

NOTICE OF REGULAR MEETING OF BOARD OF DIRECTORS

DATE: Wednesday, October 16, 2024

TIME: 6:00 p.m. Closed Session  
7:00 p.m. Open Session (time approximate)

LOCATION: Zone 7 Administration Building  
100 North Canyons Parkway, Livermore, California

VIDEO/TELECONFERENCE:  
<https://us02web.zoom.us/j/87520871541>  
(669) 444-9171, Meeting ID: 875 2087 1541

LIVE STREAMING: Comcast Channel 29  
AT&T U-Verse Channel 99 (Livermore)  
Streaming Live at [tv29live.org](http://tv29live.org)

Any member of the public wishing to address the Board on an item under discussion may do so upon receiving recognition from the President. If the public wishes to provide comment before the meeting, please email [publiccomment@zone7water.com](mailto:publiccomment@zone7water.com) by 3:00 p.m. on Wednesday, October 16<sup>th</sup>.

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

**AGENDA**

1. Call Zone 7 Water Agency Meeting to Order
2. Closed Session
  - a. Conference with Labor Negotiators pursuant to Government Code section 54954.5:  
Agency Negotiators: Valerie Pryor/Osborn Solitei Employee Organizations: Alameda

County Management Employees Association; Alameda County Building and Construction Trades Council, Local 342, AFL-CIO; International Federation of Professional and Technical Engineers, Local 21, AFL-CIO; Local 1021 of the Service Employees International Union, CTW; Unrepresented Management

- b. Conference with Legal Counsel – Existing litigation pursuant to Gov’t Code section 54956.9(d) (1): (1) State Water Contractors v. California Department of Fish & Wildlife (JCCP Case No. 5117), (2) Stark v. Alameda County Flood Control and Water Conservation District, Zone 7 (Alameda County Superior Court Case No. 22-CV-5837), (3) Bautista v. Alameda County Flood Control and Water Conservation District, Zone 7 (Alameda County Superior Court Case No. 22-CV-10679); (4) Alameda County Flood Control & Water Conservation District, Zone 7 v. City of Pleasanton (Alameda County Superior Court Case No. 24-CV-61595); (5) In re: Aqueous Film-Forming Foams Products Liability Litigation (S.D. South Carolina, MDL No. 2: 18-mn-2873-RMG); (6) Munsell v. County of Alameda Civil Service Commission et al (Alameda County Superior Court, Case No. 24-CV-77110). (7) (Paragraph (1) of subdivision (d) of Section 54956.9) Tulare Lake Basin Water Storage District v. California Department of Water Resources, Sacramento County Superior Court Case No. 24WM000006 and related cases.

3. Open Session and Report Out of Closed Session

4. Pledge of Allegiance

5. Roll Call of Directors

6. Public Comment on Non-Agenda Items

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

7. Minutes

- a. Special Board Meeting Minutes of September 4, 2024
- b. Regular Board Meeting Minutes of September 18, 2024

8. Consent Calendar

- a. Authorize Extension of Direct Retail Contracts
- b. Amendment to Contract with Axiom of Purpose, LLC
- c. Amendment to OpenGov, Inc., Master Services Agreement
- d. Authorize Refund of Water Connection Fee to Learn and Play Montessori Dublin, Inc.
- e. Amend Resolution No. 24-68 dated September 18, 2024, for Award a Construction Contract for Del Valle Water Treatment Plant Booster Pump Station VFDs and Underdrain Pump Station Replacement Project
- f. Award of State Legislative Advocacy Services Contract

Recommended Action: Adopt Resolutions

9. Proposed Untreated Water Rates for Calendar Year 2025

Recommended Action: Adopt Resolution

10. Review of Treated Water Rates for Calendar Years 2025 and 2026

Recommended Action: Information only

11. Proposed Municipal & Industrial Water Connection Fees for Calendar Year 2025

Recommended Action: Adopt Resolution

12. Energy Project Prioritization Framework

Recommended Action: Information only

13. 2023 Hazard Mitigation Plan Update

Recommended Action: Adopt Resolution

14. Adopting the Department of Water Resources' Findings of Fact, a Statement of Overriding Considerations, and authorizing a Notice of Determination to be filed as a Responsible Agency under the California Environmental Quality Act and authorizing continued Participation in the Delta Conveyance Project Process for 2026 and 2027

Recommended Action: Adopt Resolution

15. Award Regional Project Drilling and Consultant Contracts

Recommended Action: Adopt Resolutions

16. Committees

- a. Finance Committee Meeting Notes of September 12, 2024

17. Reports – Directors

- a. Verbal Comments by President
- b. Written Reports
- c. Verbal Reports

18. Items for Future Agenda – Directors

19. Staff Reports

- a. General Manager's Report
- b. September Outreach Activities
- c. Legislative Update
- d. Monthly Water Inventory and Water Budget Update
- e. FY 2023-24 Unaudited Fourth Quarter Revenue and Expenditure Report
- f. Endowment Trust Funds Annual Report as of June 30, 2024 (Unaudited)

- g. Investment Report as of June 30, 2024 (Unaudited)
- h. Annual Pension Trust Report as of June 30, 2024 (Unaudited)

20. Adjournment

21. Upcoming Board Schedule: (All meeting locations are in the Boardroom at 100 North Canyons Parkway, Livermore, unless otherwise noted.)
- a. Regular Board Meeting: November 20, 2024, 7:00 p.m.



MINUTES OF THE BOARD OF DIRECTORS

ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

SPECIAL MEETING

September 4, 2024

Directors Present: Dawn Benson  
Catherine Brown  
Sandy Figuers  
Dennis Gambs  
Laurene Green  
Kathy Narum  
Sarah Palmer

Staff Present: Valerie Pryor, General Manager  
Chris Hentz, Assistant General Manager – Engineering  
Osborn Solitei, Treasurer/Assistant General Manager – Finance  
Ken Minn, Water Resources Manager  
Donna Fabian, Executive Assistant

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Item 1 – Call Special Meeting of the Zone 7 Water Agency to Order

President Gambs called the Special Meeting of the Board of Directors to order at 6:01 p.m.

Item 2 – Pledge of Allegiance

President Gambs led the Pledge of Allegiance.

Item 3 – Roll Call of Directors

All Directors were present.

Item 4 – Public Comment

Public comment was received from Alan Burnham.

## Item 5 – PFAS Management Update

Valerie Pryor, General Manager, provided an overview of Zone 7's actions and strategies to address PFAS (Per- and Polyfluoroalkyl Substances). She emphasized that Zone 7 delivers PFAS-safe drinking water and that treatment is highly effective. Currently, one PFAS treatment plant is operational, with two more planned in the coming years. Effective PFAS treatment ensures safe, reliable drinking water without the need for costly external water supplies or reliability compromises. Guests from the San Francisco Bay Regional Water Quality Control Board participated, highlighting their collaboration with Zone 7.

Eileen White, Executive Officer of the Regional Board, gave background on PFAS, explaining their widespread use and lasting impacts to environmental. PFAS, known as "forever chemicals," are stable and mobile, leading to health and environmental concerns. She outlined the timeline of PFAS use and regulation, emphasizing that Zone 7 inherited PFAS contamination but is managing it effectively. Recent federal regulations set maximum contaminant levels and designated PFOS and PFOA as hazardous substances.

Ms. White noted that PFAS are commonly found in everyday products and stressed the importance of identifying and controlling sources of contamination. She highlighted the extensive efforts to manage PFAS in the San Francisco Bay region, including work with Zone 7 to ensure safe drinking water. The Regional Board is investigating around 100 potential PFAS sources, prioritizing cleanup near impacted wells, particularly in urban areas like Livermore.

Ms. White commended Zone 7 for its leadership in managing PFAS and emphasized the importance of interagency collaboration. The Regional Board will continue to work with Zone 7 to refine strategies for managing PFAS in the Livermore Valley Groundwater Basin.

Ken Minn, Water Resources Manager, provided an update on implementation of Zone 7's PFAS management strategy over the last two years. He explained that Zone 7's actions are guided by a five-year strategy focusing on water quality and supply reliability. Since the initial PFAS management strategy in August 2022, public awareness of PFAS has increased significantly.

Mr. Minn detailed Zone 7's proactive efforts, starting with voluntary PFAS monitoring in 2018 prior to regulatory monitoring requirements. Zone 7 launched a study to identify potential PFAS sources, conducted modeling to assess mobilization, and developed a comprehensive management strategy. He also noted Zone 7's swift response to regulatory developments, including shutting down the Stoneridge Well due to new PFHxS standards and establishing a PFAS treatment facility within 13 months.

Looking ahead, Mr. Minn highlighted plans to diversify water supply sources, collaborate with the City of Pleasanton, and open the Chain of Lakes PFAS treatment facility by 2025. He also states Zone 7's drinking water supply meeting upcoming federal regulations ahead of 2029 due date and stressed the need to prepare for additional PFAS compounds being regulated.

Ms. Pryor discussed the complexities of PFAS contamination in groundwater, emphasizing that it moves within the basin due to operations like recharge and pumping, describing the contamination as "sloshing around."

Mr. Minn explained that "footprint" is a more accurate term than "plume" to describe PFAS contamination, as it better reflects the dynamic nature of groundwater. He recommended using "footprint" to avoid sensationalizing the issue. He also discussed fluctuations in PFAS concentrations due to various factors, including adding more sampling points, hydrology, imported and natural recharge, and minimal pumping in 2023.

Regarding treatment, Mr. Minn praised the effectiveness of ion-exchange PFAS treatment at the Stoneridge facility and the upcoming Chain of Lakes facility. He emphasized the importance of managing PFAS at the wellhead and outlined ongoing efforts to meet water quality standards ahead of schedule.

Mr. Minn discussed water quality management, treatment feasibility, and the need to diversify water resources. He highlighted the importance of local groundwater and surface water while noting plans to update the well master plan and explore new wells and storage projects.

Mr. Minn presented three water portfolio scenarios: dry, average, and wet years. He explained that during dry years, groundwater becomes more important, and without wellfield operations, conservation efforts may need to increase.

Currently, Zone 7 relies on nine wells, with seven in the Amador Subbasin. Studies have shown that the Pleasanton Fault might restrict groundwater flow. Hence, a regional groundwater project is being considered for water supply reliability. Test wells have been strategically placed to identify productive sites and assess water quality.

Director Palmer suggested the footprint increase is due to both expanded testing and more locations being tested. Mr. Minn confirmed that earlier sampling may have been limited. Director Palmer also inquired about the lab's detection capabilities. Mr. Minn clarified that non-detect reports are no longer used, with the lab now providing a reporting level with a 95% confidence interval.

Director Narum raised questions about the hazard index, the sentinel well near Hopyard, and the performance of the Stoneridge well media. Ms. Pryor responded that Stoneridge well has not been fully operational due to high surface water allocations, so performance estimates are not yet available.

Director Figuers praised the presentation, requesting a clearer understanding of the main and subbasins. Mr. Minn explained the geological features of these subbasins and their impact on groundwater flow.

Ms. Pryor noted that future groundwater regulations may require full treatment at all well locations, representing a significant financial commitment.

President Gambs and Director Green discussed the long-term need for treatment and the uncertainties surrounding PFAS management. Mr. Minn acknowledged the lack of scalable solutions but mentioned ongoing research efforts.

Director Palmer suggested state uniformity in data collection to ease integration, while Director Green emphasized the importance of continued modeling.

Director Narum commended staff for their proactive measures and emphasized the importance of addressing PFAS while preparing for emerging contaminants.

#### Item 6 – Adjournment

President Gambs adjourned the meeting at 8:40 pm.



MINUTES OF THE BOARD OF DIRECTORS

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT  
ZONE 7

REGULAR MEETING

September 18, 2024

Directors Present: Dawn Benson  
Catherine Brown  
Sandy Figuers  
Dennis Gambs  
Laurene Green  
Kathy Narum  
Sarah Palmer

Staff Present: Valerie Pryor, General Manager  
Chris Hentz, Assistant General Manager – Engineering  
Osborn Solitei, Treasurer/Assistant General Manager – Finance  
Ken Minn, Water Resources Manager  
Angela O'Brien, Acting Water Quality Manager  
Alexandra Bradley, Communications Specialist  
Donna Fabian, Executive Assistant

General Counsel: Matt Weber, Downey Brand

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Item 1 – Call Zone 7 Water Agency Meeting to Order

President Gambs called the Zone 7 Water Agency meeting to order at 7:02 p.m.

Item 2 – Closed Session

The Board entered Closed Session at 6:04 p.m. and concluded at 6:20 p.m.

Item 3 – Open Session and Report Out of Closed Session

President Gambs stated that the Board met in Closed Session and there is nothing to report.

Item 4 – Pledge of Allegiance

President Gambs led the Pledge of Allegiance.

### Item 5 – Roll Call of Directors

All Directors were present.

### Item 6 – Public Comment

There was no public comment.

### Item 7 – Minutes

Director Palmer made a motion to approve the special Board meeting minutes of August 7, 2024, and Director Benson. The minutes were approved by a 7-0 voice vote.

Director Palmer made a motion to approve the regular Board meeting minutes of August 21, 2024, and Director Narum seconded the motion. The minutes were approved by a 7-0 voice vote.

### Item 8 – Consent Calendar

Director Palmer moved to approve Items 8a through 8h and Director Narum seconded the motion. The Consent Calendar was approved by a roll call vote of 7-0.

### Item 9 – Annual Outreach and Communications Program Update

Alexandra Bradley, Communications Specialist, presented the Annual Communications Update, outlining accomplishments in communications and outreach for the 2023-2024 fiscal year. Ms. Bradley emphasized the importance of earned media, noting the Agency's strong relationships with local press and consistent press releases, with 12 released in the last fiscal year. She also discussed the Agency's website updates, including a homepage refresh in summer 2023, designed to enhance user experience and improve access to key documents such as Board meeting agendas.

Ms. Bradley noted that in the fall of 2023 the Agency rebranded its educational program from "Kid Zone" to "Water Academy," expanding outreach and introducing a teacher incentive program to increase classroom participation. Ms. Bradley outlined the program's growth, which saw a significant increase in classroom visits post-rebrand, with 473 lessons taught compared to 306 in the previous year. The rebrand also led to a 350% increase in traffic to the program's dedicated teacher page.

Ms. Bradley then discussed the shift to a digital annual report in 2021, which allowed for more environmentally friendly practices and provided the ability to track public engagement. A redesign was carried out in 2023 based on this data, incorporating high-level information, fiscal data, and awards. Ms. Bradley demonstrated the new format, which included infographics and videos, noting that traffic to the digital annual report site had grown significantly, with a trend toward doubling the previous year's numbers.

Ms. Bradley also highlighted key campaigns and events, including Flood Preparedness Week in October 2023, which was supported by the "Flood Ready Freddy" campaign. The campaign, launched in 2020, had garnered 30,000 YouTube views across its 12 videos and reached nearly a quarter of a million impressions through a mix of paid and organic promotions. Ms. Bradley also introduced the Agency's new storm alert system, designed to provide clear risk communication and emergency preparedness actions during storm events. The system was added to the Agency's website in late 2023.

Ms. Bradley described the ongoing Tri-Valley Public Information Program, which educates the public on water supply reliability. The campaign's website attracted nearly 50,000 visitors in fiscal year 2024, and its promotional videos achieved nearly 7 million impressions. Ms. Bradley noted that the Agency's outreach efforts focused on simplifying complex topics such as water quality, leveraging infographics and videos for public education. She highlighted the success of the "Wondrous World of Water" campaign and the Stoneridge Ion Exchange PFAS Treatment project, both of which effectively engaged the public with informative video content.

Lastly, Ms. Bradley touched on the Agency's celebration of Fix-A-Leak Week, which included a contest to raise awareness of household leaks. The campaign garnered 5.5 million impressions, and the Agency's Water Wise Wendy videos had 25,000 views. Ms. Bradley concluded the presentation with a review of key performance metrics, underscoring the continued success of the Agency's communications and outreach initiatives.

Director Figuers praised the presentation but pointed out an issue with the basin map on page 26. He noted that the map showed incorrect stream directions and switched labels for Arroyo Del Valle. He also highlighted that the representation of the valley's depth was inaccurate. Ms. Bradley acknowledged the errors and mentioned that a video accompanying the report had already corrected some of the issues raised by Director Figuers.

Director Benson congratulated Ms. Bradley on her work, commending the digitization of the annual report and the ease of navigation on the Agency's website. She specifically mentioned the PFAS treatment videos, noting their value in educating the public. She expressed her gratitude for the communications team's efforts in making the district shine.

Director Green echoed Director Benson's praise, acknowledging the high quality and effectiveness of the communications efforts. She raised a question about whether the team tracks demographic differences in how people engage with the Agency's content, specifically regarding mobile versus desktop usage. Ms. Bradley explained that while they do track data on the Agency's website, social media platforms do not provide that level of detail. Director Green expressed curiosity about how mobile usage has grown over time and emphasized the importance of continuing outreach efforts.

Director Narum inquired about the budget for the communications program and whether there was a way to quantify costs per view or other metrics. Ms. Bradley responded that the communications budget is approximately half a million dollars, covering social media, websites, school outreach, and promotional materials. While it's challenging to compare current spending with past practices, Ms. Bradley mentioned they track cost-per-click metrics for certain campaigns, such as the Tri-Valley campaign. Director Narum suggested it would be interesting to explore cost metrics further but advised not to spend too much time on it.

Director Brown asked for a breakdown of the Water Academy results by city, specifically wanting data on the number of classroom visits per retailer region. Ms. Bradley confirmed that she could provide this information in future reports. Director Brown appreciated the offer, noting that it would be helpful for future discussions.

#### Item 10 – Partnership for Safe Water Directors Award

Angela O'Brien, Acting Water Quality Manager, announced that the Del Valle Water Treatment Plant had received the prestigious 25-year Directors Award from the Partnership for Safe Water program. She expressed gratitude to the Board and dedicated staff for their ongoing efforts in ensuring the delivery of high-quality water.

Ms. O'Brien explained that the Partnership for Safe Water program is a voluntary initiative established by six major national organizations, including the American Water Works Association and the U.S. Environmental Protection Agency. The program encourages ongoing plant optimization and improvements. Zone 7 was recognized as one of only 12 utilities nationwide to receive this award, reflecting the Del Valle Water Treatment Plant's long-term commitment to superior water quality.

To qualify for the Directors Award, utilities must achieve Phase III of the program. This requires fully committing to the program, collecting baseline data, completing a comprehensive self-assessment reviewed by industry experts, and meeting more stringent treatment goals than regulatory standards. The award recognizes utilities in five-year increments for their continued commitment. Since Del Valle completed its initial self-assessment in 1998, the plant has consistently met and surpassed the Partnership's treatment goals, thanks in part to Board-approved capital investments like recent upgrades to the plant's filters and ozone facilities. Angela highlighted that the plant's water consistently met the stringent goal of less than 0.10 NTU (Nephelometric Turbidity Unit) in 95% of samples, far exceeding the regulatory standard of less than 0.3 NTU.

Following Ms. O'Brien's presentation, Director Narum asked if a press release had been issued regarding the award. Ms. Pryor confirmed that a press release would be issued. The Board then took a group photo to commemorate the achievement.

#### Item 11 – Los Vaqueros Reservoir Expansion Policy Principles

Ms. Pryor started the discussion of the Los Vaqueros Reservoir Expansion Project, a water supply reliability initiative in which Zone 7 is participating. She stated that the project involves expanding the Contra Costa Water District's (CCWD) existing reservoir and constructing the Transfer-Bethany Pipeline. Negotiations regarding Zone 7's involvement have been ongoing, with some delays. Ms. Pryor noted that CCWD requested feedback on several policy questions, which were discussed by Zone 7's Ad Hoc Committee. The focus was on key policy principles rather than the overall merits of the project, which are still under evaluation.

Ms. Pryor also provided an update from CCWD's Board meeting held that evening, where the CCWD Board directed staff to explore a path to potentially terminating the project due to concerns over taking the reservoir out of service for five years without a backup water supply.

Discussion followed, with Director Dennis Gambs clarifying that the termination concerns were related to the reservoir being offline and the impact on customers.

The first set of policy questions was related to the design and construction agreement. CCWD proposed that the "beneficiaries pay" principle be applied, meaning member agencies, not CCWD, would bear the financial responsibility for the project's costs. The Ad Hoc Committee expressed concerns about accountability and oversight, questioning CCWD's claim that it is not a beneficiary and stressing the importance of member agencies having input in decision-making. The committee recommended the establishment of a steering committee to ensure transparency and regular updates on expenditures and procurement processes.

Director Narum agreed with the committee's position but suggested using the term "steering committee" instead of "oversight committee," emphasizing the need for JPA members to stay informed throughout the project. Director Palmer supported this idea, advocating for a role that ensures the JPA has a say in the decision-making process.

The next policy question involved the facilities usage agreement, specifically whether member agencies would sign agreements without guaranteed water delivery. Ms. Pryor explained that while CCWD would retain first priority for water, it has indicated that there should be sufficient capacity for the partners. The Ad Hoc Committee acknowledged that while water delivery guarantees are not always possible, as seen with the State Water Project, they are willing to consider signing the agreement pending further review of capacity and modeling information.

Director Figuers emphasized the need for equitable distribution of water during drought years, while Director Green raised concerns about potential water loss due to evaporation if water remained in the reservoir for extended periods.

The Board discussed the importance of ongoing negotiations and agreed to continue evaluating these key policy principles as more information becomes available.

Public comment was received by Kelly Abreu.

### Item 12 – Committees

There were no comments on the Committee notes.

### Item 13 – Reports – Directors

Director Green provided two key highlights from her written report, focusing on a regulatory water quality committee meeting at ACWA. She discussed PFAS regulations, noting that the State of California is likely to align with the U.S. EPA's Maximum Contaminant Levels (MCLs) and its five-year timeline, although the State could have chosen a different path. Additionally, Green mentioned updates on another PFAS chemical, PFHxA, which now has a notification level set at one part per billion, information that had just been released on the day of the meeting.

Director Palmer also briefly spoke about her involvement in the ACWA City-County Nexus meeting held on September 16<sup>th</sup>. She highlighted the ongoing discussions about housing

densification, particularly regarding SB 937, which is on the governor's desk and must be signed or vetoed by September 30<sup>th</sup>. Director Palmer explained that ACWA opposed the bill due to late changes that caused confusion between connection capacity fees and development fees, especially in terms of when payments should occur—whether at the start of a project or upon receiving a final certificate of occupancy. Director Palmer noted that ACWA is urging the governor to veto the bill. Additionally, she attended the Alameda County Special Districts Association meeting, where a presentation was given on the nitrification of the San Francisco Bay.

#### Item 14 – Items for Future Agenda – Directors

There were no requests for future agenda items.

#### Item 15 – Staff Reports

Ms. Pryor provided updates on several standard reports, including the annual Living Arroyos Program, which benefits the community and urban streams. She also highlighted the Stoneridge PFAS Treatment Facility Project, noting that the project is under budget. The remaining funds will be used to implement a power switchover from PG&E to the Power and Water Resources Pooling Authority. This new power equipment will cost approximately \$500,000 but is expected to save \$300,000 to \$400,000 annually, with a two-year payback period. This initiative aligns with the Agency's Energy Policy.

#### Item 16 – Adjournment

President Gambs adjourned the meeting at 8:36 p.m.



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

**ORIGINATING SECTION:** Integrated Planning  
**CONTACT:** Sal Segura/Ken Minn

**AGENDA DATE:** October 16, 2024

**SUBJECT:** Authorize Extension of Direct Retail Contracts

**SUMMARY:**

- To support the Mission to deliver safe, reliable, efficient, and sustainable water, Zone 7 Water Agency (Zone 7) has initiated renewing three treated water supply contracts. This action supports Strategic Goal A – Reliable Water Supply and Infrastructure.
- On Jan 20, 1988, with Resolution No. 1284, 1285, 1286, and 1287, the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District approved 30-year treated water supply contracts with Livermore Area Recreation and Park District (LARPD), Veterans Administration Medical Center (VAMC), the County of Alameda which later assigned the contract to East Bay Regional Park District (EBRPD), and Wentz Brothers, Inc. (Wentz) to provide treated water supply.
- LARPD, EBRPD, and Wentz contracts expired in 2018 and are due for renewal. The contract with VAMC, a federal entity, is evergreen and does not expire. All parties wish to renew the contracts under the same terms and conditions. General counsel has prepared an updated standard contract template with the same terms and conditions. LARPD, EBRPD, and Wentz have reviewed and approved the execution of the renewal contracts.
- Staff recommends that the Board authorize the General Manager to negotiate, amend, and execute 30-year water supply contracts with LARPD, EBRPD, and Wentz.

**FUNDING:**

No funding is requested at this time.

**RECOMMENDED ACTION:**

Adopt the attached Resolution.

**ATTACHMENTS:**

Resolutions

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Renewal of Treated Water Supply Contract with  
Livermore Area Recreation and Park District**

WHEREAS, to support the Mission to deliver safe, reliable, efficient, and sustainable water, Zone 7 Water Agency (Zone 7) has initiated renewing three treated water supply contracts, and this action supports Strategic Goal A – Reliable Water Supply and Infrastructure.

WHEREAS, on Jan 20, 1988, per Resolution No. 1284, the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District approved the 30-year treated water supply contract with Livermore Area Recreation and Park District (LARPD); and

WHEREAS, Zone 7's 30-year contract with LARPD expired in 2018; and

WHEREAS, LARPD wishes to renew the treated water supply contract for the next 30-year term and has agreed to the standard terms and conditions of the contract; and

WHEREAS, renewal of the contract does not require compliance with the California Environmental Quality Act; and

WHEREAS, Zone 7 agrees to continue providing treated water service to LARPD;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate, amend, and execute the 30-year water supply contract with Livermore Area Recreation and Park District.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on October 16, 2024.

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



ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Renewal of Treated Water Supply Contract with East Bay Regional Park District**

WHEREAS, to support the Mission to deliver safe, reliable, efficient, and sustainable water, Zone 7 Water Agency (Zone 7) has initiated renewing three treated water supply contracts, and this action supports Strategic Goal A – Reliable Water Supply and Infrastructure.

WHEREAS, on Jan 20, 1988, per Resolution No. 1286, the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District approved the 30-year treated water supply contract with the County of Alameda which later assigned the contract to East Bay Regional Park District (EBRPD) to provide treated water supply; and

WHEREAS, Zone 7's 30-year contract with EBRPD expired in 2018, and

WHEREAS, EBRPD wishes to renew the treated water supply contract for the next 30-year term; and has agreed to the standard terms and conditions of the contract; and

WHEREAS, renewal of the contract does not require compliance with the California Environmental Quality Act; and

WHEREAS, Zone 7 agrees to continue providing treated water service to EBRPD;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate, amend, and execute the 30-year water supply contract with East Bay Regional Park District.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on October 16, 2024.

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

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Renewal of Treated Water Supply Contract with Went Brothers, Inc.**

WHEREAS, to support the Mission to deliver safe, reliable, efficient, and sustainable water, Zone 7 Water Agency (Zone 7) has initiated renewing three treated water supply contracts, and this action supports Strategic Goal A – Reliable Water Supply and Infrastructure.

WHEREAS, on Jan 20, 1988, per Resolution No. 1287, the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District approved the 30-year treated water supply contract with Went Brothers, Inc. (Wente) to provide treated water supply; and

WHEREAS, Zone 7's 30-year contract with Wente expired in 2018; and

WHEREAS, Wente wishes to renew the treated water supply contract for the next 30-year term; and has agreed to the standard terms and conditions of the contract; and

WHEREAS, renewal of the contract does not require compliance with the California Environmental Quality Act; and

WHEREAS, Zone 7 agrees to continue providing treated water service to Wente;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate, amend, and execute the 30-year water supply contract with Went Brothers, Inc.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on October 16, 2024.

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



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

**ORIGINATING SECTION:** Administration  
**CONTACT:** Alexandra Bradley

**AGENDA DATE:** October 16, 2024

**SUBJECT:** Amendment to Contract with Axiom of Purpose, LLC

**SUMMARY:**

- To support the Mission to deliver safe, reliable, efficient, and sustainable water, Zone 7 Water Agency (Zone 7) is evaluating the feasibility of the Chain of Lakes Conveyance System project. The project will likely be attractive for future funding and grant opportunities. Staff proposes developing multimedia informational materials such as a short video to facilitate discussions related to funding opportunities. These materials could be used in discussions with state and federal legislators. This action supports Strategic Plan Goal A – Reliable Water Supply and Infrastructure and is to implement Strategic Plan Initiative #2 – Evaluate and develop appropriate new water supply and reliability opportunities.
- The Agency is currently contracted Axiom of Purpose, LLC (authorized by Resolution No. 22-97) for Strategic Communications Services. Axiom of Purpose, LLC is experienced with the development of customized marketing and communication strategies to help Zone 7 achieve its Strategic Plan goals.
- Staff, therefore, recommends amending the contract with Axiom of Purpose, LLC. to increase funding by \$49,500 and authorize development of promotional multimedia materials.

**FUNDING:**

Funding is available in the FY 2024-26 Two-Year Budget for Fund 100 – Water Enterprise Operations.

**RECOMMENDED ACTION:**

Adopt the attached Resolution.

**ATTACHMENT:**

Resolution

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Amendment to Contract with Axiom of Purpose, LLC**

WHEREAS, the proposed action is in support of Strategic Plan Goal A – Reliable Water Supply and Infrastructure and will support implementing Strategic Plan Initiative #2 – Evaluate and develop appropriate new water supply and reliability opportunities; and

WHEREAS, in January 2023, the General Manager executed contract A23-57-AXI with Axiom of Purpose, LLC, for strategic communications services in the amount of \$714,000 (Resolution No. 22-97); and

WHEREAS, Axiom of Purpose, LLC is an experienced strategic communications firm and has a proven track record of providing multimedia asset development and outreach support to the Agency; and

WHEREAS, Axiom of Purpose, LLC's, performance under contract A23-57-AXI has been to the Agency's satisfaction; and

WHEREAS, the Axiom of Purpose, LLC contract needs to be amended to include development of promotional multimedia materials.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to execute an amendment to the contract with Axiom of Purpose, LLC to include facilitation FY 2024-25, increasing the total contract not-to-exceed amount by \$49,500 to a new total of \$763,500.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on October 16, 2024.

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

**ORIGINATING SECTION:** Administration

**CONTACT:** Osborn Solitei

**AGENDA DATE:** October 16, 2024

**SUBJECT:** Amendment to OpenGov, Inc., Master Services Agreement

**SUMMARY:**

- The proposed action is in support of Strategic Plan Goal G – Fiscal Responsibility: Operate the Agency in a fiscally responsible manner and Initiative No. 15 – Optimize the Procurement Process. This initiative No. 15 directs the Agency to provide a centralized procurement function that standardizes workflow, provides simplified and easier-to-understand processes, results in greater efficiencies and frees up project managers to focus on core activities in water and flood operations.
- On February 21, 2024, the Board adopted Resolution No. 24-04, authorizing the General Manager to negotiate and execute a services agreement with OpenGov, Inc. in the amount not-to-exceed \$128,000 for an automated government procurement software (eProcurement).
- Most of the implementation of the e-procurement software is complete. However, staff has identified the need for additional products and services. This includes additional templates for various solicitation types and standard agreements and end-user training on those items.
- Staff, therefore, recommends the Board authorize the General Manager to negotiate and execute an amendment to the master services agreement with OpenGov, Inc., for additional eProcurement products and services for \$30,000, increasing the total not-to-exceed contract amount to \$158,000.

**FUNDING:**

Funding is available in Fund 100 – Water Enterprise Operations Fund and Fund 200 – Flood Protection Operations.

**RECOMMENDED ACTION:**

Adopt the attached Resolution.

**ATTACHMENT:**

Resolution

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Amendment to OpenGov, Inc., Master Services Agreement**

WHEREAS, the proposed action is in support of Strategic Plan Goal G – Fiscal Responsibility: Operate the Agency in a fiscally responsible manner and Initiative No. 15 – Optimize the Procurement Process; and

WHEREAS, in March 2024, the General Manager negotiated and executed agreement A24-72-OPE with OpenGov, Inc. in the amount not-to-exceed \$128,000 for an automated government procurement software (eProcurement); and

WHEREAS, OpenGov’s performance under contract A24-72-OPE has been to the Agency’s satisfaction; and

WHEREAS, the agreement amount needs to be increased by an additional \$30,000 to provide additional eProcurement products and services.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate and execute an amendment to the master services agreement with OpenGov Inc. for additional eProcurement products and services for \$30,000, increasing the total not-to-exceed contract amount to \$158,000.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

<p>I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on <u>October 16, 2024</u>.</p> <p>By: _____ President, Board of Directors</p>
--



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

**ORIGINATING SECTION:** Water Supply Engineering

**CONTACT:** Junming Li/Brandon Woods

**AGENDA DATE:** October 16, 2024

**SUBJECT:** Authorize Refund of Water Connection Fee to Learn and Play Montessori Dublin, Inc.

**SUMMARY:**

- In December 2022, Learn and Play Montessori Dublin, Inc., paid a water connection fee of \$95,730 to Dublin San Ramon Services District (DSRSD) to upsize an existing 1.5-inch meter (50 gpm) to a 2-inch meter (80 gpm). DSRSD subsequently paid Zone 7 \$94,772.70, consistent with Zone 7's water connection charge ordinance, which excludes DSRSD's 1% administrative charge.
- The larger meter has not been installed because DSRSD determined that the customer's water demand does not justify the upsizing of the meter. Consequently, the customer is requesting a refund for the connection fee associated with the meter upsize.
- Staff recommends that the Board authorize the General Manager to refund the water connection fee paid to Zone 7 in the amount of \$94,772.70 to Learn and Play Montessori Dublin, Inc.

**FUNDING:**

Funding is available from Fund 130 – Water Enterprise Capital Expansion.

**RECOMMENDED ACTION:**

Adopt the attached Resolution.

**ATTACHMENT:**

Resolution

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Authorize Refund of Water Connection Fee to  
Learn and Play Montessori Dublin, Inc.**

WHEREAS, the connection fee for a meter upsize was paid by Learn and Play Montessori Dublin, Inc., to Dublin San Ramon Services District (DSRSD) in the amount of \$95,730; and

WHEREAS, DSRSD retained a one percent administrative fee and paid to Zone 7 \$94,772.70 for the upsized meter; and

WHEREAS, the upsized meter has not been installed.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to refund a water connection fee in the amount of \$94,772.70 in accordance with District Ordinance FC 72-1, as amended by Ordinances FC 77-2, FC 86-136, and FC 0-91-68; and

BE IT FURTHER RESOLVED that the General Manager of Zone 7 is hereby authorized and directed to issue a refund of \$94,772.70 to Learn and Play Montessori Dublin, Inc.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on October 16, 2024.

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





**ORIGINATING SECTION:** Water Supply Engineering  
**CONTACT:** Mariza Sibal/Brandon Woods

**AGENDA DATE:** October 16, 2024

**SUBJECT:** Amend Resolution No. 24-68 dated September 18, 2024, for Award a Construction Contract for Del Valle Water Treatment Plant Booster Pump Station VFDs and Underdrain Pump Station Replacement Project

**SUMMARY:**

- On September 18, 2024, the Board approved Resolution No. 24-68, "Award a Construction Contract for Del Valle Water Treatment Plant (DVWTP) Booster Pump Station VFDs and Underdrain Pump Station Replacement Project." The name of the contractor was incorrectly listed as "Pacific Infrastructure Construction, LLC." The correct name of the contractor is "Pacific Infrastructure Corporation."
- Staff recommend the Board amend Resolution No. 24-68 to change the language awarding the contract to the following:

***WHEREAS, the lowest responsive and responsible bid received for Project No. 310-24 is the bid by Pacific Infrastructure Corporation (Pacific Infrastructure) with a bid amount of \$1,165,000.***

**FUNDING:**

The funding request remains the same as in the originally adopted Board Resolution No. 24-68. The total project costs are anticipated to be \$1,908,831. Funding in the amount of \$1,250,000 is available from Fund 120 – Water Enterprise Renewal/Replacement and System-wide Improvements for this Project. Resolution No. 24-68 appropriated \$658,831 in the Fiscal Year 2024-25 budget from Fund 120 – Water Enterprise Renewal/Replacement and System-wide Improvements for this Project.

**RECOMMENDED ACTION:**

Adopt the attached amended Resolution No. 24-68.

**ATTACHMENT:**

Resolution

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO. 24-68 (AS AMENDED)

INTRODUCED BY DIRECTOR  
SECONDED BY DIRECTOR

**Amended Resolution No. 24-68 – Award a Construction Contract for Del Valle  
Water Treatment Plant Booster Pump Station VFDs and Underdrain Pump Station  
Replacement Project**

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

WHEREAS, the Board approved a budget of \$1,250,000 for the DVWTP Booster Pump Station VFDs and Underdrain Pump Station Replacement Project in the Fiscal Year 2023-24 Mid-Cycle Operating and Capital Budget Amendment from Fund 120 – Renewal/Replacement and System-Wide Improvements for this project; and

WHEREAS, an additional appropriation of \$658,831 in the Fiscal Year 2024-25 budget from Fund 120 – Water Enterprise Renewal/Replacement and System-wide Improvements is needed for this project; and

WHEREAS, on August 21, 2024, the Board authorized sole source procurement of several materials for the Project, including Yaskawa U1000 Matrix variable frequency drives, Belden 88760 instrumentation cables, Square D 100A circuit breakers, and Raven AquataPoxy A-61 epoxy product; and

WHEREAS, per the California Environmental Quality Act (CEQA) guidelines, a Notice of Exemption was filed with the Alameda County Clerk and Records Office on July 16, 2024; and

WHEREAS, the Project plans, specifications, and addenda were developed and advertised for bidding in accordance with the California Public Contract Code; and

WHEREAS, four bids were received and publicly read by the Zone 7 General Manager's authorized representative at the Zone 7 Administrative Office, 100 North Canyons Parkway, Livermore, California, on September 4, 2024, at 1:00 p.m.; and

WHEREAS, the lowest responsive and responsible bid received for this Project No. 310-24 is the bid by **Pacific Infrastructure Corporation** with a bid amount of \$1,165,000.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby approve the plans,

specifications, and addenda for the DWWTB Booster Pump Station VFDs and Underdrain Pump Station Replacement Project; and

BE IT FURTHER RESOLVED that the Board of Directors at Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby accept the bid of the lowest responsive and responsible bidder, Pacific Infrastructure Corporation, and authorize the General Manager to execute a construction contract with Pacific Infrastructure in an amount not-to-exceed \$1,165,000; and

BE IT FURTHER RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate and execute change orders as and when needed in an amount not-to-exceed \$116,500; and

BE IT FURTHER RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby appropriate an additional \$658,831 in the Fiscal Year 2024-25 budget from Fund 120 – Water Enterprise Renewal/Replacement and System-wide Improvements for this project.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on October 16, 2024.

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



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

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

**CONTACT:** Carol Mahoney/Valerie Pryor

**AGENDA DATE:** October 16, 2024

**SUBJECT:** Award of State Legislative Advocacy Services Contract

**SUMMARY:**

- To support Zone 7 Water Agency's (Zone 7) mission to deliver a safe and reliable water and effective flood protection services, Zone 7 monitors legislation that is being considered in Sacramento, as well as other political and regulatory activities of interest. This action supports Strategic Plan, Goal F – Stakeholder Engagement, engage our stakeholders to foster understanding of their needs, the Agency, and its function.
- The Agency's current contract for state legislative advocacy services expires December 31, 2024.
- In accordance with the Agency Purchasing Policy which allows procurement of professional services based on qualifications and experience (without a bidding process based on pricing), the selection of the consulting firm for the services was done through a competitive procurement process. A Request for Proposals (RFP) was issued on August 27, 2024. The RFP was advertised on the Agency's website, as well as those of our membership organizations, such as the California Special Districts Association and California Municipal Utilities Association.
- On September 11, 2024, Zone 7 received five proposals that were ranked from Conservation Strategy Group + Solov Advocacy, Rojas Public Affairs, SKV Advocacy, The Gualco Group, Inc., and Townsend Public Affairs. The ranking resulted in two firms being interviewed on October 8, 2024: SKV Advocacy and The Gualco Group, Inc.
- SKV Advocacy was found to be best suited by the selection committee for the state legislative advocacy services based on the firm's demonstration of issues important to the Agency, experience in water, flood protection, natural resources, relationships with similar water agencies, and a strong team serving the Agency with a proven track record.
- Staff recommends the Board authorize the General Manager to:
  - negotiate, execute, and amend as needed a contract with SKV Advocacy to provide professional state legislative advocacy services for a two-year contract to coincide

- with the next legislative cycle (from January 1, 2025, through December 31, 2026) for a contract amount not-to-exceed \$132,000, which includes a 10% contingency.
- negotiate, execute, and amend as needed two optional two-year contract extensions for a contract amount not-to-exceed \$132,000 each (includes a 10% contingency).

**FUNDING:**

Funding for this contract is available from Fund 100 – Water Enterprise Operations and Fund 200 – Flood Protection Operations.

**RECOMMENDED ACTION:**

Adopt the attached Resolution.

**ATTACHMENT:**

Resolution

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**State Legislative Advocacy Services**

WHEREAS, the proposed action is in support of Strategic Plan Goal F – Stakeholder Engagement – engage our stakeholders to foster understanding of their needs, the Agency, and its functions; and

WHEREAS, Zone 7 has an ongoing need for professional government relations support services such as advocacy and legislative consulting and statewide issues; and

WHEREAS, Zone 7 followed the Agency Purchasing Policy allowing for procurement of professional services based on qualifications and experience, and advertised Request for Proposals for consulting services; and

WHEREAS, through a consultant selection process, SKV Advocacy was determined to be the best qualified firm to provide these services and perform the required work.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District, does hereby authorize the General Manager to negotiate, execute, and amend as needed a contract with SKV Advocacy to provide professional state legislative advocacy services for a two-year contract (from January 1, 2025, through December 31, 2026) in an amount not-to-exceed \$132,000, which includes a 10% contingency.

BE IT FURTHER RESOLVED that the General Manager is authorized to negotiate, execute, and amend as needed two optional two-year contract extensions in an amount not-to-exceed \$132,000 each, including a 10% contingency.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on October 16, 2024.

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

**ORIGINATING SECTION:** Administration

**CONTACT:** Osborn Solitei

**AGENDA DATE:** October 16, 2024

**SUBJECT:** Proposed Untreated Water Rates for Calendar Year 2025

**SUMMARY:**

- The proposed action is in support of Strategic Plan Goal G – Fiscal Responsibility: Operate the Agency in a fiscally responsible manner and Strategic Initiative No. 24 – continue to effectively manage financial resources. In carrying out these fiscal responsibilities, the Agency sets rates and fees to recover the cost of service.
- The Agency sets untreated water rates annually that are consistent with the Board policy guidelines for untreated water rates established and adopted via Resolution No. 21-77 on October 20, 2021. A reconciliation process or “true-up” is also performed each year to ensure the Agency has not previously over- or under-collected from the untreated customers.
- The calendar year (CY) 2025 untreated water rate calculation has been completed. Based on the policy guidelines for untreated water rates, the CY 2025 calculated untreated water rate is \$239 per acre foot (\$239/AF).
- The scheduled reconciliation charge for the second year of the Board approved five-year implementation schedule is \$42/AF. Applying this charge to the calculated rate brings the CY 2025 preliminary untreated water rate to \$281/AF.
- Staff presented the CY 2025 preliminary untreated water rate (\$281/AF) to the Finance Committee on September 12, 2024. After discussion, the Committee recommended modifying the reconciliation charge for CY 2025 from \$42/AF to \$24/AF, thereby maintaining the untreated water rate of \$263/AF for CY 2025. To support this recommendation, Director Narum referenced the Reconciliation Framework from Attachment A, stating *“the Board can determine the number of years to phase-in the reconciliation charge based on the relevant policy objectives, such as minimizing customer impacts”*. Table 1 compares the current untreated water rate to the CY 2025 proposed rate incorporating the Committee’s recommendation.

Table 1  
Annual Untreated Water Rate Comparison

	<b>CY 2024 (Adopted)</b>	<b>CY 2025 (Proposed)</b>
Calculated Rate	\$220	\$239
Reconciliation Charge	\$43	\$24
<b>Untreated Rate</b>	<b>\$263</b>	<b>\$263</b>

- Consistent with past practice, staff will present the CY 2025 proposed untreated water rate at the October 16, 2024, regular Board meeting. Staff will also recommend the Board adopt the authorizing Resolution to approve the untreated water rates for CY 2025.

## **DISCUSSION:**

In October 2021, following an extensive untreated water stakeholder outreach process, the Board provided policy guidelines regarding the untreated water rate components. The approved components include:

- *Water Supply Costs:* Water supply costs make up approximately 85-90% of the untreated water rate and have proven to be very volatile due to declining water supply reliability, climate change, and weather whiplash. In dry years, expensive water transfers may be needed to meet current demands. In extremely wet years, the Agency incurs costs associated with storing water, which is essential to meet demands during future dry years. Given the uncertainty, the Agency uses the five-year historical average of water supply costs and water deliveries for rate setting purposes. The five-year historical average captures the highs and lows of hydrology and the associated costs and helps mitigate major rate volatility from year to year. The annual reconciliation process captures any over- or under-collection of revenues.
- *Water Service Costs:* The Agency is committed to providing a reliable supply of high-quality water for municipal, industrial, and agricultural customers, and spends a considerable amount of time managing the water supply portfolio. These water service costs are relatively stable year-to-year and are projected based on hours worked and hourly rate of pay.
- *Overhead:* Overhead costs are the ongoing costs of running the Agency that are not directly tied to water delivery or water service. These include expenses like property management and utilities at North Canyons, Board and administration salaries, IT, and insurance. The customers pay for a portion of the overhead costs through the water rate, ensuring the Agency can maintain operations and continue to deliver water.

Prior to the commencement of the 2024 annual untreated rate setting process, staff provided the untreated customers with an overview of the upcoming CY 2025 rate setting schedule to ensure customers were aware of specific Committee and Board meetings that may be of interest. As part of this correspondence, staff encouraged customers to attend and participate in these meetings to facilitate open communication and transparency throughout the process. Untreated customers attended both the August and September Finance Committee meetings.

Staff completed the untreated water rate calculation for CY 2025. The calculation has resulted in a CY 2025 untreated water rate of \$239/AF and a temporary untreated water rate of \$954/AF. Table 2 provides a breakdown of both calculations.



Untreated Water Rate Calculation<sup>1</sup>

Untreated Water Rate Calculation	Total Planned Untreated Cost	Planned Untreated Deliveries (AF)	Unit Rate (\$/AF)
Water Service Costs	\$104,684	5,275	\$20
Overhead Costs	\$50,074	5,275	\$9
Water Supply Costs	1,105,612	5,275	\$210
<b>Total Untreated Water Rate</b>	<b>\$1,260,370</b>		<b>\$239</b>
Untreated Water Costs	\$1,260,370	5,275	\$239
Temporary Water Supply Costs <sup>2</sup>	\$3,770,091	5,275	\$715
<b>Total Temporary Untreated Water Rate</b>	<b>\$5,030,461</b>		<b>\$954</b>

In addition to the annual rate calculation, staff performs an annual reconciliation to determine if the Agency previously over- or under-collected from the untreated customers. The annual reconciliation is in place due to the absence of an established fund balance for the untreated water program. As part of the CY 2025 untreated rate setting process, staff completed and presented the results of the CY 2023 reconciliation at the August 8, 2024, Finance Committee meeting. Based on the results, a credit of \$304,392 was applied to the outstanding reconciliation balance, reducing it to (\$1,108,165).

In October 2023, the Board approved the five-year implementation schedule via Resolution No. 23-77, dated October 18, 2023, for collecting the outstanding reconciliation balance of the untreated water program. At the September 12, 2024, Finance Committee meeting, the Committee recommended lowering the CY 2025 reconciliation charge from the scheduled \$42/AF to \$24/AF to keep the untreated rate unchanged at \$263/AF. The Committee’s recommendation was in response to concerns over the increase in the preliminary rate and the Committee’s commitment to minimize customer impacts, when possible, by providing temporary relief. The Committee’s recommendation maintains the five-year implementation schedule but modifies the planned reconciliation charge for CY 2025 and applies the difference to the final year of the five-year schedule. Table 3 compares the originally approved schedule to the Committee’s recommended schedule.

Table 3  
Five-Year Implementation Schedule Comparison

	Year 1 CY 2024	Year 2 CY 2025	Year 3 CY 2026	Year 4 CY 2027	Year 5 CY 2028
Approved 5-Year Phase-in	\$43	\$42	\$42	\$41	\$41
Recommended 5-Year Phase-in	\$43	\$24	\$42	\$41	\$59
Change	\$-	(\$18)	\$-	\$-	\$18

Table 4 illustrates the impact of applying the recommended CY 2025 reconciliation charge to the CY 2025 calculated untreated water rate and compares the CY 2025 proposed untreated rate to the current rate.

<sup>1</sup> Values may not add due to rounding.

<sup>2</sup> Temporary costs include the State Water Project fixed costs collected through the property tax override.

Table 4  
CY 2025 Proposed Untreated Water Rate

Revised Phase-in	CY 2025 Reconciliation Charge	CY 2025 Calculated Rate	CY 2025 Proposed Untreated Rate	Current Untreated Rate <sup>3</sup>	Change (\$)
5-Year	\$24	\$239	<b>\$263</b>	\$263	\$0

The draft report for the CY 2025 Untreated Water Rate Update can be found in Attachment A.

Staff recommends the Board adopt the attached Resolution approving the proposed CY 2025 untreated water rates. If approved, the CY 2025 untreated water rates will take effect January 1, 2025.

**FUNDING:** N/A

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

**ATTACHMENTS:**

1. Resolution
2. Attachment A – Draft CY 2025 Untreated Water Rate Update Report
3. Attachment B – Historical Untreated Water Rates

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<sup>3</sup> Current rate includes a \$43 reconciliation charge.

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Adoption of Calendar Year 2025 Untreated Water Rates**

WHEREAS, the proposed action is in support of Strategic Plan Goal G - Fiscal Responsibility: Operate Zone 7 Water Agency (the "Agency") in a fiscally responsible manner. In carrying out these fiscal responsibilities, the Agency sets rates and fees to recover cost of service; and

WHEREAS, the Agency updated untreated water rates for calendar year 2025 consistent with the Board principles for untreated water rates approved in Board Resolution No. 21-77 dated October 20, 2021; and

WHEREAS, the Board of Directors has the flexibility to phase-in the reconciliation charge, if applicable, to minimize rate impacts to untreated water customers; and

WHEREAS, per Resolution No. 23-77, dated October 18, 2023, the outstanding reconciliation balance shall be collected per the approved five-year implementation schedule. The outstanding reconciliation balance, as of December 31, 2023, is negative \$1,108,165; and

WHEREAS, the Board has determined the previously approved five-year implementation schedule shall be modified and the calendar year 2025 reconciliation charge be reduced to \$24 per acre-foot to minimize impacts to untreated water customers.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District, adopt the following rate schedule for Untreated Water Service, Temporary Untreated Water Service, and Non-Scheduled Untreated Water Services:

FIRST, for Untreated Water Service, a delivery charge of \$263 per acre-foot for all metered water delivered to each customer per month; and

SECOND, for Temporary Untreated Water Service, an initial service establishment charge of \$125 per turnout for each new direct connection to the Zone system or a system supplying the Zone system; and

A monthly service charge of \$21 per turnout; and

A delivery charge of \$954 per acre-foot for all water delivered monthly based on total meter readings or as may be otherwise determined by the Agency; and

THIRD, for Non-Scheduled Untreated Water Service, a delivery charge of \$954 per acre-foot for water delivered to each customer per month; and

BE IT FURTHER RESOLVED, that said rate schedule for Untreated Water Service, Temporary Untreated Water Service, and Non-Scheduled Untreated Water Service shall be effective as of January 1, 2025, and shall end on the next effective date for such water rates adopted by the Board.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on October 16, 2024.

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



**WATER  
AGENCY**



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# Executive Summary

## Agency Background

Zone 7 Water Agency (the “Agency”) was established in 1957 to provide untreated water to support agriculture and provide treated wholesale water to the Livermore-Amador Valley. In 1961, the Agency contracted for State Water Project (SWP) water deliveries through the South Bay Aqueduct (the “SBA”).

The Agency’s water resources include imported water from the SWP, local groundwater storage, surface water captured in the Del Valle Reservoir, and offsite groundwater banking in Kern County. Historically, most of the Agency’s water demand has been met by imported water from the SWP; approximately 70 percent of the current water demand is met through SWP water.

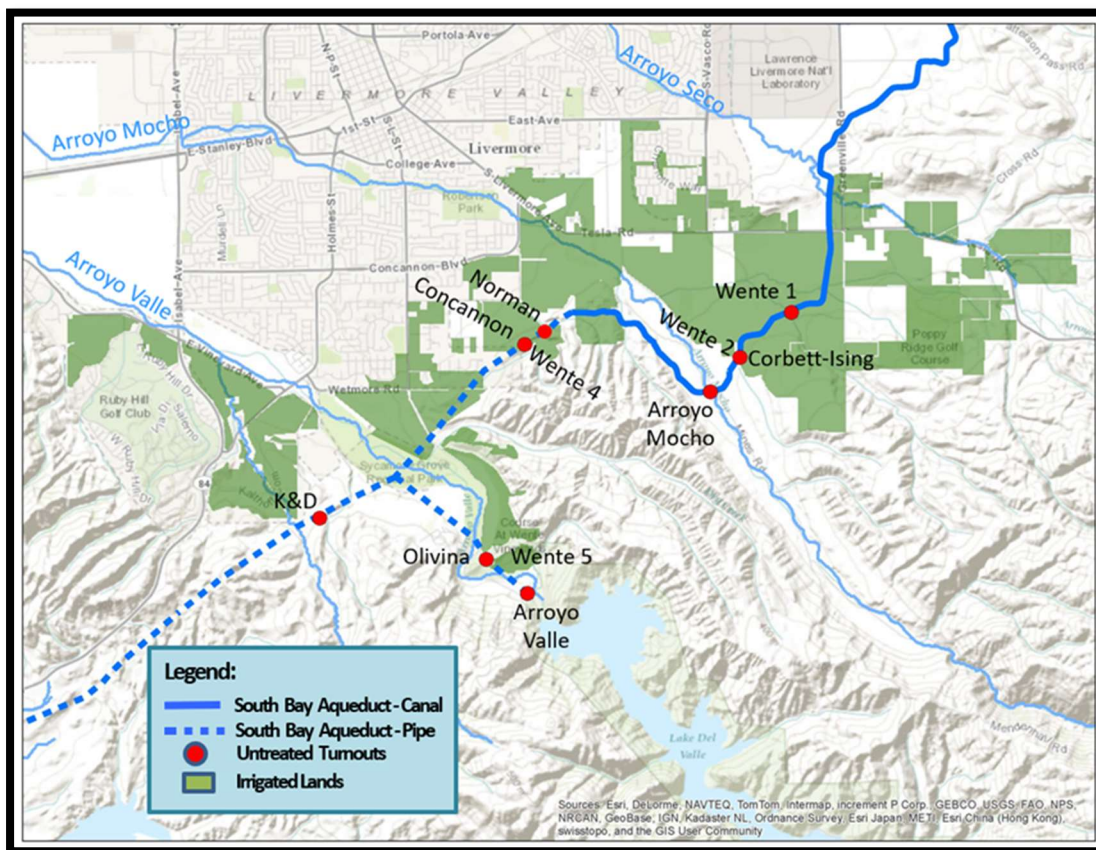
The Agency began delivering untreated water to its service area from the California Department of Water Resources (DWR) via the SBA in 1962. Over the years, deliveries increased with the agricultural development of South Livermore. The Agency provides untreated water service to 87 untreated water users that may collectively request water deliveries of up to 8,104 acre-feet (AF) per year. However, only seven of these contractors receive water from the Agency directly from a SBA turnout. These seven water users are referred to as “turnout water users.” The remaining 80 “remote water users” receive their water deliveries through the turnout water users’ respective conveyance facilities. The Agency’s current practice is to invoice the seven turnout water users for all water delivered through the turnouts, which includes water wheeled, or delivered through their respective facilities, to remote water users. The turnout water users, in turn, invoice the respective individual remote water users. The Agency does not invoice remote water users and is not involved in setting remote water user rates.

Prior to 2011, the Agency had contracts with the separate users. In 2011, the Agency transitioned from individual contracts to the Rules and Regulations Governing Water Service. The Rules and Regulations Governing Water Service reflect the actual relationship the Agency has with its untreated water customers. This transition allowed the Agency to administer the untreated water program more effectively by clearly documenting and maintaining a maximum annual allocation for each water user and providing a process for water transfers within the service area.



**Figure 1** shows the map of the untreated water turnouts and delivery via the SBA.

Figure 1: Map of Untreated Water Turnouts



## 2024 Untreated Water Rate Update Background

The 2024 Untreated Water Rate Update (the “2024 Update”) updated the untreated water rates for calendar year (CY) 2025 based on the Board principles for untreated water rates adopted via Resolution No. 21-77, dated October 20, 2021.

The major objectives of the 2024 Update include:

- » Ensure financial sufficiency for the untreated water enterprise to meet water supply and program costs
- » Develop untreated and temporary untreated water rates consistent with approved Board principles
- » Maintain fairness and equitability of rates while minimizing customer impacts

## General Report Assumptions

The 2024 Update acknowledges the volatility of water supply costs from year to year and the challenge of accurately predicting future water supply by smoothing projected water supply costs using a five-year historical average. This method helps avoid major rate shock to

untreated water customers when extreme weather patterns are anticipated. The following assumptions reflect five-year historical averages:

- » Planned Water Deliveries
- » Planned Water Supply Costs

### Current Rates

The Agency’s current untreated water rates include two components: an untreated water rate for normal water service and a temporary untreated water rate for customers that require temporary service and are unable to obtain water from other areas in the valley.

**Table 1** shows the current untreated water rates (CY 2024), which the Agency adopted on October 18, 2023, via Resolution No. 23-77.

**Table 1: Current Untreated Water Rates (CY 2024)**

Current Untreated Water Rates (\$/AF)	CY 2024
Untreated Water Rate	\$263 <sup>1</sup>
Temporary Untreated Water Rate	\$916

### Planned Water Deliveries

**Table 2** shows the planned water deliveries for untreated and treated water customers in CY 2025, and the percent of total deliveries for each service. As mentioned above, planned untreated and treated water deliveries are based on the five-year historical average.

**Table 2: Planned Water Deliveries (CY 2025)**

Planned Water Deliveries	Total AF	% of Total
Untreated Water	5,275	13.14%
Treated Water	34,876	86.86%
<b>Total</b>	<b>40,151</b>	<b>100.0%</b>

### Calculated Untreated Water Rates

**Table 3** shows the calculated untreated water rate and the temporary untreated water rate for CY 2025. The calculated rate excludes any reconciliation charge or credit.

**Table 3: Calculated Untreated Water Rates (CY 2025)**

Calculated Untreated Water Rates (\$/AF)	CY 2025
Untreated Water Rate	\$239
Temporary Untreated Water Rate	\$954

<sup>1</sup>Current rate includes a \$43 reconciliation charge.

# Water Service

This section outlines the Agency's water service costs and the associated costs & descriptions of the various staff programs that make up the water service costs.

## Agency Staff Programs

The Agency is committed to providing a reliable supply of high-quality water for municipal, industrial, and agricultural customers and spends a considerable amount of time managing the water supply portfolio. These water service costs are calculated on actual hours worked by Agency staff and an hourly rate of pay.

The following section describes the various staff programs and their roles in the untreated water system. All the following Agency staff programs, except for the Untreated Water Program, serve both treated and untreated water customers. All other Agency staff programs that do not serve the untreated water customers (i.e. Water Treatment, Groundwater Administration, Local Water Rights, and Flood Protection) have been excluded.

### **State Water Project Program**

Administration of the State Water Project water supply.

### **Untreated Water Program**

Execution, management, and administration of the Untreated Water Program.

### **Water Supply and Storage Planning**

Operational planning of the water utility and the water supply, day-to-day water supply management activities, administration and support related to water storage, water supply and conveyance, and other water supplies.

### **Cawelo Banked Water Program**

Administration, operation, and maintenance of the Cawelo water supply, including recovery and storage.

### **Semitropic Banked Water Program**

Administration, operation, and maintenance of the Semitropic water supply, including recovery and storage.

## Water Service Costs

Agency staff provided estimated water service costs for each of the programs, which include projected hourly pay and hours worked per role for CY 2025. The detailed water service costs by program are included in the **Technical Appendix**.

**Table 4** shows the water service cost summary for all Agency staff programs that serve the Untreated Water Customers and the allocation to the untreated water system. Untreated Water Program costs are only distributed to the untreated water system, while the remaining staff programs benefit both treated and untreated customers. The percent of costs allocated to untreated water customers (except for Untreated Water Program costs) is based on the proportion of planned water deliveries for CY 2025 from **Table 2**.

**Table 4: Water Service Cost Summary (CY 2025)<sup>2</sup>**

<b>Water Service Costs Summary</b>	<b>Total Agency</b>	<b>% To Untreated</b>	<b>Total Untreated</b>
State Water Project Program	\$98,564	13.14%	\$12,949
Untreated Water Program	\$32,018	100.0%	\$32,018
Water Supply and Storage Planning	\$417,049	13.14%	\$54,792
Cawelo Banked Water Program	\$20,797	13.14%	\$2,732
Semitropic Banked Water Program	\$16,685	13.14%	\$2,192
<b>Total - Water Service Costs</b>	<b>\$585,113</b>	<b>17.89%</b>	<b>\$104,684</b>

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<sup>2</sup> Values may not add due to rounding.

# Agency Overhead

This section outlines the Agency’s overhead costs and calculation. The resulting overhead percentage, determined in **Table 7**, is applied to the water service costs derived in the previous section.

## Overhead Costs and Calculation

Overhead costs are the ongoing costs of running the Agency that are not directly tied to water production or water service. These include expenses like property management and utilities at the Agency’s headquarters, Board and administration salaries, information technology, and insurance. The Agency needs to cover these costs to stay operational, so the customer indirectly pays for a portion of the overhead through the rate, ensuring the Agency can maintain operations and continue to deliver water.

For this report, these costs are referred to as Central Administration costs, or indirect costs and are shared across all Agency departments. Detailed central administration costs are included in the **Technical Appendix** at the end of this report.

The overhead calculation uses both direct labor costs and indirect costs for all Agency programs. Direct labor costs are Agency staff hours charged directly to the following programs: Water Utility Support Services, Supply Source and Conveyance, Water Storage, Water Treatment, Water Transmission, and Flood Protection. Indirect costs are charged to the Central Administration program. **Table 5** shows the total direct labor and indirect costs to each program.

**Table 5: Agency Direct Labor and Indirect Costs (CY 2025)<sup>3</sup>**

Programs	Direct Labor	Indirect Costs
Water Utility Support Services	\$3,310,479	\$0
Supply Source & Conveyance	\$290,248	\$0
Water Storage	\$1,760,057	\$0
Water Treatment	\$7,231,061	\$0
Water Transmission	\$1,116,937	\$0
Central Administration	\$0	\$7,342,557
Flood Protection	\$1,641,345	\$0
<b>Total - Programs</b>	<b>\$15,350,127</b>	<b>\$7,342,557</b>

**Table 6** takes the total direct labor and indirect costs from **Table 5** and adds the allocation of indirect costs to each program based on the proportion of direct labor costs. For example, the following equation is used to calculate the allocated Central Administration indirect costs for the Water Utility Support Services program:

<sup>3</sup> Values may not add due to rounding.

$\$7,342,557$  total Central Administration costs x ( $\$3,310,479$  Water Utility Support Services direct labor costs /  $\$15,350,127$  total direct labor costs) =  $\$1,583,529$

**Table 6: Agency-wide Overhead Cost Allocations (CY 2025)<sup>4</sup>**

Programs	Direct Labor Costs	Indirect Costs (Central Admin)	Central Admin Allocation
Water Utility Support Services	\$3,310,479	\$0	\$1,583,529
Supply Source & Conveyance	\$290,248	\$0	\$138,837
Water Storage	\$1,760,057	\$0	\$841,903
Water Treatment	\$7,231,061	\$0	\$3,458,895
Water Transmission	\$1,116,937	\$0	\$534,274
Central Administration	\$0	\$7,342,557	\$0
Flood Protection	\$1,641,345	\$0	\$785,119
<b>Total - Programs</b>	<b>\$15,350,127</b>	<b>\$7,342,557</b>	<b>\$7,342,557</b>

The relevant programs, applicable to the untreated water system, include Water Utility Support Services, Supply Source and Conveyance, and Water Storage (highlighted in light blue). **All other program costs do not directly apply to the untreated water system and are not included in the calculation.**

**Table 7** shows the calculation of the untreated water overhead percentage. The Agency-wide overhead allocation is represented by the indirect costs associated with each dollar of direct labor costs. To calculate the untreated water overhead percentage, the central administration costs for the Water Utility Support Services, Supply Source and Conveyance, and Water Storage Programs are divided by the total direct labor costs for the same three programs. The resulting percentage of 47.8 percent represents approximately 48 cents of indirect costs for each dollar of applicable direct labor costs allocated to untreated water.

**Table 7: Untreated Water Overhead Percentage Calculation (CY 2025)<sup>4</sup>**

Untreated Water Programs	Direct Labor	Central Admin
Water Utility Support Services	\$3,310,479	\$1,583,529
Supply Source & Conveyance	\$290,248	\$138,837
Water Storage	\$1,760,057	\$841,903
<b>Total - Untreated Water Programs</b>	<b>\$5,360,783</b>	<b>\$2,564,269</b>
Overhead Percentage		47.8%

**Table 8** shows the untreated water program’s portion of overhead, which is calculated by multiplying the overhead percentage in **Table 7** by the planned untreated water service costs for CY 2025 in **Table 4**.

<sup>4</sup> Values may not add due to rounding.

**Table 8: Untreated Water Overhead Costs (CY 2025)<sup>5</sup>**

<b>Overhead Costs</b>	<b>Total Untreated</b>
Untreated Water Service Costs	\$104,684
Overhead Percentage	47.8%
<b>Untreated Water Overhead Costs</b>	<b>\$50,074</b>

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<sup>5</sup> Values may not add due to rounding.

# Water Supply

This section of the report outlines the Agency's water supply sources and planned water supply costs for CY 2025. Water supply costs make up approximately 85-90% of the untreated water rate and historically have been very volatile and challenging to predict.

## Water Supply Portfolio

The Agency's water sources are used to meet treated and untreated water demand. Treated water demand comes from municipal (retailers) and industrial (direct) customers and untreated water demand comes from agricultural customers. When available, excess surface water supplies are placed into storage locally or remotely for future use. Total water supply costs are included in the rate calculation for both treated and untreated water deliveries.

### State Water Project

- » **Table A**

Table A is the Agency's portion of the State Water Project annual allocation and represents the largest portion of Zone 7's "new" water supply each year. The Agency's maximum allocation is 80,619 AF annually. Each year, the Agency receives a "Table A allocation" representing a percentage of 80,619 AF.

- » **Excess Supplies**

This is officially referred to as "Article 21" water and is surplus water that is made available, in addition to Table A water, when the San Luis Reservoir is full. It is water that would otherwise flow to the Bay.

- » **Carryover**

This is officially referred to as "Article 56" water and is available when the Agency's Table A water rolls over as carryover for use in future years. In most years, this water remains in the San Luis Reservoir, but in wet years, such as 2023, the San Luis Reservoir can be at risk of spilling, which causes stored carryover to be lost. Each year, the Agency typically reserves 10,000 to 15,000 AF as a carryover to mitigate against fluctuating Table A allocations.

- » **Delta Conveyance Project**

This project offers alternative conveyance to the existing State Water Project system based on a new, single-tunnel option that could bypass the South Delta when it is unusable. The project has been developed by the Department of Water Resources to address challenges related to climate change/sea level rise, earthquakes, environmental impacts, and water quality degradation rendering the State Water Project conveyance system and Delta unreliable.

### Water Transfers/Exchanges

This supply is comprised of imported water purchased by the Agency through both long-term and short-term (annual) agreements with another entity (e.g., water agency, farm).

- » **Yuba Accord**

Water from this source is available mainly in dry years through an agreement with the



DWR and Yuba County Water Agency. The Agency receives approximately 1 percent of available water.

» **Dry Year Transfer Program**

During dry years, the State Water Contractors negotiate water purchases north of the Delta, which makes additional water available to interested SWP contractors.

**Other Transfers**

Water from this source is obtained through negotiations with other SWP contractors, typically in dry years when the Table A allocation is low.

**Banked Water Programs**

» **Cawelo and Semitropic Banked Water**

The Agency has agreements with Semitropic Water Storage District and Cawelo Water District in Kern County for 78,000 AF and 120,000 AF of storage capacity, respectively. The Agency recovers water from these banks as needed during dry years (such as 2021 and 2022) and stores water in wet years (2023). Recovered water is delivered via exchange through the South Bay Aqueduct as surface water is conveyed through the Delta.

**Water Supply Costs**

Water supply costs are challenging to predict due to climate change and declining water supply reliability. In addition, anticipated water supply costs and the SWP’s final allocation for CY 2025 is not available until mid-2025. Because of these challenges, the CY 2025 planned water supply costs are based on the five-year historical average of allocable water supply costs. This method generates projected water supply costs of \$8,415,354 for CY 2025.

**Table 9** shows five years of historical water supply costs. The water supply breakdown can be found in the **Technical Appendix**.

**Table 9: Five-Year Historical Water Supply Costs<sup>6</sup>**

	<b>Total Water Supply Costs</b>
FY 2019-20	\$3,916,962
FY 2020-21	\$5,672,701
FY 2021-22	\$15,912,409
FY 2022-23	\$9,107,429
FY 2023-24 (Unaudited)	\$7,467,271
<b>5-Year Average</b>	<b>\$8,415,354</b>

**Table 10** shows the water supply cost summary and the allocation to the untreated water program. The percent of costs allocated to untreated water customers is based on the proportion of planned water deliveries in CY 2025 from **Table 2**.

**Table 10: Planned Water Supply Cost Summary (CY 2025)<sup>6</sup>**

<b>Planned Water Supply Cost Summary</b>	<b>Total Agency</b>	<b>% To Untreated</b>	<b>Total Untreated</b>
Water Supply Costs	\$8,415,354	13.14%	\$1,105,612
Temporary Water Supply Costs	\$28,696,000	13.14%	\$3,770,091

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<sup>6</sup> Values may not add due to rounding.

# Water Reconciliation Charge

This section of the report outlines the framework and calculations for the water reconciliation charge.

## Reconciliation Framework

As part of the 2021 Untreated Water Rate Study, Raftelis Financial Consultants, Inc. collaborated with Agency staff to develop the following framework for calculating the annual water reconciliation charge, which is detailed in this subsection of the report. The proposed water reconciliation charge framework meets the Agency's objectives for the following reasons:

- » Truing up water supply and water service costs from prior years will ensure that the Agency is collecting sufficient revenues to meet its costs.
- » The water reconciliation charge, which can be an additional charge or a credit, ensures the Agency is not over- or under-collecting revenues from its untreated water customers.
- » The water reconciliation charge also establishes equity between treated and untreated water customers by ensuring that untreated water customers are paying for their fair share of costs.

### **Step 1: Determine the implementation schedule for the water reconciliation charge.**

Actual calendar year cost information is available to the Agency six months after the year ends. Therefore, the water reconciliation charge true up costs at least two years prior to the year that it is implemented. For example, actual costs for CY 2023 are available in mid-2024; the water reconciliation charge, which is calculated to true up CY 2023 costs, is then implemented in the CY 2025 untreated water rate. The Agency's Board can determine the number of years to phase-in the reconciliation charge based on relevant policy objectives, such as minimizing customer impacts. Generally, the water reconciliation charge is applied to the next year's rate. However, if the true-up of costs in a particular year are significantly higher than planned, the Board can opt to phase-in the water reconciliation charge over multiple years to minimize impacts to customers.

### **Step 2: Allocate actual costs for the entire Agency between treated and untreated water based on planned or actual deliveries.**

Agency costs include water supply costs, water service costs, and overhead for both treated and untreated water customers. Once actual costs are available for the reconciliation year, the proposed framework allocates each cost category based on the following:

- » Water supply costs are allocated between treated and untreated customers based on each user group's proportion of actual deliveries. Since most water supply costs are variable (meaning that the more water delivered, the higher the costs), it is most equitable to allocate these costs between the two customer types based on the amount of actual water delivered to each.

- » Untreated water program costs are allocated entirely to untreated water customers.
- » The remaining water service costs are allocated between treated and untreated customers based on each user group's proportion of planned deliveries. Since water service costs are fixed (meaning that these costs are incurred regardless of how much water is delivered), it is most equitable to allocate these costs based on the planned deliveries that were used to calculate that year's rate.
- » Overhead costs are determined by multiplying the planned overhead percentage for that year's rate by the water service costs allocated to untreated water customers.
- » It is important to note that all costs included in the original untreated water rate should be included in the reconciliation, and vice versa.

**Step 3: Calculate the reconciliation amount using a cash flow analysis.**

Historically, untreated water usage has been relatively steady year-to-year. However, in years where actual untreated water usage exceeds planned untreated water usage (which is used to determine the rate), increased revenue is received from the untreated water program. The cash flow analysis not only incorporates the actual costs incurred by the Agency but also isolates the untreated water customers' economies of scale generated from increased water usage. The cash flow analysis to determine the amount that is reconciled includes two components:

- » Actual untreated water rate revenues for the reconciliation year
- » Actual untreated water costs for the reconciliation year.

Actual untreated water rate revenues are compiled for the reconciliation year and actual untreated water costs were determined in Step 2. The cash flow analysis is equal to the actual untreated water rate revenues less actual untreated water costs.

If a reconciliation balance is outstanding, the credit/charge resulting from the cash flow analysis will be applied to the outstanding reconciliation balance.

**Step 4: Determine the water reconciliation charge.**

To determine the reconciliation charge, the reconciliation amount, calculated in Step 3, is divided by the planned deliveries for the implementation year. The reconciliation charge is then divided by the number of phase-in years determined in Step 1. The resulting number is the reconciliation charge to apply to each future year.

**Step 5: Repeat the same process for future years.**

This framework can be used to determine the water reconciliation charge for any future year. The Agency's Board can elect to phase-in the water reconciliation charge as determined in Step 1. However, the reconciliation charge implementation schedule determined in Step 1, must be incorporated each year to ensure Agency staff can fully understand the financial impacts of the implemented rates, especially rates that are lower than what is necessary to fully reconcile all costs and revenues for the untreated water system.

## CY 2023 Reconciliation Calculation

This subsection will detail the calculation for the CY 2023 water reconciliation amount following the steps outlined in the framework.

### Step 1: Determine the implementation schedule for the water reconciliation charge.

As a result of the CY 2022 reconciliation calculation, the Board approved a five-year implementation schedule of the outstanding reconciliation balance (Resolution No. 23-77, dated October 18, 2023). The first year of the phase-in was applied to the CY 2024 untreated water rate.

### Step 2: Allocate actual costs for the entire Agency between treated and untreated water based on planned or actual deliveries.

**Table 11** shows the planned and actual water deliveries between untreated and treated water in CY 2023. The planned deliveries for CY 2023 are the same as those used to calculate the CY 2023 untreated water rate. The resulting percentage allocations are then used to divide actual water supply and water service costs to untreated water customers.

**Table 11: Water Deliveries and Allocations (CY 2023)**

Water Deliveries	Untreated Water	Treated Water	Total
Planned Deliveries (AF)	6,000	36,361	<b>42,361</b>
Percent Allocation	14.16%	85.84%	<b>100%</b>
Actual Deliveries (AF)	4,726	33,850	<b>38,576</b>
Percent Allocation	12.25%	87.75%	<b>100%</b>

**Table 12** shows the CY 2023 actual costs allocated to untreated water. Water supply costs are allocated based on the percent of actual deliveries, untreated water program costs are allocated entirely to untreated water and the remaining water service costs are allocated based on the percent of planned deliveries from **Table 11**. Untreated overhead costs are allocated based on the planned overhead allocation from **Table 7**.

**Table 12: Actual Untreated Water Supply and Service Costs (CY 2023)<sup>7</sup>**

<b>Actual Costs (CY 2023)</b>	<b>Agency Total</b>	<b>Allocation Method</b>	<b>% to Untreated</b>	<b>Total Untreated</b>
<b>Water Supply Costs<sup>8</sup></b>				
Delta Conveyance Project	\$2,375,000	Actual Deliveries	12.25%	\$290,965
SWP Transportation <sup>9</sup>	\$2,683,975	Actual Deliveries	12.25%	\$328,818
Yuba Accord	\$0	Actual Deliveries	12.25%	\$0
Dry Year Transfer Program	\$0	Actual Deliveries	12.25%	\$0
Other Water Transfers	\$0	Actual Deliveries	12.25%	\$0
Semitropic Banked Water	\$442,492	Actual Deliveries	12.25%	\$54,210
Semitropic Banked Water O&M	\$547,300	Actual Deliveries	12.25%	\$67,050
Cawelo Banked Water	\$0	Actual Deliveries	12.25%	\$0
<b>Total - Water Supply Costs</b>	<b>\$6,048,767</b>			<b>\$741,043</b>
<b>Water Service Costs</b>				
State Water Project Administration	\$92,090	Planned Deliveries	14.16%	\$13,044
Untreated Water Administration	\$19,308	Untreated Water	100%	\$19,308
Water Supply and Storage Planning	\$535,085	Planned Deliveries	14.16%	\$75,789
Water Banking Programs	\$22,942	Planned Deliveries	14.16%	\$3,249
<b>Total - Water Supply Management Staff Costs</b>	<b>\$669,425</b>			<b>\$111,390</b>
<b>Overhead</b>				
<b>Total Overhead Costs</b>	N/A	Planned	43.37%	<b>\$48,305</b>
<b>Total Costs</b>	<b>\$6,718,192</b>			<b>\$900,738</b>

**Step 3: Calculate the reconciliation amount using a cash flow analysis.**

The cash flow analysis calculates whether the untreated water sales revenue, collected in CY 2023, was sufficient to cover the actual untreated water program costs. Where revenues exceed costs, a credit is applied to the reconciliation balance. Where costs exceed revenue, a charge is applied.

<sup>7</sup> Values may not add due to rounding.

<sup>8</sup> CY 2023 water supply costs reflect a State Water Project Allocation of 100%.

<sup>9</sup> SWP Transportation costs exclude 7,900 AF of SWP water conveyed to recharge the groundwater basin and 842 AF of Article 21 (SWP surplus water) sold directly to customers.

**Table 13** shows the cash flow analysis used to determine whether CY 2023 resulted in a credit or charge against the untreated water program reconciliation balance.

**Table 13: Cash Flow Analysis (CY 2023)**

Water Reconciliation Charge	CY 2023
Actual Untreated Water Rate Revenue <sup>10</sup>	\$1,205,130
(Less) Actual Untreated Water Costs <sup>11</sup>	\$900,738
<b>CY 2023 Reconciliation Amount (Credit)</b>	<b>\$304,392</b>

The CY 2023 credit of \$304,392 was a result of the following:

- \$36/AF reconciliation charge applied to the rate generating approximately \$170K of revenue.
- Approximately \$134K of water supply cost savings due to a 100% State Water Project allocation.

**Step 4: Determine the water reconciliation charge.**

The CY 2023 reconciliation resulted in a credit which has been applied to the outstanding reconciliation balance. Per Resolution No. 23-77, dated October 18, 2023, the remaining outstanding reconciliation balance will be collected over the succeeding four years.

Based on the Finance Committee’s recommendation, the CY 2025 reconciliation charge has been modified to \$24/AF and the difference has been applied to the final year of the reconciliation schedule. **Table 14** compares the originally approved schedule to the recommended schedule based on the Committee’s recommendation.

**Table 14: Five-Year Implementation Schedule Comparison**

	Year 1 CY 2024	Year 2 CY 2025	Year 3 CY 2026	Year 4 CY 2027	Year 5 CY 2028
Approved 5-Year Phase-in	\$43	\$42	\$42	\$41	\$41
Recommended Phase-in	\$43	\$24	\$42	\$41	\$59
Change	\$-	(\$18)	\$-	\$-	\$18

**Outstanding Reconciliation Balance**

The outstanding reconciliation balance as of December 2023 is (\$1,108,165).

<sup>10</sup> Excludes revenue generated from the sale of 842 AF of Article 21 (SWP surplus water) in May and June 2023.

<sup>11</sup> SWP Transportation costs exclude 7,900 AF of SWP water conveyed to recharge the groundwater basin and 842 AF of Article 21 (SWP surplus water) sold directly to customers.

# Proposed Untreated Water Rates

This section of the report combines the water service costs, overhead costs, and water supply costs to calculate the preliminary untreated water rates and incorporates year two of the five-year implementation schedule in **Table 16**.

## CY 2025 Proposed Untreated Water Rates

The proposed untreated water rate includes the untreated water system’s portion of water service costs (from **Table 4**), overhead costs (from **Table 8**), water supply costs (from **Table 10**), and reconciliation charge, if applicable. The temporary untreated water rate includes all untreated water costs and the temporary water supply costs (from **Table 10**). The reconciliation charge is not applied to the temporary untreated water rate. The untreated costs are divided by the planned untreated water deliveries for CY 2025 (from **Table 2**) to derive the rate per AF of water.

At the September 12, 2024, Finance Committee meeting, the Committee recommended the untreated rate be held at \$263/AF for CY 2025. The recommendation maintains the five-year implementation schedule but modifies the scheduled reconciliation charge for CY 2025 from \$42/AF to \$24/AF and applies the difference to the final year of the five-year schedule. The Committee’s recommendation supports the Reconciliation Framework, allowing the Board to phase-in the reconciliation charge to minimize customer impact. **Table 15** shows the proposed untreated water rate calculation for CY 2025 incorporating the recommended reconciliation charge for CY 2025.

**Table 15: Proposed Untreated Water Rates Calculation (CY 2025)<sup>12</sup>**

Untreated Water Rate Calculation	Total Planned Untreated Costs	Planned Untreated Deliveries (AF)	Unit Rate (\$/AF)
Water Service Costs	\$104,684	5,275	\$20
Overhead Costs	\$50,074	5,275	\$9
Water Supply Costs	1,105,612	5,275	\$210
<i>Calculated Untreated Water Rate</i>			\$239
CY 2025 Reconciliation Charge			\$24
<b>Total Untreated Water Rate</b>	<b>\$1,260,370</b>		<b>\$263</b>
Untreated Water Costs	\$1,260,370	5,275	\$239
Temporary Water Supply Costs <sup>13</sup>	\$3,770,091	5,275	\$715
<b>Total Temporary Untreated Water Rate</b>	<b>\$5,030,461</b>		<b>\$954</b>

<sup>12</sup> Values may not add due to rounding.

<sup>13</sup> Temporary costs include the State Water Project fixed costs collected through the property tax override.



# Technical Appendix

Table 16: Water Service Cost Detail<sup>14</sup>

Water Service Costs	Hourly Rate (\$/hr) <sup>15</sup>	Hours Worked	Total Cost
<b>Untreated Water Administration</b>			
Finance Analyst	\$149.00	85	\$12,665
Senior Planner	\$150.00	8	\$1,200
Associate Engineer	\$170.00	95	\$16,150
Associate Planner	\$140.00	4	\$560
Assistant Planner	\$111.00	13	\$1,443
<b>Total- Untreated Water Administration</b>			<b>\$32,018</b>
<b>Water Utility Planning Administration</b>			
Water Resources Manager	\$190.00	9	\$1,710
Water Resources Tech II	\$122.00	35	\$4,270
Engineering Manager	\$197.00	30	\$5,910
Associate Engineer	\$170.00	234	\$39,780
Senior Planner	\$150.00	7	\$1,050
Assistant Engineer	\$147.00	862	\$126,714
Senior Planner	\$140.00	54	\$7,560
Principal Engineer	\$188.00	65	\$12,220
Assistant Planner	\$111.00	815	\$90,465
Assistant Engineer	\$130.00	9	\$1,170
Assistant Engineer	\$122.00	488	\$59,536
<b>Total - Water Utility Planning Administration</b>			<b>\$350,385</b>
<b>State Water Project Administration</b>			
Associate Engineer	\$170.00	285	\$48,450
Assistant Planner	\$111.00	400	\$44,400
Finance Analyst	\$163.00	8	\$1,304
Assistant Engineer	\$147.00	30	\$4,410
<b>Total - State Water Project Administration</b>			<b>\$98,564</b>
<b>Water Storage Administration</b>			
Water Resources Manager	\$190.00	9	\$1,710
Associate Engineer	\$170.00	4	\$680
<b>Total - Water Storage Administration</b>			<b>\$2,390</b>
<b>Other Water Supplies</b>			
Associate Engineer	\$170.00	138	\$23,460
Senior Planner	\$140.00	1	\$140

<sup>14</sup> Values may not add due to rounding.

<sup>15</sup> Includes salaries, wages, and benefits.

Assistant Planner	\$111.00	114	\$12,654
<b>Total - Other Water Supplies</b>			<b>\$36,254</b>
<b>Supply Source &amp; Conveyance Administration</b>			
Water Resources Manager	\$190.00	81	\$15,390
Associate Engineer	\$170.00	71	\$12,070
Senior Planner	\$140.00	4	\$560
<b>Total - Supply Source &amp; Conveyance Administration</b>			<b>\$28,020</b>
<b>Semitropic</b>			
Intern	\$39.00	7	\$273
Associate Engineer	\$170.00	43	\$7,310
Associate Planner	\$111.00	82	\$9,102
<b>Total - Semitropic</b>			<b>\$16,685</b>
<b>Cawelo</b>			
Associate Engineer	\$170.00	59	\$10,030
Assistant Planner	\$111.00	97	\$10,767
<b>Total - Cawelo</b>			<b>\$20,797</b>

**Table 17: Central Administration (Indirect Cost) Detail (CY 2025)<sup>16</sup>**

Account Description - Central Administration	Total Indirect Costs	Flood Protection Operations	Water Operations	
			Treated Water Customers	Untreated Water Customers <sup>17</sup>
Salaries and Wages (Board of Directors, OGM, Finance, HR and Admin)	\$3,489,584	\$373,131	\$3,092,655	\$23,798
Professional and Technical Services (Website, Communication, North Canyons (NC) Property Management, etc.)	\$1,258,907	\$134,611	\$1,115,710	\$8,585
County Services (Payroll and Vendor checks etc.)	\$1,236,970	\$132,266	\$1,096,268	\$8,436
Insurance Services (Property & liability)	\$597,518	\$63,891	\$529,552	\$4,075
Gas and Electricity for North Canyons	\$138,400	\$14,799	\$122,658	\$944
Sewer Discharge Fees	\$569	\$61	\$504	\$4
Water Service for NC	\$5,218	\$558	\$4,624	\$36
Communications (Telecommunication services for NC)	\$55,812	\$5,968	\$49,464	\$381
Garbage Disposal Services for NC	\$11,384	\$1,217	\$10,089	\$78
Janitorial Services/Supplies for NC	\$457	\$49	\$405	\$3
Repairs/Service of Equipment (Back up Generator repairs etc.)	\$9,071	\$970	\$8,039	\$62
Repairs/Service of Buildings & Property (Commercial property Mgmt., ADT security services etc.)	\$198,736	\$21,250	\$176,131	\$1,355
Maintenance Parts & Supplies (Irrigation parts, electrical parts and misc. supplies)	\$3,763	\$402	\$3,335	\$26
Rents & Leases - Equipment (Copier machine, postage meter etc.)	\$20,216	\$2,162	\$17,916	\$138
General Office Supplies & Expenses (IT services, software, paper, pens, files etc.)	\$194,197	\$20,765	\$172,108	\$1,324
Reproduction and Printing (Budget book etc.)	\$3,401	\$364	\$3,014	\$23
Subscriptions (News papers, CA Dept of Fish and Wildlife)	\$1,225	\$131	\$1,085	\$8
Postage, Delivery & Shipping (Payments to US Postal Services, FedEx etc.)	\$4,037	\$432	\$3,578	\$28
Organization Memberships (Membership for Board Members, GM, Admin Staff etc.)	\$6,715	\$718	\$5,951	\$46
Support and Program Participation (Sponsorships - Association of Bay Area Governments (ABAG))	\$5,000	\$535	\$4,431	\$34
Advertising and Legal Notices (Job postings)	\$7,831	\$838	\$6,940	\$53
State and Local Fees (City of Livermore Tri-Valley Tech Park CFD No. 99-1 Series 2015 Bonds)	\$31,689	\$3,389	\$28,084	\$216
Emergency & Safety Supplies & Services	\$7,522	\$804	\$6,667	\$51
Training Materials and Services (ACWA Training, Water Education, CSMFO and GFOA)	\$40,220	\$4,301	\$35,645	\$274
Educational Stipend - Zone 7	\$8,085	\$865	\$7,165	\$55
Travel/Transportation (Board Members travel expense reimbursement)	\$2,728	\$292	\$2,417	\$19
Mileage	\$3,302	\$353	\$2,926	\$23
<b>Total</b>	<b>\$7,342,557</b>	<b>\$785,119</b>	<b>\$6,507,364</b>	<b>\$50,074</b>

<sup>16</sup> Values may not add due to rounding.

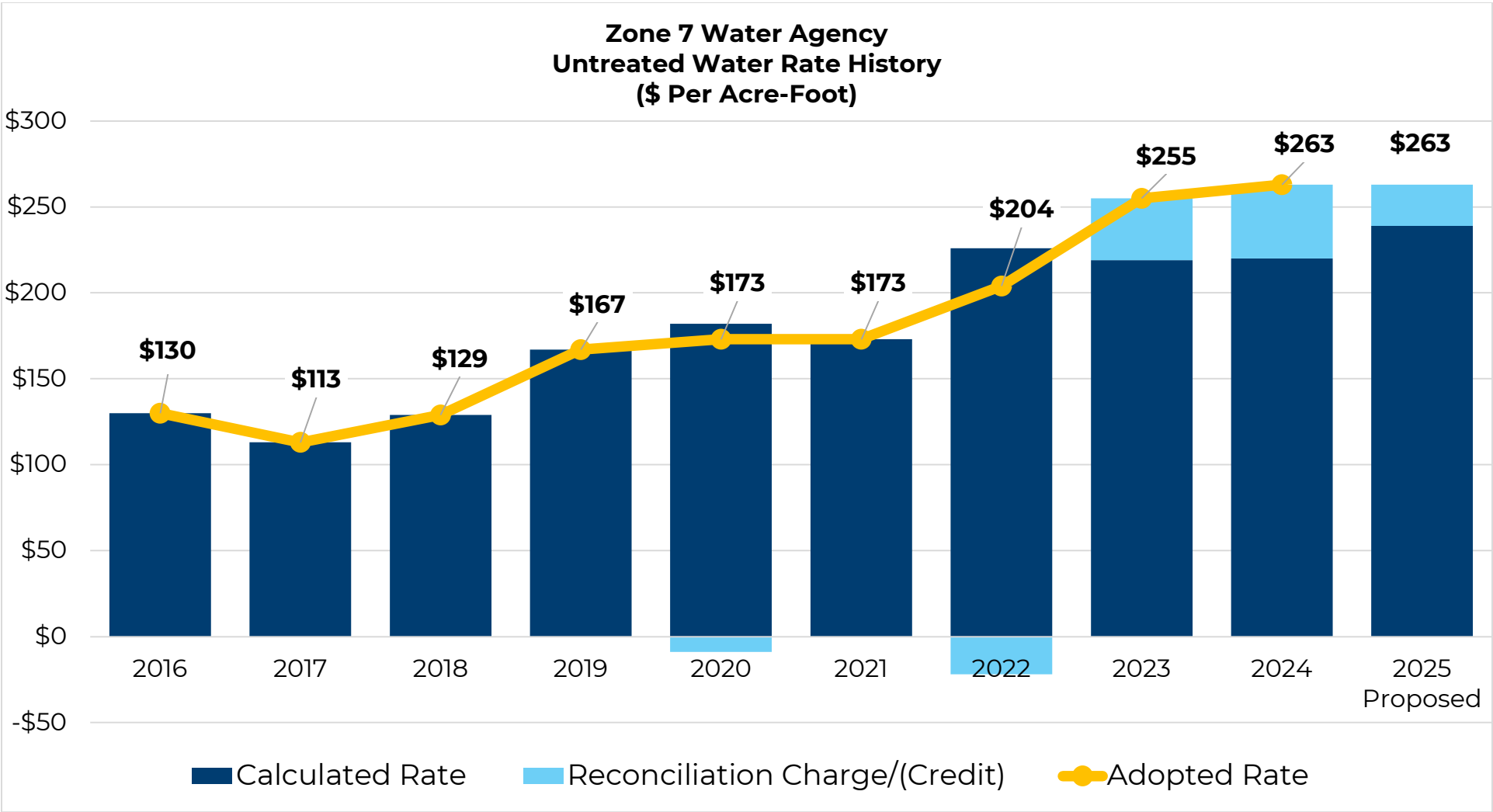
<sup>17</sup> Untreated Customers pay approximately 0.68% of total Agency overhead.

