	<u>FY 2008/09</u>	<u>FY 2009/10</u>	<u>Change Amount</u>	<u>% Change</u>
1. General Fund/Flood Reserves	\$6,577,733 \$15,718,641	\$6,190,569 \$19,842,155	(\$387,164) \$4,123,514	(5.89%)
2. State Water Facilities Reserves	\$8,226,597 \$4,373,070	\$9,397,448 \$4,494,915	\$1,170,851 \$121,845	14.23%
3. Water Enterprise Reserves	\$30,752,911 \$7,123,882	\$36,465,068 \$8,893,014	\$5,712,157 \$1,769,132	18.57%
Grand Totals	\$72,772,834	\$85,283,169	\$12,510,335	17.19%

<u>Capital Funds</u>	<u>FY 2008/09</u>	<u>FY 2009/10</u>	<u>Change Amount</u>
1. Special Drainage Area (SDA) 7-1 Program	\$15,159,988	\$16,771,500	\$1,611,512
2. Renewal & Replacement Program	\$3,798,000	\$4,055,500	\$257,500
3. Systemwide Improvements Program	\$9,490,405	\$5,068,940	(\$4,421,465)
4. Expansion Program	\$83,299,243	\$15,773,055	(\$67,526,188)
Grand Totals	\$111,747,636	\$41,668,995	(\$70,078,641)

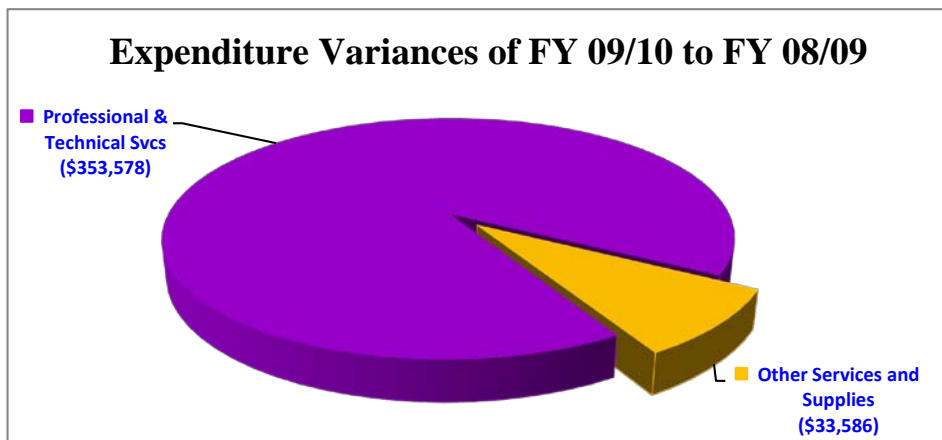
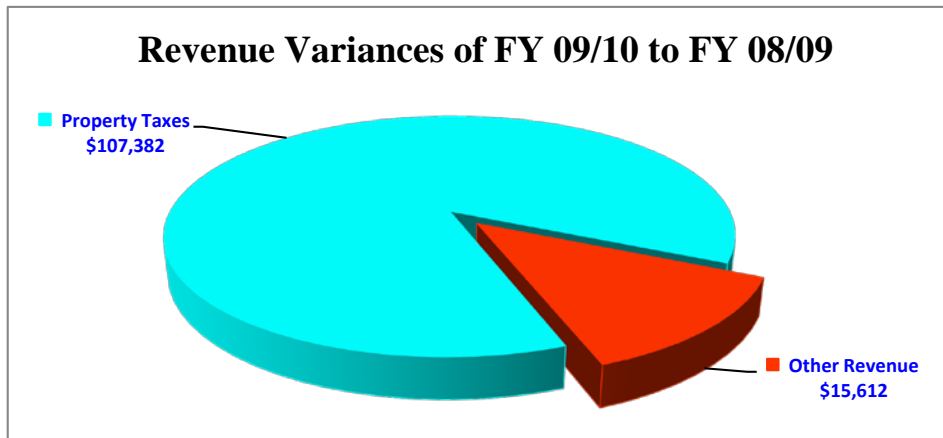
**GENERAL FUND/FLOOD CONTROL
BUDGET**

**ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
FISCAL YEAR 2009-10**

GENERAL FUND/FLOOD CONTROL (FUND 50)

This budget unit provides the funding for general administration and flood control services. The purpose of this program is to ensure the controlled drainage of the Valley's excess water runoff. Zone 7 manages a watershed of nearly 620 square miles including eastern Alameda County and parts of Contra Costa, Santa Clara and San Joaquin Counties. More than 37 miles of flood control channels and drainage facilities are owned and maintained by Zone 7. This budget finances a comprehensive year-round maintenance program that includes repairing slides and erosion, refurbishing access roads and associated drainage ditches, installing and repairing gates and fences, and maintaining landscaped areas.

	<u>FY 2008/09</u>	<u>FY 2009/10</u>	<u>Change Amount</u>	<u>% Change</u>
Appropriation	\$6,577,733	\$6,190,569	(\$387,164)	(5.89%)
Reserves	\$15,733,437	\$19,842,155	\$4,108,718	
Revenue	\$6,852,106	\$6,975,100	\$122,994	1.79%

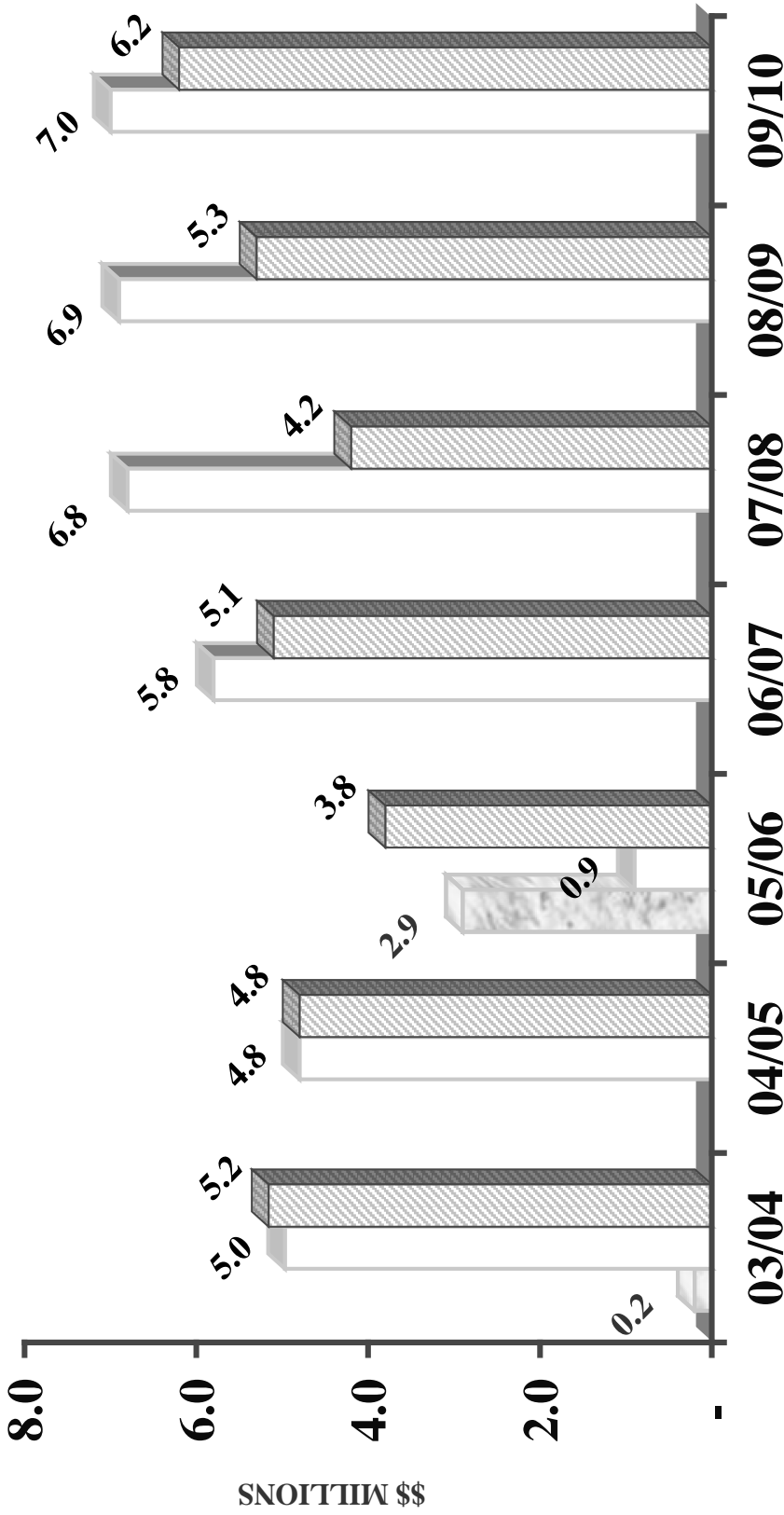


SUMMARY: REVENUES/EXPENDITURES
GENERAL FUND/FLOOD CONTROL (50)

	Fiscal Year 2008/09 Forecast	Fiscal Year 2009/10 Budget	Change	% Change
Beginning Available Fund Balance	\$17,458,914	\$19,057,624		
<u>Estimated Revenue</u>				
Current Tax Revenue	\$5,909,618	\$5,963,000	\$53,382	1%
Other Revenue	\$952,488	\$1,012,100	\$59,612	6%
Total Revenue:	\$6,862,106	\$6,975,100	\$112,994	2%
<u>Estimated Expenditures</u>				
Personnel	\$1,200,000	\$1,258,074	\$58,074	5%
Services & Supplies	\$4,063,396	\$4,913,995	\$850,599	21%
Fixed Assets	\$0	\$18,500	\$18,500	0%
Total Expenditures	\$5,263,396	\$6,190,569	\$927,173	18%
Net Revenue over Expenditures	\$1,598,710	\$784,531	(\$814,179)	(51%)
Estimated Ending Available Fund Balance	\$19,057,624	\$19,842,155	\$784,531	4%
Reserve Funds				
Operating/Emergency Reserves	\$4,200,000	\$4,200,000	\$0	0%
Project Reserves	\$14,429,691	\$15,134,293	\$704,602	5%
Building Sinking Fund	\$427,933	\$507,862	\$79,929	19%
Reserve Funds Balance	\$19,057,624	\$19,842,155	\$784,531	4%

GENERAL FUND/FLOOD CONTROL (50)

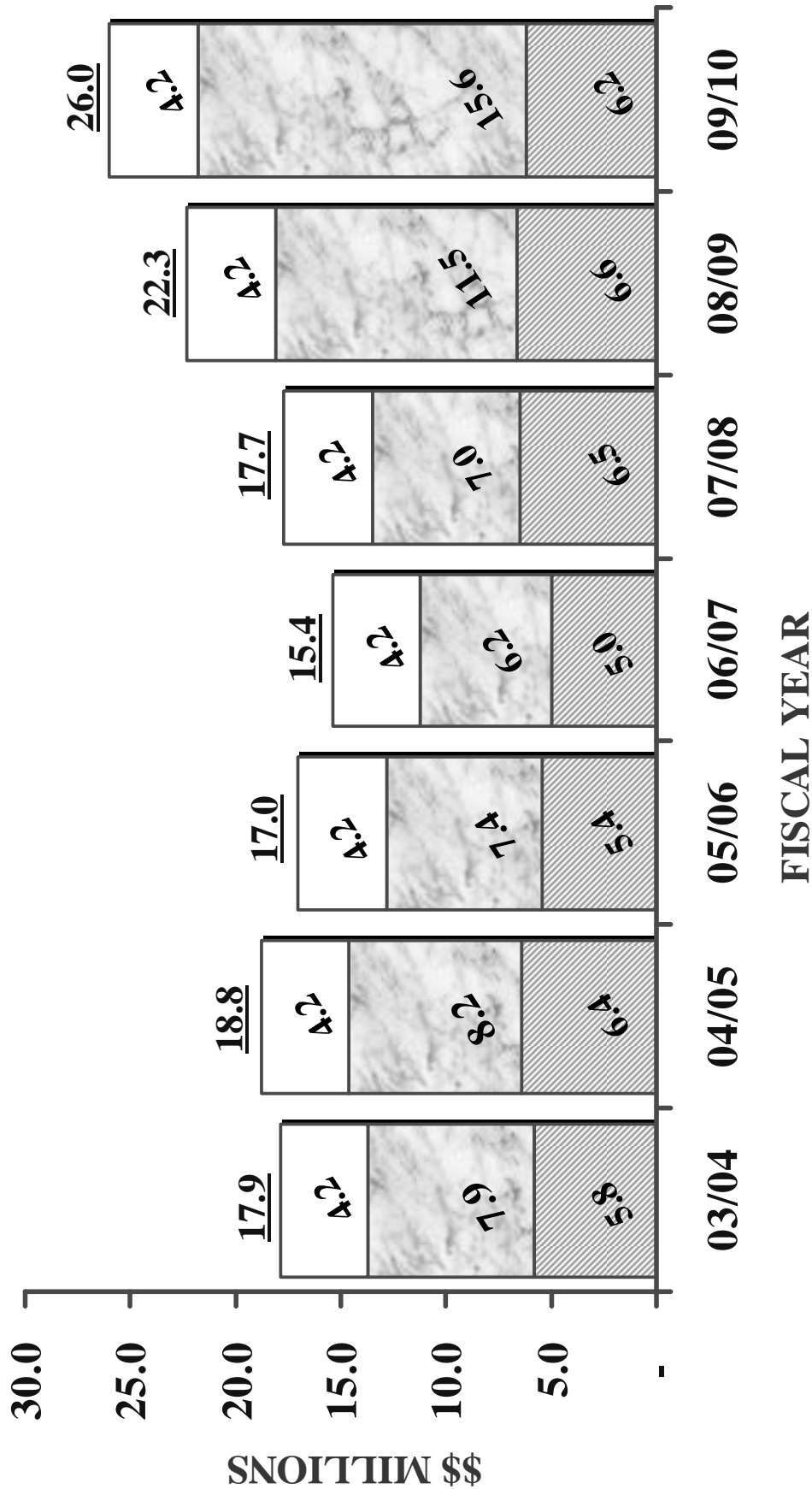
Revenue vs Expenses



FISCAL YEAR

Use of Fund Balance Revenue Expenses

GENERAL FUND/FLOOD CONTROL (50)
Budget Including Reserves



Budget Expenses
 Project Reserves
 Oper/Emer Reserves

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

Acct #	50 Account Description	Final Budget 08/09	Proposed Budget 09/10	Change Amount	Opr/Emer Reserves
<u>Revenues & Transfers</u>					
4111	Property Taxes Current Secured	\$4,647,639	\$4,700,000	\$52,361	
4112	Property Taxes Current Unsecured	\$1,158,979	\$1,160,000	\$1,021	
4113	Property Tax-Supplemental	\$103,000	\$103,000	\$0	
4114	Property Taxes Prior Secured	\$100,000	\$150,000	\$50,000	
4115	Property Taxes Sa Secured	\$30,000	\$30,000	\$0	
4116	Property Taxes Prior Unsecured	\$5,000	\$9,000	\$4,000	
4117	Property Taxes Prior Sa Unsecured	\$1,000	\$1,000	\$0	
4191	Other Licenses & Permits	\$2,500	\$2,500	\$0	
4211	Disaster Reimbursements	\$0	\$0	\$0	
4221	HPTR	\$53,728	\$54,000	\$272	
4241	Federal;Other	\$0	\$0	\$0	
4251	Local Housing Authority In-Lieu	\$600	\$600	\$0	
4311	Interest on Investments	\$700,000	\$700,000	\$0	
4331	Rent of Land & Buildings	\$4,660	\$25,000	\$20,340	
4610	Other Charges for Current Services	\$25,000	\$25,000	\$0	
4631	Plan Checking Fees	\$10,000	\$5,000	(\$5,000)	
4810	Other Revenue	\$10,000	\$10,000	\$0	
	Total Revenues	\$6,852,106	\$6,975,100	\$122,994	
<u>Expenditures, Reserves & Credits</u>					
6100	Labor & Overhead Apportioned				
6110	Direct Labor & Benefits Appor	\$931,613	\$939,732	\$8,119	
6120	Indirect Labor & Benefits Appor	\$347,292	\$495,037	\$147,745	
	Total Personnel	\$1,278,905	\$1,434,769	\$155,864	
6200	Professional & Technical Svcs				
6210	Professional & Tech Svcs	\$4,756,911	\$5,318,778	\$561,867	\$4,261,278
6230	County Prof & Tech Services	\$110,000	\$85,000	(\$25,000)	
6250	District Prof & Tech Services	\$7,500	\$5,000	(\$2,500)	
6280	Dist Labor/Indirect - Misc	\$0	\$0	\$0	
6500	Utilities				
6510	Gas & Electricity	\$0	\$0	\$0	
6520	Communications	\$6,000	\$5,090	(\$910)	
6600	Facilities Services				
6610	Cleaning Services	\$5,000	\$5,000	\$0	
6610	Other	\$0	\$0	\$0	
6612	Garbage Disposal	\$5,000	\$5,000	\$0	
6614	Janitorial Service	\$0	\$0	\$0	
6620	Maint Svcs & Mat - Equipment	\$128,291	\$154,507	\$26,216	\$145,007
6630	Maint Svcs & Mat - Structs & Imp's	\$15,130,242	\$17,992,668	\$2,862,426	\$14,792,668
6640	Rents & Leases - Equipment	\$59,794	\$78,269	\$18,475	\$50,269
6650	Rents & Leases - Land, Structs	\$106,800	\$109,000	\$2,200	
6670	Other Property Services	\$0	\$0	\$0	
6700	Services and Supplies				
6720	Emergency & Safety	\$26,000	\$26,000	\$0	
6740	Office Expense	\$40,750	\$54,500	\$13,750	
6750	Organization Memberships & Dues	\$51,500	\$51,500	\$0	
6760	Other Services & Supplies	\$87,044	\$115,871	\$28,827	\$85,071
6761	Advertising & Legal Services	\$100	\$1,000	\$900	
6762	Clothing & Personal Supplies	\$600	\$600	\$0	
6764	Household Expense	\$600	\$600	\$0	
6765	Laboratory Supplies	\$0	\$200	\$0	
6766	Tools & Instruments	\$2,100	\$2,100	\$0	
6767	State & Local Fees	\$15,200	\$25,200	\$10,000	
6768	Uniform Service	\$1,100	\$1,100	\$0	
6769	Other	\$67,344	\$85,071	\$17,727	
6770	Training	\$26,000	\$21,000	(\$5,000)	
6780	Transportation	\$1,500	\$1,500	\$0	
6790	Travel	\$5,500	\$3,500	(\$2,000)	
6800	Equipment				
6810	Equipment & Vehicle Expense	\$27,000	\$34,410	\$7,410	\$0
6900	Other				
6910	Non-Operating Expense	\$5,000	\$5,000	\$0	
	Total Services & Supplies	\$20,580,832	\$24,066,593	\$3,485,761	\$19,334,293
6245	Reprographics-AlaCo	\$5,000	\$5,000	\$0	
	Total Non-Discretionary Expenditur	\$5,000	\$5,000	\$0	
7500	Capital Land, Structures, & Equip				
7510	Capital Structures & Improvmts	\$427,933	\$507,862	\$79,929	\$507,862
7520	Capital Equipment	\$18,500	\$18,500	\$0	
	Total Fixed Assets	\$446,433	\$526,362	\$79,929	\$507,862
	Total Expenditures	\$22,311,170	\$26,032,724	\$7,315,871	\$19,842,155
	% Change General Fund/Flood Control Budget			32.79%	

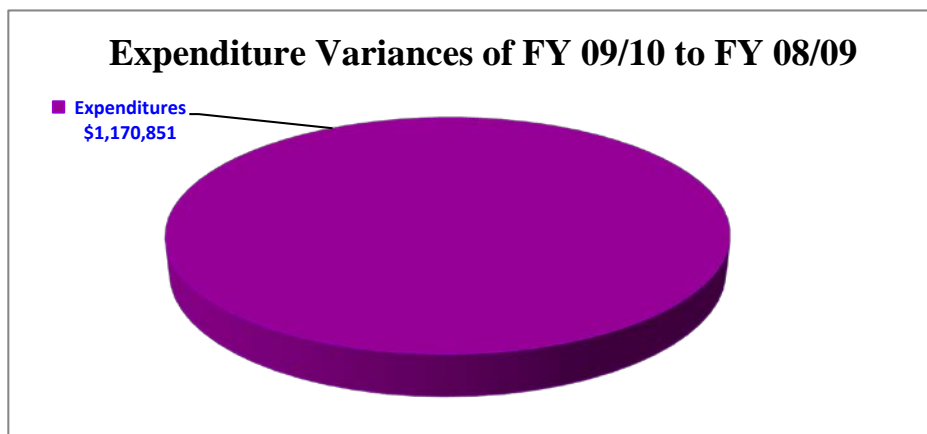
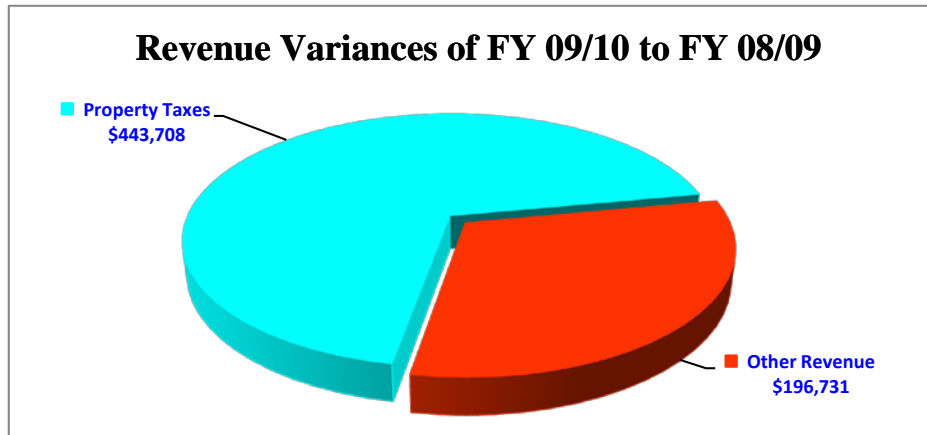
**STATE WATER FACILITIES FUND
BUDGET**

**ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
FISCAL YEAR 2009-10**

STATE WATER FACILITIES FUND (FUND 51)

This budget finances the "fixed cost" payment to the State Department of Water Resources (DWR) to import water to Zone 7. The purpose is to pay the costs for use of the State water delivery system, which includes repayment of voter approved, State incurred, long-term debt.

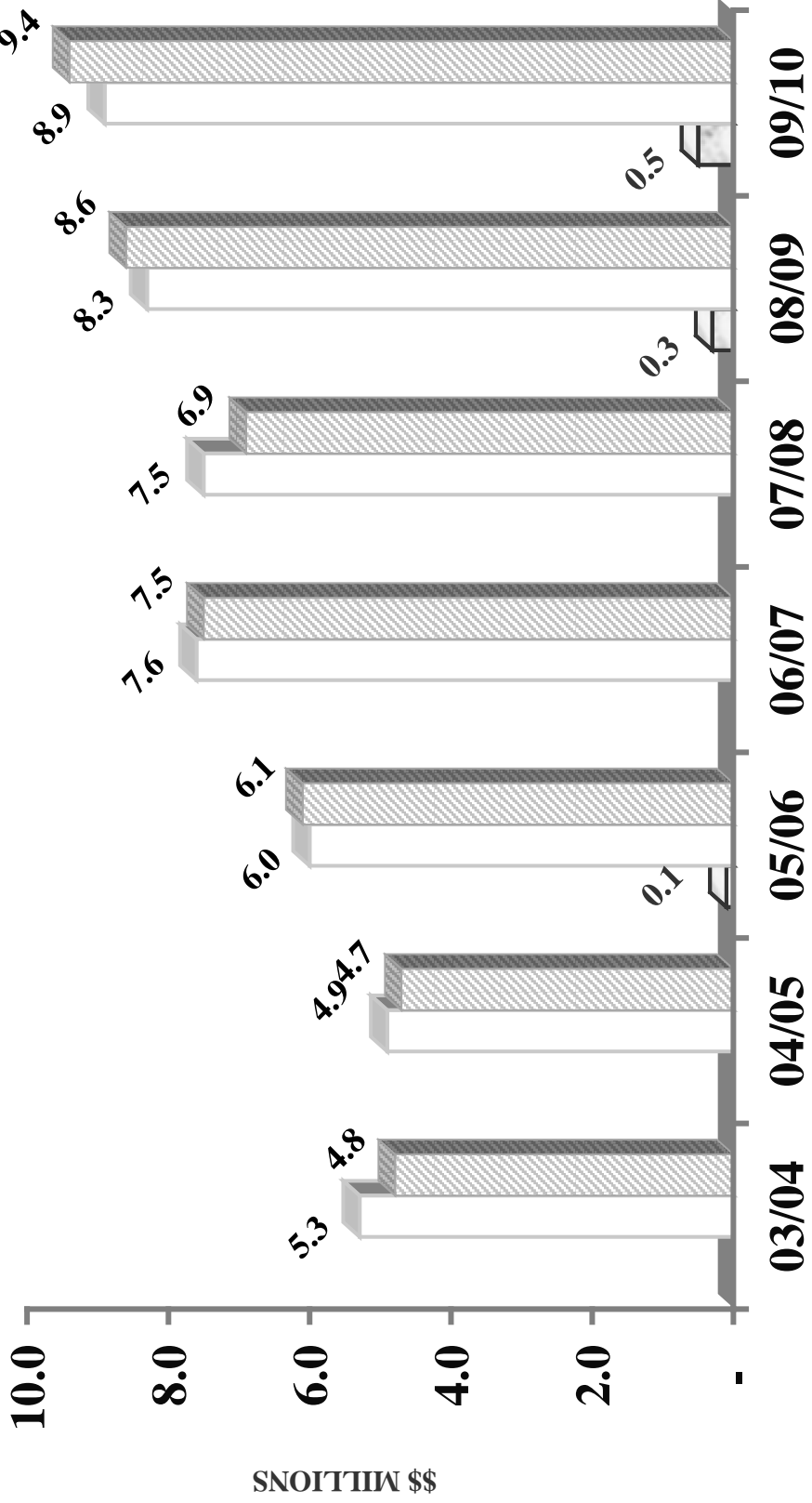
	<u>FY 2008/09</u>	<u>FY 2009/10</u>	<u>Change Amount</u>	<u>% Change</u>
Appropriation	\$8,226,597	\$9,397,448	\$1,170,851	14.23%
Reserves	\$4,373,070	\$4,494,915	\$121,845	
Revenue	\$8,284,100	\$8,924,539	\$640,439	7.73%



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

	Fiscal Year 2008/09 Forecast	Fiscal Year 2009/10 Budget	Change	% Change
Beginning Available Fund Balance	\$5,269,404	\$4,967,824		
Adjustment	\$0	\$0		
Net Beginning Available Fund Balance	\$5,269,404	\$4,967,824		
<u>Estimated Revenue</u>				
Current Tax Revenue	\$6,875,000	\$7,284,850	\$409,850	6%
Other Revenue	\$1,450,018	\$1,639,689	\$189,671	13%
<i>Total Revenue:</i>	<i>\$8,325,018</i>	<i>\$8,924,539</i>	<i>\$599,521</i>	<i>7%</i>
<u>Estimated Expenditures</u>				
Payments to Dept of Water Resources	\$9,626,598	\$11,397,448	\$1,770,850	18%
Intra-Fund Transfer	(\$1,000,000)	(\$2,000,000)	(\$1,000,000)	100%
<i>Total Expenditures</i>	<i>\$8,626,598</i>	<i>\$9,397,448</i>	<i>\$770,850</i>	<i>9%</i>
Net Revenue over Expenditures	(\$301,580)	(\$472,909)	(\$171,329)	57%
Estimated Ending Available Fund Balance	\$4,967,824	\$4,494,915	(\$472,909)	(10%)
Reserve Funds	\$4,373,070 (Budget)	\$4,494,915	\$121,845	3%
Net Expenditures & Reserves	\$12,999,668	\$13,892,363	\$892,695	7%
Total Appropriation	\$13,999,668	\$15,892,363	\$1,892,695	14%