**Table 18: Water Supply Breakdown (CY 2025)<sup>18</sup>**

<b>Water Supply Cost Breakdown</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>FY 2023-24 (Unaudited)</b>	<b>5-Year Average</b>
State Water Project	\$2,547,436	\$1,643,971	\$2,040,223	\$1,114,630	\$3,779,334	\$2,225,119
Water Transfers/Exchanges	90,000	2,153,562	8,192,572	3,880,464	128,000	2,888,920
Banked Water Programs	1,279,526	1,179,750	4,305,743	2,246,378	1,184,937	2,039,266
Delta Conveyance Project	-	695,418	1,373,871	1,865,957	2,375,000	1,262,049
<b>Total Water Supply Costs</b>	<b>\$3,916,962</b>	<b>\$5,672,701</b>	<b>\$15,912,409</b>	<b>\$9,107,429</b>	<b>\$7,467,271</b>	<b>\$8,415,354</b>

<sup>18</sup> Values may not add due to rounding.

# Attachment B Historical Untreated Water Rates





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

**ORIGINATING SECTION:** Administration

**CONTACT:** Osborn Solitei

**AGENDA DATE:** October 16, 2024

**SUBJECT:** Review of Treated Water Rates for Calendar Years 2025 and 2026

**SUMMARY:**

- The proposed action supports Strategic Plan Goal A – Reliable Water Supply and Infrastructure – provide customers with a reliable water supply and infrastructure, and Strategic Plan Goal G – Fiscal Responsibility – operate the Agency in a fiscally responsible manner. In carrying out these fiscal responsibilities, the Agency sets rates and fees to recover the cost of service.
- Treated water rates are the primary source of revenue for Fund 100 – Water Enterprise Operations and (Fund 100) and Fund 120 - Water Enterprise Renewal & Replacement and System-Wide Improvements (Fund 120).
- On November 16, 2022, via Resolution No. 22-93, the Board adopted a four-year rate schedule for treated water rates covering calendar years (CYs) 2023, 2024, 2025, and 2026. The Resolution established 5.5% annual rate revenue adjustments and directed the Board to revisit the adopted rate schedule for CYs 2025 and 2026 through a public process, with any changed rates adopted by November 2024.
- The rate review assesses whether the adopted rates meet the Water Enterprise’s revenue requirements and achieve the additional funding objectives established by the Board during the rate-setting process. Staff has completed the review.
- Based on the results of the review and the sensitivity analysis (discussed on page 3), the adopted rates prove to be sufficient to meet the Water Enterprise’s revenue requirements and objectives, with no additional adjustments required. As demonstrated in the table below, projected reserves at the end of the four-year cycle (FY 2025-26) comply with the Agency’s Reserve Policy. Therefore, staff does not recommend any adjustments to the Board adopted rates.

(\$ millions)	Rate Study Projection	Adopted Budget	\$ Difference
<b>Fund 100</b>			
FY 2025-26 Year-End Reserves	\$27.3	\$30.6	\$3.3
Reserve Target	\$26.3	\$29.6	\$3.3
Above/(Below) Reserve Target	\$1.0	\$1.0	-
<b>Fund 120</b>			
FY 2025-26 Year-End Reserves	\$15.4	\$52.3	\$36.9
Minimum Reserve Requirement	\$15.3	\$42.1	\$26.8
Above/(Below) Reserve Minimum	\$0.1	\$10.2	\$10.1 <sup>1</sup>

<sup>1</sup>FY 2025-26 projected ending reserves are \$10.1M above target due to the receipt of \$17M of PFAS grants proceeds, which were not anticipated in the rates. Any reserves above minimum will be used to fund future capital improvement projects. For example, the Agency is currently conducting a feasibility study for a potential Mocho Wellfield PFAS Treatment Facility.

**DISCUSSION:**

In 2022, the Agency engaged Raftelis to conduct a Treated Water Rate Study (the “Rate Study”) for the purpose of setting a multi-year rate schedule. The rates were established to meet operations and maintenance (O&M) costs, debt service, fund planned capital projects and sustain sufficient reserve balances (“Cost of Service”).

In addition, the Board determined the following key financial objectives of the adopted rate scenario:

1. Continued participation in water supply reliability projects.
2. Annual debt service and ongoing O&M for the Chain of Lakes PFAS Project.
3. \$2.9M for a portion of the Stoneridge PFAS project and capital funding.
4. Fund 100 reserves are funded at target levels by the end of the four-year rate cycle, and Fund 120 reserves meet the minimum requirement set forth in the Agency’s Reserve Policy.

A comprehensive review has been conducted to evaluate whether the adopted rates have achieved these objectives and to determine if adjustments may be required to recover Cost of Service. Please refer to Attachment A for a pro forma cash flow of Fund 100 and Fund 120. The pro forma incorporates updated financials, including unaudited actuals for FY 2023-24 and the adopted FY 2024-26 Two-Year Budget.

Based on the financial review, the following findings have been made regarding each of the key financial objectives.

Key Financial Objective	Finding
Cost of Service	<ul style="list-style-type: none"> <li>• Adopted rates have been sufficiently covering Cost of Service with no significant budget shortfalls.</li> <li>• Adopted Two-Year Budget incorporates adopted rates for CYs 2025 and 2026 – sufficient revenue to continue to cover planned Cost of Service.</li> </ul>
Continued Participation in Water Supply Reliability Projects	<ul style="list-style-type: none"> <li>• The Agency has been actively participating in the Delta Conveyance and Los Vaqueros Reservoir Expansion projects.</li> <li>• Adopted Two-Year Budget plans for continued participation in these projects.</li> </ul>
Chain of Lakes (COL) PFAS Treatment Facility Project	<ul style="list-style-type: none"> <li>• Water Revenue Bonds, 2023 Series A, issued November 2023 to fund the COL PFAS project and other capital improvements.</li> <li>• Adopted rates are necessary to continue to make debt service payments, meet debt service coverage requirements, and maintain high bond ratings.</li> <li>• On October 1, 2024, Fitch Rating affirmed AA+ rating with a positive outlook for the bond rating. The pro forma cash flow for the ratings assumed the adopted rates.</li> </ul>
Stoneridge PFAS Treatment Facility Project and Capital Funding	<ul style="list-style-type: none"> <li>• \$2.9M will be contributed to the Stoneridge PFAS Treatment Facility Project and other capital projects by FY 2025-26.</li> </ul>
Reserves	<ul style="list-style-type: none"> <li>• Reserves will continue to comply with Agency’s Reserve Policy.</li> </ul>

**Sensitivity Analysis**

In addition to staff’s comprehensive review, a sensitivity analysis was conducted to determine specific impacts on Fund 100. Staff analyzed the effect of a 5% reduction in planned acre-feet (AF) of water sales. The result of the analysis is shown in the table below:

Fiscal Year	Budgeted Water Sales (AF)	5% Reduction	Revenue Impact	Impact to Reserves
FY 2024-25	34,000	32,300	(\$3.6M)	\$2.8M below target
FY 2025-26	35,000	33,250		

In addition, staff analyzed the impact of no rate increase in CY 2025 and a 5.5% rate revenue increase in CY 2026. The result of the analysis is shown in the table below:

Calendar Year	Adopted Rate Increase	Adjusted Rate Increase	Revenue Impact	Impact to Reserves
CY 2025	5.5%	0%	(\$4.5M)	\$3.8M below target
CY 2026	5.5%	5.5%		

Based on the results of the financial review and sensitivity analysis, the adopted rates prove to be sufficient to meet the Water Enterprise’s planned revenue requirements and objectives, with no additional adjustments required. Therefore, Staff recommends the Board continue with the CY 2025 and CY 2026 rates, as adopted by Board Resolution No. 22-93, dated November 16, 2022.

On October 3 and 8, 2024, staff met with the Retailers to discuss the review findings. The retailers expressed appreciation for the meeting and informed staff that the adopted rates for CYs 2025 and 2026 have already been factored into their budgetary and rate planning processes with no additional adjustments anticipated.

**FUNDING:**

Treated water rates are the primary source of revenue for Fund 100 – Water Enterprise Operations and Fund 120 - Water Enterprise Renewal & Replacement and System-Wide Improvements.

**RECOMMENDED ACTION:**

Information only.

**ATTACHMENT:**

Attachment A – Pro forma Cash Flow



## ATTACHMENT A

Fund 100 - Water Enterprise Operations Fund  
Fund 120 - Water Enterprise Capital Renewal/Replacement and  
System-Wide Improvements Fund

PROFORMA CASH FLOW (\$millions)	FY 2023-24 Unaudited Actual <sup>1</sup>	FY 2024-25 Budget	FY 2025-26 Budget
<b>Adopted Rate Revenue Adjustment<sup>2</sup></b>	<b>5.5%</b>	<b>5.5%</b>	<b>5.5%</b>
<b>Fund 100 - Water Enterprise Operations Fund</b>			
<b>Revenue</b>			
Treated Water Rate Revenue	\$63.9	\$66.1	\$70.0
Miscellaneous Revenue	\$2.6	\$2.1	\$2.2
<b>Total - Revenue</b>	<b>\$66.5</b>	<b>\$68.2</b>	<b>\$72.2</b>
<b>Expenses</b>			
O&M Expenses	\$43.8	\$47.3	\$49.8
Debt Service	\$3.3	\$5.0	\$5.0
Capital Funding	\$16.6	\$17.1	\$17.6
<b>Total - Expenses</b>	<b>\$63.7</b>	<b>\$69.4</b>	<b>\$72.4</b>
<b>Revenue over Expenses</b>	<b>\$2.8</b>	<b>(\$1.2)</b>	<b>(\$0.3)</b>
<b>Reserves</b>			
Fund 100 Ending Balance	\$32.2	\$30.9	\$30.6
Fund 100 Target Balance	\$28.2	\$28.5	\$29.6
<b>Above/(Below) Target</b>	<b>\$4.0</b>	<b>\$2.4</b>	<b>\$1.0</b>
<b>Fund 120 - Water Enterprise Capital Renewal/Replacement and System-Wide Improvements Fund</b>			
<b>Revenue</b>			
Capital Revenues and Funding <sup>3</sup>	\$16.5	\$34.3	\$17.4
Miscellaneous Revenue	\$3.2	\$1.4	\$0.8
Bond Proceeds <sup>4</sup>	\$29.7	-	-
<b>Total - Revenue</b>	<b>\$49.4</b>	<b>\$35.7</b>	<b>\$18.2</b>
<b>Expenses</b>			
Capital Expenses <sup>5</sup>	\$21.7	\$49.5	\$24.9
<b>Total - Expenses</b>	<b>\$21.7</b>	<b>\$49.5</b>	<b>\$24.9</b>
<b>Revenue over Expenses</b>	<b>\$27.7</b>	<b>(\$13.8)</b>	<b>(\$6.7)</b>
<b>Reserves</b>			
Fund 120 Ending Balance	\$72.8	\$59.0	\$52.3
Fund 120 Minimum Balance <sup>6</sup>	\$55.8	\$31.2	\$42.1
<b>Above/(Below) Minimum</b>	<b>\$17.0</b>	<b>\$27.8</b>	<b>\$10.2</b>

Note: Amounts may not add due to rounding.

1. FY 2023-24 amounts are unaudited actuals.

2. Rate Revenue adjustments of 5.5% annually were approved by the Board via Resolution No. 22-93, dated November 16, 2022.

3. FY 2024-25 Capital Revenues and Funding includes \$17M of PFAS grant proceeds.

4. 2023 Series A Water Revenue Bond proceeds for COL PFAS and Other Capital Projects.

5. FY 2024-25 expenses include \$13.3M Board approved budget plus prior-year unspent capital budgets of \$36.2M, which will be expended in FY 2024-25.

6. FY 2025-26 projected ending reserves are \$10.1M above target due to the receipt of \$17M of PFAS grants proceeds, which were not anticipated in the rates. Per the Reserve Policy, Fund 120 does not have a target or maximum reserve requirement. Any reserves above minimum will be used to fund future capital improvement projects.

## Attachment A

### Fund 130 – Water Enterprise Capital Expansion Fund Details

The purpose of this fund is to ensure that Zone 7 is able to meet future needs for water demands. It pays for new facilities and water supplies for new development. Funding for this program comes from connection fees in conformance with the Board’s stated policy that new development pays its own way.

Table 1 shows the history of water connection fees since 2020. Table 2 shows the FY 2024-25 and FY 2025-26 Adopted Budget by project.

<b>Table 1 - Water Connection Fee History</b>			
<b>Effective Date</b>	<b>Alameda County</b>	<b>Dougherty Valley</b>	<b>% Change</b>
January 1, 2020	\$29,440	\$28,250	1%
January 1, 2021	\$29,440	\$28,250	-
January 1, 2022	\$31,910	\$30,620	8.4%
January 1, 2023	\$33,730	\$32,360	5.7%
January 1, 2024	\$34,530	\$33,130	2%

<b>Table 2 - Fund 130 – Water Enterprise Capital Expansion Adopted Two-Year Capital Budget by Project<sup>1</sup></b>		
<b>Project</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>
Capital Improvement Program Management	\$100,000	\$160,000
Cawelo Groundwater Banking Program Debt Service	1,092,000	1,100,000
Chain of Lakes Conveyance System	460,000	1,560,000
City Reach Pipeline Mitigation Planning	-	410,000
Contingency	500,000	500,000
Fourth Contractor's Share of South Bay Aqueduct – Payment to DWR	3,000,000	3,000,000
Groundwater Contaminant Mobilization Follow-up Study	100,000	-
Los Vaqueros Reservoir Expansion	85,000	170,000
North Canyons Renewal/Replacement and Improvements	2,000	2,000
Regional Project Feasibility Study	900,000	-
Sites Reservoir	450,000	1,000,000
South Bay Aqueduct Enlargement Project - Payment to DWR	13,790,000	14,400,000
Well Master Plan	300,000	525,000
<b>Total</b>	<b>\$20,779,000</b>	<b>\$22,827,000</b>

<sup>1</sup>The FY 2024-26 Two-Year Budget was adopted by the Board on June 11, 2024.

Table 3 shows a three-year history of Fund 130 project expenses and actual revenue.

<b>Table 3 - Fund 130 – Water Enterprise Capital Expansion Three-Year History</b>			
<b>Project</b>	<b>FY 2021-22 Audited Actual</b>	<b>FY 2022-23 Audited Actual</b>	<b>FY 2023-24 Unaudited Actual</b>
South Bay Aqueduct Enlargement Debt Service	\$13,205,000	\$13,459,000	\$13,604,000
PPWTP Upgrades	8,399,000	1,794,000	335,000
PPWTP Ozonation	4,128,000	802,000	204,000
Future Contractors Share of the SBA	3,000,000	3,000,000	3,000,000
Debt Service Costs <sup>1</sup>	314,000	304,000	1,073,000
CIP Management/Expansion Program Planning	246,000	61,000	55,000
Chain of Lakes (COL) Pipeline	143,000	26,000	65,000
Sites Reservoir - Phase I <sup>2</sup>	54,000	40,000	1,620,000
Water Supply Planning and Projects	-	25,000	-
2020 Tri-Valley Municipal and Industrial Water Demand Study	2,000	-	-
Los Vaqueros Reservoir Expansion Project Planning <sup>2</sup>	24,000	247,000	287,000
NC Administration Building HVAC System Replacement	43,000	1,500	-
Efficient Washer Rebate Program	9,000	-	-
Water Conservation - General	15,000	-	-
Water Quality Management Implementation Plan	-	-	-
Misc Expansion Program Costs	-	44,500	427,000
<b>Total Expenses</b>	<b>\$29,582,000</b>	<b>\$19,804,000</b>	<b>\$20,670,000</b>
<b>Total Revenue</b>	<b>\$24,389,000</b>	<b>\$22,470,000</b>	<b>\$20,260,000</b>
<b>Revenue over Expenses (use of reserves)</b>	<b>(\$5,193,000)</b>	<b>\$2,666,000</b>	<b>(\$410,000)</b>

<sup>1</sup>FY 2023-24 amounts are unaudited and reported on a budgetary basis.

<sup>2</sup>Project expenses adjusted for trust transfers.

Amounts are rounded to the nearest thousand.

**ORIGINATING SECTION:** Administration

**CONTACT:** Osborn Solitei

**AGENDA DATE:** October 16, 2024

**SUBJECT:** Proposed Municipal & Industrial Water Connection Fees for Calendar Year 2025

**SUMMARY:**

- The proposed action is in support of Strategic Plan Goal G – Fiscal Responsibility: Operate the Agency in a fiscally responsible manner. In carrying out these fiscal responsibilities, the Agency sets rates and fees to recover the cost of service.
- Zone 7 established the Municipal & Industrial (M&I) Connection Fee Program in 1972 to assess water connection fees to new development to fund water system expansion projects required to serve additional water demands from new development.
- The last comprehensive connection fee study was performed in FY 2016-17 by a financial consulting firm, NBS (2017 Study). The 2017 Study found that fees are compliant with the State of California Mitigation Fee Act (Government Code 66000, et seq.), which requires a rational nexus between the fees and program costs. Since 2017, fees have been adjusted annually by an inflationary index, consistent with the 2017 Study's recommendation and past Board actions.
- The Board resolved, with the adoption of the 2002 Connection Fee (Resolution No. 02-2450), that the basic fee be updated annually based on the Engineering News Record Construction Cost Index (ENR CCI), or as warranted to keep current with current plans and projections based on periodic reviews. In 2013, the Board adopted Resolution No. 14-4316, which changed the maximum update interval for comprehensively evaluating the connection fee from every three years to every five years.
- For the Calendar Year (CY) 2025 connection fees, staff recommends adjusting the current fees by the change in the ENR CCI from September 2023 to September 2024, which is +1.1%. The new fees will be effective January 1, 2025. The resulting fees per Dwelling Unit Equivalent (standard 5/8" meter) are in the following table:

Area Served	Current Fee	Proposed Fee
Alameda County	\$34,530	\$34,910
Dougherty Valley	\$33,130	\$33,490

- The proposed fees were presented to the Finance Committee on September 12, 2024, and the Finance Committee unanimously agreed to bring forward the proposed fees to the full Board for adoption.
- A Connection Fee Study update is planned for completion by Spring 2025. Information from the 2020 Tri-Valley Municipal & Industrial Water Demand Study, 2020 Urban Water Management Plan Update, 2022 Water Supply Evaluation Update, and upcoming Ten-Year Water System Capital Improvement Plan (CIP) will inform the Connection Fee Study. Results of the 2022 Water Supply Evaluation Update indicate that the overall mix of projects (i.e., Sites Reservoir, Los Vaqueros Reservoir, Reliability Intertie, Potable Reuse, new wells, etc.) required to serve additional water demands will be similar to those included in the 2017 Study.
- In June 2023, the Board adopted the FY 2024-25 Five-Year Water System CIP (Resolution No. 23-50). The Five-Year Expansion CIP totals \$191M, which will be funded by water connection fee revenue. More information on the CIP can be found in the [FY 2024-25 Five-Year Water System CIP Report](#).
- Dublin San Ramon Service District has advised staff that no more connections should be expected from the Dougherty Valley Service area; however, staff recommends continuing to set the fee as a matter of course.

**CONNECTION FEE SURVEY:**

The table below shows a connection fee survey of other water agencies. All agencies surveyed review connections at regular intervals ranging from every 3 to 10 years and update the fees annually for inflation.

District	Meter Size	Fee
Alameda County Water District	3/4"	\$11,157
Contra Costa Water District	5/8"	\$30,985
East Bay Municipal Utility District - Zone 3 <sup>1</sup>	3/4"	\$39,058
Marin Municipal Water District	per acre-foot of estimated water demand	\$44,098
Zone 7 Water Agency (proposed)	5/8"	\$34,910

<sup>1</sup>EBMUD Zone 3 includes the cities of Danville and San Ramon

**FUNDING:** Water connection fee revenue accrues to Fund 130 – Water Enterprise Capital Expansion Fund.

**RECOMMENDED ACTION:** Adopt resolution.

**ATTACHMENTS:**

- Resolution
- Attachment A - Fund 130 – Water Enterprise Capital Expansion Fund Details

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

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Calendar Year 2025 Municipal & Industrial Water Connection Fees**

WHEREAS, the proposed action is in support of Strategic Plan Goal G – Fiscal Responsibility: Operate the Agency in a fiscally responsible manner. In carrying out these fiscal responsibilities, the Agency sets rates and fees to recover cost of service; and

WHEREAS, a Water Connection Fee Program for Zone 7 of the Alameda County Flood Control and Water Conservation District was adopted by District Ordinance No. FC 72-1 on January 18, 1972, and was subsequently amended by Ordinances Nos. FC 77-2, FC 86-136, and FC 0-91-68; and

WHEREAS, said Ordinance provides that the water connection fee is subject to periodic review and modification at the discretion of the Board of Directors of Zone 7; and the Board resolved with the 2002 amended connection fee (Resolution No. 02-2450) that the basic fee be updated, at a minimum, based on the Engineering News Record Construction Cost Index (ENR CCI), or other appropriate index on a yearly basis or as otherwise warranted, to keep current with inflation; and

WHEREAS, in 2013, the Board adopted Resolution No. 14-4316 requiring that the connection fee program be comprehensively reevaluated every five years or sooner as needed; and

WHEREAS, in 2017, a comprehensive evaluation of the connection fee program (FY 2016-17 M&I Connection Fee Program Update Report) was completed and adopted by the Board on February 15, 2017 (Resolution No. 17-06). The update recommended that Zone 7 continue the practice of adjusting the fees annually based on ENR CCI to keep pace with inflation.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Alameda County Flood Control and Water Conservation District does hereby amend the basic fee for a standard 5/8-inch meter within the Alameda County Service Area to \$34,910 and to \$33,490 within the Dougherty Valley Service Area. For meter types larger than a 5/8-inch basic meter, the basic charge be multiplied by a fee factor as described in Ordinance No. FC 0-91-68; and

BE IT FURTHER RESOLVED that said basic fee as amended herein shall become effective January 1, 2025, and remain in effect until such time as the Board establishes new basic fees for Zone 7.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on October 16, 2024.

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



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

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

**AGENDA DATE:** October 16, 2024

**SUBJECT:** Energy Project Prioritization Framework

**SUMMARY:**

- To support Zone 7 Water Agency's (Zone 7) mission to deliver safe, reliable, efficient, and sustainable water and flood protection services, Zone 7 is developing an Energy Master Plan (EMP) for the board's consideration. This action supports Strategic Plan Goal E – Effective Operations and is to implement Strategic Plan Initiative #16: Develop and Implement an Energy Strategy.
- In June 2024, the Board adopted the Energy Policy, developed as part of the EMP study. The purpose of the policy is to outline Zone 7's goals and priorities regarding energy management.
- The study team has developed a prioritization framework and performed an initial round of project identification and prioritization. *Note that this framework is specific to energy management opportunities aligned with the recently adopted energy policy; it does not replace any existing budgetary or improvement planning processes.*
- In the framework, energy projects were evaluated and assigned to one of four Priority Levels, including: Required, High Priority, Medium Priority, and Low Priority.
  - Required projects are those that Zone 7 must implement for compliance with laws and regulations or other external factors outside the Agency's control.
  - High Priority projects are those viewed as "low-hanging fruit" because they are policy compliant, expected to yield a strong return on investment, and should be priority efforts for staff.
  - Medium Priority projects are projects that appear promising but may require additional evaluation and coordination or may have key dependencies or complexities that need to be addressed.
  - Low Priority projects are projects that may be more conceptual in nature or may offer lower relative returns and are retained as projects that may warrant future consideration when higher priorities have been addressed.
- In this board meeting, staff will present the findings and evaluation of potential energy projects and associated costs and benefits.



**FUNDING:**

No funding is requested at this time.

**RECOMMENDED ACTION:**

Information only.

**ATTACHMENT:**

None

**ORIGINATING SECTION:** Integrated Planning

**CONTACT:** Kevin Padway/Ken Minn

**AGENDA DATE:** October 16, 2024

**SUBJECT:** 2023 Hazard Mitigation Plan Update

**SUMMARY:**

- To support Zone 7 Water Agency's (Zone 7) mission to deliver safe, reliable, efficient, and sustainable water and flood protection services, Zone 7 is updating its Hazard Mitigation Plan (HMP). This action supports Strategic Plan Goal A- Reliable Water Supply and Infrastructure, Goal B – Safe Water, Goal D – Effective Flood Protection, and Goal E – Effective Operations.
- In 2018, the Board adopted Zone 7's existing HMP to establish a framework for identifying and implementing hazard mitigation strategies for its infrastructure. The HMP identifies potential hazards and areas of vulnerability in Zone 7's water distribution system and flood protection facilities.
- In addition, an approved HMP is a requirement for certain Federal Emergency Management Agency (FEMA) funding opportunities, and FEMA requires that HMPs be updated every five years. In April 2023, FEMA outlined new HMP requirements, and Zone 7 is required to comply with these requirements in updating the HMP.
- In December 2022, staff initiated the 2023 Zone 7 Hazard Mitigation Plan update process, retained consultant services under the General Manager's authority, and formed a regional workgroup consisting of various Zone 7 staff and a local fire department. Staff also invited several other local agencies, including public safety entities, Alameda County, retailers, and local cities to participate in the workgroup.
- The regional workgroup reviewed key components of the 2018 HMP and updated the HMP's goals, regional hazards and associated risks/vulnerabilities, replacement cost estimates, hazard mitigation strategies and associated projects, and also performed a cost-benefit analysis.
- The HMP update process also included public engagement efforts, including a public survey in May 2023, a public workshop in December 2023, and a 30-day public comment period that closed in December 2023.
- Zone 7's HMP was one of the first plans in California prepared under the new FEMA requirements. As such, the California Governor's Office of Emergency Services (Cal OES)

reviewed Zone 7's draft HMP and coordinated with Zone 7 to make necessary revisions to ensure compliance with the FEMA requirements. Once Cal OES found that the draft HMP met the requirements, the draft HMP was forwarded to FEMA Region IX mitigation planning staff for their final review and approval on June 25, 2024. Subsequently, FEMA reviewed and issued a conditional approval, subject to Zone 7 Board Adoption, on August 15, 2024.

- The draft HMP is posted on Zone 7's website and can be found at [https://www.zone7water.com/sites/main/files/file-attachments/zone\\_7\\_final\\_lhmp\\_electronic\\_file.pdf?1725464945](https://www.zone7water.com/sites/main/files/file-attachments/zone_7_final_lhmp_electronic_file.pdf?1725464945)
- At this board meeting, staff will present the draft HMP to the Board and seek the Board's adoption.

**FUNDING:**

Not requested at this time.

**RECOMMENDED ACTION:**

Adopt the attached Resolution.

**ATTACHMENT:**

Resolution

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

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Adoption of the 2023 Hazard Mitigation Plan**

WHEREAS, to support Zone 7 Water Agency's (Zone 7) mission to deliver safe, reliable, efficient, and sustainable water and flood protection services, Zone 7 is updating its Hazard Mitigation Plan (HMP), and this action supports Strategic Plan Goal A- Reliable Water Supply and Infrastructure, Goal B – Safe Water, Goal D – Effective Flood Protection, and Goal E – Effective Operations.

WHEREAS, the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District adopted Zone 7's Hazard Mitigation Plan in March of 2018; and

WHEREAS, staff has completed a five-year update of the Hazard Mitigation Plan, including soliciting public engagement, assembling a regional workgroup to review specific portions, and a comprehensive document update; and

WHEREAS, the Hazard Mitigation Plan identifies risks and hazards to Zone 7's infrastructure, as well as hazard mitigation strategies and projects; and

WHEREAS, the 2023 Hazard Mitigation Plan is intended to guide Zone 7's hazard mitigation activities for the next five years; and

WHEREAS, an approved Hazard Mitigation Plan is a requirement for certain Federal Emergency Management Agency's (FEMA) funding opportunities, and FEMA requires Hazard Mitigation Plans to be updated every five years; and

WHEREAS, the 2023 Hazard Mitigation Plan update has been conditionally approved by FEMA, subject to the Zone 7 Board's Adoption;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District has reviewed Zone 7's 2023 Hazard Mitigation Plan and does hereby adopt the plan; and

BE IT FURTHER RESOLVED that staff shall submit Zone 7's 2023 Hazard Mitigation Plan to the California Governor's Office of Emergency Services and Federal Emergency Management Agency for final approval, and the General Manager is authorized to finalize the document as required.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on October 16, 2024.

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



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

**ORIGINATING SECTION:** Integrated Planning  
**CONTACT:** Kevin Padway/Valerie Pryor

**AGENDA DATE:** October 16, 2024

**SUBJECT:** Adopting the Department of Water Resources' Findings of Fact, a Statement of Overriding Considerations, and authorizing a Notice of Determination to be filed as a Responsible Agency under the California Environmental Quality Act and authorizing continued Participation in the Delta Conveyance Project Process for 2026 and 2027

**SUMMARY:**

- To support Zone 7's mission to deliver safe, reliable, efficient, and sustainable water service, Zone 7 Water Agency (Zone 7) has been participating in the Delta Conveyance Project (DCP) to improve the conveyance of State Water Project (SWP) water supply through the Sacramento-San Joaquin Delta (Delta). This action supports Strategic Goal A: Reliable Water Supply and Infrastructure and is to implement Plan Initiative No. 2: Evaluate and develop appropriate new water supply and reliability opportunities.
- Zone 7 receives approximately 90% of its water through the Delta, and the operation of the SWP's current conveyance facilities in the Delta is subject to various factors such as endangered species protection, seismic risk, and climate change/sea level rise. The Delta Conveyance Project (DCP) will provide dual conveyance capabilities and will operate the new North Delta intake facilities in conjunction with the existing SWP South Delta facilities. The DCP would provide several key benefits, including augmenting the Department of Water Resources (DWR)'s export capabilities by capturing excess flows above and beyond the South Delta export facilities and providing water supply resiliency to seismic events, climate change, and sea level rise.
- For SWP delivery capability, DWR's current model simulation projected a decrease of 570,000 acre-feet in average SWP deliveries by 2070 compared to 2020's deliveries due to climate change and sea level rise. However, with the implementation of the DCP, approximately 403,000 acre-feet of SWP deliveries could be restored, underscoring the project's potential to mitigate these effects.
- For Zone 7's supply, this modeling indicates that in 2070, the DCP would restore about 8,800 AF per year of SWP deliveries to Zone 7, which would otherwise be lost to climate change. About 5,750 AF of these deliveries would be allocated as Table A Water, with the remainder received as Article 21 Water.

- In May of 2019, DWR began planning for the DCP. The DCP, as proposed, has a maximum capacity of 6,000 cubic feet per second and includes a 36-foot diameter, 45-mile-long tunnel. More detailed infrastructure information on the DCP is included in the CEQA section below.
- On April 20, 2022, the Board approved continued participation in the DCP at 2.2% through the Department of Water Resources, authorizing up to \$4.75 million for environmental review, planning, and design costs. Zone 7 is one of 18 participating water agencies (PWAs) currently participating in the DCP, and to date, Zone 7 has committed up to \$7.55 million for the DCP.
- Since then, DWR has continued planning and permitting, including the certification of the final EIR, submitted applications for numerous other permits, completed an updated cost estimate, performed a statewide cost-benefit analysis, and progressed in the design of the project. DWR plans to use all current available funding by the end of 2025.
- On August 21, 2024, the Board received an update from the Delta Conveyance Design and Construction Authority (DCA) and DWR on the status of the DCP. The update included overviews of the project, the permitting status, the 2.2 benefit-to-cost ratio, and the most recent cost estimate of \$20.12 billion in 2023 dollars.
- At Zone 7's share of 2.2% participation, the estimated total capital cost of Zone 7 for construction of the DCP would be \$443 million (in 2023 dollars without debt service). Once constructed, operations and Maintenance Costs are estimated at \$1.2 million per year (in 2023 dollars). The current schedule projects the DCP to become operational in 2045.
- To continue with the next Pre-Construction phase of the project, the Department of Water Resources is requesting additional funding of \$6.6 million from Zone 7 in 2026 and 2027. This funding request is for pre-construction work.
- This recommended Board action does not automatically approve participation in the construction of the DCP or an amendment to the SWP contract for the DCP. The Board will have the opportunity to consider those decisions in the future, along with any additional funding actions.

### **California Environmental Quality Act Compliance:**

Under the California Environmental Quality Act ("CEQA") and the State CEQA Guidelines, the DWR, acting as the Lead Agency, prepared and processed a Final Environmental Impact Report ("Final EIR") for the DCP. The DCP includes the following key components and actions:

- Two intake facilities along the Sacramento River in the north Delta near the community of Hood with on-bank intake structures that would include fish screens.

- A 36-foot diameter, 45-mile-long tunnel, and associated vertical tunnel shafts to convey flow from the intakes about 45 miles to the south of the Bethany Reservoir Pumping Plant and Surge Basin at a location south of the existing SWP Clifton Court Forebay.
- A Bethany Reservoir Pumping Plant to lift the water from inside the tunnel below ground into the Bethany Reservoir Aqueduct for conveyance to the Bethany Reservoir Discharge Structure and into the existing Bethany Reservoir.
- Other ancillary facilities to support the construction and operation of the conveyance facilities include, but are not limited to, access roads, concrete batch plants, fuel stations, and power transmission and/or distribution lines.
- Efforts to identify geotechnical, hydrogeologic, agronomic, and other field conditions that will guide appropriate construction methods and monitoring programs for final engineering design and construction data collection and fieldwork investigations, including ground-disturbing geotechnical work, water quality, and hydrogeologic investigations, agronomic testing, the installation of monitoring equipment, construction test projects, pre-construction design work, and engineering work ("Pre-Construction Work").

DWR certified the Final EIR and approved the DCP on December 21, 2023. It also adopted CEQA Findings of Fact ("Findings"), a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program ("MMRP"), and filed a Notice of Determination ("NOD") under CEQA.

The Final EIR identifies the State Water Contractor member agencies as responsible agencies for actions related to the DCP. DWR's Final EIR, Findings, Statement of Overriding Considerations, MMRP, and NOD can be found at the official DWR website at: <https://www.deltaconveyanceproject.com/planning-processes/california-environmental-quality-act/final-eir/final-eir-document>]. These documents are also available at Zone 7's office and have been previously provided to Board for review and consideration.

Although DWR has approved the DCP, **the recommended Zone 7 Board action does not approve or commit to its construction at this time.** Instead, the approval action is to provide additional funding, at DWR's request, that would allow DWR to continue Pre-Construction Work.

Staff recommends that, prior to any approval of funding the Pre-Construction Work, the Board adopts the CEQA findings of the Lead Agency for the Delta Conveyance Project and a Statement of Overriding Considerations regarding the potentially significant impacts that may result from the Pre-Construction Work.



**FUNDING:**

Funding is available in the FY 2024-26 Adopted Budget from Fund 100 – Water Enterprise Operations.

**RECOMMENDED ACTION:**

Adopt the attached Resolution.

**ATTACHMENTS:**

Resolution

Exhibit A - DWR's CEQA Findings for the Delta Conveyance Project

Exhibit B - Zone 7's Statements of Overriding Considerations for the Pre-Construction work

ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Adopting the Department Of Water Resources' Findings of Fact For the Delta Conveyance Project and a Statement of Overriding Considerations, and Authorizing Notice of Determination under the California Environmental Quality Act and Authorizing Continued Funding to the Department Of Water Resources for Two Additional Years for the Delta Conveyance Project**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7 (1) CONSIDERING THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE DELTA CONVEYANCE PROJECT (STATE CLEARINGHOUSE NO. 2020010227); (2) MAKING RESPONSIBLE AGENCY FINDINGS FOR THE DELTA CONVEYANCE PROJECT PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT ("CEQA") AND STATE CEQA GUIDELINES SECTION 15096; (3) ADOPTING CEQA FINDINGS OF FACT FOR THE DELTA CONVEYANCE PROJECT UNDER STATE CEQA GUIDELINES SECTION 15091; (4) ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS UNDER STATE CEQA GUIDELINES SECTION 15093 FOR PRE-CONSTRUCTION WORK RELATED TO THE DELTA CONVEYANCE PROJECT; AND (4) AUTHORIZING THE GENERAL MANAGER TO EFFECTUATE ZONE 7 WATER AGENCY'S CONTINUED FUNDING TO THE DEPARTMENT OF WATER RESOURCES FOR THE DELTA CONVEYANCE PROJECT FOR ZONE 7'S SHARE OF THE DELTA CONVEYANCE PROJECT PLANNING AND PRE-CONSTRUCTION COSTS FOR CALENDAR YEARS 2026-2027 IN AN AMOUNT NOT TO EXCEED \$6,600,000.

WHEREAS, on April 29, 2019, Governor Gavin Newsom signed Executive Order N-10-19, directing the California Natural Resources Agency, California Environmental Protection Agency, and California Department of Food and Agriculture to develop a comprehensive strategy to build a climate-resilient water system and ensure healthy waterways through the twenty-first century; and

WHEREAS, after a public input period, on July 28, 2020, Governor Newsom released the California Water Resilience Portfolio, which identified a suite of complementary actions to ensure safe and resilient water supplies, flood protection, and healthy waterways for the state's communities, economy, and environment; among these actions was a project (the "**Delta Conveyance Project**") entailing new diversion and conveyance facilities in the Sacramento-San Joaquin Delta ("**Delta**") to safeguard the State Water Project ("**SWP**"); and

WHEREAS, the primary purpose of the SWP is to convey water to local and regional water suppliers across California that, in turn, supply end users engaged in the beneficial uses of that water; to this end, SWP has long-term contracts to supply water to 29 public water agencies, known as State Water Contractors, that distribute that water to farms, homes, and industry; and

WHEREAS, Zone 7 Water Agency is one of the State Water Contractors, and it possesses a long-term water supply contract with the Department of Water Resources ("**DWR**"), which is the owner and operator of the SWP, which allows for the annual importation of water via the SWP; and

WHEREAS, Zone 7 Water Agency's allocation of imported SWP water fluctuates annually based on a variety of factors, including Delta conditions, reservoir levels, rainfall, snowpack, and pumping capacity in the Delta, as well as operational limits for fish and wildlife protection, water quality, and environmental and legal restrictions; and

WHEREAS, the infrastructure that enables the conveyance, or movement, of water supply from the Delta to Zone 7 Water Agency is of great consequence to Zone 7 Water Agency; and

WHEREAS, factors such as the continuing subsidence of lands, risk of seismic activity and levees within the Delta, sea level rise, precipitation change, warmer temperatures, and wider variations in the hydrological conditions associated with climate change threaten the reliability of the current SWP water conveyance system; and

WHEREAS, the Delta Conveyance Project involves the construction and future operation of new water intake facilities on the Sacramento River in the north Delta and a single main tunnel to divert and move water entering the north Delta from the Sacramento Valley watershed to existing SWP facilities in the south Delta, which would result in a dual conveyance system in the Delta; and

WHEREAS, DWR's fundamental purpose in proposing to develop the Delta Conveyance Project is to restore and protect the reliability of SWP water deliveries to the State Water Contractors, including Zone 7 Water Agency; and

WHEREAS, in January 2020, DWR, as lead agency for the Delta Conveyance Project under the California Environmental Quality Act ("**CEQA**"), filed and circulated a Notice of Preparation of an Environmental Impact Report ("**EIR**") for the Delta Conveyance Project;

WHEREAS, in July 2022, DWR circulated a Draft EIR (State Clearinghouse No. 2020010227) for the Delta Conveyance Project for a 92-day review period, beginning on July 27, 2022, and closing on October 27, 2022; and

WHEREAS, the EIR analyzed the potential environmental impacts of data collection and field work investigations, including ground-disturbing geotechnical work, water quality and hydrogeologic investigations, agronomic testing, the installation of monitoring equipment, construction test projects, pre-construction design work, and engineering work (collectively, "**Pre-Construction Work**") that would occur after certification of the EIR and that would guide the ultimate design, appropriate construction methods, and monitoring programs for the Delta Conveyance Project; and

WHEREAS, the EIR concluded that the Delta Conveyance Project, including the Pre-Construction Work, would have less than significant impacts without the implementation of mitigation as to some resources; less than significant impacts with the implementation of mitigation measures identified in a Mitigation Monitoring and Reporting Program ("**MMRP**") as to other resources; and significant and unavoidable impacts as to Agricultural Resources, Aesthetics, Cultural Resources, Transportation, Air Quality, Noise, Paleontological Resources, and Tribal Cultural Resources; and

WHEREAS, on December 21, 2023, DWR certified the Final EIR for the Delta Conveyance Project, adopted the MMRP to require DWR's implementation of the mitigation measures identified therein, adopted CEQA Findings of Fact pursuant to State CEQA Guidelines section 15091, adopted a Statement of Overriding Considerations relating to the Delta Conveyance Project's significant and unavoidable environmental impacts pursuant to State CEQA Guidelines section 15093, and approved the Delta Conveyance Project; and

WHEREAS, the Final EIR certified by DWR and related CEQA documents can be found at DWR's website, located at <https://www.deltaconveyanceproject.com/planning-processes/california-environmental-quality-act/final-eir/final-eir-document>. A copy of these documents has also been retained in the Zone 7 Water Agency's files and has been made available to, and has been reviewed by, the Board of Directors; and

WHEREAS, on January 6, 2021, Zone 7 Water Agency entered into an Agreement for the Advance or Contribution of Money to DWR for preliminary planning and design costs related to a potential Delta Conveyance Project (the "**Agreement**"); and

WHEREAS, Zone 7 Water Agency seeks to advance or contribute additional funds pursuant to Section 5 of the Agreement to provide funding for Pre-Construction Work for the Calendar Years 2026-2027 in an amount not to exceed \$6,600,000; and

WHEREAS, Zone 7 Water Agency only seeks to provide funding for Pre-Construction Work (as defined above), and Zone 7 Water Agency is not approving or committing to the broader Delta Conveyance Project at this time; and

WHEREAS, Zone 7 Water Agency is a responsible agency for the Delta Conveyance Project under CEQA, and pursuant to State CEQA Guidelines section 15096, Zone 7 Water Agency hereby intends to adopt CEQA Findings of Fact under State CEQA Guidelines section 15091 and a Statement of Overriding Considerations under State CEQA Guidelines section 15093; and

WHEREAS, Zone 7 Water Agency has heard, been presented with, reviewed, and considered all of the information and data presented to it, including the certified EIR for the Delta Conveyance Project; DWR's findings relating to the Delta Conveyance Project under State CEQA Guidelines section 15091 and 15093; and all public comments; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF ZONE 7 WATER AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated herein and made an operative part of this Resolution.

SECTION 2. Adequacy of the EIR under CEQA. The Zone 7 Water Agency has independently reviewed and considered the certified EIR for the Delta Conveyance Project, DWR's record of proceedings, and the Zone 7 Water Agency's record of proceedings, and the Zone 7 Water Agency finds that the EIR adequately and properly analyzes the potential environmental impacts of the Delta Conveyance Project, including Pre-Construction Work that the Zone 7 Water Agency seeks to fund.

The Zone 7 Water Agency further hereby finds that none of the conditions set forth in State CEQA Guidelines section 15162 that could potentially trigger the need for a Subsequent EIR or Subsequent Negative Declaration apply to the Pre-Construction Work. The Pre-Construction Work does not entail or propose any substantial changes to the Delta Conveyance Project that will require major revisions of the EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. There have been no substantial changes that have occurred with respect to the circumstances under which the Pre-Construction Work, which was analyzed in the EIR, will be undertaken that will require major revisions of the EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. There has been no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the EIR was certified, which shows that (1) the Pre-Construction Work will have one or more significant effects not discussed in the EIR; (2) significant effects previously examined will be substantially more severe than shown in the EIR; (3) mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the Delta Conveyance Project or Pre-Construction Work; or (4) mitigation measures or alternatives which are considerably different from those analyzed in the EIR would substantially reduce one or more significant effects on the environment. None of these conditions, as set forth in State CEQA Guidelines section 15162, apply here.

SECTION 3. Finding concerning Alternatives and Mitigation Measures. Zone 7 Water Agency, as a responsible agency under CEQA, is more limited than the lead agency (i.e., DWR) when considering alternatives and mitigation measures for the Delta Conveyance Project. A responsible agency has responsibility for mitigating or avoiding only the direct or indirect environmental effects of those parts of a project that the responsible agency decides to carry out, finance, or approve; moreover, a responsible agency is required to adopt a feasible

alternative or feasible mitigation measures for a project only if (1) such alternative or mitigation measures are within the responsible agency's powers, and (2) the alternative or mitigation measures would substantially lessen or avoid any significant effect the project would have on the environment.

Here, Zone 7 Water Agency is not approving or committing to carrying out, financing, or approving the broader Delta Conveyance Project, nor does Zone 7 Water Agency have legal authority or powers to approve or carry out modifications or operations to the State Water Project or the Delta Conveyance Project. Instead, Zone 7 Water Agency seeks only to assist in the funding of the Pre-Construction Work, which entails data collection, research, and resource evaluation activities that precede any physical construction of the Delta Conveyance Project. Zone 7 Water Agency finds that the mitigation measures to be implemented by DWR, as set forth in the EIR and the MMRP adopted by DWR, mitigate and avoid the Pre-Construction Work's potential environmental impacts to the extent feasible. Zone 7 Water Agency finds there are no feasible alternatives or feasible mitigation measures within its powers that would substantially lessen or avoid any significant effect the Pre-Construction Work would have on the environment beyond what was identified in the EIR and the MMRP.

SECTION 4. CEQA Findings of Fact under State CEQA Guidelines section 15091. Zone 7 Water Agency adopts DWR's CEQA Findings of Fact, a true and correct copy of which is attached hereto as **Attachment "A"** and incorporated herein by reference, as to the Pre-Construction Work.

SECTION 5. Statement of Overriding Considerations. Zone 7 Water Agency finds that the Pre-Construction Work's economic, legal, social, technological, and other benefits outweigh, both individually and collectively, the Pre-Construction Work's potentially significant and unavoidable environmental effects. Pursuant to State CEQA Guidelines section 15093, Zone 7 Water Agency hereby adopts the Statement of Overriding Considerations attached hereto and incorporated by reference as **Attachment "B."**

SECTION 6. Approval of Funding for Pre-Construction Work. The Board of Directors hereby authorizes the General Manager of Zone 7 Water Agency to effectuate providing funding for Pre-Construction Work for the Calendar Years 2026-2027 in an amount not to exceed \$6,600,000.

SECTION 7. Notice of Determination. Board of Directors hereby directs staff to prepare, file, and cause to be posted a Notice of Determination with the County Clerk or Clerk to the Board of Supervisors in the Counties of Alameda, Contra Costa, Sacramento, San Joaquin, Solano, and Yolo within five (5) working days of the approval of the Resolution.

SECTION 8. Custodian of Documents. The custodian of documents constituting the record of proceedings for this matter is the Zone 7 Board Secretary. The documents constituting the record of proceedings for this matter are located at 100 North Canyons Parkway, Livermore, California 94551.

SECTION 9. Severability. If any provision of this Resolution is held invalid, the remainder of this Resolution shall not be affected by such invalidity, and the provisions of this Resolution are severable.

SECTION 10. Effective Date. This Resolution shall become effective immediately upon its adoption.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on October 16, 2024.

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

# **Attachment "A"**

**Department Of Water Resources'**

**CEQA Findings Of Fact**



1

# **DELTA CONVEYANCE PROJECT**

2

## **CEQA FINDINGS OF FACT AND**

3

## **STATEMENT OF OVERRIDING**

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## **CONSIDERATIONS**

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# Chapter 1

## Introduction

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Under the California Environmental Quality Act (CEQA), a state or local public agency decision maker, before approving a project for which an environmental impact report (EIR) was prepared, must make certain findings with respect to each significant impact identified in the EIR. (See Pub. Resources Code, § 21081, subd. (a); see also Cal. Code Regs., tit. 14, div. 6, ch. 3 (“CEQA Guidelines”), § 15091, subd. (a).) Such findings are one of the primary means by which California public agencies satisfy what the California Supreme Court has called the “substantive mandate” of CEQA, by which such agencies must substantially lessen or avoid the occurrence of significant environmental impacts to the extent feasible. (See *Mountain Lion Foundation v. Fish & Game Com.* (1997) 16 Cal.4th 105, 134; Pub. Resources Code, § 21002.)

With regard to each significant impact, the agency decisionmaker must make at least one of the following findings:

- (1) Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR;
- (2) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
- (3) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the final EIR.

(CEQA Guidelines, § 15091, subd. (a)(1)-(3).)

Additionally, the findings required under CEQA must be supported by substantial evidence. (CEQA Guidelines, § 15091, subd. (b).)

A typical set of CEQA findings identifies all adopted or rejected mitigation measures for the various significant environmental impacts of a proposed project. The findings then go on to explain why various project alternatives identified in EIRs are either infeasible or unnecessary to meet the substantive mandate of CEQA.

A related CEQA requirement is the need for the agency decision maker to adopt a “statement of overriding considerations” before approving any project with environmental effects that cannot feasibly be mitigated to a less than significant level. (Pub. Resources Code, § 21081, subd. (b); CEQA Guidelines, § 15093.) This separate requirement is not a substitute for the adoption of CEQA findings, but is an additional procedural step required as part of the project approval process. A statement of overriding considerations must identify “the specific economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of [the] proposed project [that] outweigh the [project’s] unavoidable adverse environmental effects,” thereby rendering them “acceptable” to the decision maker. (CEQA Guidelines, § 15093, subd. (a).)

The document at hand is intended to satisfy both of the above-described CEQA requirements with respect to the project commonly known as the Delta Conveyance Project (the Project). As the CEQA lead agency, the California Department of Water Resources (DWR) has completed the Final

1 Environmental Impact Report (Final EIR) for the Project. As the final decision maker for DWR, the  
2 Director of DWR (Director) has certified the EIR pursuant to CEQA Guidelines section 15090 and is  
3 now in a position to consider approval of the Project.<sup>1</sup>

4 Through this document, including its attachments, the Director hereby issues both the CEQA  
5 Findings of Fact (Findings) and the Statement of Overriding Considerations necessary for the  
6 Project. The Director does so after having received, reviewed, and considered not only the Final EIR,  
7 but also the previously issued Draft Environmental Impact Report (Draft EIR), as well as public and  
8 agency comments on those documents and all other information in DWR's record of proceedings.

9 The tables included in Exhibit A (CEQA Findings of Fact for the Project's Significant and Unavoidable  
10 Impacts, Impacts that are Less Than Significant after Mitigation and Impacts that are Less Than  
11 Significant/No Impact), contain findings that explain all of the mitigation measures proposed in the  
12 Final EIR (including the Compensatory Mitigation Plan for Special-Status Species and Aquatic  
13 Resources) have been adopted and incorporated into the enforceable Mitigation Monitoring and  
14 Reporting Program (MMRP) for the Project. (See Pub. Resources Code, § 21081.6, subs. (a)(1) and  
15 (b).) Likewise, the environmental commitments including best management practices (BMPs) set  
16 forth in Appendix 3B, *Environmental Commitments and Best Management Practices*, of the Final EIR  
17 have been incorporated into the MMRP.

18 As part of the narrative portion of these findings, the Director explains why the other project  
19 alternatives analyzed in the Final EIR are being rejected. Each specific finding is supported by  
20 substantial evidence in the record of proceedings.

21 The Statement of Overriding Considerations, found near the end of this document, then identifies the  
22 specific economic, legal, social, technological, and other benefits of the Project that, in the Director's  
23 view, outweigh the Project's significant and unavoidable environmental impacts. To the extent that  
24 these Findings do not set forth in detail all of the evidence in support of the conclusions reached,  
25 readers seeking additional information are directed to the Final EIR and supporting evidence in the  
26 record of proceedings, which is hereby incorporated by reference.

27 In addition to these CEQA Findings and the Statement of Overriding Considerations, Exhibit B to  
28 these CEQA Findings sets forth the Director's Public Trust Findings for the Project. The Public Trust  
29 Findings consider the Project's potential effect on the public trust and the state's affirmative duty to  
30 preserve, so far as consistent with the public interest, the resources and values protected by the  
31 trust. While the Public Trust Findings constitute separate findings from the CEQA Findings, the  
32 CEQA Findings and overall record of proceedings provide further evidentiary support for the  
33 conclusions reached in the Public Trust Findings.

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<sup>1</sup> Subsequent actions by other responsible agencies, such as the California Department of Fish and Wildlife, will also be required before Project construction and/or operation may commence. Before DWR commences any project operations, DWR and responsible agencies will take future discretionary actions identified in the EIR, and such future actions will be subject to CEQA.

## Chapter 2 Record of Proceedings

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For purposes of CEQA and these Findings, the Record of Proceedings for the Project consists of the following documents, at a minimum:

- The Notice of Preparation and all other public notices issued by DWR in conjunction with the Project.
- The Final EIR for the Project and any documents cited therein.
- All comments submitted by agencies or members of the public during the public comment period on the Draft EIR.
- All comments and correspondence submitted to DWR with respect to the Project, in addition to timely comments on the Draft EIR, including responses to the Notice of Preparation.
- The Mitigation Monitoring and Reporting Plan for the Project.
- All reports, studies, memoranda, maps, staff reports, or other planning documents in DWR's files relating to the Project prepared by DWR staff, consultants to DWR, and responsible or trustee agencies with respect to DWR's compliance with the requirements of CEQA and with respect to DWR's actions on the Project.
- All documents submitted to DWR by other public agencies or members of the public with respect to compliance with CEQA or with respect to the Project.
- Any minutes and/or verbatim transcripts of all public meetings held by DWR in connection with the Project.
- Any documentary or other evidence submitted to DWR regarding the Project.
- Matters of common knowledge to DWR, including, but not limited to federal, State, and local laws and regulations;
- Any documents expressly cited in the Final EIR, these findings, or the statement of overriding considerations in addition to those cited above; and
- Any other materials required to be in the record of proceedings by Public Resources Code section 21167.6, subdivision (e).

The custodian of the documents comprising the record of proceedings: Marcus Yee, DWR, Program Manager III for the Project, 1516 9<sup>th</sup> Street, Sacramento, CA 95814. Many project-related documents that comprise the record of proceedings are also available on DWR's websites for the Project: <https://www.deltaconveyanceproject.com> and <https://water.ca.gov/deltaconveyance>.

1       The Director of DWR has relied directly or indirectly on all the documents listed above in reaching a  
2       decision on the Project. Many of the documents listed above were prepared by, or submitted to,  
3       DWR during preparation of the EIR for the Project. Other documents reflect prior planning or  
4       legislative decisions with which the Director was aware in approving the Project. For that reason,  
5       such documents form part of the underlying factual basis for the Director's decisions relating to  
6       approval of the Project. (See Pub. Resources Code, § 21167.6, subd. (e)(10); *Browning-Ferris*  
7       *Industries v. City Council of City of San Jose* (1986) 181 Cal.App.3d 852, 866; *Stanislaus Audubon*  
8       *Society, Inc. v. County of Stanislaus* (1995) 33 Cal.App.4th 144, 155.)

## Chapter 3 Recirculation

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Under section 15088.5 of the CEQA Guidelines, recirculation of an EIR is required when “significant new information” is added to the EIR after public notice is given of the availability of the draft EIR for public review but prior to certification of the final EIR. The term “information” can include changes in the project or environmental setting, as well as additional data or other information. New information added to an EIR is not “significant” unless the EIR is changed in a way that deprives the public of a meaningful opportunity to comment upon a substantial adverse environmental effect of the project or a feasible way to mitigate or avoid such an effect (including a feasible project alternative) that the project’s proponents have declined to implement. “Significant new information” requiring recirculation includes, for example, a disclosure showing that:

(1) A new significant environmental impact would result from the project or from a new mitigation measure proposed to be implemented.

(2) A substantial increase in the severity of an environmental impact would result unless mitigation measures are adopted that reduce the impact to a level of insignificance.

(3) A feasible project alternative or mitigation measure considerably different from others previously analyzed would clearly lessen the significant environmental impacts of the project, but the project’s proponents decline to adopt it.

(4) The draft EIR was so fundamentally and basically inadequate and conclusory in nature that meaningful public review and comment were precluded.

(CEQA Guidelines, § 15088.5, subd. (a).)

Recirculation is not required where the new information added to the EIR merely clarifies or amplifies or makes insignificant modifications in an adequate EIR. The above standard is “not intend[ed] to promote endless rounds of revision and recirculation of EIR’s [sic]. Recirculation was intended to be an exception, rather than the general rule.” (*Laurel Heights Improvement Assn. v. Regents of the Univ. of Cal.* (1993) 6 Cal.4th 1112, 1132.)

CEQA case law emphasizes that “[t]he CEQA reporting process is not designed to freeze the ultimate proposal in the precise mold of the initial project; indeed, new and unforeseen insights may emerge during investigation, evoking revision of the original proposal.” (*Kings County Farm Bureau v. City of Hanford* (1990) 221 Cal.App.3d 692, 736-737; see also *River Valley Preservation Project v. Metropolitan Transit Development Bd.* (1995) 37 Cal.App.4th 154, 168, fn. 11.) “CEQA compels an interactive process of assessment of environmental impacts and responsive project modification which must be genuine. It must be open to the public, premised upon a full and meaningful disclosure of the scope, purposes, and effect of a consistently described project, with flexibility to respond to unforeseen insights that emerge from the process.’ [Citation.] In short, a project must be open for public discussion and subject to agency modification during the CEQA process.” (*Concerned Citizens of Costa Mesa, Inc. v. 32nd Dist. Agricultural Assn.* (1986) 42 Cal.3d 929, 936.) Similarly, additional studies included in a final EIR that result in minor modifications or additions to analyses concerning significant impacts disclosed in a draft EIR do not constitute “significant new information” requiring recirculation of an EIR. (See *Mount Shasta Bioregional Ecology Center v. County of Siskiyou* (2012) 210 Cal.App.4th 184, 220-221 [incorporation of technical studies in a final



1 EIR disclosing additional locations affected by a significant noise impact identified in the draft EIR  
2 did not require recirculation].)

3 DWR recognizes that the Final EIR incorporates information obtained and produced after the Draft  
4 EIR was completed, and that the Final EIR contains additions, clarifications, and modifications,  
5 including data and information to further support the information presented in the EIR. Due to the  
6 challenges in making a document with strikeouts ADA compliant and to improve the overall  
7 readability of the Final EIR, the Final EIR includes a final clean version of the EIR including the  
8 additions, clarifications, and modifications made to the Draft EIR. The Final EIR summarizes the key  
9 additions, clarifications, and modifications made by DWR in Volume 2, Chapter 1, *Introduction and*  
10 *Approach to Responses to Comments*. Furthermore, a track change version of the EIR is available to  
11 other agencies and the public upon request. DWR has reviewed and considered the Final EIR  
12 including all new information included therein. DWR finds that the new information added in the  
13 Final EIR either provides additional discussion and analysis not required by CEQA that was included  
14 for informational purposes or otherwise clarifies or makes minor changes to the adequate Draft EIR.

15 As explained further in Exhibit C to these CEQA Findings, none of the new information constitutes  
16 significant new information requiring recirculation of the Draft EIR under CEQA. The new  
17 information added to the EIR does not involve a new significant environmental impact, a substantial  
18 increase in the severity of a previously identified significant environmental impact, or a feasible  
19 mitigation measure or alternative that is considerably different from others previously analyzed  
20 that would clearly lessen one or more significant environmental impacts of the Project and that  
21 DWR declines to adopt.

22 DWR finds that the changes and modifications made to the EIR after the Draft EIR was circulated for  
23 public review and comment do not individually or collectively constitute significant new  
24 information within the meaning of Public Resources Code section 21092.1 or CEQA Guidelines  
25 section 15088.5. No information indicates that the Draft EIR was inadequate or conclusory or that  
26 the public was deprived of a meaningful opportunity to review and comment on the Draft EIR. Thus,  
27 recirculation of the EIR is not required.

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# Chapter 4

## Subsequent Review

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Prior to reaching decisions on the Project, responsible agencies must consider the environmental effects of the project as shown in the EIR and determine whether a subsequent or supplemental EIR is required pursuant to CEQA Guidelines sections 15162 or 15163. Furthermore, the EIR evaluates Project operations based on the Project design and what was known and reasonably foreseeable when the EIR was prepared, but DWR acknowledges that: (1) operations will not occur for well over 15 to 20 years due, in part, to the time required to complete construction of the project, and (2) new information of substantial importance or substantial changes could occur with respect to Project design or the circumstances under which the Project is undertaken. Under these conditions, prior to the commencement of operations, DWR would evaluate whether subsequent CEQA review is required before undertaking any discretionary actions that may be required to change Project design or operational criteria such that they are sufficiently protective to environmental resources.

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## Chapter 5 Project Background

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On April 29, 2019, Governor Newsom signed Executive Order N-10-19 directing the California Natural Resources Agency, California Environmental Protection Agency, and California Department of Food and Agriculture to develop a comprehensive strategy to build a climate-resilient water system and ensure healthy waterways through the twenty-first century. After a public input period, Governor Newsom released the *California Water Resilience Portfolio* on July 28, 2020. The *California Water Resilience Portfolio* identified a suite of complementary actions to ensure safe and resilient water supplies, flood protection, and healthy waterways for the state’s communities, economy, and environment. One of the projects identified in the portfolio is new diversion and conveyance facilities in the Sacramento–San Joaquin Delta (Delta) to safeguard the State Water Project (SWP).

In response to Governor Newsom’s water policy objectives, DWR as the owner and operator of the SWP, proposed to design and construct two diversion facilities, each at 3,000 cfs capacity, on the Sacramento River; a single tunnel for conveyance; tunnel shafts; and a pumping plant and appurtenant facilities. As discussed further below, DWR’s Notice of Preparation (NOP) for the Project EIR identified the proposed project as either the central or eastern alignment with pumping facilities in the south Delta near Clifton Court Forebay. These alternatives are identified as Alternatives 1 and 3 in the Draft EIR. After the process of identifying and screening alternatives evaluated in the Draft EIR (see Final EIR, Volume I, Appendix 3A, *Identification of Water Conveyance Alternatives*) and after an initial evaluation of the alternatives selected for detailed analysis in the Draft EIR, DWR selected a different alternative as the proposed project to analyze in the Draft EIR. Specifically, based on engineering feasibility, conceptual design, constructability, and potential to reduce key environmental impacts on cultural resources, important farmland, wetlands and other waters of the United States, wildlife habitat, transportation, air quality, noise, and Delta community effects, DWR selected the Bethany Reservoir alignment at 6,000 cfs conveyance capacity as the proposed project, which is identified as Alternative 5 in the EIR and referred to herein as the Project. Unlike Alternatives 1 and 3, the Project proposes to discharge water directly to the Bethany Reservoir along the California Aqueduct.

The primary purpose of the SWP is to convey water to local and regional water suppliers across California that, in turn, supply end users engaged in the beneficial uses of that water; it serves as the foundation for local water supplies. The SWP supplies water to 27 million people in northern California, the Bay Area, the San Joaquin Valley, the Central Coast, and southern California. SWP water also irrigates about 750,000 acres of farmland, mainly in the San Joaquin Valley (Final EIR, Volume 1, Chapter 2, *Purpose and Project Objectives*, p. 2-1). Other SWP functions include flood management, water quality maintenance, power generation, recreation, and fish and wildlife enhancement. The SWP was designed to deliver up to nearly 4.2 million acre-feet of water per year, depending on hydrologic conditions. The SWP has long-term contracts to supply water to 29 public water agencies that distribute it to farms, homes, and industry. During the 1999 to 2008 period, SWP deliveries averaged 2.86 MAF per year (California Department of Water Resources 2002, 2008a). But total SWP deliveries averaged about 1.96-million-acre feet (MAF) of water per year from 2009 to 2018 (California Department of Water Resources 2020:18). Of the contracted water supply, approximately 70% goes to municipal and industrial users and 30% to agricultural users (Santa Clara Valley Water 2022). Water supply depends on rainfall, snowpack, runoff, water in

1 storage facilities, and pumping capacity from the Delta, as well as operational limits for fish and  
2 wildlife protection, water quality, and environmental and legal restrictions. The infrastructure that  
3 enables the conveyance, or movement, of California’s water supply is critical to the health of  
4 California’s economy.

5 Factors such as the continuing subsidence of lands, risk of seismic activity and levee failures within  
6 the Delta, sea level rise, precipitation change, warmer temperatures, and wider variations in  
7 hydrologic conditions associated with climate change threaten the reliability of the current SWP  
8 water conveyance system. Additionally, as explained in Final EIR, Volume 1, Chapter 1, *Introduction*,  
9 Section 1.2.3.4, *Regulatory Environment*, pumping restrictions applied by regulatory agencies to  
10 address water quality and aquatic species concerns at the south Delta diversion continue to prevent  
11 the SWP from reliably capturing water when it is available, especially from storm events.  
12 Constraints on groundwater use imposed by the Sustainable Groundwater Management Act of 2014  
13 could also increase the need for reliable SWP surface water supplies over time.

14 DWR’s proposal of the Project is informed by past efforts undertaken to address the long-standing  
15 issues the SWP faces, including those undertaken through the CALFED Bay-Delta Program, the Delta  
16 Risk Management Strategy, and the Bay Delta Conservation Plan/California WaterFix planning  
17 process. The need for new Delta water conveyance infrastructure to help achieve the State’s coequal  
18 goals of “providing a more reliable water supply for California and protecting, restoring, and  
19 enhancing the Delta ecosystem” (Pub. Resources Code § 29702(a)) was recognized by the legislature  
20 when it adopted the Sacramento–San Joaquin Delta Reform Act of 2009 (Water Code § 85000 et seq.,  
21 discussed in Final EIR, Volume 1, Chapter 1, *Introduction*, Section 1.2.3.1, *California Water Supply*,  
22 and Section 1.2.4.4, *The Bay Delta Conservation Plan and California WaterFix*).

## 23 5.1 Project Objectives

24 DWR’s fundamental purpose in proposing to develop new diversion and conveyance facilities in the  
25 Delta is to restore and protect the reliability of SWP water deliveries and, potentially, Central Valley  
26 Project (CVP) water deliveries south of the Delta, consistent with the State’s Water Resilience  
27 Portfolio in a cost-effective manner.

28 The above stated purpose, in turn, gives rise to several related objectives of the Project, as follows:

- 29 ● To help address anticipated rising sea levels and other reasonably foreseeable consequences of  
30 climate change and extreme weather events.
- 31 ● To minimize the potential for public health and safety impacts from reduced quantity and  
32 quality of SWP water deliveries, and potentially CVP water deliveries, south of the Delta as a  
33 result of a major earthquake that could cause breaching of Delta levees and the inundation of  
34 brackish water into the areas where existing SWP and CVP pumping plants operate in the  
35 southern Delta.
- 36 ● To protect the ability of the SWP, and potentially the CVP, to deliver water when hydrologic  
37 conditions result in the availability of sufficient amounts of water, consistent with the  
38 requirements of state and federal law, including the California and federal Endangered Species  
39 Acts (CESA and ESA, respectively) and Delta Reform Act, as well as the terms and conditions of  
40 water delivery contracts and other existing applicable agreements.

- 1       • To provide operational flexibility to improve aquatic conditions in the Delta and better manage  
2 risks of further regulatory constraints on project operations.

## 3 **5.2 Project Description<sup>2</sup>**

4       The Project involves the construction and future operation of new water intake facilities on the  
5 Sacramento River in the north Delta and a single main tunnel to divert and move water entering the  
6 north Delta from the Sacramento Valley watershed to existing SWP facilities in the south Delta,  
7 which would result in a dual conveyance system in the Delta. The water intake facilities would divert  
8 water through state-of-the-art fish screens. The proposed north Delta intakes would operate in  
9 conjunction with the existing SWP intakes in the south Delta. The proposed intakes would augment  
10 the ability to capture excess flows and improve the flexibility of the SWP operations such as for  
11 meeting the State Water Board Decision 1641 Delta salinity requirements. The north Delta intakes  
12 would be used to capture additional excess flows when the south Delta exports are limited and not  
13 able to capture those flows.

14       Under the Project, two intakes (Intakes B and C as defined in the EIR) would together convey up to  
15 6,000 cfs of water from the north Delta along an eastern alignment to the launch shaft at Lower  
16 Roberts Island. From Lower Roberts Island, the single below ground tunnel would follow a route to  
17 a location south of Clifton Court Forebay and terminate at the Bethany Complex. A map and a  
18 schematic diagram depicting the conveyance facilities associated with the Project are provided in  
19 Final EIR, Volume 1, Mapbook 3-3 as well as Figures 3-2 (Bethany Reservoir Alignment) and 3-30.  
20 The Project would entail the continued use of the SWP south Delta export facilities as the primary  
21 diversion location. The sections below provide details on key features of the Project along with a  
22 summary of Project features.

### 23 **5.2.1 Intake Structure and Fish Screens**

24       Intakes B and C on the east bank of the Sacramento River would divert water and convey it through  
25 a single main tunnel. Intake B would be just north of Hood, and Intake C would be between Hood  
26 and Courtland (see Final EIR, Volume 1, Mapbook 3-3, Sheets 2 and 3). Intakes B and C would each  
27 divert up to 3,000 cfs under the Project. Operated in a coordinated manner with the existing  
28 facilities, the north Delta facilities would provide flexibility to alter the location, amount, timing, and  
29 duration of diversions to help manage water quality in the Delta or when excess flows occur after all  
30 other applicable Delta outflow requirements are met.

31       At each intake, water would flow through cylindrical tee fish screens mounted on the intake  
32 structure to a sedimentation basin before reaching the intake outlet (tunnel inlet) shaft at each site.  
33 The intake outlet shaft would serve as the tunnel boring machine reception or maintenance shaft  
34 during construction and as the intake shaft and maintenance access during operation. These shafts  
35 would have an inside diameter of 83 feet. From the intake outlet shaft, water would flow into a  
36 single-bore main tunnel that connects the intakes to the Twin Cities Complex, from which the tunnel  
37 route would extend south on the Bethany Reservoir alignment.

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<sup>2</sup> This information is derived from Chapter 3, *Description of the Proposed Project and Alternatives*, of the Final EIR and outlines key features of the Project. For more information on the Project components, see Chapter 3 of the Final EIR.

1 Intake features would include state-of-the-art cylindrical tee fish screens, intake structures,  
2 sedimentation basins, sediment drying lagoons, and flow control structures. Intakes would also  
3 include associated facilities to support construction and operation of the intakes. Fish screens  
4 installed on intake structures minimize aquatic species from being carried into the intake facilities  
5 along with the diverted water. The intake screens are designed to draw in water at reduced  
6 velocities to reduce potential effects to the subset of fish exposed to the intake screens.

7 The intake fish screens are part of an overall intake system that includes the screen units and an  
8 integrated screen cleaning system, piping, and flow control features. The "tee-shaped" screen units  
9 would consist of two fish screen cylinders installed on either side of a center manifold that would be  
10 connected to the facility's intake opening. Each intake fish screen would extend about 12 feet from  
11 the vertical face of the intake structure into the river. During diversion operations, water would flow  
12 from the Sacramento River through the fish screens and a 60-inch diameter pipe and discharge into  
13 the sedimentation basins. Control gates would regulate the flow through each screen unit to the  
14 sedimentation basin.

## 15 **5.2.2 Construction of Intake Structures**

16 Installing the intake facility would require construction of a temporary cofferdam for in-river  
17 portions of intake construction to divert water and aquatic organisms around the work site and  
18 create a dry work area. Portions of the cofferdam would consist of interlocking steel sheet piles  
19 installed using vibratory pile driving or, if necessary, a combination of vibratory and impact pile  
20 driving. Vibratory pile driving is a method by which the pile is vibrated into the soil beneath the site  
21 as opposed to being hammered in, as occurs in impact pile driving. Noise associated with the  
22 vibratory pile driving is considerably lower than noise associated with impact hammer pile driving.  
23 To minimize noise and other disturbances from pile driving, vibratory pile driving would be used to  
24 the extent possible where supported by additional geotechnical information, thus eliminating or  
25 minimizing impact pile driving. All pile driving would be restricted to the daytime hours between  
26 7:00 a.m. and 7:00 p.m. and would not occur at night. It is estimated that the longest installation  
27 period (at Intake C) would be no more than 255 hours over a 5- or 6- week period, including time for  
28 handling and preliminary vibratory pile driving. Assuming 2 minutes of driving time for each sheet  
29 pile pair, impact drive time (as a subset of the total installation period) would be a cumulative total  
30 of 14 hours at Intake C with 3,000-cfs capacity, occurring over roughly 5 or 6 weeks. Each intake  
31 sheet pile construction period would be staggered by about 1 year (Delta Conveyance Design and  
32 Construction Authority 2022).

## 33 **5.2.3 Sedimentation Basins and Drying Lagoons**

34 Diverted water would contain sediment suspended in the river water, a portion of which would be  
35 collected in a concrete-lined sedimentation basin. A deep soil-cement-bentonite perimeter wall  
36 (cutoff wall) would serve to isolate the sediment basins from the local groundwater and the  
37 Sacramento River. Each intake would have one sedimentation basin divided into two cells by a  
38 turbidity curtain. Water would flow from the intake through the sedimentation basin and through a  
39 flow control structure with radial gates into the outlet channel and shaft structure that would be  
40 connected to the tunnel system.

41 The screen and intake design would allow sufficient flow velocities in diversion pipes to sweep  
42 sediment into the sedimentation basin and prevent it from settling in the piping system. Once the  
43 diverted water enters the sedimentation basins, larger sand and silt sediment particles would settle

1 while smaller silt and clay particles would be carried into the tunnel. A flow control structure with  
2 four large radial gates and one smaller gate would control the water level in the sedimentation basin  
3 and discharge flow into the intake outlet channel and outlet shaft. Tunnel and aqueduct velocity  
4 would be sufficient to transport these smaller particles to Bethany Reservoir.

5 Each intake would have four concrete-lined sediment drying lagoons, each approximately 15 feet  
6 deep, containing an average of 10 to 12 feet of water within its embankments when in use. Once a  
7 year, during the summer months, the sedimentation basin would be dredged, one half at a time, and  
8 sediment slurry discharged to drying lagoons, dewatered, and allowed to dry naturally. The  
9 sediment is anticipated to be composed of large silt and sand particles with minimal organic  
10 material. During dredging operations, sediment is expected to accumulate to a depth of about 1 foot,  
11 distributed over the floor of the drying lagoons. Water drained from the sediment drying lagoon  
12 outlet structures and underdrains would be pumped back into the sedimentation basin. The  
13 sediment remaining would be dried for 2 to 6 days, which would reduce its moisture content to a  
14 point at which the sediment can be removed and transported without creating dust. If sediment is  
15 dried to a level that would create dust, the dust would be controlled by application of water from on-  
16 site supplies. The dried sediment would be removed by truck for disposal at a permitted disposal  
17 site or used for beneficial uses off-site. The fill and drain/dry sequence would take about 7 to 8 days,  
18 which would approximately match the dredged material filling rate so continuous operation would  
19 be possible. On average, each drying lagoon would fill about once every 4 to 8 days and contain up to  
20 about 1,800 cubic yards of sediment. The volume of sediment collected would depend upon the  
21 volume, suspended sediment concentration, and flow rate of water diverted at the intake. Intake  
22 maintenance activities are described in Final EIR, Volume 1, Chapter 3, *Description of the Proposed*  
23 *Project and Alternatives*, Section 3.16.5, *Intake Maintenance Activities*.

## 24 **5.2.4 Bethany Complex and Other facilities**

25 The Project would use Intakes B and C to convey up to 6,000 cfs of water from the north Delta along  
26 an eastern alignment to the launch shaft at Lower Roberts Island. From Lower Roberts Island, the  
27 tunnel would follow a route to a location south of Clifton Court Forebay and terminate at the  
28 Bethany Complex. The Bethany Complex would include a pumping plant, a surge basin with  
29 reception shaft, a buried pipeline aqueduct system, and a discharge structure to convey water to  
30 Bethany Reservoir. The Bethany Complex would be constructed southeast of Clifton Court Forebay.  
31 The Bethany Complex includes the Bethany Reservoir Pumping Plant which would be needed to lift  
32 the water from the tunnel to Bethany Reservoir. The main tunnel from the intakes would terminate  
33 at a reception shaft within the surge basin on the north side of the Bethany Reservoir Pumping  
34 Plant. Water would enter the Bethany Reservoir Pumping Plant and be conveyed directly to Bethany  
35 Reservoir in an aqueduct system. The Bethany Reservoir Pumping Plant would include the Bethany  
36 Reservoir Surge Basin which would remain empty while the Bethany Reservoir Pumping Plant is  
37 operating. The Bethany Reservoir Aqueduct system would consist of four 15-foot-diameter parallel  
38 pipelines that would convey water from the Bethany Reservoir Pumping Plant to the Bethany  
39 Reservoir Discharge Structure, a distance of approximately 2.5 miles each. Two separate aqueduct  
40 reaches would require tunnels to carry each pipeline under existing features. The first reach would  
41 be under the Jones Pumping Plant discharge pipelines (about halfway from the Bethany Reservoir  
42 Pumping Plant to the discharge structure); at this location pipelines would run about 50 feet below  
43 ground surface for about 200 feet. Tunnels would also be needed under the existing conservation  
44 easement adjacent to Bethany Reservoir (at the last downstream reach of the aqueduct) for about  
45 3,064 feet, ranging from 45 to 180 feet below ground surface. The aqueduct pipelines would

1 terminate near the bottom of four 55-foot-inside-diameter below ground vertical shafts at the  
 2 Bethany Reservoir Discharge Structure. The pipelines would make a 90-degree bend upward inside  
 3 the shafts, ending at the floor of the discharge structure and flowing through a concrete channel into  
 4 Bethany Reservoir. Finally, the discharge structure portion of the Bethany Complex called the  
 5 Bethany Reservoir Discharge Structure located near the bank of Bethany Reservoir includes the  
 6 aqueduct conservation easement tunnel vertical exit shafts, contractor staging areas, and ancillary  
 7 facilities. The proposed discharge structure site would be on a narrow strip of land between the  
 8 conservation easement and Bethany Reservoir.

9 **Table 1. Summary of Project Features**

Characteristic	Description <sup>a</sup>
Alignment	Bethany Reservoir
Conveyance capacity	6,000 cubic feet per second
Number of Intakes	2; Intakes B and C at 3,000 cfs each
<b>Tunnel from Intakes to Bethany Reservoir Pumping Plant</b>	
Diameter	36 feet inside, 39 feet outside
Length	45 miles
Number of tunnel shafts	11 <sup>b</sup>
Launch shafts diameter	115 feet inside
Reception and maintenance shafts diameter	70 feet inside
Surge Basin reception shaft diameter	120 feet inside
Twin Cities Complex	Construction acres: 586 Permanent acres: 222
New Hope Tract Maintenance Shaft	Construction acres: 11 Permanent acres: 11
Canal Ranch Tract Maintenance Shaft	Construction acres: 11 Permanent acres: 11
Terminus Tract Reception Shaft	Construction acres: 13 Permanent acres: 13
King Island Maintenance Shaft	Construction acres: 12 Permanent acres: 12
Lower Roberts Island Double Launch Shaft site	Construction acres: 610 Permanent acres: 300
Upper Jones Tract Maintenance Shaft	Construction acres: 11 Permanent acres: 11
Union Island Maintenance Shaft	Construction acres: 14 Permanent acres: 14
<b>Bethany Complex</b>	
Bethany Reservoir Pumping Plant and Surge Basin site size (all facilities)	Construction acres: 213 Permanent acres: 184
Bethany Reservoir Pumping Plant pad site	1,166 foot wide x 1,260 feet long (approximately 34 acres)
Surge basin	815 feet wide x 815 feet long x 35 feet deep, approximately 15 acres



Characteristic	Description <sup>a</sup>
Bethany Reservoir Aqueduct	Four 15-foot-diameter parallel below-ground pipelines Approximately 14,900 linear feet each Construction acres: 128 acres Permanent acres: 68
Aqueduct tunnels	Four 20-foot-diameter parallel tunnels, two reaches
Bethany Reservoir Discharge Structure	Construction acres: 15 Permanent acres: 13
<b>RTM Volumes and Storage</b>	
Twin Cities Complex long-term RTM storage (approximate)	214 acres x 15 feet high
Lower Roberts Island long-term RTM storage (approximate)	189 acres x 15 feet high
Bethany Complex	No TBM RTM generated or stored
Total wet excavated RTM volume (for single main tunnel from intakes to Bethany Reservoir Surge Basin shaft)	14.4 million cubic yards

1 cfs = cubic feet per second; RTM = reusable tunnel material; TBM = tunnel boring machine. The height of the RTM  
2 storage stockpiles would decrease as the RTM subsides into the ground over time.

3 <sup>a</sup> Acreage estimates represent the permanent surface footprints of selected facilities. Overall Project acreage includes  
4 some facilities not listed, such as permanent access roads.

5 <sup>b</sup> Number of shafts for the main tunnel from intakes to Bethany Reservoir Surge Basin shaft, counting the double  
6 shaft at Twin Cities Complex and the double shaft at Lower Roberts Island each as one shaft.

## 7 5.2.5 Water Conveyance Operational Components

8 The proposed north Delta intakes would operate in conjunction with the existing SWP. Operations of  
9 the existing SWP facilities, and in coordination with CVP operations pursuant to the Coordinated  
10 Operations Agreement, will be governed by the applicable regulatory requirements specified under  
11 the State Water Board Water Quality Control Plan for the San Francisco Bay/Sacramento–San  
12 Joaquin Delta Estuary (Bay-Delta Plan) and assigned to the SWP in the applicable water right  
13 decision, applicable biological opinions under ESA, applicable incidental take permit under CESA,  
14 and U.S. Army Corps of Engineers (USACE) Clifton Court diversion limits. The operations of the  
15 proposed north Delta intakes would remain consistent with these existing regulatory requirements.  
16 The Project is seeking a new point of diversion be added to DWR’s existing water rights, and is not  
17 seeking to expand water right quantity. In addition, diversions at the proposed north Delta intakes  
18 would be governed by new operational criteria specific to these intakes, such as the fish screen  
19 approach velocity requirements, bypass flow requirements, and pulse protection. These new criteria  
20 provide additional protections to the fish species over and above the protections from the state-of-  
21 the-art positive barrier fish screens included at the proposed intakes. A detailed table describing the  
22 proposed operational criteria is provided in Final EIR, Volume 1, Chapter 3, *Description of the*  
23 *Proposed Project and Alternatives*, Table 3-14. Additional detail for the proposed north Delta intakes  
24 is provided in Final EIR, Volume 1, Table 3-15 in Section 3.16.7, *Delta Conveyance Project*  
25 *Preliminary Proposed Operations Criteria*. Also, in Final EIR, Volume 1, Section 3.16.7, Figure 3-37  
26 provides a visual depiction of maximum allowable diversions in winter/spring and expected  
27 diversions in summer/fall. Final EIR, Volume 1, Figure 3-38 provides a depiction of the north Delta  
28 diversion operations concepts to minimize potential effects to aquatic species.

## 5.2.6 Adaptive Management and Monitoring

Adaptive management for the Project, as required by the Delta Reform Act and described in Appendix 1B of the Delta Plan, would encompass three major phases: planning, implementation, and evaluation and response (Delta Stewardship Council 2015; Cal. Code Regs., title 23, § 5002(b)(4)). The adaptive management plans and programs would document all activities associated with the planning phase of adaptive management and describe the process to be followed during the implementation and evaluation and response phases. Project objectives were taken into consideration in identifying where adaptive management would be most effective and applicable for the project. As appropriate, mitigation measures identified in the Final EIR, such as implementation of the habitat creation and restoration actions in the Compensatory Mitigation Plan (CMP), would integrate the concept of adaptive management in mitigation plan design, stand-alone site and/or resources-specific adaptive management plans would be adopted if the project is approved. In addition, an Operations Adaptive Management and Monitoring Program would be used to monitor and consider the design and operation of the new north Delta intakes and determine whether they result in unanticipated effects that may warrant refinements in design, management, and/or operation. For more information see Final EIR, Volume 1, Chapter 3, *Description of the Proposed Project and Alternatives*, Section 3.18, *Adaptive Management and Monitoring Program*.

## 5.3 Environmental Review Process

### 5.3.1 Alternatives Development and Screening Process

The 2020 NOP identified the proposed project as a 6,000 cfs diversion capacity alternative, to be located on either a central or eastern alignment from intakes in the north Delta to pumping facilities in the south Delta near Clifton Court Forebay. The EIR analyses were initiated with this concept of the proposed project, and with the knowledge that additional engineering refinements, preliminary findings about key environmental impacts, and input from the public and other interested parties may result in future changes. As the development of the EIR progressed, the evaluation provided additional information about the environmental impacts associated with the project alternatives. The preliminary impact assessment found that the Bethany Reservoir alignment had the potential to reduce environmental effects as compared to other project alternatives (see Section 7.3, *Summary Comparison*, for a discussion and comparison of project alternatives). As a result, DWR identified the Bethany Reservoir alignment (Alternative 5) as the proposed project in the EIR.

DWR began the alternatives development process by revisiting the scoping comments received on the Bay Delta Conservation Plan (BDCP) and California WaterFix, as described in Final EIR, Volume 1, Chapter 1, *Introduction*. During the 2009 BDCP EIR/EIS scoping process, 1,051 comments were received related to the development of alternatives. After publishing the Draft BDCP EIR/EIS, based on the Habitat Conservation Plan/Natural Community Conservation Plan approach in December 2013, and after reviewing critical public and fish and wildlife agency comments on that document, the lead agencies introduced a new proposed action called the California WaterFix in a Partially Recirculated Draft EIR/Supplemental Draft EIS in July 2015.

While the BDCP and then California WaterFix had different project objectives, some of these alternative comments or suggestions were applicable to the Delta Conveyance Project. The 2020 Delta Conveyance Project NOP described a new proposed single-tunnel project and solicited

1 additional suggestions about potential alternatives during the public scoping period. This involved  
2 input from a large group of interested parties, an extensive evaluation of various options, and  
3 analysis of the environmental impacts that goes beyond the normal scope of a CEQA review. These  
4 processes were helpful in informing the public and gathering input on a project that would affect a  
5 very complex estuary and a statewide water supply system.

6 The Project underwent a public scoping period of 93 days from January 15 to April 17, 2020, where  
7 DWR received public comments from 2,000 individuals, organizations, and agencies on the scope of  
8 issues to be considered in the Draft EIR. Eight scoping meetings, which hosted a total of more than  
9 700 attendees, were held throughout the state to provide information on the project and gather  
10 comments. The scoping period was originally scheduled for a period of 65 days ending on March 20,  
11 2020, but was extended for an additional 28 days per the request of interested parties to allow for  
12 additional time to review project information, and to accommodate unprecedented circumstances  
13 related to the coronavirus disease 2019 (COVID-19) pandemic. During this period, the public was  
14 invited to participate in the earliest phase of the environmental review process and DWR accepted  
15 public comments on the proposed project as defined in the NOP. For more detailed information  
16 about the scoping process and relevant outreach efforts, please see Final EIR, Volume 1, Appendix  
17 1A, *Scoping Summary Report*.

18 Following the 2020 NOP and consideration of scoping comments, DWR screened a range of  
19 alternatives and began evaluating potential impacts from constructing, operating, and maintaining  
20 conveyance facility alternatives. Contemporaneously, the engineering team continued to refine  
21 potential facility designs, construction approaches, and project operations to optimize the  
22 conveyance facility approach and evaluate options to further reduce environmental effects.

23 The screening process for the Delta Conveyance Project EIR focused on identifying alternatives to  
24 the proposed project, as defined in the NOP, and these alternatives were screened with the purpose  
25 and objectives of the proposed project in mind. The proposed project identified in the NOP and  
26 developed to specifically meet the stated project objectives, Dual Conveyance Central Tunnel  
27 Alignment or Dual Conveyance Eastern Tunnel Alignment, with a maximum 6,000 cfs capacity, was  
28 the basis against which alternatives were screened. The screening criteria were developed  
29 consistent with the legal requirements of CEQA and the project objectives included in the NOP  
30 published on January 15, 2020.

31 The alternatives were grouped into four categories of dual conveyance, isolated conveyance,  
32 through-Delta conveyance with proposed diversion facility, and through-Delta conveyance with no  
33 new diversion facilities. A fifth “other” category encompassed alternatives proposing other  
34 technologies, including capping the California Aqueduct, use of an aboveground “tube” to convey  
35 water, and desalination on barges in Monterey Bay. Not including the NOP identified alternatives  
36 (Dual Conveyance Central Tunnel Alignment with 6,000-cfs 35 capacity and Dual Conveyance  
37 Eastern Tunnel Alignment with 6,000-cfs capacity), a total of 21 alternatives were generated at this  
38 stage. In some cases, multiple similar proposals were combined and evaluated as one. Each of the  
39 screened alternatives is described in Final EIR, Volume 1, Appendix 3A, *Identification of Water  
40 Conveyance Alternatives*.

41 The 21 potential alternatives to the proposed project were screened through a two-level filtering  
42 process. Filter 1 assessed whether a proposed alternative could meet the project purpose and most  
43 of the project objectives. Alternatives that met two or more of the following four Filter 1 criteria  
44 summarizing the four project objectives were carried forward for screening under Filter 2. Final EIR,

1 Volume 1, Appendix 3A, Identification of Water Conveyance Alternatives, describes the following  
2 Filter 1 criteria in more detail.

- 3 • **Climate resiliency.** Addresses anticipated sea level rise and other reasonably foreseeable  
4 consequences of climate change and extreme weather events.
- 5 • **Seismic resiliency.** Minimizes health and safety risk to public from earthquake-caused  
6 reductions in water delivery quality and quantity from the SWP.
- 7 • **Water supply reliability.** Restores and protects the ability of the SWP to deliver water in  
8 compliance with regulatory limits and SWP contractual agreements.
- 9 • **Operational resiliency.** Provides operational flexibility to improve aquatic conditions and  
10 manage future regulatory constraints.

11 Filter 2 examined whether the remaining alternatives would avoid or lessen potential significant  
12 environmental impacts compared to the proposed project options identified in the NOP.

13 Of the 21 potential alternatives to the proposed project (identified in the NOP as Alternatives 1 and  
14 3) that were evaluated as part of the screening process, 11 alternatives or groups were eliminated in  
15 Filter 1 (Final EIR, Volume 1, Appendix 3A, *Identification of Water Conveyance Alternatives*, Table 3A-  
16 2). The remaining alternatives were screened through Filter 2 to evaluate whether they had the  
17 potential to lessen environmental impacts compared to the two project options (Alternatives 1 and  
18 3) identified in the NOP (Final EIR, Volume 1, Appendix 3A, *Identification of Water Conveyance*  
19 *Alternatives*, Table 3A-3). Only the Dual Conveyance Bethany Alignment alternative passed Filter 2  
20 screening for its potential to avoid or reduce impacts compared to the proposed project identified in  
21 the NOP (Alternatives 1 and 3). To evaluate the potential for modifications to the capacity of the  
22 project options identified in the NOP to potentially avoid or reduce impacts, alternatives with  
23 capacities of 3,000 cfs (Alternatives 2b and 4b), 4,500 cfs (Alternatives 2c and 4c), and 7,500 cfs  
24 (Alternatives 2a and 4a) were also carried forward for analysis in the EIR. As a result, including the  
25 No Project alternative, the EIR evaluates ten proposed alternatives to the Project.

### 26 **5.3.2 Release of, and Comments on, the Draft EIR**

27 The Draft EIR for the Project was released for public review and comment on July 27, 2022. The  
28 public comment period for the Draft EIR was originally set for 92 days and scheduled to close on  
29 October 27, 2022. In response to requests from multiple commenters, DWR granted a 50-day  
30 extension to the public comment period, which closed at 5:00 p.m. Pacific Standard Time on  
31 December 16, 2022. The extension allowed a public comment period totaling 142 days.

32 DWR conducted three public hearings on September 13, September 22, and September 28, 2022,  
33 during different times of the day, during which DWR accepted verbal comments on the Draft EIR. In  
34 addition, DWR held two Tribal representatives meetings, on October 12 and December 7, 2022, for  
35 Tribal leadership, Tribal government representatives, and Tribal communities to provide verbal  
36 comments on the Draft EIR.

37 DWR received approximately 675 unique letters and communications from federal, state, and  
38 local/regional agencies; California Native American Tribal governments; elected officials;  
39 nongovernmental organizations; and members of the public. After reviewing letters and  
40 communications, DWR identified approximately 7,356 discrete comments.

1 The comments covered a broad range of environmental concerns and other issues. Major topic areas  
2 that elicited frequent comments included but were not limited to: the CEQA process, mitigation  
3 measures, and other project requirements; engagement with interested parties and the public  
4 outreach process; alternatives development, range and description, including alternative  
5 operations; implementation considerations; surface water quality and groundwater methodologies  
6 and impacts; fish and aquatic resources methodology and impacts; terrestrial biological resources  
7 methodology and impacts; Tribal cultural resources impacts; and air quality methodology and  
8 impacts.

### 9 **5.3.3 Preparation of the Final EIR**

10 To ensure time for comment letters sent by mail, DWR treated all comment letters received before  
11 January 1, 2023, as timely. As such, all comments received prior to January 1, 2023, are responded to  
12 in Final EIR, Volume 2. Any comments received on or after January 1, 2023, were considered late  
13 letters. While late letters have been reviewed and considered by DWR, DWR did not include late  
14 letters, or responses thereto, in the Final EIR. The responses to comments provided in Final EIR,  
15 Volume 2, represent DWR's best effort to review, consider, and address all timely comments on the  
16 Draft EIR and any supporting information provided by commenters.

17 Agency consultation and coordination activities, including Tribal consultation, continued during  
18 preparation of the Final EIR for the Project. DWR also continued to proactively engage interested  
19 agencies and the public throughout the CEQA processes including preparing informative websites  
20 and social media updates.

## Project Specific Findings on the Delta Conveyance Project Environmental Impacts

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Within each of the resource area chapters, the Final EIR lays out the significant environmental impacts of the Project. Each such environmental impact has its ultimate CEQA determination, that is, whether it would be less than significant, could be mitigated to a less than significant level through the implementation of proposed mitigation, or significant and unavoidable. Attached to this document as Exhibit A are three Findings Tables. Table 1 identifies significant and unavoidable impacts, Table 2 identifies significant impacts that can be rendered less than significant with mitigation, and Table 3 identifies impacts that are less than significant or no impact before mitigation. Within the tables, the verb “substantially lessen” is understood to mean “mitigate, but not to a less than significant level,” while the verb “avoid” is understood to mean “mitigated to a less than significant level.” These tables do not attempt to describe the full analysis of each environmental impact contained in the Final EIR. Rather, such full analysis can be found within the Final EIR, which, as noted earlier, is incorporated by reference herein. In making these findings, the Director of DWR ratifies, adopts, and incorporates into these findings the analysis and explanation in the Final EIR, and ratifies, adopts, and incorporates in these findings the determinations and conclusions of those documents relating to environmental impacts and mitigation measures, except to the extent any such determinations and conclusions are specifically and expressly modified by Exhibit A to these Findings.

As noted above, all of the mitigation measures proposed in the Final EIR have been adopted and incorporated into the enforceable MMRP for the Project. (See Pub. Resources Code, § 21081.6, subs. (a)(1) and (b).) So too have both the generic and project-specific environmental commitments, and BMPs set forth in Final EIR, Volume 1, Appendix 3B, *Environmental Commitments and Best Management Practices*. No mitigation measures identified in the Final EIR have been rejected as infeasible as is permitted under CEQA Guidelines section 15091, subdivisions (a)(3) and (c).

### 6.1 Potentially Significant and Unavoidable Impacts

Mitigation measures are identified for most of the significant and unavoidable impacts, but the measures are not sufficient to reduce the impacts to less than significant levels. For one significant and unavoidable impact (Impact PALEO-2), there is no feasible mitigation available at all.

Other potential impacts are considered to be significant and unavoidable even though full implementation of recommended mitigation measures by other agencies or in cooperation with DWR would reduce the impacts to less than significant levels. This conservative characterization reflects the fact that several of these mitigation measures cannot be implemented by DWR by itself, but will be dependent on the reasonable cooperation of other agencies or entities. As explained in the Final EIR, if such cooperation is forthcoming, and DWR can work successfully with the other agencies or entities in question (e.g., by reaching written agreements where necessary), the impacts will ultimately be less than significant. But DWR has conservatively concluded in the EIR that these impacts will be significant and unavoidable.

1 Within Exhibit A to this document, Table 1 includes (1) all potentially significant and unavoidable  
2 impacts associated with the Project, (2) adopted feasible mitigation measures or environmental  
3 commitments, if available, intended to reduce the severity of such impacts, (3) characterization of  
4 significance of the impact after the adoption of appropriate mitigation measures or environmental  
5 commitments, if any, and (4) explanations of the nature of the impacts and the effectiveness of  
6 mitigation measures or environmental commitments.

7 Even though the impacts in Table 1 will remain significant and unavoidable, DWR has determined to  
8 approve the Project because the Project's benefits outweigh its significant unavoidable  
9 environmental impacts. CEQA provides that, where a proposed project would cause significant  
10 environmental impacts that cannot be avoided or substantially lessened, a public agency's decision  
11 maker, after adopting proper findings, may nevertheless approve the project if the decision maker  
12 first adopts a statement of overriding considerations. This latter document must set forth the  
13 specific reasons why the agency decision maker finds the project's benefits outweigh its significant  
14 unavoidable environmental impacts. The statement of overriding considerations for the Project is  
15 included in these Findings in Chapter 8, *Statement of Overriding Considerations*, below.

## 16 **6.2 Potentially Significant Impacts Reduced to Less** 17 **than Significant**

18 As noted above, Table 2 within Exhibit A identifies significant impacts that can be reduced to less  
19 than significant levels through the adoption and implementation of feasible mitigation measures or  
20 environmental commitments. Table 2 includes: (1) all potentially significant impacts associated with  
21 the Project, (2) adopted mitigation measures or environmental commitments that DWR finds would  
22 avoid or substantially lessen such significant environmental impacts, (3) characterization of less  
23 than significance of the impact after the adoption of mitigation measures or environmental  
24 commitments, and (4) explanations of the nature of the impacts and the effectiveness of mitigation  
25 measures or environmental commitments.

## 26 **6.3 Impacts that are Less than Significant or No** 27 **Impact**

28 Under CEQA, no mitigation measures are required for impacts that are less than significant. (Pub.  
29 Resources Code, § 21002; CEQA Guidelines, §§ 15126.4, subd. (a)(3), 15091.) Based on substantial  
30 evidence in the whole record of this proceeding, DWR finds that implementation of the Project will  
31 not result in any significant impacts to the impact areas identified in Table 3 within Exhibit A and  
32 that these impact areas, therefore, do not require mitigation. In some instances, the Project would  
33 have no impact in a particular area; these instances are noted in the table.

## Findings Regarding Alternatives to the Project

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### 7.1 Basis for Alternatives-Feasibility Analysis

California Public Resources Code section 21002 provides that “public agencies should not approve projects as proposed if there are feasible alternatives or feasible mitigation measures available which would substantially lessen the significant environmental effects of such projects[.]” Where a lead agency has determined that, even after the adoption of all feasible mitigation measures, a project as proposed will still cause one or more significant environmental effects that cannot be substantially lessened or avoided, the agency, prior to approving the project as mitigated, must first determine whether, with respect to such impacts, there remain any project alternatives that are both (1) environmentally superior with respect to such significant, unavoidable effects and (2) feasible within the meaning of CEQA.

Under CEQA Guidelines section 15126.6, the alternatives to be discussed in detail in an EIR should be able to “feasibly attain most of the basic objectives of the project.” (See also *In re Bay-Delta Programmatic Environmental Impact Report Coordinated Proceedings* (2008) 43 Cal.4th 1143, 1165-1166 “[i]n the CALFED program, feasibility is strongly linked to achievement of each of the primary program objectives [¶] ... [¶] a lead agency may structure its EIR alternative analysis around a reasonable definition of underlying purpose and need not study alternatives that cannot achieve that basic goal”.) For this reason, the project objectives described earlier in these Findings provided part of the policy framework by which DWR developed the alternatives analyzed in the EIR. In analyzing such alternatives in detail in the EIR, DWR took these objectives into account, while at the same time focusing on means of substantially lessening or avoiding significant environmental effects as required under CEQA.

The approach taken by DWR is consistent with the approach taken for other water conveyance projects in California as illustrated in the decision by the Second Appellate District in *California Water Impact Network v. City of San Buenaventura* (Jan. 4, 2023, Cal. Ct. App., B315362 [nonpub. opn.]) (CWIN). In CWIN, the City of Buenaventura (City) proposed and prepared an EIR for a seven-mile-long pipeline project to receive its contractual right to water from the SWP. (*Id.* at p. \*1.) At the same time that the City was pursuing the pipeline project to connect to the SWP, the City was also pursuing and preparing an EIR for a separate project to increase local water sources including wastewater and groundwater treatment. (*Ibid.*) The purpose of the local water project was to increase the City’s overall water supply. (*Ibid.*)

Petitioner argued the City piecemealed environmental review by preparing a separate EIR for the local water supply project and/or that the pipeline project had to include alternatives evaluating local water supply options. (CWIN, *supra*, at pp. \*2, \*4.) The court rejected both arguments. First, as to the piecemealing claim, the court acknowledged that both the pipeline project and the proposed local water supply project concerned the City’s water supply. (*Id.* at p. \*3.) However, the court held that the projects had independent utility because the projects involved “different source[s] of water, different infrastructure, and neither project [was] dependent on the completion of the other.” (*Ibid.*) Second, the court concluded that the pipeline project EIR did not require local water supply



1 alternatives because a basic goal of the project was to “bring SWP water to the City... [and] [l]ocal  
2 water supply cannot meet the basic goal of bringing SWP water to the City.” (*Id.* at p. \*4.)

3 Of relevance to the Delta Conveyance Project, the petitioner in *CWIN* alleged that the project  
4 objectives were too narrow because one objective was to receive the City’s SWP entitlements, which  
5 made “dependence on SWP water a *fait accompli*.” (See *CWIN*, *supra*, at p. \*3.) Petitioner asserted  
6 that the project objectives should have been drafted to more generally address the City’s water  
7 supply and water quality needs and a narrow objective to receive SWP entitlements was improper.  
8 (*Ibid.*) The court rejected the petitioner’s argument. Citing *San Diego Citizenry Group v. County of San*  
9 *Diego* (2013) 219 Cal.App.4th 1, 14, the court held that “CEQA does not restrict an agency’s  
10 discretion to identify and pursue a particular project designed to meet a particular set of objectives.  
11 [Citation.] Thus, the City’s stated objectives are valid even if it means dependence on the SWP is a  
12 *fait accompli*.” (*CWIN*, *supra*, at p. \*3.)

13 Similar to the City’s objective in *CWIN* to pursue a project to receive SWP water, DWR is pursuing a  
14 project to restore and protect the reliability of SWP water deliveries. This fundamental purpose of  
15 the Project necessarily cannot be achieved by pursuing local water supply projects in other areas of  
16 the State or by projects that otherwise do not address the existing threats to SWP’s reliability (e.g.,  
17 sea level rise, seismicity, climate change and associated changes in weather patterns, and regulatory  
18 constraints). Therefore, the EIR properly focuses on evaluating project alternatives that would, to  
19 the extent potentially feasible, restore or protect the reliability of SWP water deliveries in  
20 consideration of these existing threats. (See *Yerba Buena Neighborhood Consortium, LLC v. Regents of*  
21 *the University of California* (2023) 95 Cal.App.5th 779, 712-717 [holding that CEQA did not require  
22 the Regents to consider an offsite alternative for a new hospital that “would not adequately meet the  
23 project’s objectives”].)

24 While the EIR considers project alternatives unrelated to restoring or protecting the reliability of  
25 SWP water deliveries, as addressed in Final EIR, Volume 1, Appendix 3A, *Identification of Water*  
26 *Conveyance Alternatives*, DWR rejected those alternatives as part of the EIR’s alternative screening  
27 process because they did not meet most of the basic project objectives. Based on the extensive  
28 alternatives screening process set forth in Final EIR, Volume 1, Appendix 3A, *Identification of Water*  
29 *Conveyance Alternatives*, DWR developed, and addressed in detail, nine (9) alternatives and a No  
30 Project Alternative.

31 Although an EIR must evaluate a reasonable range of *potentially* feasible alternatives, the lead  
32 agency decision maker ultimately determines whether such alternatives are *actually* feasible. (See  
33 *California Native Plant Society v. City of Santa Cruz* (2009) 177 Cal.App.4th 957, 981, 999 (*CNPS*).)  
34 “Feasible” is defined in CEQA as “capable of being accomplished in a successful manner within a  
35 reasonable period of time, taking into account economic, environmental, social, and technological  
36 factors.” (Pub. Resources Code, § 21061.1; see CEQA Guidelines, § 15364 [adding “legal” factors].) As  
37 courts have noted, “[t]he ‘feasibility of ... alternatives must be evaluated within the context of the  
38 proposed project.’” (E.g., *Sustainability, Parks, Recycling & Wildlife Legal Def. Fund v. San Francisco*  
39 *Bay Conservation & Development Com.* (2014) 226 Cal.App.4th 905, 918 [omission in original].)

40 *The determination of whether an alternative is actually feasible may be based on several grounds. One*  
41 *ground by which decision makers may reject an alternative as infeasible is that the alternative is*  
42 *inconsistent with project objectives or does not fully meet such objectives. (In re Bay-Delta*  
43 *Programmatic Environmental Impact Report Coordinated Proceedings* (2008) 43 Cal.4th 1143, 1165-  
44 1166; see also *CNPS, supra*, 177 Cal.App.4th at p. 1001 [“[A]n alternative ‘may be found infeasible on

1 the ground it is inconsistent with the project objectives as long as the finding is supported by  
2 substantial evidence in the record.”]; *Save Panoche Valley v. San Benito County* (2013) 217  
3 Cal.App.4th 503, 521-523; *Citizens for Open Government v. City of Lodi* (2012) 205 Cal.App.4th 296,  
4 314-315.) Similarly, a decision maker may reject an alternative as infeasible if the decision maker  
5 concludes, after a “reasonable balancing of the relevant economic, environmental, social, and  
6 technological factors,” that the alternative is undesirable from a policy standpoint. (*City of Del Mar v.*  
7 *City of San Diego* (1982) 133 Cal.App.3d 401, 417 (*City of Del Mar*); see also *Ctr. for Biological*  
8 *Diversity v. California Dep’t of Conservation* (2019) 36 Cal.App.5th 210, 242; *CNPS, supra*, 177  
9 Cal.App.4th at p. 1001; *San Diego Citizenry Group, supra*, 219 Cal.App.4th at pp. 17-18.) Thus, under  
10 these principles, even if a project alternative would avoid or substantially lessen any or all of the  
11 unavoidable significant environmental effects of a proposed project as mitigated, the decision  
12 makers may nevertheless reject the alternative for such reasons.

## 13 7.2 Alternatives Addressed in the EIR

14 The nine (9) alternatives analyzed in the Final EIR differ in the location, design, and capacity of  
15 conveyance facilities and improvements. With the exception of the CEQA No Project Alternative,  
16 each of the alternatives selected for detailed evaluation in the EIR involves some level of  
17 construction of conveyance facilities/improvements to the SWP. The following alternatives, as  
18 described in detail in Final EIR, Volume 1, Chapter 3, *Description of the Proposed Project and*  
19 *Alternatives*, were carried forward for detailed analysis in the Final EIR.

20 Alternatives (introduced in the Draft EIR):

- 21 • Alternative 1—Central Alignment, 6,000 cfs, Intakes B and C
- 22 • Alternative 2a—Central Alignment, 7,500 cfs, Intakes A, B, and C
- 23 • Alternative 2b—Central Alignment, 3,000 cfs, Intake C
- 24 • Alternative 2c—Central Alignment, 4,500 cfs, Intakes B and C
- 25 • Alternative 3—Eastern Alignment, 6,000 cfs, Intakes B and C
- 26 • Alternative 4a—Eastern Alignment, 7,500 cfs, Intakes A, B, and C
- 27 • Alternative 4b—Eastern Alignment, 3,000 cfs, Intake C
- 28 • Alternative 4c—Eastern Alignment, 4,500 cfs, Intakes B and C
- 29 • Alternative 5—Bethany Reservoir Alignment, 6,000 cfs, Intakes B and C (Project)

## 30 7.3 Summary Comparison

31 This summary comparison of significant and unavoidable impacts describes the severity and  
32 magnitude of the project alternatives relative to the Project. The comparison focuses on two factors:  
33 the number of relative impacts for each category (i.e., the number of impacts with a severity greater  
34 than, equal to, or less than the Project) and the drivers for the differences in severity. The number of  
35 impacts is used as a point of comparison because CEQA does not treat any category of  
36 environmental effect as being more important than any other category and the comparison of  
37 numbers provides an overall picture of the differences between the project alternatives and the

1 Project. The drivers are used in the comparison because they illuminate the fundamental differences  
2 between the impacts of the Project and those of the project alternatives.

3 The primary drivers that provide insights into the differences between alternatives are the number  
4 of intakes, the alignment, the length and diameter of the tunnel, the location of project facilities  
5 relative to sensitive receptors, and the presence or absence of the Southern Complex. Each of these  
6 drivers (except location relative to sensitive receptors) affects the amount of ground disturbance  
7 associated with the alternative and the size of launch shaft sites, including amount and locations of  
8 reusable tunnel material (RTM) stockpiles.

9 Table 2 below provides an overview of the differences in the number and severity of significant and  
10 unavoidable impacts relative to the proposed project and drivers for those differences. Table 3  
11 below compares in more detail the severity and magnitude of the significant and unavoidable  
12 impacts of the project alternatives to the Project. The finding of significant and unavoidable is the  
13 same across all alternatives (except for Impact AQ-6, which has a significant and unavoidable finding  
14 only for Alternatives 2a and 4a), but the severity and magnitude of the impacts may differ by  
15 alternative. Where quantitative data are available to compare alternatives and define the magnitude  
16 of the impact, Table 3 below provides summary data, their unit of measure, and their source.

17 As shown in Tables 2 and 3 below, for five impacts, the Project has a lesser severity than all or most  
18 project alternatives because it would:

- 19 ● Include only two intakes and no Southern Complex and would therefore affect fewer acres of  
20 important farmland (Impact AG-1).
- 21 ● Not include the Bouldin Island launch and reception shaft, the Southern Complex on Byron  
22 Tract, or the Southern Complex west of Byron Highway and therefore would have lesser impacts  
23 on visual quality of public views (Impact AES-1) and scenic vistas (Impact AES-3). In addition,  
24 the Bethany Reservoir would be constructed in a location with existing water infrastructure and  
25 other facilities.
- 26 ● Have an alignment that would affect fewer identified built-environment historical resources  
27 (Impact CUL-1) and archaeological resources (Impact CUL-3).

28 For those impacts for which the severity of all project alternatives is the same as the Project  
29 (Impacts CUL-2, CUL-4, CUL-5 and Impacts TCR-1 and TCR-2), the impacts were of a type that  
30 cannot be quantified because resources have not been inventoried or are important for reasons that  
31 cannot be quantified, including cultural heritage.

32 For Impact TRANS-1, an equal number of project alternatives had per employee vehicle miles  
33 traveled (VMT) greater than and less than the Project. The number of employees, and thus number  
34 of vehicle trips generated during construction, is influenced by the duration and intensity of  
35 construction, which differs among the alternatives. The location of the alignment also influences  
36 VMT, with features constructed in more rural locations requiring longer employee vehicle trips, and  
37 thus generating more VMT, than features proximate to urban areas.

38 As shown in Tables 2 and 3 below, for two impacts (Impact AG-2 and Impact PALEO-2), the Project  
39 has a greater severity than all or most project alternatives because it would:

- 40 ● Have an alignment that would intersect with more acres of Williamson Act and Farmland  
41 Security Zone acres and therefore result in the conversion of more acres when compared to  
42 project alternatives.

- 1       • Have a longer tunnel alignment in geologic units with high sensitivity for paleontological  
2       resources and therefore have greater potential to disturb paleontological resources when  
3       compared to project alternatives.

4       The single impact for which the Project had a more severe impact than all but one of the project  
5       alternatives was related to the number of receptors who would be affected by an increase in  
6       ambient noise levels (Impact NOI-1). However, if improvements required to avoid significant  
7       impacts are accepted by all eligible property owners, impacts would be less than significant with  
8       mitigation.

9       A summarized comparison in Table 2 below of the multiple pollutants analyzed in Impact AQ-5  
10      across multiple air districts and timeframes would not accurately reflect the differences for each of  
11      those factors. For example, while Alternatives 2a and 4a would generally result in higher  
12      concentrations of combustion pollutants, fugitive dust concentrations in the San Joaquin Valley Air  
13      Pollution Control District (SJVAPCD) under Alternative 5 would be higher than most other  
14      alternatives. This is because under Alternative 5, two launch shafts would be constructed at Lower  
15      Roberts Island, effectively doubling the amount of earthmoving and vehicles traveling on unpaved  
16      surfaces at this location, compared to all other proposed alternatives. Therefore, more detail is  
17      provided regarding Impact AQ-5 in Table 3 below.

1 **Table 2. Overview of the Differences in the Number and Severity of Significant and Unavoidable**  
 2 **Impacts Relative to the Project and the Drivers for Those Differences**

Impact(s)	Number of Alternatives with Impact Severity Greater or Equal to the Project	Project Drivers
CUL-2, CUL-4, CUL-5, TCR-1, and TCR-2	All Project Alternatives = Project	<ul style="list-style-type: none"> <li>Severity cannot be distinguished because of uninventoried resources or resources that are important for reasons that cannot be quantified, including cultural heritage</li> </ul>
AG-1, AES-1, AES-3, and CUL-3	All 8 Project Alternatives > Project	<ul style="list-style-type: none"> <li>Absence of Southern Complex</li> <li>Absence of Bouldin Island launch and reception shaft, Southern Complex on Byron Tract, or Southern Complex west of Byron Highway</li> </ul>
AES-2, AG-2, and AQ-6	2 Project Alternatives > Project	<ul style="list-style-type: none"> <li>Presence of existing water infrastructure at Bethany Complex</li> <li>Fewer intakes visible from State Route 160</li> <li>Fewer cultural resources in project footprint</li> <li>Absence of Intake A</li> </ul>
CUL-1	5 Project Alternatives > Project	<ul style="list-style-type: none"> <li>Duration and intensity of construction</li> <li>Location of the alignment (e.g., rural locations requiring longer employee vehicle trips)</li> </ul>
TRANS-1	4 Project Alternatives > Project	<ul style="list-style-type: none"> <li>Longer tunnel alignment requiring more disturbance of geologic with high sensitivity for paleontological resources</li> </ul>
PALEO-2	3 Project Alternatives > Project	<ul style="list-style-type: none"> <li>Construction near greater number of sensitive noise receptors</li> </ul>
NOI-1	0 Project Alternatives > Project	

3 Note: Impact AQ-5 is not included in this table because of the complexity of comparing multiple pollutants,  
 4 timeframes, and air districts across multiple alternatives.

1 **Table 3. Comparison of Significant and Unavoidable Impacts of Project Alternatives Relative to the Project (P)**

Potential Impact (includes units of measure when applicable)	Project Alternative 5, Bethany Reservoir Alignment, 6,000 cfs, Intakes B and C	Alternative 1, Central Alignment, 6,000 cfs, Intakes B and C	Alternative 2a, Central Alignment, 7,500 cfs, Intakes A, B, and C	Alternative 2b, Central Alignment, 3,000 cfs, Intake C	Alternative 2c, Central Alignment, 4,500 cfs, Intakes B and C	Alternative 3, Eastern Alignment, 6,000 cfs, Intakes B and C	Alternative 4a, Eastern Alignment, 7,500 cfs, Intakes A, B, and C	Alternative 4b, Eastern Alignment, 3,000 cfs, Intake C	Alternative 4c, Eastern Alignment, 4,500 cfs, Intakes B and C
Impact AG-1: Convert a Substantial Amount of Prime Farmland, Unique Farmland, Farmland of Local Importance, or Farmland of Statewide Importance as a Result of Construction of Water Conveyance Facilities (total acres) (Construction)	SU 2,340	Greater than P 3,793.5	Greater than P 4,124.40	Greater than P 3,308.50	Greater than P 3,661.80	Greater than P 3,464.70	Greater than P 3,819.50	Greater than P 2,943.70	Greater than P 3,318.30
Impact AG-2: Convert a Substantial Amount of Land Subject to Williamson Act Contract or under Contract in Farmland Security Zones to a Nonagricultural Use as a Result of Construction of Water Conveyance Facilities (acres converted) (Construction)	SU 1,217.80	Less than P 1,042.30	Greater than P 1,253.60	Less than P 881.30	Less than P 950.60	Less than P 1,142.50	Greater than P 1,355.20	Less than P 982.00	Less than P 1,051.20
Impact AES-1: Substantially Degrade the Existing Visual Character or Quality of Public Views (from Publicly Accessible Vantage Points) of the Construction Sites and Visible Permanent Facilities and Their Surroundings in Nonurbanized Areas (Construction and O&M)	SU	Greater than P	Greater than P	Greater than P	Greater than P	Greater than P	Greater than P	Greater than P	Greater than P
Impact AES-2: Substantially Damage Scenic Resources including, but Not Limited to, Trees, Rock Outcroppings, and Historic Buildings Visible from a State Scenic Highway (number of intakes) (Construction)	SU 2	Equal to P 2	Greater than P 3	Less than P 1	Equal to P 2	Equal to P 2	Greater than P 3	Less than P 1	Equal to P 2
Impact AES-3: Have Substantial Significant Impacts on Scenic Vistas (Construction and O&M)	SU	Greater than P	Greater than P	Greater than P	Greater than P	Greater than P	Greater than P	Greater than P	Greater than P
Impact AQ-5: Result in Exposure of Sensitive Receptors to Substantial Localized Criteria Pollutant Emissions (PM10) (highest project-level concentration in excess of the significant impact level [ $\mu\text{g}/\text{m}^3$ ] across all timeframes [24-hour, annual] and standards [CAAQS, NAAQS]) (Construction)	SU (SMAQMD, 10)	Equal to P (SMAQMD, 10)	Greater than P (SMAQMD, 13)	Less than P (SMAQMD, 9)	Less than P (SMAQMD, 9)	Greater than P (SMAQMD, 12)	Greater than P (SMAQMD, 13)	Less than P (SMAQMD, 9)	Greater than P (SMAQMD, 9)
	(SJVAPCD, 111)	Less than P (SJVAPCD, 50)	Less than P (SJVAPCD, 55)	Less than P (SJVAPCD, 37)	Less than P (SJVAPCD, 45)	Equal to P (SJVAPCD, 111)	Equal to P (SJVAPCD, 111)	Less than P (SJVAPCD, 109)	Less than P (SJVAPCD, 110)
	(BAAQMD, 22)	Greater than P (BAAQMD, 94)	Greater than P (BAAQMD, 94)	Greater than P (BAAQMD, 94)	Greater than P (BAAQMD, 94)	Greater than P (BAAQMD, 94)	Greater than P (BAAQMD, 94)	Greater than P (BAAQMD, 94)	Greater than P (BAAQMD, 94)
Impact AQ-5: Result in Exposure of Sensitive Receptors to Substantial Localized Criteria Pollutant Emissions (PM2.5) (highest project-level concentration in excess of the significant impact level [ $\mu\text{g}/\text{m}^3$ ] across all timeframes [24-hour, annual] and standards [CAAQS, NAAQS]) (Construction)	SU (SMAQMD, 1.0)	Greater than P (SMAQMD, 1.4)	Greater than P (SMAQMD, 1.3)	Greater than P (SMAQMD, 1.3)	Less than P (SMAQMD, 0.9)	Greater than P (SMAQMD, 1.5)	Greater than P (SMAQMD, 1.2)	Greater than P (SMAQMD, 1.3)	Less than P (SMAQMD, 0.9)
	(SJVAPCD, 9.3)	Less than P (SJVAPCD, 2.8)	Less than P (SJVAPCD, 2.7)	Less than P (SJVAPCD, 2.5)	Less than P (SJVAPCD, 2.3)	Equal to P (SJVAPCD, 9.3)	Equal to P (SJVAPCD, 9.3)	Equal to P (SJVAPCD, 9.3)	Equal to P (SJVAPCD, 9.3)
	(BAAQMD, 1.5)	Greater than P (BAAQMD, 8.6)	Greater than P (BAAQMD, 8.6)	Greater than P (BAAQMD, 8.6)	Greater than P (BAAQMD, 8.6)	Greater than P (BAAQMD, 8.6)	Greater than P (BAAQMD, 8.6)	Greater than P (BAAQMD, 8.6)	Greater than P (BAAQMD, 8.6)

Potential Impact (includes units of measure when applicable)	Project Alternative 5, Bethany Reservoir Alignment, 6,000 cfs, Intakes B and C	Alternative 1, Central Alignment, 6,000 cfs, Intakes B and C	Alternative 2a, Central Alignment, 7,500 cfs, Intakes A, B, and C	Alternative 2b, Central Alignment, 3,000 cfs, Intake C	Alternative 2c, Central Alignment, 4,500 cfs, Intakes B and C	Alternative 3, Eastern Alignment, 6,000 cfs, Intakes B and C	Alternative 4a, Eastern Alignment, 7,500 cfs, Intakes A, B, and C	Alternative 4b, Eastern Alignment, 3,000 cfs, Intake C	Alternative 4c, Eastern Alignment, 4,500 cfs, Intakes B and C
Impact AQ-5: Result in Exposure of Sensitive Receptors to Substantial Localized Criteria Pollutant Emissions (total 1-hour NO <sub>2</sub> , NAAQS [µg/m <sup>3</sup> ]) (Construction)	SU (SJVAPCD) LTS (SMAQMD, BAAQMD)	SU (SJVAPCD) LTS (SMAQMD, BAAQMD)	SU (SJVAPCD) LTS (SMAQMD, BAAQMD)	SU (SJVAPCD) LTS (SMAQMD, BAAQMD)	SU (SJVAPCD) LTS (SMAQMD, BAAQMD)	LTS (SJVAPCD, SMAQMD, BAAQMD)	LTS (SJVAPCD, SMAQMD, BAAQMD)	LTS (SJVAPCD, SMAQMD, BAAQMD)	LTS (SJVAPCD, SMAQMD, BAAQMD)
	(SMAQMD, 134)	Less than P (SMAQMD, 133)	Greater than P (SMAQMD, 184)	Greater than P (SMAQMD, 143)	Less than P (SMAQMD, 133)	Less than P (SMAQMD, 133)	Greater than P (SMAQMD, 184)	Greater than P (SMAQMD, 143)	Less than P (SMAQMD, 133)
	(SJVAPCD, 218)	Greater than P (SJVAPCD, 243)	Greater than P (SJVAPCD, 243)	Greater than P (SJVAPCD, 243)	Greater than P (SJVAPCD, 243)	Less than P (SJVAPCD, 186)	Less than P (SJVAPCD, 186)	Less than P (SJVAPCD, 186)	Less than P (SJVAPCD, 186)
	(BAAQMD, 76)	Greater than P (BAAQMD, 80)	Greater than PP (BAAQMD, 80)	Greater than P (BAAQMD, 80)	Greater than P (BAAQMD, 80)	Greater than P (BAAQMD, 80)	Greater than P (BAAQMD, 80)	Greater than P (BAAQMD, 80)	Greater than P (BAAQMD, 80)
Impact AQ-6: Result in Exposure of Sensitive Receptors to Substantial Toxic Air Contaminant Emissions (maximum modeled excess cancer [potential cases per million] by air district) (Construction)	LTS	LTS	SU	LTS	LTS	LTS	SU	LTS	LTS
	(SMAQMD, 7)	Less than P (SMAQMD, 6)	Greater than P (SMAQMD, 16)	Less than P (SMAQMD, 4)	Less than P (SMAQMD, 2)	Less than P (SMAQMD, 6)	Greater than P (SMAQMD, 16)	Less than P (SMAQMD, 4)	Less than P (SMAQMD, 6)
	(SJVAPCD, 5)	Less than P (SJVAPCD, 2)	Less than P (SJVAPCD, 2)	Less than P (SJVAPCD, 2)	Greater than P (SJVAPCD, 6)	Less than P (SJVAPCD, 3)	Less than P (SJVAPCD, 3)	Less than P (SJVAPCD, 3)	Less than P (SJVAPCD, 3)
	(BAAQMD, 1)	Equal to P (BAAQMD, 1)	Greater than P (BAAQMD, 2)	Equal to P (BAAQMD, 1)	Equal to P (BAAQMD, 1)	Equal to P (BAAQMD, 1)	Greater than P (BAAQMD, 2)	Equal to P (BAAQMD, 1)	Equal to P (BAAQMD, 1)
	(YSAQMD, 1)	Equal to P (YSAQMD, 1)	Equal to P (YSAQMD, 1)	Equal to P (YSAQMD, 1)	Equal to P (YSAQMD, 1)	Equal to P (YSAQMD, 1)	Equal to P (YSAQMD, 1)	Equal to P (YSAQMD, 1)	Equal to P (YSAQMD, 1)
Impact CUL-1: Impacts on Built-Environment Historical Resources Resulting from Construction and Operation of the Project (number of resources) (Construction and O&M)	SU 6	Greater than P 10	Greater than P 13	Greater than P 8	Greater than P 10	Equal to P 6	Greater than P 9	Less than P 4	Equal to P 6
Impact CUL-2: Impacts on Unidentified and Unevaluated Built-Environment Historical Resources Resulting from Construction and Operation of the Project (number of resources) (Construction and O&M)	SU 88	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P
Impact CUL-3: Impacts on Identified Archaeological Resources Resulting from the Project (number of resources) (Construction)	SU 8	Greater than P 25	Greater than P 26	Greater than P 22	Greater than P 23	Greater than P 15	Greater than P 17	Greater than P 13	Greater than P 15
Impact CUL-4: Impacts on Unidentified Archaeological Resources That May Be Encountered in the Course of the Project (Construction)	SU	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P

Potential Impact (includes units of measure when applicable)	Project Alternative 5, Bethany Reservoir Alignment, 6,000 cfs, Intakes B and C	Alternative 1, Central Alignment, 6,000 cfs, Intakes B and C	Alternative 2a, Central Alignment, 7,500 cfs, Intakes A, B, and C	Alternative 2b, Central Alignment, 3,000 cfs, Intake C	Alternative 2c, Central Alignment, 4,500 cfs, Intakes B and C	Alternative 3, Eastern Alignment, 6,000 cfs, Intakes B and C	Alternative 4a, Eastern Alignment, 7,500 cfs, Intakes A, B, and C	Alternative 4b, Eastern Alignment, 3,000 cfs, Intake C	Alternative 4c, Eastern Alignment, 4,500 cfs, Intakes B and C
Impact CUL-5: Impacts on Buried Human Remains (Construction)	SU	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P
Impact NOI-1: Generate a Substantial Temporary or Permanent Increase in Ambient Noise Levels in the Vicinity of the Project in Excess of Standards Established in the Local General Plan or Noise Ordinance, or Applicable Standards of Other Agencies (number of receptors) (Construction)	SU* 408	Less than P 316	Less than P 361	Less than P 74	Less than P 316	Less than P 363	Equal to P 408	Less than P 121	Less than P 363
Impact PALEO-2: Cause Destruction of a Unique Paleontological Resource as a Result of Tunnel Construction and Ground Improvement (million loose cubic yards as a result of tunneling) (Construction)	SU 14.4	Less than P 13.9	Greater than P 18.4	Less than P 7.5	Less than P 10.7	Greater than P 14.8	Greater than P 19.5	Less than P 7.9	Less than P 11.3
Impact TCR-1: Impacts on the Delta Tribal Cultural Landscape Tribal Cultural Resource Resulting from Construction, Operations, and Maintenance of the Project Alternatives (Construction and O&M)	SU	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P
Impact TCR-2: Impacts on Individual Tribal Cultural Resources Resulting from Construction, Operations, and Maintenance of the Project Alternatives (Construction and O&M)	SU	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P
Impact TRANS-1: Increased Average VMT Per Construction Employee versus Regional Average (average VMT per construction employee) (Construction)	SU 25.77	Less than P 25.68	Greater than P 25.82	Greater than P 27.02	Less than P 24.91	Less than P 24.38	Greater than P 26.33	Greater than P 27.57	Less than P 25.06

1 µg/m<sup>3</sup> = micrograms per cubic meter; BAAQMD = Bay Area Air Quality Management District; CAAQS = California ambient air quality standards; cfs = cubic feet per second; HI = hazard index; LTS = less than significant; NAAQS = national ambient air quality standards; NO<sub>2</sub> = nitrogen dioxide; NO<sub>x</sub> = nitrogen oxides; O&M = operation and management; PM<sub>2.5</sub> = particulate matter 2.5 microns in diameter or less; PM<sub>10</sub> = particulate matter 10 microns in diameter or less; P = project; SJVAPCD = San Joaquin Valley Air Pollution Control District; SMAQMD = Sacramento Metropolitan Air Quality Management District; SU = significant and unavoidable; VMT = vehicle miles traveled; YSAQMD = Yolo-Solano Air Quality Management District. The metrics reported in this table are for project alternatives only without implementation of the  
 2  
 3  
 4 Compensatory Mitigation Plan (CMP) because as disclosed in the EIR the impacts associated with the CMP would be the same across all alternatives.



## 7.4 Environmentally Superior Alternative

CEQA Guidelines section 15126.6 requires that each EIR identify the “environmentally superior alternative” among those considered. If the No Project Alternative is identified as environmentally superior, then the EIR must also identify the environmentally superior alternative among the other alternatives. (CEQA Guidelines, § 15126.6, subd. (e)(2).)

As discussed in the Final EIR, the No Project Alternative would not result in the construction or operational related impacts discussed for the project alternatives but could result in impacts within the SWP service area and within the Delta that would not occur under the project alternatives.

The Project would, overall, result in less severe environmental impacts than the proposed project options identified in the NOP as well as the other alternatives analyzed in the EIR. Therefore, the Project is considered the environmentally superior alternative because it would reduce the severity of adverse environmental effects across a broad range of environmental resources and would not result in any significant and unavoidable environmental impacts that could be avoided by other feasible alternatives evaluated in the EIR.

The following discussion describes what DWR regards as the environmental pros and cons among the various project alternatives analyzed in the Final EIR by synthesizing the analysis of several of the environmental impacts discussed in Chapters 7 through 32 of the Final EIR, Volume 1.

As described in Chapter 2, *Purpose and Project Objectives*, the project alternatives evaluated in the Final EIR have the following objectives.

- To help address anticipated rising sea levels and other reasonably foreseeable consequences of climate change and extreme weather events.
- To minimize the potential for public health and safety impacts from reduced quantity and quality of SWP water deliveries, and potentially CVP water deliveries, south of the Delta as a result of a major earthquake that could cause breaching of Delta levees and the inundation of brackish water into the areas where existing SWP and CVP pumping plants operate in the southern Delta.
- To protect the ability of the SWP, and potentially the CVP, to deliver water when hydrologic conditions result in the availability of sufficient amounts of water, consistent with the requirements of state and federal law, including the ESA, CESA and Delta Reform Act, as well as the terms and conditions of water delivery contracts and other existing applicable agreements.
- To provide operational flexibility to improve aquatic conditions in the Delta and better manage risks of further regulatory constraints on project operations.

The project alternatives would reduce reliance on diversion from the existing south Delta pumps. Diversions at the project’s north Delta facilities would pass through state-of-the-art fish screens. Dual conveyance would provide operational flexibility that could reduce impacts of the SWP on aquatic species by, among other things, allowing operators to divert water at times and places—in either the north or the south—that protect those species at sensitive life stages.

Each project alternative involves a different set of environmental benefits and impacts. For example, the number of north Delta intakes associated with particular alternatives and the alignment of project features typically reflects a balance between localized construction-related, visual, and footprint-related impacts in the Delta against the system-wide environmental benefits associated

1 with improved reliability of SWP deliveries and meeting the project purpose and objectives.  
2 Alternatives with two intakes would involve fewer localized in-Delta impacts than alternatives with  
3 three intakes (Alternatives 2a and 4a). Other alternatives with two intakes (Alternatives 1, 2c, 3, 4c,  
4 and 5) or with one intake (Alternatives 2b and 4b) would similarly reduce localized, in-Delta  
5 impacts compared to alternatives with three intakes. However, alternatives with one intake  
6 (Alternatives 2b and 4b) would not have the water supply reliability benefits expected of  
7 alternatives with two or three intakes (Alternatives 1, 2a, 2c, 3, 4a, 4c, and 5).

8 Some of the environmental impacts related to temporary and permanent habitat or agricultural land  
9 conversion would be fewer for Alternatives 1, 2b, 2c, 3, 4b, 4c, and 5 than for Alternatives 2a or 4a,  
10 which would include three north Delta intakes. Alternatives with three intakes (Alternatives 2a and  
11 4a) would result in the greatest number of acres of farmland conversion while alternatives with  
12 fewer intakes (Alternatives 1, 2b, 2c, 3, 4b, and 4c) or that would not involve construction of a new  
13 Southern Complex (Project) would have fewer acres of farmland conversion. Similarly, alternatives  
14 with three intakes (Alternatives 2a and 4a) would cause the greatest amount of conversion of  
15 Williamson Act contracted land compared to alternatives with one intake (Alternatives 2b and 4b),  
16 which would result in the least amount of conversion of Williamson Act contracted land. Alternative  
17 4b would have relatively fewer terrestrial biological impacts, and for some other biological  
18 resources, would have the fewest quantified impacts of all alternatives (e.g., valley/foothill riparian,  
19 greater and lesser sandhill cranes) primarily due to having only one intake and the associated  
20 smaller reusable tunnel material impacts. Because the Project does not require construction of a  
21 new Southern Forebay and a new South Delta Pumping Plant, it would affect substantially fewer  
22 acres of wetlands compared to all other alternatives. The Project would also have substantially  
23 fewer impacts on state and federally regulated aquatic resources compared to the other project  
24 alternatives.

25 For some environmental resources analyzed, the project alignment and features drive the overall  
26 impacts in addition to the number of intakes. For cultural resources, alternatives on the central  
27 alignment (Alternatives 1, 2a, 2b, and 2c) affect a greater number of built-environment historical  
28 resources than alternatives on the eastern or Bethany Reservoir alignments (Alternatives 3, 4a, 4b,  
29 4c, and 5). The central alignment alternatives (Alternatives 1, 2a, 2b, and 2c) would generally result  
30 in greater impacts on terrestrial biological resources relative to the eastern alignment alternatives  
31 (Alternatives 3, 4a, 4b, and 4c) and the Bethany Reservoir alignment alternative (Project), which is  
32 largely due to the improvements on Bouldin Island and road improvements throughout the central  
33 alignment. Among all alternatives, the Project would result in the least amount of converted  
34 farmland because it does not require construction of a new Southern Complex and Southern  
35 Forebay.

36 The construction of the Southern Complex for Alternatives 1, 2a, 2b, 2c, 3, 4a, 4b, and 4c is another  
37 important variable that contributes to localized impacts. Alternative 2a would result in the greatest  
38 impacts on terrestrial biological resources, which would be primarily due to the construction  
39 activities on Bouldin Island and the Southern Complex, whereas the Project, which does not require  
40 the construction of a forebay, would have the fewest impacts on terrestrial biological resources,  
41 wetlands, and waters of the United States. For cultural resources, the Project's Bethany Reservoir  
42 alignment would affect the fewest eligible built-environmental historical resources and fewest  
43 archaeological sites compared to all other project alternatives because it would not require  
44 construction of a new forebay. The Project would result in the fewest acres with land use  
45 incompatibilities compared to all other alternatives that require construction of the Southern  
46 Forebay at the Southern Complex.

1 There could also be some environmental benefits that would occur under all project alternatives  
2 because of the operational flexibility that would be possible with the north Delta intakes. The  
3 addition of north Delta intakes to the existing diversion facilities in the south would provide system  
4 operators the flexibility to divert water from the north or south depending on which is better for  
5 sensitive fish species at different times of year and under different hydrological conditions. Dual  
6 conveyance also allows flexibility in water diversions when regulatory restrictions limit the ability  
7 to divert water from either the north or south, thus enabling the goal of increasing water supply  
8 reliability.

9 All of the project alternatives would create temporary and permanent changes to the Delta  
10 environment from construction that in most cases would be mitigated to less-than-significant levels,  
11 although several impacts are considered significant and unavoidable. All of the project alternatives  
12 would also improve Delta roadways and bridges, and improve water supply infrastructure that is of  
13 statewide importance.

14 As described above, there are different sets of environmental tradeoffs among the project  
15 alternatives. Among the project alternatives evaluated in the Final EIR, the Project, on the Bethany  
16 Reservoir alignment, overall lessens impacts in relation to temporary and permanent effects on the  
17 Delta environment, including minimizing impacts on wetlands and other waters of the United States,  
18 agriculture (Impact AG-1), aesthetic (Impacts AES-1 and 3), and cultural and historical resources  
19 (Impact CUL-3). Therefore, of the project alternatives, the Project is considered the environmentally  
20 superior alternative.

## 21 **7.5 Infeasibility of Alternatives Other than the** 22 **Project**

23 CEQA vests the final decision-making authority over a project with the designated lead agency  
24 decision-making body or official, who must act consistently with his or her agency's statutory  
25 function and powers. As the California Supreme Court stated in acknowledging the limits of its own  
26 review function, "[t]he wisdom of approving ... any ... project" is "a delicate task which requires a  
27 balancing of interests," and "is necessarily left to the sound discretion of the [public] officials and  
28 their constituents who are responsible for such decisions." (*Citizens of Goleta Valley v. Board of*  
29 *Supervisors* (1990) 52 Cal.3d 553, 576.)

30 As explained earlier, a decision maker's assessment of the "actual feasibility" of EIR alternatives can  
31 involve the "reasonable balancing of the relevant economic, environmental, social, and technological  
32 factors" associated with a proposed project. (*City of Del Mar, supra*, 133 Cal.App.3d at p. 417.) Based  
33 on such a balancing process, a decision maker may conclude that an alternative, being "undesirable"  
34 from a policy standpoint, is infeasible within the meaning of CEQA. (*CNPS, supra*, 177 Cal.App.4th at  
35 pp. 981, 999, 1001; *City of Del Mar, supra*, 133 Cal.App.3d at p. 417; *San Diego Citizenry Group, supra*,  
36 219 Cal.App.4th at pp. 17-18; *Sustainability, Parks, Recycling & Wildlife Legal Def. Fund v. San*  
37 *Francisco Bay Conservation & Dev. Com.* (2014) 226 Cal.App.4th 905, 917-918.) In making such  
38 determinations, the decision maker may also consider the extent to which an alternative meets  
39 project objectives. (*CNPS, supra*, 177 Cal.App.4th at p. 1001 ["[A]n alternative 'may be found  
40 infeasible on the ground it is inconsistent with the project objectives as long as the finding is  
41 supported by substantial evidence in the record.'"]; see also *Save Panoche Valley, supra*, 217  
42 Cal.App.4th at pp. 521-523; and *Citizens for Open Government, supra*, 205 Cal.App.4th at pp. 314-

1 315.) Under these principles, a decision maker may reject an alternative as infeasible even if the  
2 alternative would avoid or substantially lessen one or more of the unavoidable significant  
3 environmental effects of a proposed project as mitigated.

4 “CEQA requires the decision-making agency to balance, as applicable, the economic, legal, social,  
5 technological, or other benefits, *including region-wide or statewide environmental benefits*, of a  
6 proposed project against its unavoidable environmental risks when determining whether to  
7 approve the project.” (CEQA Guidelines, § 15093, subd. (a), italics added.) Thus, decision makers  
8 often find themselves balancing competing environmental considerations as well as competing  
9 economic and social considerations.

10 The Project and its alternatives indeed present all of these categories of competing considerations.  
11 DWR, through its Director, has therefore undertaken a deliberative process to balance such  
12 competing considerations against each other in light of project objectives and state and federal law.  
13 In addition to finding that the Project is the environmentally superior alternative (as discussed  
14 above in Section 7.4, *Environmentally Superior Alternative*), DWR rejects the other alternatives set  
15 forth in the EIR, and discussed further below, because the Director finds that there is substantial  
16 evidence, including evidence of economic, legal, social, technological, and other considerations  
17 described in this section and elsewhere in the record on these proceedings under CEQA Guidelines  
18 section 15091, subdivision (a)(3), that make the alternatives infeasible. Set forth below are the  
19 Director’s conclusions with respect to each of the alternatives considered in the Final EIR.

20 As discussed above, the Project is considered the environmentally superior alternative.

21 Therefore, the discussion below mainly focuses on infeasibility related to the fundamental purpose  
22 and objectives and other feasibility or policy considerations.

## 23 **7.5.1 Rejection of Alternative 1: 6,000 cfs Central Alignment** 24 **with Intakes B and C**

### 25 **7.5.1.1 Fundamental Purpose and Objectives**

26 The extent to which this alternative can achieve the project purpose and objectives is comparable to  
27 the Project because it has the same water conveyance capacity as the Project.

### 28 **7.5.1.2 Other Feasibility/Policy Considerations**

29 The Central Alignment’s proximity to existing access road infrastructure is less ideal than the  
30 Eastern and Bethany alignments, which are accessible to Interstate 5. This could make access for  
31 construction more difficult and construction more laborious than on the Eastern or Bethany  
32 alignments.

33 This alternative includes the construction of a Southern Forebay, which inherently requires more  
34 construction and results in greater impacts than the Project, which does not require the  
35 construction of a Southern Forebay. More construction would result in a greater environmental  
36 footprint and potentially greater local community impacts.

37 Through its Director, DWR rejects Alternative 1 on each of the above grounds. The Director finds  
38 that each of the above reasons is a sufficient independent ground for rejecting Alternative 1 as  
39 infeasible.

## 1 **7.5.2 Rejection of Alternative 2a: 7,500 cfs Central Alignment** 2 **with Intakes A-C**

### 3 **7.5.2.1 Fundamental Purpose and Objectives**

4 This alternative would have similar potential to achieve SWP water supply reliability as the Project.  
5 However, it would have additional benefits for the CVP because it has an additional intake that  
6 would provide capacity for CVP water deliveries.

### 7 **7.5.2.2 Other Feasibility/Policy Considerations**

8 Unlike the Project, Alternative 2a would have an additional significant and unavoidable impact:  
9 Impact AQ-6, *Result in Exposure of Sensitive Receptors to Substantial Toxic Air Contaminant Emissions*.

10 The Central Alignment's proximity to existing access road infrastructure is less ideal than the  
11 Eastern and Bethany alignments, which are accessible to Interstate 5. This could make access for  
12 construction more difficult and construction more laborious than on the Eastern or Bethany  
13 alignments.

14 Because this alternative involves the construction of an additional intake, it would result in greater  
15 impacts. These impacts include a greater environmental footprint and potentially greater local  
16 community impacts.

17 This alternative also includes the construction of a Southern Forebay, which inherently requires  
18 more construction and results in greater impacts than the Project, which does not require the  
19 construction of a Southern Forebay. More construction would result in a greater environmental  
20 footprint and potentially greater local community impacts.

21 Through its Director, DWR rejects Alternative 2a on each of the above grounds. The Director finds  
22 that each of the above reasons is a sufficient independent ground for rejecting Alternative 2a as  
23 infeasible.

## 24 **7.5.3 Rejection of Alternative 2b: 3,000 cfs Central Alignment** 25 **with Intake C**

### 26 **7.5.3.1 Fundamental Purpose and Objectives**

27 This alternative would not achieve the Project's purpose of water supply reliability as effectively as  
28 the Project because it has one less intake and 3,000 cfs less capacity of water conveyance compared  
29 to the Project.

30 Alternative 2b would be less capable of meeting the Project's objective of addressing anticipated  
31 rising sea levels and other reasonably foreseeable consequences of climate change and extreme  
32 weather events. If salinity intrusion were to prevent the use of the existing south Delta pumps,  
33 Alternative 2b would have less conveyance capacity to be able to provide water supply reliability to  
34 the SWP when compared to the Project. Additionally, Alternative 2b would be less capable of  
35 protecting the SWP from future climatic change and mitigating system losses due to changing  
36 precipitation patterns and seasonal runoff due to climate change, compared to the Project, due to its  
37 lower maximum capacity. Alternative 2b would have less overall capacity to capture excess flows in

1 the system and divert periodic and significant excess flows when southern Delta pumping is  
2 currently restricted. Therefore, Alternative 2b would also be less capable of protecting the ability of  
3 the SWP to deliver water when hydrologic conditions result in the availability of sufficient amounts  
4 of water, compared to the Project.

5 In the event of catastrophic levee failures from seismic activities (which could temporarily disrupt  
6 water supply by ceasing diversions from the SWP's current point of diversion in the south Delta),  
7 Alternative 2b would be less capable of minimizing the potential for public health and safety impacts  
8 from reduced quantity and quality of SWP water deliveries south of the Delta, compared to the  
9 Project, due to its lower maximum capacity.

10 Because Alternative 2b has only one intake and a lower maximum capacity, it would also provide  
11 less operational flexibility to improve aquatic conditions in the Delta for sensitive fish species and  
12 less operational flexibility to better manage risks of further regulatory constraints on project  
13 operations.

### 14 **7.5.3.2 Other Feasibility/Policy Considerations**

15 The Central Alignment's proximity to existing access road infrastructure is less ideal than the  
16 Eastern and Bethany alignments, which are accessible to Interstate 5. This could make access for  
17 construction more difficult and construction more laborious than on the Eastern or Bethany  
18 alignments.

19 This alternative includes the construction of a Southern Forebay, which inherently requires more  
20 construction and results in greater impacts than the Project, which does not require the  
21 construction of a Southern Forebay. More construction would result in a greater environmental  
22 footprint and potentially greater local community impacts.

23 Through its Director, DWR rejects Alternative 2b on each of the above grounds. The Director finds  
24 that each of the above reasons is a sufficient independent ground for rejecting Alternative 2b as  
25 infeasible.

## 26 **7.5.4 Rejection of Alternative 2c: 4,500 cfs Central Alignment** 27 **with Intakes B and C**

### 28 **7.5.4.1 Fundamental Purpose and Objectives**

29 This alternative would not achieve the project's purpose of water supply reliability as effectively as  
30 the Project because it has 1,500 cfs less capacity of water conveyance.

31 Alternative 2c would be less capable of meeting the Project's objective of addressing anticipated  
32 rising sea levels and other reasonably foreseeable consequences of climate change and extreme  
33 weather events. If salinity intrusion were to prevent the use of the existing south Delta pumps,  
34 Alternative 2c would have less conveyance capacity to be able to provide water supply reliability to  
35 the SWP when compared to the Project. Additionally, Alternative 2c would be less capable of  
36 protecting the SWP from future climatic change and mitigating system losses due to changing  
37 precipitation patterns and seasonal runoff due to climate change, compared to the Project, due to its  
38 lower maximum capacity. Alternative 2c would have less overall capacity to capture excess flows in  
39 the system and divert periodic and significant excess flows when southern Delta pumping is  
40 currently restricted. Therefore, Alternative 2c would also be less capable of protecting the ability of

1 the SWP to deliver water when hydrologic conditions result in the availability of sufficient amounts  
2 of water, compared to the Project.

3 In the event of catastrophic levee failures from seismic activities (which could temporarily disrupt  
4 water supply by ceasing diversions from the SWP's current point of diversion in the south Delta),  
5 Alternative 2c would be less capable of minimizing the potential for public health and safety impacts  
6 from reduced quantity and quality of SWP water deliveries south of the Delta, compared to the  
7 Project, due to its lower maximum capacity.

8 Because Alternative 2c has a lower maximum capacity, it would also provide less operational  
9 flexibility to improve aquatic conditions in the Delta and less operational flexibility to better manage  
10 risks of further regulatory constraints on project operations.

#### 11 **7.5.4.2 Other Feasibility/Policy Considerations**

12 The Central Alignment's proximity to existing access road infrastructure is less ideal than the  
13 Eastern and Bethany alignments, which are accessible to Interstate 5. This could make access for  
14 construction more difficult and construction more laborious than on the Eastern or Bethany  
15 alignments.

16 This alternative includes the construction of a Southern Forebay, which inherently requires more  
17 construction and results in greater impacts than the Project, which does not require the  
18 construction of a Southern Forebay. More construction would result in a greater environmental  
19 footprint and potentially greater local community impacts.

20 Through its Director, DWR rejects Alternative 2c on each of the above grounds. The Director finds  
21 that each of the above reasons is a sufficient independent ground for rejecting Alternative 2c as  
22 infeasible.

### 23 **7.5.5 Rejection of Alternative 3: 6,000 cfs Eastern Alignment** 24 **with Intakes B and C**

#### 25 **7.5.5.1 Fundamental Purpose and Objectives**

26 The extent to which this alternative can achieve the project purpose and objectives is comparable to  
27 the Project because it has the same water conveyance capacity as the Project.

#### 28 **7.5.5.2 Other Feasibility/Policy Considerations**

29 This alternative includes the construction of a Southern Forebay, which inherently requires more  
30 construction and results in greater impacts than the Project, which does not require the  
31 construction of a Southern Forebay. More construction would result in a greater environmental  
32 footprint and potentially greater local community impacts.

33 Through its Director, DWR rejects Alternative 3 on each of the above grounds. The Director finds  
34 that each of the above reasons is a sufficient independent ground for rejecting Alternative 3 as  
35 infeasible.

## 1 **7.5.6 Rejection of Alternative 4a: 7,500 cfs Eastern Alignment** 2 **with Intakes A-C**

### 3 **7.5.6.1 Fundamental Purpose and Objectives**

4 This alternative would have similar potential to achieve SWP water supply reliability as the Project.  
5 However, it would have additional benefits for the CVP because it has an additional intake that  
6 would provide capacity for CVP water deliveries.

### 7 **7.5.6.2 Other Feasibility/Policy Considerations**

8 Unlike the proposed project, Alternative 4a would have an additional significant and unavoidable  
9 impact: Impact AQ-6, Result in Exposure of Sensitive Receptors to Substantial Toxic Air Contaminant  
10 Emissions.

11 Because this alternative involves the construction of an additional intake, it would result in greater  
12 impacts. These impacts include a greater environmental footprint and potentially greater local  
13 community impacts.

14 This alternative includes the construction of a Southern Forebay, which inherently requires more  
15 construction and results in greater impacts than the Project, which does not require the  
16 construction of a Southern Forebay. More construction would result in a greater environmental  
17 footprint and potentially greater local community impacts.

18 Through its Director, DWR rejects Alternative 4a on each of the above grounds. The Director finds  
19 that each of the above reasons is a sufficient independent ground for rejecting Alternative 4a as  
20 infeasible.

## 21 **7.5.7 Rejection of Alternative 4b: 3,000 cfs Eastern Alignment** 22 **with Intake C**

### 23 **7.5.7.1 Fundamental Purpose and Objectives**

24 This alternative would not achieve the Project's purpose of water supply reliability as effectively as  
25 the Project because it has one less intake and 3,000 cfs less capacity of water conveyance compared  
26 to the Project.

27 Alternative 4b would be less capable of meeting the Project's objective of addressing anticipated  
28 rising sea levels and other reasonably foreseeable consequences of climate change and extreme  
29 weather events. If salinity intrusion were to prevent the use of the existing south Delta pumps,  
30 Alternative 4b would have less conveyance capacity to be able to provide water supply reliability to  
31 the SWP when compared to the Project. Additionally, Alternative 4b would be less capable of  
32 protecting the SWP from future climatic change and mitigating system losses due to changing  
33 precipitation patterns and seasonal runoff due to climate change, compared to the Project, due to its  
34 lower maximum capacity. Alternative 4b would have less overall capacity to capture excess flows in  
35 the system and divert periodic and significant excess flows when southern Delta pumping is  
36 currently restricted. Therefore, Alternative 4b would also be less capable of protecting the ability of  
37 the SWP to deliver water when hydrologic conditions result in the availability of sufficient amounts  
38 of water, compared to the Project.



1 In the event of catastrophic levee failures from seismic activities (which could temporarily disrupt  
2 water supply by ceasing diversions from the SWP's current point of diversion in the south Delta),  
3 Alternative 4b would be less capable of minimizing the potential for public health and safety impacts  
4 from reduced quantity and quality of SWP water deliveries south of the Delta, compared to the  
5 Project, due to its lower maximum capacity.

6 Because Alternative 4b has only one intake and a lower maximum capacity, it would also provide  
7 less operational flexibility to improve aquatic conditions in the Delta and less operational flexibility  
8 to better manage risks of further regulatory constraints on project operations.

### 9 **7.5.7.2 Other Feasibility/Policy Considerations**

10 This alternative includes the construction of a Southern Forebay, which inherently requires more  
11 construction and results in greater impacts than the Project, which does not require the  
12 construction of a Southern Forebay. More construction would result in a greater environmental  
13 footprint and potentially greater local community impacts.

14 Through its Director, DWR rejects Alternative 4b on each of the above grounds. The Director finds  
15 that each of the above reasons is a sufficient independent ground for rejecting Alternative 4b as  
16 infeasible.

## 17 **7.5.8 Rejection of Alternative 4c: 4,500 cfs Eastern Alignment** 18 **with Intakes B and C**

### 19 **7.5.8.1 Fundamental Purpose and Objectives**

20 This alternative would not achieve the project's purpose of water supply reliability as effectively as  
21 the Project because it has 1,500 cfs less capacity of water conveyance.

22 Alternative 4c would be less capable of meeting the Project's objective of addressing anticipated  
23 rising sea levels and other reasonably foreseeable consequences of climate change and extreme  
24 weather events. If salinity intrusion were to prevent the use of the existing south Delta pumps,  
25 Alternative 4c would have less conveyance capacity to be able to provide water supply reliability to  
26 the SWP when compared to the Project. Additionally, Alternative 4c would be less capable of  
27 protecting the SWP from future climatic change and mitigating system losses due to changing  
28 precipitation patterns and seasonal runoff due to climate change, compared to the Project, due to its  
29 lower maximum capacity. Alternative 4c would have less overall capacity to capture excess flows in  
30 the system and divert periodic and significant excess flows when southern Delta pumping is  
31 currently restricted. Therefore, Alternative 4c would also be less capable of protecting the ability of  
32 the SWP to deliver water when hydrologic conditions result in the availability of sufficient amounts  
33 of water, compared to the Project.

34 In the event of catastrophic levee failures from seismic activities (which could temporarily disrupt  
35 water supply by ceasing diversions from the SWP's current point of diversion in the south Delta),  
36 Alternative 4c would be less capable of minimizing the potential for public health and safety impacts  
37 from reduced quantity and quality of SWP water deliveries south of the Delta, compared to the  
38 Project, due to its lower maximum capacity.

1 Because Alternative 4c has a lower maximum capacity, it would also provide less operational  
2 flexibility to improve aquatic conditions in the Delta and less operational flexibility to better manage  
3 risks of further regulatory constraints on project operations.

#### 4 **7.5.8.2 Other Feasibility/Policy Considerations**

5 This alternative includes the construction of a Southern Forebay, which inherently requires more  
6 construction and results in greater impacts than the Project, which does not require the  
7 construction of a Southern Forebay. More construction would result in a greater environmental  
8 footprint and potentially greater local community impacts.

9 Through its Director, DWR rejects Alternative 4c on each of the above grounds. The Director finds  
10 that each of the above reasons is a sufficient independent ground for rejecting Alternative 4c as  
11 infeasible.

### 12 **7.5.9 Rejection of No Project Alternative**

#### 13 **7.5.9.1 Fundamental Purpose and Objectives**

14 As described in Final EIR, Volume 1, Chapter 4, *Framework for the Environmental Analysis*, the No  
15 Project Alternative analyses evaluate a scenario that includes climate change and sea level rise, as  
16 well as projects that may occur within the SWP service area if the Delta Conveyance Project does not  
17 move forward.

18 The No Project Alternative fails to meet DWR's fundamental purpose of "restor[ing] and protect[ing]  
19 the reliability of SWP water deliveries and, potentially, CVP water deliveries south of the Delta  
20 consistent with the State's Water Resilience Portfolio (California Natural Resources Agency et al.  
21 2020) by addressing the seismic risks, sea level rise, and other reasonably foreseeable consequences  
22 of climate change and extreme weather events in a cost effective manner." This alternative also fails  
23 to meet any of the four specific project objectives described in Chapter 2, *Purpose and Project*  
24 *Objectives*, of "help[ing] address anticipated rising sea levels and other reasonably foreseeable  
25 consequences of climate change and extreme weather events; and "minimiz[ing] the potential for  
26 public health and safety impacts from reduced quantity and quality of SWP water deliveries, and  
27 potentially CVP water deliveries, south of the Delta as a result of a major earthquake that could  
28 cause breaching of Delta levees and the inundation of brackish water into the areas where existing  
29 SWP and CVP pumping plants operate in the southern Delta"; and "protect[ing] the ability of the  
30 SWP, and potentially the CVP, to deliver water when hydrologic conditions result in the availability  
31 of sufficient amounts of water, consistent with the requirements of the state and federal law,  
32 including the ESA, CESA and Delta Reform Act, as well as the terms and conditions of water delivery  
33 contracts and other existing applicable agreements"; and "provid[ing] operational flexibility to  
34 improve aquatic conditions in the Delta and better manage risks of further regulatory constraints on  
35 project operations."

#### 36 **7.5.9.2 Other Feasibility/Policy Considerations**

37 The No Project Alternative would leave the SWP system subject to potentially catastrophic  
38 consequences in the event of a major earthquake leading to levee breaks, inundation of Delta  
39 islands, and prolonged disruptions of exports that could require environmentally damaging  
40 emergency measures south of the Delta to provide water (California Department of Water Resources

1 2008b). Even in the absence of an event that catastrophically alters the hydrology of the Delta,  
2 climate change and anticipated sea level rise could be expected to gradually limit the operation of  
3 the SWP water pumps in the south Delta (California Department of Water Resources 2018).  
4 Consequently, additional releases from upstream reservoirs are expected to be necessary to provide  
5 the fresh water needed to meet current salinity standards (California Department of Water  
6 Resources 2018). While water users have previously relied on groundwater to supplement surface  
7 water supplies when operation of the SWP is limited by regulations to improve aquatic conditions,  
8 groundwater pumping is now managed under the Sustainable Groundwater Management Act  
9 requirements, which would have implications for meeting water supply demands depending on the  
10 designation of a groundwater basin Chapter 8, *Groundwater*, Section 8.3.2.1, *No Project Alternative*).  
11 As described in in the No Project Alternative discussions in Final EIR, Volume 1, Chapters 7 through  
12 32, water managers in urban export areas could respond to diminished deliveries by taking other  
13 actions, such as the construction of recycled water facilities and desalination plants, that would  
14 create their own negative environmental effects, including consumption of large amounts of  
15 greenhouse gas-generating fossil fuels, brine discharge, and for desalination plants, potential  
16 entrainment of aquatic species.

17 Through its Director, DWR rejects the No Project Alternative on each of the above grounds. The  
18 Director finds that each of the above reasons is a sufficient independent ground for rejecting the No  
19 Project Alternative as infeasible.

## 20 **7.5.10 Alternatives Considered but Rejected from Further** 21 **Consideration**

### 22 **7.5.10.1 Fundamental Purpose and Objectives**

23 As discussed above in Section 5.3.1, *Alternatives Development and Screening Process*, DWR identified  
24 and screened a range of alternatives based on the project purpose and objectives, as defined in the  
25 NOP. The screening criteria were developed consistent with the legal requirements of CEQA and the  
26 project objectives included in the NOP published on January 15, 2020. The following alternatives did  
27 not pass the first of two screening filters and were rejected, as they do not meet most of the project's  
28 objectives:

- 29 ● Dual Conveyance Tunnel with New Intakes at Fremont Weir and Decker Island
- 30 ● Dual Conveyance with New Intakes at Decker Island
- 31 ● Isolated Conveyance New Intakes at Fremont Weir and Decker Island
- 32 ● Isolated Conveyance with San Joaquin River intake
- 33 ● Western Delta Intake Concept
- 34 ● SolAgra Water Solution
- 35 ● Portfolio-Based Proposed including Water Conveyance Facilities
- 36 ● Through-Delta Conveyance No New Diversion Facility (with Barriers)
- 37 ● Through-Delta Conveyance with No New Diversion Facility—New Fish Handling Facilities at  
38 Clifton Court Forebay
- 39 ● Portfolio Approach without Water Conveyance Facilities

- 1       • Integration of Water Conveyance with Other Projects

2       **7.5.10.2           Other Feasibility/Policy Considerations**

3       The following alternatives passed the first filter but did not pass the second filter, as they do not  
4       avoid or substantially lessen impacts compared to the alternatives evaluated in the EIR:

- 5       • Dual Conveyance East Canal
- 6       • Dual Conveyance West Canal
- 7       • Dual Conveyance with New Intakes at Sacramento Weir
- 8       • Isolated Conveyance Tunnel with Sacramento River Intakes
- 9       ○ Isolated Conveyance West Canal with Sacramento River Intakes
- 10      ○ Isolated Conveyance East Canal with Sacramento River Intakes
- 11      ○ Isolated Conveyance East Canal with Feather River Intakes
- 12      • A Water Plan for All of California
- 13      • Alternative locations for diversion facilities along the Sacramento River in the north Delta

14      For the foregoing reasons, DWR rejects all the alternatives to the Project considered in the EIR,  
15      including the alternatives considered but rejected from further consideration in the EIR, as  
16      infeasible. As explained above, these alternatives would have greater environmental impacts  
17      compared to the Project and/or would not meet the project goals or objectives, or would not achieve  
18      them to the same degree as the Project, and/or are found to be infeasible on the basis of additional  
19      grounds discussed above. DWR further finds that, out of all of the alternatives considered, the  
20      Project strikes the optimal balance between attainment of project goals and objectives, competing  
21      environmental and economic impacts and benefits, and best achieves the coequal goals set forth in  
22      the Delta Reform Act of providing a more reliable water supply for California and protecting,  
23      restoring, and enhancing the Delta ecosystem.

# Chapter 10

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## CEQA Findings of Fact for the Project’s Significant and Unavoidable Impacts, Impacts that are Less Than Significant after Mitigation and Impacts that are Less Than Significant/No Impact

**Table 1: CEQA Findings of Fact for Significant and Unavoidable Project Impacts**

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Adopted Mitigation Measures	Impact Conclusion After Mitigation- CEQA	Findings of Fact
<b>Agricultural Resources</b>				
Impact AG-1: Convert a Substantial Amount of Prime Farmland, Unique Farmland, Farmland of Local Importance, or Farmland of Statewide Importance as a Result of Construction of Water Conveyance Facilities	Significant	MM AG-1: Preserve Agricultural Land	Significant and Unavoidable	<p>Mitigation Measure AG-1: Preserve Agricultural Land would reduce the extent of the remaining impacts that could not be avoided through careful project planning. However, these impacts would remain significant and unavoidable after implementation of the mitigation measures because conservation of agricultural farmland through acquisition of agricultural conservation easements, even at a ratio of 1:1 or greater, would not avoid a net loss of Important Farmland in the study area.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that substantially lessen, but do not avoid, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>
Impact AG-2: Convert a Substantial Amount of Land Subject to Williamson Act Contract or under Contract in Farmland Security Zones to a Nonagricultural Use as a Result of Construction of Water Conveyance Facilities	Significant	MM AG-1: Preserve Agricultural Land	Significant and Unavoidable	<p>Project facilities would result in permanent conversion of around 1,100 acres of land under Williamson Act contract.</p> <p>There is projected to be temporary or permanent conversion of approximately 39 acres of agricultural land within a Farmland Security Zone under the Project. The permanent impacts on land under contract with Farmland Security Zone would be associated with the shaft sites and new overhead power transmission lines, while the temporary impacts would result from work associated with geotechnical exploration sites and underground installation of utility lines.</p> <p>DWR would comply with all applicable provisions of California Government Code Sections 51290–51295 as they pertain to acquiring lands subject to Williamson Act contract.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that substantially lessen, but do not avoid, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>
<b>Aesthetics and Visual Resources</b>				
Impact AES-1: Substantially Degrade the Existing Visual Character or Quality of Public Views (from Publicly Accessible Vantage Points) of the Construction Sites and Visible Permanent Facilities and Their Surroundings in Nonurbanized Areas	Significant	MM AES-1a: Install Visual Barriers between Construction Work Areas and Sensitive Receptors MM AES-1b: Apply Aesthetic Design Treatments to Project Structures MM AES-1c: Implement Best Management Practices in Project Landscaping Plan	Significant and Unavoidable	Construction of the Project would substantially affect the existing visual quality and character present in the study area from public roads, residences, and areas of visual effect in the vicinity of project sites. Contributing to this impact would include the long-term nature of facility construction at all of the major project sites and visibility of heavy construction equipment in the proximity to sensitive vantage points; removal of residences and agricultural buildings; removal of riparian vegetation and other mature vegetation or landscape plantings; earthmoving and grading that result in changes to topography in areas that are predominantly flat, as well as dust generation; addition of large-scale industrial-looking structures (e.g., intakes, pumping plants, discharge structures and related facilities); remaining presence of large-scale reusable tunnel material (RTM) area landscape effects; and introduction of tall lattice steel transmission towers. Because of the combined effect of multiple and concurrent

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Adopted Mitigation Measures	Impact Conclusion After Mitigation- CEQA	Findings of Fact
				<p>construction sites on localized views, the length of time construction would occur, and the changes permanent facilities would have on multiple short- and long-range views in the study area and high viewer sensitivity, this impact is considered to be significant at several sites, as shown in Table 18- 14. This conclusion also takes into consideration the Project’s visual effects in a large Delta landscape. Although in a regional context the Project would affect a relatively small portion of the Delta limited to the distinct and discrete project sites, construction and permanent facility changes in visual quality and character would be substantially reduced in a number of locations in the study area.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that substantially lessen, but do not avoid, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>
Impact AES-2: Substantially Damage Scenic Resources including, but Not Limited to, Trees, Rock Outcroppings, and Historic Buildings Visible from a State Scenic Highway	Significant	MM AES-1b: Apply Aesthetic Design Treatments to Project Structures MM AES-1c: Implement Best Management Practices in Project Landscaping Plan	Significant and Unavoidable	<p>Because visual elements associated with the Project would conflict with the existing forms, patterns, colors, and textures along State Route (SR) 160; would dominate riverfront views available from SR 160; and would alter broad views and the general nature of the visual experience presently available from SR 160 (thereby permanently damaging the scenic resources along a state scenic highway), these impacts are considered significant. Mitigation Measures AES-1b: Apply Aesthetic Design Treatments to Project Structures and AES-1c: Implement Best Management Practices in Project Landscaping Plan would help reduce these impacts through the application of aesthetic design treatments to all structures, to the extent feasible. However, impacts on visual resources resulting from damage to scenic resources that may be viewed from a state scenic highway would not be reduced to a less-than-significant level because even with Mitigation Measures AES-1b and AES-1c 17 the overall view from SR 160 to the location of intakes would change from open agricultural land to a large industrial-type facility. There would be noticeable to very noticeable changes to the visual character of a state scenic highway viewshed that do not blend or are not in keeping with the existing visual environment based upon the viewer’s location in the landscape relative to the visible change. Thus, overall, this impact would be significant and unavoidable.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that substantially lessen, but do not avoid, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>
Impact AES-3: Have Substantial Significant Impacts on Scenic Vistas	Significant	MM AES-1a: Install Visual Barriers between Construction Work Areas and Sensitive Receptors MM AES-1b: Apply Aesthetic Design Treatments to Project Structures MM AES-1c: Implement Best Management Practices in Project Landscaping Plan	Significant and Unavoidable	<p>The Project would include some facilities or components that would result in significant and unavoidable impacts on existing visual quality and character within the study area including scenic vistas. Mitigation Measures AES-1a: Install Visual Barriers between Construction Work Areas and Sensitive Receptors, AES-1b: Apply Aesthetic Design Treatments to Project Structures, and AES-1c: Implement Best Management Practices in Project Landscaping Plan would reduce scenic vista impacts in the same way described for effects on visual quality and character. Overall, not all impacts would be reduced to a less-than-significant level because, although environmental commitments and mitigation measures would reduce some aspects of the impact on scenic vistas, these measures would only partially reduce effects for the same reasons described for Impact AES-1.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that substantially lessen, but do not avoid, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>



Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Adopted Mitigation Measures	Impact Conclusion After Mitigation- CEQA	Findings of Fact
<b>Cultural Resources</b>				
Impact CUL-1: Impacts on Built-Environment Historical Resources Resulting from Construction and Operation of the Project	Significant	MM CUL-1a: Avoid Impacts on Built-Environment Historical Resources through Project Design MM CUL-1b: Prepare and Implement a Built-Environment Treatment Plan in Consultation with Interested Parties	Significant and Unavoidable	<p>Construction of project features may require physical alteration of 7 built-environment historical resources. Construction may also result in changes to the setting of 7 built-environment historical resources. Both material alterations to the integrity of materials, design, or workmanship, as well as material alterations to the integrity of setting, feeling, or association would impact the historical resource by removing character-defining features of the resource or altering the resource's character, resulting in an impairment of the resource's ability to convey its significance. For these reasons this would be a significant impact. Mitigation Measure CUL-1a: Avoid Impacts on Built-Environment Historical Resources through Project Design and Mitigation Measure CUL-1b: Prepare and Implement a Built Environment Treatment Plan in Consultation with Interested Parties may mitigate these effects but cannot guarantee they would be entirely avoided. The scale of the Project and the constraints imposed by other environmental resources would make avoidance of all significant impacts unlikely. For these reasons, even with MM CUL-1a and MM CUL-1b, this impact would be significant and unavoidable. All mitigation will be completed under the oversight of individuals who meet the Secretary of the Interior Professional Qualifications Standards and have demonstrable experience conducting the recommended measures (MM CUL-1a and MM CUL-1b).</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that substantially lessen, but do not avoid, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>
Impact CUL-2: Impacts on Unidentified and Unevaluated Built-Environment Historical Resources Resulting from Construction and Operation of the Project	Significant	MM CUL-2: Conduct a Survey of Inaccessible Properties to Assess Eligibility and Determine Whether These Properties Will Be Adversely Affected by the Project	Significant and Unavoidable	<p>Construction of project facilities may require the alteration of built-environment historical resources. Construction may also result in material alterations to the integrity of feeling, setting, or association. Changes to the setting would be material alterations because they would either remove the resource or alter the resource's character, resulting in a diminishment of the resource's ability to convey its significance. For these reasons this would be a significant impact. Mitigation Measure CUL-2: Conduct a Survey of Inaccessible Properties to Assess Eligibility and Determine Whether These Properties Will Be Adversely Affected by the Project may mitigate these impacts, but cannot guarantee they would be entirely avoided. The scale of the Project and the constraints imposed by other environmental resources make avoidance of all significant impacts unlikely. For these reasons, even with MM CUL-2, this impact would be significant and unavoidable.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that substantially lessen, but do not avoid, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>
Impact CUL-3: Impacts on Identified Archaeological Resources Resulting from the Project	Significant	MM CUL-3a: Prepare and Implement an Archaeological Resources Management Plan MM CUL-3b: Conduct Cultural Resources Sensitivity Training MM CUL-3c: Implement Archaeological Protocols for Field Investigations	Significant and Unavoidable	<p>Field investigations and construction of conveyance facilities would affect identified archaeological resources that occur in the footprint of the Project. This impact would be significant because construction would materially alter or destroy the spatial associations between these resources and their archaeological data, which has the potential to yield information useful in archaeological research and is the basis for the significance of these resources. Identified but currently inaccessible resources may also be significant under other California Register of Historical Resources (CRHR) criteria. Mitigation Measure CUL-3a: Prepare and Implement an Archaeological Resources Management Plan, Mitigation Measure CUL-3b: Conduct Cultural Resources Sensitivity Training, and Mitigation Measure CUL-3c: Implement Archaeological Protocols for Field Investigations would mitigate this impact by training personnel and recovering scientifically important material prior to construction through the sensitive area, but would not guarantee that all of the scientifically consequential</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Adopted Mitigation Measures	Impact Conclusion After Mitigation- CEQA	Findings of Fact
				<p>information would be retrieved because feasible archaeological excavation typically only retrieves a sample of the deposit, and portions of the site with consequential information may remain after treatment. Construction could damage these remaining portions of the deposit. Therefore, even with mitigation, this impact would be significant and unavoidable.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that substantially lessen, but do not avoid, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>
Impact CUL-4: Impacts on Unidentified Archaeological Resources That May Be Encountered in the Course of the Project	Significant	<p>MM CUL-3a: Prepare and Implement an Archaeological Resources Management Plan</p> <p>MM CUL-3b: Conduct Cultural Resources Sensitivity Training</p> <p>MM CUL-3c: Implement Archaeological Protocols for Field Investigations</p>	Significant and Unavoidable	<p>Construction has the potential to disturb previously unidentified archaeological resources qualifying as historical resources or unique archaeological resources. Because direct excavation, compaction, or other disturbance may disrupt the spatial associations that contain scientifically useful information, these activities would alter the potential basis for eligibility, thus materially altering the resource and resulting in a significant impact. Because these resources would not be identified prior to construction, they cannot be recorded, and impacts cannot be managed through construction treatment. Mitigation Measures CUL-3a: Prepare and Implement an Archaeological Resources Management Plan, CUL-3b: Conduct Cultural Resources Sensitivity Training, and CUL-3c: Implement Archaeological Protocols for Field Investigations would reduce the potential for this impact by implementing monitoring and discovery protocols and providing training to all personnel involved in ground-disturbing activities. However, because archaeological resources may not be identified through these measures prior to disturbance, the effect cannot be entirely avoided. Therefore, this impact would remain significant and unavoidable because resource locations and extents are unknown.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that substantially lessen, but do not avoid, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>
Impact CUL-5: Impacts on Buried Human Remains	Significant	<p>MM CUL-3a: Prepare and Implement an Archaeological Resources Management Plan</p> <p>MM CUL-3b: Conduct Cultural Resources Sensitivity Training</p> <p>MM CUL-3c: Implement Archaeological Protocols for Field Investigations</p> <p>MM CUL-5: Follow State and Federal Law Governing Human Remains If Such Resources Are Discovered during Construction</p>	Significant and Unavoidable	<p>The study area is sensitive for buried human remains. Construction would require ground-disturbing work that may damage previously unidentified human remains, resulting in direct effects on these resources. Disturbance of human remains, including remains interred outside of cemeteries, is considered a significant impact in the CEQA Appendix G checklist; therefore, any disturbance of such remains would be a significant impact. Mitigation Measures CUL-3a: Prepare and Implement an Archaeological Resources Management Plan, CUL-3b: Conduct Cultural Resources Sensitivity Training, and CUL-3c: Implement Archaeological Protocols for Field Investigations would reduce the potential for this impact and its severity by implementing monitoring and discovery protocols and providing training to all personnel involved in ground-disturbing activities, but not to a less-than-significant level because they would not guarantee that buried human remains could be discovered and treated in advance of construction; the scale of construction makes it technically and economically infeasible to perform the level of sampling necessary to identify all such buried human remains prior to construction. Therefore, this impact, even with mitigation, would be significant and unavoidable.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that substantially lessen, but do not avoid, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Adopted Mitigation Measures	Impact Conclusion After Mitigation- CEQA	Findings of Fact
<b>Transportation</b>				
Impact TRANS-1: Increased Average VMT Per Construction Employee versus Regional Average	Significant	MM TRANS-1: Implement Site-Specific Construction Transportation Demand Management Plan and Transportation Management Plan	Significant and Unavoidable	<p>Construction of the Project would result in additional vehicle miles traveled (VMT) to the regional transportation system and increase the total amount of driving and distances traveled for home-based work trips when compared to the regional average of 22.5 miles per day. This increase would be a temporary but long-term and a substantial VMT impact because conveyance facility construction employee VMT would exceed the regional VMT average over the course of the construction time period for Project facilities.</p> <p>This level of carpool participation is a goal that may not be achieved because construction workers will be drawn from the region in a manner that may not be conducive to large-scale carpooling or vanpooling. Because of the logistics of requiring construction workers to carpool/vanpool near their place of residence to project construction sites, and the uncertainty that this goal would be achieved, Impact TRANS-1 is considered significant and unavoidable with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that substantially lessen, but do not avoid, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>
<b>Air Quality and Greenhouse Gases</b>				
Impact AQ-5: Result in Exposure of Sensitive Receptors to Substantial Localized Criteria Pollutant Emissions	Significant	MM AQ-5: Avoid Public Exposure to Localized Particulate Matter and Nitrogen Dioxide Concentrations	Significant and Unavoidable	<p>The impact would be significant under CEQA for the Project because construction could contribute to existing violations or create new violations of the particulate matter (PM) that is 2.5 microns in diameter and smaller (PM2.5) and particulate matter that is 10 microns in diameter and smaller (PM10) standards. Construction of the Project would generate maximum 1-hour nitrogen dioxide (NO<sub>2</sub>) concentrations above the National Ambient Air Quality Standards (NAAQS).</p> <p>No other violations of the ambient air quality standards would result during project construction. Likewise, off-site construction traffic would not contribute to a localized violation of the California ambient air quality standards (CAAQS) or national ambient air quality standards (NAAQS) at intersections throughout the transportation network. Emissions from long-term Operation &amp; Maintenance activities would not cause or contribute to violations of the CAAQS and NAAQS.</p> <p>Environmental Commitments EC-7: Off-Road Heavy-Duty Engines through EC-13: DWR Best Management Practices to Reduce Greenhouse Gas (GHG) Emissions would minimize construction emissions through implementation of the on-site controls. However, exceedances of the significant impact levels (SILs) and ambient air quality standards would still occur, and the project would contribute a significant level of localized air pollution within the local air quality study area.</p> <p>Mitigation Measure AQ-5: Avoid Public Exposure to Localized Particulate Matter and Nitrogen Dioxide Concentrations is required to reduce potential public exposure to elevated ambient concentrations of PM and NO<sub>2</sub> during construction. As discussed above, the predicted results presented in Tables 23-55 through 23-58 are conservative because they combine worst-case meteorological conditions with the highest daily and annual construction emissions estimates. Mitigation Measure AQ-5 requires additional PM and NO<sub>2</sub> modeling to provide a more refined estimate of hourly and annual concentrations that are expected to occur during the construction period. If the refined modeling predicts an exceedance of the SIL or violation of the NO<sub>2</sub> NAAQS, the measure requires DWR to conduct ambient air quality monitoring during</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Adopted Mitigation Measures	Impact Conclusion After Mitigation- CEQA	Findings of Fact
<b>Noise and Vibration</b>				
Impact NOI-1: Generate a Substantial Temporary or Permanent Increase in Ambient Noise Levels in the Vicinity of the Project in Excess of Standards Established in the Local General Plan or Noise Ordinance, or Applicable Standards of Other Agencies	Significant	MM NOI-1: Develop and Implement a Noise Control Plan	Significant and Unavoidable	<p>construction. Results of the monitoring would be used to inform decision-making on further actions to reduce pollutant concentrations. While these actions would lower exposure to project-generated air pollution, it may not be feasible to completely eliminate all localized exceedances of the SILs and ambient air quality standards. Accordingly, this impact is determined to be significant and unavoidable.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that substantially lessen, but do not avoid, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>
<b>Paleontological Resources</b>				
Impact PALEO-2: Cause Destruction of a Unique Paleontological Resource as a Result of Tunnel Construction and Ground Improvement	Significant	No feasible mitigation is available to address this impact.	Significant and Unavoidable	<p>Construction of water conveyance facilities could cause the destruction of unique paleontological resources because tunneling would occur in geologic units with high sensitivity for paleontological resources: the Modesto and Riverbank Formations. The Project could destroy unique paleontological resources, with varying degrees of magnitude (Table 28-11). Excavation using the tunnel boring machine (TBM) for the tunnels could destroy unique paleontological resources because tunneling would involve large-scale ground disturbance that would not be accessible to monitors and would occur in geologic units sensitive for paleontological resources. This tunneling would occur at depths greater than 100 feet and therefore the geologic units affected would not be accessible to paleontologists and any fossils would not be available for scientific study. It cannot, however, be known whether paleontological resources would be present because paleontological resources are not distributed evenly throughout a geologic unit. Nevertheless, given the volume of material excavated by tunneling (Table 28-4) that would occur in the Modesto and Riverbank Formations, which are both sensitive for paleontological resources, and the consistency of the</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Adopted Mitigation Measures	Impact Conclusion After Mitigation- CEQA	Findings of Fact
				<p>reusable tunnel material (RTM) generated by the TBM (i.e., too fine to contain macrofossils), tunneling could result in a significant impact. No mitigation is available to address this impact. The impacts of tunneling would therefore be significant and unavoidable.</p> <p>Ground improvement would consist of in-situ mixing of amendments, such as cement grout, into the subsurface to improve stability. If this improvement occurs in the Modesto or Riverbank Formations and paleontological resources are present, ground improvement would damage or destroy these resources because the activity cannot be viewed or stopped by a paleontological monitor. No mitigation is available to address this impact. The impacts of ground improvement would therefore be significant and unavoidable.</p> <p>Findings: Impacts are significant and unavoidable and no feasible mitigation measures have been identified.</p>
<b>Tribal Cultural Resources</b>				
Impact TCR-1: Impacts on the Delta Tribal Cultural Landscape Tribal Cultural Resource Resulting from Construction, Operations, and Maintenance of the Project Alternatives	Significant	MM TCR-1a: Avoidance of Impacts on Tribal Cultural Resources MM TCR-1b: Plans for the Management of Tribal Cultural Resources MM TCR-1c: Implement Measures to Restore and Enhance the Physical, Spiritual, and Ceremonial Qualities of Affected Tribal Cultural Resources MM TCR-1d: Incorporate Tribal Knowledge into Compensatory Mitigation Planning (Restoration)	Significant and Unavoidable	<p>Project construction and operational activities would impair character-defining features that qualify the Delta Tribal Cultural Landscape (TCL) for listing in the CRHR. The Project would materially impair affiliated Tribes' ability to physically, spiritually, or ceremonially experience these character-defining features: the Delta as a holistic place that is a Tribal homeland and place of origin, terrestrial and aquatic plant and animal species habitats that are part of the Delta's ecosystem and the heritage of Tribes, ethnohistorical locations that are sacred places and historically important, archaeological sites, and views and vistas of and from the Delta that are sacred and important to the heritage of Tribes. While other chapters have identified mitigation measures to address project effects on several of the natural resources that also qualify as character-defining features for the Tribal cultural resource (such as the Compensatory Mitigation Plan) these are aimed at satisfying certain regulatory requirements for ecological conservation and may not mitigate for the impacts to Tribal cultural resources. DWR will coordinate with Tribes to incorporate Tribal values into compensatory mitigation; however, these measures may not reduce the impacts to a less-than-significant level. Because the project would materially impair character-defining features of the Delta TCL, and project commitments and mitigation measures would not fully avoid or reduce such impacts, the impact on the Delta TCL would be significant. DWR has identified four measures for mitigating this impact: Mitigation Measures TCR-1a: Avoidance of Impacts on Tribal Cultural Resources, TCR-1b: Plans for the Management of Tribal Cultural Resources, TCR-1c: Implement Measures to Restore and Enhance the Physical, Spiritual, and Ceremonial Qualities of Affected Tribal Cultural Resources, and TCR-1d: Incorporate Tribal Knowledge into Compensatory Mitigation Planning (Restoration).</p> <p>Application of these mitigation measures has the potential to reduce the impact on character-defining features of the Delta TCL because they could restore affiliated Tribes' ability to physically, spiritually, and ceremonially experience the materially impaired qualities of the features. However, there may be instances where even with the mitigation measures described above, the impacts would not be mitigated to a less-than-significant level. There may also be instances where the project components would permanently damage a character-defining feature of the Delta TCL, such as where ground disturbance and construction of a project feature would occur in an ethnohistoric location, disturb an archaeological site, or a facility would block an important view. Project impacts would remain significant and unavoidable after implementation of Mitigation Measures TCR-1a, TCR-1b, TCR-1c, and TCR-1d because complete avoidance or protection is unlikely and operations and maintenance of the intakes and tunnels may still materially impair the Tribal experience of the spiritual qualities of the Delta TCL even with the efforts to repair or restore the Tribal experience. DWR will continue to consult with affiliated Tribes throughout implementation of Mitigation</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Adopted Mitigation Measures	Impact Conclusion After Mitigation- CEQA	Findings of Fact
				<p>Measures TCR-1a, TCR-1b, and TCR-1c, and TCR-1d to minimize and mitigate the project's significant impacts on the Delta TCL.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that mitigate, but <i>not</i> to a less than significant level, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>
Impact TCR-2: Impacts on Individual Tribal Cultural Resources Resulting from Construction, Operations, and Maintenance of the Project Alternatives	Significant	<p>MM TCR-1a: Avoidance of Impacts on Tribal Cultural Resources</p> <p>MMTCR-1b: Plans for the Management of Tribal Cultural Resources</p> <p>MM TCR-1c: Implement Measures to Restore and Enhance the Physical, Spiritual, and Ceremonial Qualities of Affected Tribal Cultural Resources</p> <p>MM TCR-1d: Incorporate Tribal Knowledge into Compensatory Mitigation Planning (Restoration)</p> <p>MM TCR-2: Perform an Assessment of Significance, Known Attributes, and Integrity for Individual CRHR Eligibility</p>	Significant and Unavoidable	<p>The precise nature of the impact on an individual Tribal cultural resource is not currently known because DWR has not identified any individual Tribal cultural resources at this time; therefore, the features that make an individual resource eligible for California Register of Historical Resources (CRHR) listing, its significance, attributes and location, and integrity have not been established. In general, DWR anticipates that if an individual resource is identified, the project has the potential to materially impair an affiliated Tribes' ability to physically, ceremonially, or spiritually experience the resource.</p> <p>If the conclusion of implementing Mitigation Measure TCR-2: Perform an Assessment of Significance, Known Attributes, and Integrity for Individual CRHR Eligibility is that DWR finds a character-defining feature or other resource that is individually eligible, application of Mitigation Measures TCR-1a, TCR-1b, and TCR-1c, and TCR-1d could reduce the impact on any individually eligible Tribal cultural resources, because they could restore affiliated Tribes' ability to physically, spiritually, and ceremonially experience the materially impaired qualities of the features. However, there may be instances where even with the mitigation measures described above, the impacts would not be mitigated to a less-than-significant level. There may also be instances where the project components would permanently damage an individual Tribal cultural resource, such as where ground disturbance and construction of a project feature would disturb an individually eligible ethnohistoric location or a facility would block an important view that is a character-defining feature of an individual Tribal cultural resource. Project impacts on individual Tribal cultural resources would remain significant and unavoidable after implementation of Mitigation Measures TCR-1a, TCR-1b, TCR-1c, TCR-1d, and TCR-2, because complete avoidance or protection is unlikely. DWR will continue to consult with affiliated Tribes throughout implementation of mitigation measures to minimize and mitigate the project's significant impacts on the Delta Tribal Cultural Landscape, as well as refine DWR's understanding of the character-defining features, or other features, that may be individual Tribal cultural resources.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project, that mitigate, but <i>not</i> to a less than significant level, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>