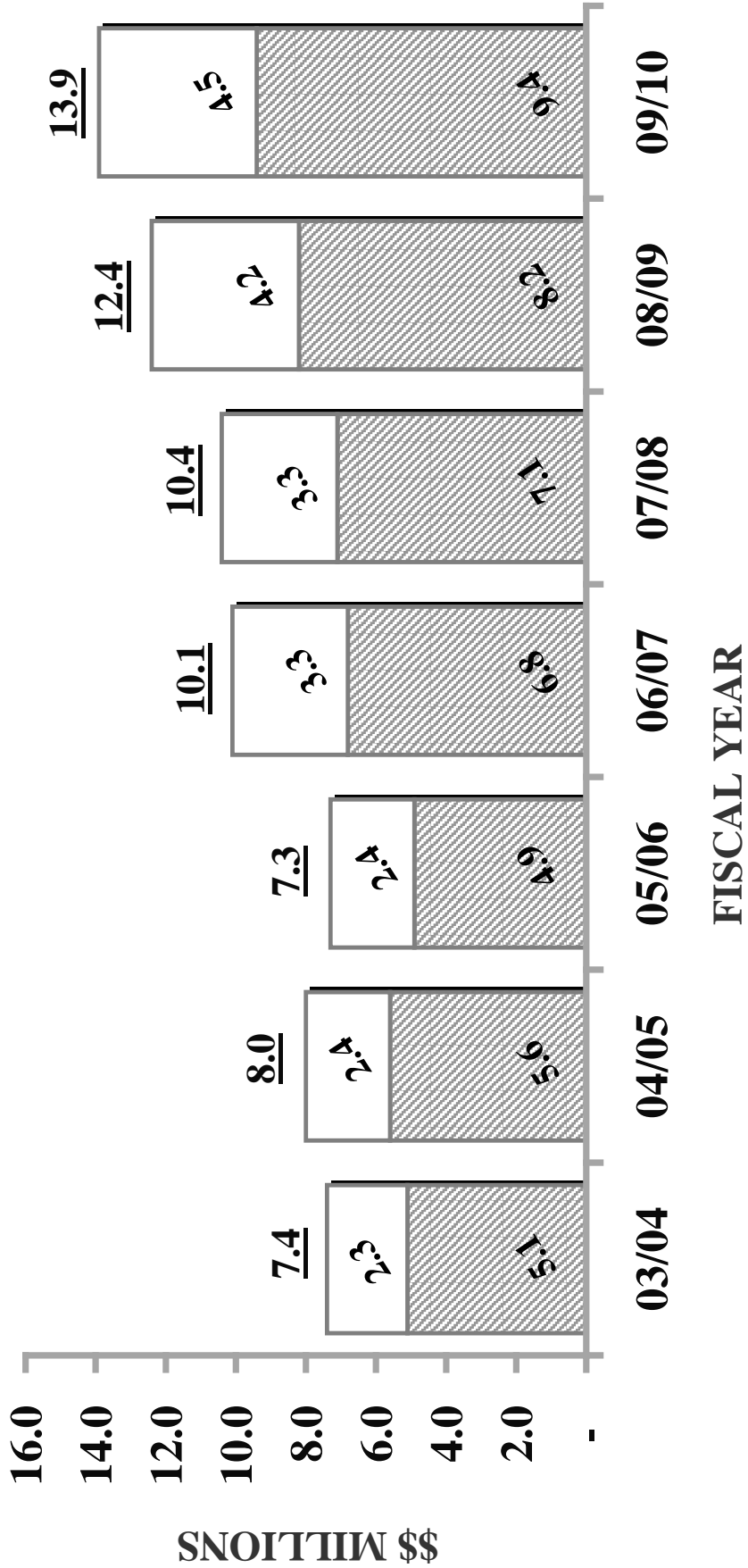
STATE WATER FACILITIES FUND (51)
Revenue vs Expenses



FISCAL YEAR

Use of Fund Balance Revenue Expenses

STATE WATER FACILITIES FUND (51)
Budget Including Reserves



 Budget Expenses
  Emer/Oper Reserves

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

Acct #	51 Account Description	Final Budget 08/09	Proposed Budget 09/10	Change Amount	Opr/Emer Reserves
<u>Revenues & Transfers</u>					
4111	Property Taxes Current Secured	\$6,575,000	\$6,903,750	\$328,750	
4112	Property Taxes Current Unsecured	\$175,000	\$226,600	\$51,600	
4113	Property Tax-Supplemental	\$150,000	\$154,500	\$4,500	
4114	Property Taxes Prior Secured	\$60,000	\$103,000	\$43,000	
4115	Property Taxes Sa Secured	\$15,000	\$15,450	\$450	
4116	Property Taxes Prior Unsecured	\$3,000	\$13,390	\$10,390	
4117	Property Taxes Prior Sa Unsecured	\$600	\$618	\$18	
4221	Homeowners Prop Tax Relief	\$40,000	\$45,000	\$5,000	
4251	Local Housing Authority In-Lieu	\$500	\$100	(\$400)	
4311	Interest on Investments	\$90,000	\$90,000	\$0	
4321	Interest from Other Sources	\$80,000	\$80,000	\$0	
4541	Water Service Surcharge	\$595,000	\$777,131	\$182,131	
4810	Other Revenue	\$500,000	\$515,000	\$15,000	
	<u>Total Revenues</u>	<u>\$8,284,100</u>	<u>\$8,924,539</u>	<u>\$640,439</u>	
<u>Expenditures, Reserves & Credits</u>					
6410	Water - DWR Fixed Charges	\$14,099,667	\$15,892,363	\$1,792,696	\$4,494,915
6419	Credits for Fixed Cost from Expansion	(\$1,500,000)	(\$2,000,000)	(\$500,000)	
	<u>Total Expenditures</u>	<u>\$12,599,667</u>	<u>\$13,892,363</u>	<u>\$1,292,696</u>	<u>\$4,494,915</u>
	% Change State Water Facilities Fund			10.26%	

**WATER ENTERPRISE FUND
BUDGET**

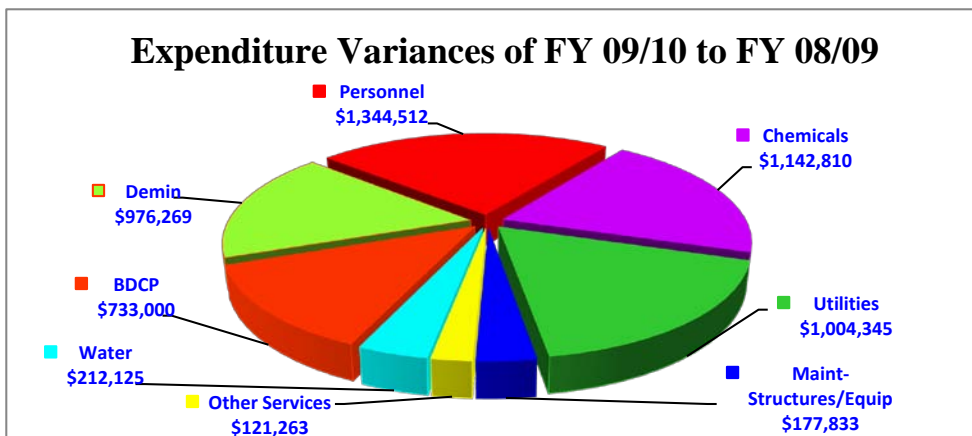
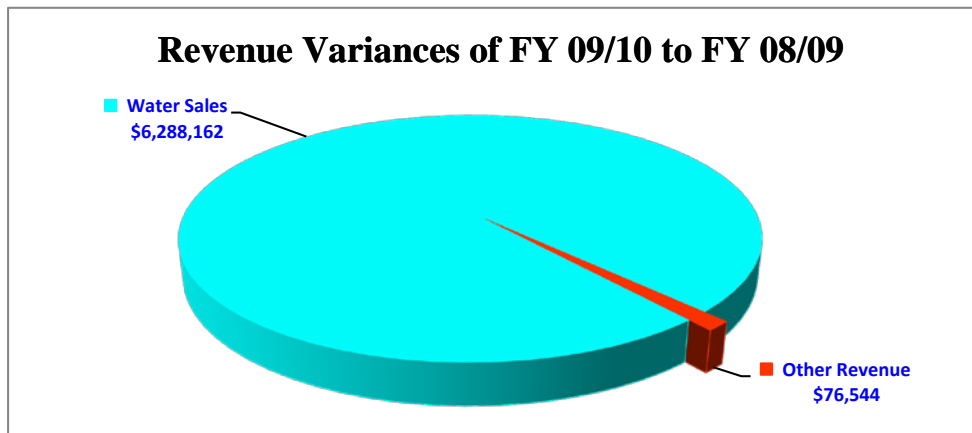
ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
FISCAL YEAR 2009-10

WATER ENTERPRISE FUND (FUND 52)

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

The purpose of this fund is to ensure the delivery of high quality water to the Livermore-Amador Valley. This includes water treatment and distribution of potable water; distribution of untreated agricultural water; and surface water and groundwater management. Water distributed is a combination of locally conserved and imported water from the State Water Project. Activities include water treatment; water quality analysis; water resource management and groundwater protection; and water supply planning and engineering.

	<u>FY 2008/09</u>	<u>FY 2009/10</u>	<u>Change Amount</u>	<u>% Change</u>
Appropriation	\$30,752,911	\$36,465,068	\$5,712,157	18.57%
Reserves	\$7,123,882	\$7,293,014	\$169,132	
Revenue	\$28,762,017	\$35,126,723	\$6,364,706	22.13%

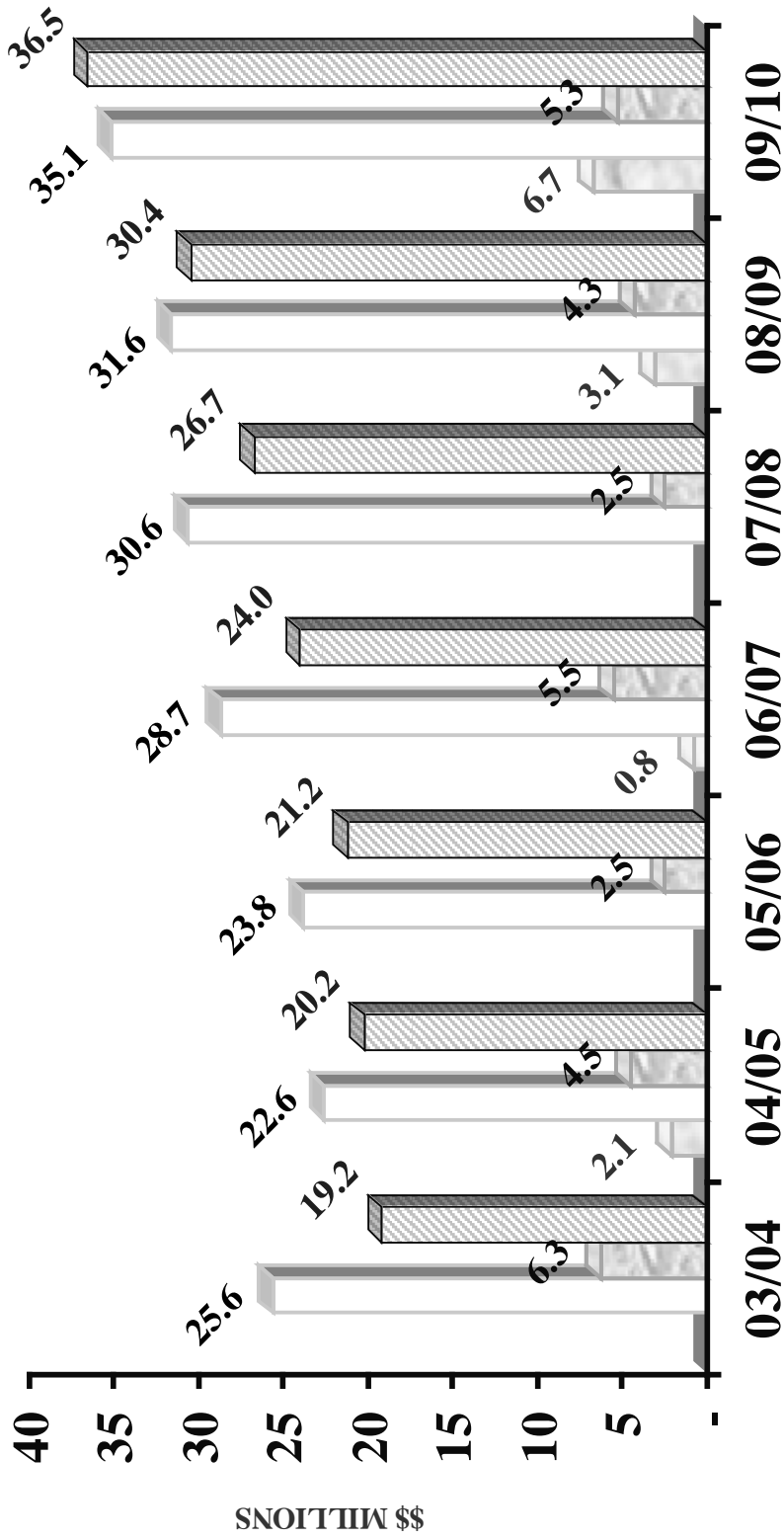


SUMMARY: REVENUES/EXPENDITURES
WATER ENTERPRISE FUND (52)

	Fiscal Year 2008/09 Forecast	Fiscal Year 2009/10 Budget	Change	% Change
Beginning Available Fund Balance	\$23,633,953	\$19,375,712		
Adjustments	(\$1,134,006)			
Net Beginning Available Fund Balance	\$22,499,947	\$19,375,712		
<u>Estimated Revenue</u>				
Water Sales	\$30,952,197	\$34,383,142	\$3,430,945	11%
Interest	\$499,037	\$515,581	\$16,544	3%
Other	\$171,367	\$228,000	\$56,633	33%
Total Revenue:	\$31,622,601	\$35,126,723	\$3,504,122	11%
<u>Estimated Expenditures</u>				
Personnel	\$16,375,794	\$16,612,636	\$237,042	1%
Services & Supplies	\$19,943,839	\$23,685,368	\$3,741,529	19%
County Indirect Cost	\$474,800	\$660,000	\$185,200	39%
Fixed Assets	\$100,000	\$206,000	\$106,000	106%
Credits to Other Funds	(\$6,528,321)	(\$4,699,136)	\$1,829,185	(28%)
Total Expenditures	\$30,366,112	\$36,465,068	\$6,098,956	20%
Net Revenue over Expenditures	\$1,256,489	(\$1,338,345)	(\$2,594,834)	(207%)
Estimated Ending Available Fund Balance	\$23,756,436	\$18,037,367	(\$5,719,069)	(24%)
<u>Year-End Fund Contributions</u>				
Fund 72 - Renewal & Repl/Syst Imp	(\$4,380,724)	(\$5,313,429)	(\$932,705)	21%
Estimated Net Ending Available Funds	\$19,375,712	\$12,723,938	(\$6,651,774)	(34%)
<u>Reserve Funds FY 2009/10</u>				
Rate Stabilization Fund	\$1,600,000	\$1,600,000	\$0	0%
Operating/Emergency Reserves	\$6,073,222	\$7,293,014	\$1,219,791	20%
Designated Account Reserves				
Personnel	\$973,300	\$0	(\$973,300)	(100%)
Chemicals	\$0	\$0	\$0	0%
Utilities	\$0	\$0	\$0	0%
Water	\$0	\$0	\$0	0%
Total Designated Reserves	\$973,300	\$0	(\$973,300)	(100%)
Net Reserves	\$8,646,522	\$8,893,014	\$246,492	3%
Net Estimated Ending Available Fund Balance	\$10,729,190	\$3,830,924	(\$6,898,266)	(64%)

WATER ENTERPRISE FUND (52)

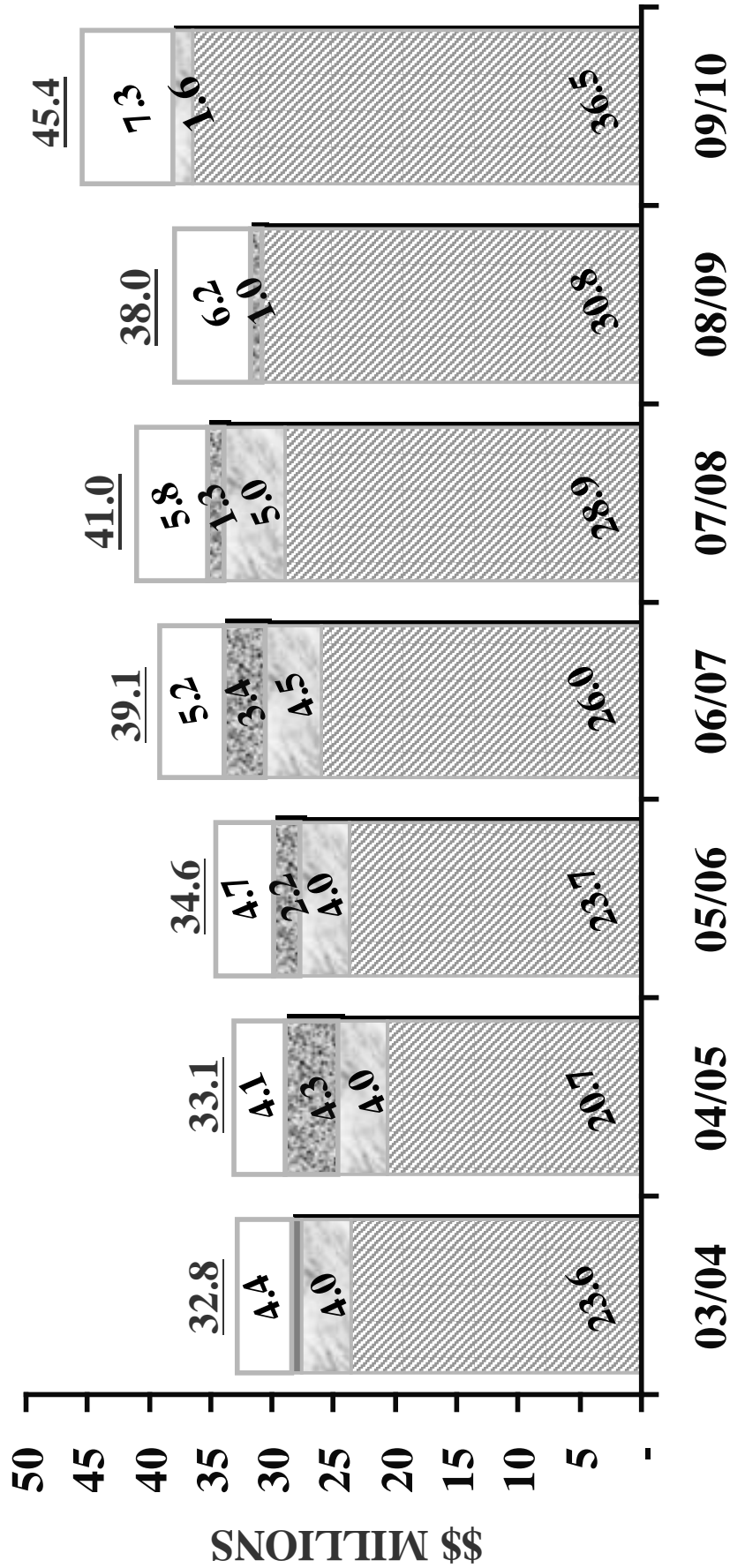
Revenue vs Expenses



Use of Fund Balance
 Revenue
 Fund Transfer
 Expenses

WATER ENTERPRISE BUDGET (52)

Budget Including Reserves



BUDGET WORKSHEET
WATER ENTERPRISE FUND (52)

Acct #	Account Description	Final Budget 08/09	Proposed Budget 09/10	Change Amount	Oper/Emer Reserves
Revenues & Transfers					
4230	SB 90 Claims	\$0	\$0	\$0	
4310	Interest on Investments	\$534,037	\$515,581	(\$18,456)	
4320	Interest from Other Sources	\$0	\$0	\$0	
4330	Rent of Land and Buildings	\$31,000	\$31,000	\$0	
4510	Treated Water Sales	\$27,709,160	\$33,646,896	\$5,937,736	
4520	Untreated Water Sales	\$383,800	\$736,246	\$352,446	
4530	Temporary Water Sales	\$2,020	\$0	(\$2,020)	
4720	Transfers From Other Deposits	\$0	\$0	\$0	
4810	Other Revenues	\$102,000	\$197,000	\$95,000	
	Total Revenues	\$28,762,017	\$35,126,723	\$6,364,706	
	Transfers-in (out)				
	72-542	(\$4,380,724)	(\$5,313,429)	(\$932,705)	
	Total Transfers	(\$4,380,724)	(\$5,313,429)	(\$932,705)	
	Net Revenue Available	\$24,381,293	\$29,813,294	\$5,432,001	
Expenditures, Reserves & Credits					
6100	Labor & Overhead Apportioned				
6110	Direct Labor & Benefits Appor	\$17,551,221	\$16,612,836	(\$938,385)	\$0
	Total Personnel	\$17,551,221	\$16,612,836	(\$938,385)	\$0
6200	Professional & Technical Svcs				
6210	Professional & Tech Svcs	\$2,975,779	\$3,127,702	\$151,923	\$505,262
6230	County Prof & Tech Services	\$323,800	\$269,800	(\$54,000)	
6250	District Prof & Tech Services	\$500	\$0	(\$500)	
6300	Chemicals				
6310	Chemicals	\$2,399,967	\$3,818,971	\$1,419,004	\$0
6400	Water				
6420	SWP - Variable Costs	\$5,156,988	\$6,385,668	\$1,228,680	\$0
6429	Credits for Variable Cost fr Expansi	(\$337,553)	(\$177,743)	\$159,810	
6430	Water Entitlement/Option Purchase	\$440,498	\$461,086	\$20,588	
6460	Water Storage	\$1,216,025	\$393,250	(\$822,775)	
6480	Water Other	\$253,000	\$542,650	\$289,650	
6490	Water Rate Designations	\$0	\$1,600,000	\$1,600,000	\$1,600,000
6500	Utilities				
6510	Gas & Electricity	\$1,175,900	\$2,739,845	\$1,563,945	\$0
6520	Communications	\$163,028	\$171,784	\$8,756	
6600	Facilities Services				
6610	Cleaning Services	\$68,110	\$80,446	\$12,336	
6610	Other	\$5,000	\$5,000	\$0	
6612	Garbage Disposal	\$4,350	\$18,350	\$14,000	
6614	Janitorial Service	\$58,760	\$57,096	(\$1,664)	
6620	Maint Svcs & Mat - Equipment	\$2,141,402	\$2,400,254	\$258,852	\$2,237,584
6630	Maint Svcs & Mat - Structs & Imp's	\$5,058,545	\$5,481,396	\$422,851	\$2,237,584
6640	Rents & Leases - Equipment	\$2,144,018	\$2,321,072	\$177,054	\$2,237,584
6650	Rents & Leases - Land, Structs	\$0	\$32,100	\$32,100	
6670	Other Property Services	\$32,790	\$66,699	\$33,909	
6700	Services and Supplies				
6720	Emergency & Safety	\$56,800	\$102,130	\$45,330	
6740	Office Expense	\$501,489	\$616,134	\$114,645	
6750	Organization Memberships & Dues	\$264,570	\$379,244	\$114,674	
6760	Other Services & Supplies	\$419,890	\$431,550	\$11,660	
6761	Advertising & Legal Services	\$37,450	\$32,250	(\$5,200)	
6762	Clothing & Personal Supplies	\$38,950	\$34,880	(\$4,070)	
6764	Household Expense	\$1,400	\$7,480	\$6,080	
6765	Laboratory Supplies	\$175,065	\$184,700	\$9,635	
6766	Tools & Instruments	\$16,760	\$27,900	\$11,140	
6767	State & Local Fees	\$95,170	\$114,445	\$19,275	
6768	Uniform Service	\$29,495	\$29,895	\$400	
6769	Other	\$25,600	\$0	(\$25,600)	
6770	Training	\$369,900	\$334,139	(\$35,761)	
6780	Transportation	\$14,600	\$11,800	(\$2,800)	
6790	Travel	\$55,000	\$91,800	\$36,800	
6800	Equipment				
6810	Equipment & Vehicle Expense	\$244,800	\$217,800	(\$27,000)	
6900	Other				
6910	Non-Operating Expense	\$77,200	\$212,000	\$134,800	
	Total Discretionary Expenditures	\$25,217,046	\$32,111,577	\$6,894,531	\$8,818,014
6241	County Tie-line	\$4,329	\$5,610	\$1,281	
6242	Maint-Electronic Equip-GSA	\$38,770	\$50,245	\$11,475	
6243	Equip & Vehicle Fuel & Oil-GSA	\$24,934	\$32,314	\$7,380	
6244	Data Processing Services	\$91,134	\$118,109	\$26,975	
6245	Reprographics-AlaCo	\$43,914	\$14,000	(\$29,914)	
6246	Risk Management Ins	\$132,352	\$171,527	\$39,175	
	Total Non-Discretionary Expendit	\$335,433	\$391,805	\$56,372	\$0
	Total Services & Supplies	\$25,552,479	\$32,503,382	\$6,950,903	\$8,818,014
6247	County Indirect Costs	\$474,800	\$660,000	\$185,200	
7500	Capital Land, Structures, & Equip				
7510	Capital Structures & Improvmts				
7520	Capital Equipment	\$217,000	\$281,000	\$64,000	\$75,000
	Total Fixed Assets	\$217,000	\$281,000	\$64,000	\$75,000
7600	Intra Fund Transfers				
7610	Credit for Inter-department Charges	(\$5,918,708)	(\$4,699,136)	\$1,219,572	
	Total Expenditures	\$37,876,792	\$45,358,082	\$7,481,290	\$8,893,014
	% Change Water Enterprise Budget			19.75%	

SPECIAL DRAINAGE AREA 7-1 PROGRAMS

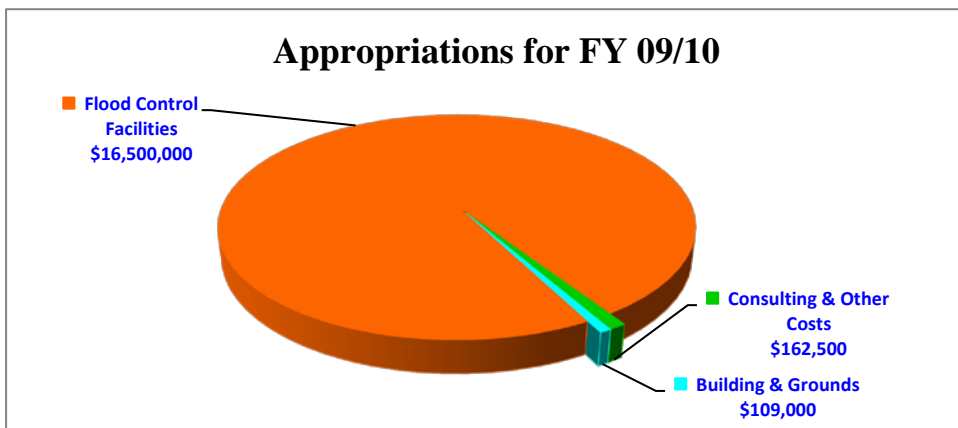
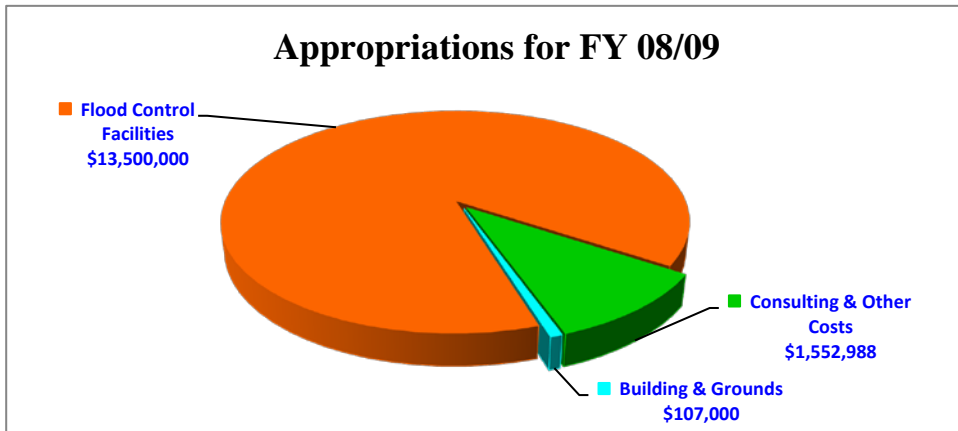
**ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
FISCAL YEAR 2009-10**

**FLOOD CONTROL CAPITAL IMPROVEMENT PROGRAMS
SPECIAL DRAINAGE AREA 7-1 (FUND 71)**

The purpose of this program is to ensure that Zone 7 is able to meet future needs for flood control facilities. The program is primarily intended to provide funding for any flood control facilities required for new development. New development pays the drainage fees to offset the impacts caused by the increase of impervious surface area within Zone 7's service area. Drainage Fees have been adjusted in accordance with Ordinance No. 0-2002-24, in which the previous \$0.731/sq. ft. of impervious area was increased to \$0.783/sq.ft of impervious area effective January 2009.

Funds are expended on land acquisition, construction, engineering, and repair of local drainage facility projects. Under the same ordinance, up to 50% of these funds may also be used to reimburse any developers who construct, improve or provide a right of way for any portion of a flood control project within Zone 7's authorized project lines area. The funding for this program comes entirely from new development fees and is in conformance with the Board's stated policy that new development funds its own needs.