**Table 2: CEQA Findings of Fact for the Project's Less-than-Significant Impacts after Mitigation**

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
<b>Water Quality</b>				
Impact WQ-6: Effects on Mercury Resulting from Facility Operations and Maintenance	Less Than Significant for the Project; Potentially Significant for Implementation of the CMP	MM WQ-6: Develop and Implement a Mercury Management and Monitoring Plan	Less Than Significant	<p>The Project would not cause additional exceedance of applicable water quality criteria or objectives by frequency, magnitude, and geographic extent that would cause significant impacts on any beneficial uses of waters in the study area. Because mercury concentrations are not expected to increase substantially, no long-term water quality degradation that would result in substantially increased risk for significant impacts on beneficial uses would occur. Furthermore, changes in long-term methylmercury concentrations that may occur in study area waterbodies would not make existing CWA Section 303(d) impairments measurably worse, or increase levels of mercury by frequency, magnitude, and geographic extent to cause measurably higher body burdens of mercury in aquatic organisms, thereby substantially increasing the health risks to wildlife (including fish) or humans consuming those organisms. Thus, the impact of the Project on mercury concentrations would be less than significant.</p> <p>While the Project would not result in significant water quality effects associated with mercury, there could be significant impacts with the implementation of the CMP. Those impacts could be reduced to a less-than-significant level with Mitigation Measure WQ-6.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
<b>Soils</b>				
Impact SOILS-5: Have Soils Incapable of Adequately Supporting the Use of Septic Tanks or Alternative Wastewater Disposal Systems Where Sewers Are Not Available for the Disposal of Wastewater	Significant	MM SOILS-5: Conduct Site-Specific Soil Analysis and Construct Alternative Wastewater Disposal System as Required	Less Than Significant	<p>Potential impacts of the use of septic tanks or alternative wastewater disposal systems would occur during construction and operations and maintenance. If a conventional disposal system were to be constructed on soils with a rating of very limited for septic tank absorption fields, use of the system could contaminate surface water and groundwater and create objectionable odors during operations and maintenance. The water contamination could raise the risk of disease transmission and human exposure to pathogens. The impact would be significant. However, county planning and building departments typically require on-site soil percolation tests and other analyses to determine site suitability and type of system appropriate to the site. Along with compliance with county requirements, implementation of Mitigation Measure SOILS-5: Conduct Site-Specific Soil Analysis and Construct Alternative Wastewater Disposal System as Required, would reduce the impact to a less-than-significant level.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
<b>Fish and Aquatic Resources</b>				
Impact AQUA-1: Effects of Construction of Water Conveyance Facilities on Fish and Aquatic Species	Significant	MM AQUA-1a: Develop and Implement an Underwater Sound Control and Abatement Plan MM AQUA-1b: Develop and Implement a Barge Operations Plan MM AQUA-1c: Develop and Implement a Fish Rescue and Salvage Plan MM WQ-6: Develop and Implement a Mercury Management and Monitoring Plan CMP-23: Tidal Perennial Habitat Restoration for Construction Impacts on Habitat for Fish and Aquatic Resources	Less Than Significant	<p>Construction impacts on fish and aquatic species potentially would be significant because there would be the potential for spatial and temporal overlap with appreciable proportions of some of the species of management concern's populations (e.g., adult steelhead; Table 12A-9 in Appendix 12A) as well as loss of aquatic habitat. To address these impacts, the project will include Mitigation Measures AQUA-1a: Develop and Implement an Underwater Sound Control and Abatement Plan, AQUA-1b: Develop and Implement a Barge Operations Plan, AQUA-1c: Develop and Implement a Fish Rescue and Salvage Plan, and Mitigation Measure CMP: Compensatory Mitigation Plan, specifically CMP-23: Tidal Perennial Habitat Restoration for Construction Impacts on Habitat for Fish and Aquatic Resources and CMP-24: Channel Margin Habitat Restoration for Construction Impacts on Habitat for Fish and Aquatic Resources (Attachment 3F.1, Compensatory Mitigation Design Guidelines, Table 3F.1-3). Mitigation</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
		CMP-24: Channel Margin Habitat Restoration for Construction Impacts on Habitat for Fish and Aquatic Resources		<p>Measure AQUA-1a: Develop and Implement an Underwater Sound Control and Abatement Plan includes limiting pile-driving timing consistent with EC-14 and controlling or abating underwater noise generated during impact pile driving, for example, by starting impact pile driving at lower levels of intensity to allow fish to leave the area before the intensity is increased.</p> <p>Construction impacts on fish and aquatic species would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact AQUA-2: Effects of Operations and Maintenance of Water Conveyance Facilities on Sacramento River Winter-Run Chinook Salmon	Significant	<p>CMP-25: Tidal Habitat Restoration to Mitigate North Delta Hydrodynamic Effects on Chinook Salmon Juveniles</p> <p>CMP-26: Channel Margin Habitat Restoration for Operations Impacts on Chinook Salmon Juveniles</p>	Less Than Significant	<p>The available information generally indicates that diversion at the North Delta Diversion (NDD) would negatively affect winter-run Chinook salmon through flow-survival and habitat impacts. The Sacramento River is the main migration pathway through the Delta for juvenile winter-run and therefore a large proportion of the population would potentially be exposed to negative impacts.</p> <p>To address the significance of the impacts, Mitigation Measure CMP: Compensatory Mitigation Plan would be implemented, specifically CMP-25: Tidal Habitat Restoration to Mitigate North Delta Hydrodynamic Effects on Chinook Salmon Juveniles and CMP-26: Channel Margin Habitat Restoration or Operations Impacts on Chinook Salmon Juveniles (Attachment 3F.1, Table 3F.1-3). This mitigation would reduce negative hydrodynamic effects such as flow reversals in the Sacramento River at Georgiana Slough (CMP-25) and reduced effects from reduced inundation of riparian/wetland benches as a result of NDD operations (CMP-26). The mitigation thereby would reduce potential for negative effects on winter-run Chinook salmon through-Delta survival as a result of factors such as flow-related changes in migration speed and probability of entering the low-survival interior Delta migration pathway and restoring new bench habitat at elevations that would be inundated under reduced flows downstream of the north Delta intakes. The impact of operations and maintenance of the Project would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact AQUA-3: Effects of Operations and Maintenance of Water Conveyance Facilities on Central Valley Spring-Run Chinook Salmon	Significant	<p>CMP-25: Tidal Habitat Restoration to Mitigate North Delta Hydrodynamic Effects on Chinook Salmon Juveniles</p> <p>CMP-26: Channel Margin Habitat Restoration for Operations Impacts on Chinook Salmon Juveniles</p>	Less Than Significant	<p>Recent research for two spring-run Chinook salmon populations in the Central Valley indicates that the majority of returning adults emigrated as yearlings (Cordoleani et al. 2021), which migrate beginning in fall and therefore have the potential to overlap periods of greater north Delta diversions with greater potential effects on through-Delta survival as shown by the Perry et al. (2018) modeling results. As a result, and although there is uncertainty in biological impacts because of the variability in flow-survival statistical relationships (see discussion for winter-run Chinook salmon), population abundance is low relative to historical values (Appendix 12A) and it is concluded that the operations and maintenance impact of the Project would be significant for spring-run Chinook salmon. Compensatory mitigation to be implemented for the winter-run Chinook salmon significant impact discussed above in Impact AQUA-2 (i.e., Mitigation Measure CMP: Compensatory Mitigation Plan, specifically CMP-25: Tidal Habitat Restoration to Mitigate North Delta Hydrodynamic Effects on Chinook Salmon Juveniles and CMP-26: Channel Margin Habitat Restoration for Operations Impacts on Chinook Salmon Juveniles [Attachment 3F.1, Table 3F.1-3]) would also be applied to spring-run Chinook salmon to mitigate hydrodynamic effects such as flow reversals in the Sacramento River at Georgiana Slough (CMP-25) and effects from reduced inundation of riparian/wetland benches</p>



Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
				<p>as a result of North Delta Diversion operations (CMP-26). The impact would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact AQUA-5: Effects of Operations and Maintenance of Water Conveyance Facilities on Central Valley Steelhead	Significant	MM CMP: Compensatory Mitigation Plan	Less Than Significant	<p>As discussed by National Marine Fisheries Service (2016:19), Central Valley steelhead is in danger of extinction, with very low levels of natural production. Available data and studies for steelhead are limited relative to Chinook salmon and so there is some uncertainty in potential effects. As previously noted for winter-run Chinook salmon, there is uncertainty in the biological impacts because of the variability in flow-survival statistical relationships. However, per the significance criteria (Section 12.3.2, Thresholds of Significance), the potential for negative effects of the north Delta intakes (e.g., up to 4% less through-Delta migration survival per the Perry et al. model implemented for juvenile Chinook salmon) and the population status (Appendix 12A) leads to the conclusion that the impact would be significant. Compensatory mitigation (tidal perennial habitat restoration and channel margin restoration) described in Appendix 3F, and as previously discussed for winter-run Chinook salmon would be implemented to reduce the impact to less than significant.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact AQUA-6: Effects of Operations and Maintenance of Water Conveyance Facilities on Delta Smelt	Significant	MM CMP: Compensatory Mitigation Plan CMP-27: Tidal Habitat Restoration for Operations Impacts on Delta Smelt	Less Than Significant	<p>There is generally somewhat less Delta outflow under the Project than existing conditions during spring–fall as a result of less outflow being needed for meeting Delta salinity requirements. There is considerable uncertainty in the potential for negative effects to delta smelt food availability, predation, and recruitment as a result of these changes in Delta outflow, which are within the existing parameters of current regulations (e.g., D-1641; federal and state water project permits). Given the existing all-time low abundance indices of delta smelt (Appendix 12A), the impacts are concluded to be significant. Tidal habitat restoration of approximately 1,100 to 1,400 acres under Mitigation Measure CMP: Compensatory Mitigation Plan, specifically CMP-27 (Attachment 3F-1, Table 3F.1-3), would mitigate these impacts. Restoration would increase the extent of suitable delta smelt habitat (e.g., intertidal and subtidal habitat; California Department of Fish and Game 2011) with appropriate parameters (e.g., turbidity) providing habitat for occupancy (e.g., Sommer and Mejia 2013) or higher food availability in the vicinity (e.g., Hammock et al. 2019b). The impact would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact AQUA-7: Effects of Operations and Maintenance of Water Conveyance Facilities on Longfin Smelt	Significant	MM CMP: Compensatory Mitigation Plan CMP-28: Tidal Habitat Restoration for Operations Impacts on Longfin Smelt	Less Than Significant	<p>In general, the analyses of the operations and maintenance impacts of the Project suggested minor impacts on longfin smelt, relative to existing conditions, including near-field effects of the north Delta intakes, south Delta entrainment, and very little potential for negative effects on food availability as a result of differences in spring Delta outflow. Any such impacts would not be significant because they are minor and would affect only a very small proportion of the longfin smelt population. The analyses of flow-related effects (differences in Delta outflow) on longfin smelt abundance suggested more potential for negative effects under the Project (i.e., mean difference of 2%–10% less depending on water year type) and a potentially significant impact given that they represent a population-level impact. There is uncertainty in the impact, however, given the appreciably greater variability of longfin smelt abundance index estimates</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
				<p>for a given alternative relative to the difference from existing conditions. Operations of the Project would be consistent with all applicable regulations to limit the potential for negative effects on fish and aquatic resources, including the existing spring outflow measures required by the California Department of Fish and Wildlife Incidental Take Permit (ITP). Nevertheless, the uncertain negative outflow-related effect is considered significant in light of the species' California Endangered Species Act-listed status and low population abundance indices (Appendix 12A). As such, the Project would implement approximately 135.2acres of compensatory mitigation (Mitigation Measure CMP: Compensatory Mitigation Plan, specifically CMP-28: Tidal Habitat Restoration for Operations Impacts on Longfin Smelt [Attachment 3F.1, Table 3F.1-3]). Tidal habitat would expand the diversity, quantity, and quality of longfin smelt rearing and refuge habitat consistent with recent tidal habitat mitigation required for outflow impacts to the species and would therefore reduce the potential effects caused by reduced outflow. As shown by multiple recent tidal habitat restoration projects in the Delta, there are potential feasible opportunities for tidal habitat restoration directly applicable to longfin smelt, with demonstrated presence of longfin smelt. This tidal habitat restoration mitigation would reduce the impact to a less-than-significant level; therefore, the impact would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
<b>Terrestrial Biological Resources</b>				
Impact BIO-1: Impacts of the Project on the Tidal Perennial Aquatic Natural Community	Significant	MM CMP: Compensatory Mitigation Plan	Less Than Significant	<p>The Project would cause the removal, conversion, and temporary disturbance of tidal perennial aquatic natural community due to project construction and maintenance. The temporary disturbances of tidal perennial aquatic habitat would be reduced by Environmental Commitments EC-1: Conduct Worker Awareness Training; EC-2: Develop and Implement Hazardous Materials Management Plans; EC-3: Develop and Implement Spill Prevention, Containment, and Countermeasure Plans; and EC-14: Construction Best Management Practices for Biological Resources (Appendix 3B). Even with these environmental commitments, however, the loss of tidal perennial aquatic community from construction and potential impacts from maintenance activities would be significant. Mitigation Measure CMP: Compensatory Mitigation Plan would offset permanent and temporary loss of tidal perennial aquatic habitat. Therefore, the impacts on the tidal perennial aquatic community from the Project would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-2: Impacts of the Project on Tidal Freshwater Emergent Wetlands	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement	Less Than Significant	<p>The Project would cause the removal, conversion, and temporary disturbance of tidal freshwater emergent wetlands due to project construction and maintenance. Temporary disturbances and indirect impacts on tidal freshwater emergent wetlands would be reduced by Environmental Commitments EC-1: Conduct Worker Awareness Training; EC-2: Develop and Implement Hazardous Materials Management Plans; EC-3: Develop and Implement Spill Prevention, Containment, and Countermeasure Plans; and EC-14: Construction Best Management Practices for Biological Resources. Even with these environmental commitments, however, the loss of tidal freshwater emergent wetlands from construction and potential impacts from maintenance activities would be significant. Mitigation Measure BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants would reduce impacts on tidal freshwater emergent wetlands during project construction. Mitigation Measure BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities would reduce impacts on tidal freshwater emergent wetland during</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
				<p>project maintenance. Mitigation Measure BIO-2c: Electrical Power Line Support Placement would minimize impacts on tidal freshwater emergent wetlands from electric power line installation. Mitigation Measure CMP: Compensatory Mitigation Plan would offset permanent and temporary loss of tidal freshwater emergent wetland. Therefore, the impacts on tidal freshwater emergent wetland from the Project would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-3: Impacts of the Project on Valley/Foothill Riparian Habitat	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants	Less Than Significant	<p>Constructing the Project would cause the removal, conversion, and temporary disturbance of valley/foothill riparian habitat. Maintenance activities could result in periodic temporary disturbances to valley/foothill riparian habitat. Temporary disturbances and indirect impacts on valley/foothill riparian habitat would be reduced by Environmental Commitments EC-1: Conduct Worker Awareness Training and EC-14: Construction Best Management Practices for Biological Resources. Even with these environmental commitments, however, the loss of valley/foothill riparian habitat from construction and potential impacts from maintenance activities would be significant. Mitigation Measure BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants would reduce impacts on valley/foothill riparian habitat during project construction. Mitigation Measure BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities would reduce impacts on valley/foothill riparian habitat during project maintenance. Mitigation Measure BIO-2c: Electrical Power Line Support Placement would minimize impacts on valley/foothill riparian habitat from electric power line installation. Mitigation Measure CMP: Compensatory Mitigation Plan would offset permanent and temporary loss of valley/foothill riparian habitat. Therefore, the impacts on valley/foothill riparian habitat from the Project would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-4: Impacts of the Project on the Nontidal Perennial Aquatic Natural Community	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants	Less Than Significant	<p>Constructing the Project would cause the removal, conversion, and temporary disturbance of nontidal aquatic perennial habitat. Maintenance activities could result in periodic temporary disturbances to nontidal perennial aquatic habitat. Temporary disturbances and indirect impacts on nontidal perennial aquatic habitat would be reduced by Environmental Commitments EC-1: Conduct Worker Awareness Training; EC-2: Develop and Implement Hazardous Materials Management Plans; EC-3: Develop and Implement Spill Prevention, Containment, and Countermeasure Plans; and EC-14: Construction Best Management Practices for Biological Resources. Even with these environmental commitments, however, the loss of nontidal perennial aquatic habitat from construction and potential impacts from maintenance activities would be significant. Mitigation Measure BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants would mitigate impacts on nontidal perennial aquatic habitat by identifying locations where special-status natural communities and special-status plants would be avoided. Under Mitigation Measure CMP: Compensatory Mitigation Plan, nontidal perennial aquatic habitat would be created or acquired and permanently protected to compensate for project impacts from project construction to ensure no significant loss of nontidal perennial aquatic habitat functions and values. Therefore, the impacts on nontidal perennial aquatic habitat from the Project would be less than significant with mitigation.</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
				Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-5: Impacts of the Project on Nontidal Freshwater Perennial Emergent Wetland	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants	Less Than Significant	<p>Constructing the Project would cause the removal, conversion, and temporary disturbance of nontidal freshwater perennial emergent wetlands. Maintenance activities could result in periodic temporary disturbances to this community. Temporary disturbances and indirect impacts on nontidal freshwater perennial emergent wetland would be reduced by Environmental Commitments EC-1: Conduct Worker Awareness Training; EC-2: Develop and Implement Hazardous Materials Management Plans; EC-3: Develop and Implement Spill Prevention, Containment, and Countermeasure Plans; and Environmental Commitment EC-14: Construction Best Management Practices for Biological Resources. Even with these environmental commitments, however, the loss of nontidal freshwater perennial emergent wetland from construction and potential impacts from maintenance activities would be significant. Mitigation Measure BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants would mitigate impacts on nontidal freshwater emergent wetlands by identifying locations where special-status natural communities and special-status plants would be avoided or where measures to minimize impact would be implemented. Under Mitigation Measure CMP: Compensatory Mitigation Plan, nontidal perennial emergent wetlands would be created or acquired and permanently protected to compensate for project impacts from project construction and ensure no significant loss of nontidal perennial aquatic habitat functions and values. Therefore, the impacts on nontidal freshwater perennial emergent wetland from the Project would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-7: Impacts of the Project on Alkaline Seasonal Wetland Complex	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement	Less Than Significant	<p>Project construction and maintenance would remove, convert, or temporarily disturb alkaline seasonal wetland complex. Temporary disturbances and indirect impacts on alkaline seasonal wetland complex would be reduced by Environmental Commitments EC-1: Conduct Worker Awareness Training; EC-2: Develop and Implement Hazardous Materials Management Plans; EC-3: Develop and Implement Spill Prevention, Containment, and Countermeasure Plans; and EC-14: Construction Best Management Practices for Biological Resources. Even with these environmental commitments, however, the loss of alkaline seasonal wetland complex from construction and potential impacts from maintenance activities would be significant. Mitigation Measure BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants would reduce impacts on alkaline seasonal wetlands during project construction. Mitigation Measure BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities would reduce impacts on alkaline seasonal wetlands during project maintenance. Mitigation Measure BIO-2c: Electrical Power Line Support Placement would minimize impacts on alkaline seasonal wetland from electric power line installation. Under Mitigation Measure CMP: Compensatory Mitigation Plan, alkaline seasonal wetland complex would be created or acquired and permanently protected to compensate for project impacts from project construction and ensure no significant loss of nontidal perennial aquatic habitat functions and values. The total acreage to be conserved would be based on the criteria presented in the CMP. Therefore, the impacts on alkaline seasonal wetland complex from the Project would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
Impact BIO-8: Impacts of the Project on Vernal Pool Complex	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities	Less Than Significant	<p>Constructing the Project would cause the removal, conversion, and temporary disturbance of vernal pool complex. Maintenance activities could result in periodic temporary disturbances to this community. Temporary disturbances and indirect impacts on vernal pool complex would be reduced by Environmental Commitments EC-1: Conduct Worker Awareness Training; EC-2: Develop and Implement Hazardous Materials Management Plans; EC-3: Develop and Implement Spill Prevention, Containment, and Countermeasure Plans; and EC-14: Construction Best Management Practices for Biological Resources. Even with these environmental commitments, however, the loss of vernal pool complex from construction and potential impacts from maintenance activities would be significant. Mitigation Measure BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants would reduce impacts on vernal pool complex during project construction. Mitigation Measure BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities would reduce impacts on vernal pool complex during project maintenance. As described in Appendix 3F and Attachment 3F.1, under Mitigation Measure CMP: Compensatory Mitigation Plan, vernal pool complex would be created or acquired and permanently protected to compensate for project impacts from project construction and ensure no significant loss of vernal pool complex functions and values. The total acreage to be conserved would be based on the criteria presented in the CMP. Therefore, the impacts on vernal pool complex from the Project would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-9: Impacts of the Project on Special-Status Vernal Pool Plants	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities	Less Than Significant	<p>Temporary disturbances and indirect impacts on special-status vernal pool plants would be reduced by Environmental Commitment EC-14: Construction Best Management Practices for Biological Resources. Even with this environmental commitment, however, the effects on vernal pool plants from construction and potential impacts from maintenance activities would be significant. Mitigation Measure BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants would reduce impacts on special-status vernal pool plants during project construction. Mitigation Measure BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities would reduce impacts on special-status vernal pool plants during project maintenance. Under Mitigation Measure CMP: Compensatory Mitigation Plan, habitat for special-status vernal pool plants would be created and permanently protected or mitigation credits would be acquired to compensate for project impacts and ensure no significant loss of habitat, as described in Appendix 3F and Attachment 3F.1. Therefore, the Project's impacts on special-status vernal pool plants would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-10: Impacts of the Project on Special-Status Alkaline Seasonal Wetland Complex Plants	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities	Less Than Significant	<p>Temporary disturbances and indirect impacts special-status alkaline seasonal wetland complex plants would be reduced by Environmental Commitment EC-14: Construction Best Management Practices for Biological Resources. Even with this environmental commitment, however, the loss of alkaline wetland plants from construction and potential impacts from maintenance activities would be significant. Mitigation Measure BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants, would reduce impacts on special-status alkaline seasonal wetland complex plants during project construction. Mitigation Measure BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities would reduce impacts on special-status alkaline seasonal wetland complex plants during project maintenance. Under Mitigation Measure CMP:</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
				<p>Compensatory Mitigation Plan, habitat for special-status alkaline seasonal wetland plants would be created and permanently protected or mitigation credits would be acquired to compensate for project impacts and ensure no significant loss of habitat, as described in Appendix 3F and Attachment 3F.1. Therefore, the project's impacts on special-status alkaline seasonal wetland plants would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-11: Impacts of the Project on Special-Status Grassland Plants	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities	Less Than Significant	<p>Temporary disturbances and indirect impacts on special-status grassland plants would be reduced by Environmental Commitment EC-14: Construction Best Management Practices for Biological Resources. Even with this environmental commitment, however, the loss of grassland plants from construction and potential impacts from maintenance activities would be significant. Mitigation Measure BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants would reduce impacts on special-status grassland plants during project construction. Mitigation Measure BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities would reduce impacts on special-status grassland plants during project maintenance. Under Mitigation Measure CMP: Compensatory Mitigation Plan, habitat for special-status grassland plants would be created and permanently protected or mitigation credits would be acquired to compensate for project impacts and to ensure no significant loss of habitat. Therefore, the Project's impacts on special-status grassland plants would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-12: Impacts of the Project on Tidal Freshwater Emergent Wetland Plants	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities	Less Than Significant	<p>Temporary disturbances and indirect impacts on special-status tidal freshwater emergent wetland plants would be reduced by Environmental Commitment EC-14: Construction Best Management Practices for Biological. Even with this environmental commitment, however, the loss of tidal freshwater emergent plants from construction and potential impacts from maintenance activities would be significant. Mitigation Measure BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants would reduce impacts on special-status tidal freshwater emergent wetland species during project construction. Mitigation Measure BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities would reduce impacts on tidal freshwater emergent wetland during project maintenance. Under Mitigation Measure CMP: Compensatory Mitigation Plan (Appendix 3F, Section 3F.3.2.5; Attachment 3F.1, Table 3F.1-2, CMP-2: Tidal Freshwater Emergent Wetland, and Table 3F.1-3, CMP-9: Special-Status Plants), habitat for special-status tidal freshwater emergent wetland plants would be created or acquired and permanently protected to compensate for project impacts and ensure no significant loss of special-status tidal perennial aquatic wetland habitat functions and values. Therefore, project impacts on special-status tidal freshwater emergent wetland plants would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-13: Impacts of the Project on Special-Status Nontidal Perennial Aquatic Plants	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants	Less Than Significant	<p>Temporary disturbances and indirect impacts of nontidal perennial aquatic habitat would be reduced by Environmental Commitment EC-14: Construction Best Management Practices for Biological Resources. Even with this environmental commitment, however, the loss nontidal</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
		MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities		<p>perennial aquatic plants from construction and potential impacts from maintenance activities would be significant. Mitigation Measure BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants would reduce impacts on special-status nontidal perennial aquatic plants during project construction. Mitigation Measure BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities would reduce impacts on special-status nontidal perennial aquatic plants during project maintenance. Under Mitigation Measure CMP: Compensatory Mitigation Plan, habitat for special-status nontidal perennial aquatic plants would be created or acquired and permanently protected to compensate for project impacts and ensure no significant loss of special-status nontidal perennial aquatic plants or their habitat functions and values. The project impacts on these special-status nontidal perennial aquatic plants would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-14: Impacts of the Project on Vernal Pool Aquatic Invertebrates	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-14: Avoid and Minimize Impacts on Vernal Pool Aquatic Invertebrates and Critical Habitat for Vernal Pool Fairy Shrimp	Less Than Significant	<p>The impacts on vernal pool aquatic invertebrates from the Project would be less than significant with mitigation because the measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by avoiding and minimizing activities during construction and maintenance that could adversely affect habitat, which include establishing non-disturbance buffers around pools with construction fencing, by surveying suitable habitat for vernal pool fairy shrimp and vernal pool tadpole shrimp, and by avoiding adverse modification of critical habitat and indirect effects on vernal pool aquatic invertebrate habitat through work area redesigns, to the extent practicable.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-16: Impacts of the Project on Vernal Pool Terrestrial Invertebrates	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-14: Avoid and Minimize Impacts on Vernal Pool Aquatic Invertebrates and Critical Habitat for Vernal Pool Fairy Shrimp	Less Than Significant	<p>The impacts on vernal pool terrestrial invertebrates from the Project would be less than significant with mitigation because mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by avoiding and minimizing activities during construction and maintenance that could adversely affect habitat, which include establishing non-disturbance buffers around habitat with construction fencing, and by avoiding indirect effects on vernal pool habitat to the extent practicable.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-18: Impacts of the Project on Valley Elderberry Longhorn Beetle	Significant	MM CMP: Compensatory Mitigation Plan CMP-18a: Sandhill Crane Roosting Habitat CMP-18b: Sandhill Crane Foraging Habitat CMP-19a: Swainson's Hawk Nesting Habitat CMP-19b: Swainson's Hawk Foraging Habitat CMP-22a: Tricolored Blackbird Nesting Habitat CMP-22b: Tricolored Blackbird Breeding Foraging Habitat MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities	Less Than Significant	<p>The impacts on valley elderberry longhorn beetle from the Project would be less than significant with mitigation because these mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by avoiding and minimizing activities that could injure or kill valley elderberry longhorn beetle, which includes establishing non-disturbance buffers around shrubs with construction fencing, limiting trimming of shrubs to stems less likely to contain larvae (&lt;1 inch in diameter) and during periods when trimming is less likely to affect the vigor of shrubs, and avoiding work to the extent possible during the species active season when they are in flight around shrubs and dispersing.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
		MM BIO-18: Avoid and Minimize Impacts on Valley Elderberry Longhorn Beetle		
Impact BIO-20: Impacts of the Project on Curved-Foot Hygrotus Diving Beetle	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-14: Avoid and Minimize Impacts on Vernal Pool Aquatic Invertebrates and Critical Habitat for Vernal Pool Fairy Shrimp	Less Than Significant	The impacts on curved-foot hygrotus beetle from the Project would be less than significant with mitigation because these mitigation measures would reduce direct effects on the species, including habitat disturbance, by avoiding and minimizing activities during construction and maintenance that could adversely affect habitat, establishing non-disturbance buffers around aquatic habitat with construction fencing and by implementing protective measures during maintenance activities.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-21: Impacts of the Project on Crotch Bumble Bee	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-21: Avoid and Minimize Impacts on Crotch Bumble Bee	Less Than Significant	The impacts on Crotch bumble bee from the Project would be less than significant with mitigation because these mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by identifying and avoiding potential habitat to the extent possible during maintenance and construction activities through establishing avoidance buffers, by temporarily delaying work where colonies are identified, and replanting areas of disturbed habitat with suitable foraging plants.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-22: Impacts of the Project on California Tiger Salamander	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22a: Avoid and Minimize Impacts on California Tiger Salamander MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife	Less Than Significant	The impacts on California tiger salamander from the Project would be less than significant with mitigation because these mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by designing lighting that avoids spillover into habitats and thus avoiding disrupting dispersal movements; by avoiding construction and maintenance activities in and adjacent to habitat to the extent possible; timing construction activities, installing exclusion fencing, conducting preconstruction surveys, and other protective measures to avoid and minimize the potential for injury and mortality; and by putting in place traffic control measures at DWR facilities during operations to minimize the potential for vehicle strikes.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-23: Impacts of the Project on Western Spadefoot Toad	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife MM BIO-23: Avoid and Minimize Impacts on Western Spadefoot Toad	Less Than Significant	The impacts on western spadefoot toad from the Project would be less than significant with mitigation because these mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by designing lighting that avoids spillover into habitats, thus avoiding disrupting dispersal movements; by avoiding construction and maintenance activities in and adjacent to habitat to the extent possible; timing construction activities, installing exclusion fencing, conducting preconstruction surveys, and other protective measures to avoid and minimize the potential for injury and mortality; and by putting in place traffic control measures at DWR facilities during operations to minimize the potential for vehicle strikes.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.



Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
Impact BIO-24: Impacts of the Project on California Red-Legged Frog	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife MM BIO-24a: Avoid and Minimize Impacts on California Red-Legged Frog and Critical Habitat MM BIO-24b: Compensate for Impacts on California Red-Legged Frog Habitat Connectivity	Less Than Significant	The impacts on California red-legged frog from the Project would be less than significant with mitigation because these mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by designing lighting that avoids spillover into habitats and thus avoiding potential increases in predation and disrupting normal behaviors; by avoiding construction and maintenance activities in and adjacent to habitat to the extent possible; timing construction activities, installing exclusion fencing, conducting preconstruction surveys, and other protective measures to avoid and minimize the potential for injury and mortality; and by putting in place traffic control measures at DWR facilities during operations to minimize the potential for vehicle strikes.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-25: Impacts of the Project on Western Pond Turtle	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife MM BIO-25: Avoid and Minimize Impacts on Western Pond Turtle MM WQ-6 Develop and Implement a Mercury Management and Monitoring Plan	Less Than Significant	The impacts on western pond turtle from the Project would be less than significant with mitigation because these mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by avoiding construction and maintenance activities in and adjacent to habitat to the extent possible; timing construction activities, installing exclusion fencing, conducting preconstruction surveys, and other protective measures to avoid and minimize the potential for injury and mortality; and by putting in place traffic control measures at DWR facilities during operations to minimize the potential for vehicle strikes.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-26: Impacts of the Project on Coast Horned Lizard	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife MM BIO-26: Avoid and Minimize Impacts on Special-Status Reptiles	Less Than Significant	The impacts on coast horned lizard from the Project would be less than significant with mitigation because these mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by avoiding construction and maintenance activities in and adjacent to habitat to the extent possible; timing construction activities, conducting preconstruction surveys, and other protective measures to avoid and minimize the potential for injury and mortality; and by putting in place traffic control measures at DWR facilities during operations to minimize the potential for vehicle strikes.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-27: Impacts of the Project on Northern California Legless Lizard	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife MM BIO-26: Avoid and Minimize Impacts on Special-Status Reptiles	Less Than Significant	The impacts on Northern California legless lizard from the Project would be less than significant with mitigation because these mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by avoiding construction and maintenance activities in and adjacent to habitat to the extent possible; timing construction activities, installing exclusion fencing, conducting preconstruction surveys, and other protective measures to avoid and minimize the potential for injury and mortality; and by putting in place traffic control measures at DWR facilities during operations to minimize the potential for vehicle strikes.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-28: Impacts of the Project on California Glossy Snake	Significant	MM CMP: Compensatory Mitigation Plan	Less Than Significant	The impacts on California glossy snake from the Project would be less than significant with mitigation because these mitigation measures would reduce direct effects on the species,

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
		MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife MM BIO-26: Avoid and Minimize Impacts on Special-Status Reptiles		including habitat disturbance, by avoiding construction and maintenance activities in and adjacent to habitat to the extent possible; timing construction activities, conducting preconstruction surveys, and other protective measures to avoid and minimize the potential for injury and mortality; and by putting in place traffic control measures at DWR facilities during operations to minimize the potential for vehicle strikes.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-29: Impacts of the Project on San Joaquin Coachwhip	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife MM BIO-26: Avoid and Minimize Impacts on Special-Status Reptiles	Less Than Significant	The impacts on San Joaquin coachwhip from the Project would be less than significant with mitigation because these mitigation measures would replace lost habitat with habitat potentially suitable and reduce direct effects on the species, including habitat disturbance, by avoiding construction and maintenance activities in and adjacent to habitat to the extent possible; timing construction activities, installing exclusion fencing, conducting preconstruction surveys, and other protective measures to avoid and minimize the potential for injury and mortality; and by putting in place traffic control measures at DWR facilities during operations to minimize the potential for vehicle strikes.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-30: Impacts of the Project on Giant Garter Snake	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife MM BIO-30: Avoid and Minimize Impacts on Giant Garter Snake MM WQ-6 Develop and Implement a Mercury Management and Monitoring Plan	Less Than Significant	The impacts on giant garter snake from the Project would be less than significant with mitigation because these mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by avoiding construction and maintenance activities in and adjacent to habitat to the extent possible; timing construction activities, installing exclusion fencing, conducting preconstruction surveys, and other protective measures to avoid and minimize the potential for injury and mortality; and by putting in place traffic control measures at DWR facilities during operations to minimize the potential for vehicle strikes.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-31: Impacts of the Project on Western Yellow-Billed Cuckoo	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement MM BIO-31: Avoid and Minimize Impacts on Western Yellow-Billed Cuckoo	Less Than Significant	The impacts on western yellow-billed cuckoo from the Project would be less than significant with mitigation because the mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat, noise, and visual disturbances, by providing environmental awareness training to construction personnel, by implementing protective measures during maintenance activities, and species-specific avoidance measures during construction.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-32: Impacts of the Project on California Black Rail	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction	Less Than Significant	The impacts on California black rail from the Project would be less than significant with mitigation because the mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat, noise, and visual disturbances, by providing environmental

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
		MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan		awareness training to construction personnel, by implementing protective measures during maintenance activities, and species-specific avoidance measures during construction.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-33: Impacts of the Project on Greater Sandhill Crane and Lesser Sandhill Crane	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement MM BIO-33: Avoid and Minimize Disturbance of Sandhill Cranes	Less Than Significant	Construction, operations, and maintenance of the water conveyance facilities for the Project could result in impacts on greater sandhill crane and lesser sandhill crane through the permanent and temporary loss of known roost sites and modeled foraging habitat and the potential disruption of normal behaviors. The temporary loss of habitat and potential impacts of the disruption of normal behaviors from project construction would be reduced by Environmental Commitments EC-1: Conduct Worker Awareness Training; EC-2: Develop and Implement Hazardous Materials Management Plans; EC-3: Develop and Implement Spill Prevention, Containment, and Countermeasure Plans; EC-11: Fugitive Dust Control; and EC-14: Construction Best Management Practices for Biological Resources (Appendix 3B); however, even with these commitments, the loss of habitat from the construction of the Project, and the potential for the disruption of normal behaviors from construction, operations, and maintenance activities on greater sandhill crane and lesser sandhill crane would be significant. The CMP would be required to offset the loss of roosting and foraging habitat by creating roosting and foraging habitat and protecting agricultural foraging habitat for sandhill cranes (Appendix 3F, Attachment 3F.1, Table 3F.1-3, CMP-18a: Sandhill Crane Roosting Habitat, and CMP-18b: Sandhill Crane Foraging Habitat), which would reduce the impact associated with habitat loss to less than significant. Because the greater sandhill crane is listed as “fully protected” under the California Fish and Game Code Section 3511, activities that would result in “take” as defined by Section 86 of the Fish and Game Code (i.e., “to hunt, pursue, catch, capture, or kill, or attempt to” undertake these activities) are prohibited. The Project has been designed to avoid any activities that would result in actions considered “take” of greater sandhill crane. The Project would use existing power lines or underground conduit to the extent possible for the purpose of avoiding potential injury or direct mortality of the greater sandhill crane and all new aboveground lines would be located outside of the roost sites or foraging habitat for greater sandhill crane. Mitigation Measure BIO-2c: Electrical Power Line Support Placement, which requires that project lines installed on existing poles or towers be placed in the same vertical prism as existing lines where feasible, as determined by project engineers in coordination with utility providers, and that all project lines within 3 miles of greater sandhill crane roost sites be fitted with bird flight diverters that are visible under all conditions and based on APLIC or more current guidance (Avian Power Line Interaction Committee 2006, 2012), would minimize any additional potential collisions of greater or lesser sandhill cranes from the Project. Mitigation Measures NOI-1: Develop and Implement a Noise Control Plan (Chapter 24); BIO-2b: Avoid and Minimize Impacts on Biological Resources from Maintenance Activities; AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction; AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences (Chapter 18); and BIO-33: Avoid and Minimize Disturbance of Sandhill Cranes would mitigate the impacts on greater sandhill crane and lesser sandhill crane to a less-than-significant level. Therefore, the project impacts on greater sandhill crane and lesser sandhill crane would be less than significant with mitigation because these measures would reduce direct impacts on these species and compensate for lost habitat. Mitigation measures would reduce direct impacts in the following ways: (1) implementing protective measures during maintenance activities, which would include assessing work areas for habitat and conducting surveys where appropriate and delaying maintenance activities (either by season or time of day); (2) designing lighting that avoids spillover into habitat; (3) reducing noise impacts through time-of-day restrictions on construction and noise-attenuating measures where feasible, as determined by the contractor;

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
				and (4) avoiding and minimizing disturbance of roosting and foraging cranes by conducting surveys and work outside of the winter crane season (September 15 through March 15). Mitigation measures would also establish roosting and foraging habitat to compensate for disturbance and displacement of sandhill cranes during construction. The feasibility of mitigation measures will be determined by the contractor in coordination with a qualified wildlife biologist.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-34: Impacts of the Project on California Least Tern	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement MM BIO-34: Avoid California Least Tern Nesting Colonies and Minimize Indirect Effects on Colonies	Less Than Significant	The impacts on California least tern from the Project would be less than significant with mitigation because the mitigation measures would reduce direct effects on the species, including habitat, noise, and visual disturbances, by providing environmental awareness training to construction personnel, by implementing protective measures during maintenance activities, and species-specific avoidance measures for the species during construction.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-35: Impacts of the Project on Cormorants, Herons, and Egrets	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement MM BIO-35: Avoid and Minimize Impacts on Cormorant, Heron, and Egret Rookeries	Less Than Significant	The impacts on cormorants, herons, and egrets from the Project would be less than significant with mitigation because the mitigation measures would replace lost habitat, reduce direct effects on the species, including habitat, noise, and visual disturbances, by providing environmental awareness training to construction personnel, by implementing protective measures during maintenance activities, and avoidance measures for cormorant, heron, or egret rookeries during construction.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-36: Impacts of the Project on Osprey, White-Tailed Kite, Cooper’s Hawk, and Other Nesting Raptors	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement MM BIO-36a: Conduct Nesting Surveys for Special-Status and Non-Special-Status Birds and Raptors and	Less Than Significant	The impacts on special-status and non-special-status raptors from the Project would be less than significant with mitigation because the mitigation measures would replace lost habitat, reduce direct effects on the species, including habitat, noise, and visual disturbances, by providing environmental awareness training to construction personnel, by implementing protective measures during maintenance activities, and avoidance measures for raptors during construction.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
		Implement Protective Measures to Avoid Disturbance of Nesting Birds and Raptors MM BIO-36b: Conduct Preconstruction Surveys and Implement Protective Measures to Avoid Disturbance of White-Tailed Kite		
Impact BIO-37: Impacts of the Project on Golden Eagle and Ferruginous Hawk	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement MM BIO-37: Conduct Surveys for Golden Eagle and Avoid Disturbance of Occupied Nests	Less Than Significant	The impacts on ferruginous hawk and golden eagle from the Project would be less than significant with mitigation because the mitigation measures would replace lost habitat, reduce direct effects on the species, including habitat, noise, and visual disturbances, by providing environmental awareness training to construction personnel, by implementing protective measures during maintenance activities, and avoidance measures to avoid take of golden eagles, as defined by Section 86 of the California Fish and Game Code during construction.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-38: Impacts of the Project on Ground-Nesting Grassland Birds	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement MM BIO-36a: Conduct Nesting Surveys for Special-Status and Non-Special-Status Birds and Raptors and Implement Protective Measures to Avoid Disturbance of Nesting Birds and Raptors	Less Than Significant	The impacts on northern harrier, short-eared owl, California horned lark, and grasshopper sparrow from the Project would be less than significant with mitigation because the mitigation measures would reduce direct effects on the species, including habitat, noise, and visual disturbances, by providing environmental awareness training to construction personnel, by implementing protective measures during maintenance activities, and avoidance measures for nesting birds during construction.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-39: Impacts of the Project on Swainson’s Hawk	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement MM BIO-39: Conduct Preconstruction Surveys and Implement Protective Measures to Minimize Disturbance of Swainson’s Hawk	Less Than Significant	The impacts on Swainson’s hawk from the Project would be less than significant with mitigation because the mitigation measure would replace lost habitat, reduce direct effects on the species, including habitat, noise, and visual disturbances, by providing environmental awareness training to construction personnel, by implementing protective measures during maintenance activities, and avoidance measures for nesting Swainson’s hawk during construction.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
Impact BIO-40: Impacts of the Project on Burrowing Owl	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife MM BIO-40: Conduct Surveys and Minimize Impacts on Burrowing Owl	Less Than Significant	The impacts on burrowing owl from the Project would be less than significant with mitigation because the mitigation measures would reduce direct effects on the species, including habitat, noise, and visual disturbances, by providing environmental awareness training to construction personnel, by implementing protective measures during maintenance activities, and avoidance measures for burrowing owl during construction.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-41: Impacts of the Project on Other Nesting Special-Status and Non-Special-Status Birds	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement MM BIO-36a: Conduct Nesting Surveys for Special-Status and Non-Special-Status Birds and Raptors and Implement Protective Measures to Avoid Disturbance of Nesting Birds and Raptors	Less Than Significant	The impacts on special-status and non-special-status bird species from the Project would be less than significant with mitigation because the mitigation measures would replace lost habitat, reduce direct effects on these species, including habitat, noise, and visual disturbances, by providing environmental awareness training to construction personnel, by implementing protective measures during maintenance activities, and avoidance measures for nesting birds during construction.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-42: Impacts of the Project on Least Bell’s Vireo	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement MM BIO-42: Conduct Surveys and Minimize Impacts on Least Bell’s Vireo	Less Than Significant	The impacts on least Bell’s vireo from the Project would be less than significant with mitigation because the mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat, noise, and visual disturbances, by providing environmental awareness training to construction personnel, by implementing protective measures during maintenance activities, and avoidance measures for least Bell’s vireo during construction.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-44: Impacts of the Project on Tricolored Blackbird	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction	Less Than Significant	The impacts on tricolored blackbird from the Project would be less than significant with mitigation because the mitigation measures would replace lost habitat, reduce direct effects on the species, including habitat, noise, and visual disturbances, by providing environmental awareness training to construction personnel, by implementing protective measures during maintenance activities, and avoidance measures for tricolored blackbird during construction.

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
		MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement MM BIO-44: Conduct Preconstruction Surveys and Implement Protective Measures to Avoid Disturbance of Tricolored Blackbird		Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-45: Impacts of the Project on Bats	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-45a: Compensate for the Loss of Bat Roosting Habitat on Bridges and Overpasses MM BIO-45b: Avoid and Minimize Impacts on Roosting Bats	Less Than Significant	The impacts on bats from the Project would be less than significant with mitigation because these measures would replace lost habitat and reduce direct effects on the species (including habitat modification) by (1) implementing protective measures during maintenance activities, which would include assessing work areas for habitat and conducting surveys for bats where appropriate and delaying maintenance activities where possible; (2) designing lighting that avoids spillover into habitats and choosing light sources less disruptive to wildlife and thus avoiding disrupting roost sites and foraging activity; and (3) prior to and during construction, identifying occupied roosts and implementing construction activities such that the avoid disrupting roosts, in particular maternal roosts, and establishing protective buffers around roosts.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-46: Impacts of the Project on San Joaquin Kit Fox	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife MM BIO-46: Conduct Preconstruction Survey for San Joaquin Kit Fox and Implement Avoidance and Minimization Measures	Less Than Significant	The impacts on San Joaquin kit fox from the Project would be less than significant with mitigation because the mitigation measures would reduce direct effects on the species by (1) implementing protective measures during maintenance activities, which would include conducting den surveys where appropriate and avoiding certain activities where possible, and (2) implementing traffic controls on facility access roads during operations, which would minimize the potential for vehicle strikes if San Joaquin kit fox is present in these areas.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-47: Impacts of the Project on American Badger	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife MM BIO-47: Conduct Preconstruction Survey for American Badger and Implement Avoidance and Minimization Measures	Less Than Significant	The impacts on American badger from the Project would be less than significant with mitigation because the mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by (1) implementing protective measures during maintenance activities, which would include assessing work areas for habitat and conducting dens surveys where appropriate and avoiding certain activities where possible, (2) implementing traffic controls on facility access roads during operations, which would minimize the potential for vehicle strikes, and (3) implementing avoidance measures for active dens during construction.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-48: Impacts of the Project on San Joaquin Pocket Mouse	Significant	MM CMP: Compensatory Mitigation Plan	Less Than Significant	The impacts on San Joaquin pocket mouse from the Project would be less than significant with mitigation because these measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by implementing protective measures during

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
		MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife		maintenance activities, which would include assessing work areas for potential habitat, and by implementing traffic controls on facility access roads during operations, which would minimize the potential for vehicle strikes.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-51: Substantial Adverse Effect on State- or Federally Protected Wetlands and Other Waters through Direct Removal, Filling, Hydrological Interruption, or Other Means	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities	Less Than Significant	The impact of discharge of fill into aquatic resources would be reduced to less than significant because the mitigation measures would avoid a net loss in aquatic resources and avoid and minimize periodic, temporary discharges of fill material into aquatic resources by assessing maintenance work areas for aquatic resources, establishing non-disturbance buffers around aquatic resources, training maintenance staff on the need to avoid the discharge of fill material into aquatic resources, and having a biological monitor present, where applicable.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-53: Interfere Substantially with the Movement of Any Native Resident or Migratory Fish or Wildlife Species or with Established Native Resident or Migratory Wildlife Corridors, or Impede the Use of Native Wildlife Nursery Sites	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife MM BIO-53: Avoid and Minimize Impacts on Terrestrial Wildlife Connectivity and Movement	Less Than Significant	The impacts on wildlife connectivity resources, habitat connectivity, and wildlife movement from the Project would be less than significant with mitigation because the mitigation measures would compensate for impacts on wildlife habitat and avoid and minimize habitat and species impacts that potentially could disrupt species movement and habitat selection, habitat access, and wildlife behavior, resulting in impacts on wildlife connectivity. These measures would avoid and minimize habitat and species impacts that could cause potential for injury, mortality, disruption of normal behaviors and disturbances to habitat that potentially may disrupt species movement, habitat selection, habitat access, and wildlife behavior, resulting in impacts on wildlife connectivity, by training construction staff on protecting habitat and species, reporting requirements, and the ramifications for not following these measures; implementing spill prevention and containment plans that would avoid material spills that could affect habitat and wildlife; preventing erosion and sedimentation of habitats and stormwater pollution, which may affect habitat and wildlife; preventing dust emissions that may impact habitat and wildlife; implementing construction BMPs and having a biological monitor present to ensure that non disturbance buffers and associated construction fencing are intact and all other protective measures are being implemented where applicable to protect habitat and wildlife; reducing fugitive light and lighting impacts that may disrupt nocturnal wildlife behavior and habitat selection; implementing environmental review and avoidance of habitat and wildlife impacts during maintenance activities; limiting vehicle speeds and implementing traffic control measures on DWR roads during operations to reduce species movement disruptions and vehicle-related mortality; and ensuring that the project prevents impacts on and facilitates habitat connectivity and safe wildlife movement.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-54: Conflict with the Provisions of an Adopted Habitat Conservation Plan, Natural Community Conservation Plan, or Other Approved Local, Regional, or State Habitat Conservation Plan	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants MM BIO-14: Avoid and Minimize Impacts on Vernal Pool Aquatic Invertebrates and Critical Habitat for Vernal Pool Fairy Shrimp MM BIO-18: Avoid and	Less Than Significant	Because the Project would only remove a small proportion of available lands for conservation, and thus not obstruct the plans' conservation goals, and with the mitigation measures to avoid and minimize impacts on covered species and habitats, the impact on an adopted HCP, NCCP, or other approved local, regional, or state habitat conservation plan would be less than significant with mitigation.



Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
		Minimize Impacts on Valley Elderberry Longhorn Beetle MM BIO-22a: Avoid and Minimize Impacts on California Tiger Salamander MM BIO-24a: Avoid and Minimize Impacts on California Red-Legged Frog and Critical Habitat MM BIO-25: Avoid and Minimize Impacts on Western Pond Turtle MM BIO-26: Avoid and Minimize Impacts on Special-Status Reptiles MM BIO-30: Avoid and Minimize Impacts on Giant Garter Snake MM BIO-31: Avoid and Minimize Impacts on Western Yellow-Billed Cuckoo MM BIO-32: Conduct Preconstruction Surveys and Implement Protective Measures to Avoid Disturbance of California Black Rail MM BIO-33: Minimize Disturbance of Sandhill Cranes MM BIO-35: Avoid and Minimize Impacts on Cormorant, Heron, and Egret Rookeries MM BIO-36a: Conduct Nesting Surveys for Special-Status and Non-Special-Status Birds and Implement Protective Measures to Avoid Disturbance of Nesting Birds and Raptors MM BIO-36b: Conduct Preconstruction Surveys and Implement Protective Measures to Avoid Disturbance of White-Tailed Kite MM BIO-39: Conduct Preconstruction Surveys and Implement Protective Measures to Minimize Disturbance of Swainson’s Hawk MM BIO-40: Conduct Surveys and Minimize Impacts on Burrowing Owl MM BIO-44: Conduct Preconstruction Surveys and Implement Protective Measures to Avoid Disturbance of Tricolored Blackbird MM BIO-47: Conduct Preconstruction Survey for American Badger and Implement Avoidance and Minimization Measures MM AG-1: Preserve Agricultural Land		Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-55: Conflict with Any Local Policies or Ordinances Protecting Biological Resources, Such as a Tree Preservation Policy or Ordinance	Significant	MM CMP: Compensatory Mitigation Plan	Less Than Significant	The temporary loss of habitats from project construction would be reduced by Environmental Commitments EC-1: Conduct Worker Awareness Training; EC-2: Develop and Implement Hazardous Materials Management Plans; EC-3: Develop and Implement Spill Prevention, Containment, and Countermeasure Plans; and EC-14: Construction Best Management Practices for Biological Resources (Appendix 3B). Even with these commitments, however, the permanent loss of habitat from the construction of the alternatives would be significant. The CMP would be required to offset the loss of wetlands, riparian, and habitat for special-status species (Appendix 3F), which would reduce impacts on these resources and thus the conflicts with local policies and ordinances to less than significant.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-56: Substantial Adverse Effects on Fish and Wildlife Resources	Significant	MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities	Less Than Significant	The impacts on rivers, streams, and lakes, and associated communities, subject to the notification requirements of California Fish and Game Code 1600 et seq. would be less than

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
Regulated under California Fish and Game Code Section 1600 et seq		MM AQUA-1a: Develop and Implement an Underwater Sound Control and Abatement Plan MM AQUA-1b: Develop and Implement a Barge Operations Plan MM AQUA-1c: Develop and Implement a Fish Rescue and Salvage Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-18: Avoid and Minimize Impacts on Valley Elderberry Longhorn Beetle MM BIO-22a: Avoid and Minimize Impacts on California Tiger Salamander MM BIO-24a: Avoid and Minimize Impacts on California Red-Legged Frog and Critical Habitat MM BIO-25: Avoid and Minimize Impacts on Western Pond Turtle MM BIO-26: Avoid and Minimize Impacts on Special-Status Reptiles MM BIO-30: Avoid and Minimize Impacts on Giant Garter Snake MM BIO-31: Avoid and Minimize Impacts on Western Yellow-Billed Cuckoo MM BIO-32: Conduct Preconstruction Surveys and Implement Protective Measures to Avoid Disturbance of California Black Rail MM BIO-33: Minimize Disturbance of Sandhill Cranes MM BIO-35: Avoid and Minimize Impacts on Cormorant, Heron, and Egret Rookeries MM BIO-36a: Conduct Nesting Surveys for Special-Status and Non-Special-Status Birds and Implement Protective Measures to Avoid Disturbance of Nesting Birds and Raptors MM BIO-36b: Conduct Preconstruction Surveys and Implement Protective Measures to Avoid Disturbance of White-Tailed Kite MM BIO-39: Conduct Preconstruction Surveys and Implement Protective Measures to Minimize Disturbance of Swainson’s Hawk MM BIO-40: Conduct Surveys and Minimize Impacts on Burrowing Owl MM BIO-44: Conduct Preconstruction Surveys and Implement Protective Measures to Avoid Disturbance of Tricolored Blackbird MM BIO-45b: Avoid and Minimize Impacts on Roosting Bats MM BIO-46: Conduct Preconstruction Survey for San Joaquin Kit Fox and Implement Avoidance and Minimization Measures MM BIO-47: Conduct Preconstruction Survey for American Badger and Implement Avoidance and Minimization Measures		significant because the mitigation measures would provide for compensatory mitigation to offset impacts on habitat that support fish and wildlife species, including rare plants, and would require steps to avoid and minimize effects on these species by establishing work windows to minimize the level of construction activities during sensitive time periods (e.g., migration, nesting), by establishing non-disturbance buffers to protect sensitive resources, by conducting preconstruction surveys to avoid occupied areas to the extent practicable, and by having biological monitors present to ensure measures are implemented and that direct effects on species are avoided and minimized.  Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.

**Agricultural Resources**

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
Impact AG-3: Other Impacts on Agriculture as a Result of Constructing and Operating the Water Conveyance Facilities Prompting Conversion of Prime Farmland, Unique Farmland, Farmland of Local Importance, or Farmland of Statewide Importance	Significant	MM AG-3: Replacement or Relocation of Affected Infrastructure Supporting Agricultural Properties MM GW-1: Maintain Groundwater Supplies in Affected Areas	Less than Significant	<p>Construction and operation of the Project’s water conveyance facilities could indirectly affect agriculture within the study area through changes in groundwater elevation in localized areas affecting crop yields, disruption of agricultural infrastructure such as irrigation and drainage facilities, and operation-related changes in salinity affecting the water quality of irrigation water applied to crops. The potential for impacts resulting from changes in groundwater elevations during construction and operation would be minimized by design elements such placement of seepage cutoff wall placements around the north Delta intakes where such issues are most likely to arise. Implementation of these design elements to prevent changes in groundwater elevations that may affect neighboring properties, including farmland, would be tracked through groundwater monitoring programs. Furthermore, with Mitigation Measure GW-1: Maintain Groundwater Supplies in Affected Areas, identified in Chapter 8, the effects of temporary dewatering associated with the project are not anticipated to adversely disrupt agricultural operations in the vicinity of the intake sites that would result in conversion of Important Farmland to nonagricultural use.</p> <p>DWR considered how construction work for the project could affect local infrastructure supporting agricultural properties, including drainage and irrigation facilities. Such disruptions could result in the areas serviced by this infrastructure being fallowed. During project planning, known infrastructure used to serve agricultural properties were avoided to the greatest extent possible; however, the presence of additional infrastructure (e.g., buried pipelines that are not visible on aerial imagery and not identified in publicly available maps) may be revealed during future site level investigations. Although these disruptions may last only for the duration of project construction activity at a particular work area, such disruptions may persist for 7 to 15 years, depending on the facility being constructed. The effect would be permanent if the disruption to the infrastructure remains after construction is complete. This impact would be potentially significant.</p> <p>Mitigation Measure AG-3: Replacement or Relocation of Affected Infrastructure Supporting Agricultural Properties would require that any agricultural infrastructure that is disrupted by construction activities would be relocated or replaced to support continued agricultural activities; otherwise, the affected landowner would be fully compensated for any financial losses resulting from the disruption. Furthermore, as required under Mitigation Measure BIO-2c: Electrical Power Line Support Placement, the installation of power transition and distribution lines and necessary appurtenances within agricultural areas would require that DWR incorporate BMPs, where feasible, to minimize crop damage, reduce agricultural land impacts, and reduce the potential for interference with farm machinery. The impact would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
<b>Aesthetics and Visual Resources</b>				
Impact AES-4: Create New Sources of Substantial Light or Glare That Would Adversely Affect Daytime or Nighttime Views of the Construction Areas or Permanent Facilities	Significant	MM AES-1b: Apply Aesthetic Design Treatments to Project Structures MM AES-1c: Implement Best Management Practices in Project Landscaping Plan MM AES-4a: Limit Construction Outside of Daylight Hours within 0.25 Mile of Residents at the Intakes MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction	Less Than Significant	Once construction is completed and the project is in operation, the Project facilities would use limited nighttime lighting. Sources of glare would be blocked by levees, reduced by distance, or fleeting to motorists. Any building materials that would have potential to reflect glare would have a matte or nonreflective finish that would reduce or inhibit glare. Therefore, permanent, postconstruction impacts of light and glare attributable to the project would be less than significant.

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
		MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences		Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
<b>Transportation</b>				
Impact TRANS-3: Substantially Increase Hazards from a Geometric Design Feature (e.g., Sharp Curves or Dangerous Intersections) or Incompatible Uses (e.g., Farm Equipment) <sup>1</sup>	Significant	MM TRANS-1: Implement Site-Specific Construction Transportation Demand Management Plan and Transportation Management Plan	Less Than Significant	<p>Construction of the Project would increase the amount of traffic generated by construction employees using the road system in the study area. This increase in traffic from construction workers and other construction materials delivery traffic could create the potential for traffic safety hazards related to increasing the number of trucks and construction equipment operating with commuters, farming operations, and recreational users in areas adjacent to construction sites. Even with the circulation system improvements and park-and-ride lots, the amount of additional construction-related traffic on Delta roadways and the duration of construction activities at conveyance facility sites would increase the potential for traffic safety hazards as a result of conflicts between construction and vehicle traffic. This impact is considered significant because of the potential for construction traffic hazards at multiple construction sites, road improvement locations, and bridges. The traffic management plan (TMP) actions in Mitigation Measure TRANS-1: Implement Site-Specific Construction Transportation Demand Management Plan and Transportation Management Plan combined with the circulation system improvements provided as part of the Project would reduce this impact to a less-than-significant level by providing specific actions and coordination with local agencies to reduce potential safety conditions at identified locations. (Final EIR, pp. 20-59 (line 37) to 20-60 (line 10).)</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation. (Final EIR, p. 20-60 (lines 5-10).)</p>
Impact TRANS-4: Result in Inadequate Emergency Access	Significant	MM TRANS-1: Implement Site-Specific Construction Transportation Demand Management Plan and Transportation Management Plan	Less Than Significant	<p>Construction of the Project would increase the potential for emergency access conflicts in the vicinity of construction sites at multiple locations and would increase the potential for emergency vehicle delays on roadways used to access construction sites or in the vicinity of proposed roadway improvements. Even with the roadway and access road improvements incorporated into the Project, this potential is considered to be a significant impact because (1) a substantial increase in the volume of additional construction-related vehicle trips would occur on the regional transportation system and on Delta roadways during the construction period, and (2) up to 18 access points have the potential to experience emergency vehicle access delay due to ingress and egress of construction vehicles and roadway and bridge construction for the Project. The traffic management plan (TMP) actions in Mitigation Measure TRANS-1: Implement Site-Specific Construction Transportation Demand Management Plan and Transportation Management Plan would reduce this impact to a less-than-significant level by providing specific actions and coordination with emergency responders at construction sites to maintain adequate emergency access in the vicinity of construction sites.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
<b>Air Quality and Greenhouse Gases</b>				
Impact AQ-1: Result in Impacts on Regional Air Quality within the	Significant	MM AQ-1: Offset Construction-Generated Criteria Pollutants in the Sacramento Valley Air Basin	Less Than Significant	Impacts associated with fugitive dust emissions would be minimized through a dust control plan (Environmental Commitment EC-11: Fugitive Dust Control) and BMPs at new concrete batch plants (Environmental Commitment EC-12: On-Site Concrete Batching Plants). Exhaust-

<sup>1</sup> The corrections identified above summarize and restate the determinations and conclusions as articulated in the Final EIR, and as incorporated by reference into the DCP CEQA Findings adopted by DWR on December 21, 2023, for Impact Trans-3 and Rec-2. This has been updated on March 21, 2024, per the Errata to the CEQA Findings of Fact for the Delta Conveyance Project.

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
Sacramento Metropolitan Air Quality Management District				<p>related pollutants would be reduced through use of zero-emissions equipment and vehicles (where feasible), renewable diesel, Tier 4 diesel engines, newer on-road and marine engines, and other BMPs, as required by Environmental Commitments EC-7: Off-Road Heavy-Duty Engines through EC-10: Marine Vessels and EC-13: DWR Best Management Practices to Reduce GHG Emissions. These environmental commitments would minimize air quality impacts through application of on-site controls to reduce construction emissions; however, even with these commitments, exceedances of SMAQMD's thresholds would occur, and the project would contribute a significant level of regional NOX and particulate matter pollution within the SVAB.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact AQ-2: Result in Impacts on Regional Air Quality within the San Joaquin Valley Air Pollution Control District	Significant	MM AQ-2: Offset Construction-Generated Criteria Pollutants in the San Joaquin Valley Air Basin	Less Than Significant	<p>Based on the performance of current incentive programs and reasonably foreseeable future growth, SJVAPCD has confirmed that enough emissions reduction credits would be available to offset emissions generated by the project for all years in excess of SJVAPCD's thresholds (McLaughlin pers. comm.). Because SJVAPCD's thresholds were established to prevent emissions from new projects in the SJVAB from contributing to CAAQS or NAAQS violations, mitigating emissions below the threshold levels would avoid potential conflicts with the ambient air quality plans and ensure that project construction would not contribute a significant level of air pollution such that regional air quality within the SJVAB would be degraded. Accordingly, the impact would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact AQ-3: Result in Impacts on Regional Air Quality within the Bay Area Air Quality Management District	Significant	MM AQ-3: Offset Construction-Generated Criteria Pollutants in the San Francisco Bay Area Air Basin	Less Than Significant	<p>Based on the performance of current incentive programs and reasonably foreseeable future growth, BAAQMD has confirmed that Mitigation Measure AQ-3: Offset Construction-Generated Criteria Pollutants in the San Francisco Bay Area Air Basin is technically feasible (Kirk pers. comm.). Because BAAQMD's thresholds were established to prevent emissions from new projects in the SFBAAB from contributing to CAAQS or NAAQS violations, mitigating emissions below the threshold levels would avoid potential conflicts with the ambient air quality plans and ensure that project construction would not contribute a significant level of air pollution such that regional air quality within the SFBAAB would be degraded. Accordingly, the impact would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact AQ-9: Result in Impacts on Global Climate Change from Construction and O&M	Significant	MM AQ-9: Develop and Implement a GHG Reduction Plan to Reduce GHG Emissions from Construction and Net CVP Operational Pumping to Net Zero	Less Than Significant	<p>The CEQA Guidelines generally offer two paths to evaluating GHG emissions impacts in CEQA documents:</p> <ul style="list-style-type: none"> <li>• Projects can tier off a plan or similar document for the reduction of GHG emissions (as defined in CEQA Guidelines § 15183.5(b)) where the plan addresses GHG emissions for a range of project types within a geographic area.</li> <li>• Projects can evaluate and determine significance by calculating GHG emissions and assessing their significance using a performance standard (CEQA Guidelines § 15064.4).</li> </ul> <p>As discussed in Section 23.3.2, Thresholds of Significance, this analysis uses both evaluation pathways to appropriately consider the planning and regulatory frameworks most applicable to the project's emissions sources.</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
				<p>O&amp;M and SWP pumping activities are covered by DWR's Update 2020, which was prepared by DWR to provide a departmental strategy for meeting the State's 2030 and 2045 emissions reduction goals articulated in SB 32 and EO B-55-18 (and subsequently, AB 1279), respectively. Update 2020 is a plan for the reduction of GHG emissions and as such, GHG emissions from project O&amp;M and SWP pumping activities are eligible to tier from the environmental document (California Department of Water Resources 2020b) for Update 2020 to evaluate project-level significance.</p> <p>Construction of the Project is not covered by DWR's Update 2020 and, therefore, is not eligible for tiering to evaluate whether project-level GHG emissions would result in a significant impact under CEQA. Accordingly, this analysis evaluates the significance of GHG emissions resulting from construction and displaced purchases of CVP electricity against a net zero threshold. As discussed in Section 23.3.2, Thresholds of Significance, a net zero threshold was selected by DWR given the project's long-term implementation timeframe and in recognition of scientific evidence that concludes carbon neutrality must be achieved by mid-century to avoid the most severe climate change impacts.</p> <p>While by different mechanisms, both pathways assess the Project against the larger threshold of carbon neutrality by 2045 (or earlier), as discussed below, which is consistent with the State's long-term climate change goal and emissions reduction trajectory (AB 1279 and EO B-55-18).</p> <p>The Project would not affect DWR's established emissions reduction goals or baseline (1990) emissions and therefore would not result in a change in total DWR emissions that would be considered significant. The Project would not conflict with any of DWR's specific action GHG emissions reduction measures and implements all applicable project-level GHG emissions reduction measures as set forth in Update 2020. The Project is, therefore, consistent with the analysis performed in Update 2020.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact AQ-10: Result in Impacts on Global Climate Change from Land Use Change	Significant	MM CMP: Compensatory Mitigation Plan	Less Than Significant	<p>The impact would be less than significant under CEQA for the Project because cumulative emissions from land use change are projected to decrease relative to baseline by 2070. Initial construction activities would result in GHG increases early in project implementation. The Project would achieve a yearly net negative emissions rate approximately 4 to 6 years after groundbreaking, and a cumulative net negative GHG impact 15 to 28 years later. As shown in Table 23-76, cumulative net reductions projected through 2070 are estimated to range from 16,235 to 30,150 metric tons CO<sub>2</sub>e for the Project. Because cumulative GHG emissions from land use change would not exceed net zero, the project would not result in a significant impact on GHG emissions or impede DWR's or the state's ability to achieve their GHG reduction goals.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
<b>Hazards, Hazardous Materials, and Wildfire</b>				
Impact HAZ-2: Create a Significant Hazard to the Public or the Environment through Reasonably Foreseeable Upset and Accident Conditions Involving the	Significant	MM HAZ-2: Perform a Phase I Environmental Site Assessment Prior to Construction Activities and Remediate	Less Than Significant	<p>Overall, considering the potential for release of hazardous materials during construction, operations and maintenance of the Project, the potential exists for accidental spills and exposure to hazardous materials to occur. The environmental commitments could partially reduce impacts related to hazardous materials but not to a less-than-significant level because of</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
Release of Hazardous Materials into the Environment				<p>the uncertainty that exists about the locations and nature of potential hazardous materials sites and the potential for construction worker and public exposure to hazardous materials. Implementing Mitigation Measure HAZ-2: Perform a Phase I Environmental Site Assessment Prior to Construction Activities and Remediate would include a Phase I environmental site assessment before construction, the identification and evaluation of potential sites of concern within the construction footprint, and the development of a remediation plan before construction and operations commence. This would reduce all impacts related to accidental release of hazardous materials into the environment to a less-than-significant level with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact HAZ-4: Be Located on a Site That Is Included on a List of Hazardous Materials Sites Compiled Pursuant to Government Code Section 65962.5 and, as a Result, Create a Substantial Hazard to the Public or the Environment	Significant	MM HAZ-2: Perform a Phase I Environmental Site Assessment Prior to Construction Activities and Remediate	Less Than Significant	<p>The Project would construct facilities on or near known Cortese List sites. Ground-disturbing activities and dewatering at or near sites that have not been fully remediated could expose workers and the public to contaminated soil and/or groundwater resulting in adverse health effects. The potential for exposure during construction would be a significant impact because of the proximity of these sites to Project and the potential for hazardous materials exposure during site excavation and grading. Operations and maintenance activities of the Project would not result in employee exposure because a plan (e.g., Environmental Site Assessment) for remediating hazardous sites would be implemented prior to project operations. Mitigation Measure HAZ-2: Perform a Phase I Environmental Site Assessment Prior to Construction Activities and Remediate would reduce the potential for significant impacts to a less-than-significant level by requiring preconstruction investigations and remediation to reduce the potential for encountering contaminants and other hazardous materials at construction sites.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact HAZ-5: Result in a Safety Hazard Associated with an Airport or Private Airstrip	Significant	MM HAZ-5: Wildlife Hazards Management Plan and Wildlife Deterrents	Less Than Significant	<p>Airspace safety hazards occur when project components, such as buildings or construction equipment, encroach on the airspace of an airport runway. The locations of airports within 2 miles of the Project are shown on Figure 25-5. Eleven airports are within 2 miles of the construction footprint. No aspect of the Project would include equipment or structures that would be taller than 200 feet. Also pursuant to the State Aeronautics Act, DWR would adhere to FAA and Caltrans recommendations and comply with the recommendations of the OE/AAA. In areas where the project intersects with the Byron Airport influence area, construction of structures more than 100 feet above ground level could cause an obstruction or hazard to air navigation. However, construction would not introduce equipment or temporary structures in locations that could obstruct an airport or conflict with airport land uses. In addition, consultation with the Contra Costa Airport Land Use Commission would ensure that potential impacts of airspace interference would be reduced. As such, impacts on airports within 2 miles of the construction footprint due to construction of the Project would be less than significant.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact HAZ-6: Impair Implementation of or Physically Interfere with an Adopted Emergency Response Plan or Emergency Evacuation Plan	Significant	MM TRANS-1: Implement Site-Specific Construction Transportation Demand Management Plan and Transportation Management Plan	Less Than Significant	<p>With Mitigation Measure TRANS-1, additional evaluations and discussions with local agencies would be required during the design phase to determine the most appropriate method to coordinate between project-provided emergency response services at the construction sites and integration with local agencies. Because project construction would not take place without</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
<b>Public Health</b>				
Impact PH-1: Increase in Vector-Borne Diseases	Significant	MM PH-1a: Avoid Creating Areas of Standing Water During Preconstruction Future Field Investigations and Project Construction MM PH-1b: Develop and Implement a Mosquito Management Plan for Compensatory Mitigation Sites on Bouldin Island and at I-5 Ponds	Less Than Significant	<p>a Transportation Demand Management Plan and good-faith coordination with local agencies on appropriate emergency response services, impacts from construction or operations and maintenance of any of the alternatives would be reduced to less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p> <p>Operation and maintenance of the water conveyance facilities would not be expected to result in the creation of potentially suitable mosquito breeding habitat and thus would not likely increase the public's exposure to vector-borne diseases in the study area relative to existing conditions.</p> <p>Mitigation Measure PH-1a: Avoid Creating Areas of Standing Water During Preconstruction, Field Investigations, and Project Construction would minimize the potential for any impact on public health related to increasing suitable vector habitat within the study area during construction and reduce this impact to a less-than-significant level by reducing suitable mosquito habitat at Project facilities.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
<b>Paleontological Resources</b>				
Impact PALEO-1: Cause Destruction of a Unique Paleontological Resource as a Result of Surface Ground Disturbance	Significant	MM PALEO-1a: Prepare and Implement a Monitoring and Mitigation Plan for Paleontological Resources MM PALEO-1b: Educate Construction Personnel in Recognizing Fossil Material	Less Than Significant	<p>The potential for destruction of unique paleontological resources, as defined in Section 28.3.2, Thresholds of Significance, in those portions of the study area affected by project construction would constitute a significant impact under CEQA because excavation for project facilities would occur in locations known to be sensitive for paleontological resources and localized project excavation would be considerable. Mitigation Measures PALEO-1a: Prepare and Implement a Monitoring and Mitigation Plan for Paleontological Resources, and PALEO-1b: Educate Construction Personnel in Recognizing Fossil Material would reduce the impacts to a less-than-significant level by ensuring that a qualified professional paleontologist would develop a monitoring and mitigation plan and determine which activities would occur in units sensitive for paleontological resources; educating construction personnel in recognizing paleontological resources; and having qualified monitors in place to monitor for paleontological resources and temporarily stop construction (per the PRMMP) should paleontological resources be discovered. For excavation at the tunnel shafts where in situ monitoring cannot occur, the shaft spoils would be monitored. The level of impact for all alignment alternatives would be similar but would vary in magnitude based on the amount of excavation that would occur (Table 28-4). In summary, the impacts of surface-related ground disturbance would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>



**Table 3: Project Impacts that are Less-than-Significant/No Impact Before Mitigation**

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA
<b>Flood Protection</b>	
Impact FP-1: Cause a Substantial Increase in Water Surface Elevations of the Sacramento River between the American River Confluence and Sutter Slough	Less than Significant
Impact FP-2: Alter the Existing Drainage Pattern of the Site or Area, including through the Alteration of the Course of a Stream or River, or Substantially Increase the Rate or Amount of Surface Runoff in a Manner That Would Result in Flooding On- or Off-Site or Impede or Redirect Flood Flows	Less than Significant
<b>Groundwater</b>	
Impact GW-1: Changes in Stream Gains or Losses in Various Interconnected Stream Reaches	Less than Significant
Impact GW-2: Changes in Groundwater Elevations	Less than Significant
Impact GW-3: Reduction in Groundwater Levels Affecting Supply Wells	Less than Significant
Impact GW-4: Changes to Long-Term Change in Groundwater Storage	Less than Significant
Impact GW-5: Increases in Groundwater Elevations near Project Intake Facilities Affecting Agricultural Drainage	Less than Significant
Impact GW-6: Damage to Major Conveyance Facilities Resulting from Land Subsidence	Less than Significant
Impact GW-7: Degradation of Groundwater Quality	Less than Significant
<b>Water Quality</b>	
Impact WQ-1: Impacts on Water Quality Resulting from Construction of the Water Conveyance Facilities	Less than Significant
Impact WQ-2: Effects on Boron Resulting from Facility Operations and Maintenance	Less than Significant
Impact WQ-3: Effects on Bromide Resulting from Facility Operations and Maintenance	Less than Significant
Impact WQ-4: Effects on Chloride Resulting from Facility Operations and Maintenance	Less than Significant
Impact WQ-5: Effects on Electrical Conductivity Resulting from Facility Operations and Maintenance	Less than Significant
Impact WQ-7: Effects on Nutrients Resulting from Facility Operations and Maintenance	Less than Significant
Impact WQ-8: Effects on Organic Carbon Resulting from Facility Operations and Maintenance	Less than Significant
Impact WQ-9: Effects on Dissolved Oxygen Resulting from Facility Operations and Maintenance	Less than Significant
Impact WQ-10: Effects on Selenium Resulting from Facility Operations and Maintenance	Less than Significant
Impact WQ-11: Effects on Pesticides Resulting from Facility Operations and Maintenance	Less than Significant
Impact WQ-12: Effects on Trace Metals Resulting from Facility Operations and Maintenance	Less than Significant
Impact WQ-13: Effects on Turbidity/Total Suspended Solids Resulting from Facility Operations and Maintenance	Less than Significant
Impact WQ-14: Effects on Cyanobacteria Harmful Algal Blooms Resulting from Facility Operations and Maintenance	Less than Significant
Impact WQ-15: Risk of Release of Pollutants from Inundation of Project Facilities	Less than Significant
Impact WQ-16: Effects on Drainage Patterns as a Result of Project Facilities	Less than Significant
Impact WQ-17: Consistency with Water Quality Control Plans	No Impact
<b>Geology and Seismicity</b>	
Impact GEO-1: Loss of Property, Personal Injury, or Death from Structural Failure Resulting from Rupture of a Known Earthquake Fault or Based on Other Substantial Evidence of a Known Fault	Less than Significant
Impact GEO-2: Loss of Property, Personal Injury, or Death from Strong Earthquake-Induced Ground Shaking	Less than Significant
Impact GEO-3: Loss of Property, Personal Injury, or Death from Earthquake-Induced Ground Failure, including Liquefaction and Related Ground Effects	Less than Significant
Impact GEO-4: Loss of Property, Personal Injury, or Death from Ground Settlement, Slope Instability, or Other Ground Failure	Less than Significant

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA
Impact GEO-5: Loss of Property, Personal Injury, or Death from Structural Failure Resulting from Project-Related Ground Motions	Less than Significant
Impact GEO-6: Loss of Property, Personal Injury, or Death from Seiche or Tsunami	Less than Significant
<b>Soils</b>	
Impact SOILS-1: Accelerated Soil Erosion Caused by Vegetation Removal and Other Disturbances as a Result of Constructing the Proposed Water Conveyance Facilities	Less than Significant
Impact SOILS-2: Loss of Topsoil from Excavation, Overcovering, and Inundation as a Result of Constructing the Proposed Water Conveyance Facilities	Less than Significant
Impact SOILS-3: Property Loss, Personal Injury, or Death from Instability, Failure, and Damage as a Result of Constructing the Proposed Water Conveyance Facilities on or in Soils Subject to Subsidence	Less than Significant
Impact SOILS-4: Risk to Life and Property as a Result of Constructing the Proposed Water Conveyance Facilities in Areas of Expansive or Corrosive Soils	Less than Significant
<b>Fish and Aquatic Resources</b>	
Impact AQUA-4: Effects of Operations and Maintenance of Water Conveyance Facilities on Central Valley Fall-Run/Late Fall-Run Chinook Salmon	Less than Significant
Impact AQUA-8: Effects of Operations and Maintenance of Water Conveyance Facilities on Southern DPS Green Sturgeon	Less than Significant
Impact AQUA-9: Effects of Operations and Maintenance of Water Conveyance Facilities on White Sturgeon	Less than Significant
Impact AQUA-10: Effects of Operations and Maintenance of Water Conveyance Facilities on Pacific Lamprey and River Lamprey	Less than Significant
Impact AQUA-11: Effects of Operations and Maintenance of Water Conveyance Facilities on Native Minnows (Sacramento Hitch, Sacramento Splittail, Hardhead, and Central California Roach)	Less than Significant
Impact AQUA-12: Effects of Operations and Maintenance of Water Conveyance Facilities on Starry Flounder	Less than Significant
Impact AQUA-13: Effects of Operations and Maintenance of Water Conveyance Facilities on Northern Anchovy	Less than Significant
Impact AQUA-14: Effects of Operations and Maintenance of Water Conveyance Facilities on Striped Bass	Less than Significant
Impact AQUA-15: Effects of Operations and Maintenance of Water Conveyance Facilities on American Shad	Less than Significant
Impact AQUA-16: Effects of Operations and Maintenance of Water Conveyance Facilities on Threadfin Shad	Less than Significant
Impact AQUA-17: Effects of Operations and Maintenance of Water Conveyance Facilities on Black Bass	Less than Significant
Impact AQUA-18: Effects of Operations and Maintenance of Water Conveyance Facilities on California Bay Shrimp	Less than Significant
Impact AQUA-19: Effects of Operations and Maintenance of Water Conveyance Facilities on Southern Resident Killer Whale	Less than Significant
Impact AQUA-20: Effects of Construction of Water Conveyance Facilities on California Sea Lion	Less than Significant
<b>Terrestrial Biological Resources</b>	
Impact BIO-6: Impacts of the Project on Nontidal Brackish Emergent Wetland	No Impact
Impact BIO-15: Impacts of the Project on Conservancy Fairy Shrimp	No Impact
Impact BIO-17: Impacts of the Project on Sacramento and Antioch Dunes Anthicid Beetles	No Impact
Impact BIO-19: Impacts of the Project on Delta Green Ground Beetle	No Impact
Impact BIO-43: Impacts of the Project on Suisun Song Sparrow and Saltmarsh Common Yellowthroat	No Impact
Impact BIO-49: Impacts of the Project on Salt Marsh Harvest Mouse	No Impact
Impact BIO-50: Impacts of the Project on Riparian Brush Rabbit	No Impact
Impact BIO-52: Impacts of Invasive Species Resulting from Project Construction and Operations on Established Vegetation	Less than Significant
Impact BIO-57: Impacts of the Project on Monarch Butterfly	Less than Significant
<b>Land Use</b>	
Impact LU-1: Displacement of Existing Structures and Residences and Effects on Population and Housing	Less than Significant
Impact LU-2: Incompatibility with Applicable Land Use Designations, Goals, and Policies, Adopted for the Purpose of Avoiding or Mitigating an Environmental Effect as a Result of the Project	Less than Significant

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA
Impact LU-3: Create Physical Structures Adjacent to and through a Portion of an Existing Community that Would Physically Divide the Community as a Result of the Project	No Impact
<b>Recreation</b>	
Impact REC-1: Increase the Use of Existing Neighborhood and Regional Parks or Other Recreational Facilities Such That Substantial Physical Deterioration of the Facility Would Occur or Be Accelerated	Less than Significant
Impact REC-2: Include Recreational Facilities or Require the Construction or Expansion of Recreational Facilities That Might Have an Adverse Physical Effect on the Environment <sup>2</sup>	Less than Significant (Final EIR, p. 16-29 (lines 1-3).)
<b>Transportation</b>	
Impact TRANS-2: Conflict with a Program, Plan, Ordinance, or Policy Addressing the Circulation System	Less than Significant
Impact TRANS-5: Potential Effects on Marine Navigation Caused by Construction, Operation, and Maintenance of Intakes	Less than Significant
<b>Public Services and Utilities</b>	
Impact UT-1: Result in Substantial Physical Impacts Associated with the Provision of, or the Need for, New or Physically Altered Governmental Facilities, the Construction of Which Could Cause Significant Environmental Impacts on Public Services Including Police Protection, Fire Protection, Public Schools, and Other Public Facilities (e.g., Libraries, Hospitals)	Less than Significant
Impact UT-2: Require or Result in the Relocation or Construction of New or Expanded Service System Infrastructure, the Construction or Relocation of Which Could Cause Significant Environmental Impacts for Any Service Systems Such as Water, Wastewater Treatment, Stormwater Drainage, Electric Power Facilities, Natural Gas Facilities, and Telecommunications Facilities	Less than Significant
Impact UT-3: Exceed the Capacity of the Wastewater Treatment Provider(s) that Would Serve the Alternative's Anticipated Demand in Addition to the Provider's Existing Commitments	Less than Significant
Impact UT-4: Generate Solid Waste in Excess of Federal, State or Local Standards, or Be in Excess of the Capacity of Local Infrastructure, or Otherwise Impair the Attainment of Solid Waste Reduction Goals	Less than Significant
<b>Energy</b>	
Impact ENG-1: Result in Substantial Significant Environmental Impacts Due to Wasteful, Inefficient, or Unnecessary Consumption of Energy Resources during Project Construction or Operation	Less than Significant
Impact ENG-2: Conflict with or Obstruct Any State/Local Plan, Goal, Objective, or Policy for Renewable Energy or Energy Efficiency	No Impact
<b>Air Quality and Greenhouse Gases</b>	
Impact AQ-4: Result in Impacts on Air Quality within the Yolo-Solano Air Quality Management District	Less than Significant
Impact AQ-6: Result in Exposure of Sensitive Receptors to Substantial Toxic Air Contaminant Emissions	Less than Significant
Impact AQ-7: Result in Exposure of Sensitive Receptors to Asbestos, Lead-Based Paint, or Fungal Spores That Cause Valley Fever	Less than Significant
Impact AQ-8: Result in Exposure of Sensitive Receptors to Substantial Odor Emissions	Less than Significant
Impact AQ-10: Result in Impacts on Global Climate Change from Land Use Change	Less than Significant
<b>Noise and Vibration</b>	
Impact NOI-2: Generate Excessive Groundborne Vibration or Groundborne Noise Levels	Less than Significant
Impact NOI-3: Place Project-Related Activities in the Vicinity of a Private Airstrip or an Airport Land Use Plan, or, Where Such a Plan Has Not Been Adopted, within 2 Miles of a Public Airport or Public Use Airport, Resulting in Exposure of People Residing or Working in the Project Area to Excessive Noise Levels	No Impact
<b>Hazards, Hazardous Materials, and Wildfire</b>	
Impact HAZ-1: Create a Substantial Hazard to the Public or the Environment through the Routine Transport, Use, or Disposal of Hazardous Materials	Less than Significant

<sup>2</sup> The corrections identified above summarize and restate the determinations and conclusions as articulated in the Final EIR, and as incorporated by reference into the DCP CEQA Findings adopted by DWR on December 21, 2023, for Impact Trans-3 and Rec-2. This has been updated on March 21, 2024, per the Errata to the CEQA Findings of Fact for the Delta Conveyance Project.

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA
Impact HAZ-3: Expose Sensitive Receptors at an Existing or Proposed School Located within 0.25 Mile of Project Facilities to Hazardous Materials, Substances, or Waste	No Impact
Impact HAZ-5: Result in a Safety Hazard Associated with an Airport or Private Airstrip	Less than Significant
Impact HAZ-7: Expose People or Structures, Either Directly or Indirectly, to a Substantial Risk of Loss, Injury, or Death Involving Wildland Fires	Less than Significant
<b>Public Health</b>	
Impact PH-2: Exceedance(s) of Water Quality Criteria for Constituents of Concern Such That Drinking Water Quality May Be Affected	Less than Significant
Impact PH-3: Substantial Mobilization of or Increase in Constituents Known to Bioaccumulate	Less than Significant
Impact PH-4: Adversely Affect Public Health Due to Exposing Sensitive Receptors to New Sources of EMF	Less than Significant
Impact PH-5: Impact Public Health Due to an Increase in Microcystis Bloom Formation	Less than Significant
<b>Mineral Resources</b>	
Impact MIN-1: Loss of Availability of Locally Important Natural Gas Wells as a Result of the Project	No Impact
Impact MIN-2: Loss of Availability of Extraction Potential from Natural Gas Fields as a Result of the Project	No Impact
Impact MIN-3: Loss of Availability of Locally Important Aggregate Resources (Mines and MRZs) as a Result of the Project	No Impact
Impact MIN-4: Loss of Availability of Locally Important Aggregate Resources as a Result of the Project	No Impact

## Final EIR Modifications

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3 DWR made minor edits throughout Volume 1 of the Final EIR, such as modifications to punctuation  
4 and correction of misspellings and typos. In addition, DWR made minor formatting changes  
5 throughout Volume 1 of the Final EIR, such as modification to headings, corrections to page  
6 numbers, and corrections of formatting issues found in graphs, charts, and tables. Minor edits or  
7 formatting changes to the Draft EIR reflected in Volume 1 of the Final EIR do not result in any new  
8 significant environmental impacts or a substantial increase in the severity of an environmental  
9 impact that was previously analyzed in the Draft EIR.

10 In addition to grammar and formatting changes, new information was added to the Final EIR to  
11 clarify, amplify (i.e., expands in stating or describing, as by details or illustrations; clarifies by  
12 expanding), or makes insignificant modifications to discussion and analysis in the Draft EIR. Key  
13 modifications included in the Volume 1 of the Final EIR are identified in the table below with a  
14 summary regarding why the modifications do not result in the disclosure of a new significant  
15 impact, result in an increase in the severity or magnitude of an impact, or do not result in the need  
16 for additional required mitigation to which DWR is unwilling to commit. The Final EIR provides  
17 further information regarding modifications that occurred between the Draft EIR and the Final EIR.  
18 This information can be found in Final EIR, Volume 2, Common Response 1, CEQA Process, General  
19 Approach to Analysis, and Other Environmental Review Issues, which explains CEQA recirculation  
20 requirements and why the information and modifications contained in the Final EIR do not meet  
21 recirculation requirements either individually or collectively; Final EIR, Volume 2, Common  
22 Response 3, Alternatives Development and Description, which also describes some of the  
23 substantive project description refinements included in the table below and why they do not trigger  
24 the need for recirculating the Draft EIR; Final EIR, Volume 2, Common Response 11, Terrestrial  
25 Biological Resources and Compensatory Mitigation Plan, which describes refinements to the  
26 Compensatory Mitigation Plan; and Final EIR, Volume 2, Common Response 15, Air Quality and  
27 Greenhouse Gases, which describes refinements to air quality modeling and assumptions. Individual  
28 responses to comments in Volume 2, Chapter 4, Response to Comments Tables, also address  
29 refinements made to the Draft EIR in response to those individual comments where applicable. The  
30 summary table below cites relevant sections of Volume 1 of the Final EIR where appropriate.