	<u>FY 2008/09</u>	<u>FY 2009/10</u>	<u>Change Amount</u>	<u>% Change</u>
Appropriation	\$15,159,988	\$16,771,500	\$1,611,512	10.63%

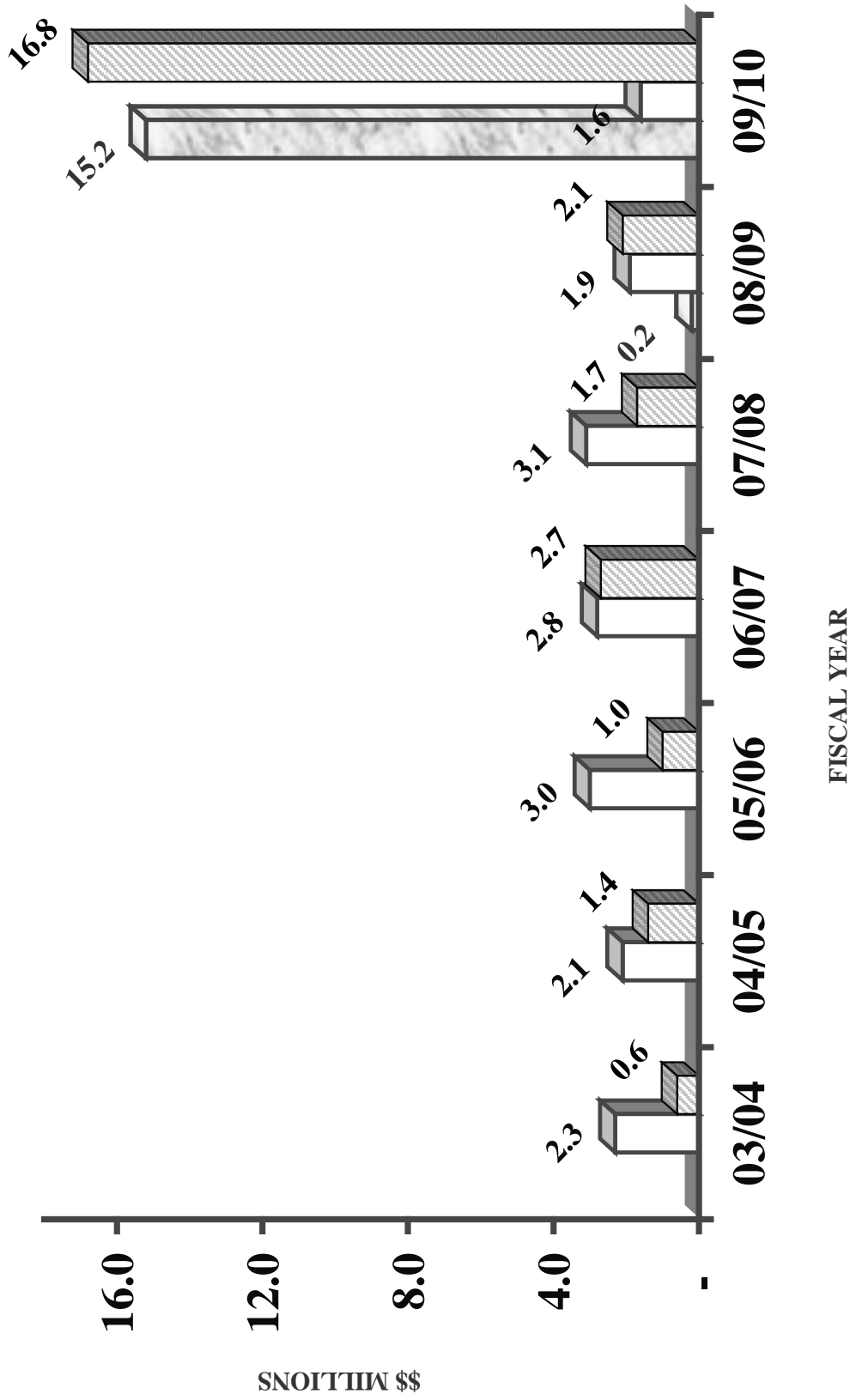


SUMMARY: REVENUES/EXPENDITURES
FLOOD CONTROL CAPITAL FUNDS
SPECIAL DRAINAGE AREA (SDA)
PROGRAMS (FUND 71)

	Fiscal Year 2008/09 Forecast	Fiscal Year 2009/10 Budget	Change	% Change
Beginning Available Fund Balance	\$26,040,114	\$25,799,043		
Adjustments	\$0	\$0		
Net Beginning Available Fund Balance	\$26,040,114	\$25,799,043		
<u>Estimated Revenue</u>				
Interest	\$661,077	\$665,345	\$4,268	1%
Fund Transfers	\$1,222,727	\$917,045	(\$305,682)	(25%)
Other	\$0	\$0	\$0	0%
Total Revenue:	\$1,883,804	\$1,582,390	(\$301,414)	(16%)
<u>Estimated Expenditures</u>				
Personnel	\$497,591	\$685,000	\$187,409	38%
Contracts	\$1,500,027	\$1,477,500	(\$22,527)	(2%)
Construction	\$200	\$14,500,000	\$14,499,800	7,249,900%
Other	\$127,057	\$109,000	(\$18,057)	(14%)
Total Expenditures	\$2,124,875	\$16,771,500	\$14,646,625	689%
Net Revenue over Expenditures	(\$241,071)	(\$15,189,110)	(\$14,948,039)	6,201%
Estimated Ending Available Fund Balance	\$25,799,043	\$10,609,933	(\$15,189,110)	(59%)
<u>Reserve Funds</u>				
Building Sinking Fund	\$427,381	\$507,310	\$79,929	19%
Net Estimated Ending Available Fund Balance	\$25,371,662	\$10,102,623	(\$15,269,039)	(60%)

SPECIAL DRAINAGE AREA 7-1 FUND (71)

Revenue vs Expenses



Use of Fund Balance
 Revenue
 Expenses

**EXHIBIT A
BUDGET REQUEST
SPECIAL DRAINAGE AREA 7-1**

Job Number	Project Description/Name	Fund Number	Funding Req. 2009/2010
BUILDING & GROUNDS			
61154	North Canyons Admin/Eng Building Lease	71	\$109,000
	Building & Grounds Subtotal:		\$109,000
FLOOD CONTROL FACILITIES			
96071	Arroyo de la Laguna Improvements - Army Corps Civil Works Project Feasibility Study	71	\$550,000
96071	Arroyo Las Positas Improvements Near El Charro Road	71	\$10,000,000
96071	Potential IRWMP Flood Protection Project	71	\$5,500,000
61000	SDA Management & Administration	71	\$100,000
61145	StreamWISE		\$350,000
	Flood Control Facilities Subtotal:		\$16,500,000
CONSULTING & OTHER COSTS			
	Consulting & Other Costs	71	\$162,500
	Consulting & Other Costs Subtotal:		\$162,500
	SPECIAL DRAINAGE AREA 7-1 SUBTOTAL:		\$16,771,500
SINKING FUNDS			
96071	Administrative & Engineering Building - Sinking Fund	71	\$79,929
	Sinking Fund Subtotal:		\$79,929
	SPECIAL DRAINAGE AREA 7-1 TOTAL		\$16,851,429

**EXHIBIT B
SPECIAL DRAINAGE AREA 7-1 TRUST FUND
CAPITAL PROJECTS**

Job Number	Project Description/Name	Fund Number	Funding 2009/2010
	PROJECTS		
	SDA 7-1 REIMBURSEMENT	90	\$1,000,000
	<i>Projects Subtotal:</i>		\$1,000,000
	SPECIAL DRAINAGE AREA 7-1 TRUST FUND TOTAL		\$1,000,000

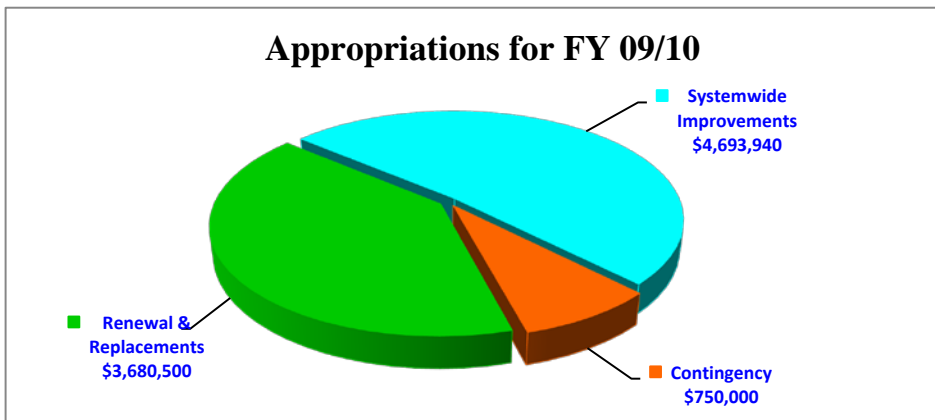
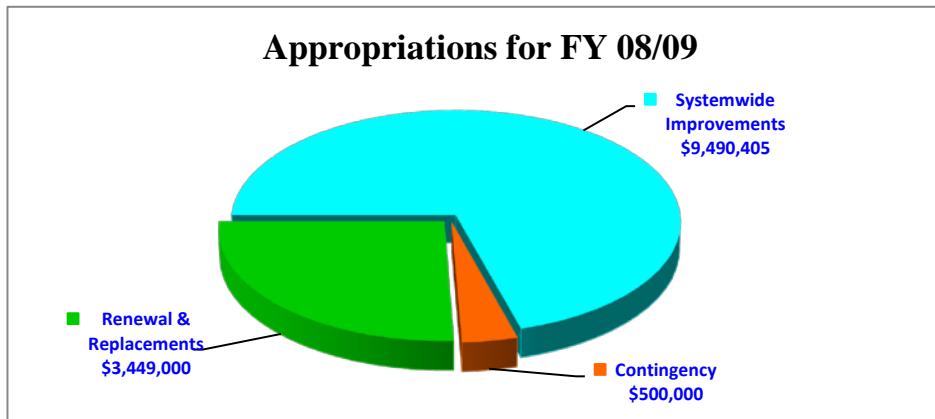
**RENEWAL & REPLACEMENT
SYSTEM-WIDE IMPROVEMENTS
PROGRAMS**

**ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
FISCAL YEAR 2009-10**

**WATER ENTERPRISE CAPITAL IMPROVEMENT PROGRAMS
RENEWAL & REPLACEMENT & SYSTEMWIDE IMPROVEMENTS (FUND72)**

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

	<u>FY 2008/09</u>	<u>FY 2009/10</u>	<u>Change Amount</u>	<u>% Change</u>
Renewal & Replacement Appropriation	\$3,699,000	\$4,055,500	\$356,500	9.64%
Systemwide Improvements Appropriation	\$9,740,405	\$5,068,940	(\$4,671,465)	(47.96%)

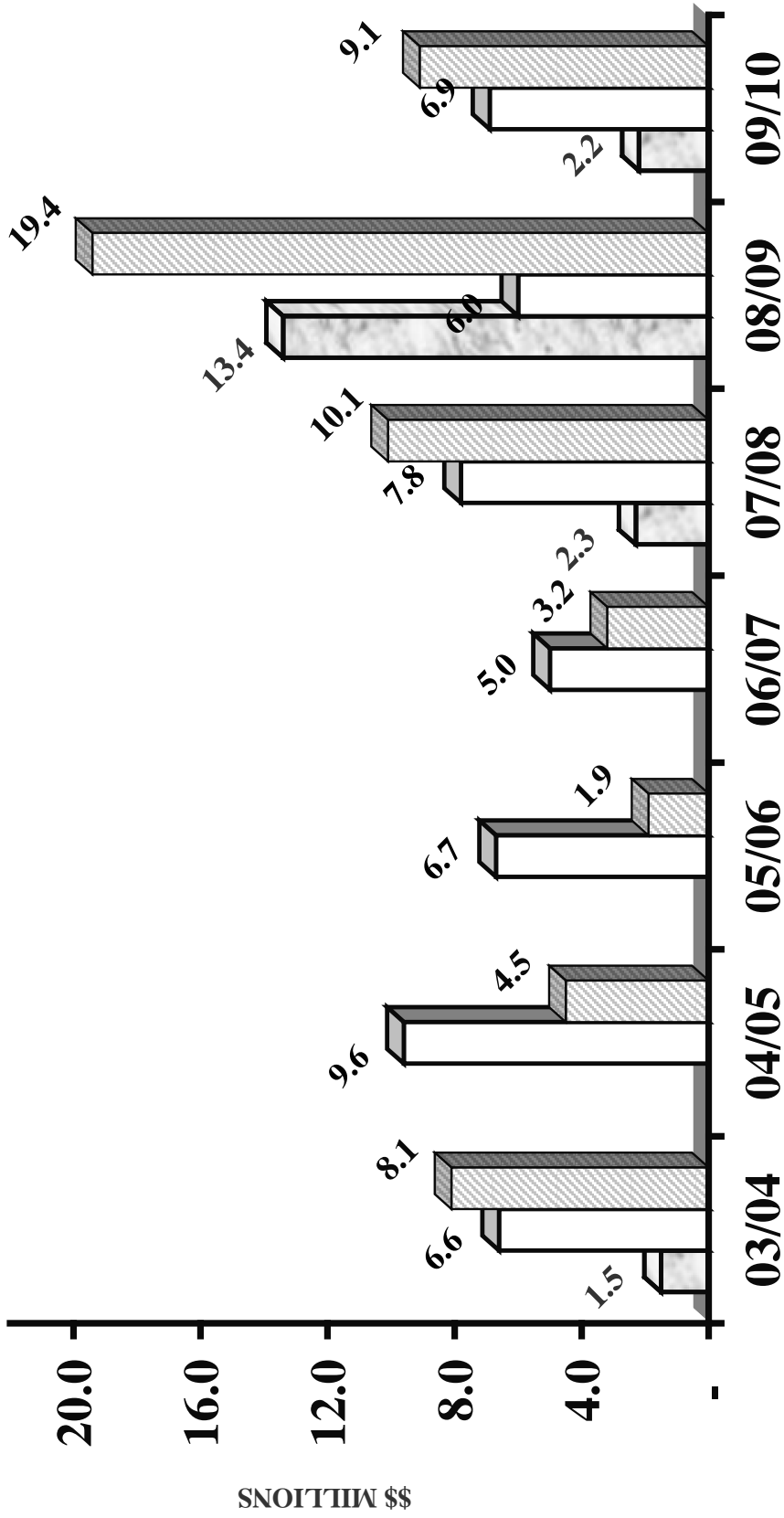


SUMMARY:REVENUES/EXPENDITURES
WATER ENTERPRISE CAPITAL FUNDS
RENEWAL & REPLACEMENT, SYSTEMWIDE IMPROVEMENTS
PROGRAMS (FUND 72)

	Fiscal Year 2008/09 Forecast	Fiscal Year 2009/10 Budget	Change	% Change
Beginning Available Fund Balance	\$27,311,063	\$13,903,350		
Adjustments	\$0	\$0		
Net Beginning Available Fund Balance	\$27,311,063	\$13,903,350		
<u>Estimated Revenue</u>				
Interest	\$559,669	\$559,669	\$0	0%
Fund Transfers	\$4,380,724	\$5,313,429	\$932,705	21%
Other	\$20,000	\$12,000	(\$8,000)	(40%)
Facility Use Fees	\$1,000,000	\$1,000,000	\$0	0%
Total Revenue:	\$5,960,393	\$6,885,098	\$924,705	16%
<u>Estimated Expenditures</u>				
Personnel	\$1,483,898	\$1,801,565	\$317,667	21%
Contracts	\$15,888,524	\$2,718,000	(\$13,170,524)	(83%)
Construction	\$0	\$2,570,000	\$2,570,000	0%
Other	\$1,995,683	\$1,284,875	(\$710,808)	(36%)
Contingency		\$750,000	\$750,000	0%
Total Expenditures	\$19,368,106	\$9,124,440	\$0	0%
Net Revenue over Expenditures	(\$13,407,713)	(\$2,239,342)	\$11,168,371	(83%)
Estimated Ending Available Fund Balance	\$13,903,350	\$11,664,008	(\$2,239,342)	(16%)
<u>Reserve Funds</u>				
Building Sinking Fund	\$1,594,073	\$1,953,753	\$359,681	23%
Net Estimated Ending Available Fund Balance	\$12,309,277	\$9,710,255	(\$2,599,022)	(21%)

CAPITAL IMPROVEMENT/RENEWAL/REPLACEMENT FUND (72)

Revenue vs Expenses



FISCAL YEAR

Use of Fund Balance
 Revenue
 Expenses

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

Job Number	Project Description/Name	Fund Number	Funding Req. 2009/2010
EMERGENCY PREPAREDNESS			
96072	Local Hazard Mitigation Plan	72	\$50,000
53062	Security Improvements at Existing Facilities	72	\$670,000
	Emergency Preparedness Subtotal:		\$720,000
GROUNDWATER BASIN MANAGEMENT			
53058	Mocho Groundwater Demineralization Plant	72	\$250,000
53040	New Groundwater Management Program Monitoring Wells	72	\$120,000
	Groundwater Basin Management Subtotal:		\$370,000
PROGRAM MANAGEMENT			
54507	System-Wide Improvements and Renewal/Replacement Program Management	72	\$25,000
	Program Management Subtotal:		\$25,000
TRANSMISSION AND DISTRIBUTION			
96072	System-Wide Installation of Line Valves	72	\$50,000
96072	Transmission System Master Planning	72	\$37,500
	Transmission And Distribution Subtotal:		\$87,500
WATER SUPPLY & CONVEYANCE			
96072	Enhanced Conservation Program	72	\$800,000
54505	High-Efficiency Toilet Rebate Program	72	\$66,490
54504	High-Efficiency Washing Machine Rebate Program	72	\$265,950
54501	Water Conservation Best Management Practices	72	\$31,500
	Water Supply & Conveyance Subtotal:		\$1,163,940
WATER TREATMENT FACILITIES			
53088	2009 DVWTP Improvements Project	72	\$400,000
96072	DVWTP Chemical Systems Improvements	72	\$485,000
96072	Energy Use Audit	72	\$80,000
96072	PPWTP Filter-to-Waste Improvements	72	\$200,000
96072	PPWTP Improvement Project - 2011	72	\$260,000
96072	PPWTP Improvement Studies - 2011	72	\$270,000
53080	Water Quality - PPWTP & DVWTP Taste and Odor Treatment	72	\$550,000
53069	Water Quality Management Program	72	\$82,500
	Water Treatment Facilities Subtotal:		\$2,327,500
	SYSTEMWIDE IMPROVEMENTS TOTAL		\$4,693,940
BUILDING & GROUNDS			
54053	North Canyons Administrative & Engineering Building Lease	72	\$488,000
96072	Replacement of Roofs at Parkside and the DVWTP Maintenance Shop	72	\$150,000
	Building & Grounds Subtotal:		\$638,000
GROUNDWATER BASIN MANAGEMENT			
54022	Monitoring Well Replacement & Abandonments	72	\$50,000
54030	Stream Gage Replacement	72	\$15,000
	Groundwater Basin Management Subtotal:		\$65,000
PROGRAM MANAGEMENT			
54508	Capital Improvement Program Management	72	\$60,000
54507	System-Wide Improvements and Renewal/Replacement Program Management	72	\$25,000
	Program Management Subtotal:		\$85,000
REGULATORY COMPLIANCE			
54042	Laboratory Equipment Replacement	72	\$110,000
	Regulatory Compliance Subtotal:		\$110,000
TRANSMISSION & DISTRIBUTION			
96072	Cal Water Turnout No. 4 - Relocation/Replacement	72	\$80,000
96072	Cross Valley Pipeline Corrosion Assessment	72	\$185,000
96072	Transmission System Master Planning	72	\$37,500
	Transmission & Distribution Subtotal:		\$302,500
WATER TREATMENT FACILITIES			
96072	Asset Management Program Condition Assessment	72	\$210,000
54067	DVWTP & PPWTP Sodium Hypochlorite Tank Replacement	72	\$50,000
54069	DVWTP Electrical Power System Upgrade	72	\$870,000
96072	DVWTP Filter Valves Replacement	72	\$270,000
96072	Minor Renewal/Replacement Projects	72	\$250,000
96072	PPWTP Rehabilitation of Clarifier and Replacement of Motor	72	\$50,000
54048	SCADA Enhancements	72	\$750,000
96072	Well Pump, Motor and Casing Inspections	72	\$30,000
	Water Treatment Facilities Subtotal:		\$2,480,000
	RENEWAL & REPLACEMENTS TOTAL		\$3,680,500
	SYSTEMWIDE IMPROVEMENTS/RENEWAL & REPLACEMENT PROJECTS TOTAL		\$8,374,440
CONTINGENCY FUNDS			
96172	Contingency	72	\$750,000
	Contingency Funds Subtotal:		\$750,000
	SYSTEMWIDE IMPROVEMENTS/RENEWAL & REPLACEMENTS PROGRAM SUBTOTAL		\$9,124,440
SINKING FUNDS			
96072	Administrative & Engineering Building - Sinking Fund	72	\$359,681
	Sinking Funds Subtotal:		\$359,681
	SYSTEMWIDE IMPROVEMENTS/RENEWAL & REPLACEMENTS PROGRAM TOTAL		\$9,484,121

EXPANSION PROGRAMS

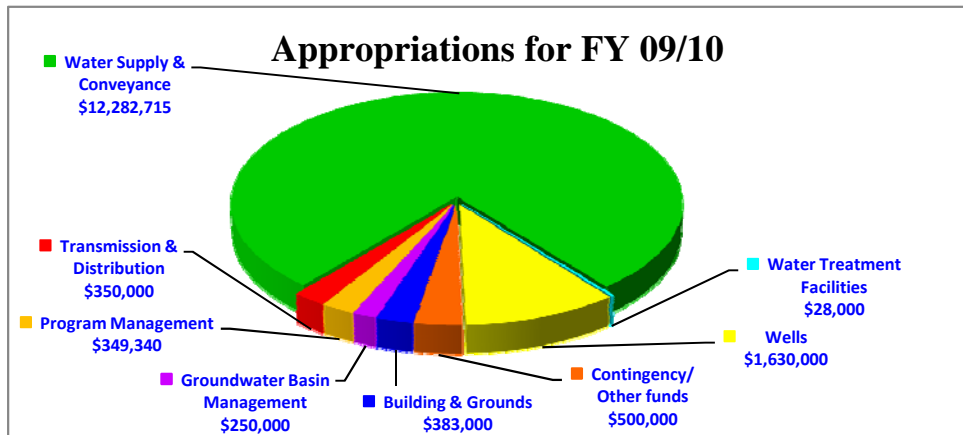
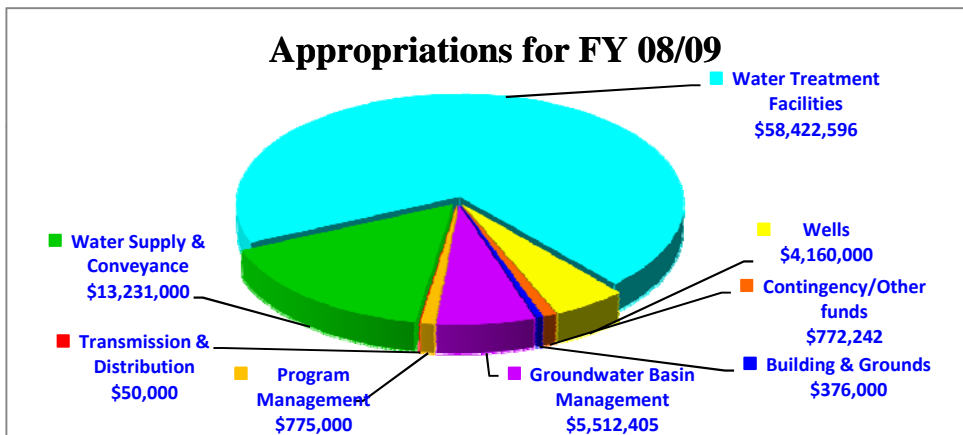
**ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
FISCAL YEAR 2009-10**

**WATER ENTERPRISE CAPITAL IMPROVEMENT PROGRAMS
EXPANSION (FUND 73)**

The purpose of this program is to ensure that Zone 7 is able to meet future needs for water demands. The program is primarily intended to provide funding for new facilities and water supplies for new development and to fund programs that encourage water conservation measures.

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

	<u>FY 2008/09</u>	<u>FY 2009/10</u>	<u>Change Amount</u>	<u>% Change</u>
Appropriation	\$83,299,243	\$15,773,055	(\$67,526,188)	(81.06%)

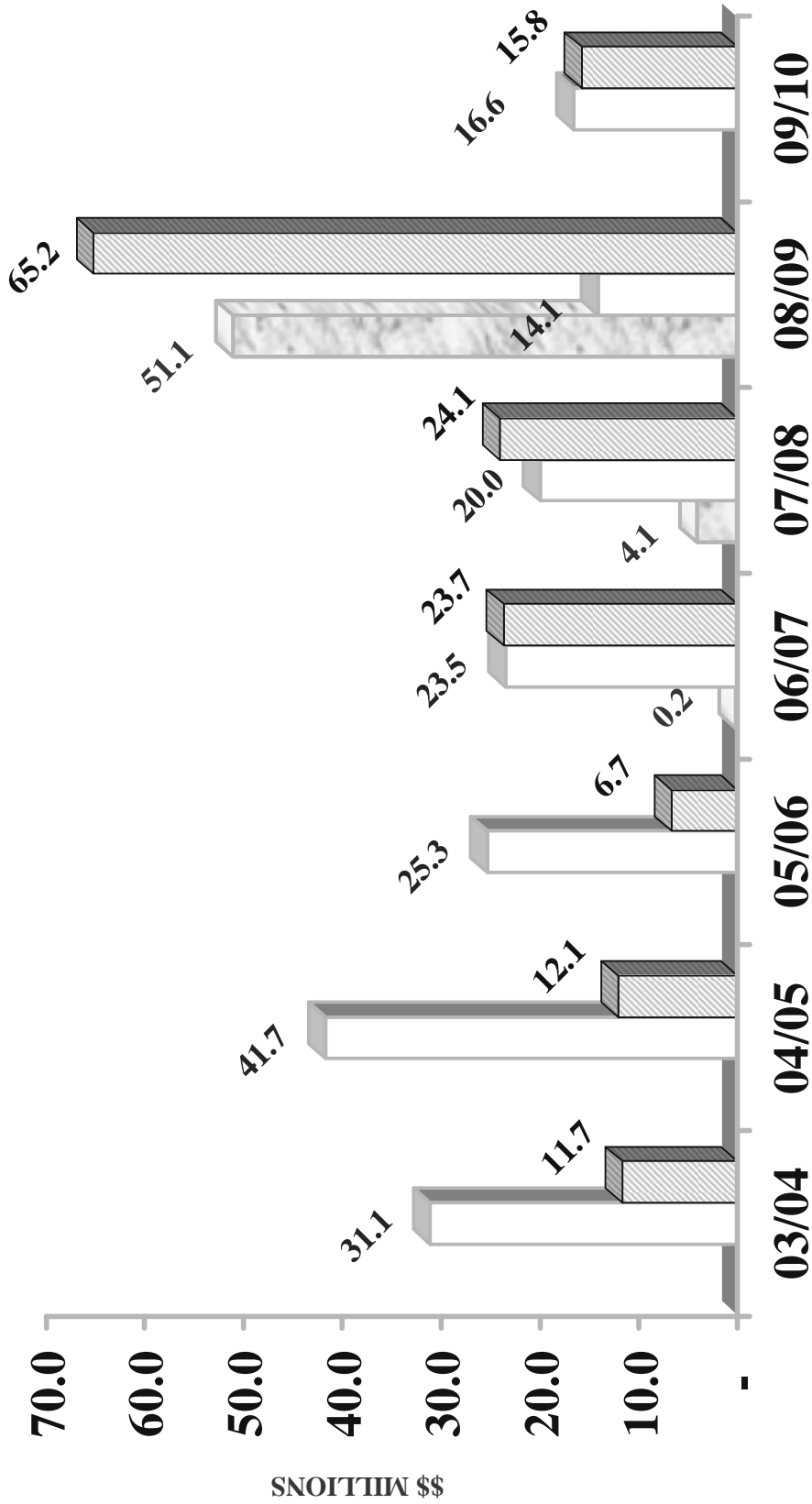


SUMMARY: REVENUES/EXPENDITURES
WATER ENTERPRISE CAPITAL FUNDS
EXPANSION PROGRAM (FUND 73)

	Fiscal Year 2008/09 Forecast	Fiscal Year 2009/10 Budget	Change	% Change
Beginning Available Fund Balance	\$79,360,512	\$28,220,748		
Adjustments (Deferred revenue)	(\$8,414,480)	(\$8,414,480)		
Net Beginning Available Fund Balance	\$70,946,032	\$19,806,268		
<u>Estimated Revenue</u>				
Connection Fees	\$12,925,910	\$14,871,208	\$1,945,298	15%
Interest	\$918,320	\$390,310	(\$528,010)	(58%)
Fund Transfers	\$0	\$1,372,800	\$1,372,800	0%
ISA	\$0	\$0	\$0	0%
Other	\$241,000	\$0	(\$241,000)	(100%)
Total Revenue:	\$14,085,230	\$16,634,318	\$2,549,088	18%
<u>Estimated Expenditures</u>				
Personnel	\$1,824,809	\$1,341,690	(\$483,119)	(26%)
Contracts	\$8,781,694	\$490,000	(\$8,291,694)	(94%)
Construction	\$45,259,674	\$1,010,000	(\$44,249,674)	(98%)
Water Purchases/Costs	\$6,247,014	\$380,000	(\$5,867,014)	(94%)
Other	\$3,111,803	\$12,051,365	\$8,939,562	287%
Contingency		\$500,000	\$500,000	0%
Total Expenditures	\$65,224,994	\$15,773,055	(\$49,451,939)	(76%)
Net Revenue over Expenditures	(\$51,139,764)	\$861,263	\$52,001,027	(102%)
Estimated Ending Available Fund Balance	\$19,806,268	\$20,667,531	\$861,263	4%
<u>Reserve Funds</u>				
Building Sinking Fund	\$1,296,697	\$1,576,449	\$279,752	22%
Future Contractor's Share Sinking Fund	\$1,058,619	\$1,304,804	\$246,185	23%
South Bay Aqueduct Sinking Fund	\$4,821,430	\$4,966,073	\$144,643	3%
Net Reserves	\$7,176,746	\$7,847,326	\$670,580	9%
Net Estimated Ending Available Fund Balance	\$12,629,522	\$12,820,205	\$190,683	2%

CAPITAL EXPANSION FUND (73)

Revenue vs Expenses



FISCAL YEAR

Use of Fund Balance
 Revenue
 Expenses

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

Job Number	Project Description/Name	Fund Number	Funding Req. 2009/2010
BUILDING & GROUNDS			
55048	North Canyons Administrative & Engineering Building Lease	73	\$383,000
	Building & Grounds Subtotal:		\$383,000
GROUNDWATER BASIN MANAGEMENT			
55425	Mocho Groundwater Demineralization Plant	73	\$250,000
	Groundwater Basin Management Subtotal:		\$250,000
PROGRAM MANAGEMENT			
55050	Capital Improvement Program Management	73	\$178,000
96073	Unused Portion Fee and Interest on Installment Sale Agreement	73	\$30,000
96073	Water Connection Fee Administrative Expense	73	\$141,340
	Program Management Subtotal:		\$349,340
TRANSMISSION & DISTRIBUTION			
55614	Altamont Pipeline - Livemore Reach	73	\$300,000
96073	Trasmission System Master Planning	73	\$50,000
	Transmission & Distribution Subtotal:		\$350,000
WATER SUPPLY & CONVEYANCE			
55106	Cawelo Groundwater Banking Program	73	\$1,295,000
55043	CUWA Membership	73	\$60,000
55052	Delta Conservation Plan	73	\$135,000
96073	Delta Conveyance Study	73	\$188,000
96072	Enhanced Conservation Program	73	\$265,000
96073	Fixed Cost of Water Entitlement	73	\$68,000
51401	Future Contractors Share of the SBA	73	\$3,000,000
55003	High-Efficiency Toilet Rebate Program	73	\$22,165
55303	High-Efficiency Washing Machine Rebate Program	73	\$88,650
51410	Semitropic Stored Water Recovery Unit	73	\$48,000
55037	South Bay Aqueduct Improvement and Enlargement Project	73	\$6,838,400
51408	SWP Peaking Payment (Lost Hills & Bellridge Water Districts)	73	\$264,000
55300	Water Conservation Best Management Practices	73	\$10,500
	Water Supply & Conveyance Subtotal:		\$12,282,715
WATER TREATMENT FACILITIES			
	Water Quality Management Program	73	\$28,000
	Water Treatment Facilities Subtotal:		\$28,000
WELLS			
96072	Well Master Plan Wells, Future Phases	73	\$100,000
55426	Well Master Plan Wells, Phase 1 - COL Wells 1&2	73	\$1,130,000
55429	Well Master Plan Wells, Phase 2 - COL Wells 3,4 & 5	73	\$400,000
	Wells Subtotal:		\$1,630,000
	EXPANSION PROJECTS TOTAL		\$15,273,055
CONTINGENCY FUNDS			
96173	Contingency Funds	73	\$500,000
	Contingency Funds Subtotal:		\$500,000
	EXPANSION PROGRAM SUBTOTAL		\$15,773,055
SINKING FUNDS			
55036	Administrative & Engineering Building - Sinking Fund	73	\$279,752
51401	Future Contractor's Share of the SBA - Sinking Fund	73	\$205,469
51401	Future Contractor's Share of the SBA - Sinking Fund Estimated Interest	73	\$40,716
55037	South Bay Aqueduct Improvement & Enlargement - Sinking Fund	73	
55037	South Bay Aqueduct Improvement & Enlargement - Sinking Fund Estimated Interest	73	\$144,643
	Sinking Funds Subtotal:		\$670,580
	EXPANSION PROGRAM TOTAL		\$16,443,635

ACTIVITY
INDICATORS/ACCOMPLISHMENTS

MISSION STATEMENT

To provide a reliable supply of high quality water and an effective flood control system to the Livermore-Amador Valley and to develop and manage the water resources in a fiscally responsible, innovative, proactive and environmentally sensitive way.