Modification	Modification Consideration
Clarifications to Table 1-1, Summary of Potential Agencies and Review, Approval, or Other Responsibilities, in Addition to Those under CEQA in Final EIR, Volume 1, Chapter 1, <i>Introduction</i> .	The clarifying text added to Table 1-1 is about different agencies and their potential roles and responsibilities. The table was not used in the impact analysis. Therefore, the added information merely amplifies discussion in the Draft EIR and does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.
Clarifications to use of sedimentation basins and drying lagoons for all alternatives during operations in Final EIR, Volume 1, Chapter 3, <i>Description of the Proposed Project and Alternatives</i> , Section 3.4.1.2, <i>Sedimentation Basins and Drying Lagoons</i> .	The inclusion of the information regarding the sedimentation basins and drying lagoons further clarifies how the sedimentation basins and drying lagoons would operate and the duration in which operation would occur. These clarifications complement and amplify the information previously included in Draft EIR Chapter 3, <i>Description of the Proposed Project and Alternatives</i> , and evaluated throughout the EIR and do not materially change the description of the sedimentation basins and drying lagoons. The added information does not result in a new or more severe impact requiring additional analysis, change impact conclusions presented in the Draft EIR, or require additional mitigation measures to which DWR is unwilling to commit. Therefore, the new information does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.
Inclusion of undergrounding of 1.9 miles of SCADA lines between Freeport and north of Intake A across from Clarksburg consistent with description in Final EIR, Volume 1, Chapter 3, <i>Description of the Proposed Project and Alternatives</i> , Section 3.4.11, <i>SCADA Facilities</i> , clarifying that some of the SCADA lines would be undergrounded along existing roads and project access routes (as shown in Figure 3-14).	The Draft EIR stated that wherever possible, underground SCADA routes would be located along existing roads and project access routes. The Draft EIR evaluated the type and magnitude of impacts associated with installing SCADA lines underground, as well overhead. As described in Final EIR, Volume 2, Common Response 3, <i>Alternatives Development and Description</i> , the alignment between Freeport and north of Intake A across from Clarksburg was included in the study areas in the Draft EIR and undergrounding the alignment would result in highly localized, temporary, and minor soil disturbances and would require the use of similar construction equipment and construction trips as already included in the EIR evaluation for all resources. The inclusion of this information in the Final EIR complements the description in the Draft EIR that SCADA lines would be undergrounded where appropriate. The new information does not represent new or more severe impacts requiring additional analysis, change impact conclusions presented in the Draft EIR, or require additional mitigation measures to which DWR is unwilling to commit. Therefore, the new information does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.
Clarification of the use of non-specular material for aboveground power lines in Final EIR, Volume 1, Chapter 3, <i>Description of the Proposed Project and Alternatives</i> , Section 3.4.10, <i>Electrical Facilities</i> .	The inclusion of the information regarding non-specular material further clarifies the type of materials used for above power lines. Non-specular material is material that reflects light diffusely and evenly or scatters light. The inclusion of the use of this material complements the information previously included in Draft EIR Chapter 3, <i>Description of the Proposed Project and Alternatives</i> , and evaluated throughout the EIR and do not materially change the description of the aboveground power lines. The added information does not

Modification	Modification Consideration
Refinements to location and acreage of temporary uses within the overall footprint at the Southern Complex where the Southern Complex is discussed in Final EIR, Volume 1, Chapter 3, <i>Description of the Proposed Project and Alternatives</i> , for alternatives (except Alternative 5).	<p>represent new or more severe impacts requiring additional analysis, change impact conclusions presented in the Draft EIR, or require additional mitigation measures to which DWR is unwilling to commit. Therefore, the information does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.</p> <p>Chapter 3, <i>Description of the Proposed Project and Alternatives</i>, was updated to more accurately reflect the types of activities that would occur within the construction area. As an example, the area required for reusable tunnel material (RTM) storage decreased between the Draft and Final EIR based on new estimates provided by the project engineers. However, these changes would not affect the land area required to construct and operate the project or the resulting environmental impacts that may result from land conversion. In addition, small refinements to the project's footprint would result in minor differences in total acreages reported in the Draft and Final EIR. These small refinements would not affect the magnitude or significance of environmental impacts reported in the Draft EIR. The added information does not result in a new or more severe impact requiring additional analysis, change impact conclusions presented in the Draft EIR, or require additional mitigation measures to which DWR is unwilling to commit. Therefore, the information does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.</p>
Reconfiguring of Bethany Reservoir Pumping Plant and Surge Basin facilities primarily within the Bethany Complex footprint for Alternative 5 to allow approximately 35 acres to remain undisturbed within the footprint of these facilities, as described in Final EIR, Volume 1, Chapter 3, <i>Description of the Proposed Project and Alternatives</i> , Section 3.14.1, <i>Bethany Complex</i> , and Final EIR, Volume 2, Common Response 3, <i>Alternatives Development and Description</i> .	<p>As identified in Chapter 3, <i>Description of the Proposed Project and Alternatives</i>, and further described in Common Response 3, <i>Alternatives Development and Description</i>, the reconfiguration of the Bethany Complex in the Final EIR would not create new surface impacts relative to the Draft EIR, require additional mitigation measures, or result in a change to any of the evaluations or impact conclusions contained in the Draft EIR related to any resource analyzed in the EIR. Furthermore, the operation of the facilities under the reconfigured Bethany Complex in the Final EIR would be the same as described in the Draft EIR and there would be no changes to any operation-related impacts. Specifically, the two driveways located outside the original footprint evaluated in the Draft EIR of the Bethany Complex would not result in impacts greater or of a different type than disclosed in the Draft EIR, given the minimal area disturbed by the two driveways, and the change in disturbance type at the Bethany Complex, from temporary surface impacts in the Draft EIR to permanent surface impacts in the Final EIR, would not change the severity or magnitude of the impacts already disclosed in the resource chapters of the EIR (i.e., Chapters 7 through 32). Therefore, the reconfiguration does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.</p>

Modification	Modification Consideration
Inclusion of broader discussion and clarifications of access road and rehabilitation in Final EIR, Volume 1, Chapter 3, <i>Description of the Proposed Project and Alternatives</i> , Section 3.4.7, <i>Access Roads</i> .	The inclusion of the access road information further clarifies the location and timing of road rehabilitation. These clarifications complement the descriptions of road rehabilitation previously included in Draft EIR Chapter 3, <i>Description of the Proposed Project and Alternatives</i> , and evaluated throughout the EIR and do not materially change the description of the road rehabilitation or the analyses. The added information does not represent new or more severe impacts requiring additional analysis, change impact conclusions presented in the Draft EIR, or require additional mitigation measures to which DWR is unwilling to commit. Therefore, the information does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.
Inclusion of left-turn merge lane along 1 mile of Twin Cities Road 44 feet wide with three 12-foot-wide paved lanes in Final EIR, Volume 1, Appendix 3D, <i>Intakes, Roads, and Shafts Summary Tables</i>	<p>The addition of the left-turn merge lane would not cause additional or more severe traffic impacts because it would improve, rather than worsen, traffic flow on Twin Cities Road. It would allow through traffic to pass without waiting for vehicles turning left to clear and not affect vehicle miles traveled (VMT) or conflict with a program, plan, ordinance, or policy addressing the circulation system because it is a roadway improvement that would not increase VMT beyond that already analyzed in the Draft EIR for construction and operation. Pursuant to required Mitigation Measure TRANS-1, first responders would pass through the area during construction, and, after construction, first responders would be able to use the left-turn merge lane.</p> <p>Other environmental resources would not be affected by the construction of the left-turn merge lane beyond the type and severity of impacts evaluated and disclosed in the Draft EIR because the left-turn merge lane would primarily be located within the boundaries of the Twin Cities Road road-widening improvements proposed under the project alternatives along existing road section(s). A highly limited and minimal additional area of disturbance (i.e., 1.5 acres) in a disturbed area located primarily within the existing road right-of-way would occur. Any known or unknown environmental resources that could occur in this strip of disturbed land have been considered in Chapters 7 through 32 of the EIR because this area is within the study area included for environmental resources. Mitigation measures identified in the EIR related to permanent disturbances would be implemented and the permanent disturbance of this additional limited area of 1.5 acres would not substantially increase the severity of impacts analyzed in the Draft EIR. Therefore, this highly limited and minimal additional area of disturbance would not constitute a substantial increase in severity of impacts disclosed in the Draft EIR. The construction of the left-turn merge lane would take place concurrently with other construction activities associated with the project alternatives at Twin Cities Road and would not result in an increase in air quality emissions beyond what was already analyzed</p>



Modification	Modification Consideration
Some refinements were made to the project description in Final EIR, Volume 1, Chapter 3, <i>Description of the Proposed Project and Alternatives</i> , to clarify operations in Section 3.16.3, <i>Integration of North Delta Intakes with South Delta Facilities</i> .	in the Draft EIR because the same type and duration of equipment use would occur. The added information regarding the left-turn merge lane does not result in a new or more severe impact requiring additional analysis, change impact conclusions presented in the Draft EIR, or require additional mitigation measures to which DWR is unwilling to commit. Therefore, the addition of the left-turn merge lane does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.
	The operations description was revised to further clarify that DWR would divert excess flows in winter and spring and is not proposing to change upstream reservoir operations. Final EIR, Volume 2, Common Response 1, <i>CEQA Process, General Approach to Analysis, and Other Environmental Review Issues</i> , describes the scope of the analysis contained in the Final EIR, including areas upstream of the north Delta intakes. Final EIR, Volume 2, Common Response 3, <i>Alternatives Development and Description</i> , also explicitly responds to the concerns about upstream operations. Final EIR, Volume 2, Common Response 3 also responds to comments requesting analysis under Temporary Urgency Change Orders. The operation of the project gives the state the opportunity to capture high flows during periods of excess flows, up to what is permitted under the existing DWR water rights. Diversions at the proposed north Delta intakes would mostly occur in the winter and spring, when the conditions described above are most likely to occur. Because the project would operate this way (i.e., capture high flows on top of what can be diverted in the south Delta), DWR does not anticipate use of the proposed north Delta diversion during dry conditions where the south Delta would not be operating at capacity, such as times when a Temporary Urgency Change Order is in place. These clarifications in Final EIR, Volume 1, Chapter 3, <i>Description of the Proposed Project and Alternatives</i> , and further described in Final EIR, Volume 2, Common Response 3 complement the descriptions of operations previously included in Draft EIR Chapter 3; operations modeled using CalSim 3; and operations evaluated throughout the EIR. The added information regarding operations does not result in a new or more severe impact requiring additional analysis, change impact conclusions presented in the Draft EIR, or require additional mitigation measures to which DWR is unwilling to commit. Therefore, the information does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.
Inclusion of figures based on DSM2 modeling results in Final EIR, Volume 1, Chapter 5, <i>Surface Water</i> , regarding reverse flows in the Sacramento River near Freeport.	The inclusion of these graphs is to graphically depict DSM2 model results provided in Final EIR, Volume 1, Appendix 5A, Modeling Technical Appendix, Section C, <i>One Dimensional Delta Hydrodynamics and Water Quality Modeling Results</i> , Attachment 1, <i>DSM2 Model Results for Existing Conditions and Alternatives at 2020</i> . This supports the information that was previously included in the Draft EIR regarding reverse flows in the Sacramento River

Modification	Modification Consideration
Refinements to Final EIR, Volume 1, Chapter 8, <i>Groundwater</i> , Impact GW-4 regarding the discussion of operation groundwater modeling results related to groundwater storage to clarify the meaning of the modeling results; inclusion of electrical conductivity in Mitigation Measure GW-1.	near Freeport and complements the modeled data included in Draft EIR and Final EIR. Therefore, the new figures merely clarify/amplify the discussion in the Draft EIR and does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.
Clarifications to Impact GW-1, Impact GW-2, and Impact GW-3 in Final EIR, Volume 1, Chapter 8, <i>Groundwater</i> , regarding use of Mitigation Measure GW-1.	Refinements were made to Mitigation Measure GW-1, which now includes a provision to also monitor for changes in electrical conductivity (EC) at the same wells that would be used to monitor for changes in groundwater elevations. The EC monitoring would occur over the same period as for monitoring groundwater elevations. The addition of EC monitoring to Mitigation Measure GW-1 was not made because of a new groundwater significance finding between the Draft and Final EIR, as explained in Final EIR, Volume 2, Common Response 10, <i>Surface Water Quality and Groundwater Resources</i> , but rather to support the less-than-significant impact determination regarding groundwater quality. Changes to mitigation measures that do not increase the severity of the environmental impacts disclosed in the draft EIR do not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5. ( <i>Yerba Buena Neighborhood Consortium, LLC v. Regents of Univ. of California</i> (2023) 95 Cal. App. 5th 779, 808.)
Clarification of methodology in Final EIR, Volume 1, Chapter 9, <i>Water Quality</i> .	The wording of Impacts GW-1, GW-2, and GW-3 in EIR Chapter 8, <i>Groundwater</i> , was revised to make it clearer that the impacts on groundwater resources described in the Draft EIR are less than significant before the implementation of the monitoring and response measures described in Mitigation Measure GW-1. Therefore, the new information merely clarifies/amplifies the discussion in the Draft EIR and does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.
Clarification of methodology in Final EIR, Volume 1, Chapter 9, <i>Water Quality</i> .	Clarifying information was included in Section 9.3.1, <i>Methods for Analysis</i> , of Chapter 9, <i>Water Quality</i> , to clarify the source, organization, aggregation of water quality data used in the impact analyses. The methodology for determining impacts was not modified and impact analyses and determinations were not modified as a result of the clarification. As described in Final EIR, Volume 2, Common Response 10, <i>Surface Water Quality and Groundwater Resources</i> , the historical, reconstructed water year types on the California Data Exchange Center website were used to aggregate the modeling results because these are publicly available and widely referenced in research and analysis related to the Delta. The presentation of average constituent levels by water year type is informational and the impact conclusions are based on all modeled changes, particularly those represented in the exceedance plots containing modeling output for the entire 93-year simulation period, as well as modeled changes in frequency of exceedance of water quality objectives. Therefore,

Modification	Modification Consideration
Inclusion of Mitigation Measure WQ-4 in Final EIR, Volume 1, Chapter 9, <i>Water Quality</i> , and Appendix 9M, <i>Contra Costa Water District Interconnection Facility Mitigation Measure</i> , regarding the Contra Costa Water District Interconnection Facility, to further reduce the less-than-significant impacts on chloride discussed in Impact WQ-4.	<p>the new information merely clarifies/amplifies the discussion in the Draft EIR and does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.</p> <p>Mitigation Measure WQ-4: <i>Contra Costa Water District Interconnection Facility</i> has been included in the Final EIR to further reduce less-than-significant impacts on chloride previously disclosed under Impact WQ-4: <i>Effects on Chloride Resulting from Facility Operations and Maintenance</i> in Chapter 9, <i>Water Quality</i>. Changes to, or addition of, mitigation measures that do not increase the severity of the environmental impacts disclosed in the Draft EIR do not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5. (<i>Yerba Buena Neighborhood Consortium, LLC v. Regents of Univ. of California</i> (2023) 95 Cal. App. 5th 779, 808.)</p> <p>Appendix 9M, <i>Contract Costa Water District Interconnection Facility Mitigation Measure</i>, was included in the Final EIR to provide an evaluation of the environmental impacts of constructing and operating the interconnection facility. All environmental resources are analyzed in Appendix 9M. Impacts on most resources are determined to be less than significant or less than significant with mitigation incorporated. However, project impacts identified as significant and unavoidable in the Draft EIR (e.g., agricultural resources, traffic, cultural resources, Tribal Cultural Resources) would remain significant and unavoidable with implementation of Mitigation Measure WQ-4 as disclosed in Appendix 9M. Although significant and unavoidable impacts would occur, there would not be a substantial increase in the severity of significance given the location of Mitigation Measure WQ-4, the limited duration of construction, and the relatively small area of disturbance during construction. The evaluation of the new mitigation measure concluded that implementing the measure would not result in any new significant impacts or substantially increase the severity of impacts not already disclosed in the Draft EIR, nor would it require additional mitigation measures that DWR is unwilling to implement. Therefore, the new mitigation measure does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.</p>
Additional clarifications regarding construction methods and geotechnical investigations in Final EIR, Volume 1, Chapter 10, <i>Geology and Seismicity</i> , Section 10.3.1.1, <i>Process and Methods of Review for Geology and Seismicity</i> , to provide details on Delta Conveyance Design and Construction Authority	Information was added to Final EIR, Volume 1, Chapter 10, <i>Geology and Seismicity</i> , Section 10.3.1.1, <i>Process and Methods of Review for Geology and Seismicity</i> , to clarify the types of information used in the analysis, how that information was used, and how new and future data would be used in the design process. As described in the section, available geological and geotechnical information was reviewed and considered in the EPR screening analyses to understand subsurface geology and groundwater conditions related to preliminary

Modification	Modification Consideration
(DCA) activities and design criteria.	<p>design criteria and the need for specific construction methods. Additional information gained during geotechnical investigations that occurred during preparation of the DCA Engineering Project Reports (EPRs) and EIR further validated the geotechnical assumptions and construction methods that were used for the conceptual designs of each facility in the EPRs. Additional geological and geotechnical investigations would be conducted during the design phase to further develop design criteria and provide geotechnical design parameters for proposed facilities.</p> <p>These clarifications regarding how DCA will conduct geotechnical investigations and use information gained to inform activities and design criteria as well as construction methods complement the descriptions of the construction methods provided in Final EIR, Volume 1, Chapter 3, <i>Description of the Proposed Project and Alternatives</i>, and evaluated throughout the EIR and do not materially change the description of the construction methods or the analyses based on the construction methods. Furthermore, this information is not used in the impact analysis in Final EIR, Volume 1, Chapter 10 or elsewhere. Therefore, the new information merely clarifies/amplifies the discussion in the Draft EIR and does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.</p>
Inclusion of juvenile Chinook salmon screen passage time analysis at 19°C in Final EIR, Volume 1, Chapter 12, <i>Fish and Aquatic Resources</i> , Impact AQUA-2, which further supports the impact determination of less than significant with mitigation incorporated.	<p>The inclusion of this new information in the discussion of Impact AQUA-2 augments the original analysis in the Draft EIR, which was focused on screen passage at 12°C. The new information complements the analysis previously performed on screen passage and further supports the previous impact determination of less than significant with mitigation incorporated. CMP-25: <i>Tidal Habitat Restoration to Mitigate North Delta Hydrodynamic Effects on Chinook Salmon Juveniles</i> and CMP-26: <i>Channel Margin Habitat Restoration for Operations Impacts on Chinook Salmon Juveniles</i>, as described in Attachment 3F.1, <i>Compensatory Mitigation Design Parameters</i>, are still required and no changes to the mitigation were made because of this new information. The new information merely confirms previous conclusions, and thus does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5. (See <i>San Francisco Baykeeper v. California State Lands Commission</i> (2015) 242 Cal.App.4th 202, 224-225 [new modeling confirming earlier conclusion about effects of mining on Bay environment did not trigger recirculation]; <i>Beverly Hills Unified School Dist. v. Los Angeles County Metropolitan Transportation Commission</i> (2015) 241 Cal.App.4th 627, 660-666 [Final EIR containing substantial amounts of new information, including numerous new seismic studies did not trigger recirculation].)</p>

Modification	Modification Consideration
<p>Clarifications and additions of factors explaining patterns in north Delta exports and south Delta exports; clarification of footnotes in summary tables of results; and clarification of 5% significance threshold value used for impact analyses in Final EIR, Volume 1, Chapter 12, Fish and Aquatic Resources.</p>	<p>These clarifications further explain or add to the information regarding patterns in north Delta exports, tables of results, or the use of 5% significance threshold value. They complement the information that was previously provided in the Draft EIR and do not modify the methodology(ies) used for determining impacts or modify impact determinations. Therefore, the new information merely clarifies/amplifies the discussion in the Draft EIR and does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.</p>
<p>Inclusion of Impact AQUA-20 in Final EIR, Volume 1, Chapter 12, <i>Fish and Aquatic Resources</i>, regarding California sea lions, which discloses a less-than-significant impact.</p>	<p>The purpose of the analysis contained in the EIR is to disclose and evaluate potentially significant impacts. DWR did not address California sea lions in the Draft EIR because the study area is not within the traditional breeding or nonbreeding range of the population and therefore DWR had not previously identified potential effects on California sea lions as a potentially significant impact. DWR included an analysis of potential impacts on California sea lions in Chapter 12, <i>Fish and Aquatic Resources</i>, of the Final EIR, Volume 1, because of public comment. As disclosed in Chapter 12 of the Final EIR, Volume 1, the project would not result in a population-level effect on the species because the project would not permanently impede potential movement or foraging by individuals through the study area, and the study area is not within the traditional breeding or nonbreeding range for the population. Because few, if any, individuals would be affected during construction or operation of the project, the impact under CEQA is less than significant. Recirculation is required where the Final EIR discloses a new significant environmental impact of a project that was not analyzed in the Draft EIR. New information included in a Final EIR explaining why an impact alleged by a commenter is less than significant does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.</p>
<p>Refinements to Final EIR, Volume 1, Chapter 13, <i>Terrestrial Biological Resources</i>, including: adding specificity to Mitigation Measure BIO-53 to address design specifications, monitoring, and adaptive management; clarifying that if California Department of Fish and Wildlife (CDFW) develops guidance for sandhill crane surveys and work windows DWR will use the guidance; clarifying tricolored blackbird analysis in Impact BIO-44.</p>	<p>As described below, the added information for habitat connectivity, sandhill cranes, and tricolored blackbird, does not represent new or more severe impacts requiring additional analysis, change impact conclusions presented in the Draft EIR, or require additional mitigation measures to which DWR is unwilling to commit. Therefore, the information does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.</p> <p>Mitigation Measure BIO-53 was revised to further clarify the wildlife crossing and connectivity specialist credentials, how the specialist will contribute to the project design phase to ensure adequate wildlife crossing and connectivity element design and outcomes, more detailed wildlife connectivity enhancement measures, and operational monitoring</p>

Modification	Modification Consideration
	<p>and adaptive management for connectivity and crossings. These modifications provide additional detail to Mitigation Measure BIO-53 but, as described in Final EIR, Volume 2, Common Response 11, <i>Terrestrial Biological Resources and Compensatory Mitigation Plan</i>, do not result in a change to an impact determination. The change to the mitigation measure does not trigger recirculation because it does not introduce new mitigation to which DWR is unwilling to commit. Changes to, or addition of, mitigation measures that do not increase the severity of the environmental impacts disclosed in the draft EIR do not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5. (<i>Yerba Buena Neighborhood Consortium, LLC v. Regents of Univ. of California</i> (2023) 95 Cal. App. 5th 779, 808.)</p> <p>Clarification was added to Impact BIO-33 regarding the potential for sandhill cranes to arrive earlier than September 15 and stay later than March 15 because the construction of the project will occur for many years. DWR added text explaining that if CDFW develops guidance regarding sandhill crane surveys and work windows, DWR will adjust survey dates and dates included in mitigation measures to minimize potential impacts on sandhill cranes. Changes to, or addition of, mitigation measures that do not increase the severity of the environmental impacts disclosed in the draft EIR do not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5. (<i>Yerba Buena Neighborhood Consortium, LLC v. Regents of Univ. of California</i> (2023) 95 Cal. App. 5th 779, 808.).</p> <p>Impact BIO-44, Appendix 3F, <i>Compensatory Mitigation Plan for Special-Status Species and Aquatic Resources</i>, and Attachment 3F.1, <i>Compensatory Mitigation Design Parameters</i>, have been modified to recognize breeding foraging habitat loss as a potential impact on tricolored blackbird and propose mitigation to compensate for this impact. Because many non-breeding foraging and roosting habitat types also serve as breeding foraging types, this change will also protect those habitat types. The revision to Attachment 3F.1 does not result in a change in impact determination for tricolored blackbird identified in Final EIR, Volume 1, Chapter 13, <i>Terrestrial Biological Resources</i>, but adds additional mitigation to further reduce potential adverse effects on tricolored blackbird that were previously disclosed in the Draft EIR. Mitigation Measure BIO-44 has been revised to include surveys during the nonbreeding season (August 1–March 14) 1 year prior to the start of construction and then the year of construction to establish use of roosting habitat. Mitigation Measure BIO-44 includes the commitment that three surveys will be conducted within 15 days prior to nighttime construction, with one of the surveys within 5 days prior</p>

Modification	Modification Consideration
	<p>to the start of nighttime construction and the establishment of a 300-foot nondisturbance buffer around occupied roost sites. This revision does not result in a change in impact determination for tricolored blackbird identified in Final EIR, Volume 1, Chapter 13. Although Impact BIO-44 was updated, the additional information merely confirms previous conclusions, and thus does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5. (See <i>San Francisco Baykeeper v. California State Lands Commission</i> (2015) 242 Cal.App.4th 202, 224-225 [new modeling confirming earlier conclusion about effects of mining on Bay environment did not trigger recirculation]; <i>Beverly Hills Unified School Dist. v. Los Angeles County Metropolitan Transportation Commission</i> (2015) 241 Cal.App.4th 627, 660-666 [Final EIR containing substantial amounts of new information, including numerous new seismic studies did not trigger recirculation].) Furthermore, changes to, or addition of, mitigation measures that do not increase the severity of the environmental impacts disclosed in the draft EIR do not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5. (<i>Yerba Buena Neighborhood Consortium, LLC v. Regents of Univ. of California</i> (2023) 95 Cal. App. 5th 779, 808.)</p>
<p>Inclusion of monarch butterfly in Final EIR, Volume 1, Chapter 13, <i>Terrestrial Biological Resources</i>, because it is a U.S. Fish and Wildlife candidate species being considered for listing, which discloses a less-than-significant impact, and removal of western bumble bee from Chapter 13 and associated appendices because a recent California Department of Fish and Wildlife publication shows the species’ known range is outside of the study area.</p>	<p>The purpose of the analysis contained in the EIR is to disclose and evaluate potentially significant impacts. DWR had not previously identified potential effects on monarch butterflies as a potentially significant impact because overwintering habitat, which is limited for the species, would not be affected by the project and there are no known overwintering populations within 10 miles of the study area. The Final EIR includes Impact BIO-57, which evaluates the monarch butterfly because it is a U.S. Fish and Wildlife candidate species being considered for listing and may be listed in the near future. The analysis determines impacts on monarch butterfly to be less than significant. Recirculation is required where the Final EIR discloses a new significant environmental impact of a project that was not analyzed in the draft EIR. New information included in a Final EIR explaining why an impact is less than significant does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.</p> <p>The Final EIR removed western bumble bee from Impact BIO-21 because recent California Department of Fish and Wildlife publication shows the species’ known range is outside of the study area. Similarly, CMP-29 was refined to restrict compensatory mitigation to mitigate for habitat for Crotch bumble bee. This revision does not trigger the need for recirculation because it does not introduce a new significant impact, cause a substantial increase in the severity of an environmental impact, or require additional mitigation measures to which DWR is unwilling to commit. Therefore, the information does not</p>

Modification	Modification Consideration
Clarifications in Final EIR, Volume 1, Chapter 16, <i>Recreation</i> , regarding location of I-5 ponds in existing conditions and clarifying details regarding I-5 ponds in Impact REC-1 and Impact REC-2.	constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.  Information was previously included regarding the I-5 ponds in Chapter 16, <i>Recreation</i> . Clarifying and additional text regarding these areas as they relate to recreation and implementation of the Compensatory Management Plan was included in Final EIR, Volume 1, Chapter 16 in the impact analysis. This revision does not trigger the need for recirculation because it does not introduce a new significant impact, cause a substantial increase in the severity of an environmental impact, or require additional mitigation measures to which DWR is unwilling to commit. Therefore, the information does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.
Clarifications in Final EIR, Volume 1, Chapter 14, <i>Land Use</i> , regarding locations of existing easements.	Clarification was added to Final EIR, Volume 1, Chapter 14, <i>Land Use</i> , explaining that although the land use study area overlaps with conservation easements, this overlap is not an impact on land use and therefore is not addressed in the land use chapter. The impacts on the natural communities and species habitats within the study area, including within conservation easements, are quantified and analyzed in Final EIR, Volume 1, Chapter 13, <i>Terrestrial Biological Resources</i> . Therefore, the new information merely clarifies/amplifies the discussion in the Draft EIR and does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.
Refinements to air quality and greenhouse gas (GHG) modeling based on engineering clarifications (e.g., off-road equipment type and horsepower, duration of marine vessel use); to use newer versions of analysis models (e.g., CalEEMod version 2022.1.1.3, eGRID2021); and to more accurately capture project description components (e.g., barges), including clarifications regarding modeling results and analysis in Final EIR, Volume 1, Chapter 23, <i>Air Quality and Greenhouse Gases</i> , and accompanying appendices.	Refinements to air quality modeling and the resulting updates are provided in Final EIR, Volume 1, Chapter 23, <i>Air Quality and Greenhouse Gases</i> , and accompanying appendices. Where appropriate, specific modeling assumptions were updated to account for the most recent engineering data and ensure alignment of the air quality analysis with the project description contained in Final EIR, Volume 1, Chapter 3, <i>Description of the Proposed Project and Alternatives</i> . Analysis modeling was also updated to use newer versions of California Emissions Estimator Model (CalEEMod) and eGRID. While both of these models were updated after the close of the public comment period for the Draft EIR, DWR elected to revise the analysis in the Final EIR to confirm that use of the newer model versions would not change any of the impact conclusions reached in the Draft EIR. Additional targeted refinements were also made to the analysis in response to specific public comments, including corrected association of equipment emission factors by horsepower, accounting of transmission and distribution losses during construction, and expansion of DWR's commitment of engine electrification. The level of transparency and documentation provided by the Draft EIR and the Final EIR is equivalent to, and in some cases exceeds, what is often provided for CEQA documents where models such as



Modification	Modification Consideration
	<p>CalEEMod are exclusively used to quantify emissions. As demonstrated throughout Chapter 23 and the supporting appendices of the Final EIR, and further detailed in Final EIR, Volume 2, Common Response 15, <i>Air Quality and Greenhouse Gases</i>, the refinements to air quality and greenhouse gas (GHG) modeling confirm previous conclusions and impact determinations presented in the Draft EIR, and thus does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5. (See <i>San Francisco Baykeeper v. California State Lands Commission</i> (2015) 242 Cal.App.4th 202, 224-225 [new modeling confirming earlier conclusion about effects of mining on Bay environment did not trigger recirculation]; <i>Beverly Hills Unified School Dist. v. Los Angeles County Metropolitan Transportation Commission</i> (2015) 241 Cal.App.4th 627, 660-666 [Final EIR containing substantial amounts of new information, including numerous new seismic studies did not trigger recirculation].)</p>
<p>Inclusion of clarifying information regarding pumping energy usage in Final EIR, Volume 1, Chapter 22, <i>Energy</i>.</p>	<p>Revisions have been made to some of the energy use data reported in Final EIR, Volume 1, Chapter 22, <i>Energy</i>, including energy required to construct and operate the Delta Conveyance Project. The revisions reflect the most recent estimates of equipment needed to construct the Delta Conveyance Project and resulting energy consumption and updates to the energy needed to operate the project. The revised information would not result in a change to the CEQA impact conclusions reported in Chapter 22. Therefore, the new information merely clarifies/amplifies the discussion in the Draft EIR and does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.</p>
<p>Clarifications in mitigation measures and environmental commitments/best management practices throughout the EIR, including Final EIR, Volume 1, Appendix 3B, <i>Environmental Commitments and Best Management Practices</i>, to provide more clarity regarding the activities, location, timing, roles, or responsibilities, based on technical review.</p>	<p>As described in Final EIR, Volume 2, Common Response 1, <i>CEQA Process, General Approach to Analysis, and Other Environmental Review Issues</i>, DWR has refined some mitigation measures to clarify the mechanisms for and timing of implementation of environmental protections, including refinements in Appendix 3F, <i>Compensatory Mitigation plan for Special-Status Species and Aquatic Resources</i>. These refinements to mitigation measures would not cause any new significant environmental impact or substantially increase the severity of a previously disclosed environmental impact. All refinements to mitigation have been included to further enhance or improve environmental protections. Refinements made to environmental commitments were for permit consistency or to address public comments. These refinements included adding refueling specification (Environmental Commitments EC-2 and EC-3); requiring that the tops and bottoms of spoils disposal areas be rounded and slope faces contoured (Environmental Commitment EC-4a); further specifying erosion control materials (Environmental Commitment EC-4a); reinforcing state priorities for zero-emission equipment, providing further detail on diesel equipment, and limiting the age of marine vessels used for intake construction (Environmental</p>

Modification	Modification Consideration
<p>Compensatory mitigation refinements in Final EIR, Volume 1, Appendix 3F, <i>Compensatory Mitigation Plan for Special-Status Species and Aquatic Resources</i>, and throughout the EIR as appropriate; Refinements to design commitments and guidelines for special-status plants California tiger salamander, tricolored blackbird, Swainson’s hawk, and the addition of design commitments for Crotch bumble bee.</p> <p>Additional refinements to the CMP include the inclusion of mitigation measure ratios, the 10% stay-ahead commitment to mitigation; clarifications that mitigation sites will be designed, managed, and maintained to provide habitat requirements for a diversity of targeted wildlife species; removal of tidal habitat restoration on Bouldin Island; and clarification regarding potential locations of grassland mitigation, in addition to the initial mitigation sites and other site protection instruments.</p>	<p>Commitments EC-7, EC-8, and EC-10); removing reference to studying on-site concrete batching since this analysis was already performed and the project has been designed to maximize use of on-site batch plants (Environmental Commitment EC-13); and adding further specificity to construction BMPs for biological resources (Environmental Commitment EC-14). As with mitigation measures, all refinements have been included to further enhance or improve environmental protections and would not cause new significant environmental impacts or substantially increase the severity of a previously disclosed environmental impact. Changes to, or addition of, mitigation measures that do not increase the severity of the environmental impacts disclosed in the draft EIR do not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5. (<i>Yerba Buena Neighborhood Consortium, LLC v. Regents of Univ. of California</i> (2023) 95 Cal. App. 5th 779, 808.)</p> <p>Final EIR, Volume 2, Common Response 11, <i>Terrestrial Biological Resources and Compensatory Mitigation Plan</i>, describes the revisions that have been made to the CMP and associated resource-related modifications. As discussed in Final EIR, Volume 2, Common Response 11, in the section titled <i>Revisions to the Compensatory Mitigation Plan</i>, these revisions do not result in a change to any impact conclusions or require additional mitigation measures to which DWR is unwilling to commit. For terrestrial biological resources, no changes to an CEQA impact determination or mitigation measure are necessary because the CMP revisions either add specificity to an existing measure, provide additional mitigation for a species beyond what is required to reach a determination of a less-than-significant impact, or are located within areas that have already been identified as compensatory mitigation locations, as described in the <i>Biological Resources</i> section of Final EIR, Volume 2, Common Response 11. For other resources, CMP revisions cause minimal change to a resource, do not affect a resource, or lessen the impact on a resource, as described in the <i>Other Resources</i> section of Final EIR, Volume 2, Common Response 11. The following changes to the CMP do not trigger recirculation because changes to, or addition of, mitigation measures that do not increase the severity of the environmental impacts disclosed in the draft EIR do not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5. (<i>Yerba Buena Neighborhood Consortium, LLC v. Regents of Univ. of California</i> (2023) 95 Cal. App. 5th 779, 808.)</p> <p><b>Refinements to Design Commitments and Guidelines</b></p> <p>Final EIR, Volume 2, Common Response 11 describes the following refinements that were</p>

Modification	Modification Consideration
	<p data-bbox="823 233 1856 331">made to the design commitments and guidelines in the CMP, Attachment 3F.1, and why they would not result in a change to any impact conclusions or require additional mitigation measures:</p> <p data-bbox="823 375 1906 894"><i>CMP-0: General Design Guidelines</i> was updated to provide more detail about DWR’s commitment to compensate for habitat impacts that could occur as a result of the CMP; Additional detail was added to <i>CMP-9</i> to better define suitable habitat and to clarify conditions of propagation of seed as mitigation for special-status plants; for California tiger salamander, <i>CMP-13</i> was modified to require that mitigation habitat will be located adjacent or connected to occupied upland or aquatic habitat; for tricolored blackbird, <i>CMP-22a</i> was revised to define high and very high-quality breeding season foraging habitat and <i>CMP-22b</i> was modified to add compensation for impacts on breeding season foraging habitat at a ratio of 1:1, which would consist of the creation or enhancement of grassland, vernal pool complex, alkaline seasonal wetland, or suitable cultivated lands or the implementation of a site protection instrument; for Swainson’s hawk, <i>CMP-19</i> was modified to revise the land cover and crop types included in the very high, high, and moderate categories of foraging habitat value types. Furthermore, <i>CMP-29</i> was added; it describes compensation design guidelines specific to Crotch bumble bee to further clarify how grassland mitigation will support Crotch bumble bee to compensate for potential impacts on the species and its habitat.</p> <p data-bbox="823 938 1230 963"><b>Additional Revisions to the CMP</b></p> <p data-bbox="823 1011 1875 1073">As described in Final EIR, Volume 2, Common Response 11, the CMP was also updated to include the following revisions:</p> <p data-bbox="823 1117 1892 1408">The addition of mitigation ratios developed in consultation with CDFW and USFWS through the project permitting process; additional language to describe in more detail the sequence and timing of mitigation implementation including the 10% stay-ahead commitment for mitigation; further detail to clarify the commitment by DWR that compensation lands will be managed to provide habitat for multiple species and to clarify the conversions of existing land cover to created, enhanced, or unchanged habitat in comparison with existing land cover; the removal of tidal habitat restoration on Bouldin Island; and the potential for additional grassland mitigation to occur in construction areas identified as permanent (affected for greater than 1 year) impacts.</p>

Modification	Modification Consideration
<p>Clarifications regarding water transfers in Appendix 3H, <i>Non-Project Water Transfer Analysis for Delta Conveyance</i>, and additions to Final EIR, Volume 1, Chapter 9, <i>Water Quality</i>, and Chapter 12, <i>Fish and Aquatic Resources</i>, methods sections.</p>	<p>Appendix 3H, <i>Non-Project Water Transfer Analysis for Delta Conveyance</i>, was revised by adding clarifying text regarding how water transfers were considered in the EIR, which supports the statements in the EIR and responses to comments on the EIR. The additional text clarifies that the Delta Conveyance Project would not facilitate additional exports because the available capacity of the current SWP facilities to be used for transfers is not fully utilized. The explanation of carriage water in Appendix 3H was expanded to better clarify how carriage water requirements are determined as part of a water transfer. Both Final EIR, Volume 1, Chapter 9, <i>Water Quality</i>, and Final EIR, Volume 1, Chapter 12, <i>Fish and Aquatic Resources</i>, were updated to better explain how transfers through the Delta Conveyance Project facilities would not adversely affect water quality or aquatic resources or change the impact findings made for each resource topic. The added information does not result in a new or more severe impact requiring additional analysis, change impact conclusions presented in the Draft EIR, or require additional mitigation measures to which DWR is unwilling to commit. Therefore, the information does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.</p>

# Attachment "B"

## Statement of Overriding Considerations

California Public Resources Code section 21081, subdivision (b), and State CEQA Guidelines section 15093 provide that, when a public agency decision-maker approves a project that may have potentially significant, unavoidable environmental impacts identified in an environmental impact report, the decision-making body must state in writing the reasons to support its action based on the completed EIR and/or other information in the administrative record.

Here, the Zone 7 Water Agency is considering approval to continue funding to the Department of Water Resources for the Delta Conveyance Project for Zone 7's share of the Delta Conveyance Project to fund data collection and field work investigations, including ground-disturbing geotechnical work, water quality and hydrogeologic investigations, agronomic testing, the installation of monitoring equipment, construction test projects, pre-construction design work, and engineering work (collectively, "**Pre-Construction Work**") that will guide the ultimate design, appropriate construction methods, and monitoring programs for the Department of Water Resources' ("**DWR**") Delta Conveyance Project ("**DCP**"). The DCP entails the development of new diversion and conveyance facilities in the Sacramento-San Joaquin Delta ("**Delta**") to safeguard the State Water Project ("**SWP**"), which provides water supplies to Zone 7 Water Agency. Zone 7 Water Agency is not considering approval of the DCP at this time, nor is the Zone 7 Water Agency committing to a future approval of the DCP by approving the Pre-Construction Work.

DWR prepared and certified an Environmental Impact Report ("**EIR**") (State Clearinghouse Number 2020010227) that analyzed the potential environmental impacts of the DCP, inclusive of potential impacts associated with the Pre-Construction Work. The EIR concluded that the DCP, inclusive of the Pre-Construction Work, may have significant and unavoidable impacts on the environment, and these impacts are listed below and prefaced by their identification number from the EIR:

- Impact AG-1: Convert a Substantial Amount of Prime Farmland, Unique Farmland, Farmland of Local Importance, or Farmland of Statewide Importance as a Result of Construction of Water Conveyance Facilities
- Impact AG-2: Convert a Substantial Amount of Land Subject to Williamson Act Contract or under Contract in Farmland Security Zones to a Nonagricultural Use as a Result of Construction of Water Conveyance Facilities
- Impact AES-1: Substantially Degrade the Existing Visual Character or Quality of Public Views (from Publicly Accessible Vantage Points) of the Construction Sites and Visible Permanent Facilities and Their Surroundings in Nonurbanized Areas

- Impact AES-2: Substantially Damage Scenic Resources including, but Not Limited to, Trees, Rock Outcroppings, and Historic Buildings Visible from a State Scenic Highway
- Impact AES-3: Have Substantial Significant Impacts on Scenic Vistas
- Impact CUL-1: Impacts on Built-Environment Historical Resources Resulting from Construction and Operation of the Project
- Impact CUL-2: Impacts on Unidentified and Unevaluated Built-Environment Historical Resources Resulting from Construction and Operation of the Project
- Impact CUL-3: Impacts on Identified Archaeological Resources Resulting from the Project
- Impact CUL-4: Impacts on Unidentified Archaeological Resources That May Be Encountered in the Course of the Project
- Impact CUL-5: Impacts on Buried Human Remains
- Impact TRANS-1: Increased Average VMT Per Construction Employee versus Regional Average
- Impact AQ-5: Result in Exposure of Sensitive Receptors to Substantial Localized Criteria Pollutant Emissions
- Impact NOI-1: Generate a Substantial Temporary or Permanent Increase in Ambient Noise Levels in the Vicinity of the Project in Excess of Standards Established in the Local General Plan or Noise Ordinance, or Applicable Standards of Other Agencies
- Impact PALEO-2: Cause Destruction of a Unique Paleontological Resource as a Result of Tunnel Construction and Ground Improvement
- Impact TCR-1: Impacts on the Delta Tribal Cultural Landscape Tribal Cultural Resource Resulting from Construction, Operations, and Maintenance of the Project Alternatives
- Impact TCR-2: Impacts on Individual Tribal Cultural Resources Resulting from Construction, Operations, and Maintenance of the Project Alternatives

In the judgment of Board of Directors, each benefit of the Pre-Construction Work, as set forth below, outweighs – both individually and collectively – each of these potentially significant and unavoidable impacts for the reasons set forth below.

1. **The Pre-Construction Work is necessary for the safe and efficient design of the DCP.** The information collected from and generated by the Pre-Construction Work would be used to develop the DCP safely, efficiently, and in manner that minimizes impacts to the environment. For example, the information collected would be used to develop, among other things, detailed design of the DCP's structure and bridge foundations, new or modified levee cross sections, and ground improvement methodology. Moreover, information from

the Pre-Construction Work would determine selection of tunnel boring machine methods, dewatering methods and quantities, below-grade construction methods (such as at the shafts and the pumping plant), need for impact pile driving, and methods to reduce ground settlement risk at all construction sites and along the tunnel alignment. The information would also be used to determine the specific depths and widths of groundwater cutoff walls to be installed at select construction sites. Additionally, soil samples obtained during soil borings would be analyzed to determine the structural capabilities of the soil to construct tunnel shaft pads and levee improvements, among other things. Soil and water quality tests would also be conducted to determine the potential for the presence of high concentrations of metals, organic materials, or hazardous materials that would require specific treatment and/or disposal methods. Thus, the Pre-Construction Work would generate information necessary to guide any construction of the DCP in a manner that would minimize its potential environmental impacts and most efficiently achieve the DCP's objectives.

2. **The DCP, which cannot be developed without the Pre-Construction Work, would restore and protect the reliability of SWP Water Deliveries South of the Delta.**

The primary purpose of the SWP is to convey water to local and regional water suppliers, including Zone 7 Water Agency, across California that, in turn, supply end users engaged in the beneficial uses of that water. Protection of the SWP is thus important to Zone 7 Water Agency. The Pre-Construction Work will help ensure that the DCP, if constructed, will help protect SWP water deliveries to Zone 7 Water Agency by addressing seismic risks. Notably, the current SWP system relies heavily on natural channels within the Delta to convey water and is extremely vulnerable to seismic events because most land in the central Delta has subsided well below sea level. If levees fail because of a seismic event, seawater intrusion from the western Delta could create salinity conditions that could require ceasing diversions from the SWP's current point of diversion in the south Delta. The capability of the DCP to continue operations would improve the ability of SWP Delta facilities to function after a seismic event by operating diversion facilities north of existing SWP facilities. The operations of the DCP would allow continued water supply diversions should south Delta export facilities become inoperable.

The DCP cannot proceed without the Pre-Construction Work, and the DCP would allow continued water deliveries to Zone 7 Water Agency and operational flexibility in the event of a catastrophic levee failure from seismic activity that could temporarily disrupt water supply or affect water quality.

3. **The DCP, which cannot be developed without the Pre-Construction Work, would restore and protect the reliability of SWP Water Deliveries South of the Delta by addressing reasonably foreseeable consequences of climate change and extreme weather events.**

The DCP is part of the State of California's strategy to adapt the SWP water supply to climate change. As described in the Final EIR certified for the DCP, Volume 1, Chapter 30, *Climate Change*, projected future conditions under climate change, such as higher average temperature and more extreme variability in annual precipitation patterns, is anticipated to further diminish overall water supply and reliability of water delivery to Zone 7 Water Agency. Climate change is already taking a toll on California's water supplies in the form of more frequent and more severe droughts. A warmer atmosphere would modify precipitation and runoff patterns and affect extreme hydrologic events like floods

and droughts. It is anticipated that droughts would increase in severity and duration, resulting in periods of critical dryness, further reducing Delta inflows during these dry periods. At the same time, associated increases in the frequency and severity of flashy storms in the cool season could increase high-flow events and flood risk in the Delta. These trends point to the need for alternate methods of water diversion and conveyance to effectively respond to changing water flow regimes under future climate change. In this context, Zone 7 Water Agency considers capture and conveyance in the Delta as important potential adaptations in protecting the SWP from future climatic change and mitigating system losses due to changing precipitation patterns and seasonal runoff. Having alternative points of diversion in the north Delta would increase resiliency in managing combined effects of sea level rise, including potential impacts on Delta morphology, and changes to timing and quantity of seasonal runoff. As water demand and supply challenges continue to increase, the DCP is designed to enhance resilience to climate change impacts and ensure that safe and reliable water deliveries to Zone 7 Water Agency continue far into the future (California Department of Water Resources 2023).

4. **The DCP, which cannot be developed without the Pre-Construction Work, would restore and protect the reliability of State Water Project Water Deliveries South of the Delta by addressing sea level rise.** The DCP would protect Zone 7 Water Agency's SWP water supplies by facilitating adaptation to sea level rise and potential changes in hydrologic conditions associated with climate change. As described in Final EIR, Volume 1, Appendix 6A, *Water Supply 2040 Analysis*, the DCP would improve SWP water supply reliability under current and future conditions, including extreme high sea level rise. As Zone 7 Water Agency relies on SWP water supply, the Pre-Construction Work, and the DCP that it would enable, would provide significant benefits to Zone 7 Water Agency.
5. **The Pre-Construction Work is necessary to obtain a more accurate cost estimate in relation to prudent financial planning and decision making of Zone 7 Water Agency.** The ultimate financial costs of the DCP continue to be refined as further feasibility, planning, and design information is obtained. Until more information is known regarding the precise construction techniques, unique localized conditions that may increase or decrease construction costs, and potential schedule for any future construction, the financial cost of the DCP will continue to evolve. Zone 7 Water Agency wishes to further confirm the ultimate DCP costs, in order to allow for better disclosure to its interested parties and in relation to prudent financial planning and decision making. The Pre-Construction Work is necessary to achieve those ends.

Through this Statement of Overriding Considerations, and based on the substantial evidence in the administrative record, the Zone 7 Board of Directors has weighed the Pre-Construction Work's benefits against its environmental impacts and finds that the Pre-Construction Work's potentially significant and unavoidable environmental impacts are "acceptable" in light of the environmental, economic, legal, social, technological, and/or other considerations set forth herein, and that each benefit of the Pre-Construction Work outweighs, both individually and collectively, the potentially significant and unavoidable environmental impacts.





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**ORIGINATING SECTION:** Office of the General Manager  
**CONTACT:** Valerie Pryor

**AGENDA DATE:** October 16, 2024

**SUBJECT:** Award Contracts to Nor-Cal Pump & Well Drilling, Inc. (Project 308-24) and Luhdorff & Scalmanini Consulting Engineers (LSCE) (Project 2025-12) for the Regional Groundwater Facilities Project – Phase I (Feasibility Study)

**SUMMARY:**

- To support the Mission to deliver safe, reliable, efficient, and sustainable water, Zone 7 Water Agency (Zone 7) is partnering with the City of Pleasanton (City) to evaluate the feasibility of a Joint Regional Groundwater Facilities Project (Project) in the Bernal subbasin. This action supports Strategic Plan Goal A – Reliable Water Supply and Infrastructure and is to implement Strategic Plan Initiative #2 – Evaluate and develop appropriate new water supply and reliability opportunities.
- Zone 7 has been exploring the Bernal subbasin to recover groundwater production capacity, which has been reduced due to out-of-commission wells to address PFAS contamination, to enhance water supply reliability, and also to meet projected future demands. The City of Pleasanton is also planning to install new groundwater wells to recover its annual groundwater pumping quota (GPQ) of 3,500 acre-feet (AF).
- At the July 2024 Board Meeting, the Zone 7 Board authorized the General Manager to enter into the "Agreement between Zone 7 Water Agency and the City of Pleasanton for the Regional Groundwater Facilities Project – Phase I". This agreement defines the project description, the scope of work, contractor/consultant services, cost-sharing, and decision-making process, among others for a feasibility study into a potential joint project to install additional groundwater supply wells. Feasibility study costs are split equally between Zone 7 and Pleasanton.
- If a joint project is determined to be feasible and the City and Zone 7 decide to proceed with joint development of the project, additional agreements and cost allocation for design, construction, and operations and maintenance will be negotiated and brought to the Zone 7 Board and Pleasanton City Council for approvals.
- Phase I, the current phase of the joint project, is to conduct the feasibility study. This feasibility study involves installing up to three test wells in the City of Pleasanton property to assess water quality and aquifer production. The test wells will be sampled and analyzed for water quality, including PFAS. They will also be evaluated to identify potential groundwater production yields and sustainability.

- If the test wells show that tested locations are productive and favorable for developing municipal production wells, projected production rates at the test well locations will be analyzed using the updated groundwater model to evaluate potential impacts on basin storage and water quality, including the known PFAS footprint.
- The Feasibility Study will also include a basis of design report to prepare costs and conceptual designs for installing up to three new municipal supply wells, necessary infrastructure, pipelines to transport the water to the Hopyard wellfield, and upgrades to the Hopyard Treatment facility to treat increased water production. This scope of work requires contracting with a drilling contractor as well as a consultant specializing in hydrogeology and engineering.
- In accordance with the Agency Purchasing Policy, a Request for Bid (Project No. 308-24) was advertised to solicit bids for up to three test well constructions. Of the five bids received, the bid from Nor-Cal Pump & Well Drilling, Inc. was deemed the lowest, responsive, responsible, and qualified bid with a total bid amount of \$1,400,871.
- Similarly, in accordance with the Agency Purchasing Policy, a Request for Proposals (RFP)(Project No. 2025-12) was advertised to solicit proposals for consulting services for geologic logging and oversight of up to three test well constructions, water quality testing, yield and aquifer testing, model scenarios, testing results report, feasibility study, and basis of design report for the preferred project if it is deemed feasible. Of the five proposals received and the subsequent interviews, the Luhdorff & Scalmanini Consulting Engineers (LSCE) team was selected as the most qualified for this project by the selection committee. Their final and best proposal's contract amount for the Phase I project was \$1,083,836.
- The estimated budget for the RFP included additional optional items for a basis of design report for the potential future treatment of Per- and poly-fluoroalkyl substances (PFAS) and Total Dissolved Solids (TDS) as part of the planning process. Note that these optional items are to be funded by Zone 7 at this time, and not Pleasanton. The estimated cost share is \$1,449,947 for Zone 7 and \$1,283,231 for Pleasanton.
- Staff recommends that the Board authorize the General Manager to enter into a contract with Nor-Cal Pump & Well Drilling, Inc. for an amount not to exceed \$1,540,958, including a 10% contingency, and to negotiate and execute a contract with LSCE for an amount not to exceed \$1,192,220, including a 10% contingency.
- When complete, the test wells can be repurposed as monitoring wells to continue implementing the PFAS monitoring program. If based on the feasibility study's findings, Zone 7 and/or Pleasanton choose to develop production wells, the development of production wells would be new capital improvement projects. The typical process includes design, bidding and public works construction contracting. This process typically takes one to three years, and staff will follow the standard procedure to seek the Board's prior approval.

**FUNDING:**

The total cost, including 10% contingency for both the drilling contract and consulting contract, is \$2,733,178. \$1.8 million of funding is available in the FY 2024-26 Adopted Budget from Fund 120 – Water Renewal/Replacement and System-wide Improvements and Fund 130 – Water Enterprise Expansion. An additional appropriation of \$933,178 in the Fiscal Year 2024-25 budget from Fund 120 and Fund 130 is requested to complete the project.

**RECOMMENDED ACTION:**

Adopt the attached Resolutions.

**ATTACHMENTS:**

Resolution for Drilling Contract  
Resolution for Consulting Services Contract

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

RESOLUTION NO.

INTRODUCED BY  
SECONDED BY

**Award a Contract to Nor-Cal Pump & Well Drilling, Inc. for the Joint Regional Groundwater Facilities Project (Project No. 308-24)**

WHEREAS, in support of Zone 7 Water Agency's (Zone 7's) mission to deliver safe, reliable, efficient, and sustainable Water, Zone 7 is partnering with the City of Pleasanton (City) on a Joint Regional Groundwater Facilities Project (Project), which supports Strategic Goal A – Reliable Water Supply and Infrastructure and is to implement Strategic Plan Initiative #2 – Evaluate and develop appropriate new water supply and reliability opportunities; and

WHEREAS, a feasibility study (Project Phase I) is necessary to evaluate the feasibility of the project, including costs for each party, groundwater sustainability, potential impacts on basin storage, water quality, and the known PFAS plume, so that a well-informed decision can be made on whether to proceed with planning, design, and construction to install additional water supply wells in the Bernal Subbasin; and

WHEREAS, Zone 7 and the City of Pleasanton entered into the "Agreement between Zone 7 Water Agency and the City of Pleasanton for the Regional Groundwater Facilities Project – Phase I" on August 8, 2024, and

WHEREAS, up to three test wells will be constructed and tested by a drilling contractor retained by Zone 7 through a public bid process; and

WHEREAS, in accordance with the Agency Purchasing Policy, a Request for Bid (Project No. 308-24) was advertised on July 30, 2024, to solicit bids for up to three test well constructions. Of the five bids received, the bid from Nor-Cal Pump & Well Drilling, Inc. was deemed the lowest, responsive, responsible, and qualified bid.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District hereby authorizes the General Manager to negotiate, execute, and amend the Agreement between Zone 7 Water Agency and Nor-Cal Pump & Well Drilling, Inc. with a combined not-to-exceed contract amount of \$1,541,000.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on October 16, 2024.

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

ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY

SECONDED BY

**Award of Contract to Luhdorff & Scalmanini Consulting Engineers, Inc. for Regional Groundwater Facilities Project-Phase I Consulting Services (Project No. 2025-12)**

WHEREAS, in support of Zone 7 Water Agency's (Zone 7's) mission to deliver safe, reliable, efficient, and sustainable Water, Zone 7 is partnering with the City of Pleasanton (City) on a Joint Regional Groundwater Facilities Project, which supports Strategic Goal A – Reliable Water Supply and Infrastructure and is to implement Strategic Plan Initiative #2 – Evaluate and develop appropriate new water supply and reliability opportunities; and

WHEREAS, a feasibility study (Project Phase I) is necessary to evaluate feasibility of the project including costs for each party, groundwater sustainability, potential impacts on basin storage, water quality, and the known PFAS plume, so that a well-informed decision can be made on whether to proceed with planning, design, and construction to install additional water supply wells in the Bernal Subbasin; and

WHEREAS, Zone 7 and the City of Pleasanton entered into the "Agreement between Zone 7 Water Agency and the City of Pleasanton for the Regional Groundwater Facilities Project – Phase I" on August 8, 2024, and

WHEREAS, consulting services are necessary to oversee the test well drilling, evaluate the feasibility of a Joint Regional Groundwater Facilities Project and prepare a basis of design report; and

WHEREAS, in accordance with Zone 7's Purchasing Policy, a competitive process was completed to select consulting firms to provide consulting services for the Regional Groundwater Facilities Project-Phase I. A Request for Proposals was issued on August 14, 2024, and five qualified proposals were received by the deadline, and

WHEREAS, upon review of the proposal, the selection committee determined that the Luhdorff & Scalmanini Consulting Engineers, Inc is the best qualified firm to provide the requested services based on the evaluation criteria.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District hereby authorizes the General Manager to negotiate and execute a professional services contract with Luhdorff & Scalmanini Consulting Engineers, Inc. to complete the Regional Groundwater Facilities Project-Phase I in an amount not-to-exceed \$1,192,220 including 10% contingency.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on October 16, 2024.

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

ZONE 7 BOARD OF DIRECTORS  
SUMMARY NOTES OF THE FINANCE COMMITTEE

September 12, 2024  
11:00 a.m.

Directors Present: Dawn Benson  
Catherine Brown  
Kathy Narum

Staff Present: Valerie Pryor, General Manager  
Chris Hentz, Assistant General Manager – Engineering  
Osborn Solitei, Treasurer/Assistant General Manager - Finance  
Lizzie Foss, Financial Analyst  
JaVia Green, Financial Analyst  
Donna Fabian, Executive Assistant

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1. Call Meeting to Order

Director Narum called the meeting to order at 11:02 a.m.

2. Public Comment on Items Not on the Agenda

There were no public comments.

Valerie Pryor, General Manager, announced that Zone 7 has received a letter today confirming it has been awarded the Government Finance Officers Association Distinguished Budget Presentation Award for the eighth consecutive year. She extended kudos to Osborn Solitei and his staff for their efforts. The letter also included special recognition for Zone 7's long-range operating financial plan.

3. Calendar Year 2025 Preliminary Untreated Water Rate

Lizzie Foss, Financial Analyst, presented the calendar year 2025 preliminary untreated water rate. The proposed rate is \$281 per acre-foot, which includes a base rate of \$239 and a reconciliation charge of \$42 per acre-foot. This calculation complies with board policy guidelines and reflects financial sufficiency for the untreated water program. The increase of the calendar year 2025 rate is primarily due to higher water supply costs, which represent 88% of the total rate. The water supply costs have risen approximately \$700,000 based on a five-year historical average. Water service costs account for 8%, covering administrative functions such as managing the State Water Project, while overhead, at 4%, encompasses ongoing operational expenses. The recommended action is to discuss the proposed rate and forward it to the Board for adoption at the October 16, 2024, Board meeting, with the new rate effective January 1, 2025.

Public comment was received from Mark Triska, Ken Wong, Charles Crohare, Brandi Lombardi and Alan Burnham.

Director Narum expressed concern over the steep increase in the proposed calendar year 2025 untreated water rate and suggested maintaining the current rate of \$263 per acre-foot, instead of increasing it to \$281. Her proposal involves deferring \$18 of the scheduled reconciliation charge to a future year, keeping the untreated rate flat for 2025. This would provide temporary relief to customers while maintaining the five-year collection schedule. Director Narum referenced Board policy, which allows flexibility in phasing in the reconciliation charge to minimize customer impacts and emphasized the ability to revisit rates annually to adjust as necessary.

Osborn Solitei, Treasurer/Assistant General Manager – Finance, clarified that under Director Narum's proposal, the agency would collect \$24 for the reconciliation charge in 2025 instead of the planned \$42. Director Narum reiterated that the goal was to reassess next year. They both agreed that revisiting the rates annually provides flexibility, with the possibility of adjustments depending on water costs and reconciliation outcomes in the following year.

Director Brown asked how much the recent increases in the untreated water rate are influenced by factors such as increased water usage. Mr. Solitei explained that the calculated rate is primarily based on water supply costs, which constitute 88% of the rate, as well as overhead and labor. The current rate of \$239 per acre-foot is designed to cover these costs, but the \$1.1 million deficit from prior years requires an additional reconciliation charge.

Director Narum requested to see slide six to show the water cost breakdown, emphasizing the document provides a thorough explanation of the calculations and assumptions. Director Brown followed up by asking if water service costs might rise in future years. Mr. Solitei acknowledged that costs could fluctuate, but the agency uses a five-year average to smooth out volatility caused by varying water conditions, such as extremely dry years, to create more stable rates.

Valerie Pryor, General Manager, explained that the bulk of the untreated water rate is driven by water supply costs, as outlined on page 13 of the water rate study. She noted that the agency's ability to make all water deliveries during recent droughts, unlike other areas, led to higher costs due to the need to purchase expensive water during dry years. To reduce volatility, the agency now averages costs over five years, capturing wet, dry, and average years to stabilize rates. This approach balances the fluctuating expenses associated with water storage in wet years and water purchases in dry years.

Mr. Solitei reiterated that maintaining current rates would allow the agency to reassess the situation next year. Director Narum confirmed her proposal to defer the \$18 increase to the fifth year of the rate schedule, effectively resetting the timeline. Director Narum also expressed interest in exploring a potential agricultural water pricing policy, similar to one used by Valley Water.

The Committee agreed to maintain the 2025 rate at \$263 per acre-foot and present this recommendation to the full Board for approval.



#### 4. Proposed Municipal & Industrial Water Connection Fees for Calendar Year 2025

JaVia Green, Financial Analyst, presented the proposed Municipal and Industrial Water Connection Fees for Calendar Year 2025. Ms. Green provided background on the Connection Fee Program, established in 1972 to fund projects related to service area growth. Developers pay these fees, and per Board policy, they are updated annually based on the Engineering News Record Construction Cost Index (CCI) to account for inflation. The last comprehensive evaluation of the program was conducted in 2016-17, with another update planned for completion by 2025.

Ms. Green explained that the proposed 2025 fees would be adjusted by 1.1% based on the change in the Engineering News Record Construction Cost Index from September 2023 to September 2024. This would increase the fee for a standard 5/8 inch meter from \$34,530 to \$34,910 for the Alameda County Service Area and from \$33,130 to \$33,490 for the Dougherty Valley Service Area. Although the Dougherty Valley is nearly built out, a fee is still set as a matter of course.

The Committee agreed to bring this recommendation to the full Board for adoption at the October meeting.

#### 5. FY 2023-24 Unaudited Fourth Quarter Revenue and Expenditure Report

Ms. Green presented the unaudited fourth-quarter revenue and expenditure report for fiscal year 2023-2024, covering all four quarters. The unaudited actuals will be confirmed as part of the Comprehensive Annual Financial Report in December. Ms. Green highlighted key accomplishments for the fiscal year, including a \$250,000 Board-approved contribution to the pension trust fund. Water sales, a major revenue source, totaled 39,630 acre-feet, slightly below the budgeted 41,000 acre-feet, reflecting a 3% variance. Additionally, 8,000 acre-feet of water transfers were sold to the Westside Water District, not included in the budget projections.

The agency experienced a 70% decline in water connection fee revenue since 2018-2019, collecting \$12 million from 354 connections. The agency was awarded a \$16 million Sustainable Groundwater Management Act grant for the Stoneridge PFAS project, with funds expected in the current fiscal year. Ms. Green reviewed unrestricted and restricted fund categories, emphasizing that unrestricted funds are guided by Board policy, including Funds 100 and 120. Revenue slightly exceeded the budget, although water sales were \$630,000 less, offset by the additional water transfer sales. Interest earnings exceeded budget due to favorable market conditions, while expenses were \$3.5 million below budget due to reduced imported water expenses and lower-than-anticipated professional services costs. The agency did not transfer water to Cawelo as budgeted due to storm-related infrastructure damage.

Capital funding from Fund 100 to Fund 120 was also under budget, as inflation was only 0.1%, versus the anticipated 6%. As a result, the agency expects a \$3.9 million unallocated fund balance, of which \$1.5 million will be used for the fiscal year 2024-2026 budget. Director Narum inquired about the remaining \$2.4 million, to which Mr. Solitei, responded that these funds are typically used to offset rate increases or fund the pension trust. Additionally, Ms.

Green explained that restricted funds, including Funds 110, 130, 200, and 210, have limitations and are funded primarily through property taxes and development fees.

Fund 110, which supports the State Water Project, saw property tax revenues and interest earnings exceed budget, and year-end reserves surpassed maximum target levels. Director Narum expressed concern about exceeding reserve policy limits and requested a review of the maximum reserve policy for Fund 110. Mr. Solitei stated the reserve policy will be reviewed soon and discussed with the Finance Committee. Fund 130, the Water Enterprise Capital Expansion Fund, saw revenue from connection fees fall short by \$14 million, highlighting the importance of the ongoing Raftelis connection fee study. Fund 200, the Flood Protection Operations Fund, came in under budget due to multi-year projects like storm repairs. Fund 210, the Flood Protection Development Impact Fee Fund, also experienced lower-than-budgeted revenue but remains compliant with Board policy.

Director Narum concluded by requesting the Board revise the maximum reserve policy for Fund 110. The Committee agreed to forward the staff report to the full Board.

## 6. Adjournment

Director Narum adjourned the meeting at 12:22 p.m.

**October 2024 Board report by Director Palmer**

**Sept 16-ACWA City County Nexus Subcommittee**

Housing densification a major issue w water / sewage service and development/connection fees.

SB 937 on the governor's desk as of early September to be signed or vetoed by Sept 30 and if not vetoed or signed it comes into play.

Issue: ADUs and whether or not there are separate hookups. Upfront or final certificate of occupancy fee collection? Capacity, incremental capital improvements, restricted funds? Need an accounting mechanism. Latest and recent amendments to SB 937 muddy the waters.

Connection and Capacity fees are not Developer fees.

Suggestions for committee:

Speakers for Local Government Committee in the Spring ACWA Conference?

Watch for other articles or issues on ADU's

See housing densification page linked from ACWA Local Gov Committee (you must be signed in as ACWA Member)

**Sept 18 - ACSDA (Alameda County Special Districts Association)**

The Special Districts meeting took place at the Castro Valley Sanitation District. A Presentation was given on Nitrification of the San Francisco Bay, particularly with Nitrogen, especially in light of the HABs bloom last year. Workplans 1,2 are implemented and 3 will come online soon. Several billions will be required to get the multiple wastewater treatment plants able to remove Nitrogen

Another presentation on trash and recycling.

**September 24**

**EPA Webinar on PFAS**

1:00 p.m. – 1:30 p.m.	PFAS National Primary Drinking Water Regulation: Initial Monitoring Requirements and EPA-State Implementation Workgroup	James Hogan, EPA Office of Water
1:30 p.m. – 2:00 p.m.	EPA Drinking Water PFAS Analytical Methods and the PFAS National Primary Drinking Water Regulation	Will Adams EPA Office of Water
2:00 p.m. – 2:30 p.m.	Implementing a Proactive PFAS Program Using "Emerging Contaminants in Small or Disadvantaged Communities" Grant Funding	Sara Konrad Arizona Department of Environmental Quality
2:30 p.m.	30-Minute Break	
3:00 p.m. – 3:30 p.m.	ET Broad-Spectrum PFAS Study to Characterize the Class of PFAS in California	Erica Kalve California State Water Resources Control Board
3:30 p.m. – 4:00 p.m.	Communicating Risks and Engaging Communities on PFAS	Alycia Overbo Minnesota Department of Health

## PFAS Dates:

June 25, 2024, regulations become effective, and analytic requirements are to be met  
April 26, 2027, monitoring requirements compliance, record keeping, etc. are in play  
MCL's enforced in 2029

- Beginning April 26, 2027, CWSs and NTNCWSs will start ongoing compliance monitoring
- If all reported sample concentrations were below all trigger levels, then a primacy agency may allow compliance monitoring on a triennial schedule
- If any PFAS monitoring result meets or exceeds a trigger level that sampling point is not eligible for triennial monitoring and the water system must monitor quarterly at the start of the ongoing compliance monitoring period

Analytics: Method 533 and 537.1 v2 are the only approved testing methods. The presentation went into detail in terms of equipment and sampling methodology. for Technical Q's contact [adams.william@epa.gov](mailto:adams.william@epa.gov)

To remind us:

Chemical	Maximum Contaminant Level Goal	Maximum Contaminant Level
PFOA	0	4.0 parts per trillion (ppt)
PFOS	0	4.0 ppt
PFNA	10 ppt	10 ppt
PFHxS	10 ppt	10 ppt
HFPO-DA	10 ppt	10 ppt
Mixture of two or more of PFHxS, PFNA, HFPO-DA, and PFBS	HI of 1 unitless	HI of 1 unitless

Hazard Index: HI considers the combined toxicity of PFNA, GenX Chemicals, PFHxS, and PFBS in drinking water.

Arizona Update (Sara Konrad)Arizona Dept. of Engineering Quality (ADEQ)  
extensive hydrological studies  
training sessions  
outreach including Disadvantaged Communities  
see: [rb.gv/vfpzvp](http://rb.gv/vfpzvp) for PFAS 101 Workshop (not highly tech)and a very engineering technical PFAS Drinking Water Treatment presentation

California Report:

Erica Kalve of SWRCB: Review of extensive studies on analyte methodology.

## 2023 PFAS Broad Spectrum Method Selection

### Preferred and Selected

- **AOF-CIC** (modeled after 1621 extract)
  - Inorganic fluorine not recovered
  - Targeted PFAS, sulfonamides, semi-volatile PFAS, and cationic PFAS recovered
  - 85% average detection frequency
- **DoD QSM extract** best performance for HRMS for target PFAS, ultrashort PFAS, sulfonamides, and NTA
- **IC-MS/MS** effective at recovering many ultrashort PFAS

### Not Preferred

- **EOF-CIC** (modeled after 533 extract)
  - Inorganic fluorine recovered
  - Sulfonamides and semi-volatile poorly recovered; inconsistent recovery of cationic PFAS
  - 15% average detection frequency
- **533 extract** poor performance for HRMS did not recover ultrashort PFAS and sulfonamides

533 had poor performance for HRMS and poor for ultra-short PFAS and sulfonamides  
Sampling done throughout California, will target more DAC's in near future  
California using a risk based format for targeting monitoring

<https://www.epa.gov/sdwa/and-polyfluoroalkyl-substances-pfas>

### Oct 3-4: H2O Women Conference

We had a gathering of women addressing water issues from across the country.

Panels:

#### **Innovative Water Technologies: Shaping the Future of Sustainable Water Management**

This included addressing climate change and ensuring water equity for remote areas.

#### **Investment in Water: Show Me the Money!**

water asset management, private equity, and market based solutions

#### **The Woods-Water Connection**

Forest and watershed management including the latest research on wildfires, water quality, carbon sequestration, and supporting rural economies.

#### **The Blue Bottom Line: Corporate Strategies for Water Sustainability**

Challenges facing corporations in water-stressed regions and water intensive technologies.  
Emerging trends and water based stewardship for corporations

#### **From Conflict to Collaboration: Groundwater Adjudication and Sustainability in the Post- SGMA World**

Implementation of the Sustainable Groundwater Management Act With strategies for achieving Groundwater sustainability through comprehensive adjudication. Lots of controversy!

## **Tribal Water Rights**

Some of these issues were a true eye-opener for me if not outright shocking. With over 400 tribes in the continental US, only about 40 have real water rights. Addressed why tribes want to settle their water rights and gave a history of tribes and water rights in the US.

## **Facing Water Restrictions and Our Climate Crisis Head On: Challenges and Opportunities in Repurposing Farmland**

Regulatory impacts, challenges of taking farmland out of production, development of multi-purpose land management, habitat and flood water management, climate resilience.

## **Water Storage: Major Challenges in Store**

Shaping and navigating local, state, and federal water storage policies. Addressed Managed aquifer recharge and nature-based approaches. Issues of "hydrologic whiplash" in California. Costs of environmental and regulatory compliance.

## **Other meetings I have attended:**

**9/19** ACWA Board Workshop: working on finalizing Strategic Plan

**9/20** ACWA Board of Directors meeting

**9/23** ACWA CESA (California Endangered Species Act) Streamlining Workshop

**9/26** Zone 7 Legislative Committee Meeting

**10/08** ACWA Paving Standards workshop: This is to develop potential guidelines to help standardized paving standards when water or wastewater agencies need to take up pavement and replace when done.

**10/08** Zone 7 Water Resources Committee

**ORIGINATING SECTION:** Administration  
**CONTACT:** Valerie Pryor

**AGENDA DATE:** October 16, 2024

**SUBJECT:** General Manager's Report

**SUMMARY:**

The following highlights a few of the key activities that occurred last month. Also attached is a list of the General Manager (GM) contracts executed during September.

**Engineering and Water Quality:**

**PFAS Monitoring:** The third-quarter PFAS sample results have been received. All delivered water PFAS concentrations and quarterly running annual average values were below the applicable State response levels and the new federal maximum contaminant levels (MCLs). Although Zone 7 is not required to comply with the new federal PFAS MCLs until April 2029, we have voluntarily made operational changes to meet these levels ahead of schedule, demonstrating our commitment to providing a safe and reliable high-quality water supply to our customers. The [quarterly PFAS monitoring summary report](#) is available on Zone 7's PFAS Information webpage at [www.zone7water.com/pfas](http://www.zone7water.com/pfas).

**Chain of Lakes (COL) Wells PFAS Treatment Facility Project:** The contractor completed construction of the concrete foundation, underground storm drainage, and underground electrical duct banks. The contractor continues to experience delays in the fabrication and procurement of the underground piping and vessel system. Underground piping work is underway, within the tie-in to the transmission system tentatively scheduled for October. Installation of the vessel system is tentatively scheduled between October and November. The project is anticipated to be completed in January/February 2025.

**Wells and Mocho Groundwater Demineralization Plant (MGDP) Electrical Systems Replacement/Upgrades Project:** Installation of the seven motor protection relays at MGDP is planned for October. The contractor has received new electrical equipment for Stoneridge Well and Mocho Wells 3 and 4 and anticipates receiving equipment for Hopyard Wells 6 and 9 in October. Installation will be scheduled during the low-demand season.

**Asset Management Plan (AMP) Update and Ten-Year Capital Improvement Plan (CIP):** The consultant completed the condition assessment of above-ground assets and the below-ground asset risk analysis for Zone 7's pipelines. Associated workshops were held to discuss the results with staff, and draft technical memoranda has been provided for staff

review. Development of potential capital projects based on the assessments and staff interviews is in progress. Staff anticipates presenting the draft AMP Update and Ten-Year CIP at a special Board meeting in February 2025, with the final versions presented for adoption at the March 2025 regular Board meeting.

### **Integrated Water Resources:**

The State Water Project (SWP) allocation remains at 40%. August's treated water supply comprised 82% surface water and 18% groundwater.

Staff continues to track the demand conditions. In September 2024, Zone 7's treated water production volume was 1% higher than in September 2023. This year's treated production and untreated deliveries from January through September are approximately 11% lower compared to the same period in 2020.

**Delta Conveyance Project (DCP):** The Department of Water Resources (DWR) continues to work toward obtaining permits for the construction and operation of the DCP. On September 27, DWR posted its draft certification of consistency for the 2024-2026 DCP Geotech Activities in compliance with the Delta Reform Act. Formal submission to the Delta Stewardship Council is expected in October. The Change in Point of Diversion (CPOD) pre-hearing process is underway, with the next pre-hearing scheduled for October 17. The public CPOD hearing will start on January 16, 2025, and the CPOD will amend DWR's water rights to include the two proposed DCP intakes. Several participating water agencies have authorized additional funding for the DCP for planning and other pre-construction work in 2026 and 2027. Board packets for both the DCA and the DCFA can be found at: <https://www.dcdca.org/meetings/>.

**Los Vaqueros Reservoir Expansion (LVE):** At its September 18 meeting, the Contra Costa Water District (CCWD) Board of Directors received a presentation on the LVE project, which covered a reduction in project benefits, unresolved issues, and the status of member agency business cases. The CCWD Board discussed the project risks and challenges and stated that they want to consider withdrawing from the project. CCWD staff was directed to prepare a plan for CCWD's withdrawal from the project. The Los Vaqueros Reservoir JPA is working to wind down the project.

**Sites Reservoir:** The Sites Reservoir Committee and Authority Board met on September 20. The Authority Board authorized the submittal of a reservoir construction application and fee to the Division of Safety of Dams. Discussions focused on transitioning to the next project phase after Phase 2 concludes. Ensuring full subscription is critical, and participants have been asked to disclose their storage capacity interest early if they are considering reducing it. On September 20, 2024, the Third District Court of Appeal [released an opinion](#) upholding the decision by the Superior Court of Yolo County in the *Friends of the River v. Sites Project Authority* case. Both the Superior Court and the Court of Appeal ruled in favor of the Sites Project Authority on all claims asserted by the environmental organizations challenging the



sufficiency of the Final Environmental Impact Report (EIR), concluding that the Authority fully complied with the California Environmental Quality Act (CEQA) in its review of the project.

### **Operations and Maintenance:**

Staff worked on several projects, including post-project work for the Patterson Pass Water Treatment Plant (PPWTP) Expansion and Ozonation Project, the Mocho Groundwater Demineralization Plant Concentrate Conditioning project, and the Chain of Lakes PFAs Treatment Facility Project.

A three-day workflow workshop was held as part of the CMMS implementation project, with staff from maintenance, operations and engineering in attendance.

### **Administration:**

Fitch Ratings reaffirmed Zone 7's bond rating at 'AA+' with a positive outlook. Fitch noted Zone 7's exceptionally low leverage within the framework of strong revenue defensibility and strong operating risk profiles. The positive outlook reflects Fitch's expectation that additional debt will be issued over the next five years, though leverage will likely remain low. Fitch also removed Zone 7's possible participation in the Los Vaqueros Reservoir Expansion project from its analysis, as the project is not proceeding. Fitch noted Zone 7 continues to review and participate in several water supply reliability projects with the goal of diversifying supply and storage, including the Sites Reservoir project.

Zone 7 released a new PFAS video, which provides a timeline of all the actions Zone 7 has taken to protect the public from PFAS chemicals. The video can be viewed at:

<https://www.youtube.com/watch?v=OUXYH14E5VE>

This year, Zone 7 will host an in-person [Flood Preparedness Open House](#) on Saturday, October 19, from 10:00 a.m. to 2:00 p.m. Participants will learn essential tips and strategies to protect their home and family during floods, explore interactive exhibits, engage with experts, and discover how Zone 7 is safeguarding the community against potential flood risks. The event will feature sandbags, emergency preparedness tips, and information about Zone 7's flood management efforts.

## Monthly List of GM Contracts

<u>Contracts</u>	<u>Amount</u>	<u>Purpose</u>
Bay Area Coating Consultants, Inc.	\$50,000	Coating inspection, testing, and consulting services
<b>Total September 2024</b>	<b>\$50,000</b>	

**ORIGINATING SECTION:** Office of the General Manager  
**CONTACT:** Alexandra Bradley

**AGENDA DATE:** October 16, 2024

**SUBJECT:** September Outreach Activities

**SUMMARY:**

To deliver on the Agency's 2020-2024 Strategic Plan Goal F which strives to engage our stakeholders to foster mutual understanding, staff implements and oversees a multi-faceted outreach and communications program to connect with and engage stakeholders. Through an open and transparent approach, the Agency seeks to deliver effective customer-centric communications, reaching constituents where, when, and how they prefer. Effective communication builds confidence, trust, and awareness among constituents, increases participation to help with effective decision-making, and helps strengthen Zone 7's commitment to its mission and vision. This monthly staff report provides timely updates on progress towards meeting the goal of engaging our stakeholders.

**Communications Plan Updates**

**Outreach:**

Staff coordinated the monthly communications meeting with the retailers. Currently focus is on outreach for the annual Water Conservation Art Contest in progress and the theme for this year is "Habitat Heroes: Transforming Lawns into Vibrant Native Gardens" which is aimed at getting students to think about the impact of replacing lawns with native plants that promote healthy habitats within our urban areas. Interested parties can learn more at [www.zone7water.com/artcontest](http://www.zone7water.com/artcontest).

Staff released a new PFAS video which provides a timeline of all the actions Zone 7 has taken to protect the public from PFAS chemicals. View the video on our [YouTube channel here](#).

Staff is gearing up to host the annual Flood Preparedness Open House on Saturday, October 19. This event will provide an educational yet engaging experience for attendees of all ages, featuring interactive stations designed to inform the public about flood prevention and preparedness, while offering family-friendly activities and incentives for participation.

**Key Highlights:**

**Flood Safety Education:** Attendees will learn valuable tips to protect their homes and families, with flood experts available for questions and discussion.

City Collaboration: Representatives from Livermore and Pleasanton will be present to provide information on local services and flood prevention in their service areas.

Watershed Education: Alameda County Resource Conservation District representatives will promote Living Arroyos Program volunteer opportunities aimed at maintaining a healthy watershed, and East Bay Regional Park District naturalists will bring live tarantulas native to the area to provide education on local wildlife and share best practices for trail safety.

Interactive Learning: The Water Academy will present hands-on activities, including a floodplain model, groundwater experiments, and water conservation education for children and families.

Equipment Displays: Zone 7's work trucks and the Livermore-Pleasanton Fire Department's engine will be showcased for educational demonstrations.

Family Engagement: Children can participate in a safe trick-or-treat experience, and attendees will have the chance to win prizes through participation in educational activities.

Emergency Preparedness: Safety tips will be provided by the Livermore Police Department, and the Livermore-Pleasanton Fire Department will provide information on the Community Emergency Response Team (CERT) training program.

The collaborative community event aims to combine community education with family entertainment, fostering awareness of critical water and flood safety issues. Guests can RSVP in advance or find out more at our [Eventbrite link](#).

## **Outreach Program Updates**

### **Schools' Program:**

September was a busy month with 52 classes taught. Ms. Riley is now teaching all the elementary school lessons. Ms. Wilkins has updated the middle school lessons and will begin teaching those lessons in October while a replacement teacher is hired for the vacancy.

Representatives from Alameda County Water District and Dublin San Ramon Services District observed several lessons to learn more about our programs and how to better their agency programs. Both agencies were impressed with the caliber of educational programming and wide reach Zone 7's Water Academy provides in the service area.

### **In-Person Events:**

Rancho Las Positas Elementary School Family Science Night, Thursday, September 12, 2024, 5:30pm-7:30pm at Rancho Las Positas Elementary School in Livermore. Zone 7 was asked to attend this family focused event at Rancho Elementary. A steady stream of students and their parents learned about our watershed by interacting with our floodplain model. They received information about our schools' program as well as rebates and giveaways.

Splatter, Saturday, September 14, 2024, 12:00pm-9:00pm at Emerald Glen Park, 4120 Central Parkway in Dublin, California. Zone 7 Water once again ran a booth at the City of Dublin's popular event. Festival goers received information pamphlets and Zone 7 giveaways. Activities included a seed packet activity for kids designed to help people focus on water facts and conservation. Approximately 400 people spent time at the booth.

Dublin Farmers' Market, Thursday, September 26, 2024, 4:00pm-8:00pm at Emerald Glen Park, Dublin. Zone 7 hosted a booth to encourage discussions about ways to save water in and out of the house. Approximately 100 attendees came by for rebates and giveaways, including plate scrapers to reduce water usage in the kitchen. Children enjoyed making pots from newspaper and planting seeds in them.

Rotary Chili Cook Off, Saturday, October 5, 2024, 11:00am-4:00pm at Carnegie Park at 2144 Third Street, Livermore. Zone 7 will host a booth again at the Chili Cook-off. We look forward to representing Zone 7 and engaging with the public on topics of water importance and conservation inside and outside of the home.

Livermore Farmers' Market, Thursday, October 10, 2024, 4:00pm-8:00pm, Carnegie Town Square in Livermore. Zone 7 will host a booth to encourage discussions about ways to save water in and out of the house. Rebates and giveaways, including our buckets for collecting shower water while waiting for the water to warm up, and plate scrapers to reduce water usage in the kitchen, will be available.

Lawn to Garden Party, Saturday, October 26, 2024, 10:00am-12:30pm at 3602 Glacier Court, North Pleasanton. Zone 7 is partnering with StopWaste and the City of Pleasanton to transform a resident's lawn into a water-wise garden. This is a hands-on experience demonstrating removal of a lawn using the sheet mulching method. Bay-Friendly Qualified Landscape and sheet mulch educators will be on hand as guides and the homeowner will share their lawn conversion story. Participants will also learn about current rebates offered, Bay Friendly gardening techniques, and how to get started on their own lawn conversions.

Smith Elementary School Family Science Night, Smith Elementary School, Livermore, Friday, November 15, 2024, from 5:00pm-8:00pm. Zone 7 has been asked to participate in Smith Elementary's interactive family science night.

Dublin Elementary School Family Science Night, Dublin Elementary School, Dublin, Wednesday, December 4, 2024, from 5:30pm-8:00pm. Zone 7 has been asked to participate in this newly imagined family science night.





Please visit [www.zone7water.com/calendar](http://www.zone7water.com/calendar) for the most up-to-date schedule of public events.

#### **ATTACHMENTS:**

September Social Media Dashboard  
September Analytics Dashboard for Zone7Water.com  
Quarterly Analytics Dashboard for TriValleyWater.org  
Quarterly Analytics Dashboard for Zone 7 Annual Report

# Social Media Insights

01 Sep 24 - 30 Sep 24

-  Zone 7 Water Agency
-  Zone 7 Water Agency
-  Zone 7 Official
-  Zone 7 Water Agency

# Followers

## Zone 7 Water Agency

2,019

+16.64%



1,160

+0.26%

Facebook

575

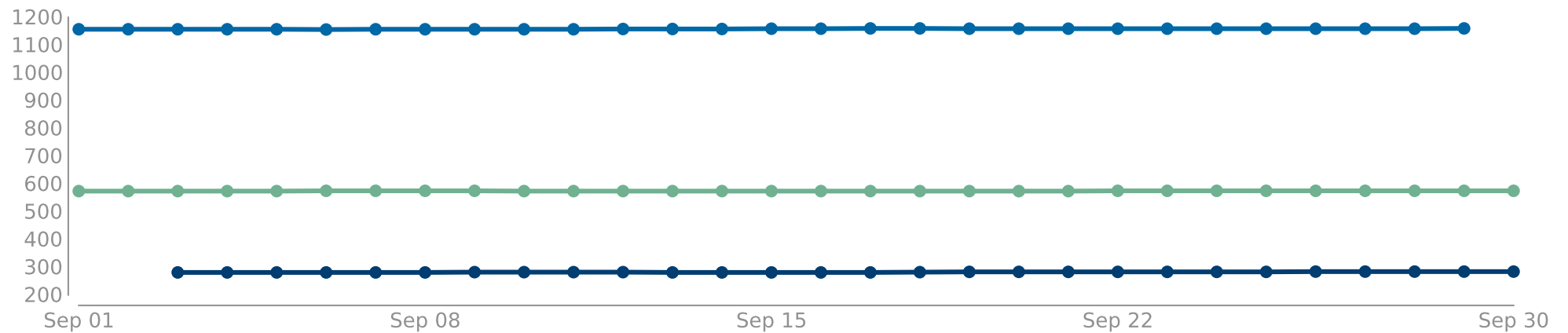
+0.17%

LinkedIn

284

-

YouTube



# Impressions

Zone 7 Water Agency

60.73K

-51.12%



52.41K

-52.84%

Facebook

531

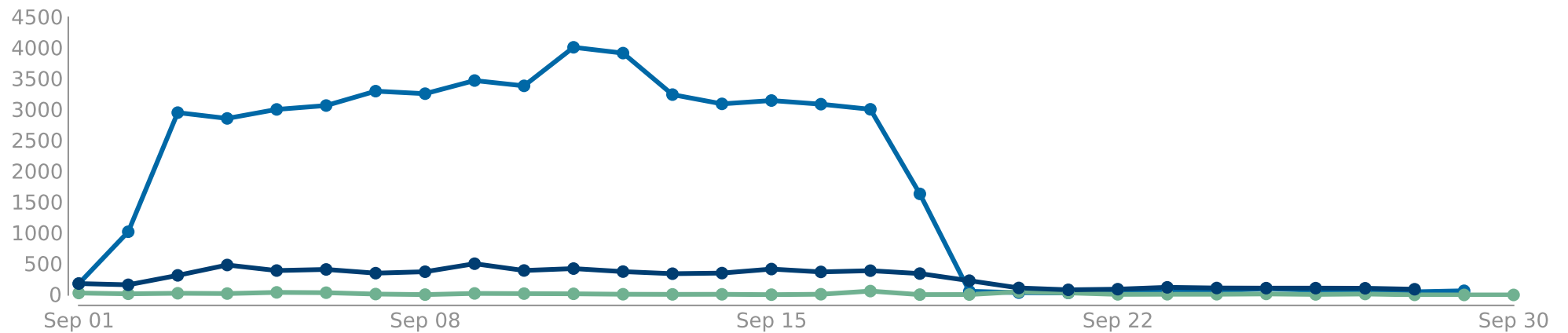
-62.15%

LinkedIn

7,798

-33.49%

YouTube



Sep 01 - Sep 30





# Post interactions

Zone 7 Water Agency

86

-86.37%



76

-86.87%

Facebook

-

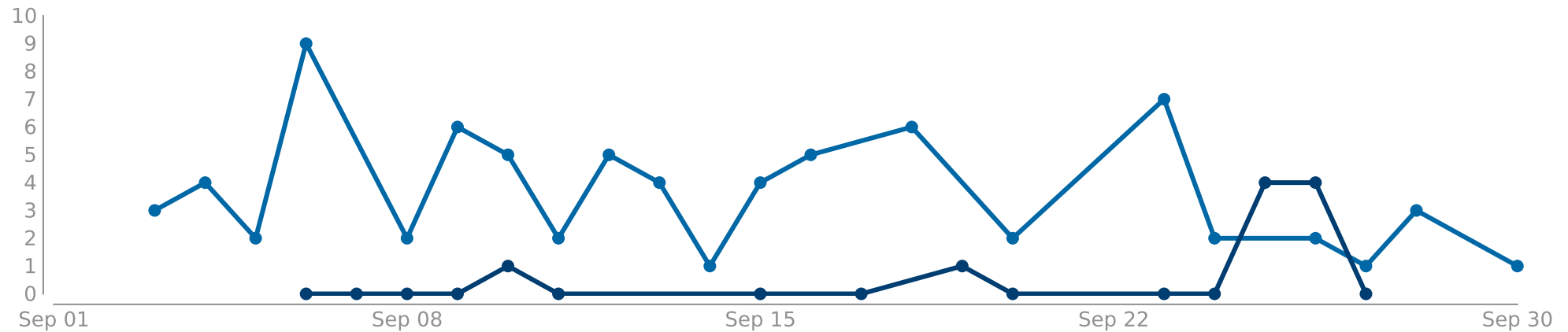
-

LinkedIn

10

-

YouTube



# Posts

## Zone 7 Water Agency

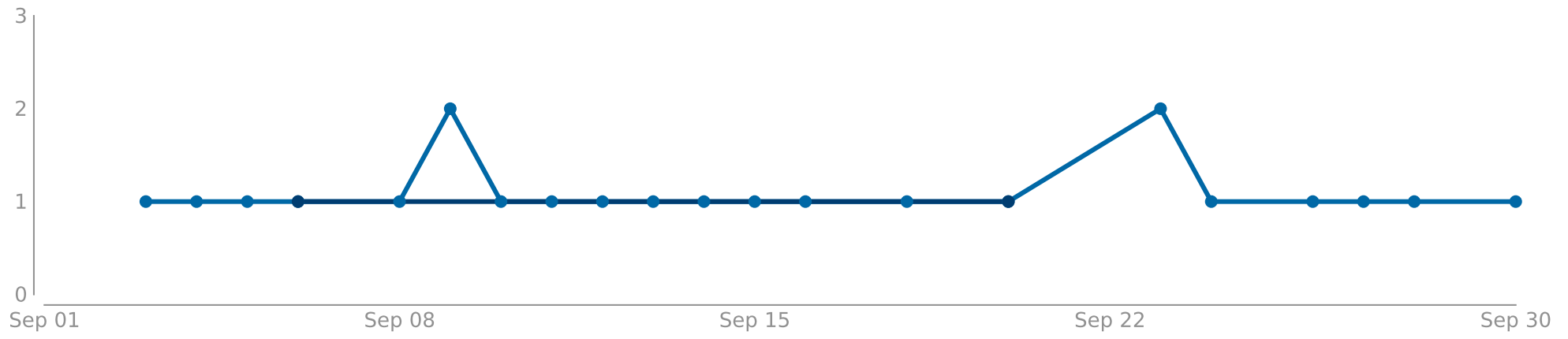
25  
+19.05%



23  
+15%  
Facebook

-  
-  
LinkedIn













2  
-  
YouTube



















# Ranking of posts













## Zone 7 Water Agency

Showing 20 posts sorted by Impressions

Date	Text	Network	Impressions	Interactions
Sep 10, 2024 09:15 PM	 Teachers! We have an exciting announcement! We ...	<a href="#">Go</a> 	98	5
Sep 16, 2024 08:02 PM	 Are you interested in making a difference and h...	<a href="#">Go</a> 	80	5
Sep 12, 2024 08:30 PM	 Don't forget to RSVP in advance for our Flood S...	<a href="#">Go</a> 	77	5
Sep 04, 2024 10:45 PM	 Save the date! We're kicking off flood prepared...	<a href="#">Go</a> 	73	4
Sep 08, 2024 08:45 PM	 Teachers! Don't forget to sign your class or gr...	<a href="#">Go</a> 	71	2
Sep 18, 2024 07:30 PM	 It's #WorldWaterMonitoringDay! #CAWater is as p...	<a href="#">Go</a> 	68	6

Date	Image	Text	Network	Impressions	Interactions
Sep 13, 2024 08:01 PM		Zone 7 Water Agency, Purchasing has partnered w...	<a href="#">Go</a> 	68	4
Sep 15, 2024 08:01 PM		Our regular monthly board meeting will be Wedne...	<a href="#">Go</a> 	63	4
Sep 06, 2024 06:33 PM		How are you celebrating the 40th Anniversary of...	<a href="#">Go</a> 	63	9
Sep 26, 2024 07:01 PM		Mark your calendars ! Zone 7 will be hosting ...	<a href="#">Go</a> 	59	2
Sep 24, 2024 07:02 PM		There is still time to earn a Bonus Point in ou...	<a href="#">Go</a> 	53	2
Sep 03, 2024 08:30 PM		Zone 7 Water Agency invites the community to a ...	<a href="#">Go</a> 	53	3
Sep 28, 2024 09:30 PM		If you haven't signed up for our bi-monthly eNe...	<a href="#">Go</a> 	52	3
Sep 21, 2024 02:28 AM		Zone 7 Water Agency joins ACWA and the water co...	<a href="#">Go</a> 	52	2



Date	Text	Network	Impressions	Interactions
Sep 23, 2024 11:35 PM	 <p>Livermore residents!!! Don't miss out on free c...</p>	Go 	48	3
Sep 27, 2024 10:40 PM		Go 	44	1
Sep 09, 2024 08:30 PM	 <p>Since the majority of Tri-Valley's water is imp...</p>	Go 	44	4
Sep 11, 2024 07:01 PM	 <p>Zone 7 Water will again have a booth at the cit...</p>	Go 	42	2
Sep 09, 2024 09:42 PM		Go 	41	2
Sep 20, 2024 02:16 AM	 <p>Zone 7 Addresses PFAS - Timeline - Wondrous Wor...</p>	Go 	38	9

# Campaign impressions

Zone 7 Water Agency

17.47K

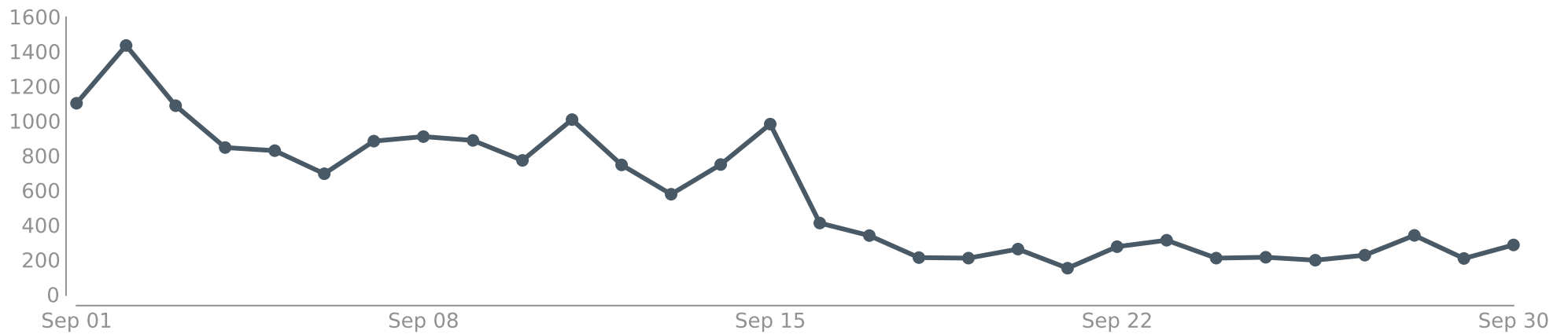
-48.51%



17.47K

-48.51%

Google Ads



Sep 01 - Sep 30



# Campaign clicks

Zone 7 Water Agency

202

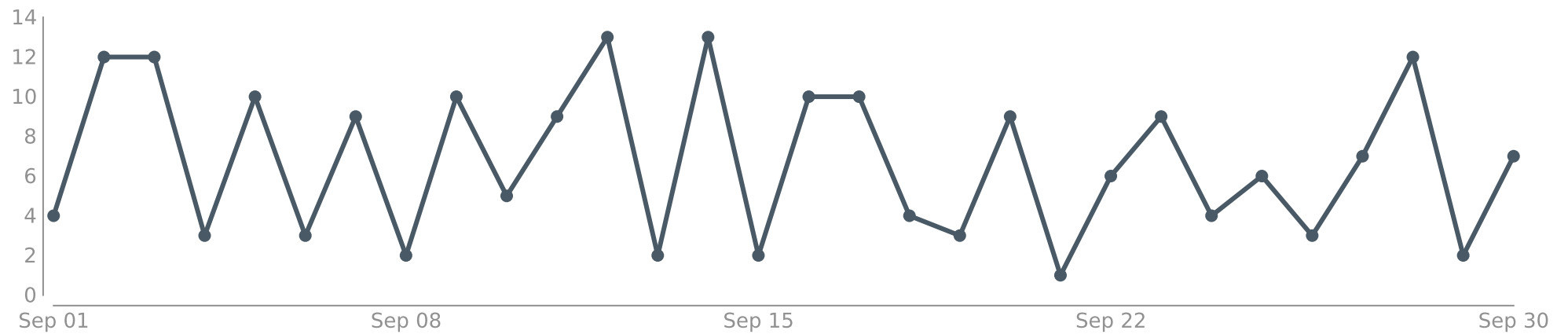
-16.87%



202

-16.87%

Google Ads



Sep 01 - Sep 30



## Highlights:

Total users  
**4,243**  
↑ 9.8%

Views  
**12,003**  
↓ -5.3%

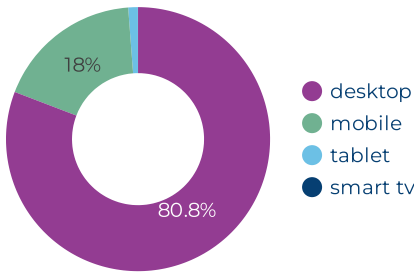
New users  
**3,882**  
↑ 10.2%

Engagement rate  
**56.30%**  
↓ -4.0%

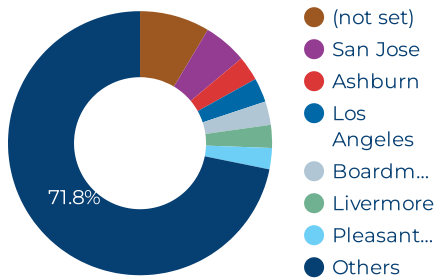
Sessions  
**6.5K**  
↑ 5.3%

User engagement  
**86:26:05**  
↓ -4.0%

## Device Type:



## Users by City



## Most visited pages on the website - users and pageviews

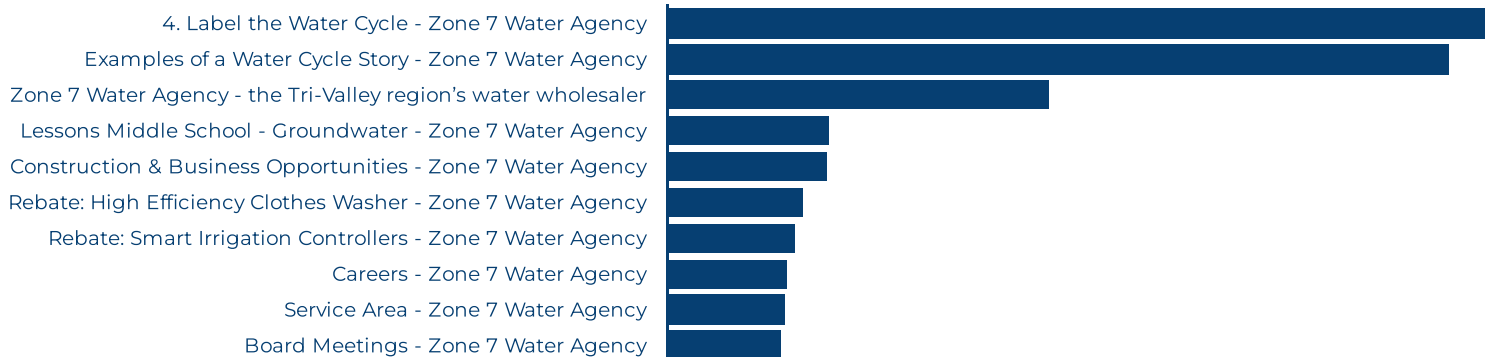
	Page title	Views	Total users
1.	Zone 7 Water Agency - the Tri-Valley region's water wholesaler	1,643	953
2.	Examples of a Water Cycle Story - Zone 7 Water Agency	859	636
3.	4. Label the Water Cycle - Zone 7 Water Agency	802	655
4.	Construction & Business Opportunities - Zone 7 Water Agency	644	361
5.	Board Meetings - Zone 7 Water Agency	445	219
6.	Careers - Zone 7 Water Agency	388	245
7.	Regional Groundwater Facilities Project - Feasibility Study #2025-12 - Zone 7 Water Agency	337	185
8.	2. Explore Permeability - Zone 7 Water Agency	308	84
9.	Lessons Middle School - Groundwater - Zone 7 Water Agency	215	104
10.	Service Area - Zone 7 Water Agency	210	140

## Acquisition source/medium - where traffic sessions come from

	Session source	Session medium	Sessions
1.	google	organic	3,388
2.	(direct)	(none)	2,056
3.	bing	organic	225
4.	cityofpleasantonca.gov	referral	92
5.	dsrsd.com	referral	55
6.	l.facebook.com	referral	54
7.	padlet.com	referral	48
8.	Mailchimp	eNewsletter	39
9.	duckduckgo	organic	33
10.	zone7water.report	referral	33

1 - 100 / 102 < >

## Pages with the most time spent by users

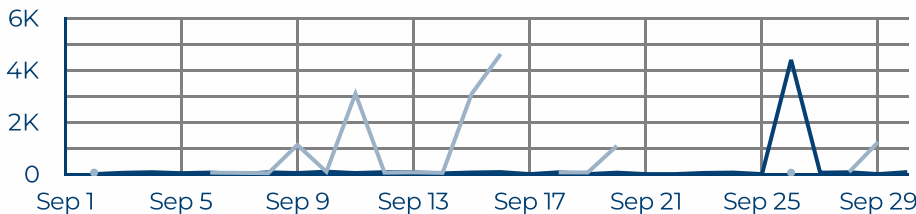




## Facebook Analytics

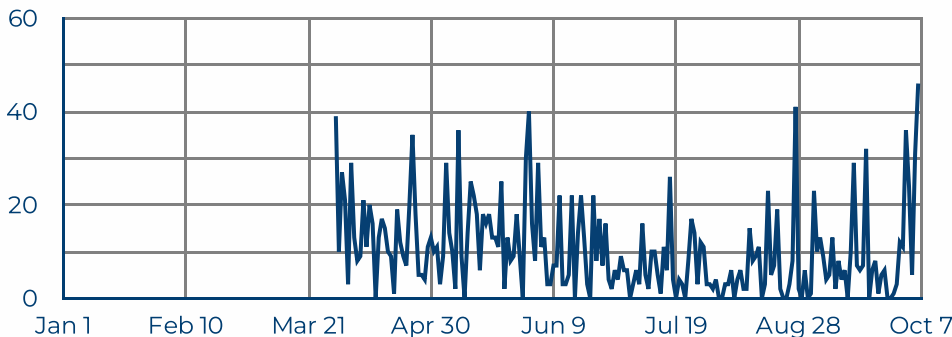
Total Posts	Engagement	Page Followers	Impressions
23 ↑ 15.0%	133.87 ↑ 35.5%	1,160 ↑ 0.3%	52,531 ↓ -52.7%

Facebook Daily Average Reach per Post

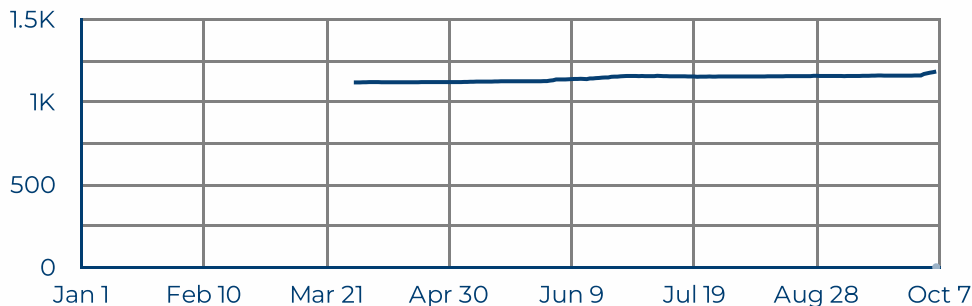


Paid Reach	Organic Reach	Total Reach
4,340 ↓ -68.9%	1,372 ↓ -42.3%	5,688 ↓ -62.2%

Facebook Page Visits



Facebook Page Followers - Year-to-Date Growth



## Mailchimp Delivery Analytics

Total Eblasts Sent	3
Total Deliveries	2,741
Avg. Open Rate %	44.5%
Total Clicks	286
New Signups	0

## Monthly YouTube Performance

Total Views	7,984
Total Watch Time	152.5 hrs
Organic Impressions	6,720

### Top Five Videos of Month

- Tri-Valley Water Reliability - Challenges and Solutions  
Jul 30, 2024
- Stoneridge Well Ion Exchange PFAS Treatment Facility Now Open  
Sep 13, 2023
- Groundwater Recharge - Wondrous World of Water  
Mar 12, 2024
- Wondrous World of Water - Ozone Treatment  
Sep 2, 2020
- Wondrous World of Water - Ion Exchange PFAS Treatment  
Aug 3, 2023

## Insights & Opportunities

### WEBSITE

Although overall page views saw a slight decrease in September, there was a positive increase in both total and new users visiting the site.

Top Pages by Views:

- Homepage
- Careers Page
- Water Academy
- Construction Page

Water Academy and Rebates pages (Washers and Irrigation controllers) had the highest average time spent per visit, indicating strong engagement.

Looking ahead to October, we anticipate a rise in traffic to the Flood Protection page as we kick off the Flood Open House promotional campaign as well as continued growth and increased interest in the Water Academy pages.

### SOCIAL MEDIA

- This month saw a significant increase in social engagement, up by over 40%. However, overall impressions declined due to the absence of an active paid campaign. We anticipate impressions will rise again with the return of the school year, driven by Water Academy content, as well as the promotion of the Flood Open House in October.

- YouTube video views remain strong, and we're continuing to promote all previously released content through the end of the year. This month, we've also released a new PFAS Timeline video, highlighting Zone 7's proactive efforts to monitor and address PFAS ahead of upcoming regulatory requirements. We are committed to investing in the distribution of this video to ensure transparency and to help educate the community.

### DIRECT MAIL

- Our September bi-monthly newsletter did well and open rates remain higher than average for our industry. We have not had any new sign-ups, but expect to have some new events that will allow us to continue increasing our number of subscribers.

Highlights:

Total users  
**16,590**  
↑ 51.3%

Views  
**32,801**  
↑ 61.5%

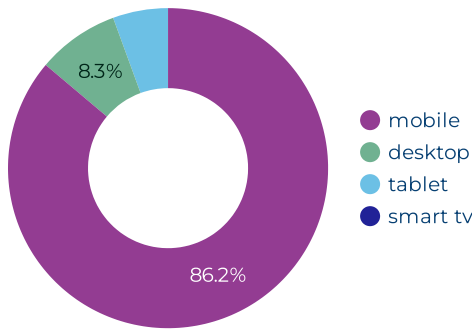
New users  
**16,090**  
↑ 51.0%

Engagement rate  
**21.15%**  
No data

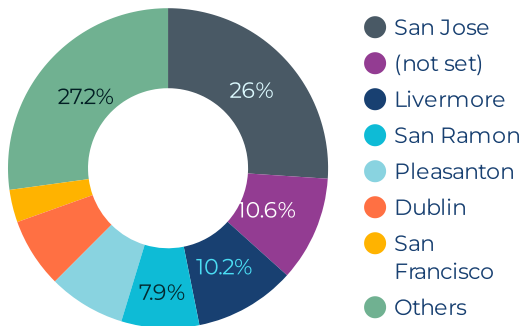
Sessions  
**21K**  
↑ 54.3%

User engagement  
**28:04:05**  
↑ 8.2%

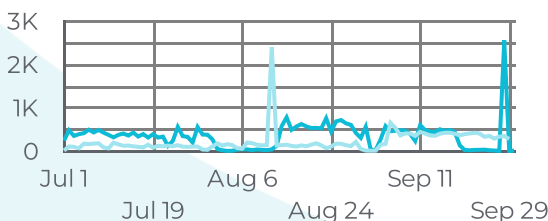
Total Users and Device:



Users by City



Traffic compared to last QTR



Most visited pages on the website - users and pageviews

	Page title	Total users	Views
1.	Water Supply Potential Solutions   Tri-Valley Water Partners	15,610	28,524
2.	(not set)	80	2,550
3.	Tri-Valley Water Partners: Delivering water to our community	597	895
4.	Tri-Valley's Water Supply   Tri-Valley Water Partners	415	505
5.	Privacy Policy   Tri-Valley Water Partners	48	58
6.	Delta Conveyance Project   Tri-Valley Water Partners	47	53
7.	Tri-Valley Water Partners   Providing water for our community	50	52
8.	Los Vaqueros Reservoir Expansion   Tri-Valley Water Partners	30	36
9.	Our Water's Journey   Tri-Valley Water Partners	27	30
10.	Sites Reservoir Projects   Tri-Valley Water Partners	24	27

Acquisition source/medium - where traffic sessions come from

	Session source	Session m...	Sessions
1.	google	cpc	18,067
2.	FB	ADS	1,017
3.	GOOGLE	ADS	713
4.	(direct)	(none)	576
5.	LIVESPARK	FB	201
6.	google	organic	97
7.	(not set)	(not set)	63
8.	LIVESPARK	YT	57
9.	fb	paid	52
10.	zone7water.com	referral	38

1 - 33 / 33

Pages with the most time spent by users

	Page title	User engagement
1.	(not set)	12:37:27
2.	Water Supply Potential Solutions   Tri-Valley Water Partners	11:34:51
3.	Tri-Valley Water Partners: Delivering water to our communi...	01:32:31
4.	Delta Conveyance Project   Tri-Valley Water Partners	00:32:52
5.	Los Vaqueros Reservoir Expansion   Tri-Valley Water Partners	00:21:25

1 - 25 / 25

### Insights & Opportunities

- In the third quarter, the Tri-Valley media campaign experienced a significant boost, with views, total users, new users, and sessions all increasing by 50-60% compared to the second quarter. Engagement also saw a slight uptick.
- The primary driver of these improvements was our paid media campaign on Google and Meta which benefited from a campaign creative refresh with our switch to focus on the Challenges & Solution portion of the website.

## Highlights:

Total users

408

↓ -5.3%

Views

762

↓ -23.4%

New users

402

↓ -6.7%

Engaged sessions

337

↑ 15.8%

Sessions

460

↓ -10.5%

User engagement

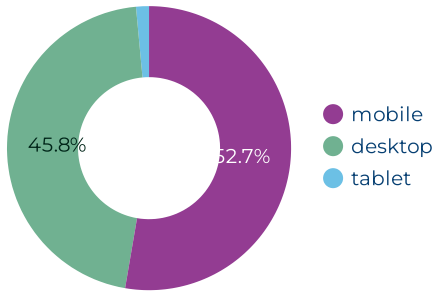
09:48:24

↑ 15.8%

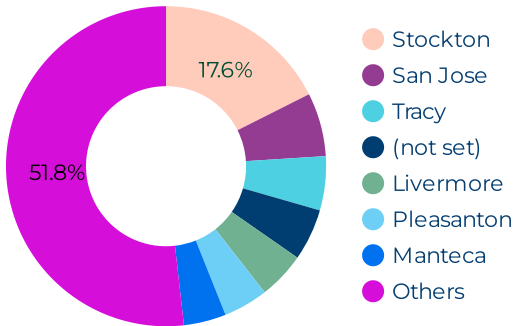
## Most visited pages on the website - users and pageviews

	Page title	Total users	Views
1.	Zone7 At-A-Glance - Annual Report 2023 - Zone 7 Water Agency	287	332
2.	Water Quality - Annual Report 2023 - Zone 7 Water Agency	183	224
3.	Annual Report 2023 - Zone 7 Water Agency Annual Report 2023	70	74
4.	Water Reliability Annual Report 2023 - Zone 7 Water Agency	27	30
5.	Annual Report Fiscal Year 2022-2023 - Zone 7 Water Agency	23	50
6.	Flood Protection - Annual Report 2023 - Zone 7 Water Agency	8	8
7.	Finance - Annual Report 2023 - Zone 7 Water Agency	6	8
8.	Kid Zone	6	6
9.	People - Annual Report 2023 - Zone 7 Water Agency	5	6
10.	Community - Annual Report 2023 - Zone 7 Water Agency	5	5

## Total Users and Device



## Users by City

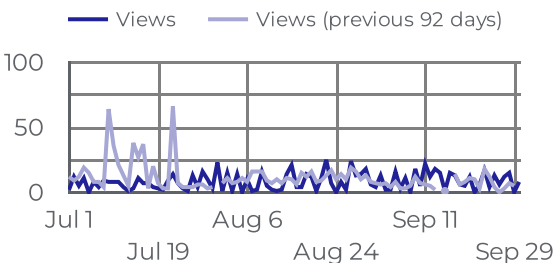


## Acquisition source/medium - where traffic sessions come from

	Session source	Sessions
1.	google	399
2.	(direct)	44
3.	mail.google.com	8
4.	(not set)	3
5.	m.facebook.com	2
6.	statics.teams.cdn.office.net	2
7.	Z7	1
8.	bing	1

1 - 8 / 8

## Traffic compared to last quarter



## Pages with the most time spent by users

	Page title	User engagemen...
1.	Zone7 At-A-Glance - Annual Report 2023 - Zone 7 Water Agency	06:07:16
2.	Zone 7 Water Agency - Annual Report 2021 - Zone7-At-a-Glance	00:00:27
3.	Zone 7 At a Glance - Zone 7 Annual Report 2022	00:00:12
4.	Watershed - Zone 7 Annual Report 2022	00:00:03
5.	Water Reliability Annual Report 2023 - Zone 7 Water Agency	00:08:52

1 - 20 / 20

## Insights & Opportunities

### Insights on traffic

In the first quarter of this year, from January 1 to March 31, we showed:

- 714 total users throughout the quarter, compared with 333 total users in first quarter of last year
- 2,244 individual page views, compared with 3,365 in the first quarter of last year, however, this year's redesign reduced the total number of pages on the site by condensing the content onto less pages
- 1,000 user sessions, compared to 646 user sessions in first quarter of last year
- 349 engaged sessions compared to 389 engaged sessions in first quarter of last year

In the second quarter of this year, from April 1 to June 30, we showed:

- 431 total users throughout the quarter, compared with 218 total users in second quarter of last year
- 995 individual page views, compared with 381 in the second quarter of last year
- 514 user sessions, compared to 251 user sessions in second quarter of last year
- 291 engaged sessions compared to 70 engaged sessions in second quarter of last year

In third quarter of this year, from July 1 to September 30, we showed:

- 408 total users throughout the quarter, compared with 76 total users in third quarter of last year
- 762 individual page views, compared with 213 in the third quarter of last year
- 460 user sessions, compared to 108 user sessions in third quarter of last year
- 337 engaged sessions compared to 52 engaged sessions in third quarter of last year

We expect to see numbers decline through the year as we have move farther from the previous year's release date. However, the year-over-year numbers are still seeing an incredible increase overall.

### Outreach investment driving success:

This year we have invested in a small search engine marketing campaign to drive traffic to the website to help increase our outreach to the community. As we refine our efforts and optimize our digital ad strategy we will focus on ensuring we increase engagement to increase the amount of time users are spending on the site.

**ORIGINATING SECTION:** Office of the General Manager  
**CONTACT:** Carol Mahoney/Valerie Pryor

**AGENDA DATE:** October 16, 2024

**SUBJECT:** Legislative Update

**SUMMARY:**

Zone 7 staff, with the support of Agency consultants, monitors legislation that is being considered in Sacramento, as well as other political and regulatory activities of interest. This item supports Strategic Plan, Goal F – Stakeholder Engagement, engage our stakeholders to foster understanding of their needs, the Agency, and its function. The deadline for the Governor to take action on bills was September 30, 2024. This report focuses on bills that were signed into law.

Although Zone 7 did not take formal positions on pending legislation this cycle, several bills of interest did receive targeted advocacy by our member organizations. As a subset of the Executive Summary, a synopsis table of bills that were signed into law and their corresponding relationship to Zone 7 functions is shown below, along with information on positions taken by membership organizations. The attached Executive Summary includes a broader list of bills, including those that were vetoed.

**2024 Signed Legislation**

<b>Bill #</b>	<b>Author</b>	<b>Legislative Category</b>	<b>Area of Potential Impact for Zone 7</b>	<b>Others' Position</b>
<u>AB460</u>	<u>Bauer-Kahan</u>	<u>Water Rights</u>	Modifies fees for violations	CMUA/SWC went from oppositional positions to support after amendments
<u>AB1820</u>	<u>Schiavo</u>	<u>Administration - Fees, Rates, Taxes</u>	Administrative actions like website posting and fee calculations	CMUA/CSDA ended with neutral positions
<u>AB1827</u>	<u>Papan</u>	<u>Administration - Fees, Rate, Taxes; Water Supply - Conservation</u>	Allows for fees to include the incrementally higher costs of water service due to higher water usage demand of parcels	ACWA/CMUA/CSDA supported

<b>Bill #</b>	<b>Author</b>	<b>Legislative Category</b>	<b>Area of Potential Impact for Zone 7</b>	<b>Others' Position</b>
<u>AB1828</u>	<u>Waldron</u>	<u>Administration - Fees, Rates, Taxes</u>	Impact to restoration efforts at the state level; Extends in time the ability of an individual taxpayer to contribute to Species Conservation and Enhancement Account	
<u>AB1957</u>	<u>Wilson</u>	<u>Administration - Contracts</u>	Expands and extends ability to use best value procurement program - where "best value" means a combination of price and qualifications	
<u>AB2037</u>	<u>Papan</u>	<u>Operations</u>	Requires "Weights and Measures" inspection of electric vehicle chargers by county sealer	
<u>AB2257</u>	<u>Wilson</u>	<u>Administration - Fees, Rates, Taxes</u>	Provides protections from legal challenges for property-related water and sewer fees provided agency follows procedures	ACWA Sponsored bill, supported by CMUA/CSDA
<u>AB2302</u>	<u>Addis</u>	<u>Administration - Brown Act</u>	Revises limits on teleconferencing, allows 2 meetings per year for boards meeting monthly and defines "meeting" such that all meetings on that calendar day count as one "meeting"	ACWA/CMUA/CSDA took supportive positions
<u>AB2561</u>	<u>McKinnor</u>	<u>Administration - Employment</u>	Administrative tracking and action on vacancies within specific bargaining units	CMUA/CSDA opposed



<b>Bill #</b>	<b>Author</b>	<b>Legislative Category</b>	<b>Area of Potential Impact for Zone 7</b>	<b>Others' Position</b>
<u>AB3227</u>	<u>Alvarez</u>	<u>Flood Protection - Permits</u>	Exempt from the provisions of CEQA the routine maintenance of stormwater facilities that are fully concrete or that have a conveyance capacity of less than a 100-year storm event. This bill would repeal these provisions on January 1, 2030	
<u>SB937</u>	<u>Wiener</u>	<u>Administration - Fees, Rates, Taxes</u>	Law targets developments with at least 49% affordable housing. Alters timing of collection of fees by retailers on behalf of Zone 7	CSDA opposed and sought amendments
<u>SB1072</u>	<u>Padilla</u>	<u>Administration - Fees, Rates, Taxes</u>	Closes a loophole in Proposition 218 - Bill allows any excess payment of fees to be used for same purpose to defray costs during next rate cycle	ACWA/CMUA/CSDA took supportive positions
<u>SB1156</u>	<u>Hurtado</u>	<u>Groundwater/SGMA; Administration</u>	Board and executive officer must disclose any financial interest that may conflict with the agency being the Groundwater Sustainability Agency (GSA)	
<u>SB1210</u>	<u>Skinner</u>	<u>Administration - Fees, Rates, Taxes (Website)</u>	Requires that fees for connections to new housing are posted on utility website	

ACWA = Association of California Water Agencies; CMUA = California Municipal Utilities Association;  
CSDA = California Special Districts Association; SWC = State Water Contractors

**FUNDING:**

N/A

**RECOMMENDED ACTION:**

Information only.

**ATTACHMENT:**

Legislative Executive Summary – for October 2024

EXECUTIVE SUMMARY

State Legislation

Prepared for the Zone 7 Water Agency  
by The Gualco Group, Inc.



Bill	Topic	Synopsis	Staff Recommendation	Status of the Bill/Comments as of 10/02/2024
<b>BROWN ACT LEGISLATION</b>				
<a href="#"><u>AB 2302</u></a> <a href="#"><u>(Addis)</u></a>	<b>Open meetings: local agencies: teleconferences</b>	Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in specified circumstances if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, and the legislative body complies with prescribed requirements. Current law imposes prescribed restrictions on remote participation by a member under these alternative teleconferencing provisions, including establishing limits on the number of meetings a member may participate in solely by teleconference from a remote location, prohibiting such participation for a period of more than 3 consecutive months or 20% of the regular meetings for the local agency within a calendar year, or more than 2 meetings if the legislative body regularly meets fewer than 10 times per calendar year. This bill would revise those limits, instead prohibiting such participation for more than a specified number of meetings per year, based on how frequently the legislative body regularly meets.	Watch  Others: ACWA = Favor CMUA = Favor CSDA = Support3	<b>Chapter 389, Statutes of 2024</b>

**GENERAL – ADMINISTRATION, ENVIRONMENTAL REGULATION, AND RELATED CONCERNS**

[AB 1820](#)  
[\(Schiavo\)](#)

**Housing  
development  
projects:  
applications: fees  
and exactions**

This bill would authorize a development proponent that submits a preliminary application for a housing development project to request a preliminary fee and exaction estimate, as defined, and would require a city, county, or city and county to provide the estimate within 30 business days of the submission of the preliminary application. For development fees imposed by an agency other than a city, county, or city and county, the bill would require the development proponent to request the fee schedule from the agency that imposes the fee and would require the agency that imposes the fee to provide the fee schedule to the development proponent without delay.

Watch

Others:  
ACWA = Watch  
CMUA = O/A  
CSDA =  
SWA =

**Chapter 358,  
Statutes of  
2024**

[AB 1828](#)  
[\(Waldron\)](#)

**Personal income  
taxes: voluntary  
contributions:  
Endangered and  
Rare Fish, Wildlife,  
and Plant Species  
Conservation and  
Enhancement  
Account: Native  
California Wildlife  
Rehabilitation  
Voluntary Tax  
Contribution Fund:  
covered grants**

Current law, until January 1, 2025, allows an individual taxpayer to contribute amounts in excess of the taxpayer's personal income tax liability for the support of specified funds and accounts, including, among others, to the Endangered and Rare Fish, Wildlife, and Plant Species Conservation and Enhancement Account. This bill would extend the operability of the taxpayer contribution until January 1, 2032, or until December 1 of a calendar year that the Franchise Tax Board determines the amount of contributions estimated to be received will not at least equal the minimum contribution amount of \$250,000, as provided.

Watch

**Chapter 360,  
Statutes of  
2024**

**GENERAL – ADMINISTRATION, ENVIRONMENTAL REGULATION, AND RELATED CONCERNS**

[AB 1957](#)  
[\(Wilson\)](#)

**Public contracts:  
best value  
construction  
contracting for  
counties**

Current law authorizes certain counties (including Alameda) to use a best value construction contracting method to award individual annual contracts, not to exceed \$3,000,000, for repair, remodeling, or other repetitive work to be done according to unit prices, as specified. Current law requires the board of supervisors of a participating county to submit a report that contains specified information about the projects awarded using the best value procedures described above to the appropriate policy committees of the Legislature and the Joint Legislative Budget Committee before March 1, 2024. Current law repeals the pilot program provisions on January 1, 2025. This bill would instead authorize any county of the state to utilize this program and would extend the operation of those provisions until January 1, 2030. The bill would instead require the board of supervisors of a participating county to submit the report described above to the appropriate policy committees of the Legislature and the Joint Legislative Budget Committee before March 1, 2029.

Watch

**Chapter 58,  
Statutes of  
2024**

[AB 2561](#)  
[\(McKinnor\)](#)

**Local public  
employees: vacant  
positions**

This bill would authorize a recognized public organization to initiate the meet and confer process with a public agency if the total number of job vacancies within total classifications of the bargaining unit is equal to or exceeds 20% of the total authorized positions in that bargaining unit. The bill would require the public agency to promptly meet and confer with the employee organization within 30 days about substantive strategies to fill vacancies. The bill would require a public agency to present the status of vacancies and recruitment and retention efforts at a public hearing at least once per fiscal year prior to the adoption of its final budget, and would entitle the employee organization to present at the hearing.

Watch

Others:  
CUMA = Oppose  
CSDA = Oppose2

**Chapter 409,  
Statutes of  
2024**

**UTILITY MANAGEMENT, REVENUE AND RELATED FINANCIAL MATTERS**

**[AB 1827](#)**  
**[\(Papan\)](#)**

**Local government:  
fees and charges:  
water: higher-  
consumptive water  
parcels**

This bill would provide that the fees or charges for property-related water service imposed or increased may include the incrementally higher costs of water service due to specified factors, including the higher water usage demand of parcels. The bill would provide that the incrementally higher costs of water service associated with higher water usage demands, the maximum potential water use, or projected peak water usage may be allocated using any method that reasonably assesses the water service provider’s cost of serving those parcels.

Watch

Others:  
ACWA = Support  
CMUA = Support  
CSDA = Support3

**Chapter 359,  
Statutes of  
2024**

**[AB 2037](#)**  
**[\(Papan\)](#)**

**Weights and  
measures: electric  
vehicle chargers**

This bill would, beginning January 1, 2026, authorize a county sealer to test and verify as correct any electric vehicle charger operated by a public agency, as defined, that is located in the county in which the sealer has jurisdiction. The bill would require a county sealer, upon testing and finding that an electric vehicle charger operated by a public agency is incorrect, as defined, to cause it to be marked with the words “out of order” and require the charger to be repaired or corrected, as specified. The bill would authorize a county board of supervisors to charge an annual registration fee for the cost of inspecting and testing an electric vehicle charger operated by a public agency.

Watch

**Chapter 692,  
Statutes of  
2024**

## UTILITY MANAGEMENT, REVENUE AND RELATED FINANCIAL MATTERS

[AB 2257](#)  
[\(Wilson\)](#)

**Local government:  
property-related  
water and sewer fees  
and assessments:  
remedies**

This bill would prohibit, if a local agency complies with specified procedures, a person or entity from bringing a judicial action or proceeding alleging noncompliance with the constitutional provisions for any new, increased, or extended fee or assessment, as defined, unless that person or entity has timely submitted to the local agency a written objection to that fee or assessment that specifies the grounds for alleging noncompliance, as specified. This bill would provide that local agency responses to the timely submitted written objections shall go to the weight of the evidence supporting the agency's compliance with the substantive limitations on fees and assessments imposed by the constitutional provisions.

Watch

Others:  
ACWA = Sponsor  
CMUA = Support  
CSDA = Support3

**Chapter 561,  
Statutes of  
2024**

[SB 937](#)  
[\(Wiener\)](#)

**Development  
projects: fees and  
charges**

The Mitigation Fee Act prohibits a local agency that imposes fees or charges on a residential development for the construction of public improvements or facilities from requiring the payment of those fees or charges until the date of the final inspection or the date the certificate of occupancy is issued, whichever occurs first, except for utility service fees, which the local agency is authorized to collect at the time an application for utility service is received. The act exempts specified units in a residential development proposed by a nonprofit housing developer if the housing development meets certain conditions. This bill would limit the utility service fees exception described above to utility service fees related to connections, and cap those fees at the costs incurred by the utility provider resulting from the connection activities. The bill would extend the above-described exemption for those units in a residential development that meets those conditions to any housing developer.

Watch

Others:  
ACWA = Watch  
CMUA = Neutral  
CSDA = O/A2

**Chapter 290,  
Statutes of  
2024**

## UTILITY MANAGEMENT, REVENUE AND RELATED FINANCIAL MATTERS

[SB 1072](#)  
[\(Padilla\)](#)

**Local government:  
Proposition 218:  
remedies**

This bill would require, if a property-related fee or charge creates revenues in excess of the local government's reasonable cost of providing the specific benefit or specific government service, that the excess revenues be used only to reduce the subsequently adopted and following property-related fee or charge.

Watch

Others:  
ACWA = Favor  
CMUA = Support  
CSDA = Support3

**Chapter 323,  
Statutes of  
2024**

[SB 1210](#)  
[\(Skinner\)](#)

**New housing  
construction:  
electrical, gas,  
sewer, and water  
service: service  
connection  
information**

This bill would, for new housing construction, require the above-described utilities, on or before January 1, 2026, to publicly post on their internet websites (1) the schedule of estimated fees for typical service connections for each housing development type, including, but not limited to, accessory dwelling unit, mixed-use, multifamily, and single-family developments, except as specified, and (2) the estimated timeframes for completing typical service connections needed for each housing development type, as specified. The bill would exempt from its provisions a utility with fewer than 4,000 service connections that does not establish or maintain an internet website due to a hardship and would authorize the utility to establish that a hardship exists by annually adopting a resolution that includes detailed findings, as provided.

Watch

Others:  
ACWA = Watch  
CMUA = Oppose  
CSDA =

**Chapter 787,  
Statutes of  
2024**

## WATER RIGHTS

[AB 460](#)  
[\(Bauer-Kahan\)](#)

**State Water  
Resources Control  
Board: water rights  
and usage: civil  
penalties**

Under existing law, the diversion or use of water other than as authorized by specified provisions of law is a trespass, subject to specified civil liability. This bill would require the State Water Resources Control Board to adjust for inflation, by January 1 of each year, beginning in 2026, the amounts of civil and administrative liabilities or penalties imposed by the board or in water right actions brought at the request of the board, as specified.

Watch

Others:  
CMUA = Support  
SWC =Support1

**Chapter 342,  
Statutes of  
2024**

## WATER SUPPLY

[SB 366](#)  
[\(Caballero\)](#)

**The California Water Plan: long-term supply targets**

Would revise and recast certain provisions regarding The California Water Plan to require the department to instead establish a stakeholder advisory committee and to expand the membership of the committee to include tribes, labor, and environmental justice interests. The bill would require the Department of Water Resources to coordinate with the California Water Commission, the State Water Resources Control Board, other state and federal agencies and the stakeholder advisory committee to develop a comprehensive plan for addressing the state's water needs and meeting specified interim planning targets established by the bill.

Watch

Others:  
ACWA = Support  
CMUA = Sponsor  
CSDA = Support3  
SWC = Support1

**Vetoed by Governor**

[Veto Message](#)

## SGMA/GROUNDWATER

[AB 828](#)  
[\(Connolly\)](#)

**Sustainable groundwater management: managed wetlands**

The Sustainable Groundwater Management Act requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans, except as specified. This bill would prohibit a groundwater sustainability agency from imposing a fee upon a small community water system serving a disadvantaged community or imposing a fee for managed wetland purposes provided the water use for each user does not increase above the extractor's average annual extraction from 2015 to 2020.

Watch

Others:  
ACWA = Oppose  
CMUA = Not Favor

**Vetoed by Governor**

[Veto Message](#)

[SB 1156](#)  
[\(Hurtado\)](#)

**Groundwater sustainability agencies: financial disclosures**

This bill would require members of the board of directors and executive, as defined of a groundwater sustainability agency to file statements of economic interests. The bill would require that these statements be filed with the Fair Political Practices Commission using the Commission's online system of filing statements of economic interest.

Watch

**Chapter 458, Statutes of 2024**



**SGMA/GROUNDWATER****[SB 1390](#)**  
**[\(Caballero\)](#)****Groundwater  
recharge:  
floodflows:  
diversion**

This bill would, among other things, expand the conditions that are required to be met for the diversion of floodwaters for groundwater recharge that do not require an appropriative water right. The bill would expand the definition of "floodflow" to include flows that are projected by the local or regional agency to inundate ordinarily dry areas in the bed of a terminal lake, as described above. The bill would revise the definition of "imminent" to mean a high degree of confidence that a condition will begin or is projected to begin within the next 72 hours. The bill places restrictions on when floodflow diversions from tributaries to the Delta may occur.

Watch

Others:  
SWC = Support**DEAD****FLOOD PROTECTION****[AB 3227](#)**  
**[\(Alvarez\)](#)****California  
Environmental  
Quality Act:  
exemption:  
stormwater facilities:  
routine maintenance**

This bill would, if certain conditions are met, exempt from the provisions of CEQA the routine maintenance of stormwater facilities that are fully concrete or that have a conveyance capacity of less than a 100-year storm event. This bill would repeal these provisions on January 1, 2030.

Watch

Others:  
none**Chapter 761,  
Statutes of  
2024**

**ORIGINATING SECTION:** Integrated Planning

**CONTACT:** Sal Segura/Ken Minn

**DATE:** October 16, 2024

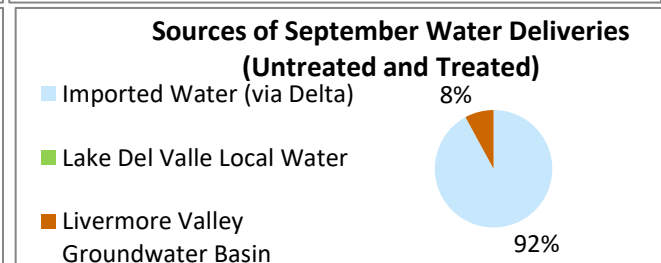
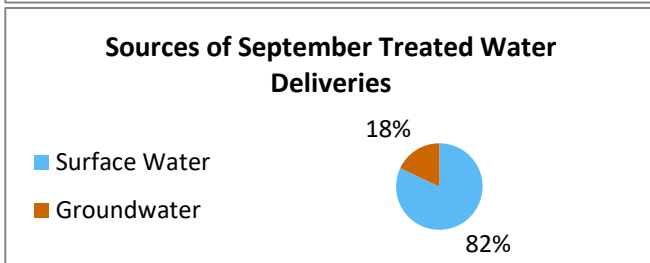
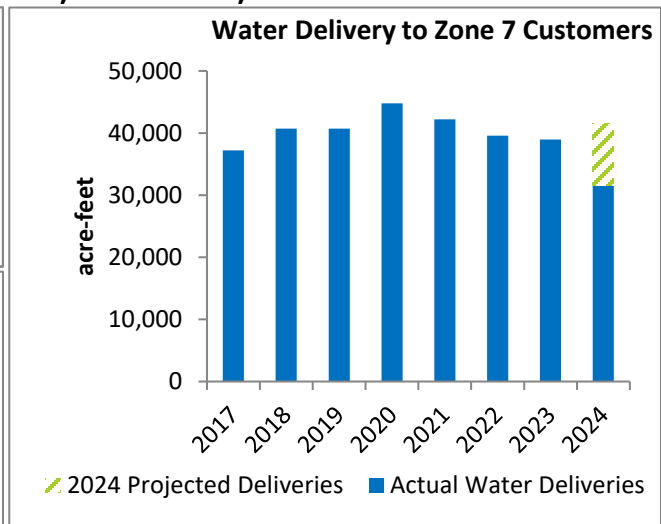
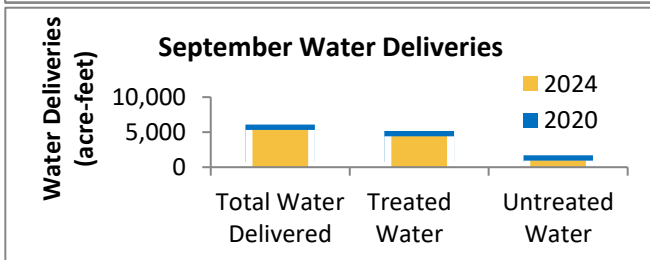
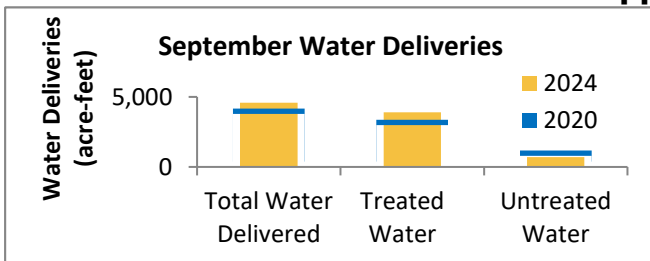
**SUBJECT:** Monthly Water Inventory and Water Budget Update

**SUMMARY:**

To support the Mission to deliver safe, reliable, efficient, and sustainable water, Zone 7 Water Agency (Zone 7) has been managing water supplies. This report summarizes current water supply, usage, and storage conditions to support Strategic Plan Goal A – Reliable Water Supply and Infrastructure and to implement Strategic Plan Initiative #2 – Evaluate and develop appropriate new water supply and reliability opportunities.

An overall analysis of the annual water supply was included in the 2024 Annual Sustainability Report prepared in April. A summary of long-term water supply planning is also included in the Urban Water Management Plan (UWMP), which is updated every five years and assesses water supply reliability on a 20-year time horizon. The next update of UWMP is due on July 1, 2026. These plans and evaluations consider the various sources of supply and storage available to Zone 7 locally, in State Water Project (SWP) facilities, and in Kern County storage and recovery programs.

**Summaries of 2024 Water Supplies, Deliveries, and Available Water**



## ZONE 7 WATER INVENTORY AND WATER BUDGET (September 2024)

### Supply and Demand *(See Table 3, Figure 1, Figure 2, Figure 3, and Figure 4)*

- Monthly totals: 4,590 acre-feet (AF) delivered to customers (3,890 AF treated production and 700 AF estimated untreated deliveries).
- Artificial recharge totaled 400 AF on Arroyo Valle.
- Total treated water production decreased by 16% compared to last month.
- Treated water sources were 82% surface water and 18% groundwater this month.
  - Treatment plant production was 37.6 million gallons per day (MGD).
  - Wellfield production was 4.7 MGD.

### Comparison of Demands: 2024 vs 2020 baseline *(See Table 1)*

- In September 2024, Zone 7's overall water demands were about the same as in September 2020: treated water production was 3% higher, and estimated untreated deliveries were 11% lower.

**Table 1: September 2024 comparison – Treated and Untreated Demands**

	Treated Production	Untreated Delivery	Total
<b>September 2024 (AF)</b>	3,890	700	4,590
<b>September 2020 (AF)</b>	3,780	790	4,570
<b>September 2024 vs September 2020</b>	3% higher	11% lower	0% higher

### Imported Water *(See Table 2 and Table 3)*

- The State Water Project allocation remains at 40%. All SWP carryover from 2023 has been used.
- This year to date, 10,000 AF are banked in Kern County storage and recovery programs. This amount is unconfirmed as delivery records are not yet available.

**Table 2: Available Water Supplies (as of October 1, 2024)**

Sources of Water Supplies	Acre-Feet (AF)
Table A	19,380
Water Transfers/ Exchanges	0
SWP Carryover Water	0
Lake Del Valle (Carryover + 2024 Yield)	8,760
Livermore Valley Groundwater Basin (AF above Minimum Thresholds)	125,000
Kern Storage and Recovery Programs	100,600
<b>Total</b>	<b>253,700</b>

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**Groundwater***(See Table 3 and Figure 5)*

- The Livermore Valley Groundwater Basin comprises four subbasins. The Basin's estimated maximum storage capacity is 254,000 AF, including the storage capacity below the Minimum Thresholds established in the Alternative Groundwater Sustainability Plan. The estimated storage capacity above the Minimum Thresholds (operational storage) is 126,000 AF. Currently, the Basin is at approximately 99% of its storage capacity above minimum thresholds (125,000 AF out of 126,000 AF).
- It is important to note that not all of the storage above the Minimum Thresholds (MT's) is accessible with Zone 7's existing wells as 80% of Zone 7's groundwater facilities are in the Amador West subbasin. Furthermore, the presence of Per- and polyfluoroalkyl substances (PFAS) compounds in the groundwater basin limits the use of some wells.
- In September, the total pumping from Zone 7's wellfield was 430 AF, making up 12% of the treated supply.
- Estimated groundwater basin overflow on the west side of the Basin is 9 AF in September.
- In September, Zone 7 recharged approximately 400 AF via releases to Arroyo Valle.

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**Stream Outflow***(See Table 3)*

- Surface runoff did not exceed the 10 cubic feet per second (CFS) baseflow at the Arroyo de la Laguna at the Verona stream gauge during the month of September, resulting in no stream outflow.

Note: some surface flows out of the Livermore-Amador Valley are mandated for other downstream purposes.

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**Local Precipitation***(See Figure 7)*

- 0 inches of precipitation were recorded at Livermore Airport in September.
- In Water Year 2024, Livermore received 14.84 inches of rain or 102% of normal throughout the Water Year.

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**Sierra Precipitation***(See Figure 8)*

- 0.2 inches of precipitation were recorded in the Northern Sierras in September. The historical average precipitation in September is 0.5 inches.
- Cumulative precipitation in the Northern Sierra for Water Year 2024 is 48.2 inches or 91% of the seasonal average to date.

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**Sierra Snowpack***(See Figure 9)*

- DWR has stopped reporting snowpack for the season as the snow reporting sites are snow-free. Reporting for Water Year 2025 is anticipated to begin in December.

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**Lake Oroville***(See Figure 10)*

- As of September 29, Lake Oroville storage is 55% of total capacity representing 99% of average storage condition at this time of the year.
  - Storage: 1,895,935 AF
  - Storage as a percentage of total capacity decreased by 17% over the month of September.
- On July 1, DWR began utilizing an updated Lake Oroville Storage Capacity Curve for operations and reporting. This is the first update to the curve since it was originally developed in 1971. The new storage curve reduces the total capacity of Lake Oroville by 113 TAF, from 3.54 MAF to 3.42 MAF. This reduction is due primarily to two factors: sedimentation and increased surveying accuracy.

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**San Luis Reservoir***(See Figure 11)*

- San Luis Reservoir is a joint-use facility between the State Water Project and the Central Valley Project. Its total storage capacity is 2,027,835 AF, and the SWP's share of the total capacity is 1,062,180 AF. As of September 29, the total reservoir storage is 1,021,760 AF, of which approximately 644,000 AF belongs to SWP. Currently, the SWP's share of the reservoir capacity is 60% full. DWR plans to fill completely by mid-December. Zone 7 staff is analyzing spill potential for Zone 7's Table A water stored in San Luis.

**NOTE:** Numbers presented are estimated and subject to refinement over the course of the year.

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**Lake Del Valle***(See Table 3 and Figure 6)*

- Lake Del Valle holds 32,400 AF as of October 1.
- Zone 7's estimated water storage in Lake Del Valle at the end of September is approximately 8,760 AF. Zone 7 did not utilize any of its Del Valle Local Water supplies in September to meet demand.
- In September, local runoff was unavailable for capture in Lake Del Valle.

### Table 3: Water Inventory

#### Water Inventory for Zone 7 Water Agency

Note: Values are rounded. All units in AF unless noted otherwise. Subject to adjustment over the year.

	2023 <i>Jan-Dec</i>	2024 <i>Sep</i>	2024 - YTD <i>Jan-Dec</i>
<b>Source</b>			
<b>Incoming Supplies</b>			
State Water Project (SWP) - Table A	55,530	370 <span style="color: green;">▲</span>	12,870
State Water Project - Article 21	2,360	0 <span style="color: green;">▲</span>	0
Lake Del Valle Local Water	4,310	0	5,600
Water Transfers/Exchanges	0	0	0
<b>Subtotal</b>	<b>62,200</b>	<b>370</b>	<b>18,470</b>
<b>From Storage</b>			
State Water Project - Carryover	1,630	4,190 <span style="color: green;">▲</span>	25,200
Livermore Valley Groundwater Basin	1,670	430 <span style="color: green;">▲</span>	2,660
Kern Storage and Recovery Programs	0	0 <span style="color: green;">▲</span>	0
<b>Subtotal</b>	<b>3,300</b>	<b>4,620</b>	<b>27,860</b>
<b>Total Supply</b>	<b>65,500</b>	<b>4,990</b>	<b>46,330</b>
<b>Water Use</b>			
<b>Customer Deliveries</b>			
Treated Water Demand <sup>1</sup>	34,030	3,890 <span style="color: green;">▲</span>	27,750 <span style="color: red;">▼</span>
Untreated Water Demand	4,870	700	3,750
<b>Subtotal</b>	<b>38,900</b>	<b>4,590</b>	<b>31,500</b>
<b>To Storage</b>			
Livermore Valley Groundwater Basin Recharge	8,600	400 <span style="color: green;">▲</span>	4,830
Kern Storage and Recovery Programs	10,000 <span style="color: green;">▲</span>	0 <span style="color: green;">▲</span>	10,000
<b>Subtotal</b>	<b>18,600</b>	<b>400</b>	<b>14,830</b>
<b>SWP Transfer</b>			
Westside 5 (Kern) <sup>2</sup>	<b>8,000</b>		
<b>Total Water Use</b>	<b>65,500</b>	<b>4,990</b>	<b>46,330</b>
<b>Available Water Supplies</b>			
<b>Incoming Supplies</b>	<b>End-of-2023</b>		
SWP - Table A (%)	100%	40%	40%
SWP - Table A Remaining	0 <span style="color: green;">▲</span>	19,380	19,380
Water Transfers/Exchanges	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>19,380</b>	<b>19,380</b>
<b>Storage Balance</b>	<b>End-of-2023</b>		
SWP Carryover	25,200	0 <span style="color: red;">▼</span>	0
Lake Del Valle Local Water	5,000	8,760 <span style="color: green;">▲</span>	8,760
Livermore Valley Groundwater Basin <sup>3</sup>	118,600	125,000	125,000
Kern Storage and Recovery Programs	95,600	100,600	100,600
<b>Subtotal</b>	<b>244,400</b>	<b>234,360</b>	<b>234,360</b>
<b>Total Available Water</b>	<b>244,400</b>	<b>253,740</b>	<b>253,740</b>
<b>Watershed Conditions</b>	<b>End-of-2023</b>		
Precipitation at Livermore Station (in) <sup>4</sup>	19.2	0.00 <span style="color: green;">▲</span>	11.64
Lake Del Valle Local Water Net Yield	7,010	0 <span style="color: green;">▲</span>	9,360
Measured Change in Groundwater Basin Storage	27,900	0 <span style="color: green;">▲</span>	6,900
Surface Water Outflow <sup>5</sup>	166,810	0 <span style="color: green;">▲</span>	37,620

<sup>1</sup> Includes a small amount of unaccounted-for water.

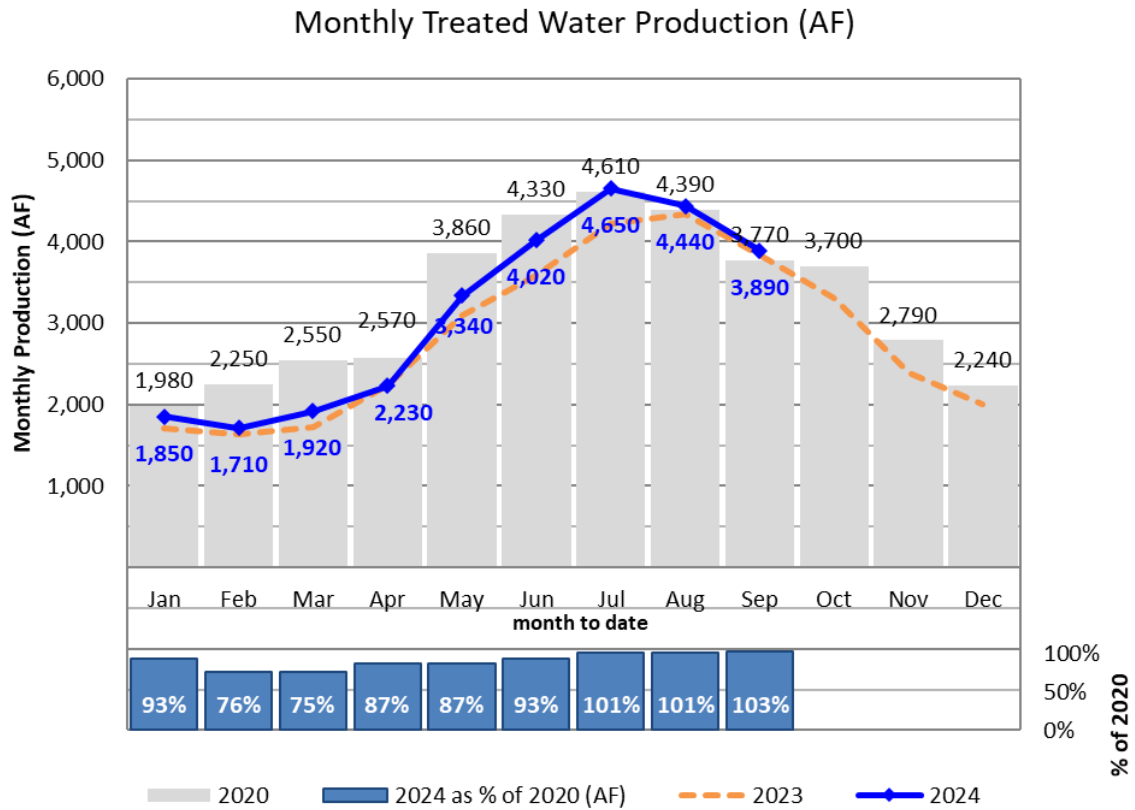
<sup>2</sup> In 2023, Zone 7 executed a transfer agreement with the Westside Districts

<sup>3</sup> Storage volume is based on most recent groundwater level data; amount shown excludes 128,000 AF of storage below the minimum thresholds.

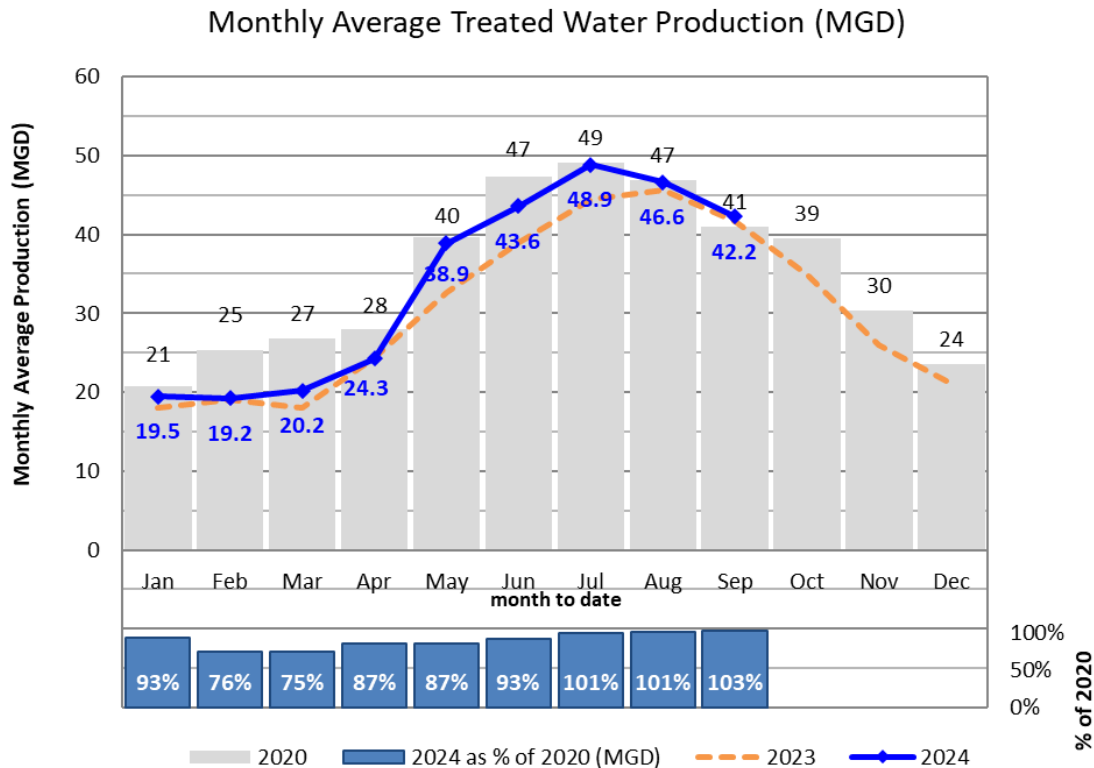
<sup>4</sup> Local precipitation reported in Table 3 for 2024 YTD is reported on a calendar year basis.

<sup>5</sup> Surface Water Outflow is estimated based on flow at USGS gage Arroyo De La Laguna at Verona.

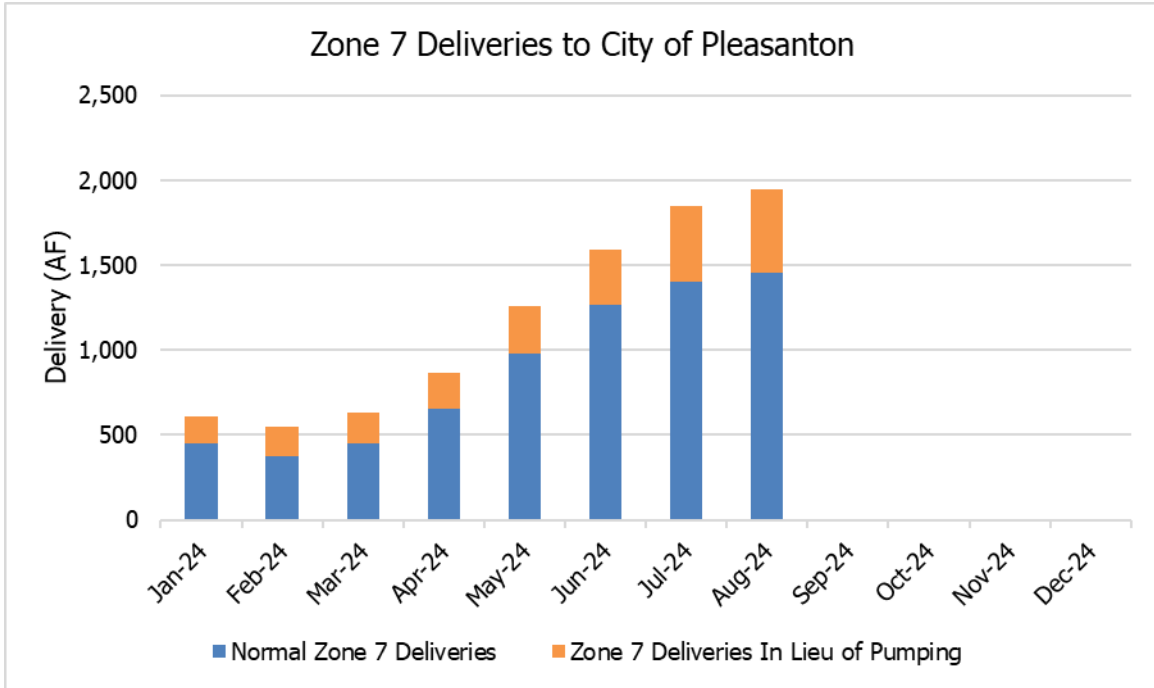
**Figure 1: Monthly Treated Water Production in Acre-Feet (AF)**



**Figure 2: Monthly Treated Water Production in Average Million Gallons Per Day (MGD)**

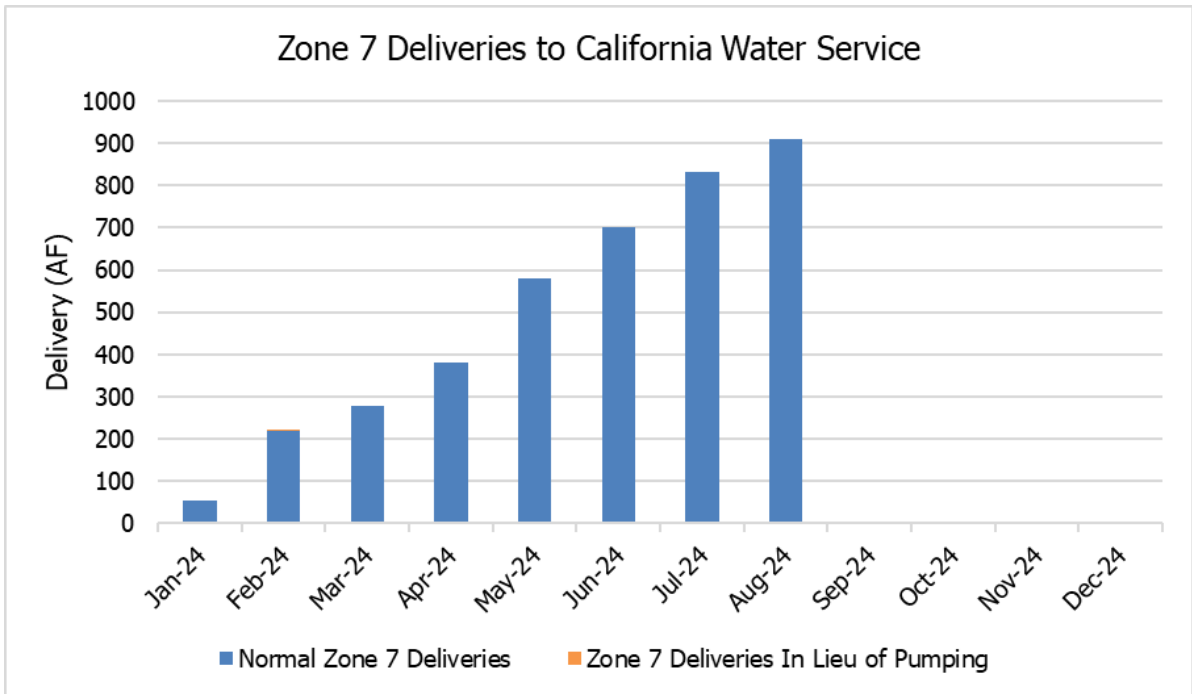


**Figure 3: Pleasanton Estimated In-Lieu Demand (Based on 2018-2021 Pumping)**



\*Pleasanton’s pumping data for June is not yet available and will be reflected in future inventories.

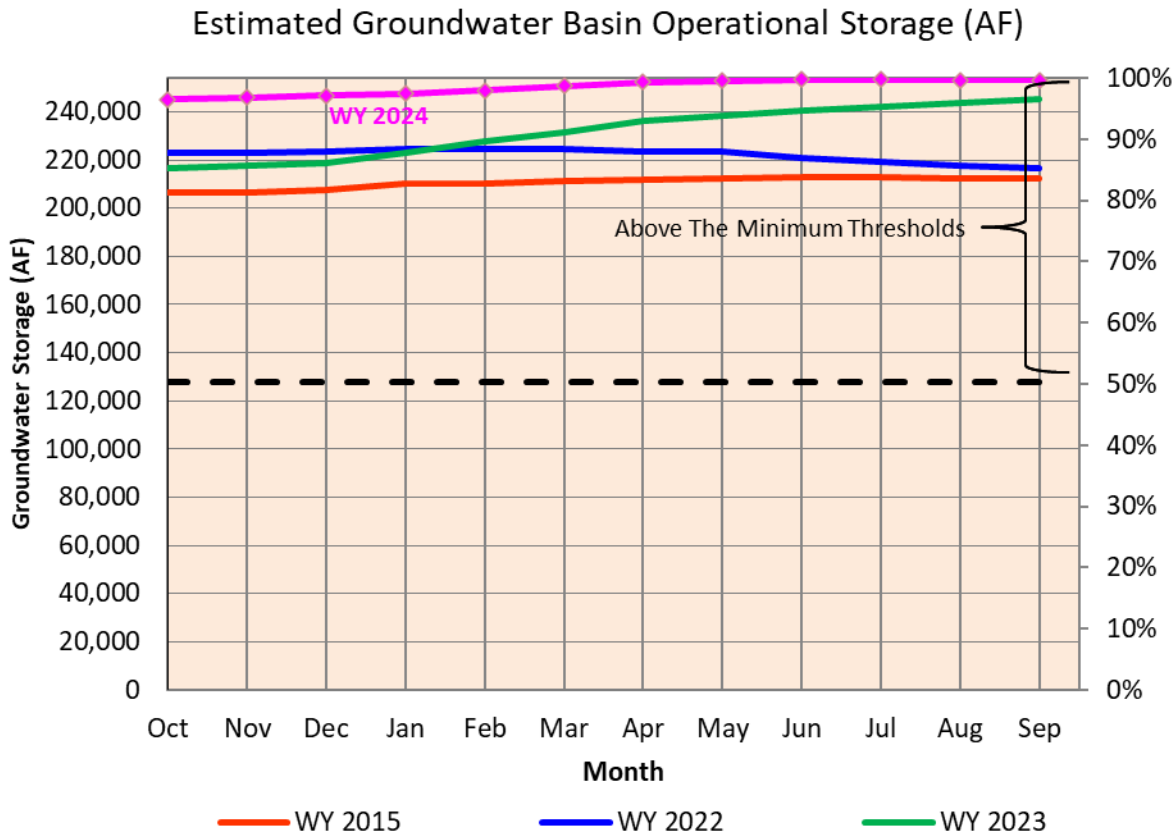
**Figure 4: California Water Service Estimated In-Lieu Demand (Based on 2018-2021 Pumping)**



\*Cal Water’s pumping data for June is not yet available and will be reflected in future inventories.



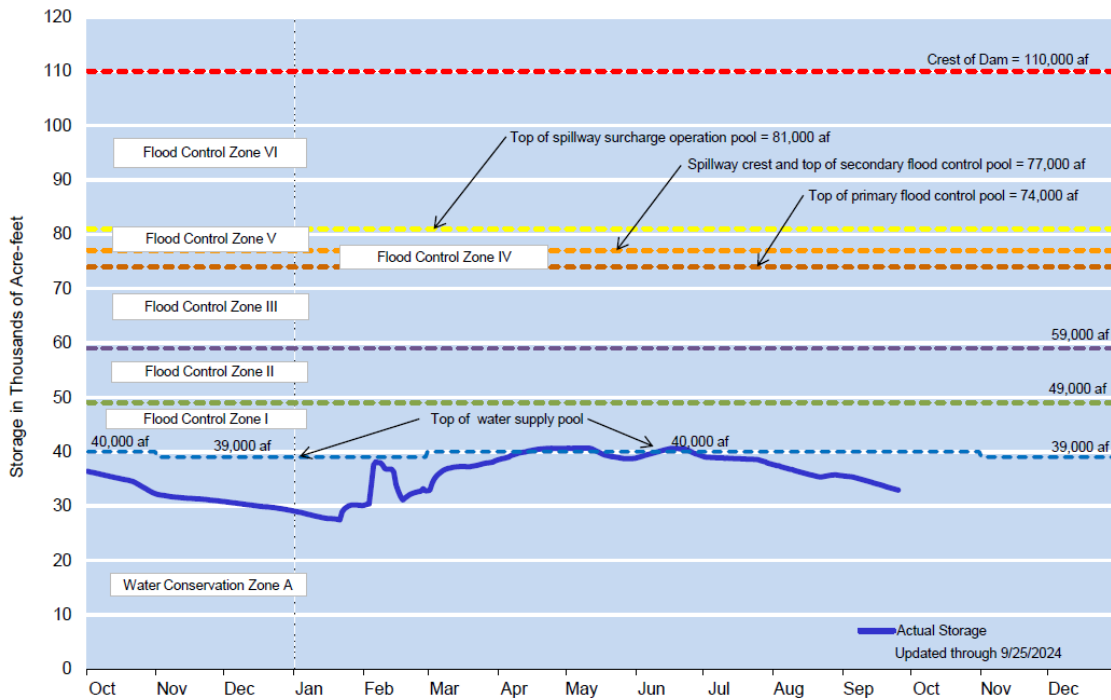
**Figure 5: Livermore Valley Groundwater Basin Storage\***



\*The estimated groundwater basin storage represents the combined total storage from all four subbasins.

**Figure 6: Lake Del Valle Storage**

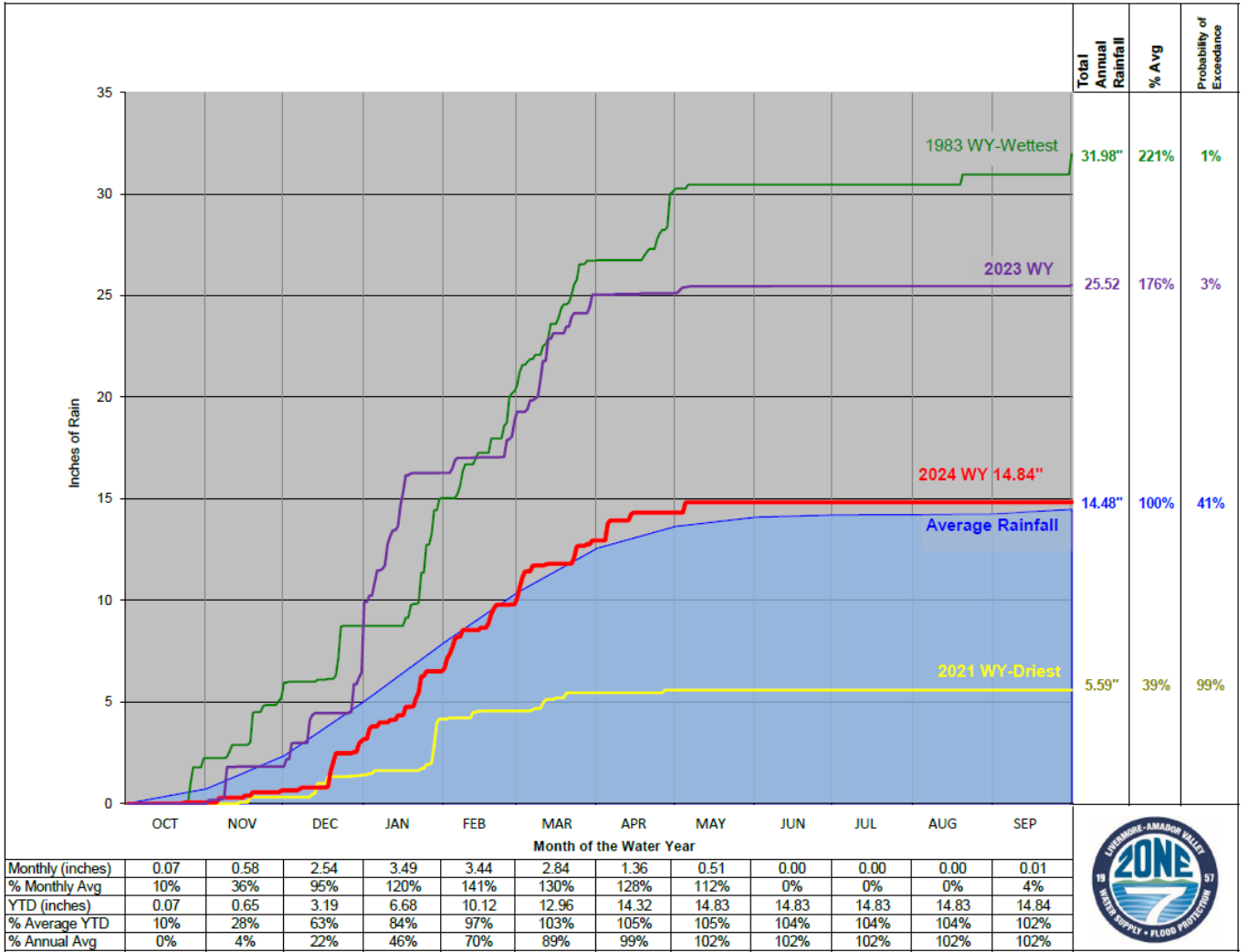
Lake Del Valle Storage  
October 1, 2023 to December 31, 2024



(Source : <https://water.ca.gov/-/media/DWR-Website/> )

# Figure 7: Local Precipitation

FIGURE 2-2  
 ZONE 7 WATER AGENCY  
 GRAPH OF LIVERMORE RAINFALL INDEX

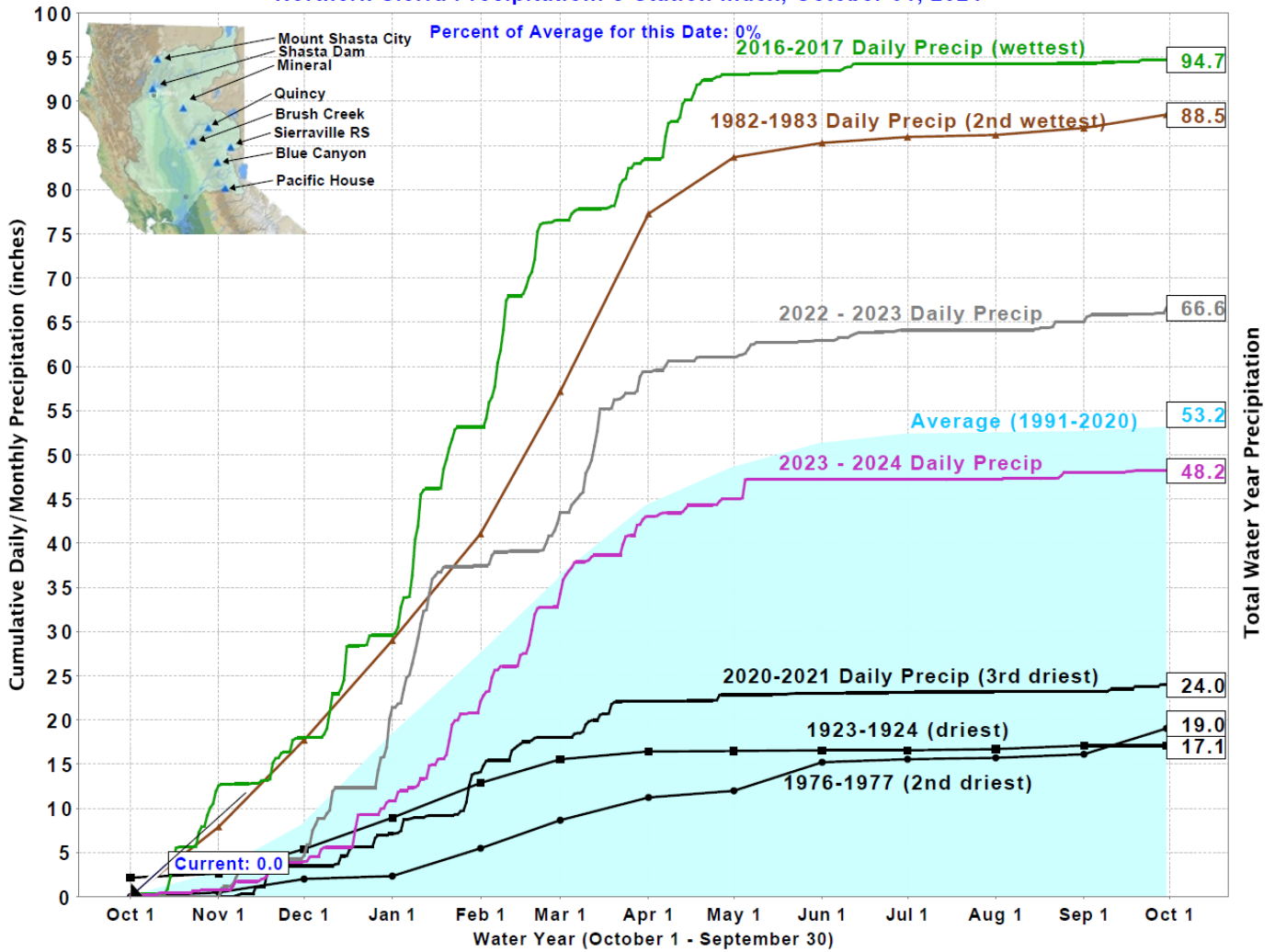


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Figure 2-2

## Figure 8: Cumulative Precipitation in the North Sierra

Northern Sierra Precipitation: 8-Station Index, October 01, 2024



(Source : [http://cdec.water.ca.gov/cgi-progs/products/PLOT\\_ESI.pdf](http://cdec.water.ca.gov/cgi-progs/products/PLOT_ESI.pdf))

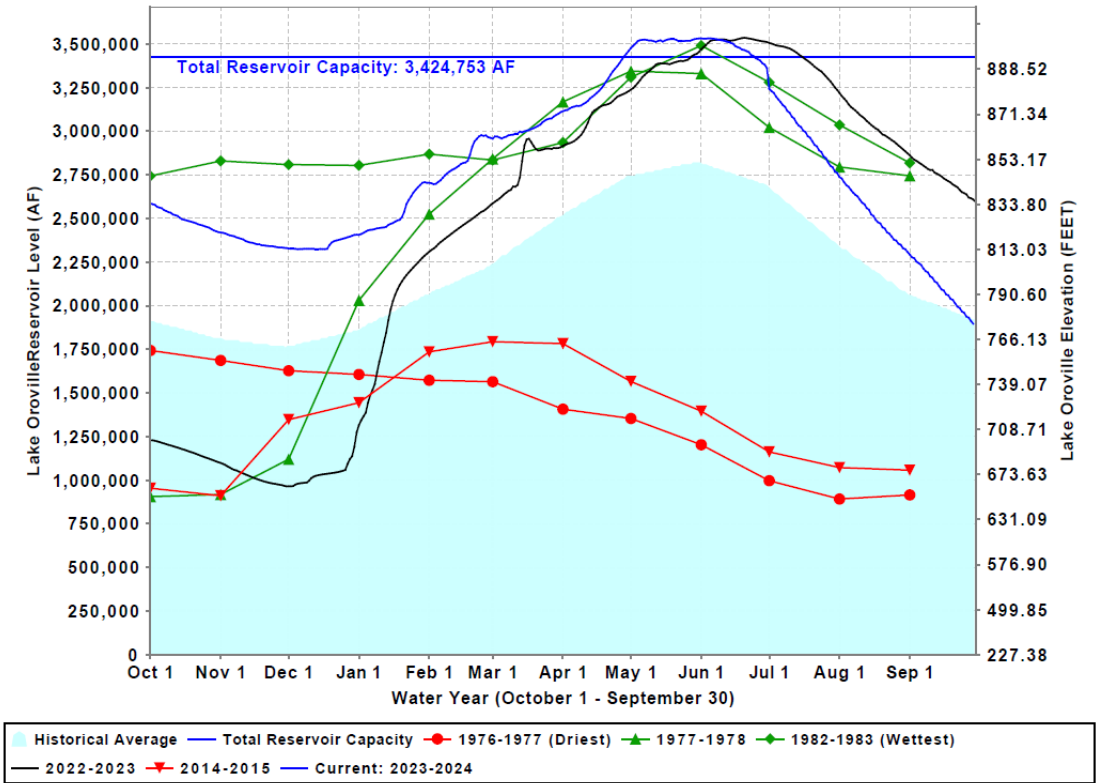
## Figure 9: Sierra Snowpack

*As of June 28, most snow survey sites are snow-free.  
DWR will begin reporting snowpack again around December 1.*

(Source : <https://cdec.water.ca.gov/reportapp/javareports?name=swcond.pdf>)

### Figure 10: Lake Oroville Storage

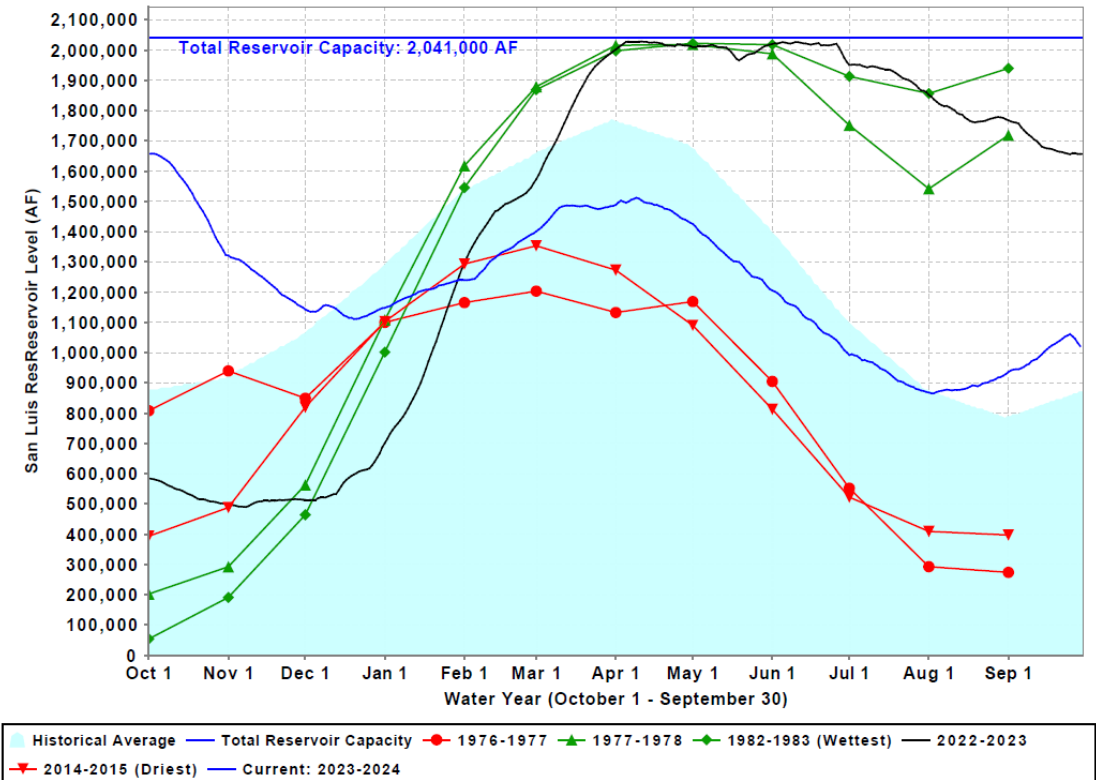
Lake Oroville Levels: Various Past Water Years and Current Water Year, Ending At Midnight September 29, 2024



(Source : <https://cdec.water.ca.gov/resapp/ResDetail.action?resid=ORO>)

### Figure 11: San Luis Reservoir Storage

San Luis Res Levels: Various Past Water Years and Current Water Year, Ending At Midnight September 29, 2024



(Source : <https://cdec.water.ca.gov/resapp/ResDetail.action?resid=SNL>)



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

**DATE:** September 12, 2024  
**TO:** Finance Committee  
**FROM:** Osborn Solitei, Treasurer/Assistant General Manager - Finance  
**SUBJECT:** FY 2023-24 Unaudited Fourth Quarter Revenue and Expenditure Report

### SUMMARY:

The proposed action is in support of Strategic Plan Goal G – Fiscal Responsibility: Operate the Agency in a fiscally responsible manner, and Strategic Plan Initiative No. 24 – Continue to effectively manage financial resources for the Agency. In carrying out these fiscal responsibilities, staff provides quarterly financial reports to the Finance Committee and the Board. This quarterly report provides a summary of unaudited revenue and expenditures and explanations of any major variances through the fourth quarter (Q4) of fiscal year (FY) 2023-24 (July 1, 2023 – June 30, 2024) for the following funds:

- › Fund 100 – Water Enterprise Operations
- › Fund 110 – State Water Facilities
- › Fund 120 – Water Enterprise Renewal/Replacement & System-Wide Improvements
- › Fund 130 – Water Enterprise Capital Expansion
- › Fund 200 – Flood Protection Operations
- › Fund 210 – Flood Protection Development Impact Fee Fund (DIF)
- › Fund 300 – Water Facilities Fund

Highlights of this report include:

- › **Water Sales** – Q4 unaudited water sales per acre-foot (AF) are summarized in the table below:

	Budget	Actual
Treated Water Sales (AF)	36,000	34,800
Untreated Water Sales (AF)	5,000	4,830
<b>Total Water Sales</b>	<b>41,000</b>	<b>39,630</b>

Water sales are slightly less than budget likely due to above-average rainfall in the spring. Water sales also include 8,000 AF of water transfer sales to Westside Water Districts. The Agency entered into an agreement with Westside Water Districts to sell up to 12,000 AF of water through transfers (Resolution No. 23-63, dated August 16, 2023). These additional water transfers were not planned for in the budget.

- › **Water Connection Fees** – The Agency collected \$11.9M in water connection fees in FY 2023-24, a 70% decline in revenue since FY 2018-19, signaling a continued slowdown in development. Water connection fee revenue currently funds:
  - › Agency’s water expansion projects
  - › SBA Expansion project annual debt service
  - › Agency’s share of the Sites Reservoir Project
  - › Portion of the Agency’s share of the Los Vaqueros Reservoir Expansion Project

A connection fee study is underway. The study will evaluate the number of future connections in the service area and the allocation of capital projects to the Water Expansion Fund.

- › **Grant Award for Stoneridge PFAS Project** – The Agency was formally awarded \$16 million for the Stoneridge PFAS Treatment Facility project in September 2023. DWR and the Agency signed the Grant Agreement on April 4, 2024. Funds are expected to be received in FY 2024-25.
- › **Pension Liability Trust Fund Contribution** – On March 20, 2024, following the Finance Committee’s recommendation, the Board authorized a \$250K contribution to the pension trust fund (Resolution No. 24-11), comprised of:
  - a) a contribution of \$183,380, in accordance with the Policy guidelines for annual contribution amounts; and
  - b) an additional contribution of \$66,620 because of the \$1.9M unallocated fund balance in Fund 100 at the end of FY 2022-23.

**ANALYSIS:**

The Agency maintains several funds; these fund balances are grouped into two categories – Unrestricted Fund Balances and Restricted Fund Balances.

**UNRESTRICTED FUNDS**

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**Unrestricted Fund Balance:** This describes the portion of fund balance that is not restricted to use. To facilitate the discussion of reserve funds, this report will categorize the various funds as “Unrestricted Reserves” and “Restricted Reserves.” In general, Board policy can most affect Unrestricted Reserves.

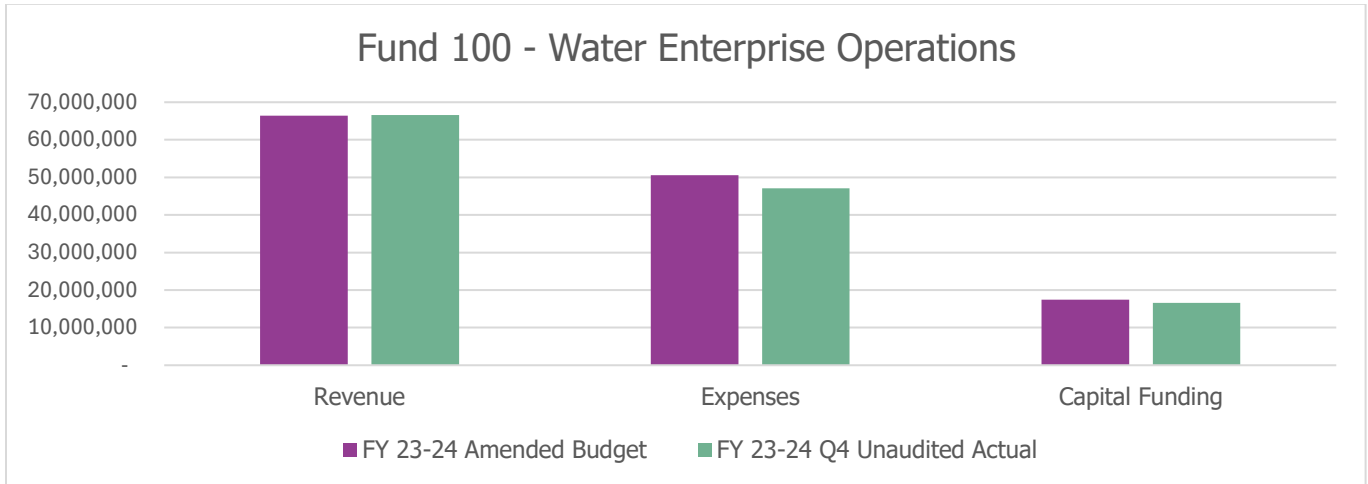
**Fund 100 – Water Enterprise Operations Fund**

*Primary Funding Source: Water Rates*

The purpose of this fund is to ensure the delivery of high-quality drinking and irrigation water to the Livermore-Amador Valley. This operations and maintenance fund includes water treatment and distribution of potable (drinking) water, distribution of untreated agricultural/irrigation water, and management of surface water and groundwater. Water distributed is a combination of locally stored and imported water from the SWP. Activities include water treatment, water quality analysis, water resource management, groundwater

recharge and protection, general administration, maintenance, out-of-area water banking infrastructure, and water supply planning and engineering.

The following graph shows the FY 2023-24 Amended Budget and Q4 unaudited actual revenues, expenditures, and capital funding.



## Details of Revenue and Expenses for Fund 100

Fund 100 – Water Enterprise Operations	FY 23-24 Amended Budget	FY 23-24 Q4 Unaudited Actual	Year-End Over / (Under) Budget
<b>Audited Beg. Fund Balance</b>	<b>\$29,266,000</b>	<b>\$29,369,000</b>	<b>\$103,000</b>
<b>Revenue</b>			
Water Sales <sup>1</sup>	65,763,000	65,070,000	(693,000)
Investment Earnings <sup>2</sup>	300,000	934,000	634,000
Other Revenue	332,000	552,000	220,000
<b>Total Revenue</b>	<b>66,395,000</b>	<b>66,556,000</b>	<b>161,000</b>
<b>Expenses</b>			
Labor <sup>3</sup>	17,005,000	19,525,000	2,520,000
Professional Services <sup>4</sup>	4,098,000	2,523,000	(1,575,000)
Legal Services	340,000	318,000	(22,000)
County Services <sup>4</sup>	1,909,000	2,241,000	332,000
Insurance Services	735,000	755,000	20,000
Water <sup>5</sup>	10,520,000	7,598,000	(2,922,000)
Chemicals <sup>5</sup>	4,140,000	3,453,000	(687,000)
Utilities	2,509,000	2,343,000	(166,000)
Repairs and Maintenance <sup>6</sup>	2,251,000	2,416,000	165,000
Rental Services <sup>7</sup>	104,000	319,000	215,000
General/Other Supplies	941,000	654,000	(287,000)
Other Services (Rebates, Outreach) <sup>8</sup>	950,000	622,000	(328,000)
LVR Expansion Participation <sup>9</sup>	992,000	992,000	-
Debt Service <sup>10</sup>	4,127,000	3,342,000	(785,000)
<b>Total Operating Expenses</b>	<b>50,621,000</b>	<b>47,101,000</b>	<b>(3,520,000)</b>
Capital Funding <sup>11</sup>	17,424,000	16,634,000	(790,000)
<b>Total Expenses</b>	<b>68,045,000</b>	<b>63,735,000</b>	<b>(4,310,000)</b>
Estimated Revenue over Expenses	(1,650,000)	2,821,000	4,471,000
<b>Ending Fund Balance</b>	<b>\$27,616,000</b>	<b>\$32,190,000</b>	<b>4,574,000</b>

### Revenue

**1. Water Sales:** Q4 unaudited actual water sales revenue includes 34,800 AF of treated water sales and 4,380 AF of untreated water sales through June 30, 2024. Water sales were slightly less than budget, likely due to above-average rainfall in the spring. Q4 unaudited actual water sales also include 8,000 AF of water transfer sales to Westside Water Districts. These additional water transfers were not planned for in the budget.

The following water rate increases went into effect January 1, 2024.

- › Approved 5.5% increase in treated water rates for CY 2024 (Resolution No. 22-93, dated November 16, 2022)
- › Approved increase in untreated water rate to \$263/AF (Resolution No. 23-77, dated October 18, 2023)

**2. Investment Earnings:** Q4 unaudited interest earnings exceed budget and reflect current favorable market conditions.



## Expenditures

**3. Labor:** Q4 unaudited actual labor includes payroll through June 30, 2024. A 5% cost of living adjustment took effect June 25, 2023. As of June 30, 2024, the Agency had a 11.8% vacancy rate, whereas the budget planned for a vacancy rate of 15%.

**4. Professional Services:** Includes professional services related to water enterprise operations. Q4 unaudited actuals are less than budget because of multi-year and as-needed services, including:

- › water supply model (~\$220K)
- › groundwater model update (~\$150K)
- › groundwater studies (~\$150K)
- › energy master plan (~\$50K)
- › as-needed services (~\$300K)
- › contingency (~\$250K)

**County Services:** Q4 unaudited actuals includes \$800K for the March 2024 Zone 7 Board of Directors election expense, which exceeded the budget by \$300K. The election expense is difficult to estimate because it is based on voter turnout.