MANDATED SERVICES

Provide treated and untreated water for municipal, industrial and agricultural uses, and develop and maintain adequate facilities to prevent property loss and damage from flood in the Livermore-Amador Valley area.

DISCRETIONARY SERVICES

The level of service is discretionary and determined by the Zone 7 Board of Directors.

MAJOR SERVICE AREAS

	2007-08 Estimated	2007-08 Actual	2008-09 Estimated	2009-10 Projected
ADMINISTRATIVE SERVICES				
Personal Expense Claims Processed	120	125	110	120
Contracts	115	105	130	125
Average Monthly Water Billings	25	25	25	25
IT Help tickets	185	168	180	180
Water Awareness/Conservation Events	50	51	50	50
Water Conservation Rebates	2,500	1,433	2,500	2,250
School Programs	100	125	120	150
Vehicles Maintained	37	37	38	38

Agency Administration and Administrative

Services provides executive direction and administrative and business services to the Agency's water enterprise and flood control programs. Administrative Services includes accounting and payroll; budget preparation and monitoring; purchasing services; real property services, information technology coordination, including Geographical information systems; and vehicle fleet purchase and maintenance. The Office of the General Manager coordinates legislative relations activities, and implements water conservation and public outreach programs.

	2007-08 Estimated	2007-08 Actual	2008-09 Estimated	2009-10 Projected
HR AND SAFETY SERVICES				
Training Classes Attended	462	383	475	400
CPR, First Aid, and BBP Training (hrs)	420	389	400	316
Emergency Preparedness Training (hrs)	500	607	550	257
General Safety Training (hrs)	750	595	650	355
Hazard Comm/HAZWOP Training (hrs)	650	582	650	497
Capital Project Safety Review (hrs)	300	403	400	320
Haz Mtrl Busnss/Rsk Mng Plans & SPCM	250	355	460	70

Human Resources and Safety Services

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

	2007-08 Estimated	2007-08 Actual	2008-09 Estimated	2009-10 Projected
FLOOD CONTROL				
Channels Maintained (miles)	38	37	37	37
Encroachment Permits Issued	22	20	22	24
Development Reviews	60	76	55	60
Active SDA 7-1 Projects	3	3	3	3

Flood Control manages a watershed of nearly 620 square miles and maintains 37 miles of flood control channels and access roads. The maintenance program includes repairing slides, erosion, refurbishing access roads and drainage ditches, and coordinating with State and federal agencies for Financial assistance. It also manages the Special Drainage Area 7-1 program which provides funding from new development for planning, design and construction of new flood control projects.

	2007-08 Estimated	2007-08 Actual	2008-09 Estimated	2009-10 Projected
WATER SUPPLY ENGINEERING				
New Water Connections	1,087	797	603	653
Capital Projects (\$M)	49	34	91	30
Development Reviews	90	57	80	80
Encroachment Permits	8	4	3	5
Groundwater Level Measurements *	1,028	978	875	900
External CEQA Reviews	30	17	25	30
CEQA Documentation for Zone 7 Projects	10	6	10	10
Well Permits issued	230	206	185	185
Groundwater Samples**	190	183	175	180

Water Supply Engineering provides planning, design, and project management for capital projects; protection and management of local groundwater resources; and various engineering support services. Engineering services include: project planning, facility design, construction and construction management for major capital projects; regulatory oversight and permitting of all wells and borings within the service area; support to Zone 7 operations for regulatory compliance; collection and analysis of groundwater data for basin management purposes; CEQA analysis and documentation in support of Zone 7's projects and programs; and environmental permitting and monitoring services for construction and maintenance projects.

*Water year (Oct through Sept)

**Collected and reviewed

	2007-08 Estimated	2007-08 Actual	2008-09 Estimated	2009-10 Projected
WATER QUALITY LAB				
Samples Analyzed	1,450	1,611	1,650	1,800
Bacteriology Samples Analyzed	1,250	1,220	1,300	1,300

Water Quality Section provides engineering technical support and laboratory analytical services for regulatory compliance and permitting; treatment plant performance verification; groundwater analysis; and special operation/engineering studies. It also provides technical support to Operations and Retail customers to resolve/understand water quality issues.

	2007-08 Estimated	2007-08 Actual	2008-09 Estimated	2009-10 Projected
WATER OPERATIONS				
Well Water Treated (M/gals)	1,300	1,500	1,680	3,600
Surface Water Treated (M/gals)	14,000	13,400	13,380	11,300
Maintenance Jobs Completed	1,300	1,456	1,500	1,550
Untreated Contractors Monitored	74	74	74	7
Treated Water Contractors	10	10	10	10
Main Basin artificial recharge (Acre-Feet)	3,000	2,800	4,000	3,100
Water Stored in Banking Programs (AF)	2,000	0	0	6,000
Water from Banking programs (Acre Feet)	0	0	7,000	0
Energy used (Mega Watt Hours)	7,110	6,800	8,400	13,000
Green House Gas emissions (Metric tons)	3,000	2,000	2,200	3,800

Water Operations operates and maintains three water treatment plants, nine wells, one demineralization facility and the water enterprise distribution system; schedules all of the agency's water deliveries; and operates the main basin artificial groundwater recharge program. Ensures proper operation of facilities and treatment and distribution of water. Provides maintenance and construction services for the entire system including mechanical and electrical services and underground pipeline repair and maintenance. It also provides analysis and operations of agency water supplies and storage to maintain a sustainable supply of water; management of Arroyo Valle Water Rights and out of basin water storage; monitoring and management of agency energy use and carbon footprint; operates climatological, surface water and mining area monitoring programs; and maintains agency historic water use databases.

Major accomplishments for FY 2008-09:

Started construction of the Altamont Pipeline - Livermore Reach, a 5-mile, 42-inch diameter pipeline which will provide immediate improved reliability to a portion of eastern Livermore.

Per the Well Master Plan, constructed two new high-capacity municipal water supply wells in the Chain of Lakes area, which will provide an additional 8.5 million gallons per day (MGD) of production capacity.

Developed conceptual plans and budget for Phase 2 of the Chain of Lakes Wells project (Chain of Lakes Wells 3, 4 and 5). The Phase 2 wells are projected to add 4.5 MGD to Zone 7's total groundwater production capacity.

Recoated the interior aluminum roof surface of the 3 MG concrete clearwell and the exterior surface of the 4.5 MG steel clearwell, both at Del Valle Water Treatment Plant (DVWTP), in order to provide better corrosion protection and prolong the useful lives of these treated water storage facilities.

Completed a number of improvements at the Patterson Pass Ultrafiltration and Conventional Water Treatment Plants, including the replacement of four leaking sodium hypochlorite tanks and completed construction of the 6 MGD Mocho Groundwater Demineralization Plant in March 09, which uses reverse osmosis technology to lower hardness in municipal water supply.

Continued a taste & odor treatment study, which evaluated the potential use of ozone or ozone/peroxide to ("peroxone") mitigate earthy-musty taste and odor events. Completed pilot testing at DVWTP and presented findings to retailers.

The Department of Water Resources (DWR) accepted a proposal to study of the potential use of future Lakes C and D as aquifer recharge facilities to receive up to \$250K in Local Groundwater Assistance grant monies (funded by Proposition 84).

Continued coordination with DWR on the construction of the \$180M South Bay Aqueduct Improvement/Enlargement Project, which will provide Zone 7 with its long-term raw water conveyance needs as provided per the 2001 Water Conveyance Study.

Updated the Special Drainage Area 7-1 Fee inflationary adjustment, which is effective February 1, 2009 and commenced the Stream Management Master Plan development impact fee engineering study.

Completed preliminary near-term list of projects study for the StreamWISE program, collaborated with City of Livermore on the proposed El Charro Specific Plan development, and completed 10 bank repairs, regraded 1,000 linear feet of earthen v-ditches, replenish 5,000 linear feet of gravel maintenance road, and installed horizontal subdrains in Zone 7's service area.

Coordinated with U.S. Army Corps of Engineers on flood control facilities repair work resulted from winter storms.

Completed project to replace underground ferric chloride piping and installed new hypochoite piping at the UF facility.

This work was completed by our Maintenance section with planning accomplished by Zone 7 Engineering section.

Completed annual testing and repair of backflow devices and the annual revenue meter calibrations.

Installed two new key monitoring wells to track water levels and water quality changes in the deep aquifers of the Bernal and Mocho II Sub-Basins and normalized all historic well reference point and groundwater level elevations to a common datum.

Assessed slope stability along Cope Lake and conducted cost/benefit analysis of several remedial and improvement options.

Reviewed, accepted plans and developed punchlist for final reclamation activities to be conducted at Lake I by Hanson Aggregates and developed new Well Ordinance to regulate the construction, repair, reconstruction, destruction and abandonment of wells and soil borings within the Zone 7 service area.

Continued to implement the Groundwater Management Plan for Livermore-Amador Valley Groundwater Basin. Prepared and circulated the Annual Report summarizing the results of Zone 7's groundwater monitoring and management efforts during the 2008 Water Year.

Provided treated and untreated water service to our customers in the second year of drought and secured 22,000 acre-feet of readily available (2008 carryover) surface water to insure 100% deliveries in case the drought continues into 2009 or 2010.

Completed regulatory compliance monitoring on all water supply sources and completed an energy audit of all treated water facilities.

DIVISION SUMMARIES

ADMINISTRATIVE SERVICES

Description of Services:

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

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

Human Resources & Safety Department: provides recruitment and selection; classification and compensation; labor relations and contract negotiations; employee relations and counseling; employee benefits coordination; workers' compensation; Equal Employment Opportunity services; develops and provides employee health and safety programs; conducts technical safety reviews on Agency capital projects; monitors health, safety, and regulatory compliance; and provides Agency training for the areas listed above.

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

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

Supply and Transportation: manages the agency's vehicle fleet including purchase and replacement of vehicles; vehicle safety maintenance and repairs; salvage of equipment and vehicles; inventory, acquisition and distribution of office supplies; building and grounds maintenance.

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

Mission:

To provide effective and responsible business services in the areas of finance, accounting, human resources, training, health, safety and security, procurement, information technology, real property services and vehicle fleet maintenance/supplies in support of the Agency's activities.

2009-10 Goals and Objectives:

Provide accounting and financial support services efficiently and effectively:

- Review and update written procedures for section functions.
- Perform phase 2 upgrade of cost control system for tracking labor costs by project/activity.

Enhance purchasing and information system support services:

- Review and update information technology policies and procedures.
- Develop an on-line vendor registration database.

Ensure availability of staff recruitment resources:

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

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

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

Provide Real Property Services effectively and efficiently:

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

Enhance the public transparency of agency activities, and advocate for legislation that supports the agency’s ability to meet its flood protection, water supply and quality mission.

- Secure state funding in support of flood protection, water supply and water quality planning and projects.
- Continue to develop institutional infrastructure to manage and streamline agency communications.
- Enhance public understanding about source water supply and water quality, and financing their ongoing operation and improvements.

OPERATING BUDGET SUMMARY

Category	2008-2009 Budget	2009-2010 Proposed	Difference
Personnel	\$4,722,941	\$5,179,521	\$456,579
Operating	\$11,773,208	\$12,592,576	\$819,368
Equipment	\$45,000	\$55,000	\$10,000
Total	\$16,541,149	\$17,827,097	\$1,285,948

Summary of Increases/Decreases:

- Personnel: Anticipated salary and benefit increases for fiscal year 2009-2010, normal step progression and the addition of a Senior Procurement and Contracts Specialist and Administrative Student Intern positions. ¹
- Operating: Increase represents Bay Delta related expenses.
- Equipment: Equipment increase represents IT hardware .

STAFFING SUMMARY

	2008-2009 Budget	2009-2010 Proposed	
FTE*	32	34	2

*Full Time Equivalent Positions

Summary of Staffing Changes: The increase in personnel represents the addition of a Senior Procurement and Contracts Specialist and Administrative Student Intern positions.

ⁱ Please note that the Senior Procurement and Contracts Specialist and Administrative Student Intern positions were added mid-year during FY 2008-09. They are currently funded by vacant positions and salary savings.

ENGINEERING

Description of Services:

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

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

Environmental Services (ES): provides environmental planning and regulatory compliance services in support of water supply, water quality, and flood protection operations, including maintenance, planning and capital projects. ES also supports Bay Area and statewide partnerships that encourage water supply, water quality management, and flood protection planning.

Flood Control (FC): manages approximately 620 square miles of watershed to provide regional flood protection during a 100-year rainfall event. Management activities include implementing the Special Drainage Area (SDA) 7-1 program, and maintenance and land rights administration of approximately 37 miles of flood control channels and access roads; the purpose of the SDA 7-1 program is to plan, design, and construct new flood control projects.

Groundwater (GPP): develops and manages Zone 7's groundwater protection programs and investigations. Groundwater also manages the planning and conceptual design of groundwater recharge and pumping facilities, along with the final design and construction of small facilities related to the groundwater programs.

Water Quality (WQ): provides water quality engineering technical support and laboratory analytical services for regulatory compliance and permitting, treatment plant performance verification, groundwater analysis, support for treatment improvement or expansion projects, and special operation/engineering studies. WQ also provides technical support to Operations and to water retail customers to resolve or understand water quality issues, as well as providing analytical support services to our retailers.

Mission:

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

2009-10 Goals and Objectives:

Provide flood control facilities capable of protecting against a 100-year flood event:

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

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

Protect and manage the groundwater basin:

- Continue implementation and improvement of the groundwater management program to protect groundwater quality and storage.
- Continue to optimize the use of the groundwater basin while minimizing the impacts, including any future salt degradation of the groundwater resources.
- Prepare annual report of the Groundwater Management Program (including salt management component) for distribution to interested agencies, including the Regional Water Quality Control Board (RWQCB).

Reliably provide high quality water:

- Continue providing water supply that meets all CDPH and EPA health related standards.
- Coordinate ongoing implementation of the Water Quality Improvement Program.
- Continue to work with retailers in implementing both the Joint Water Quality Principles and the Water Quality Management Implementation Plan, including further work on the tools developed during 2006.

Design and construct major water supply, production and delivery facilities:

- Continue to provide support to DWR for construction of South Bay Aqueduct Improvement and Enlargement Project.

OPERATING BUDGET SUMMARY

Category	2008-2009 Budget	2009-2010 Proposed	Difference
Personnel	\$6,034,584	\$6,390,638	\$356,054
Operating	\$6,558,710	\$6,386,686	(\$172,024)
Equipment	\$18,500	\$18,500	\$0
Total	\$12,611,794	\$12,795,824	\$184,030

Summary of Increases/Decreases:

- Personnel: Anticipated salary and benefit increases for fiscal year 2009-2010, normal step progression, and the additional 1 FTE Junior Water Resources Planner and 1 FTE Associate Engineer – Control Systems positions.ⁱ
- Operating: Decrease represents professional and technical services.
- Equipment: No changes are recommended for FY 2009-2010.

STAFFING SUMMARY

	2008-2009 Budget	2009-2010 Proposed	
FTE*	38	40	2

*Full Time Equivalent Positions

Summary of Staffing Changes: The increase in personnel represents the request for an additional 1 FTE Junior Water Resources Planner and 1 FTE Associate Engineer – Control Systems positions.

ⁱ Please note that the Junior Water Resources Planner and the Associate Planner – Control Systems positions were added mid-year during FY 2008-09. They are currently funded by vacant positions and salary savings.

OPERATIONS

Description of Services:

Operations manages and maintains the Agency's water production, treatment and delivery facilities to supply municipal and industrial customers, monitors and administers deliveries to untreated water customers, assures drinking water regulatory compliance, and manages water supply sources.

Operations: operates three surface water treatment plants (Del Valle conventional WTP, Patterson Pass conventional WTP, and Patterson Pass ultra filtration WTP), seven wells, the transmission system for the water enterprise, and numerous metered turnout facilities to the retail water agencies to ensure proper operation of facilities and treatment and delivery of water.

Maintenance: provides maintenance and construction services for the entire treated water system (eg, water treatment plants, well, pump stations) including mechanical, electrical and instrumentation services; and performs underground pipeline repair and maintenance.

Water Resources: conducts the monitoring, modeling, forecasting and data analysis necessary to make water management decisions regarding the optimal integration of surface water and groundwater sources within Zone 7's overall water supply and delivery goals and objectives; such integration requires the balancing of water imports from the State Water Project with local sources as well as the scheduling of water supplies to production for retail delivery versus to storage facilities (both locally and out-of-basin) for future use.

Mission:

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

2009-2010 Goals and Objectives:

Meet service and quality requirements of the Agency's customers:

- Deliver water to treated and untreated customers according to approved water delivery requests.
- Meet and/or exceed all drinking water requirements through diligent operation of the Agency's three water treatment plants, seven wells, and transmission system.

Maximize use of staff and facilities:

- Maintain a knowledgeable, trained staff through the development of an organized training program through the recently implemented Operations Plan developed for the water treatment plants and distribution facilities.
- Maintain Agency's water production, treatment and transmission facilities with a minimum of service disruption.
- Maintain equipment and instrumentation under a planned program to prevent catastrophic failure.

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

- Begin operation phase of the Mocho Demineralization facility.
- Begin operation phase of two new wells (Chain-of-Lake wells)
- Begin operation phase of major near transmission pipelines (Altamont Pipeline and El Charro Pipeline) and appurtenant facilities.
- Continue to train staff to utilize and optimize the filter aide injection project at DVWTP to ensure the highest quality water is delivered to our customers.
- Continue to train staff to utilize the Dissolved Air Flootation raw water pretreatment at DVWTP to ensure the demands are met with the lowest hardness water supplied from our surface water treatment facility at DVWTP.
- Continue to optimize the processes at all facilities at all times.

Manage Agency’s water supply sources to provide maximum reliability for current year and beyond while meeting current water demands.

- Maximize use of surface water sources and maintain local groundwater basin near the top of its working storage capacity.
- Increase stored water amounts at Cawelo Water Bank by 5,000 af, and continue to develop Arroyo del Valle water rights.
- Carry over 10-15,000 af of 2009 SWP allocations into CY 2010.
- Track near-term SWP allocation and assess long-term SWP reliability and yield.

OPERATING BUDGET SUMMARY

Category	2008-2009	2009-2010	Difference
	Budget	Proposed	
Personnel	\$5,820,395	\$6,300,751	\$480,355
Operating	\$7,530,803	\$11,141,127	\$3,610,324
Equipment	\$97,000	\$151,000	\$54,000

Summary of Increases/Decreases:

Personnel: Anticipated salary and benefit increases for fiscal year 2009-2010, and normal step progression.

Operating: Increase represents primarily the operation and maintenance of the Demineralization facility and the cost of professional services, utilities and maintenance.

Equipment: Increase represents maintenance equipment.

STAFFING SUMMARY

	2008-2009	2009-2010	
	Budget	Proposed	
FTE*	43	43	0

*Full Time Equivalent Positions

Summary of Staffing Changes: There are no significant changes.

FUND SUMMARY

ZONE 7 WATER AGENCY -- FUND SUMMARY REPORT

Fund	Fund No	Primary Fund Purpose	Primary Fund Purpose	Ending Fund Balance At 06/30/08	Excess Rev Over (Under) Expenditures	Committed Or Encumbered At 12/31/08	Available Fund Balance At 12/31/08
General Fund	50	21870	Property Taxes	17,712,991	1,758,161	(1,012,333)	18,458,819
			Flood Control Operations Flood Control District Related General Administration				
State Water Facilities Fund	51	21871	Property Taxes	5,269,405	2,212,192	(4,542,640)	2,938,957
			Fixed State Water Charges State Water Project Bonded Indebtedness				
Water Enterprise Fund	52	21873	Water Sales	24,926,633	2,220,398	(7,481,693)	17,165,338
			Enterprise Operation and Administration Emergency and Support Services Variable State Water Charges Water Facilities Maint & Operation, Water Facilities, Water Resources and Water Supply Planning Transfer to IR&R Fund 72		(2,500,000)		
SDA Operations Fund	71	21872	50% SDA 7-1 Fee transfers from Trust 9409 reserve for construction	26,489,164	677,386	(495,991)	26,670,559
Capital Improvement, Renewal & Replacement	72	21874	Originally financed by Revenue Bonds, Transfers from Water Enterprise EOFY	24,774,702	(6,290,009) 2,500,000	(5,497,542)	15,487,151
Fixed Assets (Equipment)	74		ACO Reserve (Accum Capital Outlay)	331,524	(120,045)		211,479
Capital Expansion Fund	73	21875	Connection Fees	70,946,032	(18,873,489)	(33,250,880)	18,821,663
SDA 7-1 Trust Fund	90	83903	Special Drainage Area 7-1 Fees	9,026,149 71,304	679,712 (71,304)	(9,705,861)	0
			Trust/Reserve for reimbursement to developers Available for transfer to 71 for construction Pending transfer to 71 for construction				
Water Facilities Trust	91	83902	Quarry Reclamation/Tonnage fees Quarry discharge fees T/O construction and other deposits Encroachment permit fees Untreated connection fee deposits Unallocated interest	2,466,591 108,791 76,797 9,405 603,694 45,867		(54,477) (7,000) (806,062)	2,484,184 109,568 0 0 0 46,692
Water Supply/Reliability Trust	95	83901	Water supply/reliability/quality & Delta related projects	4,557,719	32,423		4,590,142

POSITION CHANGE DETAIL

CAPITAL EQUIPMENT SUMMARY

Capital Equipment Summary
2009/2010

Item #	Account # 7520 Description	Water Enterprise Fund 52	General Fund 50	SDA Fund 71	Cap IR&R Fund 72	Cap Exp Fund73
1	FCADM: Miscellaneous equipment as needed.		18,500			
<i>Subtotal</i>	<i>General Fund</i>		18,500			
1	ADM: As Required	10,000				
2	ADM: As Required (BKM)	10,000				
<i>Subtotal</i>	<i>General Fund</i>	20,000				
1	ASD: Acctg IT Systems	35,000				
<i>Subtotal</i>	<i>Administrative Services Division</i>	35,000				
1	OPS: Cationic pumps for filter aide and one flow me	15,000				
2	MNT: Bobcat Tractor replacement	80,000				
3	MNT: Compressor, jack hammer, Whacker, bits	12,000				
4	MNT: Lathe 60" c/w ways	15,000				
5	MNT: Replace Spencer turbine air blowers at DVWT	29,000				
<i>Subtotal</i>	<i>Operations</i>	151,000				
Total:		206,000	18,500	0	0	0

BUDGET DETAIL BY SECTION

General Fund/Flood Control
Section Budget Request Detail

FY 08/10
General Fund
FC Budget

Budget Center

	Op/Emer Reserves	Estimated Funds Avail	General Fund Central	Flood Control FC	Total Section Budget Request
6100					
6110		\$1,258,074		\$1,258,074	\$1,258,074
6200					
6210		\$5,318,778		\$987,500	\$1,057,500
6220	4,261,278	\$1,057,500	\$190,000	\$50,000	\$85,000
6230		\$65,000	\$35,000		\$5,000
6240		\$5,000			\$5,000
6247					
6250		\$5,000		\$5,000	\$5,000
6280					
6300					
6310					
6400					
6420					
6430					
6450					
6460					
6470					
6480					
6490					
6500					
6510					
6520		\$5,090	\$1,000	\$4,090	\$5,090
6600					
6610	\$0	\$5,000	\$0	\$5,000	\$5,000
6612		\$5,000		\$5,000	\$5,000
6614					
6620	145,007	\$9,500	\$1,000	\$8,500	\$9,500
6630	14,792,668	\$3,200,000		\$3,200,000	\$3,200,000
6640	50,269	\$26,000	\$22,000	\$6,000	\$28,000
6650		\$109,000	\$109,000		\$109,000
6670					
6700					
6720		\$26,000		\$26,000	\$26,000
6740		\$54,500	\$21,000	\$33,500	\$54,500
6750		\$51,500	\$25,500	\$26,000	\$51,500
6760	\$95,071	\$30,800	\$1,900	\$28,900	\$30,800
6761		\$1,000		\$1,000	\$1,000
6762		\$600	\$100	\$500	\$600
6764		\$600	\$400	\$200	\$600
6765		\$200		\$200	\$200
6766		\$2,100	\$100	\$2,000	\$2,100
6767		\$25,200	\$200	\$25,000	\$25,200
6768		\$1,100	\$100	\$1,000	\$1,100
6769	86,071				
6770		\$21,000	\$6,000	\$15,000	\$21,000
6780		\$1,500	\$1,000	\$500	\$1,500
6790		\$3,500	\$500	\$3,000	\$3,500
6800					
6810		\$33,116	\$33,116		\$33,116
6900					
6910		\$5,000	\$5,000		\$5,000
7510	\$507,862				
7520	\$18,500	\$18,500	\$18,500		\$18,500
Subtotal	\$19,842,155	\$6,012,580	\$471,516	\$5,541,064	\$6,012,580
TRANSFERS IN/OUT					
6119		(\$264,336)		(\$264,336)	(\$264,336)
6120		\$495,037		\$495,037	\$495,037
6180		(\$54,006)		(\$54,006)	(\$54,006)
6820		(\$4,983)	(\$33,116)	\$28,133	(\$4,983)
6830		\$6,277		\$6,277	\$6,277
Subtotal	\$0	\$177,989	(\$33,116)	\$211,105	\$177,989
TOTAL	\$19,842,155	\$6,190,569	\$438,400	\$5,752,169	\$6,190,569

FY 09/10
Water Enterprise Fund
Budget Request Summary
Budget Center

LABOR & OVERHEAD APPORTIONED

6100	6200	6300	6400	6600	6700	6800	6900	7500	TOTAL	OPERATIONS/MAINTENANCE																
										Estimated Funds Avail	Op/Emer/Rate Fund & Rvs	100 CENT/ADM	210 ASD	220 HRS	310 WFE	320 LAB	330 WRE	340 WSE	370 GPE	Subtotal OPER/MAINT	DWTP	412 PFWTP	414 DWF	440 MAINT	Fund 62 TOTAL	
6110	6210	6310	6410	6610	6710	6810	6910	7510	0	16,612,836	0	2,539,694	1,860,964	978,863	354,278	718,447	500,044	3,020,625	1,039,015	5,800,707	0	1,613,173	485,165	1,604,032	16,612,836	
6120	6220	6320	6420	6620	6720	6820	6920	7520	0	2,622,440	605,262	11,000	11,000	223,000	55,600	43,700	120,000	102,500	111,200	536,170	0	188,250	130,750	37,470	2,622,440	
6130	6230	6330	6430	6630	6730	6830	6930	7530	0	269,800	391,805	1,800	1,800	123,000	55,600	43,700	120,000	102,500	111,200	536,170	0	188,250	130,750	37,470	2,622,440	
6140	6240	6340	6440	6640	6740	6840	6940	7540	0	391,805	391,805	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0	1,000	1,000	1,000	391,805	
6150	6250	6350	6450	6650	6750	6850	6950	7550	0	660,000	660,000	650,000	650,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	0	1,000	1,000	1,000	660,000	
6160	6260	6360	6460	6660	6760	6860	6960	7560	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6170	6270	6370	6470	6670	6770	6870	6970	7570	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6180	6280	6380	6480	6680	6780	6880	6980	7580	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6190	6290	6390	6490	6690	6790	6890	6990	7590	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6200	6300	6400	6500	6600	6700	6800	6900	7600	0	3,818,971	0	3,818,971	3,818,971	3,818,971	3,818,971	3,818,971	3,818,971	3,818,971	3,818,971	3,818,971	0	872,377	394,394	3,818,971	3,818,971	
6210	6310	6410	6510	6610	6710	6810	6910	7610	0	6,395,668	0	6,395,668	6,395,668	6,395,668	6,395,668	6,395,668	6,395,668	6,395,668	6,395,668	6,395,668	0	0	0	6,395,668	6,395,668	
6220	6320	6420	6520	6620	6720	6820	6920	7620	0	(177,743)	0	(177,743)	(177,743)	(177,743)	(177,743)	(177,743)	(177,743)	(177,743)	(177,743)	(177,743)	0	0	0	(177,743)	(177,743)	
6230	6330	6430	6530	6630	6730	6830	6930	7630	0	461,066	461,066	461,066	461,066	461,066	461,066	461,066	461,066	461,066	461,066	461,066	0	0	0	461,066	461,066	
6240	6340	6440	6540	6640	6740	6840	6940	7640	0	393,250	393,250	393,250	393,250	393,250	393,250	393,250	393,250	393,250	393,250	393,250	0	0	0	393,250	393,250	
6250	6350	6450	6550	6650	6750	6850	6950	7650	0	542,650	542,650	542,650	542,650	542,650	542,650	542,650	542,650	542,650	542,650	542,650	0	0	0	542,650	542,650	
6260	6360	6460	6560	6660	6760	6860	6960	7660	0	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	0	0	0	1,600,000	1,600,000	
6270	6370	6470	6570	6670	6770	6870	6970	7670	0	2,739,845	0	2,739,845	2,739,845	2,739,845	2,739,845	2,739,845	2,739,845	2,739,845	2,739,845	2,739,845	0	0	0	2,739,845	2,739,845	
6280	6380	6480	6580	6680	6780	6880	6980	7680	0	171,784	171,784	92,645	500	31,910	1,300	2,600	6,432	960	900	34,537	7,496	8,105	11,050	1,000	171,784	
6290	6390	6490	6590	6690	6790	6890	6990	7690	0	80,446	80,446	19,096	500	500	500	500	500	500	81,350	32,640	20,620	8,090	1,000	80,446		
6300	6400	6500	6600	6700	6800	6900	7700	7800	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	0	0	0	5,000		
6310	6410	6510	6610	6710	6810	6910	7710	7810	0	16,350	16,350	16,350	16,350	16,350	16,350	16,350	16,350	16,350	16,350	16,350	0	0	0	16,350		
6320	6420	6520	6620	6720	6820	6920	7720	7820	0	57,096	57,096	14,096	4,000	4,000	50,000	50,000	50,000	50,000	99,970	18,350	23,100	20,850	37,670	57,096		
6330	6430	6530	6630	6730	6830	6930	7730	7830	0	2,237,594	2,237,594	6,500	2,000	4,000	50,000	50,000	50,000	50,000	2,237,594	18,350	23,100	20,850	37,670	2,237,594		
6340	6440	6540	6640	6740	6840	6940	7740	7840	0	5,481,396	2,237,594	60,700	4,000	19,600	32,000	32,000	32,000	32,000	3,120,012	1,390,390	986,562	624,730	116,330	3,243,812		
6350	6450	6550	6650	6750	6850	6950	7750	7850	0	2,321,072	2,237,594	39,600	7,000	470	685	685	685	685	35,753	12,309	11,200	8,734	3,510	83,488		
6360	6460	6560	6660	6760	6860	6960	7760	7860	0	32,100	32,100	10,500	500	500	32,100	32,100	32,100	32,100	32,100	32,100	0	0	0	32,100		
6370	6470	6570	6670	6770	6870	6970	7770	7870	0	66,999	66,999	10,500	4,000	500	32,100	32,100	32,100	32,100	51,699	25,664	12,465	13,570	66,999			
6380	6480	6580	6680	6780	6880	6980	7780	7880	0	102,130	102,130	3,500	91,250	91,250	102,130	102,130	102,130	102,130	7,390	2,230	1,650	2,500	1,000	102,130		
6390	6490	6590	6690	6790	6890	6990	7790	7890	0	616,134	616,134	53,439	92,800	3,480	9,250	9,250	9,250	9,250	134,965	30,542	14,965	23,120	66,338	616,134		
6400	6500	6600	6700	6800	6900	7900	7900	7900	0	379,244	379,244	369,450	1,405	3,305	650	650	650	650	2,020	2,020	520	500	654	379,244		
6410	6510	6610	6710	6810	6910	7910	7910	7910	0	431,550	0	15,030	8,750	50,500	0	103,000	900	750	1,500	251,120	92,395	76,220	60,635	19,860	431,550	
6420	6520	6620	6720	6820	6920	7920	7920	7920	0	32,250	32,250	6,000	1,000	25,000	0	103,000	900	750	500	251,120	92,395	76,220	60,635	19,860		
6430	6530	6630	6730	6830	6930	7930	7930	7930	0	34,880	34,880	3,300	750	24,000	200	103,000	900	750	6,630	2,000	2,000	2,000	630	34,880		
6440	6540	6640	6740	6840	6940	7940	7940	7940	0	7,460	7,460	1,130	1,000	6,460	3,000	103,000	900	750	3,350	1,350	2,000	2,000	630	34,880		
6450	6550	6650	6750	6850	6950	7950	7950	7950	0	164,700	164,700	1,500	1,000	1,000	96,000	103,000	900	750	87,600	30,550	34,550	20,000	2,600	164,700		
6460	6560	6660	6760	6860	6960	7960	7960	7960	0	27,900	27,900	1,500	1,000	500	96,000	103,000	900	750	24,600	5,000	5,000	5,000	9,600	27,900		
6470	6570	6670	6770	6870	6970	7970	7970	7970	0	114,445	114,445	4,100	5,000	4,000	4,000	103,000	900	750	101,245	43,475	29,520	26,250	114,445			
6480	6580	6680	6780	6880	6980	7980	7980	7980	0	29,895	29,895	1,000	1,000	700	700	103,000	900	750	27,195	10,010	7,150	3,395	6,650	29,895		
6490	6590	6690	6790	6890	6990	7990	7990	7990	0	0	0	0	0	0	0	103,000	900	750	0	0	0	0	0	0		
6500	6600	6700	6800	6900	7000	7000	7000	7000	0	334,139	334,139	142,160	8,500	101,200	7,900	2,750	7,900	8,500	50,679	6,679	13,500	16,000	14,500	334,139		
6510	6610	6710	6810	6910	7010	7010	7010	7010	0	11,800	11,800	7,500	1,000	250	500	750	500	1,500	0	0	0	0	0	11,800		
6520	6620	6720	6820	6920	7020	7020	7020	7020	0	91,800	91,800	33,500	4,000	33,000	1,000	750	1,000	3,500	16,000	6,000	4,000	4,000	91,800			
6530	6630	6730	6830	6930	7030	7030	7030	7030	0	217,800	217,800	100,000	117,800	0	0	0	0	0	0	0	0	0	0	217,800		
6540	6640	6740	6840	6940	7040	704																				

Water Enterprise Fund/General Fund
EXHIBIT A

2009/2010 FUND 52

Item	Acct #	#	Description	ADM	ASD	HRS	WQE	LAB	WRE	WSE	GPE	OPER	DVWTP	PPWTP	DWF	MAINT	TOTAL
6210 - PROFESSIONAL & TECHNICAL SERVICES 6210																	
AUDITING SERVICES																	
1			Auditing Services	30,300		7,000											37,300
2			MISC	1,500	1,500	3,000											6,000
			AUDITING SERVICES SUBTOTAL	31,800	1,500	10,000	0	0	0	0	0	0	0	0	0	0	43,300
DWR PAYMENTS AUDIT																	
1			DWR Payments Audit	30,000													30,000
2			MISC														
			DWR PAYMENTS AUDIT SUBTOTAL	30,000	0	0	0	0	0	0	0	0	0	0	0	0	30,000
ENGINEERING SERVICES																	
1			Chain of Lakes Inspections							13,000							13,000
3			Construction Testing Services (Soils & Materials)									1,100			1,100		1,100
4			Contract Engineering							25,000						10,000	35,000
5			Corrosion									26,850	10,650	10,650	5,550		26,850
6			Drafting Services			5,000				5,000							10,000
7			Electrical Consulting Services							7,500							29,550
13			Stream Gaging						5,000								5,000
15			MISC	35,000								1,500			1,000	500	36,500
			ENGINEERING SERVICES SUBTOTAL	35,000	0	5,000	0	5,000	5,000	37,500	13,000	61,500	20,100	19,050	11,850	10,500	157,000
INFORMATION SYSTEMS																	
1			ITD Services	128,120		25,000	300	2,200		5,000	3,000	50,920	19,000	19,000	6,000	6,920	214,540
3			MISC			6,000	500	2,000									8,500
			INFORMATION SYSTEMS SUBTOTAL	128,120	0	31,000	800	4,200	0	5,000	3,000	50,920	19,000	19,000	6,000	6,920	223,040
LABORATORY ANALYSIS																	
1			Analytical Services	1,000				30,000			2,000						32,000
2			MISC														1,000
			LABORATORY ANALYSIS SUBTOTAL	1,000	0	0	0	30,000	0	0	2,000	0	0	0	0	0	33,000
LEGAL SERVICES																	
1			Outside Legal Services	83,000								69,000		44,000	25,000		152,000
2			MISC	10,000		4,000											14,000
			LEGAL SERVICES SUBTOTAL	93,000	0	4,000	0	0	0	0	0	69,000	0	44,000	25,000	0	166,000
SURVEY SERVICES																	
1			Survey Services	2,000					2,000	20,000	33,200						57,200
			SURVEY SERVICES SUBTOTAL	2,000	0	0	0	0	2,000	20,000	33,200	0	0	0	0	0	57,200
OTHER PROFESSIONAL & TECH SERVICES																	
1			3E-MSDS Management Program			5,000		2,000									7,000
2			Acctg Consulting & Tech Services		6,500												6,500
3			Air Photo - LandUse Study						25,000								25,000
4			Analytical Services			12,000											12,000
5			Appraisals/TitleReports, Land Acquisition							20,000							20,000
6			Chain of Lakes Mitigation Activities								13,000						13,000
8			Communications Support	108,550								5,050				5,050	108,550
10			Construction Management- Field Inspections														30,000
11			Delivery Services														30,000
12			Delta														125,000
13			Delta Outreach														25,000
14			Emergency Preparedness Consultant			25,000											25,000
15			Environmental Consultant	50,000					6,000								56,000
16			File Services	15,000		500											15,500
17			Flows Study & Steehead	50,000								17,000	5,000	5,000	2,000	5,000	50,000

Water Enterprise Fund/General Fund
EXHIBIT A

2009/2010 FUND 52

Acct #	Item #	PROFESSIONAL & TECHNICAL SERVICES 6210	ADM	ASD	HRS	WQE	LAB	WRE	WSE	GPE	OPER	DVWTP	PPWTP	DWF	MAINT	TOTAL
		Description														
	18	Geophysical Well Logging								1,200						1,200
	21	Govt Affairs/Grants	70,000													70,000
	22	Groundwater Modeling Support								15,000						15,000
	23	Groundwater Sampling								24,800						24,800
	25	Human Resources Consultant			60,000											60,000
	26	Industrial Hygienist Services			50,000		7,500									57,500
	27	Mail Services	60,000													60,000
	28	Organizational Studies & Legal Costs	50,000	2,000												52,000
	31	Public Outreach/Government Affairs	163,000		5,000											163,000
	32	Publications - Graphics, Layout & Printing	41,300													46,300
	33	Resp. Exams	8,000													8,000
	34	Schools Program			5,000											5,000
	35	Security Services	5,300						10,000		209,700	92,600	66,200	50,900		225,000
	39	System Integration Services (SCADA)					25,000				40,000	10,000	10,000	10,000		65,000
	40	Temporary Services	150,000		3,000											150,000
	41	Test Development		1,000												4,000
	43	US Geologic Survey Water Stations					35,000									35,000
	44	Wastewater Management Policy/Studies							6,000							6,000
	45	Water Quality Treatment Solutions				25,000					75,000	25,000	25,000	25,000		100,000
	46	Water Rights Contracts					20,000									20,000
	47	Water Rights Fees					2,000									2,000
	48	Water Treatment Studies				20,000					10,000	10,000				30,000
	49	Watershed Management Plan Development				10,000										10,000
	51	MISC	160,000		7,500				10,000							177,500
6219		OTHER PROFESSIONAL & TECH SERVICES SUBTOTAL	1,096,150	9,500	173,000	55,000	9,500	113,000	40,000	60,000	356,750	142,600	106,200	87,900	20,050	1,912,900
6210		TOTAL	1,417,070	11,000	223,000	55,800	43,700	120,000	102,500	111,200	538,170	181,700	188,250	130,750	37,470	2,622,440
6230 - COUNTY PROFESSIONAL & TECHNICAL SERVICES																
6230	1	AlcoLink	65,000													65,000
	2	Counsel	10,000													10,000
	3	General (tax admin; vect control; PMA)	10,000													10,000
	4	Human Resources		1,500	120,000											121,500
	6	Temporary Services Admin	50,000		3,000											50,000
	7	MISC	10,000	300												13,300
6230		COUNTY PROF & TECH SERVICES SUBTOTAL	145,000	1,800	123,000	0	0	0	0	0	0	0	0	0	0	269,800
6230		TOTAL	145,000	1,800	123,000	0	0	0	0	0	0	0	0	0	0	269,800
6240 - COUNTY OTHER SERVICES																
6245		COUNTY REPROGRAPHICS														
		County Printing (Include \$ for Capital Funds)	3,000	1,000					7,500		2,500	1,000	500	1,000		14,000
		Misc			1,000											1,000
6245		COUNTY REPROGRAPHICS SUBTOTAL	3,000	1,000	1,000	0	0	0	7,500	0	2,500	1,000	500	1,000	0	15,000
6247		COUNTY INDIRECT COSTS														
	1	County Indirect Costs	650,000													650,000
	2	MISC			10,000											10,000
6247		COUNTY INDIRECT COSTS SUBTOTAL	650,000	0	10,000	0	0	0	0	0	0	0	0	0	0	660,000
6240		COUNTY OTHER SERVICES														
	1	Misc	376,805		0	0	0	0	0	0	0	0	0	0	0	376,805
6240		COUNTY OTHER SERVICES SUBTOTAL	376,805	0	0	0	0	0	0	0	0	0	0	0	0	376,805
6240		TOTAL	1,029,805	1,000	11,000	0	0	0	7,500	0	2,500	1,000	500	1,000	0	1,051,805
TOTAL PROFESSIONAL SERVICES																
			2,591,875	13,800	357,000	55,800	43,700	120,000	110,000	111,200	540,670	182,700	188,750	131,750	37,470	3,944,045

Water Enterprise Fund/General Fund
EXHIBIT A

2009/2010

Acct #	Item #	DESCRIPTION	FCADM	FUND 50 - - - -	FUND 50 - - - - FCE	FUND 50 TOTAL	FUND 71 SDA	FUND 72 CAP RPL	FUND 73 CAP EXP	All Funds Total
6210 - PROFESSIONAL & TECHNICAL SERVICES										
6211		AUDITING SERVICES				2,000				2,000
	1	Auditing Services	2,000			2,000				2,000
6211		AUDITING SERVICES SUBTOTAL	2,000	0		2,000	0	0	0	2,000
6213		ENGINEERING SERVICES								
	2	Channel Restoration		25,000		25,000				25,000
	6	Drafting Services		25,000		25,000				25,000
	8	Environmental Testing/Engineering		25,000		25,000				25,000
	9	Geomorphology Study		25,000		25,000				25,000
	10	Geotechnical Engineering		25,000		25,000				25,000
	11	Hydrology/Hydraulic Engineers		50,000		50,000	50,000			100,000
	12	Potential IRWMP Flood Improvement Project					1,000,000			1,000,000
	13	Stream Gaging		50,000		50,000				50,000
	14	StreamWise		150,000		150,000	350,000			500,000
6213		ENGINEERING SERVICES SUBTOTAL	0	375,000		375,000	1,400,000	0	0	1,775,000
6214		INFORMATION SYSTEMS								
	2	Network				7,000				7,000
	3	MISC	7,000	2,500		2,500	2,500			5,000
6214		INFORMATION SYSTEMS SUBTOTAL	7,000	2,500		9,500	2,500	0	0	12,000
6216		LABORATORY ANALYSIS								
	2	MISC		10,000		10,000				10,000
6216		LABORATORY ANALYSIS SUBTOTAL	0	10,000		10,000	0	0	0	10,000
6217		LEGAL SERVICES								
	1	Outside Legal Services		25,000		25,000	25,000			50,000
	2	MISC	1,000			1,000				1,000
6217		LEGAL SERVICES SUBTOTAL	1,000	25,000		26,000	25,000	0	0	51,000
6218		SURVEY SERVICES								
Zone7 Contract	1	Survey Services		100,000		100,000				100,000
6218		SURVEY SERVICES SUBTOTAL	0	100,000		100,000	0	0	0	100,000
6219		OTHER PROFESSIONAL & TECH SERVICES								
	3	Air Photo - LandUse Study		10,000		10,000				10,000

Water Enterprise Fund/General Fund
EXHIBIT A

2009/2010

Acct #	Item #	PROFESSIONAL & TECHNICAL SERVICES 6210	FCADM	FUND 50 - - - -	FCE	FUND 50 TOTAL	FUND 71 SDA	FUND 72 CAP RPL	FUND 73 CAP EXP	All Funds Total
	Description									
	5	Appraisals/TitleReports, Land Acquisition		25,000		25,000				25,000
	10	Construction Management- Field Inspections		25,000		25,000				25,000
	15	Environmental Consultant		200,000		200,000				200,000
	20	Government Relations		10,000		10,000				10,000
	24	Horticultural Consultant		15,000		15,000				15,000
	30	Program Financing		25,000		25,000	25,000			50,000
	33	Resp. Exams		5,000		5,000				5,000
	36	Sedimentation Program Consultant		25,000		25,000	25,000			50,000
	40	Temporary Services		10,000		10,000				10,000
	42	Training		5,000		5,000				5,000
	51	MISC	180,000			180,000				180,000
	52									
6219		OTHER PROFESSIONAL & TECH SERVICES SUBTOTAL	180,000	355,000		535,000	50,000	0	0	585,000
6210		TOTAL	190,000	867,500		1,057,500	1,477,500	0	0	2,535,000
6230 - COUNTY PROFESSIONAL & TECHNICAL SERVICES										
6230		COUNTY PROFESSIONAL & TECHNICAL SERVICES								
	3	General (tax admin; vect control; PWA)		50,000		50,000				50,000
	7	MISC	35,000			35,000				35,000
6230		COUNTY PROF & TECH SERVICES SUBTOTAL	35,000	50,000		85,000	0	0	0	85,000
6230		TOTAL	35,000	50,000		85,000	0	0	0	85,000
6240 - COUNTY OTHER SERVICES										
6245		COUNTY REPROGRAPHICS								
		County Printing (Include \$ for Capital Funds)		5,000		5,000				5,000
6245		COUNTY REPROGRAPHICS SUBTOTAL	0	5,000		5,000	0	0	0	5,000
6240		TOTAL	0	5,000		5,000	0	0	0	5,000
6250 - DISTRICT PROFESSIONAL & TECHNICAL SERVICES										
6250		DISTRICT PROFESSIONAL & TECHNICAL SERVICES								
	2	Soil Conservation District		5,000		5,000				5,000
6250		TOTAL	0	5,000		5,000	0	0	0	5,000
TOTAL PROFESSIONAL SERVICES			225,000	927,500		1,152,500	1,477,500	0	0	2,630,000

6750	Item #	ORGANIZATION MEMBERSHIPS/PARTICIPATION	ADM	ASD	HRS	WSE	WRE	LAB	WQE	GPE	OPER	DVTWP	PPWTP	DWF	MNT	FUND			TOT				
																52				50			CAP
																TOTAL	FCADM	FCE		TOTAL	SDA	IRR	
← OPERATIONS/MAINTENANCE →																							
Subtotal																							
6751		ORGANIZATION MEMBERSHIPS																					
	1	Assoc Ca Water Agencies	21,000																		0		
	2	AWWA Agency Membership	2,000		600						1,240	520	520	200							0		
	3	AWWA Research Foundation	28,500																		0		
	4	CA Public Employees Labor Relations Assoc			1,000																0		
	5	California Association of Public Purchasing Officers		130																	0		
	6	California Bar Association	500																		0		
	7	California Municipal Finance Officers	100																		0		
	8	California Special Districts Association	4,100																		0		
	9	California Utilities Emergency Association			550																0		
	10	Certified Control System Technician III Certification									240										0		
	11	Chambers of Commerce	750																		0		
	12	Emergency Manager's Association			55																0		
	13	Flood Plain Mgmt Association																			0		
	14	Friends Archive	500																		0		
	15	GFOA		425																	0		
	16	Groundwater Resources Association					200														0		
	17	Instrumentation Systems & Automation Society									114										0		
	18	NAPM(national association of purchasing managers									300										0		
	19	National Groundwater Association					200														0		
	20	National Institute of Government Purchasing		500																	0		
	21	Oth Prof Adm Svcs & Bus Assoc	250																		0		
	22	Partnership for Safe Water									1,500	1,500									0		
	23	Society for HR Management			600																0		
	24	Southwest Membrane Operators Membership									300										0		
	25	State Water Contractors: Annual Dues	50,000																		0		
	26	State Water Contractors: Bay-Delta Fund	100,000																		0		
	27	State Water Contractors: Miscellaneous (Energy)	10,000																		0		
	28	State Water Contractors: SRCSO litigation	25,000																		0		
	29	Water Education Foundation	1,600																		0		
	30	Water Reuse Assoc of Calif	5,500				250														0		
	31	MISC			500																0		
6751		ORGANIZATION MEMBERSHIPS	249,460	1,405	3,305	0	650	0	0	740	3,694	2,020	520	500	654	2,592,244	0	1,000	1,000	0	0		
6752		SUPPORT																					
	1	CUWA																			60,000		
	2	MISC																			0		
6752		SUPPORT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	500	0	500	0	60,000		
6753		PROGRAMS/PROJECT PARTICIPATION																					
	1	Alameda County Clear Water Program	21,000																		0		
	2	Contra Costa County Aquatic Pesticide JEPA	2,500																		0		
	3	KCWA Hyatt-Thermalito Litigation costs	60,000																		0		
	4	State Water Project JPA and MWQI	15,000																		0		
	5	Technical & professional events sponsorships	5,000																		0		
	6	Water & Power Reform	1,500																		0		
	7	MISC	15,000																		0		
6753		PROGRAMS/PROJECT PARTICIPATION	105,000	0	0	0	0	0	0	0	0	0	0	0	0	105,000	10,000	25,000	15,000	35,000	0		
			369,450	1,405	3,305	0	650	0	0	740	3,694	2,020	520	500	654	379,244	25,500	26,000	51,500	0	60,000		

Travel Request
Fund: 52 & 50
2009/2010

Account #6790
Description

Item #	Description	ADM	ASD	HRS	WQE	LAB	WRE	WSE	GPE	OPER	DVWTP	PPWTP	DWF	MNT	FUND			FUND			
															TOTAL	FC	ADMN		FCE		
															52	FC	ADMN	FCE	50	FUND	
															TOTAL				TOTAL	71	
																				SDA	
1	ADM: ACWA Water Conference	12,000														12,000				0	
2	ADM: AWWA Conferences	3,000														3,000				0	
3	ADM: Bd Members/ Sr. Staff/ EPA Conferences	7,500														7,500				0	
4	ADM: CSDA Conference	3,000														3,000				0	
5	ADM: Dept of Water Res/State Water Contractors	4,000														4,000				0	
6	ADM: WaterReuse Committee	1,000														1,000				0	
7	ASD: Administrative Services Conferences		1,000													1,000				0	
8	ASD: AWWA Conference		1,800													1,800				0	
9	ASD: Financial and Administrative Services		1,200													1,200				0	
10	EPA: Bay Delta related expenses	2,000														2,000				0	
11	EPA: Conferences and Seminars	1,000														1,000				0	
12	ESS: AWWA Conferences			10,000												10,000				0	
13	ESS: CSDA Conference			1,000												1,000				0	
14	ESS: CSTI			7,500												7,500				0	
15	ESS: Labor Relations Conference			5,000												5,000				0	
16	ESS: MISC			4,000												4,000				0	
17	ESS: Services Conferences			2,000												2,000				0	
18	ESS: State Personnel Board Training			3,500												3,500				0	
19	WRE: Annual SWP Operations Meeting in LA						300									300				0	
20	WRE: DWR Water Operations meetings						500									500				0	
21	WRE: Semitropic Monitoring Meetings						200									200				0	
22	AVP: CANV AWWA Fall Conference (Airfare only)							750								750				0	
23	AVP: CANV AWWA Spring Conference (Airfare only)							750								750				0	
24	AVP: CANV AWWA Workshops (Airfare only)							500								500				0	
25	AVP: Annual AWWA Conference (Airfare only)							750								750				0	
26	AVP: Misc Technical Training (i.e. H2O Net) (Airfare only)							750								750				0	
27	GPE: Groundwater conference							400								400				0	
28	GPE: Groundwater training course							400								400				0	
29	OPS: Conferences, Workshops, Symposiums									16,000	6,000	6,000	4,000			16,000	6,000	4,000		0	
30	FCE: Professional Conferences																		3,000		
31	FCADM: Flood Control travel expenses																	500			
		33,500	4,000	33,000	0	0	1,000	3,500	800	16,000	6,000	6,000	4,000	0	0	91,800	3,000	500		3,500	0

CAPITAL IMPROVEMENT PROGRAM DETAIL

**FUND 71
 SPECIAL DRAINAGE AREA 7-1
 FISCAL YEAR 2009/2010
 Summary Table**

SDA 7-1 PROJECTS				
Job Number	Project Title	Total Project Cost	FY 09/10 Budget	Page
BUILDINGS & GROUNDS				
61154	North Canyons Admin/Eng Building Lease	\$1,647,193	\$109,000	86
	SUBTOTAL	\$1,647,193	\$109,000	
FLOOD CONTROL FACILITIES				
96071	Arroyo de la Laguna Improvements - Army Corps Civil Works Project Feasibility Study	\$59,860,000	\$550,000	86
96071	Arroyo Las Positas Improvements Near El Charro Road	\$10,000,000	\$10,000,000	87
96071	Potential IRWMP Flood Protection Project	\$11,000,000	\$5,500,000	87
61000	SDA Management & Administration	\$100,000	\$100,000	88
61145	StreamWISE	\$500,000	\$350,000	88
	SUBTOTAL	\$81,460,000	\$16,500,000	
TOTAL CAPITAL PROJECTS		\$83,107,193	\$16,609,000	
CONSULTING & OTHER COSTS				
	Consulting & Other Costs		\$162,500	
	SUBTOTAL	\$0	\$162,500	
SPECIAL DRAINAGE AREA 7-1 SUBTOTAL		\$83,107,193	\$16,771,500	
SINKING FUNDS				
96071	Administrative & Engineering Building - Sinking Fund	\$1,112,391	\$79,929	89
	SUBTOTAL	\$1,112,391	\$79,929	
SPECIAL DRAINAGE AREA 7-1 TOTAL		\$84,219,584	\$16,851,429	

Special Drainage Area 7-1

Program	Building & Grounds		
Project	North Canyons Administrative & Engineering Building Lease		
Priority	2		
Project Description	A new office building for administrative and engineering staff was completed in February 2005. The new building has a larger Board Room for public meetings, is located closer to operations (treatment plants), and is more centrally located for employees and Valley residents. The move-in date was February 22, 2005. The total project cost is based on a "Build to Suit" option and includes the 15-year lease payments.		
Justification	Engineering, administrative and operations staff were at different locations. This project has brought administrative and engineering staff together and will bring both closer to operations. This project also accommodates future expansion. It will reduce overall agency travel times, improve communications and staff productivity		
Responsible Section	ASD Administrative Services Division		
Operating Impact	Provides for more efficient and effective operations of administrative and engineering functions. Provides for secure Emergency Operations Center (EOC), as the new building will meet strictest building and safety codes.		
In Service Date	Month February	Year 2020	
Total Project Cost	\$1,647,193		
Source of Funds	Fund 71	SDA 7-1 Operations	10%
Fiscal Year 09/10	Amount (\$1,000's)	\$109	