**5. Water production costs:** Includes Water, Chemicals, and Utilities.

*Water:* The Agency's SWP final allocation in CY 2023 was 100% and is currently 40% in CY 2024. Q4 unaudited actual expenses are primarily made up of the SWP conveyance costs, including costs to send and store approximately 5,962 AF of water to Semitropic through the banking program, and the Agency's Delta Conveyance Project participation costs. The budget planned for conveying and storing water with the Semitropic and Cawelo banking programs. Q4 unaudited actuals are less than budget primarily because the Agency was unable to send water to Cawelo due to significant damage to Cawelo's banking infrastructure from the 2023 storms. In addition, SWP conveyance costs were less than budget due to lower transportation charge unit rates.

*Chemicals:* Q4 unaudited actual expenses are less than budget due to the abundance of high-quality surface water, reducing the amount of chemicals needed to treat the water.

**6. Repairs and Maintenance:** Q4 unaudited actual repairs and maintenance expenses exceed the budget by \$165K due to the unexpected purchase of power supply units and increased HVAC system maintenance. DVWTP and PPTWP HVAC systems are in the adopted two-year budget for replacement in FY 2025-26.

**7. Rental Services:** Q4 unaudited actuals includes rents and leases on equipment and buildings, and leases on software and licenses. Q4 unaudited actuals are more than budget because of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* rule which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements. This is the first year leases for software and licenses have been included in this account classification.

- 8. Other Services:** This category includes organizational memberships, rebates, communication services, and public outreach. Q4 unaudited actuals are less than budget primarily because of lower demand for conservation rebates.
- 9. Los Vaqueros Reservoir Expansion (LVE) Project Participation:** This category includes the Agency's participation costs in the development phase of the LVE project. Per Resolution No. 23-55, dated July 19, 2023, the Board approved Multiparty Agreement No. 5, committing \$1.239 million in funding to the project through June 30, 2024. The funding is split 80/20 between Funds 100 and 130.
- 10. Debt Service:** Includes annual debt service payments for the following Agency issued Livermore Valley Water Financing Water Revenue Bonds:
- › 2018 Series A, \$64,010,000 for Ozone projects and Cawelo prepayment.
  - › 2023 Series A, \$28,795,000 for Chain of Lakes PFAS treatment facility project.
- The Q4 unaudited actual is less than budget because the actual January 1, 2024, interest payment on the 2023 Series A Bonds is less than budget, as it is based on the actual sale of bonds in October 2023.
- 11. Capital Funding:** Q4 unaudited actual capital funding is less than budget as the budget assumes a 6% annual adjustment, and the actual Engineering News Record Construction Cost Index (ENRCCI) adjustment from June 2022 to June 2023 was 0.1%.

### **Water Supply Conditions**

The SWP's final allocation for CY 2024 is 40% (see the Monthly Water Inventory and Water Budget Update in the August 21, 2024, Board Agenda packet). The [United States Drought Monitor](#) indicates no drought in most of California.

### **Reserves**

Per Strategic Plan Initiative No. 24, the Agency shall maintain target levels of reserves. As of June 30, 2024, Fund 100 reserves are fully funded at the target level. The Q4 unaudited actual unallocated fund balance is about \$3.9M. FY 2024-26 Adopted Budget plans to use \$1.5M of the unallocated fund balance to balance the budget.

At the February 15, 2024, Finance Committee Meeting, staff were given direction on the Committee's preferred use of unallocated fund balance. These options included:

- Offsetting future rate increases,
- Funding the annual contribution to the IRS Section 115 Pension Trust per the adopted Board policy,
- Funding for water supply reliability projects.

The table below compares Minimum, Target, and Maximum reserves to Q4 unaudited actual fiscal year-end reserves.

Fund 100 Reserves	Minimum	Target	Maximum	FY 23-24 Q4 Unaudited Actual	Actual Above / (Below) Target
Operating Reserves <sup>1</sup>	\$8,601,000	\$12,902,000	\$17,202,000	\$12,902,000	-
Emergency Reserves <sup>2</sup>	6,705,000	8,381,000	10,058,000	8,381,000	-
Reserve for Economic Uncertainties <sup>3</sup>	3,532,000	5,298,000	7,065,000	5,298,000	-
<b>Subtotal</b>	<b>\$18,838,000</b>	<b>\$26,581,000</b>	<b>\$34,325,000</b>	<b>\$26,581,000</b>	-
Pension Trust Fund				1,667,000	-
Unallocated Fund Balance				3,942,000	3,942,000
<b>Total Reserves</b>	<b>\$18,838,000</b>	<b>\$26,581,000</b>	<b>\$34,325,000</b>	<b>\$32,190,000</b>	<b>\$3,942,000</b>

Note: Values are rounded to the thousands and may not add due to rounding.

<sup>1</sup>The FY 23-24 Q4 unaudited actual Operating Reserve is funded at the target level of 90 days of operating expenses.

<sup>2</sup>The FY 23-24 Q4 unaudited actual Emergency Reserve is funded at the target level of 2.5% of Water Enterprise assets.

<sup>3</sup>The FY 23-24 Q4 unaudited actual Reserve for Economic Uncertainties is funded at 15% of FY 2024-25 budgeted volume-based water sales revenue.

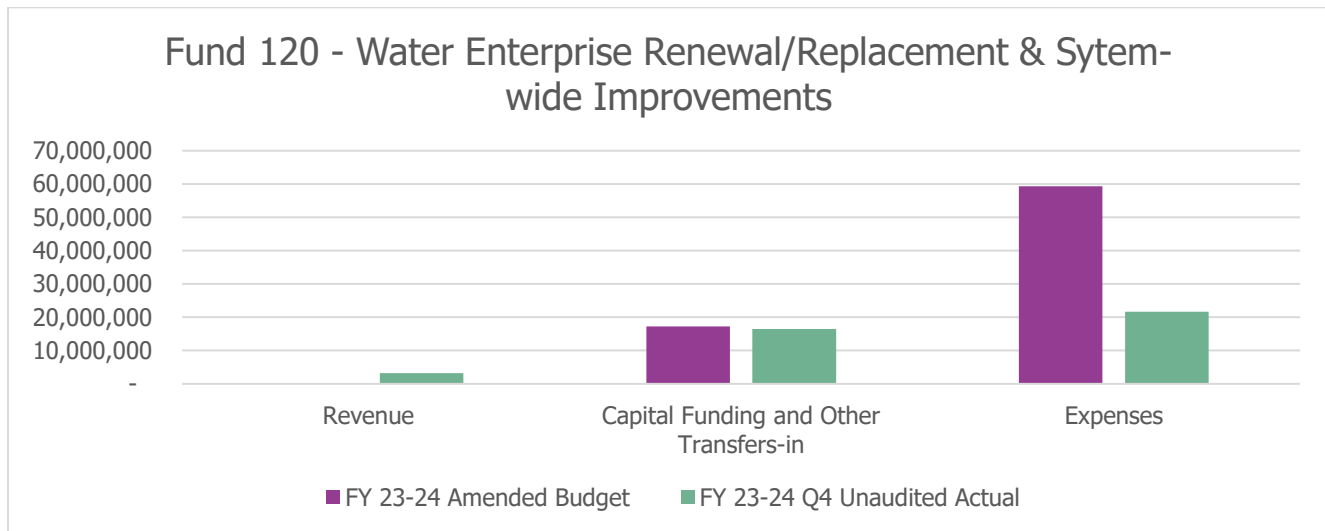
### Fund 120 – Water Renewal/Replacement & System-Wide Improvements

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

*Primary Funding Source: Water Rates via a transfer from Fund 100*

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

The following graph shows the FY 2023-24 Amended Budget and Q4 unaudited actual revenue, capital funding, and expenditures.



Note: When expenses exceed revenue, capital reserves (working capital) are being expended.

## Details of Revenue and Expenses for Fund 120

Fund 120 - Water Enterprise Renewal/Replacement & Systemwide Improvements	FY 23-24 Amended Budget	FY 23-24 Q4 Unaudited Actual	Year-End Over/(Under) Budget
<b>Audited Beginning Fund Balance</b>	<b>\$44,990,000</b>	<b>\$45,119,000</b>	<b>129,000</b>
2023 Water Revenue Bond Proceeds	29,665,000	29,665,000	
<b>Adjusted Beginning Fund Balance</b>	<b>74,655,000</b>	<b>74,784,000</b>	<b>129,000</b>
<b>Revenue</b>			
Investment Earnings <sup>1</sup>	100,000	3,207,000	3,107,000
Other Revenue	2,000	48,000	46,000
<b>Total Revenue</b>	<b>102,000</b>	<b>3,255,000</b>	<b>3,153,000</b>
<b>Other Financing Sources</b>			
Capital Funding <sup>2</sup>	17,214,000	16,441,000	(773,000)
<b>Total Other Financing Sources</b>	<b>17,214,000</b>	<b>16,441,000</b>	<b>(773,000)</b>
<b>Expenses</b>			
Labor <sup>3</sup>	1,706,000	1,302,000	(404,000)
Capital Projects <sup>4</sup>	57,579,000	20,355,000	(37,224,000)
<b>Total Expenses</b>	<b>59,285,000</b>	<b>21,657,000</b>	<b>(37,628,000)</b>
Estimated Revenue/Other Financing Sources over Expenses	(41,969,000)	(1,961,000)	40,008,000
<b>Ending Fund Balance</b>	<b>\$32,686,000</b>	<b>\$72,823,000</b>	<b>\$40,137,000</b>

Note: Values are rounded to the thousands and may not add due to rounding.

### Revenue

- Investment Earnings:** Q4 unaudited actual interest earnings reflect favorable market conditions.
- Capital Funding:** Q4 unaudited actual capital funding is less than budget as the budget assumes a 6% annual adjustment, and the actual ENRCCI adjustment from June 2022 to June 2023 was 0.1%.

### Expenses

- Labor costs:** Q4 unaudited actual labor includes payroll through June 30, 2024. Actuals are lower than budget due to the timing of budgeted projects.
- Capital Projects:** Q4 unaudited actual capital projects reflect expenditures for projects currently in the construction phase or nearing completion including:
  - › Stoneridge PFAS Treatment Facility
  - › Chain of Lakes PFAS Treatment Facility
  - › Wells & MGDP Electrical Upgrades/Replacement Project
  - › MGDP Concentrate Conditioning

Q4 unaudited actuals are less than budget due to the multi-year nature of capital projects; unspent capital budgets (~\$36.2M) will be spent in subsequent fiscal years.

## Reserves

The table below compares the FY 2023-24 Amended Budget ending reserve balances to the Q4 unaudited actual ending reserve balances.

Fund 120 Reserves	FY 23-24 Amended Budget FYE	FY 23-24 Q4 Unaudited Actual
Debt Service Rate Stabilization Reserve	\$6,300,000	\$6,300,000
Pension Trust	46,000	39,000
Designated for Capital Projects Reserve <sup>1</sup>	26,340,000	66,484,000
<b>Total Reserve</b>	<b>\$32,686,000</b>	<b>\$72,823,000</b>

<sup>1</sup>This reserve is designated for capital projects to fund the Fund 120 CIP projects the Agency has committed to over the next five years. The Zone 7 Board adopted the Five-Year Water System CIP on June 21, 2023 (Resolution No. 23-50).

Below is a summary of the major projects in progress. For more information on capital projects, see the Capital Projects Status Report in the August 21, 2024, Board meeting agenda packet.

Project	Total Estimated Cost	Fund 120 Share	Fund 120 Cash Financed	Fund 120 Bond Financing	Status	In-Service
Asset Management Program and Ten-Year CIP Update	\$1.15M	\$902K	\$902K	\$-	Planning	Feb. 2025
DVWTP Roadway/Parking Lot Repairs and Post Ozone Project	\$2.75M	\$2.75M	\$2.75M	\$-	Complete	June 2024
DVWTP Polymer Mixing System Replacement Project	\$785K	\$785K	\$785K	\$-	Complete	June 2024
Pipeline Inspection Study	\$250K	\$250K	\$250K	\$-	Study In-process	Summer 2024
MGDP Concentrate Conditioning	\$7.8M	\$7.8M	\$7.8M	\$-	Construction	Fall 2024
Chain of Lakes PFAS Treatment Facility Project <sup>1</sup>	\$24.4M	\$24.4M	\$2.4M	\$22M <sup>1</sup>	Construction	Winter 2024
Stoneridge Well PFAS Project	\$16.3M	\$16.3M	\$16.3M	\$-	Functional completion September 2023	Closeout June 2024
Wells & MGDP Electrical Upgrades/Replacement Project	\$7.3M	\$7.3M	\$7.3M	\$-	Construction	Winter 2024
Electric Vehicle Chargers	\$651K	\$651K	\$651K	\$-	Design	Spring 2025
PLC Modernization at DVWTP, MGDP, and PPWTP	\$550K	\$550K	\$550K	\$-	In-service	Summer 2024

SCADA Core Switch Replacement	\$400K	\$400K	\$400K	\$-	In-process	Fall 2024
DVWTP Booster Pump Station VFD and Underdrain Pump Station Replacement	\$1.25M	1.25M	\$1.25M	\$-	Planning / Design	Spring 2026
MGDP and Mocho Wellfield PFAS Compliance Conceptual Design	\$500K	\$500K	\$500K	\$-	Planning	Winter 2024
Risk and Resilience Assessment and Emergency Response Plan	\$200K	\$200K	\$200K	\$-	Planning	Fall 2025
<b>Total</b>	<b>\$64.3M</b>	<b>\$64.0M</b>	<b>\$42.0M</b>	<b>\$22.0M</b>		

<sup>1</sup>The remaining ~\$8M in bond proceeds are eligible to be used for other water system improvements.

### Other Unrestricted Funds

Fund 300 - Water Facilities Fund was originally used for Chain of Lakes mitigation and planning reserve, quarry discharge exports, miscellaneous fees and deposits, and permit inspection deposits.

Fund	FY 2023-24 Beginning Audited Fund Balance	FY 2023-24 Q4 Unaudited Actual Interest Income & Misc. Deposits	FY 23-24 Q4 Unaudited Actual	FY 23-24 Q4 Unaudited Actual Ending Fund Balance
Fund 300 - Water Facilities Fund	1,117,000	-	(1,117,000)	-

Fund 300 has been subsequently authorized by the Board for the Sites Reservoir Project and is expected to have a balance of \$0 by June 30, 2024:

- Per Resolution No. 22-05 dated January 19, 2022, the Board authorized the Third Amendment to the 2019 Sites Reservoir Project Agreement at 10,000 acre-feet of participation in an amount not-to-exceed \$4M through 2024.

### RESTRICTED FUNDS ANALYSIS

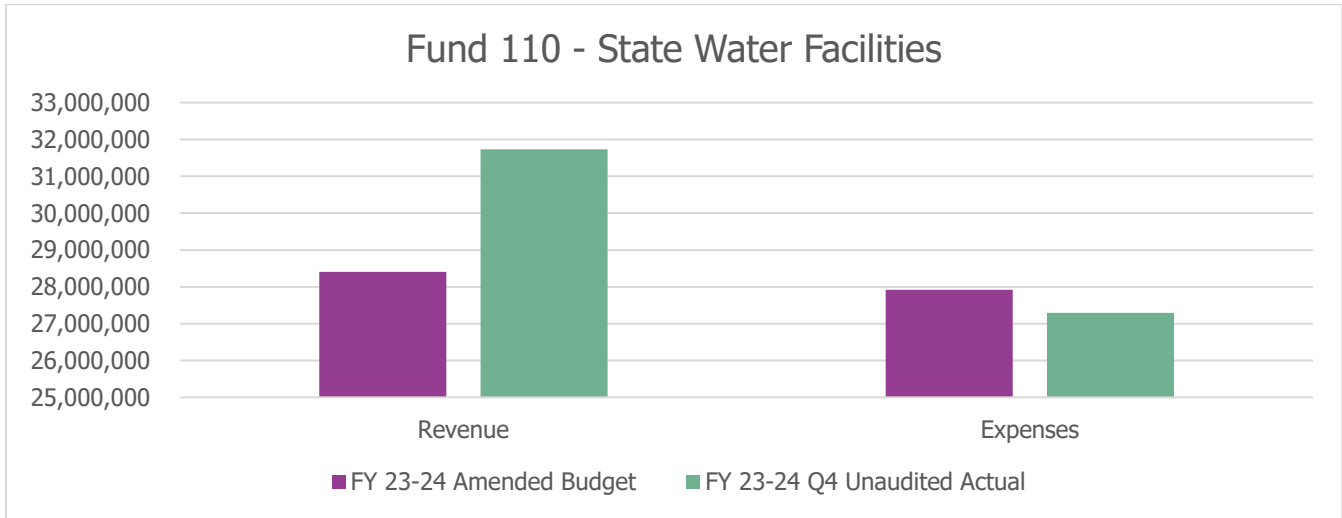
**Restricted Fund Balance:** Includes the portion of the fund balance that can only be spent for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers. It also includes a legally enforceable requirement that the resources can only be used for specific purposes enumerated in the law. The restricted funds are not available to serve as operating or emergency reserves and include property taxes, connection and developer fees received for capital projects, debt service requirements, and fees charged for the provision of future water resources.

## Fund 110 – State Water Facilities Fund

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

Fund 110 funds the fixed cost payment to DWR to import water to the Agency including repayment of voter-approved, state-incurred, long-term debt.

The following graph shows the FY 2023-24 Amended Budget and Q4 unaudited actual revenue and expenditures.



Note: When expenses exceed revenue, operating reserves (working capital) are being expended.

### Details of Revenue and Expenses for Fund 110

Fund 110 - State Water Facilities	FY 23-24 Amended Budget	FY 23-24 Q4 Unaudited Actual	Year-End Over / (Under) Budget
<b>Audited Beg. Fund Balance</b>	<b>\$47,489,000</b>	<b>\$48,613,000</b>	<b>\$1,124,000</b>
<b>Revenue</b>			
Dougherty Valley Surcharge	2,350,000	2,568,000	218,000
Property Taxes <sup>1</sup>	22,201,000	24,125,000	1,924,000
DWR Refunds	3,675,000	2,716,000	(959,000)
Investment Earnings <sup>2</sup>	180,000	2,321,000	2,141,000
<b>Total Revenue</b>	<b>28,406,000</b>	<b>31,730,000</b>	<b>3,324,000</b>
<b>Expenses<sup>3</sup></b>	<b>27,923,000</b>	<b>27,291,000</b>	<b>(632,000)</b>
Estimated Revenue over Expenses	483,000	4,439,000	3,956,000
<b>Ending Fund Balance</b>	<b>\$47,972,000</b>	<b>\$53,052,000</b>	<b>5,080,000</b>

Note: Values are rounded to the thousands.

## Revenue

This is a pass-through fund for fixed charges associated with the SWP, assessed as a property tax override. The Agency budgets for the SWP fixed costs annually based on an estimated SWP Statement of Charges and requests the County collect that amount.

- 1. Property Taxes:** Q4 unaudited actual revenue includes the first and second installment of the property tax override.
- 2. Investment Earnings:** Q4 unaudited actual interest earnings reflect favorable market conditions.

## Expenses

- 3. Expenditures:** Q4 unaudited actuals are \$27.3M. These expenditures include DWR fixed costs and the improvement portion of the SBA Improvement and Enlargement Project debt service payments.

## Reserves

The following table compares the FY 2023-24 Amended Budget ending reserve balance to the Q4 unaudited actual ending reserve balance and maximum reserve. Although the year-end reserve balance exceeds the reserve maximum, SWP costs are highly volatile and unpredictable. Based on the SWP Budget Report for CYs 2024 and 2025, the total capital need for the next 12 years is estimated to be \$6.0 billion, of which the Agency would be responsible for its proportional share.

Fund 110 Reserves	FY 23-24 Amended Budget FYE	FY 23-24 Q4 Unaudited Actual <sup>1</sup>	Reserve Maximum
Total Reserve Balance	\$47,972,000	\$53,052,000	\$28,712,000

Note: Values are rounded to the thousands.

<sup>1</sup>SWP costs are highly volatile and are expected to increase significantly. Any reserve balance above the reserve maximum may be used to offset future cost increases.

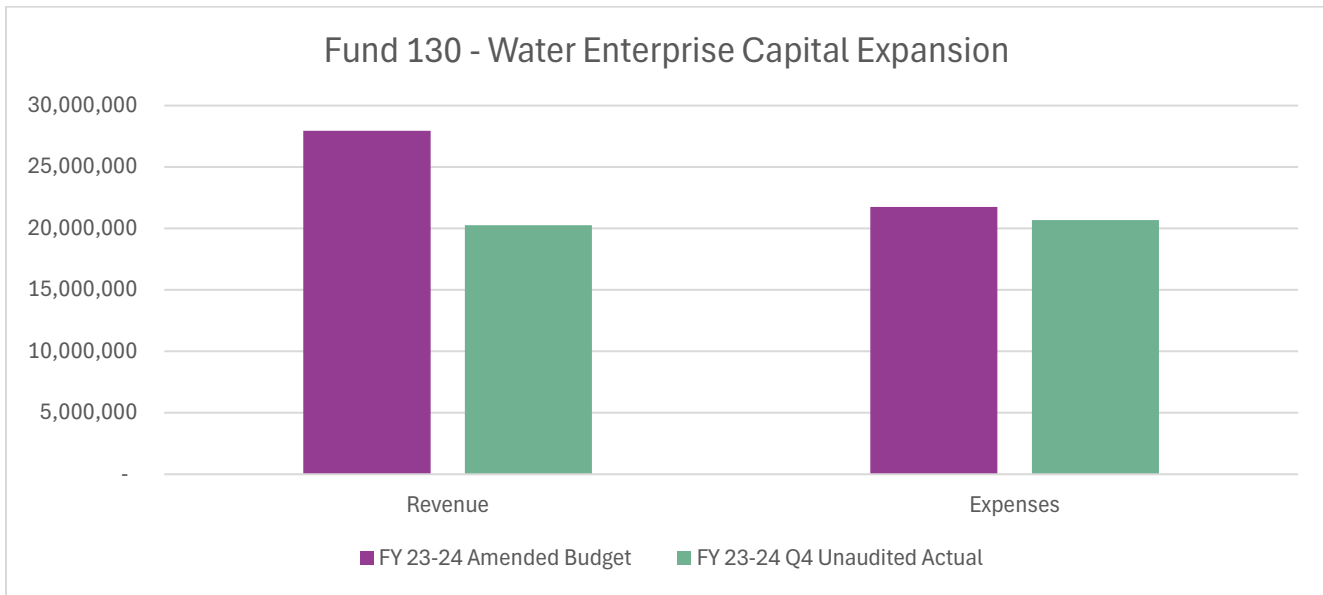
## Fund 130 – Water Enterprise Capital Expansion

*Primary Funding Source: Water Connection Fees.*

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



The following graph shows the FY 2023-24 Amended Budget and Q4 unaudited actual revenue and expenditures.



Note: When expenses exceed revenue, operating reserves (working capital) are being expended.

### Details of Revenue and Expenses for Fund 130

Fund 130 - Water Enterprise Capital Expansion	FY 23-24 Adopted Budget	FY 23-24 Q4 Unaudited Actual	Year-End Over/(Under) Budget
<b>Audited Beg. Fund Balance</b>	<b>\$70,933,000</b>	<b>\$70,387,000</b>	<b>(\$546,000)</b>
<b>Revenue</b>			
Connection Fees <sup>1</sup>	24,812,000	11,860,000	(12,952,000)
Investment Earnings <sup>2</sup>	140,000	4,329,000	4,189,000
DWR Refunds	3,000,000	3,021,000	21,000
Other Revenue <sup>3</sup>	-	1,050,000	1,050,000
<b>Total Revenue</b>	<b>27,952,000</b>	<b>20,260,000</b>	<b>(7,692,000)</b>
<b>Expenses</b>			
Labor <sup>4</sup>	349,000	201,000	(148,000)
Professional Services	48,000	528,000	480,000
Water <sup>5</sup>	16,850,000	16,604,000	(246,000)
Capital Projects <sup>6</sup>	3,403,000	2,248,000	(1,155,000)
Debt Service	1,089,000	1,089,000	-
<b>Total Expenses</b>	<b>21,739,000</b>	<b>20,670,000</b>	<b>(1,069,000)</b>
Estimated Revenue over Expenses	6,213,000	(410,000)	(6,623,000)
<b>Ending Fund Balance</b>	<b>\$77,146,000</b>	<b>\$69,977,000</b>	<b>(7,169,000)</b>

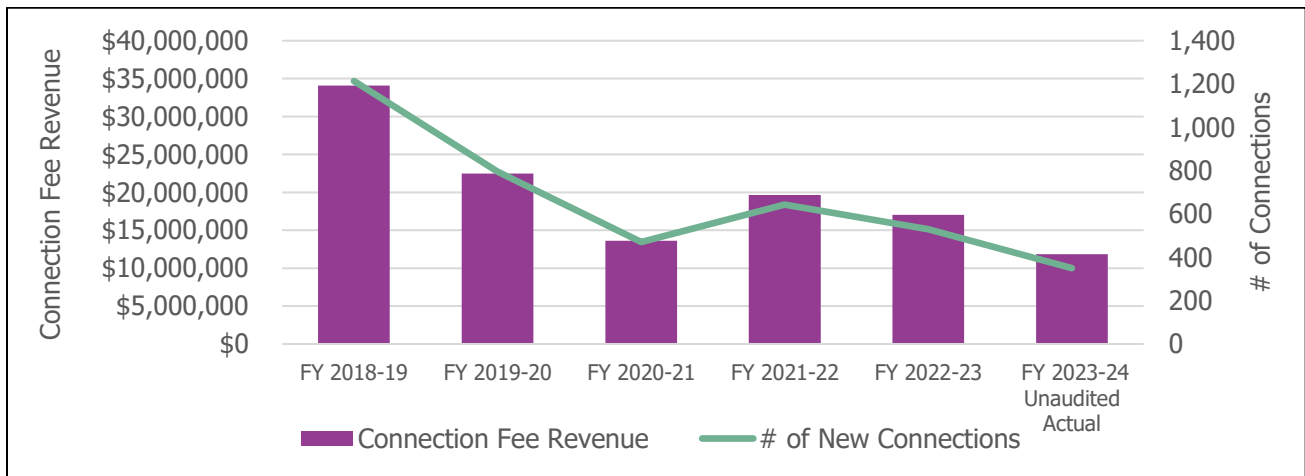
Note: Values are rounded to the thousands and may not add due to rounding.

## Revenue

The primary source of revenue is connection fees.

- 1. Connection Fees:** Q4 unaudited actual revenue is approximately \$13M less than budget and comprised of approximately 354 new connections, primarily from the Dublin San Ramon Services District service area.

A connection fee study is currently underway. The study will evaluate the number of future connections in the service area and the allocation of capital projects to the Water Expansion Fund. It's important to note that connection fee revenue has declined since 2019. Staff continue to monitor the revenue source closely as most expenses in this fund are fixed. The following graph and table illustrate the declining trend in connection fee revenue and new connections since FY 2018-19.



	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24 Unaudited Actual
Connection Fee Revenue	\$34,068,092	\$22,461,926	\$13,609,527	\$19,669,510	\$17,023,627	\$11,860,000
# of New Connections	1,214	796	470	643	530	354

- 2. Investment Earnings:** Q4 unaudited actual revenue reflects a higher-than-expected rate of return based on current favorable market conditions.
- 3. Other Revenue:** Q4 unaudited actuals include Board approved transfer from Fund 300 – Water Facilities Fund for continued participation in the Sites Reservoir Project.

## Expenses

- 4. Labor:** Q4 unaudited actual labor includes payroll through June 30, 2024, for water expansion projects.

**5. Water:** Q4 unaudited actual expenses are comprised of both installments of the SBA debt service payments (paid in September and March).

**6. Capital Projects:** Q4 unaudited actuals reflect projects currently in the planning phase or nearing completion, including:

- › CIP Update
- › PPWTP Upgrades and Ozone Project
- › COL Conveyance System
- › Los Vaqueros Reservoir Expansion
- › Sites Reservoir Project

**Reserves**

The table below compares the FY 2023-24 Amended Budget ending reserve balances to the Q4 unaudited actual ending reserve balances.

Fund 130 Reserves	FY 23-24 Amended Budget FYE	FY 23-24 Q4 Unaudited Actual
Sinking Funds <sup>1</sup>	\$26,933,000	\$26,933,000
Debt Service Rate Stabilization Reserve	2,300,000	2,300,000
Designated for Capital Projects Reserve <sup>2</sup>	47,897,000	40,731,000
Pension Trust Fund	16,000	13,000
<b>Total Reserves</b>	<b>\$77,146,000</b>	<b>\$69,977,000</b>

<sup>1</sup>This reserve was established by the Board to fund debt service payments that continue after build-out.

<sup>2</sup> This reserve is designated for capital projects to fund the Fund 120 CIP projects the Agency has committed to over the next five years. The Zone 7 Board adopted the Five-Year Water System CIP on June 21, 2023 (Resolution No. 23-50).

Below is a summary of the Agency’s major projects in progress.

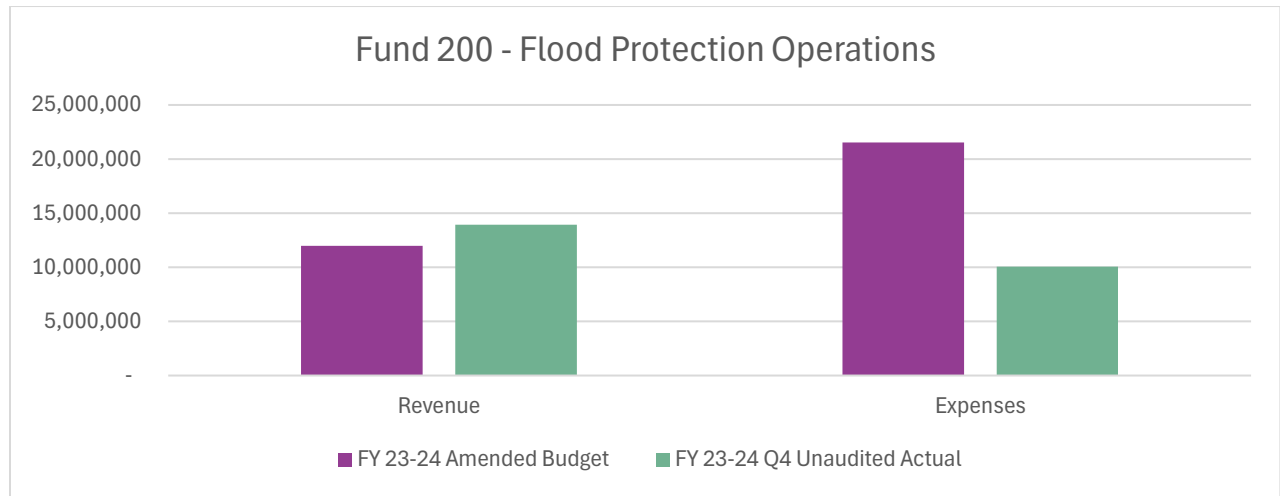
Project	Total Cost	Fund 130 Share	Status	In-service
Ten-Year CIP Update	\$1.15M	\$250K	Planning	Feb. 2025
Non-discretionary obligations	~\$18M annually	~\$18M	n/a	Payments through 2035

**Fund 200 – Flood Protection Operations**

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

This fund uses property taxes to provide general administration, maintenance, and operation of regional flood protection facilities. The Agency manages a watershed of 425 square miles in eastern Alameda County, receiving drainage from parts of Contra Costa, Santa Clara, and San Joaquin Counties. Approximately 37 miles of flood control channels and regional drainage facilities are owned and maintained by the Agency. This fund finances a comprehensive year-round maintenance program that includes repairing slides and erosion, refurbishing access roads and associated drainage ditches, installing and repairing gates and fences, and maintaining landscaped areas. This fund also pays for renewal/replacement and improvement projects for the existing flood protection system.

The following graph shows FY 2023-24 Amended Budget and Q4 unaudited actual revenue and expenditures.



Note: When expenses exceed revenue, operating reserves (working capital) are being expended.

### Details of Revenue and Expenses for Fund 200

Fund 200 - Flood Protection Operations	FY 23-24 Amended Budget	FY 23-24 Q4 Unaudited Actual	Year-End Over/(Under) Budget
<b>Audited Beg. Fund Balance</b>	<b>\$23,923,000</b>	<b>\$23,917,000</b>	<b>(6,000)</b>
<b>Revenue</b>			
Property Taxes <sup>1</sup>	11,344,000	12,276,000	932,000
Investment Earnings <sup>2</sup>	215,000	871,000	656,000
Other Revenue <sup>3</sup>	436,000	795,000	359,000
<b>Total Revenue</b>	<b>11,995,000</b>	<b>13,942,000</b>	<b>1,947,000</b>
<b>Expenses</b>			
Labor <sup>4</sup>	3,075,000	2,502,000	(573,000)
Professional Services <sup>5</sup>	5,450,000	2,723,000	(2,727,000)
Repairs and Maintenance <sup>6</sup>	11,876,000	4,067,000	(7,809,000)
Rental Services	50,000	4,000	(46,000)
Other Services/ Supplies	1,095,000	773,000	(322,000)
<b>Total Expenses</b>	<b>21,546,000</b>	<b>10,069,000</b>	<b>(11,477,000)</b>
Estimated Revenue over Expenses	(9,551,000)	3,873,000	13,424,000
<b>Ending Fund Balance</b>	<b>\$14,372,000</b>	<b>\$27,790,000</b>	<b>13,418,000</b>

Note: Values are rounded to the thousands and may not add due to rounding.

## Revenue

The primary source of revenue for this fund is property taxes.

- 1. Property Tax:** Q4 unaudited actuals include the first and second installments of property tax revenue. Revenue is higher than budget due to increased assessed value.
- 2. Investment Earnings:** Q4 unaudited actual reflects a higher-than-expected rate of return based on current favorable market conditions.
- 3. Other Revenue:** Q4 unaudited actual is primarily made up of funds received from DWR for the Stanley Reach improvements to satisfy DWR's project mitigation.

## Expenses

Per Resolution No. 23-06, dated February 1, 2023, the Board declared a local state of flood emergency within its service area. Subsequent Resolutions (No. 23-07, No. 23-08, No. 23-09 and 23-80) were passed to fund emergency repair work and a need assessment in the amount of \$3.7M. Construction will begin in Spring 2025, and in-channel work will be completed by the end of October 2025.

- 4. Labor:** Includes this fund's share of payroll through June 30, 2024.
- 5. Professional Services:** Q4 unaudited actual expenses are less than budget due to multi-year services such as the Alamo Creek Project planning, design services to repair damages to flood protection facilities, as-needed services, and contingency.
- 6. Repairs and Maintenance:** Includes flood engineering repair services and additional flood emergency projects. The Q4 unaudited actual is less than budget due to multi-year projects such as the Alamo Creek Project and upcoming emergency flood repairs. Unspent budgets will be spent in subsequent fiscal years.

## Reserves

The table below compares the FY 2023-24 Amended Budget ending reserve balance to the Q4 unaudited actual balance.

Fund 200 Reserves	FY 23-24 Amended Budget	FY 23-24 Q4 Unaudited Actual
Operating Reserves	\$1,800,000	\$11,854,000
Designated for Capital Projects Reserve	12,390,000	15,753,000
Section 115 Pension Trust	182,000	183,000
<b>Total Reserves</b>	<b>\$14,372,000</b>	<b>\$27,790,000</b>

The Agency is in the process of developing and implementing a Flood Management Plan to direct the Agency's future flood maintenance activities and capital projects. Per Resolution No. 22-73, dated August 17, 2022, the Board adopted the Flood Management Plan Phase 1. Flood Management Plan Phase 2A professional and project management services were approved at the February 15, 2023, Board meeting.

The following table lists major projects that are in progress.

Project	Total Cost	Fund 200 Share	Status	In-service
Alamo Creek Bank Stabilization Pilot Project <sup>1</sup>	\$6.1M	\$1.5M	Design	Winter 2025
2022-23 Storm Damage High Priority Repairs (construction phase)	\$1.7M	\$1.7M	Design	Fall 2024
2023 Storm Damage Repairs – Phase 1 <sup>2</sup>	\$8.1M	\$8.1M	Design / Permitting	Winter 2025

<sup>1</sup>DWR has awarded up to \$4.6M in grants through the Floodplain Management, Protection, and Risk Awareness (FMPRA) Grant program.

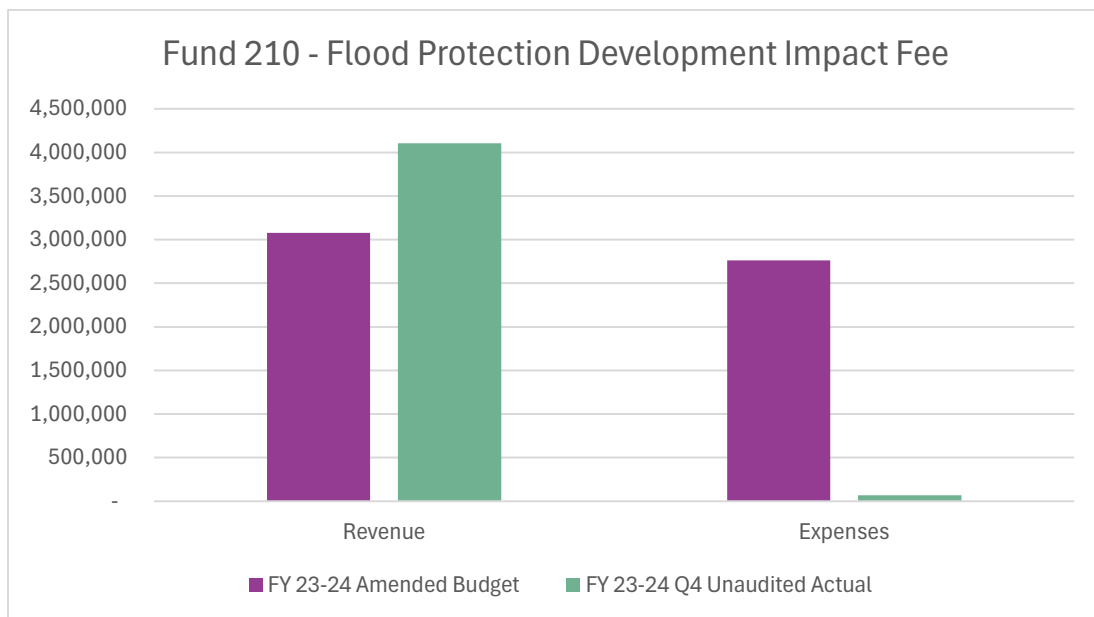
<sup>2</sup>The Agency is seeking a Federal grant for design and construction costs.

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

*Primary Funding Source: Development Impact Fees.*

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

The following graph shows the FY 2023-24 Amended Budget and Q4 unaudited actual revenue and expenditures.



Note: When expenses exceed revenue, operating reserves (working capital) are being expended.

## Details of Revenue and Expenses for Fund 210

Fund 210 - Flood Protection DIF Fund	FY 23-24 Amended Budget	FY 23-24 Q4 Unaudited Actual	Year-End Over/(Under) Budget
<b>Audited Beg. Fund Balance</b>	<b>\$75,211,000</b>	<b>\$75,845,000</b>	<b>\$634,000</b>
<b>Revenue</b>			
Development Fees <sup>1</sup>	2,500,000	1,519,000	(981,000)
Investment Earnings <sup>2</sup>	553,000	2,461,000	1,908,000
Other Revenue	25,000	126,000	101,000
<b>Total Revenue</b>	<b>3,078,000</b>	<b>4,106,000</b>	<b>1,028,000</b>
<b>Expenses</b>			
Labor <sup>3</sup>	275,000	11,000	(264,000)
Capital Projects <sup>4</sup>	2,488,000	57,000	(2,431,000)
<b>Total Expenses</b>	<b>2,763,000</b>	<b>68,000</b>	<b>(2,695,000)</b>
Revenue over Expenses	315,000	4,038,000	3,723,000
<b>Estimated Ending Fund Balance</b>	<b>\$75,526,000</b>	<b>\$79,883,000</b>	<b>4,357,000</b>

Note: Values are rounded to the thousands and may not add due to rounding.

### Revenue

- 1. Development Impact Fees:** Q4 unaudited actual revenue is mostly from new development within the DSRSD service area.
- 2. Investment Earnings:** Q4 unaudited actual revenue reflects a higher-than-expected rate of return based on current favorable market conditions.

### Expenses

- 3. Labor:** Q4 unaudited actual revenue includes staff labor through June 30, 2024.
- 4. Capital Projects:** Q4 unaudited actuals include multi-year projects such as the Flood Management Plan Phase 2. Unaudited actuals are less than budget mainly due to the timing of flood planning efforts and unused contingency.

### Reserves

The following table and chart compare the FY 2023-24 Amended Budget ending reserve balance to the Q4 unaudited actual ending reserve balance.

Fund 210 Reserves	FY 23-24 Amended Budget FYE	FY 23-24 Q4 Unaudited Actual
Capital Projects Reserve	\$75,526,000	\$79,883,000

The Agency is in the process of developing and implementing a Flood Management Plan to direct the Agency's future flood maintenance activities and capital projects. Per Resolution No. 22-73, dated August 17, 2022, the Board adopted the Flood Management Plan Phase 1. Flood Management Plan Phase 2A professional and project management services were approved at the Board meeting on February 15, 2023. This effort includes developing a Flood Protection Capital Improvement Plan, which will identify flood expansion projects to be paid from this fund.





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

June 30, 2024

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

Subject: **Endowment Trust Fund Annual Report**

Dear Board Members,

In accordance with Strategic Plan Initiative No. 24 – continuing to effectively manage the Agency's financial resources prudently and in alignment with the Investment Policy – below are the two Agency annual endowment trust fund reports, which are part of the investment portfolio as of June 30, 2024.

### **Camp Parks Endowment Trust Fund**

Pursuant to Resolution No. 16-160, dated September 21, 2016, the Board accepted an endowment from Camp Parks developer (Dublin Crossing, LLC.) to manage mitigation portions of the project in perpetuity. Zone 7 has worked with the City of Dublin and the developer of the Dublin Crossings Project to provide Zone 7 a Detention Basin on the Camp Parks Army Installation property that is larger than required for the development, itself, providing excess capacity for regional flood protection and Zone 7 will reimburse the developer using Development Impact Fees collected through Zone 7's SMMP.

The Regulatory Agencies require the Developer to identify an acceptable Land Manager for the Project's ecological mitigation improvements and an Endowment Holder. Based on its discussions with the Regulatory Agencies and the City of Dublin, the parties determined that Zone 7 would be the most appropriate and qualified entity to accept and manage both these responsibilities. This is largely founded on the aforementioned preferences of the Regulatory Agencies, and their acknowledgement that the SMMP identifies Zone 7 as the local entity responsible for maintaining the ecological baseline on the property it owns within its jurisdictional service area, thereby having similar responsibilities as a Land Manager and related fiscal responsibilities.

The United States Army granted an easement to Zone 7 for construction, operation and ecological maintenance of the Upper Chabot Mitigation Area.

As a consideration of Zone 7 to accept the maintenance and long-term management responsibilities of Upper Chabot Mitigation Area and the Restoration and Enhancement Areas (collectively, "Zone 7 Restoration and Enhancement Areas"), Dublin Crossing, LLC., contributed ONE MILLION, THIRTY-ONE THOUSAND, NINE HUNDRED AND EIGHTY-FIVE DOLLARS (\$1,031,985) (the "Endowment").



In accordance with the agreement, Zone 7 shall employ an investment vehicle that assures the maintenance of the Fund principal. The endowment assumed an annual rate of return of 3.5% based on the 30-Year Treasury rate and the San Francisco Bay Area CPI (2.66%) for the annual maintenance cost of the project.

The Zone 7 Restoration and Enhancement Area will be maintained by the Developer ("Dublin Crossing, LLC.") for the first 10 years before Zone 7 assumes maintenance and long-term management responsibilities. There will be no expenditures until after 10 years, i.e., in the fall of 2028 and future reports will include expenditures.

As of June 30, 2024, the endowment held \$1,125,469 of which \$94,484 is investment income earned. The current rate of return of the portfolio is 3.63%. The Endowment's investment is included as part of the Agency Investment Portfolio as presented in item no. 2 of the Finance Committee agenda.

### **Scarlett Drive Mitigation Area Endowment Trust Fund**

Pursuant to Resolution No. 21-06, dated February 3, 2021, the Board accepted an Endowment from Dublin Crossing, LLC, a Delaware Limited Liability Company ("Dublin Crossing", LLC) to manage mitigation portions of the Scarlett Drive/ Iron Horse Trail Extension Project ("Scarlett Drive Mitigation Area") project in perpetuity. This project relates to the 189-acre multi-phased Dublin Crossing (Boulevard) located in Dublin, which plans to construct approximately 2,000 residential units, 35 acres of parks, and a 12-acre elementary school. As part of the Boulevard Project, Zone 7 is reimbursing the developer for constructing the Camp Parks Regional Detention Basin and has also agreed with the developer and the City of Dublin ("Dublin"), to accept channel right-of-way within the development, the associated maintenance responsibilities, and will act as the Land Manager and Conservator for mitigated areas within the development in exchange for compensation.

Zone 7 retains the perpetual rights and obligations of management of Canal 2 as described in the Long-Term Management Plan, Dublin Crossing, dated November 4, 2020, and as established by the Covenants and Deed Restrictions for the Scarlett Drive Mitigation Area. Dublin is the sponsor of the project referred to Scarlett Drive Mitigation Area.

Dublin desires to provide mitigation for Scarlett Drive Mitigation Area project by restoration and preservation of segments of Canal 2. Dublin has requested Zone 7 serve as the Land Manager and provide mitigation. Mitigation consists of removal of concrete lining and riprap, re-contouring of the banks and substrate of the canal, and planting of native riparian vegetation for a total of 0.79 acres (691 linear feet) of Canal 2, restored to mitigate for impacted wetland canal, wetland basin, and wetland drainage ditch.



As a consideration of Zone 7 to accept the maintenance and long-term management responsibilities of Scarlett Drive Mitigation Area and the Restoration and preservation of segments of Canal 2, Dublin Crossing, LLC., contributed THREE HUNDRED AND EIGHTY THOUSAND DOLLARS (\$380,000) (the "Endowment") and an additional \$40,000 for Zone 7's loss of mitigation area usage opportunity.

The Endowment is calculated based on estimated management and maintenance costs for 47 years and is based on 30-Year Treasury Bill Index and the San Francisco Bay Area Consumer Price Index.

Under the Endowment Agreement, Zone 7 management of the Scarlett Mitigation Area within Canal 2 begin after an initial 10-Years where the Developer ("Dublin Crossing, LLC.) will maintain the Scarlett Drive Mitigation Area and then Zone 7 assumes maintenance and long-term management responsibilities. There will be no expenditures until after 10 years, i.e., in the Fall of 2032 and future reports will include expenditures.

As of June 30, 2024, the endowment held \$398,208 of which \$18,208 is investment income earned. The current rate of return of the portfolio is 3.63%. The Endowment's investment is included as part of the Agency Investment Portfolio as presented in item no. 2 of the Finance Committee agenda.

## **Investments**

Market value amounts are from PFM Asset Management which provides investment management services for the Agency. US Bank provides the Agency custody services. Book value amounts include premiums or discounts and are adjusted at year end on the general ledger.

Sincerely,

*Osborn Solitei*

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Osborn Solitei, Treasurer

c: Valerie Pryor, General Manager



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

June 30, 2024

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

**Subject: Investment Report as of June 30, 2024 (Unaudited)**

Dear Board Members:

Pursuant to Resolution No. 23-46, dated June 30, 2023, the Board adopted the Agency investment policy. In accordance with Strategic Plan Initiative No. 24 – Continue to effectively manage financial resources for the Agency in a prudent manner and in accordance with the Investment Policy, attached is the Agency quarterly informational investment report as of June 30, 2024. Enclosed with this report is a detailed composition of investments held in Zone 7’s name by securities category as of June 30, 2024. This report reflects the market value and cost of purchase of the securities.

All Agency investments in this investment management portfolio conform to the investment policy and are in accordance with California Government Code Section 53600, et. seq. Below is the Agency’s investment portfolio management summary:

Investment Type	Face Amount	Market Value	Book Value	% of Portfolio	Permitted by Agency Policy	In Compliance	Book Yield (YTM at Cost)
U.S. Treasury Bond/ Note	\$ 88,335,000	\$ 83,664,427	\$ 86,730,603	58.40%	No Limit	Yes	2.97%
Corporate Bonds (Medium Term Notes)	24,935,000	24,406,913	24,925,655	17.04%	30%	Yes	4.30%
Federal Agency Commercial Mortgage-Backed Security	24,097,256	23,981,276	24,105,360	16.74%	No Limit	Yes	4.87%
Negotiable Certificate of Deposit (CD)	1,350,000	1,344,983	1,381,242	0.94%	30%	Yes	5.08%
Asset-Backed Securities	4,855,000	4,848,848	4,865,592	3.38%	20%	Yes	5.08%
Money Market (1)	5,022,735	5,022,735	5,022,735	3.51%	20%	Yes	5.18%
<b>Total Investments</b>	<b>\$ 148,594,990</b>	<b>\$ 143,269,182</b>	<b>\$ 147,031,186</b>	<b>100.00%</b>			<b>3.63%</b>
US Bank	1,632,869	1,632,869	1,632,869				
<b>Total Cash &amp; Investments</b>	<b>\$ 150,227,860</b>	<b>\$ 144,902,051</b>	<b>\$ 148,664,056</b>				<b>3.63%</b>

(1) **Money Market:** The Money Market Book Yield (Yield to Maturity at Cost) is not part of the overall securities YTM at Cost from PFM Asset Management, it’s from the U.S. Bank as custody bank.

In addition, the Agency has cash and investments pooled with the Alameda County Treasury. The County Treasurer acts as the disbursing agent for these funds for the Agency and the cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer for the County.



As of June 30, 2024, the County Treasurer held approximately \$158,034,680 (unaudited) for the Agency. The amount held by the County Treasurer is sufficient to meet all operating cash needs for the Agency within the next six months. Here is a link to the County investment reports: <https://treasurer.acgov.org/reports/>

I hereby certify that, to the best of my actual knowledge, this report includes all investments in the Agency pool investment portfolio and is in conformity with the Agency's current investment policy dated July 1, 2023.

Market value amounts are from PFM Asset Management which provides investment management services for the Agency. U.S. Bank provides the Agency custody services. Book value amounts include premiums or discounts and are adjusted at year end on the general ledger.

Sincerely,

*Osborn Solitei*

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Osborn Solitei  
Treasurer

Attachment:

Zone 7 Investment Performance Review for the Quarter Ended June 30, 2024

c: Valerie Pryor, General Manager



# ZONE 7 WATER AGENCY

## Investment Performance Review For the Quarter Ended June 30, 2024

### Client Management Team

Monique Spyke, Managing Director  
Joseph Creason, Portfolio Manager  
Jeremy King, Key Account Manager

### PFM Asset Management LLC

1 California Street Ste. 1000  
San Francisco, CA 94111-5411  
415-393-7270

213 Market Street  
Harrisburg, PA 17101-2141  
717-232-2723

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## Market Update

## Current Market Themes



- ▶ The U.S. economy is characterized by:
  - ▶ Moderating economic growth following two quarters of exceptional strength
  - ▶ Recent inflation prints resuming the path towards the Federal Reserve (Fed)'s 2% target
  - ▶ Labor markets continuing to show strength while unemployment has ticked up modestly
  - ▶ Resilient consumer spending supported by wage growth that is outpacing inflation



- ▶ Federal Reserve pushes out rate cuts
  - ▶ Fed revises expectations from 3 rate cuts in 2024 to 1 by year end following a lack of progress in the fight against inflation
  - ▶ Market continues to expect 1 or 2 rate cuts in 2024
  - ▶ Fed officials note that the risks to its “dual mandate” of stable inflation and maximum employment are becoming more balanced



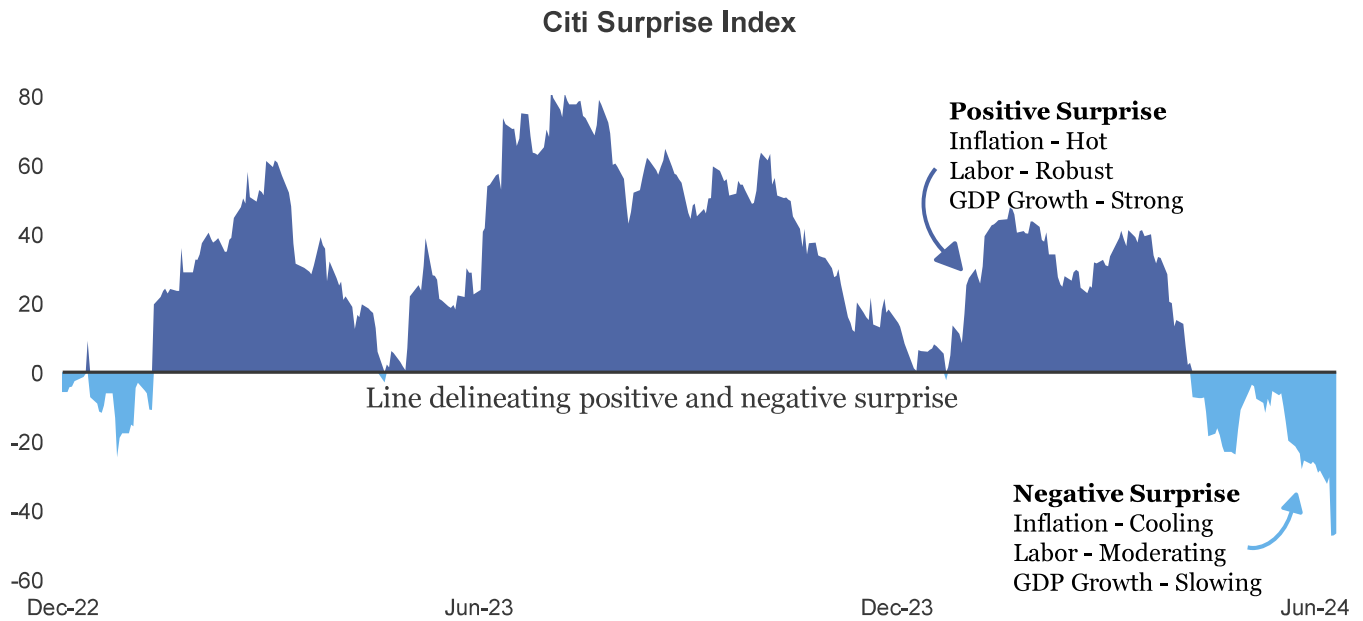
- ▶ Treasury yields increase in response to economic data over the quarter
  - ▶ Yields on maturities between 2 and 10 years rose 13-20 basis points during the quarter
  - ▶ The yield curve has now been inverted for 24 months, the longest period in history
  - ▶ Spreads across most sectors remain near multi-year tight and represent market expectations for a soft landing



## Recent Economic Data Points to Moderation

The Citi Surprise Index measures various economic readings relative to market expectations.

- **A positive reading** means that data releases have been **greater than market expectations**
- **A negative reading** means that data releases have been **less than expected**

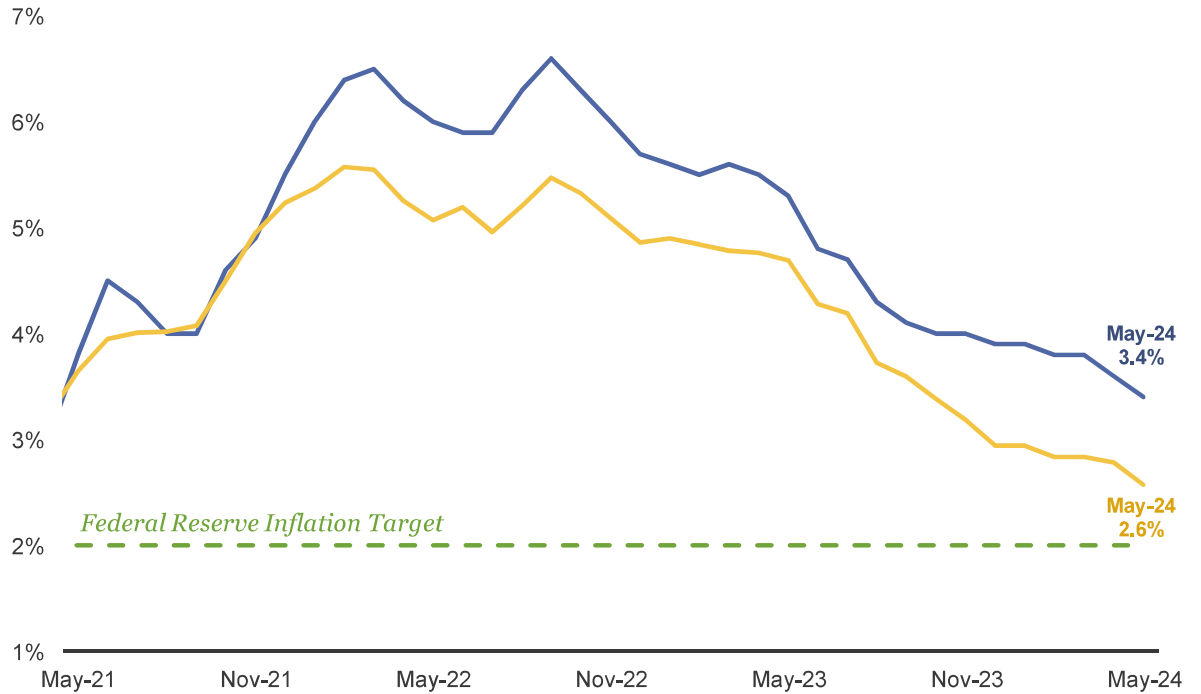


Source: Bloomberg, as of 7/5/2024.

### Fed's Preferred Inflation Measure Shows Progress

**Core Inflation Measures**  
Year-Over-Year Changes

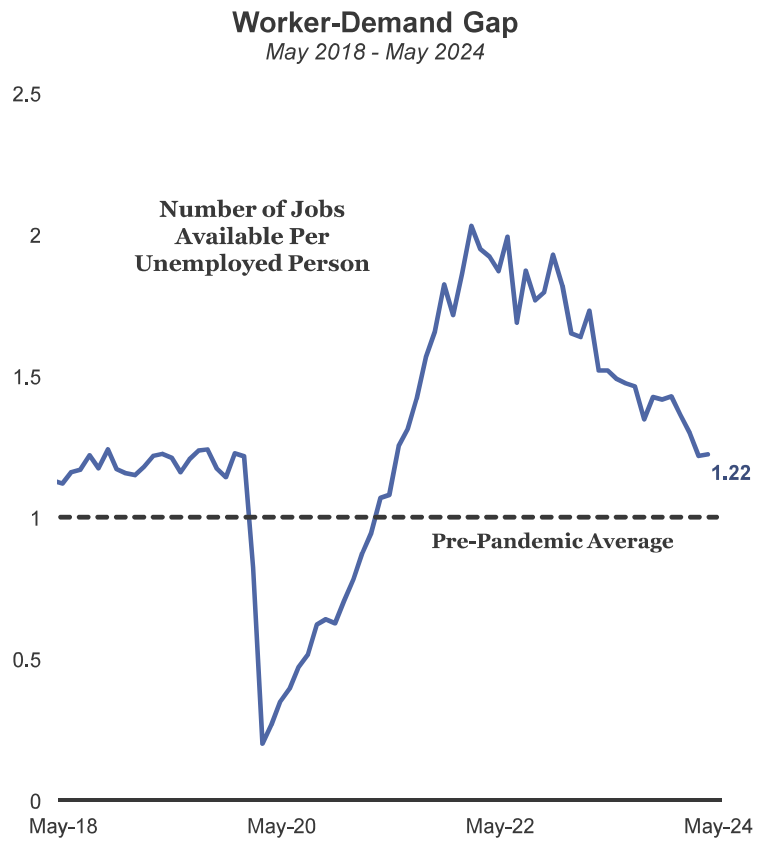
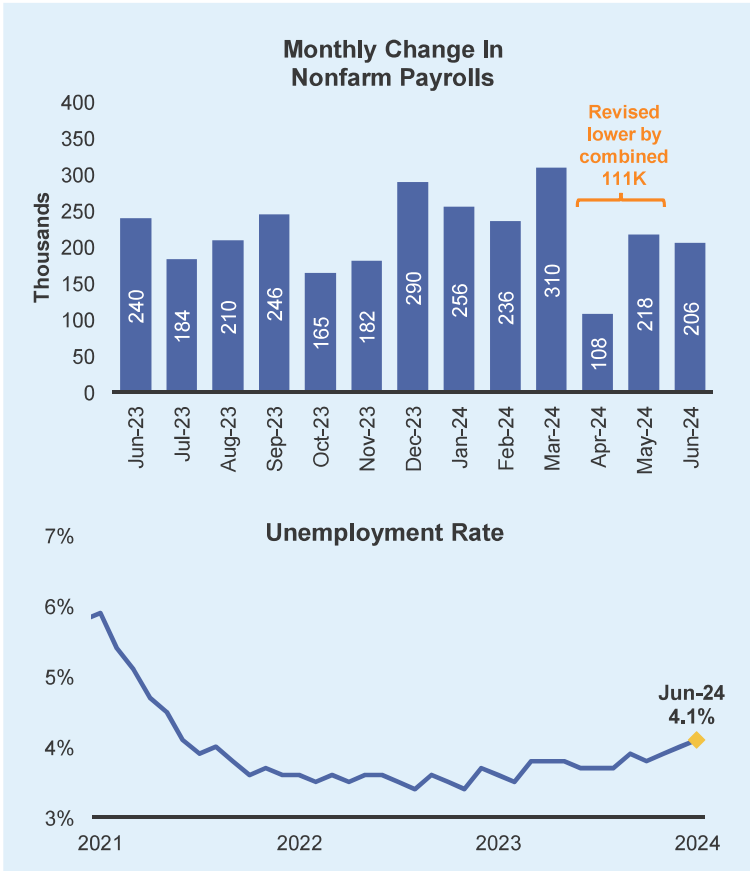
— Core CPI — Core PCE



Core CPI and PCE strips out the volatile food and energy components.

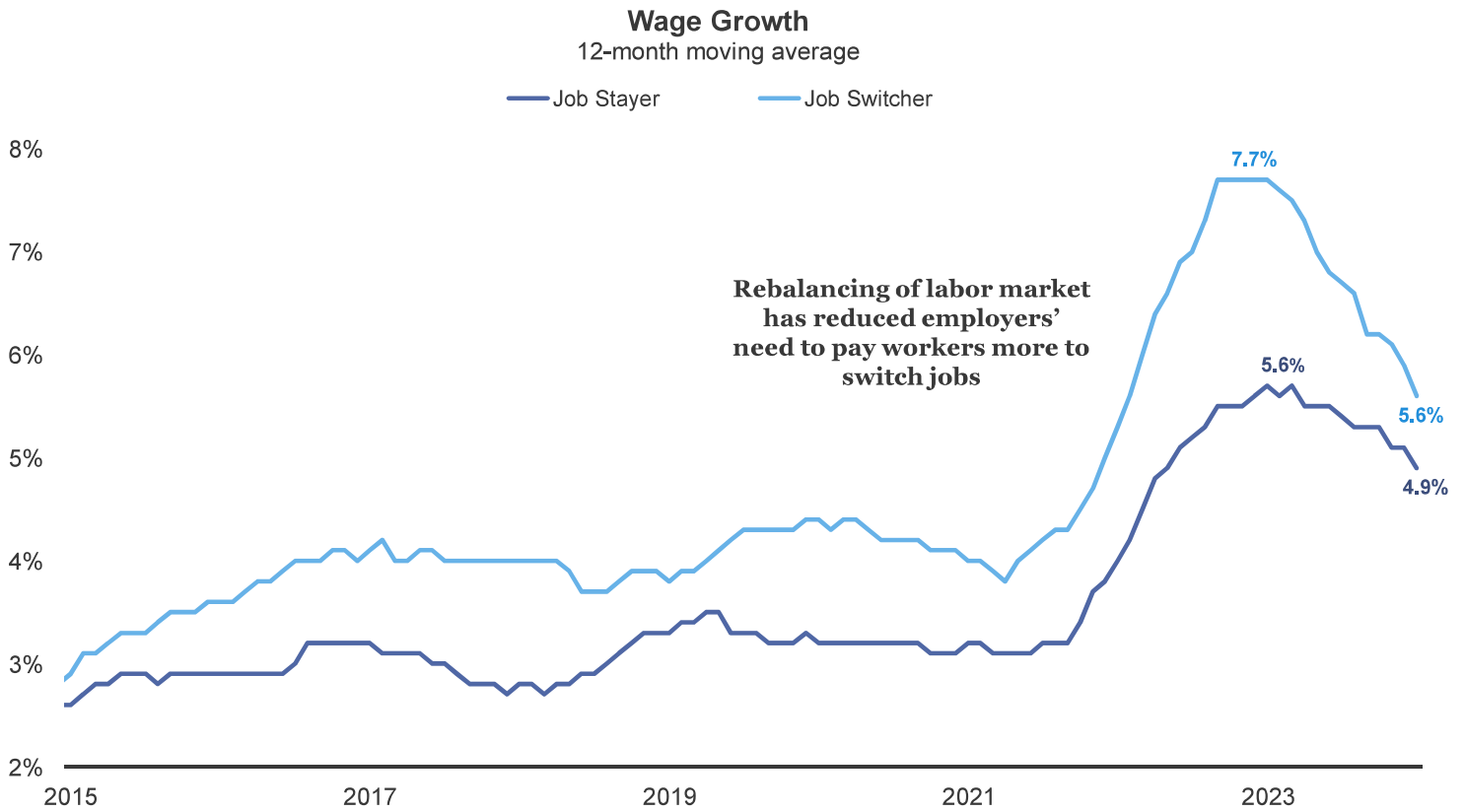
Source: Bureau of Labor Statistics, Bureau of Economic Analysis, and Bloomberg. As of May 2024.

### Labor Market Moves Into Better Balance



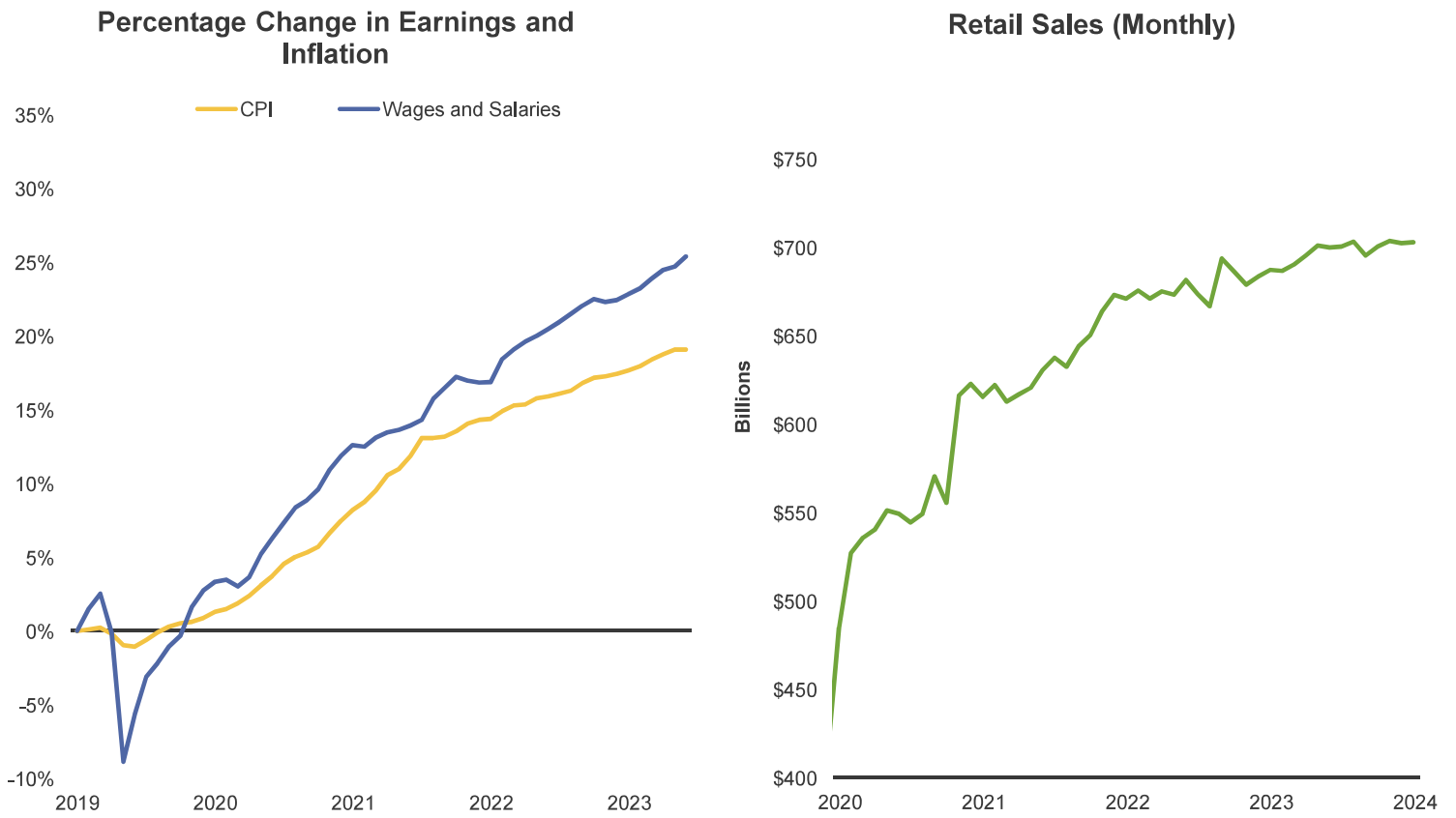
Source: Bloomberg, Bureau of Labor Statistics. Monthly change in nonfarm payrolls and unemployment rate as of June 2024. Data is seasonally adjusted (left). Worker demand gap as of May 2024. Pre-pandemic average from February 2016 – February 2020 (right).

### Economic Incentive to Switch Jobs is Declining



Source: Bloomberg, Federal Reserve Bank of Atlanta as of March 2024.

### The Consumer Moderates But Remains Well Positioned Given Strong Wage Growth



Source: Bloomberg, U.S. Census Bureau, Bureau of Economic Analysis as of May 2024 (left). Bloomberg, U.S. Census Bureau as of May 2024 (right).

## Markets Reflect a “Soft Landing”



Investment Universe Pricing										
	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Median, 20-Year
Investment Grade Spreads	149	151	126	136	119	118	97	85	86	118
High Yield Spreads	587	543	479	458	405	403	334	312	318	449
S&P 500 Dividend Yield	1.70%	1.85	1.76%	1.68%	1.55%	1.61%	1.49%	1.36%	1.33%	1.94%

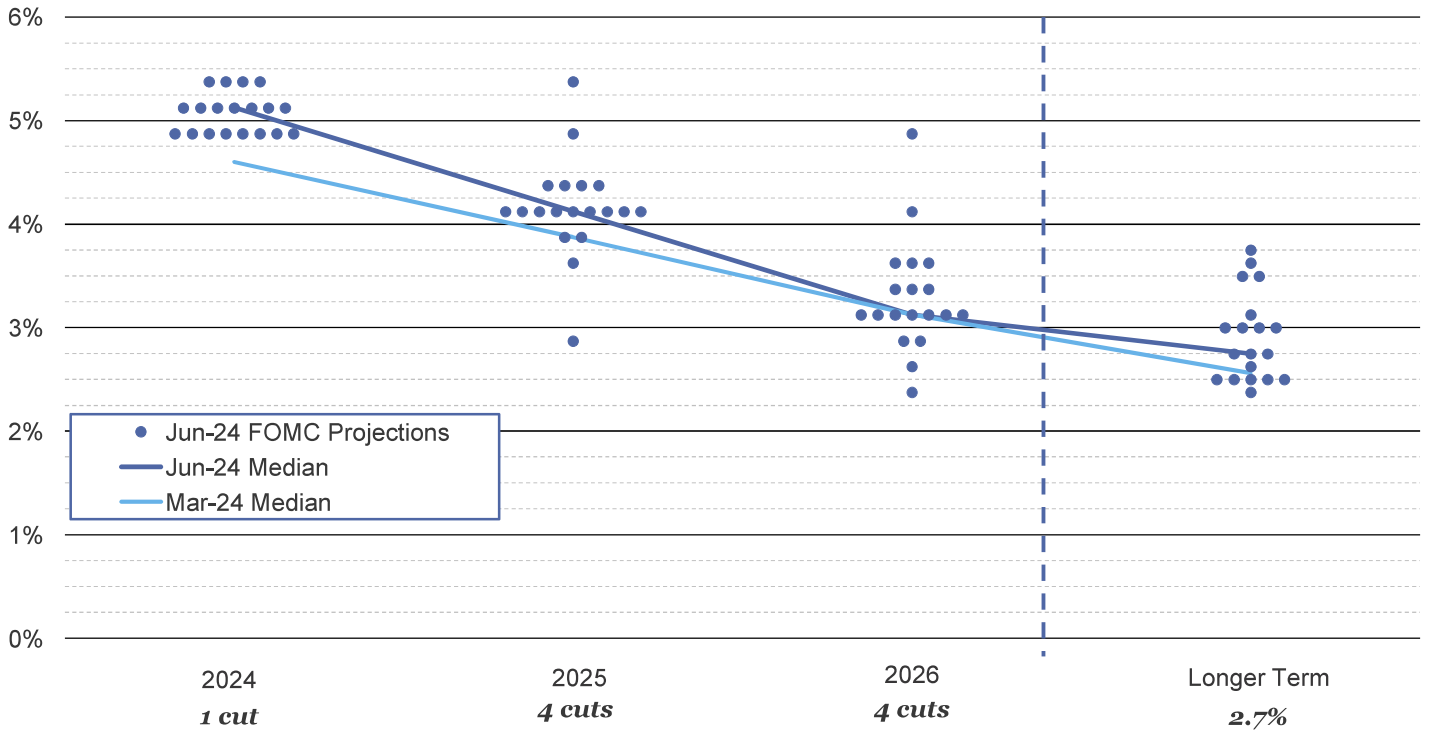
**Lower Prices/Cheaper | Higher Prices/More Expensive**

Source: Bloomberg, ICE BofA Indices, and S&P 500 as of June 28, 2024.

Green = wider spreads/higher dividend yield and Red = tighter spreads/lower dividend yield. Gradient color based on 1st and 3rd quartile of data series over the past 20 years.

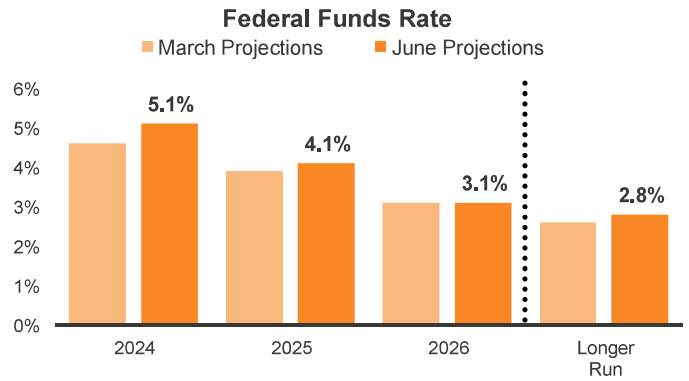
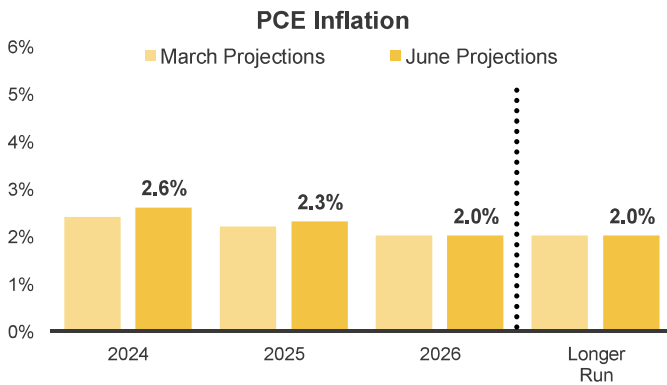
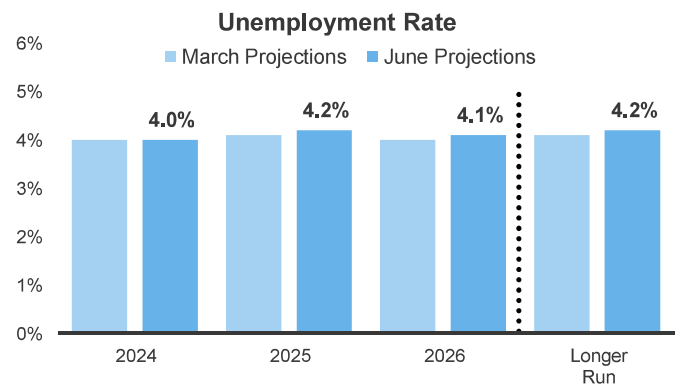
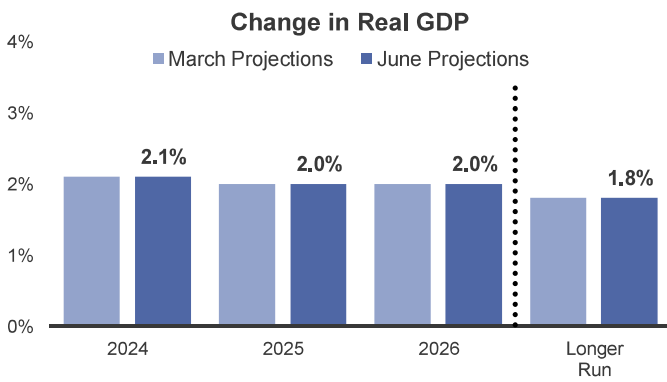
### The Fed's Latest "Dot Plot" Shows Only One Rate Cut In 2024

#### Fed Participants' Assessments of 'Appropriate' Monetary Policy



Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end.

### Fed's Updated June Projections Reflect Stable Economic Expectations for 2024

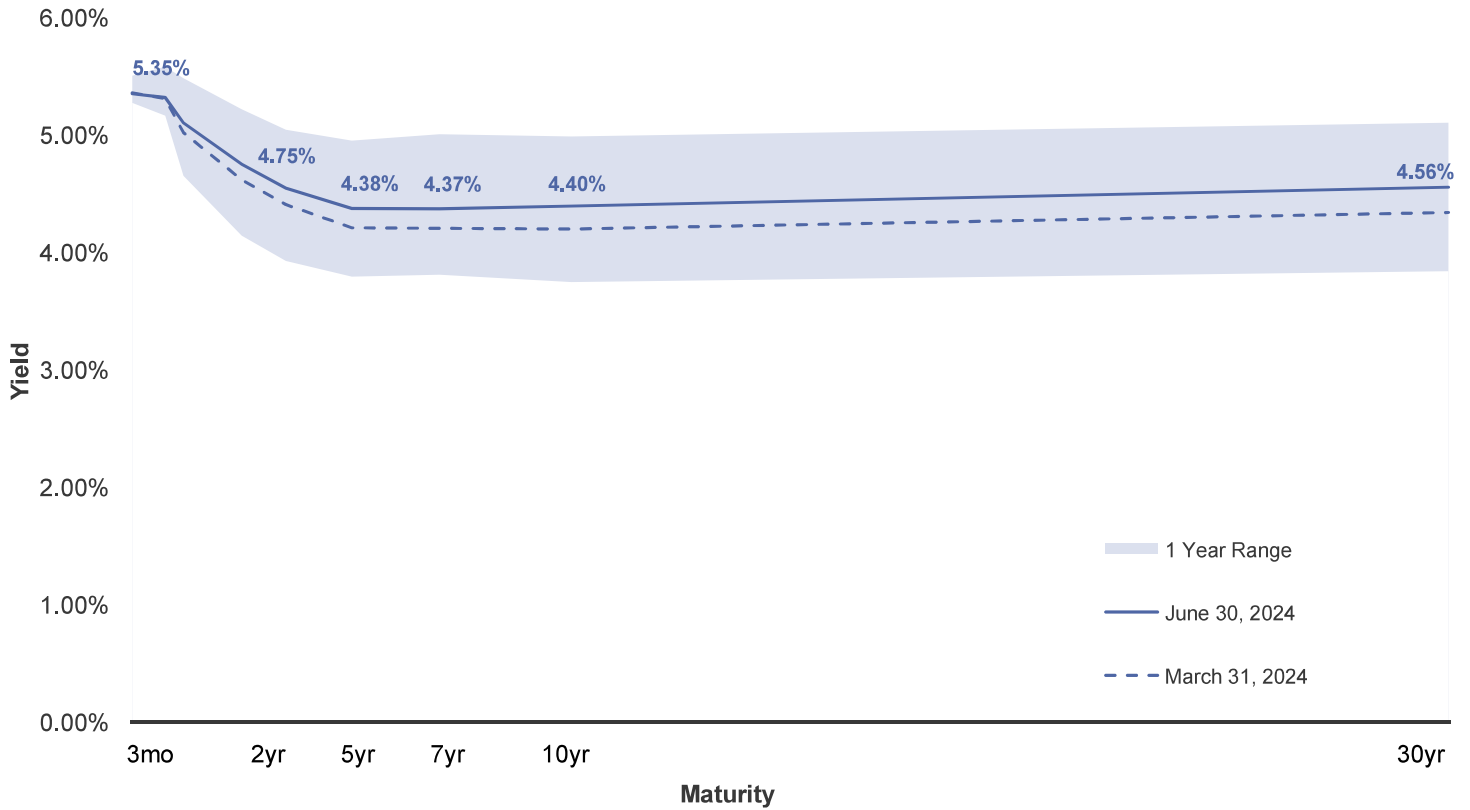


Source: Federal Reserve, latest economic projections as of June 2024.



### Treasury Yields Move Higher as Market Evolves to Revised Fed Expectations

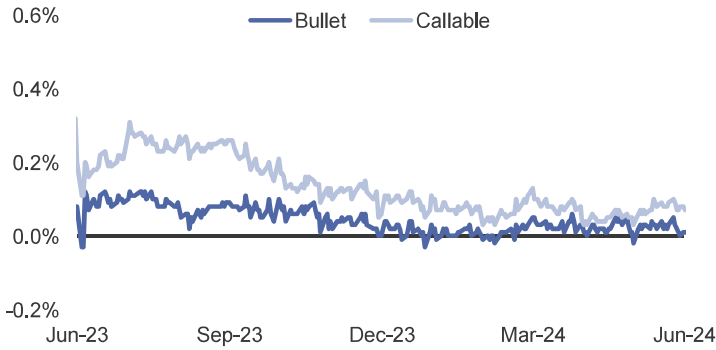
#### U.S. Treasury Yield Curve



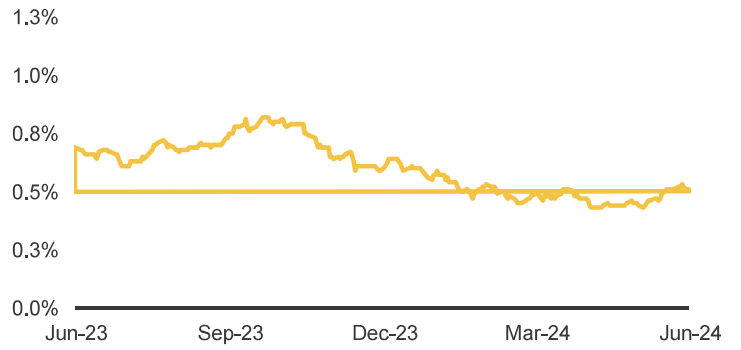
Source: Bloomberg, as of 6/30/2024.

### Sector Yield Spreads

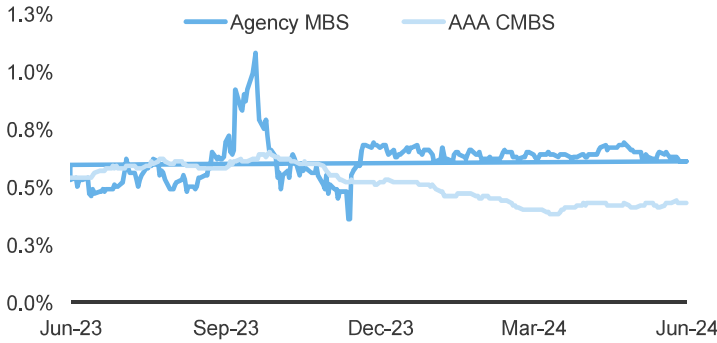
#### Federal Agency Yield Spreads



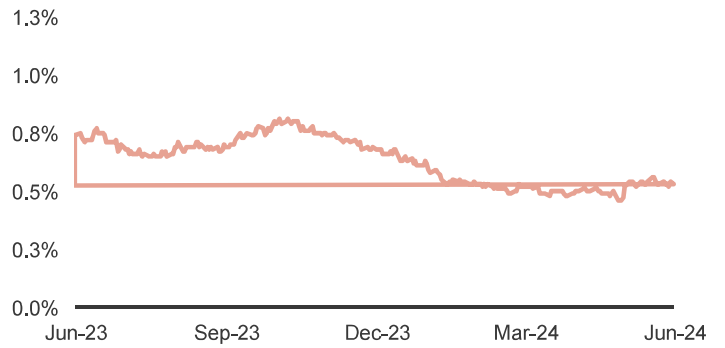
#### Corporate Notes A-AAA Yield Spreads



#### Mortgage-Backed Securities Yield Spreads



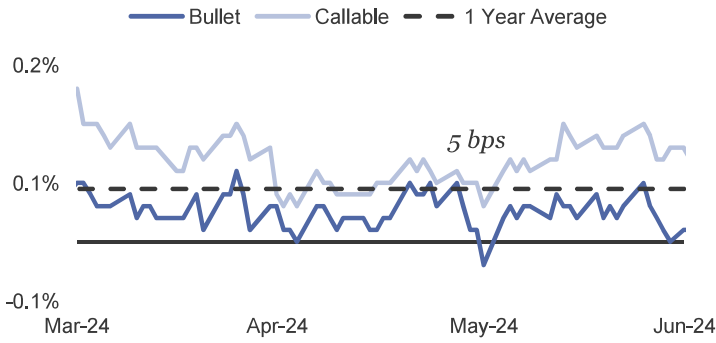
#### Asset-Backed Securities AAA Yield Spreads



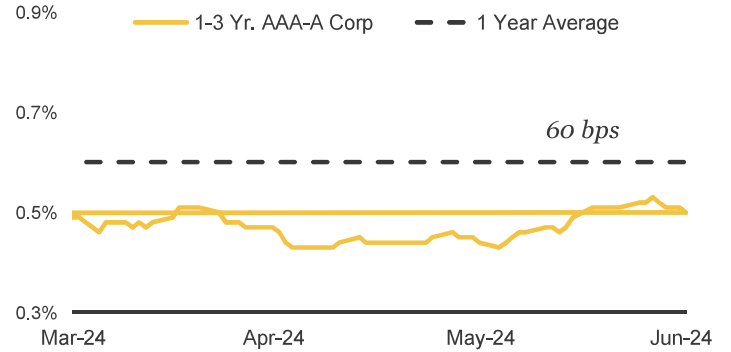
Source: ICE BofA 1-3 year Indices via Bloomberg, MarketAxess and PFMAM as of June 30, 2024. Spreads on ABS and MBS are option-adjusted spreads of 0-3 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities and represented by the ICE BofA Agency CMBS Index.

### Sector Yield Spreads

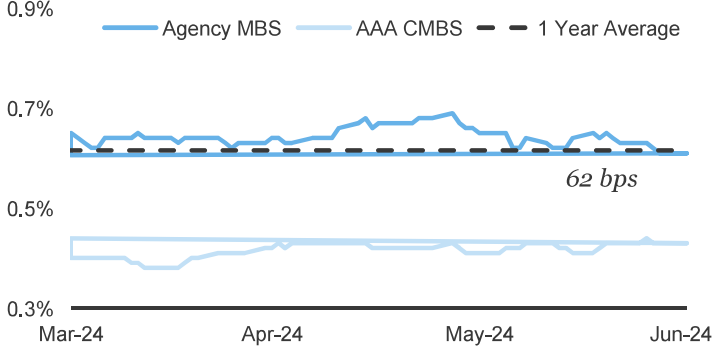
**Federal Agency Yield Spreads**



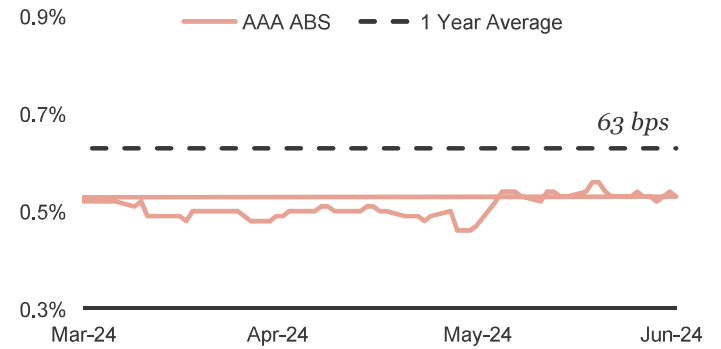
**Corporate Notes A-AAA Yield Spreads**



**Mortgage-Backed Securities Yield Spreads**



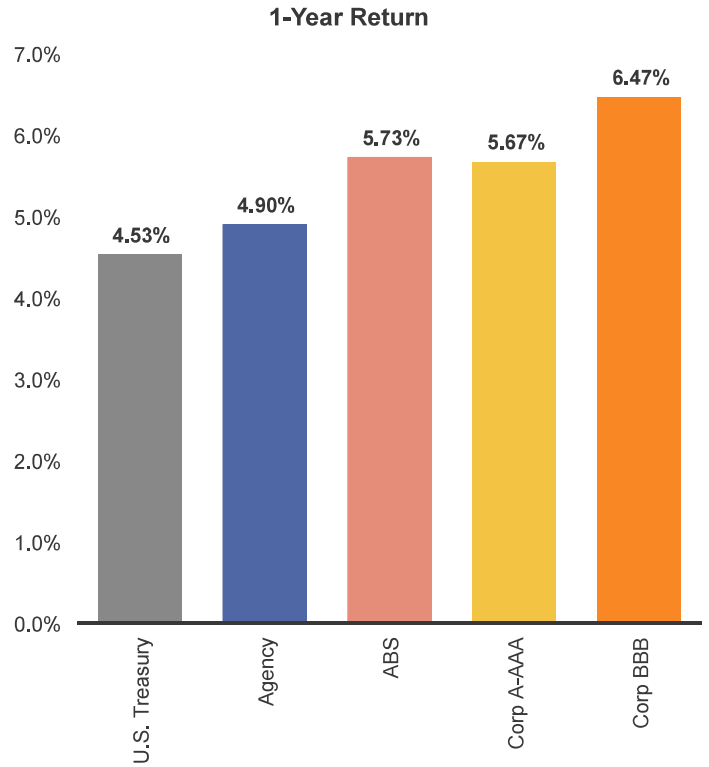
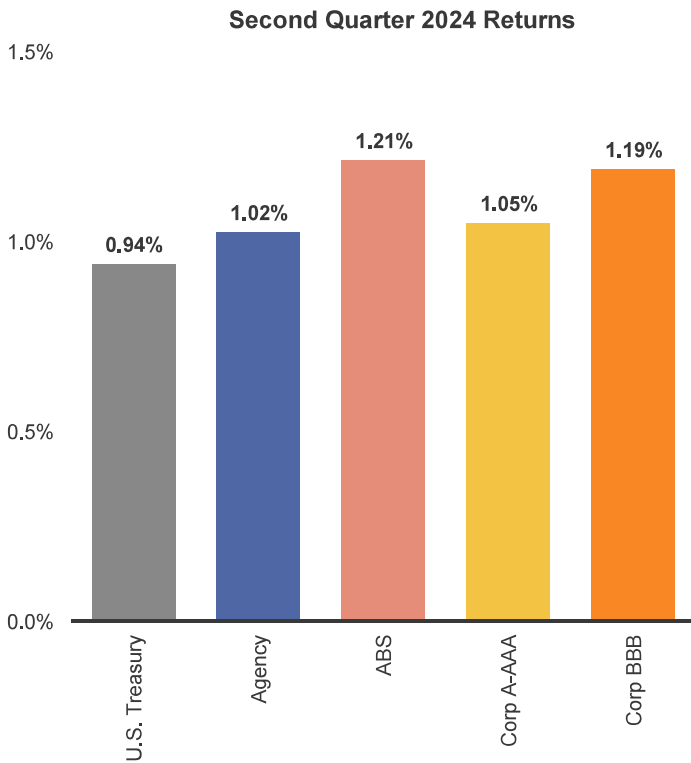
**Asset-Backed Securities AAA Yield Spreads**



Source: ICE BofA 1-3 year Indices via Bloomberg, MarketAxess and PFMAM as of June 30, 2024. Spreads on ABS and MBS are option-adjusted spreads of 0-3 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities and represented by the ICE BofA Agency CMBS Index.

### Fixed-Income Index Total Returns in 2Q 2024

#### 1-3 Year Indices



Source: ICE BofA Indices. ABS indices are 0-3 year, based on weighted average life. As of June 30, 2024.

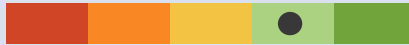
### Factors to Consider for 6-12 Months

#### Monetary Policy (Global):



- The Fed remains data dependent. Recent Fed guidance has been revised from three rate cuts to one rate cut in 2024. Markets currently expect one or two cuts.
- Globally, major central banks have begun easing cycle with rate cuts leading to divergence from Fed policy.

#### Economic Growth (Global):



- U.S. economic growth remains resilient but there has been some softness recently as consumer spending tapers.
- Economic growth outside U.S. remain mixed with slower but improved growth projected in Eurozone and continued growth projected in emerging markets.