Program	Flood Control Facilities & SDA Administration and Engineering		
Project	Arroyo de la Laguna - Army Corp Civil Works Project Feasibility Study		
Priority	1		
Project Description	There are five phases in implementing an Army Corps Civil works project (Arroyo de la Laguna facility system). (1) The first phase – the reconnaissance study is to determine if there is sufficient indication of Federal interest to warrant preparing a feasibility study. The object of the Feasibility Study is to investigate and recommend solutions to water resource problems and to identify the level of Federal interest. The cost of the Feasibility Study is cost-shared 50 % federal and 50 % Zone 7. The funding allocated includes 50% of the costs plus overhead staff costs. (3) The third phase is the Preconstruction Engineering and Design Phase. The cost is shared 75% federal and 25% Zone 7. (4)The fourth phase is the Construction Phase which is cost shared up to 50% by Zone 7 and the remaining funded by federal funds (5) The last phase is the Operation & Maintenance Phase funded by Zone 7. This cost would be funded by Zone 7's maintenance funds. This project is to evaluate and address the deficiencies of Arroyo de la Laguna downstream of Bernal Avenue. It also includes providing habitat enhancements to abate environmental impacts and bank stabilization to limit erosion.		
Justification	The improvement of Arroyo de la Laguna facility system is needed to adequately handle the anticipated flows from a fully developed watershed and improve the drainage conveyance system. Currently, there is inadequate funding for the improvement of Arroyo de la Laguna. Partnering with the US Army Corps of Engineers to address the deficiencies of the Arroyo de la Laguna facility system is taking advantage of the Corps significant technical and financial resources.		
Responsible Section	FCE Flood Control Engineering		
Operating Impact	Increases flood control facilities, and thus on-going maintenance costs.		
In Service Date	Month June	Year 2014	
Total Project Cost	\$59,860,000		
Source of Funds	Fund 71	SDA 7-1 Operations	100%
Fiscal Year 09/10	Amount (\$1,000's)	\$550	

Special Drainage Area 7-1

Program	SDA Administration and Engineering		
Project	Arroyo Las Positas Improvements Near El Charro Road		
Priority	1		
Project Description	Developer proposes to construct flood protection improvements on the Arroyo las Positas for Zone 7. Proposed improvements involve a new flood channel, flood walls, levees, culverts, flood plain dedication and other associated appurtenances. These flood protection improvements are related to the development of the El Charro Specific Plan and are a part of the Chain of Lakes projects identified in the Stream Management Master Plan.		
Justification	Contingent upon these proposed flood protection improvements satisfying the specifications and project requirements under the adopted Stream Management Master Plan, they may qualify for Zone 7's construction reimbursement/cost sharing and would present cost savings to Zone 7 because of economies of scale.		
Responsible Section	FCE	Flood Control Engineering	
Operating Impact	Expand flood control facilities. Increased O&M costs.		
In Service Date	Month:	Year:	Ongoing
Total Project Cost	\$10,000,000		
Source of Funds	Fund 71	SDA 7-1 Operations	100%
Fiscal Year 09/10	Amount (\$1,000's)	\$10,000	

Program	Flood Control Facilities & SDA Administration and Engineering		
Project	Potential IRWMP Flood Protection Project		
Priority	2		
Project Description	This project represents a placeholder pending grant funding. Six projects identified in the Stream Management Master Plan (SMMP) and further refined as a part of the StreamWISE effort are being submitted for consideration for grant funding under Proposition 1E and Proposition 84. Projects selected for submission were screened for the 'best fit' from the grant guidelines, as well as project need, funding availability, and community and stakeholder support. It is anticipated that the grant will be awarded near the end of 2009. At the time of this budget analysis, the guidelines state that only projects that can meet a 50% local match will be considered for grant funding.		
Justification	The State Department of Water Resources (DWR) instructed the members of the Bay Area Integrated Regional Water Management Plan (IRWMP) that an expedited grant round for Props 1E and 84 would be taking place in early 2009. Project submission will be in conjunction with the other agencies/members of the IRWMP, as is required by DWR for grant funds. Because it is unlikely that all six projects will be funded, a placeholder in the budget was created so that even the most expensive of the six projects could be initiated upon grant award.		
Responsible Section	FCE Flood Control Engineering		
In Service Date	Month	Year	June 2010
Total Project Cost	\$11,000,000		
Source of Funds	Fund 71	SDA 7-1 Operations	50%
	Proposition 1E and 84 Grant Funding		50%
Fiscal Year 09/10	Amount (\$1,000's)	\$5,500	

Special Drainage Area 7-1

Program SDA Administration and Engineering
Project **SDA Management & Administration**
Priority 1
Project Description This program provides for the management and administration of the Special Drainage Area 7-1 program. The SDA 7-1 program is funded through the collection of drainage fees, which are used to provide new flood control facilities, management of the program and developer reimbursement. This program monitors the fees collected, organizes the receipts, keeps track of exemption credits, records payment for possible future reference, and responds to general program questions.

Justification This program was established in 1966 to improve streams/arroyos within Zone 7's service area to Flood Control standards. Funding for the channel improvements and right-of-way acquisition was established originally through Alameda County Flood Control and Water Conservation District's Ordinance 53, and later, Ordinance 0-2002-24. Ordinance 0-2002-24 prescribes the collection of SDA 7-1 Drainage Fees assessed to new and re-developments for the creation of new impervious areas. Fees are collected by the local city agencies for Zone 7 at the time of filing for final map or issuance of building permit. Fees collected are split and deposited into two funds, Fund 71 for SDA 7-1 Program Operations, and Fund 90 for Developer Reimbursement.

Responsible Section FCE Flood Control Engineering
Operating Impact Review of proposed new policies and guidelines.

In Service Date Ongoing

Total Project Cost \$100,000 annually

Source of Funds	Fund 71	Description	SDA 7-1 Operations	Percentage	100%
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Fiscal Year 09/10 Amount (\$1,000's) **\$100**

Program SDA Administration & Engineering

Project **StreamWISE**

Priority 1

Project Description After adoption in August 2006 of the Stream Management Master Plan (SMMP) and Master Environmental Impact Report (MEIR), Zone 7 embarked on the planning phase for implementation of the proposed projects identified in the SMMP. A comprehensive action and implementation plan, called the StreamWISE (Waterway Improvements Supporting the Environment) is currently being developed to prioritize and sequence capital improvements, identify a financial strategy, and establish maintenance plans for the new Program, which will implement the SMMP. The StreamWISE implementation plan process is incorporating direct involvement from key stakeholder groups to ensure that Zone 7 meets the needs of its constituents and partners. Through this process a five-year and ten-year outlook for the CIP will be created by prioritizing and sequencing the SMMP projects.

Justification Zone 7 is responsible for providing flood control protection within its service boundary. The 1966 Master Plan does not provide the necessary structure with respects to policy (guidance) and financing to accomplish this mission. Zone 7 also realizes that traditional engineering strategies are not sufficient or appropriate to use as a basis for this Master Plan update. Rather, Zone 7 must take into consideration the relevant state and federal environmental goals regarding endangered species and natural preservation of these streams that have been established over the past 36 years. Therefore, Zone 7 intends to refine and implement a strategy that is based on primarily addressing these environmental goals within a context of meeting its flood control responsibilities.

Responsible Section FCE Flood Control Engineering
Operating Impact Increased O/M cost to be determined.

In Service Date Ongoing

Total Project Cost \$500,000

Source of Funds	Fund 71	SDA 7-1 Operations	70%
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Fiscal Year 09/10 Amount (\$1,000's) **\$350**

Special Drainage Area 7-1

Project	Administrative & Engineering Building – Sinking Fund		
Program	Building & Grounds		
Priority	1		
Project Description	A new office building for administrative and engineering staff was completed in February 2005. The new building has a larger Board Room for public meetings, is located closer to operations (treatment plants), and is more centrally located for employees and Valley residents. The move-in date was February 2005. The cost was based on "Build to Suit" option and includes lease payments. In addition to the scheduled lease payment for the new building, \$696,000 plus interest per year will be contributed to a sinking fund in order to cover the purchase cost of the building after the lease payments have been completed.		
Justification	This sinking fund will cover the cost to purchase the new Administrative & Engineering Building after Zone 7's 15 year lease is completed.		
Operating Impact	None.		
Responsible Section	ASD Administrative Services Division		
In Service Date	Month	Year	2018
Total Project Cost	\$2,840,000 (for Flood Control System)		
Source of Funds	Fund 71	SDA 7-1 Operations	10%
Fiscal Year 07/08	Amount (\$1,000's)	\$80	

FUND 90
SPECIAL DRAINAGE AREA 7-1 TRUST
FISCAL YEAR 2009/2010
Summary Table

<i>SDA 7-1 TRUST PROJECTS</i>				
Job Number	Project Title	Total Project Cost	FY 09/10 Budget	Page
PROJECTS				
	SDA 7-1 REIMBURSEMENT	\$1,000,000	\$1,000,000	91
	SUBTOTAL	\$1,000,000	\$1,000,000	
SPECIAL DRAINAGE AREA 7-1 TRUST TOTAL		\$1,000,000	\$1,000,000	

Special Drainage Area 7-1 Trust

Program	SDA 7-1 Reimbursement Program		
Project	SDA 7-1 Reimbursement		
Priority	1		
Project Description	This Program provides reimbursement of construction and right-of-way acquisition costs to developers who improve SDA 7-1 Authorized Project Lines to Zone 7 standards and then dedicating the improved right-of-way to Zone 7. The developer must enter into a SDA 7-1 Agreement with Zone 7 to qualify for reimbursement. Upon completion and acceptance of right-of-way, developers are reimbursed up to a predetermined reimbursement for actual right-of-way and construction costs, as prescribed by Ordinance 0-2002-24.		
Justification	This program was established in 1966 to improve streams/arroyos within Zone 7's service area to Flood Control standards. Funding for the channel improvements and right-of-way acquisition was established originally through Alameda County Flood Control and Water Conservation District's Ordinance 53, and later, Ordinance 0-2002-24. Ordinance 0-2002-24 prescribes the collection of SDA 7-1 Drainage Fees assessed to new and re-developments for the creation of new impervious areas. Fees are collected by the local city agencies for Zone 7 at the time of filing for final map or issuance of building permit. Fees collected are currently split 50%/50% and deposited into two funds, Fund 71 for SDA 7-1 Program Operations, and Fund 90 for Developer Reimbursement.		
Operating Impact	Increases flood control facilities.		
Responsible Section	FCE	Flood Control Engineering	
In Service Date	Ongoing		
Total Project Cost	\$1,000,000 per year		
Source of Funds	Fund 90	SDA 7-1 Trust	100%
Fiscal Year 09/10	Amount (\$1,000's)	\$1000	

**FUND 72
 RENEWAL/REPLACEMENT &
 SYSTEMWIDE IMPROVEMENT PROJECTS
 FISCAL YEAR 2009/2010
 Summary Table**

SYSTEMWIDE IMPROVEMENT PROJECTS				
Job Number	Project Title	Total Project Cost	FY 09/10 Budget	Page
EMERGENCY PREPAREDNESS				
96072	Local Hazard Mitigation Plan	\$260,000	\$50,000	93
53062	Security Improvements at Existing Facilities	\$2,305,000	\$670,000	93
	SUBTOTAL	\$2,565,000	\$720,000	
GROUNDWATER BASIN MANAGEMENT				
53058	Mocho Groundwater Demineralization Plant	\$39,500,000	\$250,000	94
53040	New Groundwater Management Program Monitoring Wells	\$840,880	\$120,000	94
	SUBTOTAL	\$40,340,880	\$370,000	
PROGRAM MANAGEMENT				
54507	System-Wide Improvements and Renewal/Replacement Program Management	\$2,150,000	\$25,000	95
	SUBTOTAL	\$2,150,000	\$25,000	
TRANSMISSION & DISTRIBUTION				
96072	System-Wide Installation of Line Valves	\$1,620,000	\$50,000	95
96072	Transmission System Master Planning	\$4,425,000	\$37,500	95
	SUBTOTAL	\$6,045,000	\$87,500	
WATER SUPPLY & CONVEYANCE				
96072	Enhanced Conservation Program	\$1,065,000	\$800,000	96
54505	High-Efficiency Toilet Rebate Program	\$1,929,000	\$66,490	96
54504	High-Efficiency Washing Machine Rebate Program	\$1,251,000	\$265,950	97
54501	Water Conservation Best Management Practices	\$4,300,000	\$31,500	97
	SUBTOTAL	\$8,545,000	\$1,163,940	
WATER TREATMENT FACILITIES				
53088	2009 DVWTP Improvements Project	\$450,000	\$400,000	98
96072	DVWTP Chemical Systems Improvements	\$2,545,000	\$485,000	99
96072	Energy Use Audit	\$100,000	\$80,000	100
96072	PPWTP Filter-to-Waste Improvements	\$325,000	\$200,000	100
96072	PPWTP Improvement Project - 2011	\$1,030,000	\$260,000	101
96072	PPWTP Improvement Studies - 2011	\$340,000	\$270,000	101
53080	Water Quality - PPWTP & DVWTP Taste and Odor Treatment	\$6,595,000	\$550,000	102
53069	Water Quality Management Program	\$6,298,000	\$82,500	102
	SUBTOTAL	\$17,683,000	\$2,327,500	
WELLS				
	SUBTOTAL	\$0	\$0	
SYSTEMWIDE IMPROVEMENT TOTAL		\$77,328,880	\$4,693,940	

Water Rates – Systemwide Improvements

Program	Emergency Preparedness		
Project	Local Hazard Mitigation Plan Update		
Priority	2		
Project Description	This project will update the existing Local Hazard Mitigation Plan Annex for Zone 7 Water Agency. The existing Annex will be reviewed and revised as necessary. New facilities and mitigations need to be added to the plan.		
Justification	Zone 7 is part of a Multi-Jurisdictional Local Hazard Mitigation Plan which was completed in 2005 by the Association of Bay Area Government. Each agency participating created their own Annex to the Plan. Zone 7 adopted Resolution 06-2827 adopting the Multi-Jurisdictional Plan and committed to taking appropriate actions outlined in our Annex. Zone 7's Annex stated we would update our plan every 5 years and provide an opportunity for the public to comment.		
Responsible Section	ASD	Administrative Services Division	
Operating Impact	None.		
In Service Date	Month: November	Year: 2010	
Total Project Cost	\$260,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 09/10	Amount (\$1000)	\$50	

Program	Emergency Preparedness		
Project	Security Improvements at Existing Facilities		
Priority	1		
Project Description	Security improvements to Zone 7's water facilities (Water Treatment Plants, Wells and Pump Stations) including the addition of security cameras, intrusion alarms, and motion detectors. The project will be implemented in two construction phases.		
Justification	This is required for the protection of Zone 7 staff, Zone 7 infrastructure, and the community's water supply.		
Responsible Section	WSE	Water Supply Engineering	
Operating Impact	Increased security. Potential cost saving to guard services after installations are complete.		
In Service Date	Month: December	Year: 2009	
Total Project Cost	\$2,305,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 09/10	Amount (\$1000)	\$670	

Water Rates – Systemwide Improvements

Program	Groundwater Basin Management		
Project	Mocho Groundwater Demineralization Plant		
Priority	1		
Project Description	This project involves the design and installation of a groundwater demineralization facility with treatment capacity of up to 7.7 mgd utilizing reverse osmosis technology. The demineralization facility will be located at the Mocho Well No. 4 site and will treat groundwater pumped from the existing Mocho wells. Ancillary improvements include piping from the existing wells, piping to existing Zone 7 transmission mains, waste discharge piping to Livermore-Amador Valley Water Management Agency (LAVWMA) facilities and control systems to facilitate operation.		
Justification	The project supports the Salt Management Program adopted by the Zone 7 Board of Directors on August 18, 1999. This project will mitigate salt build-up in groundwater basin by exporting the salts out of the basin via the LAVWMA pipeline. The facility will have a net salt removal capacity of 3000-4000 tons/year. Additionally, it will lower the TDS and hardness of the groundwater deliveries to Zone 7's treated water customers, thus also supporting Zone 7's Water Quality Policy goals.		
Responsible Section	WSE	Water Supply Engineering	
Operating Impact	Increased operations and maintenance costs.		
In Service Date	Month: June Year: 2009		
Total Project Cost	\$39,500,000 (50% Water Rates; 50% Connection Fees)		
Source of Funds	Fund 72	Water Rates	50%
Fiscal Year 09/10	Amount (\$1000)	\$250	

Program	Groundwater Basin Management		
Project	New Groundwater Management Program Monitoring Wells		
Priority	2		
Project Description	This project provides for the installation of "nested" monitoring wells at up to nine locations around Livermore-Amador Valley. The monitoring wells will be specifically designed to monitor the groundwater quality and water levels across the groundwater basin. These wells will help fill data gaps in the current monitoring network.		
Justification	Water quality and water level monitoring data obtained from these wells will facilitate wellfield operations planning, salt loading management, wellhead protection, and general basin management. They will be used to monitor changes in water quality, which in turn can be used to modify operational plans to optimize delivered water quality. They will also provide snapshots of the vertical distribution of water quality and recharge around the basin, which will also facilitate groundwater basin management activities.		
Responsible Section	GP	Groundwater Protection	
Operating Impact	Increase of water supply reliability. Increase O&M costs.		
In Service Date	Month: June Year: 2010		
Total Project Cost	\$840,880		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 09/10	Amount (\$1000)	\$120	

Water Rates – Systemwide Improvements

Program	Program Management		
Project	System-Wide Improvement, Renewal/Replacement Program Management		
Priority	1		
Project Description	Ongoing program management of the SWI and R&R programs.		
Justification	Provides for better tracking of program management costs.		
Responsible Section	WSE	Water Supply Engineering	
Operating Impact	None.		
In Service Date	Month:	Year: Ongoing	
Total Project Cost	\$2,150,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 09/10	Amount (\$1000)	\$25	

Program	Transmission & Distribution		
Project	System-Wide Installation of Line Valves		
Priority	3		
Project Description	Installation of approximately 30 new line valves in the transmission system, as needed, to provide a maximum of 2,000-2,500 feet separation throughout the transmission system.		
Justification	The installation of additional line valves will reduce service interruptions due to scheduled maintenance and other activities such as leak repairs.		
Responsible Section	WSE	Water Supply Engineering	
Operating Impact	Improve operation and reduce service interruptions.		
In Service Date	Month: July	Year: 2020	
Total Project Cost	\$1,620,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 09/10	Amount (\$1000)	\$50	

Program	Transmission & Distribution		
Project	Transmission System Master Planning		
Priority	2		
Project Description	This program involves a comprehensive effort to define renewal/replacement and improvement projects needed for the transmission system in order to meet existing and future water demands. This program involves an integration of all aspects of transmission system planning, including the AMP, corrosion master planning, hydraulic modeling, etc.		
Justification	Establish transmission system sustainability and increase operational/maintenance efficiencies and ensure that Zone 7 meets its goals and objectives to its retailers for existing and future demands, all in a cost-effective manner.		
Responsible Section	WSE	Water Supply Engineering	
Operating Impact	Increase operational/maintenance effectiveness.		
In Service Date	Ongoing		
Total Project Cost	\$4,425,000 (75% Water Rates; 25% Connection Fees)		
Source of Funds	Fund 72	Water Rates	75%
Fiscal Year 09/10	Amount (\$1000)	\$38	

Water Rates – Systemwide Improvements

Program	Water Supply & Conveyance		
Project	Enhanced Conservation Program		
Priority	1		
Project Description	At the November 2008 Zone 7 Board of Directors meeting, the Board authorized an additional budget to develop an Enhanced Conservation Program. This program may include financial & technical support for our retailers' conservation efforts; support & incentives to improve indoor and outdoor water use efficiency; promote & support implementation of new initiatives, alternative measures and new technologies in water conservation, public information & school education programs promoting water conservation, recycled water use and efficiency planning.		
Justification	Reduce long-term water demands by promoting Best Management Practices that encourage wise and efficient use of water.		
Responsible Section	EPA	Environmental and Public Affairs	
Operating Impact	Decreased potable water demands and increase system reliability.		
In Service Date	Month: June Year: 2010		
Total Project Cost	\$1,065,000 (75% Water Rates; 25% Connection Fees)		
Source of Funds	Fund 72	Water Rates	75%
Fiscal Year 09/10	Amount (\$1000)	\$800	

Program	Water Supply & Conveyance		
Project	High Efficiency Toilet Rebate Program		
Priority	1		
Project Description	This program encourages the replacement of existing high-water-using toilets with dual-flush or high-efficiency toilets (HET) that use 1.28 gallons or less per flush in residential, commercial, and industrial buildings by offering homeowners and businesses a \$150 rebate for installations of a dual-flush toilet or HET.		
Justification	<p>This program replaces existing high-water-using toilets with dual-flush toilets or HETs in residential, commercial, and industrial buildings. The estimated water savings from an HET is on the order of 48 gallons/day.</p> <p>The toilet rebate program is a water conservation BMP that Zone 7 implements in conjunction with its retailing water agencies.</p>		
Responsible Section	EPA	Environmental and Public Affairs	
Operating Impact	Decreased potable water demands.		
In Service Date	Ongoing		
Total Project Cost	\$1,929,000 (75% Water Rates; 25% Connection Fees)		
Source of Funds	Fund 72	Water Rates	75%
Fiscal Year 09/10	Amount (\$1000)	\$66	

Water Rates – Systemwide Improvements

Program	Water Supply & Conveyance		
Project	High-Efficiency Washing Machine Rebate Program		
Priority	1		
Project Description	This program encourages the purchase and installation of high-efficiency washing machines by offering buyers from \$75 to \$200 rebates. New regulations will require all washers to be energy-efficient.		
Justification	Studies show that approximately 20% of a household's water is used by washing machines. High-efficiency washing machines use about 40% less water per load. This could lead to an annual water savings of approximately 5,100 gallons per machine.		
Responsible Section	EPA Environmental and Public Affairs		
Operating Impact	Decreased potable water demands.		
In Service Date	Ongoing		
Total Project Cost	\$1,251,000 (75% Water Rates; 25% Connection Fees)		
Source of Funds	Fund 72	Water Rates	75%
Fiscal Year 09/10	Amount (\$1000)	\$266	

Program	Water Supply & Conveyance		
Project	Water Conservation Best Management Practices		
Priority	1		
Project Description	As listed in the MOU regarding Urban Water Conservation in California which includes financial & technical support for our retailers' conservation efforts; support & incentives to improve large landscape water efficiency; and public information & school education programs promoting water conservation.		
Justification	Reduce long-term water demands by promoting Best Management Practices that encourage wise and efficient use of water. Zone 7 studies show that per capita water use in our service area is declining, thus illustrating the effectiveness of our program.		
Responsible Section	EPA Environmental and Public Affairs		
Operating Impact	Decreased potable water demands and increase system reliability.		
In Service Date	Ongoing		
Total Project Cost	\$4,300,000 (75% Water Rates; 25% Connection Fees)		
Source of Funds	Fund 72	Water Rates	75%
Fiscal Year 09/10	Amount (\$1000)	\$32	

Water Rates – Systemwide Improvements

Program	Water Treatment Facilities	
Project	2009 DVWTP Improvements	
Priority	2	
Project Description:	Proposed project consists of improvements located in six project areas: (1) add new grating, handrail, and a safety ladder at flow splitter structure; (2) add hood cover over plant overflow/bar screen structure, located in the filter gallery; (3) prepare engineering evaluation to identify recommended safety and access improvements for pulsators when units are taken-out of service for washdown, before proceeding with design improvements; (4) relocate and upgrade existing plant air system in the pipe gallery; (5) replace plant hydropneumatic service water system, including tank and controls; and (6) replace filter-aid pump system and add standby pump for feeding cationic polymer;	
Justification:	Increased operator access, safety, and system reliability.	
Responsible Section	WSE	Water Supply Engineering
Operating Impact	Increases operational effectiveness.	
In Service Date	Month: August	Year: 2010
Total Project Cost	\$450,000	
Source of Funds	Fund 72	
Fiscal Year 09/10	Amount (\$1000)	\$400

Water Rates – Systemwide Improvements

Program	Water Treatment Facilities
Project	DVWTP Chemical Systems Improvements
Priority	2
Project Description	<p>This project consolidates the following DVWTP improvement and renewal/replacement projects:</p> <p>DVWTP Caustic Soda Chemical Storage Upgrade DVWTP Chemical Feed System Replacement DVWTP Filter Gallery Pipe Supports Upgrade DVWTP Parking Lot Rehabilitation</p> <p>Upgrade existing caustic soda chemical storage facility at DVWTP due to inadequate capacity. Project may involve new storage tanks, a new temperature-controlled storage building, chemical fill line improvements, chemical delivery truck roadway access improvements, and removal of existing under-sized tank.</p> <p>Replace existing chemical feed systems, including pumps, which require regular maintenance. Provide adequate secondary containment, sufficient backup pumps, and SCADA control for all chemical feed systems.</p> <p>The existing support system for conduit and chemical feed lines in the lower filter gallery needs to be evaluated and, as necessary, re-enforced or replaced with a properly designed system that can support the current and any future, anticipated load and has sufficient seismic capacity.</p>
Justification	<p>Chemical storage tank is not sized to properly and efficiently schedule chemical deliveries. Existing chemical feed systems are subject to constant mechanical failure. Pipe support system must be properly designed in order to prevent sudden failure. Replacement of the DVWTP parking lot is needed to return it to an acceptable standard; thereby ensuring safety conditions including chemical deliveries.</p>
Responsible Section	WSE Water Supply Engineering
Operating Impact	Improves ability to comply with regulatory requirements, increases operational effectiveness, increases reliability and safety, and decreases maintenance.
In Service Date	Month: June Year: 2011
Total Project Cost	\$2,545,000
Source of Funds	Fund 72 Water Rates 100%
Fiscal Year 09/10	Amount (\$1000) \$485

Water Rates – Systemwide Improvements

Program:	Water Treatment Facilities		
Project:	Energy Use Audit		
Priority:	2		
Project Description:	This project will study, evaluate and recommend alternatives to improve Zone 7's power monitoring within water treatment facilities and minimize Zone 7's power consumption at all major water production facilities. Existing power use data will be reviewed, audits will be conducted on pumps and processes, and recommendations will be provided for minimizing our power costs. The audit will provide documentation of current efficiency, recommendations for retrofitting electrical units and/or recommendations to altering their mode of operation.		
Justification:	Power costs are a major component of Zone 7's operating budget and both the total power use and the cost of power are continually increasing. With the advent of the groundwater demineralization facility, it is important to evaluate our production system to ensure that all major processes operate efficiently.		
Responsible Section:	WRE Water Resources Engineering		
Operating Impact	This project will garner long-term financial savings by monitoring and optimizing Zone 7's production units.		
In Service Date	Month: April Year: 2010		
Total Project Cost	\$100,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 09/10	Amount (\$1000)	\$80	

Program	Water Treatment Facilities		
Project	PPWTP Filter to Waste Improvements		
Priority	2		
Project Description	Includes and evaluation of e the performance of the conventional plant filter to waste system then design and modify piping to reduce down time of filter after a backwash. The current filter to waste system only allows us to waste at 800 GPM and the marginal improvement in production needs to be weighed against the cost to upgrade the filter to waste system to a rate of about 2,800 GPM.		
Justification	The current filter to waste system takes roughly an hour or more to achieve the chlorine residual required for contact time compliance. Improvements to the filter to waste system to lessen filter down time will provide a marginal increase in the conventional plant production rate.		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	Increased operational flexibility and reliability. Marginal increase in production.		
In Service Date	Month: June Year: 2010		
Total Project Cost	\$325,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 09/10	Amount (\$1000)	\$200	

Water Rates – Systemwide Improvements

Program	Water Treatment Facilities		
Project	PPWTP Improvement Project 2011		
Priority	2		
Project Description	<p>This project includes several PPWTP improvement projects, consolidated into one project, which are scheduled for completion in FY 2010/11. These projects were identified as high priority projects in a 2004 PPWTP CIP Prioritization Study and include:</p> <p>PPWTP Electrical Service Upgrade PPWTP Finished Water Sample Line Improvements (UF Plant) PPWTP Clarifier Maintenance Facility Improvements (UF Plant) PPWTP Chemical Feed Piping Renewal/Replacement (Conv. Plant) PPWTP Tank Farm Improvements (Conv. Plant) PPWTP In-Line TOC Analyzers (Conv. Plant)</p>		
Justification	These improvements would enable Zone 7 to take full advantage of the maximum treated water production capacity at PPWTP.		
Responsible Section	WSE	Water Supply Engineering	
Operating Impact	Increases operational effectiveness.		
In Service Date	Month: June	Year: 2011	
Total Project Cost	\$1,030,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 09/10	Amount (\$1000)	\$260	

Program	Water Treatment Facilities		
Project	PPWTP Improvement Studies 2011		
Priority	2		
Project Description	<p>This project includes several PPWTP improvement studies, consolidated into one project, which are scheduled for completion in FY 2010/11. These studies are included within a 2004 PPWTP CIP Prioritization Study and include:</p> <p>PPWTP Raw Water Quality Monitoring PPWTP Chlorine Contact Time Analysis PPWTP Raw Water Pretreatment Analysis (UF Plant) PPWTP Sludge Handling Study</p>		
Justification	These improvement studies and resultant projects, would enable Zone 7 to take full advantage of the maximum treated water production capacity at PPWTP.		
Responsible Section	WSE	Water Supply Engineering	
Operating Impact	Increases operational effectiveness.		
In Service Date	Month: June	Year: 2011	
Total Project Cost	\$340,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 09/10	Amount (\$1000)	\$270	

Water Rates – Systemwide Improvements

Program	Water Treatment Facilities		
Project	Water Quality - PPWTP & DVWTP Taste and Odor Treatment		
Priority	2		
Project Description	Install treatment process(es) at the Patterson and Del Valle water treatment plants for earthy-musty taste and odor removal. Possible treatment alternatives include chlorine dioxide, GAC and/or ozonation.		
Justification	This project will mitigate seasonal earthy-musty taste and odor from treated surface water from PPWTP and DVWTP per the Water Quality Implementation Plan.		
Responsible Section	WSE	Water Supply Engineering	
Operating Impact	Increased operations and maintenance costs.		
In Service Date	Month: June	Year: 2012	
Total Project Cost	\$6,595,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 09/10	Amount (\$1000)	\$550	

Program	Water Treatment Facilities		
Project	Water Quality Management Program		
Priority	1		
Project Description	A comprehensive water quality management program and implementation plan (Water Quality Management Plan) was completed in April 2003. This plan addresses water quality concerns of customers and community. It has lead to the Board adoption of policies that address specific water quality goals and objectives that meet internal (Zone 7) and customer and end user needs. This ongoing program will be one component of Zone 7's overall master planning process. It will help guide both our water system operations and our CIP over the next 20 years.		
Justification	Will assist the Zone 7 Board of Directors in determining policies to effectively manage treated and untreated water quality issues. Will provide guidance to Zone 7's water operations, help establish capital facilities needs and design guidelines, and incorporate a funding strategy.		
Responsible Section	WQ	Water Quality	
Operating Impact	Will provide clear operational guidelines. Potential additional treatment and blending facilities to operate.		
In Service Date	Ongoing		
Total Project Cost	\$6,298,000 (75% Water Rates; 25% Connection Fees)		
Source of Funds	Fund 72	Water Rates	75%
Fiscal Year 09/10	Amount (\$1000)	\$83	

**FUND 72
 RENEWAL/REPLACEMENT &
 SYSTEMWIDE IMPROVEMENT PROJECTS
 FISCAL YEAR 2009/2010
 Summary Table**

<i>RENEWAL & REPLACEMENT PROJECTS</i>				
Job Number	Project Title	Total Project Cost	FY 09/10 Budget	Page
BUILDINGS & GROUNDS				
54053	North Canyons Administrative & Engineering Building Lease	\$8,337,000	\$488,000	104
96072	Replacement of Roofs at Parkside and the DVWTP Maintenance Shop	\$150,000	\$150,000	104
SUBTOTAL		\$8,487,000	\$638,000	
GROUNDWATER BASIN MANAGEMENT				
54022	Monitoring Well Replacement & Abandonments	\$1,791,000	\$50,000	105
54030	Stream Gage Replacement	\$1,450,000	\$15,000	105
SUBTOTAL		\$3,241,000	\$65,000	
PROGRAM MANAGEMENT				
54508	Capital Improvement Program Management	\$4,893,000	\$60,000	106
54507	System-Wide Improvements and Renewal/Replacement Program Management	\$2,150,000	\$25,000	106
SUBTOTAL		\$7,043,000	\$85,000	
REGULATORY COMPLIANCE				
54042	Laboratory Equipment Replacement	\$6,037,000	\$110,000	106
SUBTOTAL		\$6,037,000	\$110,000	
TRANSMISSION AND DISTRIBUTION				
96072	Cal Water Turnout No. 4 - Relocation/Replacement	\$300,000	\$80,000	107
96072	Cross Valley Pipeline Corrosion Assessment	\$185,000	\$185,000	107
96072	Transmission System Master Planning	\$4,425,000	\$37,500	108
SUBTOTAL		\$4,910,000	\$302,500	
WATER TREATMENT FACILITIES				
96072	Asset Management Program Condition Assessment	\$210,000	\$210,000	108
54067	DVWTP & PPWTP Sodium Hypochlorite Tank Replacement	\$735,800	\$50,000	109
54069	DVWTP Electrical Power System Upgrade	\$1,300,000	\$870,000	109
96072	DVWTP Filter Valves Replacement	\$270,000	\$270,000	110
96072	Minor Renewal/Replacement Projects	\$9,400,000	\$250,000	110
96072	PPWTP Rehabilitation of Clarifier and Replacement of Motor	\$1,760,000	\$50,000	111
54048	SCADA Enhancements	\$24,174,000	\$750,000	111
96072	Well Pump, Motor and Casing Inspections	\$350,000	\$30,000	112
SUBTOTAL		\$38,199,800	\$2,480,000	
RENEWAL & REPLACEMENT TOTAL		\$67,917,800	\$3,680,500	
SYSTEMWIDE IMPROVEMENTS/RENEWAL & REPLACEMENT PROJECTS TOTAL		\$145,246,680	\$8,374,440	
CONTINGENCY FUNDS				
96172	Contingency		\$750,000	
SUBTOTAL		\$0	\$750,000	
SYSTEMWIDE IMPROVEMENTS/RENEWAL & REPLACEMENT PROGRAM SUBTOTAL		\$145,246,680	\$9,124,440	
SINKING FUNDS				
96072	Administrative & Engineering Building - Sinking Fund	\$8,146,000	\$359,681	112
SUBTOTAL		\$8,146,000	\$359,681	
SYSTEMWIDE IMPROVEMENT / RENEWAL & REPLACEMENT PROGRAM TOTAL		\$153,392,680	\$9,484,121	

Water Rates – Renewal/Replacement

Program	Building & Grounds		
Project	North Canyons Administrative & Engineering Building Lease		
Priority	2		
Project Description	A new office building for administrative and engineering staff was completed in February 2005. The new building has a larger Board Room for public meetings. The new building is located closer to operations (treatment plants), and is more centrally located for employees and Valley residents. The move-in date was February 22, 2005. The total project cost is based on a "Build to Suit" option and includes the 15-year lease payments.		
Justification	Engineering, administrative and operations staff were at different locations. This project has brought administrative and engineering staff together and will bring both closer to operations. This project also accommodates future expansion. It will reduce overall agency travel times, improve communications and staff productivity		
Responsible Section	ASD Administrative Services Division		
Operating Impact	Provides for more efficient and effective operations of administrative and engineering functions.		
In Service Date	Month: February	Year: 2020	
Total Project Cost	\$8,337,000		
Source of Funds	Fund 72	Water Rates	45%
Fiscal Year 09/10	Amount (\$1000)	\$488	

Program	Buildings & Grounds		
Project	Replacement of Roofs at Parkside and the DVWTP Maintenance Shop		
Priority	1		
Project Description	The roofs at both of these buildings are in need of repair. There has been minor repairs to the roofs to extend existing useful lives, but full replacement will be required to prevent internal damage to the facility.		
Justification	This project is required to protect the integrity of the building(s) by protecting it against rain leaking through the roof and onto the flooring or equipment in the building.		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	Increased safety & operations.		
In Service Date	Month: June	Year: 2010	
Total Project Cost	\$150,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 09/10	Amount (\$1000)	\$150	

Water Rates – Renewal/Replacement

Program	Groundwater Basin Management		
Project	Monitoring Well Replacements and Abandonments		
Priority	3		
Project Description	This project provides for, on an as-needed basis, the replacement of old and damaged monitoring wells which are currently in Zone 7's monitoring network. In addition, it provides for the relocation of other Zone 7-monitored wells which need to be destroyed to allow for future development of land. The replacement wells will have various completion depths depending on their location. In some cases, nested monitoring wells having multiple completion intervals may be desirable. It is estimated that 0 to 2 wells will need to be replaced and or destroyed each year.		
Justification	Zone 7 operates an extensive monitoring well network for the monitoring of basin-wide groundwater levels and groundwater quality. In order for Zone 7 to continue to protect and manage the groundwater basin as a viable water supply, some of these monitoring wells will need to be replaced.		
Responsible Section	GPP Groundwater Protection & Projects		
Operating Impact	Facilitate better monitoring of Zone 7's conjunctive use of the groundwater basin.		
In Service Date	Month:	Year:	Ongoing
Total Project Cost	\$1,791,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 09/10	Amount (\$1000)	\$50	

Program	Groundwater Basin Management		
Project	Stream Gage Replacement		
Priority	1		
Project Description	This project provides for the replacement of damaged or destroyed steam gages which are currently in Zone 7's monitoring network, on an as-needed basis. Zone 7 currently operates 7 recorder stream gaging stations in its surface water monitoring program. Based on the current gaging station conditions and previous experience, it is anticipated that a gaging station will need to be repaired or replaced on a 5-year frequency.		
Justification	Zone 7 operates an extensive stream gaging network for the monitoring of basin-wide surface water flow. The stream flow information is used to compute groundwater basin inflow, outflow and recharge. From time to time, these gaging stations are damaged or destroyed by storm events. In other cases, the stream courses may be altered, making it necessary to replace existing stations. Replacement of these stations is necessary for the on-going monitoring of basin recharge operations.		
Responsible Section	GPP Groundwater Protection & Projects		
Operating Impact	Facilitates better monitoring of ongoing basin recharge operations including associated salt loading.		
In Service Date	Month:	Year:	Ongoing
Total Project Cost	\$1,450,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 09/10	Amount (\$1000)	\$15	

Water Rates – Renewal/Replacement

Program	Program Management		
Project	Capital Improvement Program Management		
Priority	2		
Project Description	Ongoing program management of the Capital Improvement Plan.		
Justification	Provides for better tracking of program management costs.		
Responsible Section	WSE	Water Supply Engineering	
Operating Impact	None		
In Service Date	Month:	Year:	Ongoing
Total Project Cost	\$4,893,000 (20% Fund 72 – 75% Fund 73 – 5% Fund 71)		
Source of Funds	Fund 72	Water Rates	20%
Fiscal Year 09/10	Amount (\$1000)	\$60	
<hr/>			
Program	Program Management		
Project	System-Wide Improvement, Renewal/Replacement Program Management		
Priority	3		
Project Description	Ongoing program management of the SWI and R&R programs.		
Justification	Provides for better tracking of program management costs.		
Responsible Section	WSE	Water Supply Engineering	
Operating Impact	None		
In Service Date	Month:	Year:	Ongoing
Total Project Cost	\$2,150,000 (50% - R/R & 50% SWI)		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 09/10	Amount (\$1000)	\$25	
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Project	Laboratory Equipment Replacement		
Program	Regulatory Compliance		
Priority	2		
Project Description	The replacement of various monitoring and analytical laboratory equipment. Examples of major equipment to be replaced include but are not limited to: HP 5890 GC with Hall ECD/PID detectors, auto-sampler and data acquisition system; PE 5100 PC AA with flame and graphite furnace with auto-sampler and data acquisition system; Varian Saturn GC/MS with dual auto-sampler and data acquisition system.		
Justification	This program replaces existing laboratory equipment that has an average service life of ten years. This equipment is required for regulatory compliance monitoring and groundwater water quality management.		
Operating Impact	Equipment is required to meet regulatory compliance		
Responsible Section	LAB	Laboratory	
In Service Date	Month:	Year:	Ongoing
Total Project Cost	\$6,037,000 (\$110,000 annually)		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 09/10	Amount (\$1,000's)	\$110	

Water Rates – Renewal/Replacement

Program:	Transmission and Distribution		
Project:	Cal Water Turnout No. 4 – Relocation/Replacement		
Priority:	2		
Project Description:	This project involves the design and construction of a new turnout. The new turnout replaces the existing turnout which is beyond its useful life, doesn't completely function, and is in a heavily trafficked intersection of Livermore. The new and relocated turnout will be upgraded to present design standards including SCADA capability.		
Justification	The current turnout was constructed in 1969 at the intersection of Railroad Ave and L St. in Livermore. Because of the significant increase in traffic at this location since construction, access to the turnout for flow meter information retrieval and maintenance purposes is now extremely difficult and potentially hazardous. The current turnout is not fully functional (several valves are struck) and the vault is a manhole design which restricts maintenance work.		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	Improves access to turnout for both routine monthly visits and maintenance. Upgrades the turnout to present design standards.		
In Service Date	Month: April Year: 2011		
Total Project Cost	\$300,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 09/10	Amount (\$1000)	\$80	

Program	Transmission and Distribution		
Project	Cross Valley Pipeline Corrosion Assessment		
Priority	1		
Project Description	Two leaks were detected in the Cross Valley Pipeline in 2008. Corrosion was evident at the joints but workmanship has not been ruled out. This project would systematically investigate the twelve miles of Cross Valley pipeline which constructed in 1975 under one contract. Through excavation and evaluation, a determination will be made whether the detected leaks are isolated or part of a systematic problem for the Cross Valley Pipeline.		
Justification	Two leaks detected in the Cross Valley Pipeline in 2008 may be a systematic rather than an isolated problem in the Cross Valley Pipeline. Transmission of treated water through this pipeline is critical to the health and safety of the community.		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	Increase/Maintain Operational Reliability		
In Service Date	Month: June Year: 2010		
Total Project Cost	\$185,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 09/10	Amount (\$1000)	\$185	

Water Rates – Renewal/Replacement

Program	Transmission & Distribution		
Project	Transmission System Master Planning		
Priority	2		
Project Description	This program involves a comprehensive effort to define renewal/replacement and improvement projects needed for the transmission system in order to meet existing and future water demands. This program involves an integration of all aspects of transmission system planning, including the Asset Management Program (AMP), corrosion master planning, hydraulic modeling, etc. Comprehensive updates to the Transmission System Master Plan will occur every five-years.		
Justification	Establish transmission system sustainability and increase operational/maintenance efficiencies and ensure that Zone 7 meets its goals and objectives to its retailers for existing and future demands, all in a cost-effective manner.		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	Increase operational/maintenance efficiency.		
In Service Date	Month:	Year:	Ongoing
Total Project Cost	\$4,525,000 (75% Fund 72 – 25% Fund 73)		
Source of Funds	Fund 72	Water Rates	50%
Fiscal Year 09/10	Amount (\$1000)	\$38	

Program	Water Treatment Facilities		
Project	Asset Management Program Condition Assessment		
Priority	2		
Project Description	The 2004 Asset Management Study recommended ongoing condition assessments of Zone 7's Water System facilities. This study is a follow-up to the 2006 Asset Management Program Condition Assessment.		
Justification	Assures that assets in need of repair or replacement are indentified and corrected.		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	Increased operational effectiveness and reliability.		
In Service Date	Month: May	Year: 2010	
Total Project Cost	\$210,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 09/10	Amount (\$1000)	\$210	

Water Rates – Renewal/Replacement

Program	Water Treatment Facilities		
Project	DVWTP & PPWTP Sodium Hypochlorite Tank Replacement		
Priority	1		
Project Description	This project involves replacing the existing, leaking sodium hypochlorite (NaOCl) tanks at both PPWTP and DVWTP. The existing tanks are polyethylene tanks and will be replaced with more durable, longer lasting fiberglass reinforced plastic (FRP) tanks. Scope of work includes: replacing a total of four tanks at PPWTP and DVWTP with a total of five tanks (two at PPWTP and three at DVWTP), including appurtenances.		
Justification	On-site storage of sodium hypochlorite is necessary for the chlorine disinfection process. The disinfection process is a drinking water requirement for treated water plant production.		
Responsible Section	WSE	Water Supply Engineering	
Operating Impact	Improves ability to comply with regulatory requirements, increases operational effectiveness, increases reliability and safety, and decreases maintenance		
In Service Date	Month: July	Year: 2009	
Total Project Cost	\$735,800		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 09/10	Amount (\$1000)	\$50	

Program	Water Treatment Facilities		
Project	DVWTP Electrical Power System Upgrade		
Priority	1		
Project Description	Replacement of the main plant switchboard as well as the motor control center and switchgear for the backwash pumps and service water pumps, which were originally installed in 1975. The new equipment will have better electrical fault protection and the capability to communicate to SCADA, and will be designed with expansion capacity to support the plant for the next 35 years.		
Justification	This project will ensure that the DVWTP has the ability to provide power to maintain continual operation and meet permit requirements. Per the 2006 Asset Management Plan Condition Assessment, these assets are currently in poor condition, and have already outlived their expected useful lives. There are no available spare parts if any components were to fail. Furthermore, the existing main switchboard has several code violations that pose a potential hazard to staff. It was recommended in the AMP that these assets be replaced within the next several years to minimize the chances of asset failure and the associated impacts on level of service policies.		
Responsible Section	WSE	Water Supply Engineering	
Operating Impact	Minimizes the chances of asset failure and the associated impacts on service delivery.		
In Service Date	Month: June	Year: 2010	
Total Project Cost	\$1,300,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 09/10	Amount (\$1000)	\$870	

Water Rates – Renewal/Replacement

Program	Water Treatment Facilities		
Project	DVWTP Filter Valves Replacement		
Priority	2		
Project Description	The project includes the replacement of filter valves at DVWTP; including, valves such as those used for filter inlet, effluent, drain, surface wash, and backwash. This project does not include filter rate control valves, which were replaced in 2003.		
Justification	Valves are nearing the end of their useful life and are wearing out. Properly functioning filter valves are essential to reliable plant production.		
Responsible Section	WSE	Water Supply Engineering	
Operating Impact	Increase reliability, improve operational effectiveness, decrease maintenance.		
In Service Date	Month: June	Year: 2010	
Total Project Cost	\$270,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 09/10	Amount (\$1000)	\$270	

Program	Water Treatment Facilities		
Project	Minor Renewal/Replacement Projects		
Priority	2		
Project Description	Replacement of assets, which individually cost less than \$50K and require some engineering support.		
Justification	Ongoing maintenance associated with the reliable supply of high-quality water.		
Responsible Section	OPS	Operations & Maintenance	
Operating Impact	System operational reliability.		
In Service Date	Month:	Year: Ongoing	
Total Project Cost	\$9,400,000 (approximately \$250K annually)		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 09/10	Amount (\$1000)	\$250	

Water Rates – Renewal/Replacement

Program	Water Treatment Facilities		
Project	PPWTP Rehabilitation of Clarifier and Replacement of Motor		
Priority	1		
Project Description	Improvement/replacement of cathodic protection system, re-coating of steel components as well as the concrete walls and floor and replacement of motor/drive mechanism.		
Justification	Ultrasonic x-ray and materials inspection performed in December 1999 identified that the existing cathodic system required replacement and the steel structural components along with concrete walls and floor required sand/water blasting and re-coating to prolong the service life of the facility, along with replacement of the mechanical drive since it has been in service long past its expected useful life. As a result of recent study in the Asset Management Plan and PPWTP project prioritization review, this project has been upgraded to include the full replacement of the clarifier mechanism rather than just repair of the existing clarifier. It is expected that a new, modern, clarifier mechanism will improve operational performance and reduce coagulant dosing demands.		
Responsible Section	WSE	Water Supply Engineering	
Operating Impact	Prolongs the facility's service life.		
In Service Date	Month: June	Year: 2011	
Total Project Cost	\$1,760,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 09/10	Amount (\$1000)	\$50	

Program	Water Treatment Facilities		
Project	SCADA Enhancements		
Priority	2		
Project Description	Since the completion of Phase I of the SCADA Improvements project (May 2004 completion), there is an ongoing need for reprogramming, installation of additional devices and upgrading of the existing devices to improve the use of the SCADA system to accommodate the changes in the plant and transmission system operation. The SCADA system will also require major software and hardware upgrades about every five years.		
Justification	This project will enable operators to have increased control and monitoring capability of the treatment and transmission facilities using SCADA. The improvements will enhance personnel and equipment safety, and help meet regulations. The improvements will also result in increased efficiency and enable operations to fine tune the treatment and transmission process.		
Responsible Section	WSE	Water Supply Engineering	
Operating Impact	Improved control, monitoring and reporting of process equipment through SCADA.		
In Service Date	Month:	Year: Ongoing	
Total Project Cost	\$24,174,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 09/10	Amount (\$1000)	\$750	

Water Rates – Renewal/Replacement

Program	Water Treatment Facilities		
Project	Well Pump, Motor and Casing Inspections		
Priority	2		
Project Description	Zone 7 currently has seven production wells. This project involves annual inspection of well pumps, motors and casing and related repairs for one well.		
Justification	This project will improve reliability of production wells.		
Responsible Section	OPS	Operations & Maintenance	
Operating Impact	Increased operational service life of facilities thereby reducing future capital investments.		
In Service Date	Month:	Year: Ongoing	
Total Project Cost	\$350,000		
Source of Funds	Fund 72	Water Rates	100%
Fiscal Year 09/10	Amount (\$1000)	\$30	

Program	Building & Grounds		
Project	Administrative & Engineering Building - Sinking Fund		
Priority	1		
Project Description	A new office building has been constructed for administrative and engineering staff. The new building has a larger Board Room for public meetings. The new building is located closer to the operations (treatment plants), and is more centrally located for employees and Valley residents. The move-in date was February 2005. The cost was based on "Build to Suit" option and includes lease payments. In addition to the scheduled lease payment for the new building, \$696,000 plus interest per year will be contributed to a sinking fund in order to cover the purchase cost of the building after the lease payments have been completed.		
Justification	This sinking fund will cover the cost to purchase the new Administrative & Engineering Building after Zone 7's 15 year lease is completed.		
Responsible Section	ASD Administrative Services Division		
Operating Impact	None.		
In Service Date	Month:	Year: 2018	
Total Project Cost	\$8,146,000		
Source of Funds	Fund 73	Connection Fees	35%
Fiscal Year 09/10	Amount (\$1000)	\$360	

**FUND 73
 CAPITAL EXPANSION PROJECTS
 FISCAL YEAR 2009/2010
 Summary Table**

CAPITAL EXPANSION PROJECTS				
Job Number	Project Title	Total Project Cost	FY 09/10 Budget	Page
BUILDINGS & GROUNDS				
55048	North Canyons Administrative & Engineering Building Lease	\$6,932,000	\$383,000	114
	SUBTOTAL	\$6,932,000	\$383,000	
GROUNDWATER BASIN MANAGEMENT				
55425	Mocho Groundwater Demineralization Plant	\$39,500,000	\$250,000	114
	SUBTOTAL	\$39,500,000	\$250,000	
PROGRAM MANAGEMENT				
55050	Capital Improvement Program Management	\$4,893,000	\$178,000	115
96073	Unused Portion Fee and Interest on Installment Sale Agreement	\$167,750	\$30,000	115
96073	Water Connection Fee Administrative Expense	\$141,340	\$141,340	115
	SUBTOTAL	\$5,202,090	\$349,340	
TRANSMISSION AND DISTRIBUTION				
55614	Altamont Pipeline - Livemore Reach	\$32,500,000	\$300,000	116
96073	Trasmission System Master Planning	\$4,425,000	\$50,000	116
	SUBTOTAL	\$36,925,000	\$350,000	
WATER SUPPLY AND CONVEYANCE				
55106	Cawelo Groundwater Banking Program	\$38,614,000	\$1,295,000	117
55043	CUWA Membership	\$2,160,000	\$60,000	118
55052	Delta Conservation Plan	\$715,000	\$135,000	118
96073	Delta Conveyance Study	\$375,000	\$188,000	119
96072	Enhanced Conservation Program	\$1,065,000	\$265,000	119
96073	Fixed Cost of Water Entitlement	\$5,322,000	\$68,000	120
51401	Future Contractors Share of the SBA	\$30,763,000	\$3,000,000	120
55003	High-Efficiency Toilet Rebate Program	\$1,929,000	\$22,165	121
55303	High-Efficiency Washing Machine Rebate Program	\$1,251,000	\$88,650	121
51410	Semitropic Stored Water Recovery Unit	\$1,797,000	\$48,000	122
55037	South Bay Aqueduct Improvement and Enlargement Project	\$230,385,000	\$6,838,400	123
51408	SWP Peaking Payment (Lost Hills & Bellridge Water Districts)	\$7,157,000	\$264,000	123
55300	Water Conservation Best Management Practices	\$4,300,000	\$10,500	124
	SUBTOTAL	\$325,833,000	\$12,282,715	
WATER TREATMENT FACILITIES				
	Water Quality Management Program		\$28,000	124
	SUBTOTAL	\$0	\$28,000	
WELLS				
96072	Well Master Plan Wells, Future Phases	\$60,435,000	\$100,000	125
55426	Well Master Plan Wells, Phase 1 - COL Wells 1&2	\$14,770,000	\$1,130,000	125
55429	Well Master Plan Wells, Phase 2 - COL Wells 3,4 & 5	\$17,000,000	\$400,000	126
	SUBTOTAL	\$92,205,000	\$1,630,000	
EXPANSION PROJECT TOTAL		\$506,597,090	\$15,273,055	
CONTINGENCY				
	Contingency Funds Subtotal:		\$500,000	
	SUBTOTAL	\$0	\$500,000	
EXPANSION PROGRAM SUBTOTAL		\$506,597,090	\$15,773,055	
EXPANSION SINKING FUNDS				
55036	Administrative & Engineering Building - Sinking Fund	\$6,495,000	\$279,752	126
51401	Future Contractor's Share of the SBA - Sinking Fund	\$4,307,200	\$246,185	127
55037	South Bay Aqueduct Improvement & Enlargement - Sinking Fund Estimated Interest	\$30,000,000	\$144,643	127
	SUBTOTAL	\$40,802,200	\$670,580	
CAPITAL EXPANSION PROGRAM TOTAL		\$547,399,290	\$16,443,635	

Connection Fees – Expansion

Program	Building & Grounds		
Project	North Canyons Administrative & Engineering Building Lease		
Priority	2		
Project Description	A new office building for administrative and engineering staff was completed in February 2005. The new building has a larger Board Room for public meetings. The new building is located closer to operations (treatment plants), and is more centrally located for employees and Valley residents. The move-in date was February 22, 2005. The total project cost is based on a "Build to Suit" option and includes the 15-year lease payments.		
Justification	Engineering, administrative and operations staff were at different locations. This project has brought administrative and engineering staff together and will bring both closer to operations. This project also accommodates future expansion. It will reduce overall agency travel times, improve communications and staff productivity		
Responsible Section	ASD Administrative Services Division		
Operating Impact	Provides for more efficient and effective operations of administrative and engineering functions. Provides for secure Emergency Operations Center (EOC), as the new building meets strictest building and safety codes.		
In Service Date	Month: February	Year: 2020	
Total Project Cost	\$6,932,000		
Source of Funds	Fund 73	Connection Fees	35%
Fiscal Year 09/10	Amount (\$1000)	\$383	

Program	Groundwater Basin Management		
Project	Mocho Groundwater Demineralization Plant		
Priority	1		
Project Description	This project includes the design and construction of a groundwater demineralization facility with treatment capacity of up to 7.7 mgd utilizing reverse osmosis technology.. The demineralization facility will be located near Mocho Well No. 4 and will treat groundwater pumped from the existing Mocho wells. Ancillary improvements include piping to existing wells, piping to existing Zone 7 transmission mains, waste discharge piping to LAVWMA (via Livermore interceptor and via DSRSD Export Pipeline using old Camp Parks 12" water line and CWR Pipeline) facilities and control systems to facilitate operation.		
Justification	The project supports the Salt Management Program endorsed by the Zone 7 Board of Directors on August 18, 1999. This project will mitigate salt build-up in groundwater basin by exporting the salts out of the basin via the LAVWMA pipeline. The facility will have a net salt removal capacity of 3000-4000 tons/year. Additionally, it will lower the TDS and hardness of the groundwater deliveries to the Zone's treated water customers, thus also supporting Zone 7's Water Quality Policy goals		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	Increased operations and maintenance costs estimated at \$1.5 - 2 million per year.		
In Service Date	Month: June	Year: 2009	
Total Project Cost	\$39,500,000 (50% Water Rates; 50% Connection Fees)		
Source of Funds	Fund 73	Connection Fees	50%
Fiscal Year 09/10	Amount (\$1000)	\$250	

Connection Fees – Expansion

Program Program Management
Project **Capital Improvement Program Management**
Priority 2
Project Description Ongoing program management of the Capital Improvement Plan.
Justification Provides for better tracking of program management costs.
Responsible Section WSE Water Supply Engineering
Operating Impact None
In Service Date **Month:** **Year:** Ongoing
Total Project Cost \$4,893,000 (20% Fund 72 – 75% Fund 73 – 5% Fund 71)
Source of Funds Fund 73 Connection Fees 75%
Fiscal Year 09/10 Amount (\$1000) **\$178**

Program Program Management
Project **Unused Portion Fee and Interest on Installment Sale Agreement**
Priority 2
Project Description In January 2008, Zone 7 opened a \$60M Installment Sale Agreement (ISA) with Wells Fargo to provide a supplemental source of funding for the Expansion program. The payment provisions of the ISA have been structured to operate similar to a line of credit. This item includes an estimated unused portion fee of .5% of the unused balance (approx. \$25K) and an estimated 1.5% on the used portion of \$9.5M (approx. \$143K).
Justification The ISA is needed to supplement connection fee revenue, which is the primary source of funding for the Expansion program.
Responsible Section WSE/ASD Water Supply Engineering/Administrative Services
Operating Impact None
In Service Date Ongoing
Total Project Cost \$168,000
Source of Funds Fund 73 Connection Fees 100%
Fiscal Year 09/10 Amount (\$1000) **\$30**

Program Program Management
Project **Water Connection Fee Administrative Expense**
Priority 2
Project Description Zone 7's Retailer's collect connection fees from new development and remit 99% of the fee to Zone 7. 1% is retained by the Retailer's to cover administrative expenses.
Justification Reimburses Retailers for costs associated with collecting connection fees on behalf of Zone 7.
Responsible Section WSE Water Supply Engineering/Administrative Services
Operating Impact None
In Service Date Ongoing
Total Project Cost \$141,340
Source of Funds Fund 73 Connection Fees 100%
Fiscal Year 09/10 Amount (\$1000) **\$141**

Connection Fees – Expansion

Program	Water Treatment Facilities		
Project	Altamont Pipeline – Livermore Reach		
Priority	1		
Project Description	This project represents the first phase of the Altamont Pipeline, involving installation of approximately 5 miles potable water transmission pipeline within the City of Livermore, from Kitty Hawk Road to the vicinity of Vasco Road. This pipeline segment between Kitty Hawk and Vasco roads will have its own immediate benefits. By creating a loop within Zone 7's existing water-delivery system, it will provide improved water-supply reliability for a portion of eastern Livermore in the event of emergency outages of water deliveries from the South Bay Aqueduct.		
Justification	The Treated Water Facilities Master Plan (2000) identified the need for additional potable water transmission. The new transmission pipelines will connect with Zone 7's existing Cross Valley and Vasco Pipelines. They will both increase transmission capacity and also provide additional operational flexibility through the provision of pipeline loops in the Zone 7 transmission system. The pipeline project EIR was certified in February 2005.		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	Increases production and delivery capacity and improves operational flexibility.		
In Service Date	Month: July	Year: 2009	
Total Project Cost	\$32,500,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 09/10	Amount (\$1000)	\$300	

Program	Transmission & Distribution		
Project	Transmission System Master Planning		
Priority	2		
Project Description	This program involves a comprehensive effort to define renewal/replacement and improvement projects needed for the transmission system in order to meet existing and future water demands. This program involves an integration of all aspects of transmission system planning, including the Asset Management Program (AMP), corrosion master planning, hydraulic modeling, etc. Comprehensive updates to the Transmission System Master Plan will occur every five-years.		
Justification	Establish transmission system sustainability and increase operational/maintenance efficiencies and ensure that Zone 7 meets its goals and objectives to its retailers for existing and future demands, all in a cost-effective manner.		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	Increase operational/maintenance efficiency.		
In Service Date	Month:	Year: Ongoing	
Total Project Cost	\$4,425,000 (75% Fund 72 – 25% Fund 73)		
Source of Funds	Fund 73	Connection Fees	50%
Fiscal Year 09/10	Amount (\$1000)	\$50	

Connection Fees – Expansion

Project	Cawelo Groundwater Banking Program		
Priority	1		
Project Description	<p>The purpose of this project is to help maintain the Water Supply Reliability Policy of meeting 100% of the treated water demands at all times. Current drought protection measures (water purchases/Semtopic storage) provide 100% water reliability until the year 2013. This groundwater banking program with the Cawelo Water District (a member unit of the Kern County Water Agency with a SWP water supply) will include a wellfield that would ensure an anticipated recovery of up to 15,000 - 20,000 afa in a dry year, and a total Zone 7 storage of up to 120,000 acre-feet. The total cost of the program is \$23 million, with Zone 7's share being \$19 million. Cawelo will finance this program. It is anticipated that the debt service would be over a 30-year period at a 5% interest totaling .</p>		
Justification	Increase reliability by providing additional water supplies during drought years.		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	Increased operational reliability.		
In Service Date	Month: June Year: 2008		
Total Project Cost	\$38,614,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 09/10	Amount (\$1000)	\$1,295	

Connection Fees – Expansion

Program Water Supply & Conveyance
Project **CUWA Membership**
Priority 1
Project Description This expenditure is for the California Urban Water Agencies (CUWA) annual membership dues (\$60,000/year) and various Zone 7 staff members will participate with four standing CUWA committees: 1. Technical Advisory & Oversight, 2. Water Quality, 3. Water Conservation, and 4. Planning.

Justification CUWA membership and technical studies will complement on-going Delta studies, which are intended to maintain and improve Delta water quality and reliability, even as Delta exports increase.

Responsible Section WSE Water Supply Engineering
Operating Impact Increased reliability and water quality.

In Service Date **Month:** **Year:** Ongoing
Total Project Cost 2,1600,00
Source of Funds Fund 73 Connection Fees 100%
Fiscal Year 09/10 Amount (\$1000) **\$60**

Program Water Supply & Conveyance
Project **Delta Conservation Plan**
Priority 2
Project Description Zone 7's proportional share of expenditures in support of the development of the Bay Delta Conservation Plan.

Justification Develops a long-term plan for the Delta that ensures water supply reliability in the future through continued use of the Delta as a conveyance system for water imported from the Sierra Nevada. The Delta as a conveyance is threatened by fragile levees, seismic risk, climate change and environmental regulatory uncertainties.

Responsible Section EPA Environmental and Public Affairs
Operating Impact Improved reliability.

In Service Date **Month:** December **Year:** 2009
Total Project Cost \$715,000
Source of Funds Fund 73 Connection Fees 50%
Fiscal Year 09/10 Amount (\$1000) **\$135**

Connection Fees – Expansion

Program	Water Supply & Conveyance		
Project	Delta Conveyance Study		
Priority	1		
Project Description	Zone 7's share of DWR/United States Bureau of Reclamation (USBR) engineering and environmental studies for improved Delta conveyance facilities. Total study costs are estimated to be \$128 million for CY 2009 and 2010. With 10-15% contingencies, the study costs could be about \$140-\$150 million. State Water Project (SWP) and Central Valley Project participants will share costs 50/50. Zone 7's share of the SWP portion (\$75 million for CY 2009 and 2010) is about two percent, or about \$1.5 million. Pending approval of a Funding Agreement with DWR, Zone 7 will likely be billed \$750,000 beginning CY 2009 and \$750,000 for CY 2010. This project is funded 75% - Fund 52, Water Enterprise (\$1,125M) and 25% - Fund 73, Expansion (\$375K).		
Justification	The Delta Conveyance Facility is needed to restore SWP Reliability to previously anticipated levels (about 75%) of SWP Contract Table A Amounts. Currently, Endangered Species Act (State and Federal) concerns have limited SWP diversion exports. The Delta Conveyance Facilities will reduce the conflict between Delta exports and Delta habitat values. Additionally, the Delta Conveyance Facility will improve SWP water quality to Zone 7. There will be water quality improvements in salinity (TDS), toxics, disinfection by-products, etc.		
Responsible Section	EPA Environmental and Public Affairs		
Operating Impact	Increased SWP reliability and improved water quality.		
In Service Date	Month: June Year: 2011		
Total Project Cost	\$375,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 09/10	Amount (\$1000)	\$188	

Program	Water Supply & Conveyance		
Project	Enhanced Conservation Program		
Priority	1		
Project Description	At the November 2008 Zone 7 Board of Directors meeting, the Board authorized an additional budget to develop an Enhanced Conservation Program. This program may include financial & technical support for our retailers' conservation efforts; support & incentives to improve indoor and outdoor water use efficiency; promote & support implementation of new initiatives, alternative measures and new technologies in water conservation, public information & school education programs promoting water conservation, recycled water use and efficiency planning.		
Justification	Reduce long-term water demands by promoting Best Management Practices that encourage wise and efficient use of water.		
Responsible Section	EPA Environmental and Public Affairs		
Operating Impact	Decreased potable water demands and increase system reliability.		
In Service Date	Ongoing		
Total Project Cost	\$1,065,000 (75% Water Rates; 25% Connection Fees)		
Source of Funds	Fund 73	Connection Fees	25%
Fiscal Year 09/10	Amount (\$1000)	\$265	

Connection Fees – Expansion

Project	Fixed Cost of Water Entitlement		
Priority	1		
Project Description	Pay a portion of the fixed cost for purchase of 24,619 acre-feet of additional SWP entitlements, purchased via Amendments 19, 20, 21, 23, and 25 to Zone 7's SWP water supply contract.		
Justification	These purchases were required to meet Zone 7's long-term water supply needs, and thus allow Zone 7 to continue to meet its treated and untreated water customer demands. Expansion will pay declining amount over a ten-year period of the fixed SWP costs associated with water acquisitions that have not been used.		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	Increased operation and maintenance.		
In Service Date	Month: June Year: 2013		
Total Project Cost	\$5,322,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 09/10	Amount (\$1000)	\$68	

Program	Water Supply & Conveyance		
Project	Future Contractor's Share of the SBA		
Priority	1		
Project Description	Zone 7 contracted to purchase 22,000 AFA of previously-unallocated capacity in the South Bay Aqueduct under Amendments 19 and 20 to its water supply contract with DWR. The annual cost is \$2,690,000, of which 73% will be funded by Property Taxes and the remaining 27% will be funded by Dougherty Valley through Connection Fees, however, if Property Taxes cannot fund the entire 73%, the contribution from Fund 73 may be slightly higher. This is the case for Fiscal Years 08/09 and 09/10.		
Justification	Purchase of this unallocated share of the SBA was to allow Zone 7 to meet the water supply and peaking needs of new customers.		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	The purchases were required to meet Zone 7's long-term water supply needs, and thus allow Zone 7 to continue to meet its treated and untreated water customer demands.		
In Service Date	Month: June Year: 2035		
Total Project Cost	\$30,763,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 09/10	Amount (\$1000)	\$3,000	

Connection Fees – Expansion

Program	Water Supply & Conveyance		
Project	High Efficiency Toilet Rebate Program		
Priority	1		
Project Description	This program encourages the replacement of existing high-water-using toilets with dual-flush or high-efficiency toilets (HET) that use 1.28 gallons or less per flush in residential, commercial, and industrial buildings by offering homeowners and businesses a \$150 rebate for installations of a dual-flush toilet or HET.		
Justification	<p>This program replaces existing high-water-using toilets with dual-flush toilets or HETs in residential, commercial, and industrial buildings. The estimated water savings from an HET is on the order of 48 gallons/day.</p> <p>The toilet rebate program is a water conservation BMP that Zone 7 implements in conjunction with its retailing water agencies.</p>		
Responsible Section	EPA	Environmental and Public Affairs	
Operating Impact	Decreased potable water demands.		
In Service Date	Ongoing		
Total Project Cost	\$1,929,000 (75% Water Rates; 25% Connection Fees)		
Source of Funds	Fund 73	Connection Fees	25%
Fiscal Year 09/10	Amount (\$1000)	\$22	

Program	Water Supply & Conveyance		
Project	High-Efficiency Washing Machine Rebate Program		
Priority	1		
Project Description	This program encourages the purchase and installation of high-efficiency washing machines by offering buyers from \$75 to \$200 rebates. New regulations will require all washers to be energy-efficient.		
Justification	Studies show that approximately 20% of a household's water is used by washing machines. High-efficiency washing machines use about 40% less water per load. This could lead to an annual water savings of approximately 5,100 gallons per machine.		
Responsible Section	EPA	Environmental and Public Affairs	
Operating Impact	Decreased potable water demands.		
In Service Date	Ongoing		
Total Project Cost	\$1,251,000 (75% Water Rates; 25% Connection Fees)		
Source of Funds	Fund 73	Connection Fees	25%
Fiscal Year 09/10	Amount (\$1000)	\$89	

Connection Fees – Expansion

Program	Water Supply & Conveyance		
Project	Semitropic Stored Water Recovery Unit		
Priority	1		
Project Description	<p>Staffs of the Semitropic Water Storage District and Zone 7 have finalized the amendment to the Semitropic Banking Program agreement that will provide for additional recovery capacity. On February 18, 2004, the Zone 7 Board approved Zone 7's participation in its proportional share (6.5%) of the Stored Water Recovery Unit (SWRU) project. Under the proposed amendment, Zone 7's minimum recovery capacity will increase by 3,250 acre-feet/year (from 5,850 afy to 9,100 afy). This will reduce our dry-year shortfall at build-out to about 2,000 acre-feet.</p> <p>Zone 7's cost share of the SWRU project will be about \$1.04 million. The total cost of the SWRU project consists of about \$10.5 million for a 120-inch pipeline from Semitropic to the California Aqueduct and about \$5.5 million for new wells and conveyance enhancements to the Semitropic water system. The \$10.5 million pipeline portion of the SWRU project will be financed by 30-year bonds (5.266% bond sale interest rate), which debt service will be passed on to Zone 7 as annual payments. Zone 7's share of the \$5.5 million wells/conveyance enhancement will be due immediately. So, Zone 7 will pay \$336,500 immediately (\$357,500 less our \$21,000 deposit), then about \$48,000 per year for 30 years.</p>		
Justification	Increase reliability by providing additional water supplies during drought years.		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	Increased operational reliability.		
In Service Date	Month: April Year: 2033		
Total Project Cost	\$1,797,000 (48,000 Per Year)		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 09/10	Amount (\$1000)	\$48	

Connection Fees – Expansion

Program	Water Supply & Conveyance		
Project	South Bay Aqueduct Improvement & Enlargement Project		
Priority	1		
Project Description	SBA improvements by the California Department of Water Resources (DWR) that will convey for Zone 7 an additional 130 cubic feet per second (cfs) through Reach 1 and 80 cfs through Reaches 2 through 4. Improvements include an expanded South Bay Pumping Plant, third (parallel) Brushy Creek Pipeline, raised linings on open channel sections, replacement of 54-inch pipe under I-580 with 78-inch pipe (completed 3/02), application of hydraulically smoother elastomeric polyurethane lining on the Altamont Pipeline (completed 3/02), enlarged Patterson Reservoir, and new 425 acre-foot raw water reservoir (Dyer Reservoir) located near Dyer Road and future Altamont Water Treatment Plant.		
	Note that Amendment No. 24 of Zone 7's water supply contract with DWR allows for debt financing of the SBA Improvement & Enlargement Project by DWR. Annual repayment by Zone 7 is expected to begin in 2006 and end in 2036. To ensure there is adequate funding available to repay debt after buildout occurs (2025), a sinking fund has been established. This sinking fund will fund the remainder of the debt from 2026 to 2036. The costs shown reflect the actual repayment of the debt plus interest.		
Justification	As identified in the 1999 Water Supply Master Plan and 2001 Water Conveyance Study, provides for long-term Zone 7 raw water conveyance capacity through planned service-area build-out.		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	Provides for enhanced long-term water supply, reliability and flexibility.		
In Service Date	Ongoing		
Total Project Cost	\$230,385,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 09/10	Amount (\$1000)	\$6,838	

Program	Water Supply & Conveyance		
Project	SWP Peaking Payment (Lost Hills & Belridge Water Districts)		
Priority	1		
Project Description	Zone 7 agreed to pay Lost Hills & Belridge Water Districts the extra SWP peaking payment when we acquired their SWP Table A amounts based on DWR billings to Kern County Water Agency (and to thus these 2 member agencies) Annual peaking commitment is approximately \$265,000.		
Justification	Reliability of water supply.		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	Extra peaking allows Zone 7 to deliver or store additional water when available in the SWP system.		
In Service Date	Month:	Year: 2035	
Total Project Cost	\$7,157,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 09/10	Amount (\$1000)	\$264	

Connection Fees – Expansion

Program	Water Supply & Conveyance	
Project	Water Conservation Best Management Practices	
Priority	1	
Project Description	This program includes financial & technical support for our retailers' conservation efforts; support & incentives to improve large landscape water efficiency; and public information & school education programs promoting water conservation.	
Justification	Reduce long-term water demands by promoting Best Management Practices (BMPs) that encourage wise and efficient use of water. Zone 7 studies show that per capita water use in our service area is declining, thus illustrating the effectiveness of our program.	
Responsible Section	EPA Environmental and Public Affairs	
Operating Impact	Decreased potable water demands and increase system reliability.	
In Service Date	Month:	Year: Ongoing
Total Project Cost	\$4,300,000 (75% Water Rates; 25% Connection Fees)	
Source of Funds	Fund 73	Connection Fees 25%
Fiscal Year 09/10	Amount (\$1000)	\$11

Program	Water Treatment Facilities	
Project	Water Quality Management Program	
Priority	1	
Project Description	A comprehensive water quality management program and implementation plan (Water Quality Management Plan) was completed in April 2003. This plan addresses water quality concerns of customers and community. It has lead to the Board adoption of policies that address specific water quality goals and objectives that meet internal (Zone 7) and customer and end user needs. This ongoing program will be one component of Zone 7's overall master planning process. It will help guide both our water system operations and our Capital Improvement Program (CIP) over the next 20 years. It is expected that a comprehensive plan update will be developed every two years.	
Justification	Will assist the Zone 7 Board of Directors in determining policies to effectively manage treated and untreated water quality issues. Will provide guidance to Zone 7's water operations, help establish capital facilities needs and design guidelines, and incorporate a funding strategy.	
Responsible Section	WQ Water Quality	
Operating Impact	Will provide clear operational guidelines. Potential additional treatment and blending facilities to operate.	
In Service Date	Month:	Year: Ongoing
Total Project Cost	\$6,298,000 (75% Water Rates; 25% Connection Fees)	
Source of Funds	Fund 73	Connection Fees 25%
Fiscal Year 09/10	Amount (\$1000)	\$28

Connection Fees – Expansion

Program	Wells		
Project	Well Master Plan Wells, Future Phases		
Priority	2		
Project Description	This project involves planning for the construction of four new municipal water supply wells in the wellfield to meet Zone 7's M&I drought reliability goal through buildout.		
Justification	This project is required to maintain sufficient Zone 7 well capacity for Zone 7 to meet 100% of its M&I customers' projected future needs, even during worse-case drought conditions, as established in Zone 7 Resolution 02-2382. As additional benefits, these wells will provide Zone 7 with better abilities to manage groundwater levels, groundwater flow, dissolved salt build-up/removal, delivered water quality blending, and peak-day demands.		
Responsible Section	WSE/GPP	Water Supply Engineering/Groundwater Protection & Projects	
Operating Impact	Increased cost associated with additional maintenance, power and chemicals estimated at \$80,000/year.		
In Service Date	Month: June	Year: 2020	
Total Project Cost	\$60,435,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 09/10	Amount (\$1000)	\$100	

Program	Wells		
Project	Well Master Plan Wells, Phase 1 – Chain of Lakes Wells 1 & 2		
Priority	1		
Project Description	This project involves the construction of two new municipal water supply wells in the Chain of Lakes wellfield to meet Zone 7's M&I drought reliability goal through buildout. The estimated project costs include all planning, site testing, land acquisition, well drilling, facility design and construction, pipeline additions and miscellaneous site work costs.		
Justification	This project is required to maintain sufficient Zone 7 well capacity for Zone 7 to meet 100% of its M&I customers' projected future needs, even during worse-case drought conditions, as established in Zone 7 Resolution 02-2382. As additional benefits, these wells will provide Zone 7 with better abilities to manage groundwater levels, groundwater flow, dissolved salt build-up/removal, delivered water quality blending, and peak-day demands.		
Responsible Section	WSE	Water Supply Engineering	
Operating Impact	Increased cost associated with additional maintenance, power and chemicals estimated at \$45,000/year.		
In Service Date	Month: August	Year: 2009	
Total Project Cost	\$14,770,000		
Source of Funds	Fund 73	Water Rates	100%
Fiscal Year 09/10	Amount (\$1000)	\$1,130	

Connection Fees – Expansion

Program	Wells		
Project	Well Master Plan Wells, Phase 2 - Chain of Lakes Wells 3, 4, and 5		
Priority	1		
Project Description	This project involves the planning for construction of three new municipal water supply wells in the Chain of Lakes wellfield to meet Zone 7's M&I drought reliability goal through buildout.		
Justification	This project is required to maintain sufficient Zone 7 well capacity for Zone 7 to meet 100% of its M&I customers' projected future needs, even during worse-case drought conditions, as established in Zone 7 Resolution 02-2382. As additional benefits, these wells will provide Zone 7 with better abilities to manage groundwater levels, groundwater flow, dissolved salt build-up/removal, delivered water quality blending, and peak-day demands.		
Responsible Section	GPP/WSE Groundwater Protection and Projects/Water Supply Engineering		
Operating Impact	Increased cost associated with additional maintenance, power and chemicals estimated at \$65,000/year.		
In Service Date	Month: November	Year: 2011	
Total Project Cost	\$17,000,000		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 09/10	Amount (\$1000)	\$400	

Program	Building & Grounds		
Project	Administrative & Engineering Building - Sinking Fund		
Priority	1		
Project Description	A new office building has been constructed for administrative and engineering staff. The new building has a larger Board Room for public meetings. The new building is located closer to the operations (treatment plants), and is more centrally located for employees and Valley residents. The move-in date was February 2005. The cost was based on "Build to Suit" option and includes lease payments. In addition to the scheduled lease payment for the new building, \$696,000 plus interest per year will be contributed to a sinking fund in order to cover the purchase cost of the building after the lease payments have been completed.		
Justification	This sinking fund will cover the cost to purchase the new Administrative & Engineering Building after Zone 7's 15 year lease is completed.		
Responsible Section	ASD Administrative Services Division		
Operating Impact	None.		
In Service Date	Month:	Year: 2018	
Total Project Cost	\$6,495,000		
Source of Funds	Fund 73	Connection Fees	35%
Fiscal Year 09/10	Amount (\$1000)	\$280	

Connection Fees – Expansion

Program	Water Supply & Conveyance		
Project	Future Contractor's Share of the SBA - Sinking Fund		
Priority	1		
Project Description	Zone 7 contracted to purchase 22,000 afa of previously-unallocated capacity in the South Bay Aqueduct under Amendments 19 and 20 to its contract with the Department of Water Resources. In addition to the schedule payment for the 22,000 afa, Zone 7 contributes \$196,000 plus interest per year into a sinking fund (beginning FY 2004/05) until FY 2024/25, in order to cover contractual costs from the year 2026 to 2035. The annual contributions to the sinking fund will be funded by Connection Fees.		
Justification	This sinking fund is to cover contractual costs from the year 2026 to 2035.		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	None.		
In Service Date	Month:	Year: 2024	
Total Project Cost	\$4,307,200 (\$196,000 plus interest per year)		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 09/10 Program	Amount (\$1000)	\$205	
	Water Supply & Conveyance		

Project	South Bay Aqueduct Improvement & Enlargement Project - Sinking Fund		
Priority	Estimated Interest		
Project Description	1		
Project Description	SBA improvements by the California Department of Water Resources (DWR) that will convey for Zone 7 an additional 130 cubic feet per second (cfs) through Reach 1 and 80 cfs through Reaches 2 through 4. Improvements include an expanded South Bay Pumping Plant, third (parallel) Brushy Creek Pipeline, raised linings on open channel sections, replacement of 54-inch pipe under I-580 with 78-inch pipe (completed 3/02), application of hydraulically smoother elastomeric polyurethane lining on the Altamont Pipeline (completed 3/02), enlarged Patterson Reservoir, and new 425 acre-foot raw water reservoir (Dyer Reservoir) located near Dyer Road and future Altamont Water Treatment Plant.		
Justification	<p>Note that Amendment No. 24 of Zone 7's water supply contract with DWR allows for debt financing of the SBA Improvement & Enlargement Project by DWR. Annual repayment by Zone 7 is expected to begin in 2006 and end in 2036. To ensure there is adequate funding available to repay debt after buildout occurs (2025), a sinking fund has been established. This sinking fund will fund the remainder of the debt from 2026 to 2036. The costs shown reflect the actual repayment of the debt plus interest. Due to cash flow issues, Zone 7 will contribute interest only to this fund in FY 08/09 - FY 13/14 and will begin contributing the normal \$1.5M annually plus interest in starting FY 14/15.</p> <p>This sinking fund is necessary to cover contractual costs from 2026 to 2035, during which time there will essentially be limited water connection fee revenues available because development buildout within the Valley is expected to be reached by this time.</p>		
Responsible Section	WSE Water Supply Engineering		
Operating Impact	None.		
In Service Date	Month:	Year: 2025	
Total Project Cost	\$30,000,000 (\$1.5 million plus interest annually)		
Source of Funds	Fund 73	Connection Fees	100%
Fiscal Year 09/10	Amount (\$1000)	\$144 (interest only)	

EXHIBIT A

/2009/2010

**WATER ENTERPRISE CAPITAL PROGRAM (FUNDS 71,90, 72 & 73)
PROFESSIONAL & TECHNICAL SERVICES**

JOB #	DESCRIPTION	FUND 71 SDA 7-1	FUND 72 Imp/Rnw/Rpl	FUND 73 Expansion	FUNDS TOTAL
					\$0
96072	Asset Management Program Condition Assessment		\$160,000		\$160,000
96072	Cal Water Turnout No. 4 - Relocation/Replacement		\$55,000		\$55,000
54508/55050	Capital Improvement Program Management		\$18,000	\$15,000	\$33,000
96072	Cross Valley Pipeline Corrosion Assessment		\$170,000		\$170,000
54069	DVWTP Electrical Power System Upgrade		\$820,000		\$820,000
96072	DVWTP Filter Valves Replacement		\$30,000		\$30,000
96072/96073	Enhanced Conservation Program		\$300,000	\$205,000	\$505,000
54022	Monitoring Well Replacement & Abandonments		\$10,000		\$10,000
53040	New Groundwater Management Program Monitoring Wells		\$20,000		\$20,000
96071	Potential IRWMP Flood Protection Project	\$1,000,000			\$1,000,000
96072	PPWTP Improvement Project - 2011		\$170,000		\$170,000
96072	PPWTP Improvement Studies - 2011		\$180,000		\$180,000
54048	SCADA Enhancements		\$330,000		\$330,000
54030	Stream Gage Replacement		\$5,000		\$5,000
61145	StreamWISE	\$315,000			\$315,000
53080	Water Quality - PPWTP & DVWTP Taste and Odor Treatment		\$450,000		\$450,000
55426	Well Master Plan Wells, Phase 1 - COL Wells 1&2			\$150,000	\$150,000
55429	Well Master Plan Wells, Phase 2 - COL Wells 3,4 & 5			\$120,000	\$120,000
					\$0
	TOTAL CAPITAL PROFESSIONAL SERVICES BY FUND	\$1,315,000	\$2,718,000	\$490,000	\$4,523,000

GLOSSARY

GLOSSARY OF TERMS

The Annual Budget contains terminology that is unique to public finance and budgeting. To assist the reader of the Annual Budget document in understanding these terms, a budget glossary is included herein.

Accrual Basis of Accounting: The basis of accounting under which transactions are recognized when they occur, regardless of the timing of cash receipts and disbursements.

Acre Foot: The volume of water that will cover one acre to a depth of one foot. One acre foot equals 325,850 gallons. It is estimated that one half an acre foot serves a typical private residence for one year.

Activities: The major programs and projects performed by an organizational unit.

Appropriation: An amount of money in the Budget, authorized by the Board of Directors, for expenditure or obligation within organizational units for specific purposes.

Assets: Resources owned or held by Zone 7 which have monetary value.

Audit: A comprehensive investigation of the manner in which the government's resources were actually utilized. A financial audit is a review of the accounting system and financial information to determine how government funds were spent and whether expenditures were in compliance with the legislative body's appropriations.

Balance Sheet: A financial statement that discloses the assets, liabilities, and fund equity of a specific fund at a specific date.

Bond: A written promise to pay a sum of money on a specific date at a specific interest rate. The interest payments and the repayment of the principal are authorized in a District bond resolution. The most common types of bonds are general obligation bonds and revenue bonds. These are frequently used for construction of large capital projects such as buildings, streets, etc.

Budget: A financial plan for a specific period of time that matches all planned revenues and expenditures with various services. Zone 7 uses a fiscal year beginning each July 1 and ending each June 30 for budgetary and financial reporting purposes.

Budgetary Control: The control or management of a governmental unit or enterprises in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

Capital Equipment: Fixed assets such as vehicles, equipment, computers, furniture, technical instruments, etc. which have a life expectancy of more than one year.

Capital Improvement Program: A long-range plan of Zone 7 for the construction, rehabilitation and modernization of Zone 7-owned and operated infrastructure.

Capital Outlay: Expenditures which result in the acquisition of, or addition to, fixed assets including land, buildings, improvements, machinery and equipment.

Debt Service Fund: Established to account for annual property tax levies and certain other revenues, primarily interest on investments, which are used for payment of principal and interest of bond issues.

District: Refers to the Alameda County Flood Control and Water Conservation District, of which Zone 7 is one of the designated service areas. Zone 7 provides water and flood control services.

Fund: A sum of money or other resources, such as taxes, charges, fees, etc., established for conducting specified operations for attaining certain objectives. Funds are frequently under specific limitations.

Fund Accounting: A governmental account system which is organized and operated on a fund basis.

Fund Balance: Fund balance is the excess of assets over liabilities. It is typically divided into three categories. Fund balance may be categorized as (1) reserved – indicating that there are legal restrictions governing the future expenditures, (2) non-discretionary-indicating that the Board of Directors expects to expend it for certain purposes, or (3) discretionary – indicating it is available for expenditures for general governmental purposes.

Generally Accepted Accounting Principles (GAAP): Uniform minimum standards of, and guidelines for, external financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP provides a standard by which to measure financial presentations. The primary authoritative statement on the application of GAAP to the State and local governments are Government Accounting Standards Board (GASB) pronouncements.

Grant: A contribution by a government or other organization to support a particular function. Grants may be classified as either categorical or block depending upon the amount of discretion allowed the grantee.

Interfund Transfers: Amounts transferred from one fund to another, usually to reimburse the receiving fund for services performed for the transferring fund.

Liabilities: Obligations incurred in past or current transactions requiring present or future settlement.

Line Items: Expenditure classifications established to account for budget appropriations approved.

Mandated Cost: Any responsibility, action or procedure that is imposed by one sphere of government on another through constitutional, legislative, administrative, executive or judicial action as a direct order.

Modified Accrual Basis of Accounting: The basis of accounting under which revenues are recognized when measurable and available to pay liabilities and expenditures are recognized when the liability is incurred except for interest on long-term debt which is recognized when due.

Object Classification: A grouping of expenditures on the basis of goods or services purchased (e.g. personnel, services and supplies, equipment, etc.)

Obligations: Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Operating Budget: The portion of the budget that pertains to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel and fuel, and does not include purchases of major capital plant or equipment which is budgeted for separately in the Capital Budget.

Ordinance: A bill, resolution or order by means of which appropriations are given legal effect. It is the method by which the appropriation of the annual budget is enacted into law by the District Board of Supervisors.

Reserve: An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.

Revenue: Monies received as income. It includes such items as water sales, fees for services, contributions in aid of construction, grants and interest income. Estimated revenues are those expected to be collected during the fiscal year.

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