#### Inflation (U.S.):



- The latest inflation reading has revived market confidence that inflation is heading in the right direction after experiencing broad disinflation across both goods and services.
- Despite the progress on inflation, policymakers would like more data to confirm the downward trend.

#### Financial Conditions (U.S.):



- Market measures, such as narrow corporate yield spreads, record equity index levels and low volatility, reflect economic confidence.
- With interest rates elevated and the gradual normalization of labor markets and the consumer, we continue to focus on identifying potential catalysts for a broader slow down.

#### Consumer Spending (U.S.):



- The consumer has begun to exercise caution and limit spending, which has shed light on a notable downshift over recent months.
- Moderation in the pace of overall spending is expected to continue given persistent inflation, reduced/lower savings, and a cooling job market.

#### Labor Markets:



- The labor market normalization has begun. After the pandemic-led jolt, the labor force participation rate and non-farm payrolls have moved to be in line with long-term averages.
- With the quits rate and excess demand for workers reaching a better balance, this should help cool wage pressures and inflation.

● Current outlook    ○ Outlook one quarter ago



Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg and FactSet. The views expressed within this material constitute the perspective and judgment of PFM Asset Management LLC at the time of distribution (6/30/2024) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness, or suitability.

## Fixed-Income Sector Commentary – 2Q 2024

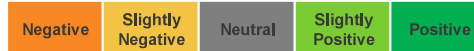
- ▶ **U.S. Treasury** yields once again rose over the quarter, reflecting the market adjusting to delayed rate cut expectations, but remained largely range-bound following the June Fed meeting. Despite higher yields, U.S. Treasury indexes less than 10 years posted positive returns as higher income more than offset the negative price effects.
- ▶ **Federal Agency** spreads remained in a narrow, tight range over the quarter driven by limited supply. Limited value, tight spreads, and normalized liquidity are likely to remain features of this sector absent an unexpected increase in new issuance. Callables, specifically, longer lockout structures with limited call options, can add value selectively in government-only accounts.
- ▶ **Supranational** spreads tightened on maturities on the short end of the curve, bringing the entire supranational yield curve into rich valuations.
- ▶ **Investment-Grade (IG) Corporates** continued to perform exceedingly well for the majority of the quarter, as strong performance in April and May offset modest weakness in June. Lower rated issuers and longer-duration securities performed best. Given strong trailing performance and spreads near their two-year tights, selective trimming in favor of increased portfolio liquidity or new issues offered at attractive concessions remains appropriate.
- ▶ **Asset-Backed Securities** continued to generate strong returns, as spreads in the sector flatlined in a tight range near their multi-year lows for most of Q2. Despite modest weakening in market confidence of consumer fundamentals and moderating personal consumption, new issuance remained well-digested by investors.
- ▶ **Mortgage-Backed Securities** ended the quarter with flat excess returns as a selloff in the 30-year U.S. Treasury over the final week of Q2 erased the strong performance of MBS in May and June. Several new issue opportunities in agency commercial mortgage-backed securities offered selective new buying opportunities.
- ▶ **Short-term credit** (commercial paper and negotiable bank CDs) yield spreads continue to tighten closer to similar maturity USTs. However, the sector can selectively provide value with incremental yields ranging 20 to 25 basis point in 9- to 12-month maturities.

### Fixed-Income Sector Outlook – 3Q 2024

Sector	Our Investment Preferences
<b>COMMERCIAL PAPER / CD</b>	
<b>TREASURIES</b>	
<b>T-Bill</b>	
<b>T-Note</b>	
<b>FEDERAL AGENCIES</b>	
<b>Bullets</b>	
<b>Callables</b>	
<b>SUPRANATIONALS</b>	
<b>CORPORATES</b>	
<b>Financials</b>	
<b>Industrials</b>	
<b>SECURITIZED</b>	
<b>Asset-Backed</b>	
<b>Agency Mortgage-Backed</b>	
<b>Agency CMBS</b>	
<b>MUNICIPALS</b>	

● Current outlook

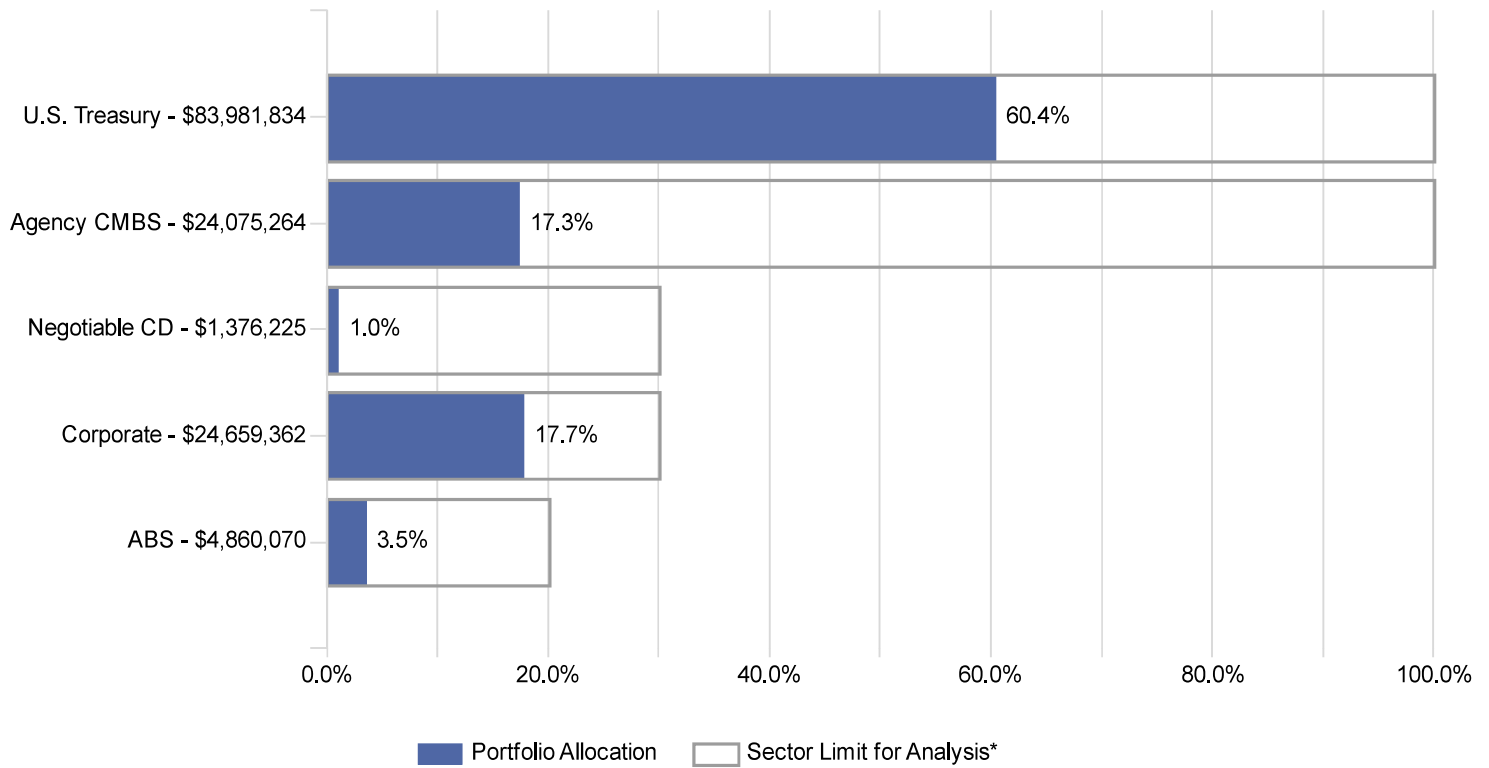
○ Outlook one quarter ago



## Account Summary



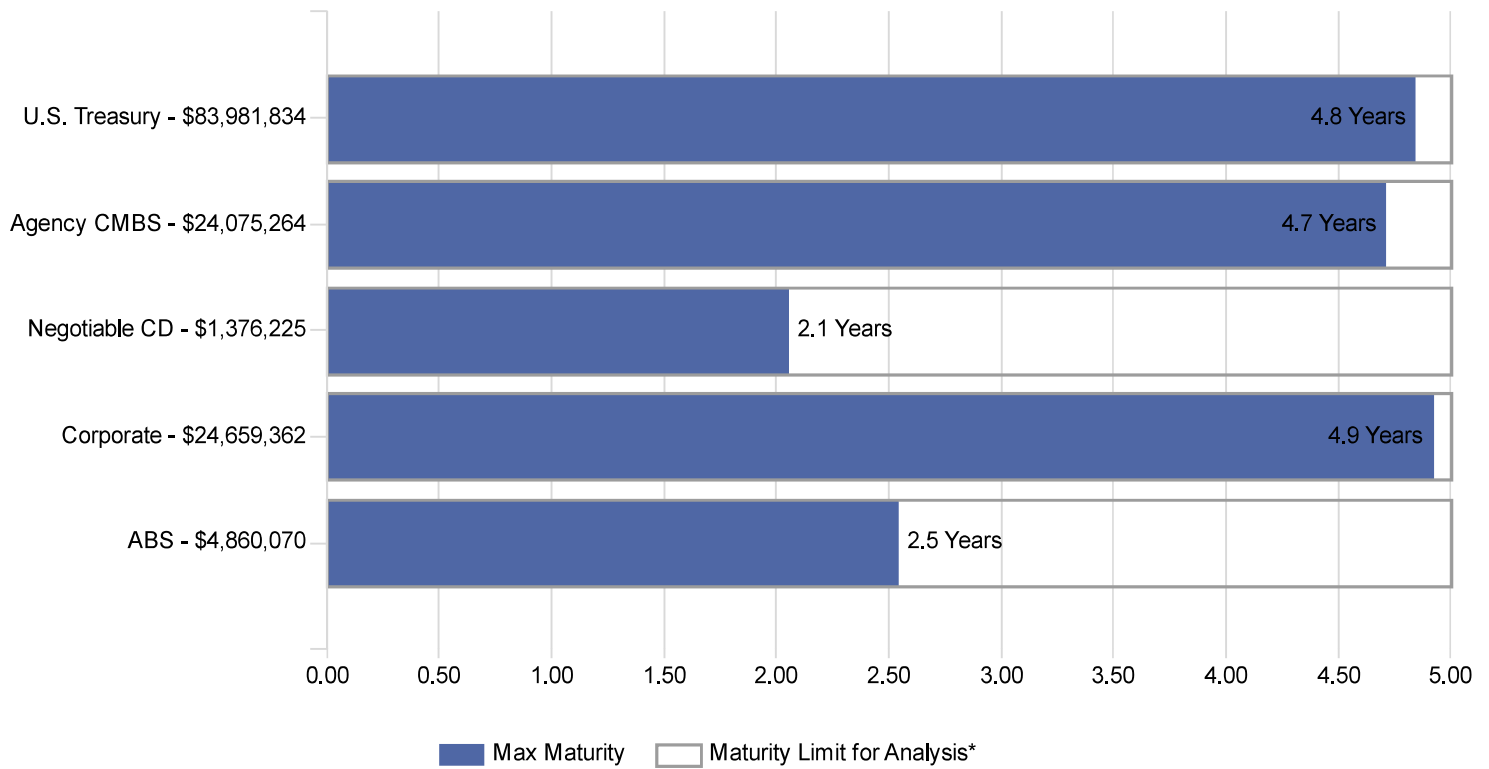
### Sector Allocation Analytics



For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest.

\*Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.

### Max Maturity Analytics



For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest and excludes balances invested in overnight funds.

\*Maturity Limit for Analysis is derived from our interpretation of your most recent Investment Policy as provided.

Mortgage-backed securities and asset-backed securities, if any, limit is based on weighted average life, if applicable. Callable securities, if any, limit is based on maturity date.

## Certificate of Compliance

During the reporting period for the quarter ended June 30, 2024, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management LLC*

*Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Asset and Investment Management ("AIM").*

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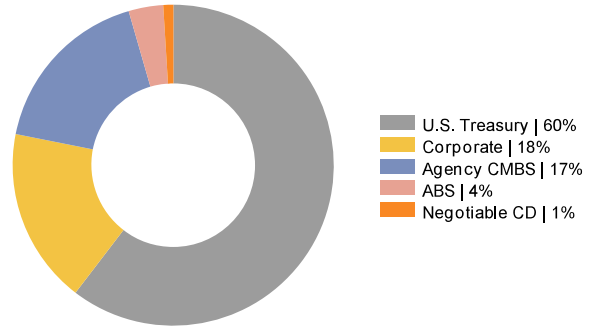
# Portfolio Review: ZONE 7 WATER AGENCY

## Portfolio Snapshot - ZONE 7 WATER AGENCY<sup>1</sup>

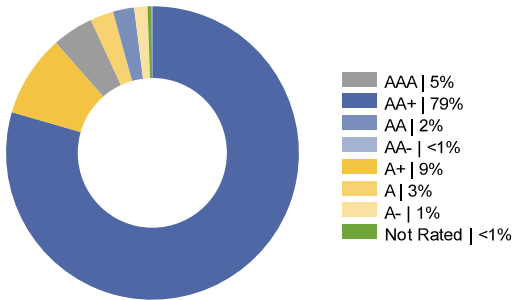
### Portfolio Statistics

<b>Total Market Value</b>	\$143,982,363.84
Securities Sub-Total	\$138,246,447.35
Accrued Interest	\$706,306.94
Cash	\$5,029,609.55
<b>Portfolio Effective Duration</b>	2.46 years
<b>Benchmark Effective Duration</b>	2.52 years
<b>Yield At Cost</b>	3.63%
<b>Yield At Market</b>	4.84%
<b>Portfolio Credit Quality</b>	AA

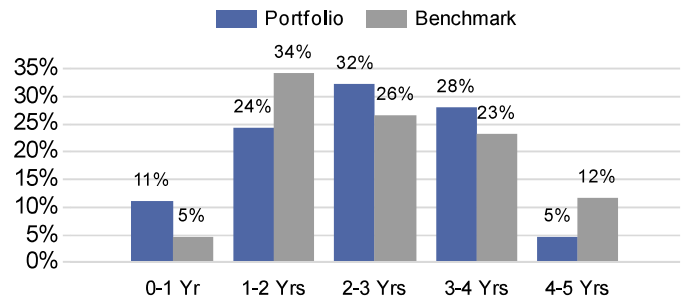
### Sector Allocation



### Credit Quality - S&P



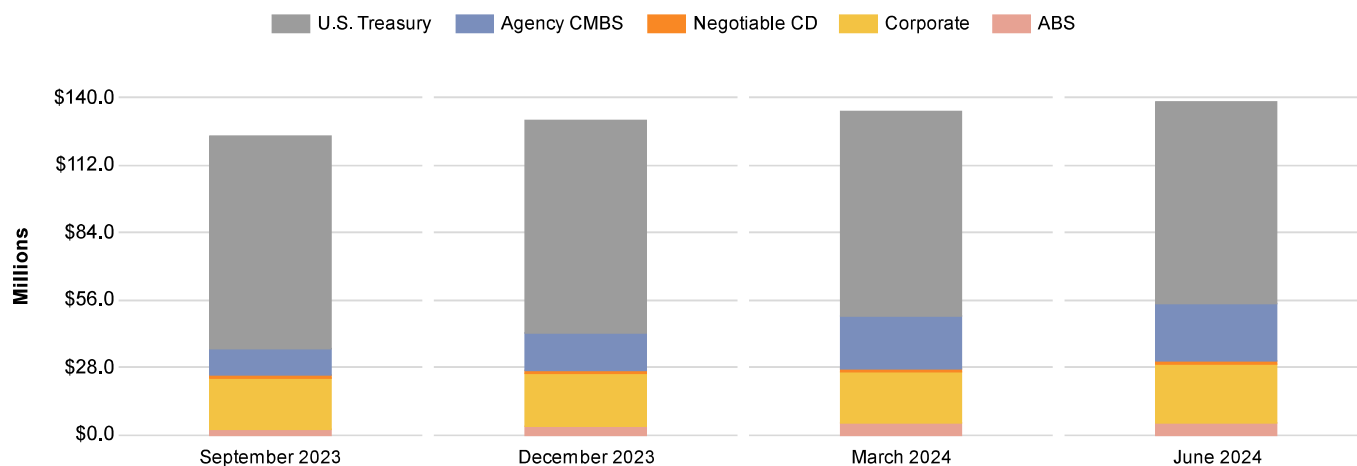
### Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest. The portfolio's benchmark is the ICE BofA 1-5 Year U.S. Treasury Index. Source: Bloomberg. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

### Sector Allocation Review - ZONE 7 WATER AGENCY

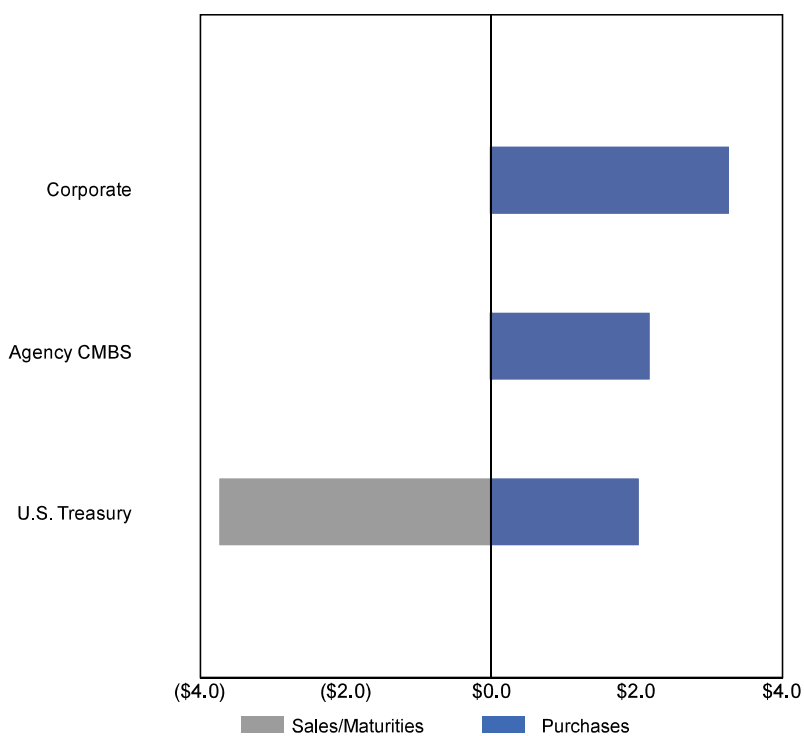
Security Type	Sep-23	% of Total	Dec-23	% of Total	Mar-24	% of Total	Jun-24	% of Total
U.S. Treasury	\$88.1	71.2%	\$88.2	67.5%	\$85.0	63.3%	\$83.7	60.4%
Agency CMBS	\$10.8	8.8%	\$15.6	11.9%	\$21.9	16.3%	\$24.0	17.4%
Negotiable CD	\$1.3	1.1%	\$1.3	1.0%	\$1.3	1.0%	\$1.3	1.0%
Corporate	\$21.3	17.2%	\$21.9	16.8%	\$21.2	15.8%	\$24.4	17.7%
ABS	\$2.1	1.7%	\$3.6	2.8%	\$4.9	3.6%	\$4.8	3.5%
<b>Total</b>	<b>\$123.7</b>	<b>100.0%</b>	<b>\$130.6</b>	<b>100.0%</b>	<b>\$134.3</b>	<b>100.0%</b>	<b>\$138.2</b>	<b>100.0%</b>



Market values, excluding accrued interest. Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM. Detail may not add to total due to rounding.

### Portfolio Activity - ZONE 7 WATER AGENCY

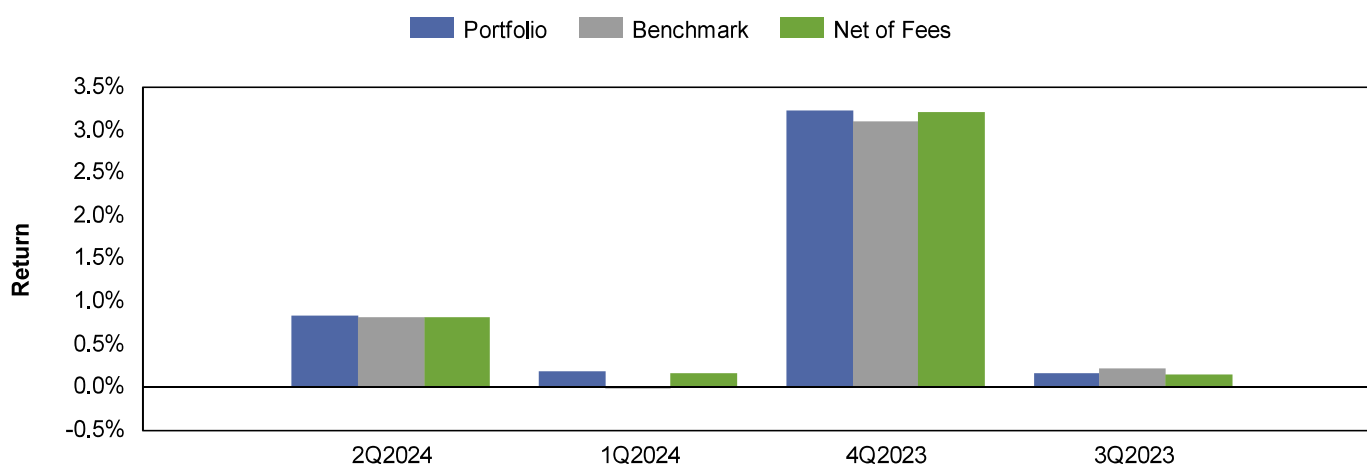
Net Activity by Sector  
(\$ millions)



Sector	Net Activity
Corporate	\$3,261,193
Agency CMBS	\$2,161,725
U.S. Treasury	(\$1,708,417)
<b>Total Net Activity</b>	<b>\$3,714,501</b>

Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

### Portfolio Performance



Market Value Basis Earnings	2Q2024	1Q2024	4Q2023	3Q2023
Interest Earned <sup>1</sup>	\$1,015,062	\$917,674	\$842,902	\$710,235
Change in Market Value	\$195,620	(\$659,386)	\$3,420,672	(\$487,156)
<b>Total Dollar Return</b>	<b>\$1,210,682</b>	<b>\$258,288</b>	<b>\$4,263,574</b>	<b>\$223,079</b>
<b>Total Return<sup>2</sup></b>				
Portfolio	0.84%	0.19%	3.23%	0.16%
Benchmark <sup>3</sup>	0.82%	-0.02%	3.10%	0.23%
<b>Basis Point Fee</b>	<b>0.02%</b>	<b>0.02%</b>	<b>0.02%</b>	<b>0.02%</b>
<b>Net of Fee Return</b>	<b>0.82%</b>	<b>0.18%</b>	<b>3.21%</b>	<b>0.14%</b>

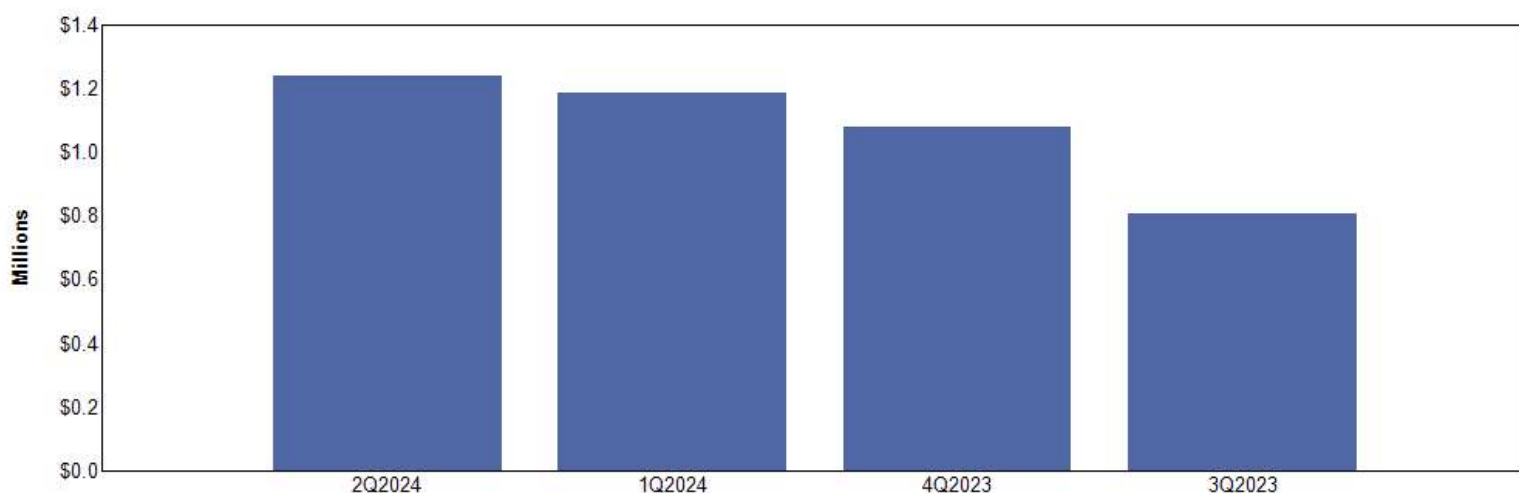
1. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

2. Returns are presented on a periodic basis.

3. The portfolio's benchmark is the ICE BofA 1-5 Year U.S. Treasury Index. Source: Bloomberg.



### Accrual Basis Earnings - ZONE 7 WATER AGENCY



Accrual Basis Earnings	2Q2024	1Q2024	4Q2023	3Q2023
Interest Earned <sup>1</sup>	\$1,015,062	\$917,674	\$842,902	\$710,235
Realized Gains / (Losses) <sup>2</sup>	(\$60,064)	(\$36,910)	(\$68,143)	(\$202,352)
Change in Amortized Cost	\$286,265	\$304,774	\$304,692	\$301,060
<b>Total Earnings</b>	<b>\$1,241,263</b>	<b>\$1,185,538</b>	<b>\$1,079,451</b>	<b>\$808,943</b>

1. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

2. Realized gains / (losses) are shown on an amortized cost basis.

## Portfolio Holdings and Transactions

### Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
<b>U.S. Treasury</b>	<b>60.4%</b>	
UNITED STATES TREASURY	60.4%	AA / Aaa / AA
<b>Agency CMBS</b>	<b>17.3%</b>	
FANNIE MAE	1.0%	AA / Aaa / AA
FREDDIE MAC	16.4%	AA / Aaa / AA
<b>Negotiable CD</b>	<b>1.0%</b>	
RABOBANK NEDERLAND	1.0%	A / Aa / AA
<b>Corporate</b>	<b>17.7%</b>	
ADOBE INC	0.7%	A / A / NR
AMAZON.COM INC	1.4%	AA / A / AA
APPLE INC	1.6%	AA / Aaa / NR
BANK OF AMERICA CO	1.5%	A / A / AA
BLACKROCK INC	0.1%	AA / Aa / NR
CITIGROUP INC	1.5%	A / Aa / A
DEERE & COMPANY	0.7%	A / A / A
HOME DEPOT INC	0.9%	A / A / A
JP MORGAN CHASE & CO	1.4%	A / Aa / AA
MASTERCARD INC	0.7%	A / Aa / NR
MICROSOFT CORP	1.5%	AAA / Aaa / NR
MORGAN STANLEY	1.0%	A / Aa / AA
PACCAR FINANCIAL CORP	0.7%	A / A / NR
TARGET CORP	0.9%	A / A / A
TOYOTA MOTOR CORP	0.7%	A / A / A
WAL-MART STORES INC	0.9%	AA / Aa / AA
WELLS FARGO & COMPANY	1.4%	A / Aa / AA

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
<b>ABS</b>	<b>3.5%</b>	
AMERICAN EXPRESS CO	0.8%	AAA / NR / AAA
BANK OF AMERICA CO	0.3%	NR / Aaa / AAA
CHASE ISSURANCE	1.6%	AAA / NR / AAA
CITIGROUP INC	0.2%	AAA / Aaa / AAA
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	0.1%	NR / Aaa / AAA
HYUNDAI AUTO RECEIVABLES	0.3%	AAA / NR / AAA
TOYOTA MOTOR CORP	0.2%	AAA / NR / AAA
<b>Total</b>	<b>100.0%</b>	

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

For the Quarter Ended June 30, 2024

ZONE 7 WATER AGENCY

Portfolio Composition

**Issuer Distribution  
As of June 30, 2024**

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	83,664,427	60.51%
FREDDIE MAC	22,643,994	16.37%
BANK OF AMERICA CO	2,515,022	1.81%
CITIGROUP INC	2,322,950	1.68%
APPLE INC	2,245,748	1.62%
CHASE ISSURANCE	2,207,503	1.60%
MICROSOFT CORP	2,002,344	1.45%
JP MORGAN CHASE & CO	1,998,096	1.45%
AMAZON.COM INC	1,952,863	1.41%
WELLS FARGO & COMPANY	1,947,762	1.41%
MORGAN STANLEY	1,359,531	0.98%
RABOBANK NEDERLAND	1,344,983	0.97%
FANNIE MAE	1,337,282	0.97%
HOME DEPOT INC	1,299,107	0.94%
WAL-MART STORES INC	1,280,529	0.93%
TARGET CORP	1,278,846	0.93%
TOYOTA MOTOR CORP	1,237,920	0.90%
AMERICAN EXPRESS CO	1,073,943	0.78%
DEERE & COMPANY	995,205	0.72%
ADOBE INC	991,092	0.72%
PACCAR FINANCIAL CORP	976,724	0.71%
MASTERCARD INC	919,860	0.67%
HYUNDAI AUTO RECEIVABLES	397,522	0.29%
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	128,812	0.09%

For the Quarter Ended June 30, 2024

**ZONE 7 WATER AGENCY**

*Portfolio Composition*

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<b>Issuer</b>	<b>Market Value (\$)</b>	<b>% of Portfolio</b>
BLACKROCK INC	124,383	0.09%
<b>Grand Total</b>	<b>138,246,447</b>	<b>100.00%</b>

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### Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury</b>											
US TREASURY NOTES DTD 01/15/2022 1.125% 01/15/2025	91282CDS7	865,000.00	AA+	Aaa	2/7/2022	2/8/2022	854,863.28	1.54	4,491.35	863,127.73	845,943.01
US TREASURY NOTES DTD 02/15/2022 1.500% 02/15/2025	91282CDZ1	5,100,000.00	AA+	Aaa	5/4/2022	5/5/2022	4,896,398.44	3.01	28,792.58	5,054,154.61	4,980,468.75
US TREASURY NOTES DTD 03/31/2020 0.500% 03/31/2025	91282ZF0	3,200,000.00	AA+	Aaa	4/1/2022	4/4/2022	3,005,750.00	2.62	4,021.86	3,151,437.50	3,090,499.84
US TREASURY NOTES DTD 04/30/2018 2.875% 04/30/2025	9128284M9	3,125,000.00	AA+	Aaa	5/3/2022	5/4/2022	3,120,361.33	2.93	15,136.72	3,123,712.90	3,065,918.13
US TREASURY NOTES DTD 07/31/2020 0.250% 07/31/2025	91282CAB7	3,145,000.00	AA+	Aaa	2/7/2022	2/8/2022	2,998,560.94	1.63	3,283.24	3,099,418.10	2,986,767.19
US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025	91282CAJ0	1,685,000.00	AA+	Aaa	3/8/2022	3/9/2022	1,596,603.32	1.81	1,407.98	1,655,372.16	1,593,904.69
US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025	91282CAJ0	1,075,000.00	AA+	Aaa	7/6/2022	7/7/2022	990,175.78	2.89	898.27	1,043,605.46	1,016,882.81
US TREASURY NOTES DTD 09/30/2020 0.250% 09/30/2025	91282CAM3	2,235,000.00	AA+	Aaa	5/3/2022	5/4/2022	2,039,612.11	2.97	1,404.51	2,163,436.24	2,107,185.94
US TREASURY NOTES DTD 11/30/2020 0.375% 11/30/2025	91282CAZ4	1,600,000.00	AA+	Aaa	4/13/2022	4/18/2022	1,477,187.50	2.61	508.20	1,551,971.21	1,500,750.08
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	3,160,000.00	AA+	Aaa	2/7/2022	2/8/2022	2,998,420.31	1.71	4,948.35	3,095,612.77	2,944,231.41
US TREASURY NOTES DTD 03/31/2021 0.750% 03/31/2026	91282CBT7	3,225,000.00	AA+	Aaa	4/1/2022	4/4/2022	2,995,848.63	2.64	6,079.92	3,124,657.81	3,007,312.50
US TREASURY NOTES DTD 03/31/2021 0.750% 03/31/2026	91282CBT7	3,405,000.00	AA+	Aaa	5/3/2022	5/4/2022	3,126,614.65	2.98	6,419.26	3,280,536.19	3,175,162.50
US TREASURY NOTES DTD 04/30/2021 0.750% 04/30/2026	91282CBW0	1,225,000.00	AA+	Aaa	2/17/2022	2/18/2022	1,170,162.11	1.86	1,547.89	1,201,088.96	1,139,058.66
US TREASURY NOTES DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	1,665,000.00	AA+	Aaa	3/8/2022	3/9/2022	1,592,546.48	1.82	1,057.69	1,632,198.83	1,544,027.43
US TREASURY NOTES DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	6,760,000.00	AA+	Aaa	6/6/2022	6/8/2022	6,195,434.38	2.99	4,294.26	6,488,402.36	6,268,844.09

For the Quarter Ended June 30, 2024

ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury</b>											
US TREASURY NOTES DTD 09/30/2021 0.875% 09/30/2026	91282CCZ2	3,420,000.00	AA+	Aaa	5/3/2022	5/4/2022	3,122,353.13	3.00	7,522.13	3,268,218.58	3,147,468.75
US TREASURY NOTES DTD 11/15/2016 2.000% 11/15/2026	912828U24	6,450,000.00	AA+	Aaa	6/6/2022	6/8/2022	6,181,669.92	3.01	16,475.54	6,306,482.31	6,069,046.88
US TREASURY NOTES DTD 02/15/2017 2.250% 02/15/2027	912828V98	5,300,000.00	AA+	Aaa	7/5/2022	7/7/2022	5,162,945.31	2.85	44,882.55	5,221,950.45	4,996,077.86
US TREASURY NOTES DTD 04/30/2020 0.500% 04/30/2027	912828ZN3	5,775,000.00	AA+	Aaa	8/3/2022	8/5/2022	5,161,406.25	2.92	4,864.81	5,408,405.24	5,160,504.20
US TREASURY NOTES DTD 05/15/2017 2.375% 05/15/2027	912828X88	6,220,000.00	AA+	Aaa	6/10/2022	6/13/2022	5,966,826.56	3.28	18,867.05	6,072,350.72	5,857,490.94
US TREASURY NOTES DTD 06/30/2020 0.500% 06/30/2027	912828ZV5	2,750,000.00	AA+	Aaa	8/9/2022	8/10/2022	2,440,410.16	2.99	37.36	2,560,256.98	2,443,203.13
US TREASURY NOTES DTD 08/15/2017 2.250% 08/15/2027	9128282R0	2,570,000.00	AA+	Aaa	9/1/2022	9/6/2022	2,436,580.86	3.40	21,763.80	2,485,688.57	2,401,343.75
US TREASURY NOTES DTD 09/30/2022 4.125% 09/30/2027	91282CFM8	1,940,000.00	AA+	Aaa	11/1/2022	11/3/2022	1,927,344.53	4.27	20,115.57	1,931,624.23	1,918,175.00
US TREASURY NOTES DTD 10/31/2022 4.125% 10/31/2027	91282CFU0	5,890,000.00	AA+	Aaa	12/13/2022	12/14/2022	6,019,303.91	3.63	40,933.90	5,978,306.88	5,823,737.50
US TREASURY NOTES DTD 11/15/1997 6.125% 11/15/2027	912810FB9	1,560,000.00	AA+	Aaa	1/26/2023	1/30/2023	1,730,685.94	3.62	12,203.40	1,680,162.90	1,638,975.00
US TREASURY NOTES DTD 02/28/2023 4.000% 02/29/2028	91282CGP0	1,270,000.00	AA+	Aaa	2/14/2024	2/15/2024	1,255,613.28	4.31	16,979.35	1,256,949.54	1,250,553.13
US TREASURY NOTES DTD 03/31/2023 3.625% 03/31/2028	91282CGT2	850,000.00	AA+	Aaa	5/31/2023	5/31/2023	842,263.67	3.83	7,745.22	844,002.81	826,093.75
US TREASURY NOTES DTD 04/30/2023 3.500% 04/30/2028	91282CHA2	865,000.00	AA+	Aaa	5/1/2023	5/1/2023	860,877.73	3.61	5,100.68	861,841.70	836,617.19
US TREASURY N/B NOTES DTD 04/30/2024 4.625% 04/30/2029	91282CKP5	1,530,000.00	AA+	Aaa	5/30/2024	5/31/2024	1,532,211.33	4.59	11,921.94	1,532,177.44	1,547,690.62
US TREASURY N/B NOTES DTD 04/30/2024 4.625% 04/30/2029	91282CKP5	475,000.00	AA+	Aaa	5/2/2024	5/3/2024	476,076.17	4.57	3,701.26	476,045.25	480,492.19
<b>Security Type Sub-Total</b>		<b>88,335,000.00</b>					<b>84,175,108.01</b>	<b>2.97</b>	<b>317,406.64</b>	<b>86,413,196.43</b>	<b>83,664,426.92</b>

For the Quarter Ended June 30, 2024

ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Negotiable CD</b>											
COOPERAT RABOBANK UA/NY CERT DEPOS DTD 07/20/2023 5.080% 07/17/2026	21684LGS5	1,350,000.00	A+	Aa2	7/17/2023	7/20/2023	1,350,000.00	5.08	31,242.00	1,350,000.00	1,344,983.40
<b>Security Type Sub-Total</b>		<b>1,350,000.00</b>					<b>1,350,000.00</b>	<b>5.08</b>	<b>31,242.00</b>	<b>1,350,000.00</b>	<b>1,344,983.40</b>
<b>Corporate</b>											
AMAZON.COM INC CORPORATE NOTES DTD 04/13/2022 3.000% 04/13/2025	023135CE4	1,990,000.00	AA	A1	4/11/2022	4/13/2022	1,986,835.90	3.06	12,935.00	1,989,174.33	1,952,862.62
WALMART INC CORP NOTES (CALLABLE) DTD 06/27/2018 3.550% 06/26/2025	931142ED1	1,300,000.00	AA	Aa2	2/7/2022	2/9/2022	1,372,527.00	1.84	640.97	1,318,503.05	1,280,528.60
WELLS FARGO BANK NA BANK NOTES (CALLABLE) DTD 08/09/2023 5.450% 08/07/2026	94988J6D4	1,945,000.00	A+	Aa2	8/18/2023	8/22/2023	1,942,335.35	5.50	42,401.00	1,943,109.36	1,947,761.90
JP MORGAN CORP NOTES (CALLABLE) DTD 12/08/2023 5.110% 12/08/2026	48125LRU8	2,000,000.00	A+	Aa2	12/5/2023	12/8/2023	2,000,000.00	5.11	6,529.44	2,000,000.00	1,998,096.00
TARGET CORP CORP NOTES (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	1,375,000.00	A	A2	2/7/2022	2/9/2022	1,366,915.00	2.08	12,363.54	1,370,834.05	1,278,846.25
MICROSOFT CORP CORP NOTES (CALLABLE) DTD 02/06/2017 3.300% 02/06/2027	594918BY9	2,075,000.00	AAA	Aaa	12/14/2022	12/16/2022	2,015,634.25	4.06	27,580.21	2,037,724.74	2,002,343.88
BANK OF AMERICA CORP CORP NOTES (CALLABL) DTD 03/11/2021 1.658% 03/11/2027	06051GJQ3	2,170,000.00	A-	A1	4/13/2022	4/18/2022	2,000,761.70	3.40	10,993.46	2,076,956.80	2,035,763.80
HOME DEPOT INC CORP NOTES (CALLABLE) DTD 09/14/2017 2.800% 09/14/2027	437076BT8	1,390,000.00	A	A2	1/26/2023	1/30/2023	1,311,326.00	4.16	11,567.89	1,335,468.85	1,299,106.51
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 01/12/2023 4.625% 01/12/2028	89236TKQ7	980,000.00	A+	A1	8/14/2023	8/16/2023	967,946.00	4.94	21,277.57	970,341.83	970,785.06



For the Quarter Ended June 30, 2024

ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate</b>											
APPLE INC CORP NOTES CALLABLE DTD 05/10/2023 4.000% 05/10/2028	037833ET3	2,300,000.00	AA+	Aaa	5/10/2023	5/11/2023	2,302,001.00	3.98	13,033.33	2,301,536.40	2,245,747.60
MORGAN STANLEY BANK NA BANK NOTES (CALLA DTD 05/30/2024 5.504% 05/26/2028	61690U8B9	890,000.00	A+	Aa3	5/30/2024	5/31/2024	891,877.90	5.44	4,218.20	891,828.94	896,283.40
MORGAN STANLEY BANK NA BANK NOTES (CALLA DTD 05/30/2024 5.504% 05/26/2028	61690U8B9	460,000.00	A+	Aa3	5/28/2024	5/30/2024	460,000.00	5.50	2,180.20	460,000.00	463,247.60
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	345,000.00	A	A1	7/14/2023	7/18/2023	348,381.00	4.73	7,922.06	347,733.73	345,071.07
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	455,000.00	A	A1	7/11/2023	7/14/2023	454,322.05	4.98	10,447.94	454,453.04	455,093.73
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	195,000.00	A	A1	7/13/2023	7/14/2023	197,652.00	4.64	4,477.69	197,139.60	195,040.17
PACCAR FINANCIAL CORP CORPORATE NOTES DTD 08/10/2023 4.950% 08/10/2028	69371RS64	975,000.00	A+	A1	8/17/2023	8/21/2023	970,407.75	5.06	18,902.81	971,204.31	976,723.80
CITIBANK NA CORP NOTES (CALLABLE) DTD 09/29/2023 5.803% 09/29/2028	17325FBB3	1,975,000.00	A+	Aa3	9/26/2023	9/29/2023	1,975,000.00	5.80	29,289.03	1,975,000.00	2,028,275.63
BLACKROCK FUNDING INC CORPORATE NOTES (C DTD 03/14/2024 4.700% 03/14/2029	09290DAA9	125,000.00	AA-	Aa3	3/5/2024	3/14/2024	124,773.75	4.74	1,746.18	124,785.73	124,383.38
ADOBE INC CORP NOTES (CALLABLE) DTD 04/04/2024 4.800% 04/04/2029	00724PAF6	445,000.00	A+	A1	4/2/2024	4/4/2024	444,256.85	4.84	5,162.00	444,288.67	445,490.83
ADOBE INC CORP NOTES (CALLABLE) DTD 04/04/2024 4.800% 04/04/2029	00724PAF6	545,000.00	A+	A1	4/1/2024	4/4/2024	544,187.95	4.83	6,322.00	544,222.72	545,601.14
MASTERCARD INC CORP NOTES (CALLABLE) DTD 05/31/2019 2.950% 06/01/2029	57636QAM6	1,000,000.00	A+	Aa3	6/26/2024	6/27/2024	918,740.00	4.82	2,458.33	918,899.89	919,860.00
<b>Security Type Sub-Total</b>		<b>24,935,000.00</b>					<b>24,595,881.45</b>	<b>4.30</b>	<b>252,448.85</b>	<b>24,673,206.04</b>	<b>24,406,912.97</b>

For the Quarter Ended June 30, 2024

ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Agency CMBS</b>											
FHMS K061 A2 DTD 01/30/2017 3.347% 11/01/2026	3137BTUM1	952,292.74	AA+	Aaa	5/19/2023	5/24/2023	922,979.99	4.31	2,656.10	932,401.11	917,915.21
FHMS K064 A2 DTD 05/15/2017 3.224% 03/01/2027	3137BXQY1	1,320,000.00	AA+	Aaa	8/16/2023	8/18/2023	1,245,131.25	4.98	3,546.40	1,263,572.97	1,263,989.91
FHLMC MULTIFAMILY STRUCTURED P DTD 08/01/2017 3.117% 06/01/2027	3137F2LJ3	1,165,000.00	AA+	Aaa	8/17/2023	8/22/2023	1,089,457.03	5.01	3,026.09	1,106,658.26	1,108,749.50
FHMS K506 A1 DTD 09/01/2023 4.650% 05/01/2028	3137HAMG8	645,181.56	AA+	Aaa	9/7/2023	9/14/2023	635,532.88	5.01	2,500.08	637,038.91	640,631.76
FHMS K505 A2 DTD 07/01/2023 4.819% 06/01/2028	3137HACX2	1,350,000.00	AA+	Aaa	7/13/2023	7/20/2023	1,363,483.80	4.59	5,421.38	1,360,852.26	1,345,980.25
FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028	3137HAD45	1,078,318.87	AA+	Aaa	7/19/2023	7/27/2023	1,078,291.90	4.78	4,292.61	1,078,297.08	1,074,009.07
FNA 2023-M6 A2 DTD 07/01/2023 4.190% 07/01/2028	3136BQDE6	1,375,000.00	AA+	Aaa	7/18/2023	7/31/2023	1,351,689.45	4.58	4,801.04	1,356,048.02	1,337,281.61
FHMS K506 A2 DTD 09/01/2023 4.650% 08/01/2028	3137HAMH6	1,300,000.00	AA+	Aaa	9/7/2023	9/14/2023	1,280,769.10	4.99	5,037.50	1,283,599.82	1,288,480.80
FHMS K508 A2 DTD 10/01/2023 4.740% 08/01/2028	3137HAQ74	1,325,000.00	AA+	Aaa	10/11/2023	10/19/2023	1,295,934.80	5.26	5,233.75	1,299,753.75	1,317,180.78
FHMS KJ47 A1 DTD 09/01/2023 5.272% 08/01/2028	3137HAMN3	726,462.57	AA+	Aaa	9/19/2023	9/28/2023	726,458.93	5.27	3,191.59	726,459.45	734,856.35
FHMS K509 A2 DTD 10/01/2023 4.850% 09/01/2028	3137HAST4	1,015,000.00	AA+	Aaa	10/25/2023	10/31/2023	982,638.76	5.60	4,102.29	986,613.50	1,013,022.54
FHMS K507 A2 DTD 09/01/2023 4.800% 09/01/2028	3137HAMS2	1,300,000.00	AA+	Aaa	9/20/2023	9/28/2023	1,284,461.10	5.07	5,200.00	1,286,608.72	1,295,316.24
FHMS K511 A2 DTD 12/01/2023 4.860% 10/01/2028	3137HB3G7	750,000.00	AA+	Aaa	11/28/2023	12/7/2023	747,845.25	4.93	3,037.50	748,073.27	748,752.72
FHMS K510 A2 DTD 11/01/2023 5.069% 10/01/2028	3137HB3D4	515,000.00	AA+	Aaa	11/14/2023	11/21/2023	513,511.14	5.14	2,175.45	513,678.57	518,083.06
FHMS K512 A2 DTD 12/01/2023 5.000% 11/01/2028	3137HBCF9	680,000.00	AA+	Aaa	12/11/2023	12/21/2023	686,349.84	4.78	2,833.33	685,727.69	682,532.48
FHMS K514 A2 DTD 02/01/2024 4.572% 12/01/2028	3137HBLV4	780,000.00	AA+	Aaa	2/1/2024	2/8/2024	787,799.22	4.34	2,971.80	787,216.35	770,377.33
FHMS K513 A2 DTD 01/01/2024 4.724% 12/01/2028	3137HBFY5	770,000.00	AA+	Aaa	1/10/2024	1/18/2024	777,691.53	4.50	3,031.23	777,043.12	765,106.06

For the Quarter Ended June 30, 2024

ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Agency CMBS</b>											
FHMS K515 A2 DTD 02/01/2024 5.400% 01/01/2029	3137HBPD0	1,350,000.00	AA+	Aaa	2/14/2024	2/22/2024	1,386,369.00	4.78	6,075.00	1,383,977.27	1,376,648.85
FHMS K518 A2 DTD 03/01/2024 5.400% 01/01/2029	3137HC2L5	975,000.00	AA+	Aaa	3/19/2024	3/28/2024	998,541.38	4.83	4,387.50	997,387.07	995,073.04
FHMS K517 A2 DTD 03/01/2024 5.355% 01/01/2029	3137HC2C5	1,210,000.00	AA+	Aaa	3/5/2024	3/14/2024	1,246,283.06	4.66	5,399.63	1,244,255.01	1,232,893.99
FHMS K516 A2 DTD 03/01/2024 5.477% 01/01/2029	3137HBPM0	1,350,000.00	AA+	Aaa	2/29/2024	3/7/2024	1,390,495.95	4.78	6,161.63	1,388,105.92	1,381,302.10
FHMS K520 A2 DTD 04/01/2024 5.180% 03/01/2029	3137HCKV3	765,000.00	AA+	Aaa	4/23/2024	4/30/2024	768,105.14	5.09	3,302.25	768,008.73	775,079.54
FHMS K522 A2 DTD 06/01/2024 4.803% 05/01/2029	3137HDJJ0	1,400,000.00	AA+	Aaa	6/5/2024	6/13/2024	1,399,995.80	4.80	5,603.50	1,399,995.84	1,398,012.91
<b>Security Type Sub-Total</b>		<b>24,097,255.74</b>					<b>23,959,816.30</b>	<b>4.87</b>	<b>93,987.65</b>	<b>24,011,372.69</b>	<b>23,981,276.10</b>
<b>ABS</b>											
CHAIT 2024-A1 A DTD 01/31/2024 4.600% 01/15/2027	161571HV9	1,175,000.00	AAA	NR	1/24/2024	1/31/2024	1,174,821.05	4.61	2,402.22	1,174,844.90	1,161,678.56
CCCIT 2023-A1 A1 DTD 12/11/2023 5.230% 12/08/2027	17305EGW9	295,000.00	AAA	Aaa	12/4/2023	12/11/2023	294,963.01	5.23	985.71	294,967.70	294,674.41
TAOT 2023-D A3 DTD 11/14/2023 5.540% 08/15/2028	89239FAD4	265,000.00	AAA	NR	11/7/2023	11/14/2023	264,971.43	5.54	652.49	264,974.80	267,134.92
AMXCA 2023-3 A DTD 09/19/2023 5.230% 09/15/2028	02582JKD1	1,070,000.00	AAA	NR	9/12/2023	9/19/2023	1,069,952.17	5.23	2,487.16	1,069,958.88	1,073,943.27
CHAIT 2023-A1 A DTD 09/15/2023 5.160% 09/15/2028	161571HT4	1,045,000.00	AAA	NR	9/7/2023	9/15/2023	1,044,710.33	5.17	2,396.53	1,044,751.52	1,045,824.30
HART 2023-C A3 DTD 11/13/2023 5.540% 10/16/2028	44918CAD4	395,000.00	AAA	NR	11/3/2023	11/13/2023	394,948.06	5.54	972.58	394,953.97	397,522.47
BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028	05522RDH8	480,000.00	NR	Aaa	12/7/2023	12/14/2023	479,935.54	4.98	1,062.40	479,941.96	479,257.87

For the Quarter Ended June 30, 2024

ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>ABS</b>											
GMCAR 2024-1 A3 DTD 01/17/2024 4.850% 12/18/2028	36268GAD7	130,000.00	NR	Aaa	1/9/2024	1/17/2024	129,973.86	4.85	262.71	129,976.03	128,812.16
<b>Security Type Sub-Total</b>		<b>4,855,000.00</b>					<b>4,854,275.45</b>	<b>5.08</b>	<b>11,221.80</b>	<b>4,854,369.76</b>	<b>4,848,847.96</b>
<b>Managed Account Sub Total</b>		<b>143,572,255.74</b>					<b>138,935,081.21</b>	<b>3.63</b>	<b>706,306.94</b>	<b>141,302,144.92</b>	<b>138,246,447.35</b>
<b>Securities Sub Total</b>		<b>\$143,572,255.74</b>					<b>\$138,935,081.21</b>	<b>3.63%</b>	<b>\$706,306.94</b>	<b>\$141,302,144.92</b>	<b>\$138,246,447.35</b>
<b>Accrued Interest</b>											<b>\$706,306.94</b>
<b>Total Investments</b>											<b>\$138,952,754.29</b>

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>BUY</b>									
4/1/2024	4/4/2024	545,000.00	00724PAF6	ADOBE INC CORP NOTES (CALLABLE)	4.80%	4/4/2029	544,187.95	4.83%	
4/2/2024	4/4/2024	445,000.00	00724PAF6	ADOBE INC CORP NOTES (CALLABLE)	4.80%	4/4/2029	444,256.85	4.84%	
4/23/2024	4/30/2024	765,000.00	3137HCKV3	FHMS K520 A2	5.18%	3/1/2029	771,297.32	5.09%	
5/2/2024	5/3/2024	475,000.00	91282CKP5	US TREASURY N/B NOTES	4.62%	4/30/2029	476,255.26	4.57%	
5/28/2024	5/30/2024	460,000.00	61690U8B9	MORGAN STANLEY BANK NA BANK NOTES (CALLA	5.50%	5/26/2028	460,000.00	5.50%	
5/30/2024	5/31/2024	1,530,000.00	91282CKP5	US TREASURY N/B NOTES	4.62%	4/30/2029	1,538,172.30	4.59%	
5/30/2024	5/31/2024	890,000.00	61690U8B9	MORGAN STANLEY BANK NA BANK NOTES (CALLA	5.50%	5/26/2028	891,877.90	5.44%	
6/5/2024	6/13/2024	1,400,000.00	3137HDJJ0	FHMS K522 A2	4.80%	5/1/2029	1,402,237.20	4.80%	
6/26/2024	6/27/2024	1,000,000.00	57636QAM6	MASTERCARD INC CORP NOTES (CALLABLE)	2.95%	6/1/2029	920,870.56	4.82%	
<b>Total BUY</b>		<b>7,510,000.00</b>					<b>7,449,155.34</b>		<b>0.00</b>
<b>INTEREST</b>									
4/1/2024	4/1/2024		MONEY0002	MONEY MARKET FUND			23,362.26		
4/1/2024	4/25/2024	770,000.00	3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	3,031.23		
4/1/2024	4/25/2024	1,165,000.00	3137F2LJ3	FHLMC MULTIFAMILY STRUCTURED P	3.11%	6/1/2027	3,026.09		
4/1/2024	4/25/2024	646,759.86	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,506.19		
4/1/2024	4/25/2024	1,320,000.00	3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
4/1/2024	4/25/2024	1,350,000.00	3137HBPM0	FHMS K516 A2	5.47%	1/1/2029	6,161.63		

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
4/1/2024	4/25/2024	680,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	2,833.33		
4/1/2024	4/25/2024	515,000.00	3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		
4/1/2024	4/25/2024	1,350,000.00	3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.38		
4/1/2024	4/25/2024	750,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	3,037.50		
4/1/2024	4/25/2024	1,300,000.00	3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
4/1/2024	4/25/2024	1,015,000.00	3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
4/1/2024	4/25/2024	1,300,000.00	3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
4/1/2024	4/25/2024	729,265.90	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	3,203.91		
4/1/2024	4/25/2024	1,080,153.08	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,299.91		
4/1/2024	4/25/2024	1,375,000.00	3136BQDE6	FNA 2023-M6 A2	4.19%	7/1/2028	4,801.04		
4/1/2024	4/25/2024	780,000.00	3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	2,971.80		
4/1/2024	4/25/2024	957,886.32	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,671.70		
4/1/2024	4/25/2024	1,350,000.00	3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	6,075.00		
4/1/2024	4/25/2024	1,210,000.00	3137HC2C5	FHMS K517 A2	5.35%	1/1/2029	5,399.63		
4/1/2024	4/25/2024	1,325,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
4/1/2024	4/25/2024	975,000.00	3137HC2L5	FHMS K518 A2	5.40%	1/1/2029	4,387.50		
4/13/2024	4/13/2024	1,990,000.00	023135CE4	AMAZON.COM INC CORPORATE NOTES	3.00%	4/13/2025	29,850.00		

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
4/15/2024	4/15/2024	480,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	1,992.00		
4/15/2024	4/15/2024	1,070,000.00	02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
4/15/2024	4/15/2024	1,175,000.00	161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2027	4,504.17		
4/15/2024	4/15/2024	395,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	1,823.58		
4/15/2024	4/15/2024	265,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	1,223.42		
4/15/2024	4/15/2024	1,045,000.00	161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
4/16/2024	4/16/2024	130,000.00	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	525.42		
4/30/2024	4/30/2024	5,890,000.00	91282CFU0	US TREASURY NOTES	4.12%	10/31/2027	121,481.25		
4/30/2024	4/30/2024	1,225,000.00	91282CBW0	US TREASURY NOTES	0.75%	4/30/2026	4,593.75		
4/30/2024	4/30/2024	3,125,000.00	9128284M9	US TREASURY NOTES	2.87%	4/30/2025	44,921.88		
4/30/2024	4/30/2024	5,775,000.00	912828ZN3	US TREASURY NOTES	0.50%	4/30/2027	14,437.50		
4/30/2024	4/30/2024	865,000.00	91282CHA2	US TREASURY NOTES	3.50%	4/30/2028	15,137.50		
5/1/2024	5/1/2024		MONEY0002	MONEY MARKET FUND			21,924.91		
5/1/2024	5/25/2024	1,300,000.00	3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
5/1/2024	5/25/2024	1,350,000.00	3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.38		
5/1/2024	5/25/2024	750,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	3,037.50		
5/1/2024	5/25/2024	680,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	2,833.33		

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
5/1/2024	5/25/2024	1,320,000.00	3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
5/1/2024	5/25/2024	1,350,000.00	3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	6,075.00		
5/1/2024	5/25/2024	1,165,000.00	3137F2LJ3	FHLMC MULTIFAMILY STRUCTURED P	3.11%	6/1/2027	3,026.09		
5/1/2024	5/25/2024	765,000.00	3137HCKV3	FHMS K520 A2	5.18%	3/1/2029	3,302.25		
5/1/2024	5/25/2024	780,000.00	3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	2,971.80		
5/1/2024	5/25/2024	646,261.43	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,504.26		
5/1/2024	5/25/2024	1,375,000.00	3136BQDE6	FNA 2023-M6 A2	4.19%	7/1/2028	4,801.04		
5/1/2024	5/25/2024	1,210,000.00	3137HC2C5	FHMS K517 A2	5.35%	1/1/2029	5,399.63		
5/1/2024	5/25/2024	1,350,000.00	3137HBPM0	FHMS K516 A2	5.47%	1/1/2029	6,161.63		
5/1/2024	5/25/2024	1,079,585.62	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,297.65		
5/1/2024	5/25/2024	1,015,000.00	3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
5/1/2024	5/25/2024	515,000.00	3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		
5/1/2024	5/25/2024	728,413.01	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	3,200.16		
5/1/2024	5/25/2024	975,000.00	3137HC2L5	FHMS K518 A2	5.40%	1/1/2029	4,387.50		
5/1/2024	5/25/2024	1,325,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
5/1/2024	5/25/2024	956,060.35	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,666.61		
5/1/2024	5/25/2024	1,300,000.00	3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		



ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
5/1/2024	5/25/2024	770,000.00	3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	3,031.23		
5/10/2024	5/10/2024	2,300,000.00	037833ET3	APPLE INC CORP NOTES CALLABLE	4.00%	5/10/2028	46,000.00		
5/15/2024	5/15/2024	1,070,000.00	02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
5/15/2024	5/15/2024	1,560,000.00	912810FB9	US TREASURY NOTES	6.12%	11/15/2027	47,775.00		
5/15/2024	5/15/2024	1,175,000.00	161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2027	4,504.17		
5/15/2024	5/15/2024	265,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	1,223.42		
5/15/2024	5/15/2024	6,220,000.00	912828X88	US TREASURY NOTES	2.37%	5/15/2027	73,862.50		
5/15/2024	5/15/2024	395,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	1,823.58		
5/15/2024	5/15/2024	6,450,000.00	912828U24	US TREASURY NOTES	2.00%	11/15/2026	64,500.00		
5/15/2024	5/15/2024	1,045,000.00	161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
5/15/2024	5/15/2024	480,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	1,992.00		
5/16/2024	5/16/2024	130,000.00	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	525.42		
5/31/2024	5/31/2024	8,425,000.00	91282CCF6	US TREASURY NOTES	0.75%	5/31/2026	31,593.75		
5/31/2024	5/31/2024	1,600,000.00	91282CAZ4	US TREASURY NOTES	0.37%	11/30/2025	3,000.00		
6/1/2024	6/25/2024	1,350,000.00	3137HBPM0	FHMS K516 A2	5.47%	1/1/2029	6,161.63		
6/1/2024	6/25/2024	727,326.77	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	3,195.39		
6/1/2024	6/25/2024	1,320,000.00	3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
6/1/2024	6/25/2024	1,325,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
6/1/2024	6/25/2024	1,350,000.00	3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	6,075.00		
6/1/2024	6/25/2024	750,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	3,037.50		
6/1/2024	6/25/2024	954,112.48	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,661.18		
6/1/2024	6/25/2024	1,015,000.00	3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
6/1/2024	6/25/2024	1,300,000.00	3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
6/1/2024	6/25/2024	645,685.04	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,502.03		
6/1/2024	6/25/2024	1,350,000.00	3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.38		
6/1/2024	6/25/2024	975,000.00	3137HC2L5	FHMS K518 A2	5.40%	1/1/2029	4,387.50		
6/1/2024	6/25/2024	1,300,000.00	3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
6/1/2024	6/25/2024	515,000.00	3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		
6/1/2024	6/25/2024	1,165,000.00	3137F2LJ3	FHLMC MULTIFAMILY STRUCTURED P	3.11%	6/1/2027	3,026.09		
6/1/2024	6/25/2024	1,078,893.10	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,294.89		
6/1/2024	6/25/2024	780,000.00	3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	2,971.80		
6/1/2024	6/25/2024	765,000.00	3137HCKV3	FHMS K520 A2	5.18%	3/1/2029	3,302.25		
6/1/2024	6/25/2024	770,000.00	3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	3,031.23		
6/1/2024	6/25/2024	1,210,000.00	3137HC2C5	FHMS K517 A2	5.35%	1/1/2029	5,399.63		

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
6/1/2024	6/25/2024	1,375,000.00	3136BQDE6	FNA 2023-M6 A2	4.19%	7/1/2028	4,801.04		
6/1/2024	6/25/2024	680,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	2,833.33		
6/3/2024	6/3/2024		MONEY0002	MONEY MARKET FUND			32,615.74		
6/8/2024	6/8/2024	2,000,000.00	48125LRU8	JP MORGAN CORP NOTES (CALLABLE)	5.11%	12/8/2026	51,100.00		
6/8/2024	6/8/2024	295,000.00	17305EGW9	CCCIT 2023-A1 A1	5.23%	12/8/2027	7,585.68		
6/15/2024	6/15/2024	395,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	1,823.58		
6/15/2024	6/15/2024	1,175,000.00	161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2027	4,504.17		
6/15/2024	6/15/2024	1,045,000.00	161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
6/15/2024	6/15/2024	1,070,000.00	02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
6/15/2024	6/15/2024	480,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	1,992.00		
6/15/2024	6/15/2024	265,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	1,223.42		
6/16/2024	6/16/2024	130,000.00	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	525.42		
6/26/2024	6/26/2024	1,300,000.00	931142ED1	WALMART INC CORP NOTES (CALLABLE)	3.55%	6/26/2025	23,075.00		
6/30/2024	6/30/2024	2,750,000.00	912828ZV5	US TREASURY NOTES	0.50%	6/30/2027	6,875.00		
<b>Total INTEREST</b>		<b>132,800,402.96</b>					<b>983,301.19</b>		<b>0.00</b>
<b>PAYDOWNS</b>									
4/1/2024	4/25/2024	852.89	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	852.89		

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>PAYDOWNS</b>									
4/1/2024	4/25/2024	498.43	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	498.43		
4/1/2024	4/25/2024	1,825.97	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	1,825.97		
4/1/2024	4/25/2024	567.46	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	567.46		
5/1/2024	5/25/2024	692.52	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	692.52		
5/1/2024	5/25/2024	1,947.87	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	1,947.87		
5/1/2024	5/25/2024	1,086.24	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,086.24		
5/1/2024	5/25/2024	576.39	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	576.39		
6/1/2024	6/25/2024	574.23	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	574.23		
6/1/2024	6/25/2024	1,819.74	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	1,819.74		
6/1/2024	6/25/2024	503.48	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	503.48		
6/1/2024	6/25/2024	864.20	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	864.20		
<b>Total PAYDOWNS</b>		<b>11,809.42</b>					<b>11,809.42</b>		<b>0.00</b>
<b>SELL</b>									
4/2/2024	4/4/2024	705,000.00	91282CCL3	US TREASURY NOTES	0.37%	7/15/2024	696,080.06		-7,470.16
4/24/2024	4/25/2024	425,000.00	91282CCL3	US TREASURY NOTES	0.37%	7/15/2024	420,843.59		-3,626.43
5/2/2024	5/3/2024	485,000.00	91282CCL3	US TREASURY NOTES	0.37%	7/15/2024	480,789.36		-3,755.39
6/12/2024	6/13/2024	1,450,000.00	91282CDS7	US TREASURY NOTES	1.12%	1/15/2025	1,422,511.24		-30,787.14

ZONE 7 WATER AGENCY

Portfolio Activity

### Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>SELL</b>									
6/26/2024	6/27/2024	715,000.00	91282CDS7	US TREASURY NOTES	1.12%	1/15/2025	702,620.40		-14,424.85
<b>Total SELL</b>		<b>3,780,000.00</b>					<b>3,722,844.65</b>		<b>-60,063.97</b>

### Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY	4/1/2024	4/4/2024	545,000.00	00724PAF6	ADOBE INC CORP NOTES (CALLABLE)	4.80%	4/4/2029	544,187.95	4.83%	
BUY	4/2/2024	4/4/2024	445,000.00	00724PAF6	ADOBE INC CORP NOTES (CALLABLE)	4.80%	4/4/2029	444,256.85	4.84%	
BUY	4/23/2024	4/30/2024	765,000.00	3137HCKV3	FHMS K520 A2	5.18%	3/1/2029	771,297.32	5.09%	
BUY	5/2/2024	5/3/2024	475,000.00	91282CKP5	US TREASURY N/B NOTES	4.62%	4/30/2029	476,255.26	4.57%	
BUY	5/28/2024	5/30/2024	460,000.00	61690U8B9	MORGAN STANLEY BANK NA BANK	5.50%	5/26/2028	460,000.00	5.50%	
BUY	5/30/2024	5/31/2024	1,530,000.00	91282CKP5	US TREASURY N/B NOTES	4.62%	4/30/2029	1,538,172.30	4.59%	
BUY	5/30/2024	5/31/2024	890,000.00	61690U8B9	MORGAN STANLEY BANK NA BANK	5.50%	5/26/2028	891,877.90	5.44%	
BUY	6/5/2024	6/13/2024	1,400,000.00	3137HDJJ0	FHMS K522 A2	4.80%	5/1/2029	1,402,237.20	4.80%	
BUY	6/26/2024	6/27/2024	1,000,000.00	57636QAM6	MASTERCARD INC CORP NOTES	2.95%	6/1/2029	920,870.56	4.82%	
INTEREST	4/1/2024	4/1/2024		MONEY0002	MONEY MARKET FUND			23,362.26		
INTEREST	4/1/2024	4/25/2024	770,000.00	3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	3,031.23		
INTEREST	4/1/2024	4/25/2024	1,165,000.00	3137F2LJ3	FHLMC MULTIFAMILY STRUCTURED P	3.11%	6/1/2027	3,026.09		
INTEREST	4/1/2024	4/25/2024	646,759.86	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,506.19		
INTEREST	4/1/2024	4/25/2024	1,320,000.00	3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
INTEREST	4/1/2024	4/25/2024	1,350,000.00	3137HBPM0	FHMS K516 A2	5.47%	1/1/2029	6,161.63		
INTEREST	4/1/2024	4/25/2024	680,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	2,833.33		
INTEREST	4/1/2024	4/25/2024	515,000.00	3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		
INTEREST	4/1/2024	4/25/2024	1,350,000.00	3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.38		

### Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	4/1/2024	4/25/2024	750,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	3,037.50		
INTEREST	4/1/2024	4/25/2024	1,300,000.00	3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
INTEREST	4/1/2024	4/25/2024	1,015,000.00	3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
INTEREST	4/1/2024	4/25/2024	1,300,000.00	3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
INTEREST	4/1/2024	4/25/2024	729,265.90	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	3,203.91		
INTEREST	4/1/2024	4/25/2024	1,080,153.08	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,299.91		
INTEREST	4/1/2024	4/25/2024	1,375,000.00	3136BQDE6	FNA 2023-M6 A2	4.19%	7/1/2028	4,801.04		
INTEREST	4/1/2024	4/25/2024	780,000.00	3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	2,971.80		
INTEREST	4/1/2024	4/25/2024	957,886.32	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,671.70		
INTEREST	4/1/2024	4/25/2024	1,350,000.00	3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	6,075.00		
INTEREST	4/1/2024	4/25/2024	1,210,000.00	3137HC2C5	FHMS K517 A2	5.35%	1/1/2029	5,399.63		
INTEREST	4/1/2024	4/25/2024	1,325,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
INTEREST	4/1/2024	4/25/2024	975,000.00	3137HC2L5	FHMS K518 A2	5.40%	1/1/2029	4,387.50		
INTEREST	4/13/2024	4/13/2024	1,990,000.00	023135CE4	AMAZON.COM INC CORPORATE NOTES	3.00%	4/13/2025	29,850.00		
INTEREST	4/15/2024	4/15/2024	480,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	1,992.00		
INTEREST	4/15/2024	4/15/2024	1,070,000.00	02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
INTEREST	4/15/2024	4/15/2024	1,175,000.00	161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2027	4,504.17		
INTEREST	4/15/2024	4/15/2024	395,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	1,823.58		

### Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	4/15/2024	4/15/2024	265,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	1,223.42		
INTEREST	4/15/2024	4/15/2024	1,045,000.00	161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
INTEREST	4/16/2024	4/16/2024	130,000.00	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	525.42		
INTEREST	4/30/2024	4/30/2024	5,890,000.00	91282CFU0	US TREASURY NOTES	4.12%	10/31/2027	121,481.25		
INTEREST	4/30/2024	4/30/2024	1,225,000.00	91282CBW0	US TREASURY NOTES	0.75%	4/30/2026	4,593.75		
INTEREST	4/30/2024	4/30/2024	3,125,000.00	9128284M9	US TREASURY NOTES	2.87%	4/30/2025	44,921.88		
INTEREST	4/30/2024	4/30/2024	5,775,000.00	912828ZN3	US TREASURY NOTES	0.50%	4/30/2027	14,437.50		
INTEREST	4/30/2024	4/30/2024	865,000.00	91282CHA2	US TREASURY NOTES	3.50%	4/30/2028	15,137.50		
INTEREST	5/1/2024	5/1/2024		MONEY0002	MONEY MARKET FUND			21,924.91		
INTEREST	5/1/2024	5/25/2024	1,300,000.00	3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
INTEREST	5/1/2024	5/25/2024	1,350,000.00	3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.38		
INTEREST	5/1/2024	5/25/2024	750,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	3,037.50		
INTEREST	5/1/2024	5/25/2024	680,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	2,833.33		
INTEREST	5/1/2024	5/25/2024	1,320,000.00	3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
INTEREST	5/1/2024	5/25/2024	1,350,000.00	3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	6,075.00		
INTEREST	5/1/2024	5/25/2024	1,165,000.00	3137F2LJ3	FHLMC MULTIFAMILY STRUCTURED P	3.11%	6/1/2027	3,026.09		
INTEREST	5/1/2024	5/25/2024	765,000.00	3137HCKV3	FHMS K520 A2	5.18%	3/1/2029	3,302.25		
INTEREST	5/1/2024	5/25/2024	780,000.00	3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	2,971.80		



### Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	5/1/2024	5/25/2024	646,261.43	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,504.26		
INTEREST	5/1/2024	5/25/2024	1,375,000.00	3136BQDE6	FNA 2023-M6 A2	4.19%	7/1/2028	4,801.04		
INTEREST	5/1/2024	5/25/2024	1,210,000.00	3137HC2C5	FHMS K517 A2	5.35%	1/1/2029	5,399.63		
INTEREST	5/1/2024	5/25/2024	1,350,000.00	3137HBPM0	FHMS K516 A2	5.47%	1/1/2029	6,161.63		
INTEREST	5/1/2024	5/25/2024	1,079,585.62	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,297.65		
INTEREST	5/1/2024	5/25/2024	1,015,000.00	3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
INTEREST	5/1/2024	5/25/2024	515,000.00	3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		
INTEREST	5/1/2024	5/25/2024	728,413.01	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	3,200.16		
INTEREST	5/1/2024	5/25/2024	975,000.00	3137HC2L5	FHMS K518 A2	5.40%	1/1/2029	4,387.50		
INTEREST	5/1/2024	5/25/2024	1,325,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
INTEREST	5/1/2024	5/25/2024	956,060.35	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,666.61		
INTEREST	5/1/2024	5/25/2024	1,300,000.00	3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
INTEREST	5/1/2024	5/25/2024	770,000.00	3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	3,031.23		
INTEREST	5/10/2024	5/10/2024	2,300,000.00	037833ET3	APPLE INC CORP NOTES CALLABLE	4.00%	5/10/2028	46,000.00		
INTEREST	5/15/2024	5/15/2024	1,070,000.00	02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
INTEREST	5/15/2024	5/15/2024	1,560,000.00	912810FB9	US TREASURY NOTES	6.12%	11/15/2027	47,775.00		
INTEREST	5/15/2024	5/15/2024	1,175,000.00	161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2027	4,504.17		
INTEREST	5/15/2024	5/15/2024	265,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	1,223.42		

### Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	5/15/2024	5/15/2024	6,220,000.00	912828X88	US TREASURY NOTES	2.37%	5/15/2027	73,862.50		
INTEREST	5/15/2024	5/15/2024	395,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	1,823.58		
INTEREST	5/15/2024	5/15/2024	6,450,000.00	912828U24	US TREASURY NOTES	2.00%	11/15/2026	64,500.00		
INTEREST	5/15/2024	5/15/2024	1,045,000.00	161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
INTEREST	5/15/2024	5/15/2024	480,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	1,992.00		
INTEREST	5/16/2024	5/16/2024	130,000.00	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	525.42		
INTEREST	5/31/2024	5/31/2024	8,425,000.00	91282CCF6	US TREASURY NOTES	0.75%	5/31/2026	31,593.75		
INTEREST	5/31/2024	5/31/2024	1,600,000.00	91282CAZ4	US TREASURY NOTES	0.37%	11/30/2025	3,000.00		
INTEREST	6/1/2024	6/25/2024	1,350,000.00	3137HBPM0	FHMS K516 A2	5.47%	1/1/2029	6,161.63		
INTEREST	6/1/2024	6/25/2024	727,326.77	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	3,195.39		
INTEREST	6/1/2024	6/25/2024	1,320,000.00	3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
INTEREST	6/1/2024	6/25/2024	1,325,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
INTEREST	6/1/2024	6/25/2024	1,350,000.00	3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	6,075.00		
INTEREST	6/1/2024	6/25/2024	750,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	3,037.50		
INTEREST	6/1/2024	6/25/2024	954,112.48	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,661.18		
INTEREST	6/1/2024	6/25/2024	1,015,000.00	3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
INTEREST	6/1/2024	6/25/2024	1,300,000.00	3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
INTEREST	6/1/2024	6/25/2024	645,685.04	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,502.03		

### Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	6/1/2024	6/25/2024	1,350,000.00	3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.38		
INTEREST	6/1/2024	6/25/2024	975,000.00	3137HC2L5	FHMS K518 A2	5.40%	1/1/2029	4,387.50		
INTEREST	6/1/2024	6/25/2024	1,300,000.00	3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
INTEREST	6/1/2024	6/25/2024	515,000.00	3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		
INTEREST	6/1/2024	6/25/2024	1,165,000.00	3137F2LJ3	FHLMC MULTIFAMILY STRUCTURED P	3.11%	6/1/2027	3,026.09		
INTEREST	6/1/2024	6/25/2024	1,078,893.10	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,294.89		
INTEREST	6/1/2024	6/25/2024	780,000.00	3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	2,971.80		
INTEREST	6/1/2024	6/25/2024	765,000.00	3137HCKV3	FHMS K520 A2	5.18%	3/1/2029	3,302.25		
INTEREST	6/1/2024	6/25/2024	770,000.00	3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	3,031.23		
INTEREST	6/1/2024	6/25/2024	1,210,000.00	3137HC2C5	FHMS K517 A2	5.35%	1/1/2029	5,399.63		
INTEREST	6/1/2024	6/25/2024	1,375,000.00	3136BQDE6	FNA 2023-M6 A2	4.19%	7/1/2028	4,801.04		
INTEREST	6/1/2024	6/25/2024	680,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	2,833.33		
INTEREST	6/3/2024	6/3/2024		MONEY0002	MONEY MARKET FUND			32,615.74		
INTEREST	6/8/2024	6/8/2024	2,000,000.00	48125LRU8	JP MORGAN CORP NOTES (CALLABLE)	5.11%	12/8/2026	51,100.00		
INTEREST	6/8/2024	6/8/2024	295,000.00	17305EGW9	CCCIT 2023-A1 A1	5.23%	12/8/2027	7,585.68		
INTEREST	6/15/2024	6/15/2024	395,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	1,823.58		
INTEREST	6/15/2024	6/15/2024	1,175,000.00	161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2027	4,504.17		
INTEREST	6/15/2024	6/15/2024	1,045,000.00	161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	6/15/2024	6/15/2024	1,070,000.00	02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
INTEREST	6/15/2024	6/15/2024	480,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	1,992.00		
INTEREST	6/15/2024	6/15/2024	265,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	1,223.42		
INTEREST	6/16/2024	6/16/2024	130,000.00	36288GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	525.42		
INTEREST	6/26/2024	6/26/2024	1,300,000.00	931142ED1	WALMART INC CORP NOTES	3.55%	6/26/2025	23,075.00		
INTEREST	6/30/2024	6/30/2024	2,750,000.00	912828ZV5	US TREASURY NOTES	0.50%	6/30/2027	6,875.00		
PAYDOWN	4/1/2024	4/25/2024	852.89	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	852.89		
PAYDOWN	4/1/2024	4/25/2024	498.43	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	498.43		
PAYDOWN	4/1/2024	4/25/2024	1,825.97	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	1,825.97		
PAYDOWN	4/1/2024	4/25/2024	567.46	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	567.46		
PAYDOWN	5/1/2024	5/25/2024	692.52	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	692.52		
PAYDOWN	5/1/2024	5/25/2024	1,947.87	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	1,947.87		
PAYDOWN	5/1/2024	5/25/2024	1,086.24	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,086.24		
PAYDOWN	5/1/2024	5/25/2024	576.39	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	576.39		
PAYDOWN	6/1/2024	6/25/2024	574.23	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	574.23		
PAYDOWN	6/1/2024	6/25/2024	1,819.74	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	1,819.74		
PAYDOWN	6/1/2024	6/25/2024	503.48	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	503.48		
PAYDOWN	6/1/2024	6/25/2024	864.20	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	864.20		

### Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
SELL	4/2/2024	4/4/2024	705,000.00	91282CCL3	US TREASURY NOTES	0.37%	7/15/2024	696,080.06		-7,470.16
SELL	4/24/2024	4/25/2024	425,000.00	91282CCL3	US TREASURY NOTES	0.37%	7/15/2024	420,843.59		-3,626.43
SELL	5/2/2024	5/3/2024	485,000.00	91282CCL3	US TREASURY NOTES	0.37%	7/15/2024	480,789.36		-3,755.39
SELL	6/12/2024	6/13/2024	1,450,000.00	91282CDS7	US TREASURY NOTES	1.12%	1/15/2025	1,422,511.24		-30,787.14
SELL	6/26/2024	6/27/2024	715,000.00	91282CDS7	US TREASURY NOTES	1.12%	1/15/2025	702,620.40		-14,424.85
<b>TOTALS</b>			<b>144,102,212.38</b>					<b>12,167,110.60</b>		<b>-60,063.97</b>

## Important Disclosures

This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation, as it was prepared without regard to any specific objectives or financial circumstances.

Investment advisory services are provided by PFM Asset Management LLC ("PFMAM"), an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bancorp Asset Management, Inc. ("USBAM"). USBAM is a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM. The information contained is not an offer to purchase or sell any securities. Additional applicable regulatory information is available upon request.

PFMAM professionals have exercised reasonable professional care in the preparation of this performance report. Information in this report is obtained from sources external to PFMAM and is generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness or suitability. We rely on the client's custodian for security holdings and market values. Transaction dates reported by the custodian may differ from money manager statements. While efforts are made to ensure the data contained herein is accurate and complete, we disclaim all responsibility for any errors that may occur. References to particular issuers are for illustrative purposes only and are not intended to be recommendations or advice regarding such issuers. Fixed income manager and index characteristics are gathered from external sources. When average credit quality is not available, it is estimated by taking the market value weights of individual credit tiers on the portion of the strategy rated by a NRSRO.

It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

The views expressed within this material constitute the perspective and judgment of PFMAM at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon certain assumptions and current opinion as of the date of issue and are also subject to change. Some, but not all assumptions are noted in the report. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Opinions and data presented are not necessarily indicative of future events or expected performance.

For more information regarding PFMAM's services or entities, please visit [www.pfmam.com](http://www.pfmam.com).

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## Important Disclosures

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. **Past performance is not indicative of future returns.**
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

## Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **Commercial Paper:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **Contribution to Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.



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## Glossary

- Repurchase Agreements: A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- Settle Date: The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- Supranational: A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- Trade Date: The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- Unsettled Trade: A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- U.S. Treasury: The department of the U.S. government that issues Treasury securities.
- Yield: The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- YTM at Cost: The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- YTM at Market: The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.



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

June 30, 2024

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

**Subject: Annual Pension Trust Fund Report as of June 30, 2024 (Unaudited)**

Dear Board Members,

The proposed action is in support of Strategic Plan Goal G – Fiscal Responsibility: Operate the Agency in a fiscally responsible manner and Strategic Initiative No. 24 – continue to effectively manage financial resources, which includes evaluating the Agency’s unfunded pension and other post-employment benefits (OPEB) liabilities.

Pursuant to Resolution No. 21-05 (as amended) dated February 17, 2021, the Board established an IRS Section 115 Post-Employment Benefits Trust for the purpose of pre-funding pension obligations. Public Agency Retirement Services (PARS) serves as the Trust Administrator for the Pension Trust Fund.

Below is a summary of the investments since inception:

<b>Investments as of June 30, 2024</b>	
<b>Initial Contribution</b>	<b>\$ 1,500,000</b>
Additional Contribution	540,103
<b>Total Contribution</b>	<b>2,040,103</b>
Disbursements:	-
Net Investment Earnings	2,647
<b>Account Balance</b>	<b>\$ 2,042,750</b>

The annualized inception-to-date rate of return is 0.24% as of June 30, 2024, as reported by PARS. Market value amounts are from PFM Asset Management which provides investment management services for the Agency. U.S. Bank as Plan’s Trust. Book value amounts include premiums or discounts and are adjusted at year end on the general ledger.

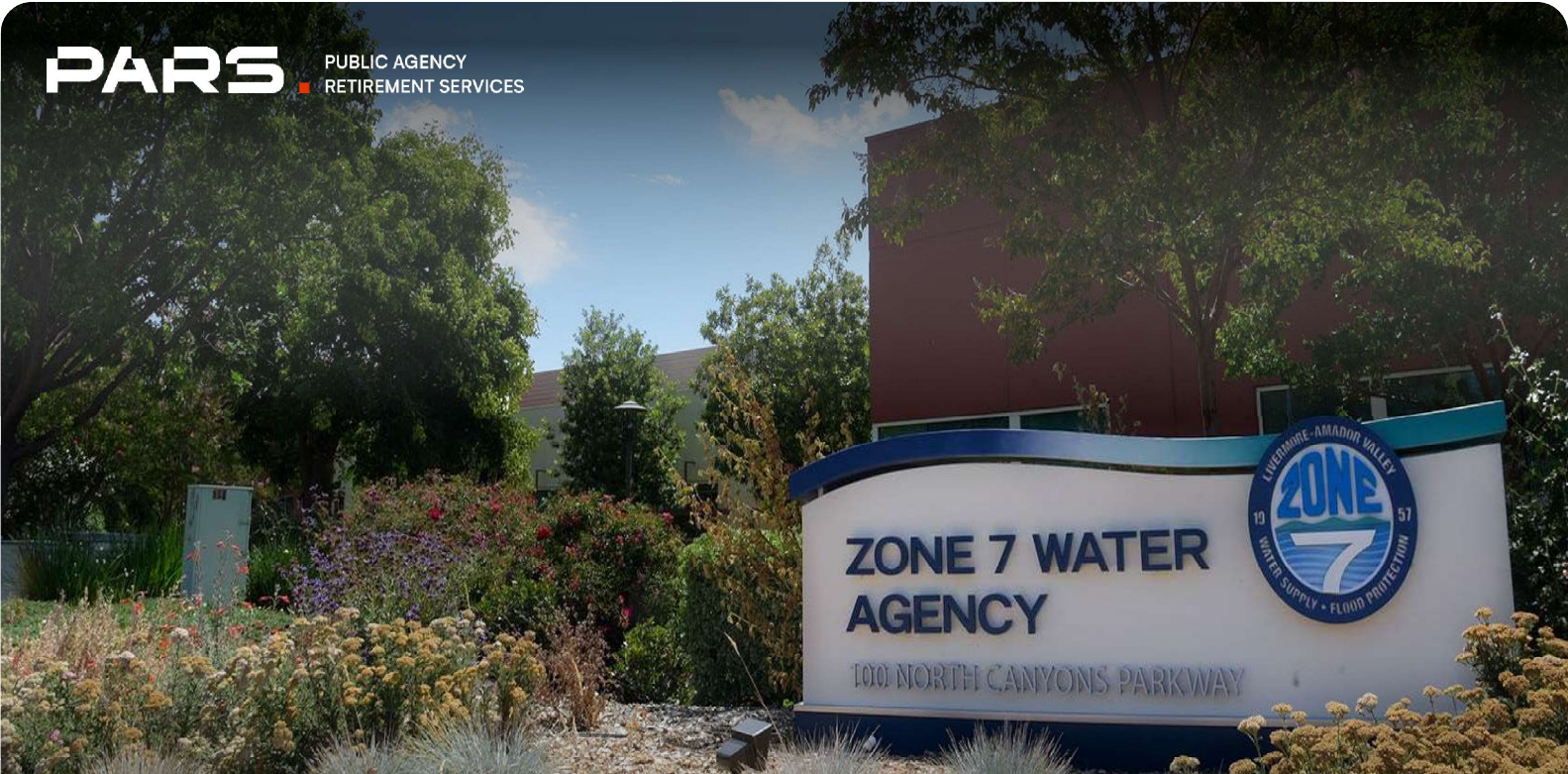
Sincerely,

*Osborn Solitei*

Osborn Solitei, Treasurer

Attachment: PARS 115 Trust – Pension Rate Stabilization Program Plan Client Review  
 c: Valerie Pryor, General Manager

**PARS** PUBLIC AGENCY  
RETIREMENT SERVICES



# ZONE 7 WATER AGENCY

PARS 115 Trust – Pension Rate Stabilization Program Plan Client Review  
August 2024

# CONTACTS

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**Ryan Nicasio, CEBS**  
**Senior Vice President**  
(800) 540-6369 x134  
rnicasio@pars.org

**Michael Wiehn**  
**Director of National Sales, Public/Taft**  
**Hartley Market**  
(415) 609-1446  
michael.wiehn@usbank.com

# INVESTMENT MANAGER UPDATE

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- HighMark Capital Management (HighMark) previously served as investment manager for your PARS plans since the inception of the plan in 2011
- On January 1, 2024, HighMark's institutional advisory business was transferred to PFM Asset Management (PFMAM)
- Your PARS plan assets are now currently managed by PFMAM as a result of this transition
- No change in your District's portfolio's asset allocation or investment strategy selection
- No additional action is required by your District
- Investments portfolios will continue to be managed by portfolio managers at PFMAM who were formerly from both HighMark and U.S. Bank

# PARS TRUST TEAM

## Trust Administrator & Consultant\*



PUBLIC AGENCY  
RETIREMENT SERVICES

- Serves as record-keeper, consultant, and central point of contact
- Sub-trust accounting
- Coordinates all agency services
- Monitors plan compliance (IRS/GASB/State Government Code)
- Processes contributions/disbursements
- Hands-on, dedicated support teams

40

Years of Experience  
(1984-2024)

2,000+

Plans under Administration

1,000+

Public Agency Clients

500+

115 Trust Clients

500K+

Plan Participants

\$8.1B

Assets under Administration

\* See important information regarding PARS in the Disclaimer page at the end of the presentation.

## Trustee



- 5th largest commercial bank
- Safeguard plan assets
- Oversight protection as plan fiduciary
- Custodian of assets

161

Years of Experience  
(1863-2024)

\$10.3T

Assets under Administration

## Investment Manager



- Investment sub-advisor to trustee U.S. Bank
- Institutional asset management solutions
- Fixed income and multi asset portfolios
- Active and passive platform options
- Customized portfolios (with minimum asset level)

40+

Years of Experience  
(As of 3/31/24)

\$244.8B\*

Assets under Management & Advisement

\*Assets under management and advisement as of March 31, 2024, includes fixed income and multi asset class portfolios Investment Management Services by PFM Asset Management as sub-advisor



PUBLIC AGENCY  
RETIREMENT SERVICES

# PARS PLANS AND PROGRAMS

---

## 1 Pension Rate Stabilization Program (PRSP) - Client

A pension prefunding trust designed specifically to address GASB 68 liabilities on its financial statements and stabilize future costs.

115 Combo Trust

## 2 OPEB Trust Program

An OPEB prefunding trust designed to address OPEB liabilities and increase investment rates of return (discount rate).

## 3 Alternate Retirement System (ARS)

An alternative to Social Security for part-time employees offered to provide a valuable benefit for employees and permanent payroll savings to the Agency.

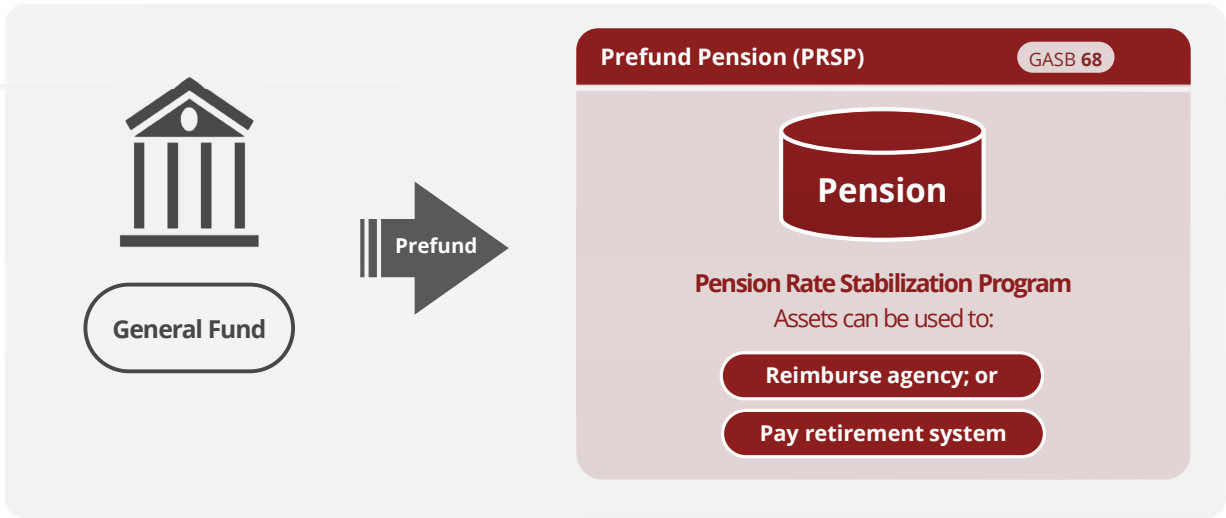
## 4 Supplemental Defined Contribution Plan

A locally designed retirement plan offered in addition to PERS or 37-Act retirement system with the goal of attracting and retaining select employees to the Agency.

## 5 Accumulated Leave Plan

A Defined Contribution solution that reduces leave balances on an annual basis during employment and minimizes total payout amounts.

# PARS IRS-APPROVED SECTION 115 TRUST



### Subaccounts

Pension assets can be divided by dept., bargaining group, or cost center



### Financial Stability

Assets in the PARS Section 115 Trust can be used to address unfunded liabilities.



### Flexible Investing

Choice of 5 risk tolerance levels or custom strategy



### Anytime Access

Trust funds are available anytime for Pension-related expenses



### Economies-of-Scale

As assets grow, lower fee rates will be reached on tiered schedule – saving money



### No Set Up Cost or Minimums

No set-up costs, no minimum annual contribution amounts, and no fees until assets are added.



# SUMMARY OF AGENCY'S PENSION PLAN

---

<b>Plan Type:</b>	IRC Section 115 Irrevocable Exclusive Benefit Trust
<b>Trustee Approach:</b>	Discretionary
<b>Plan Effective Date:</b>	February 3, 2021
<b>Plan Administrator:</b>	General Manager
<b>Current Investment Strategy:</b>	Moderately Conservative Strategic Blend; Pooled Account

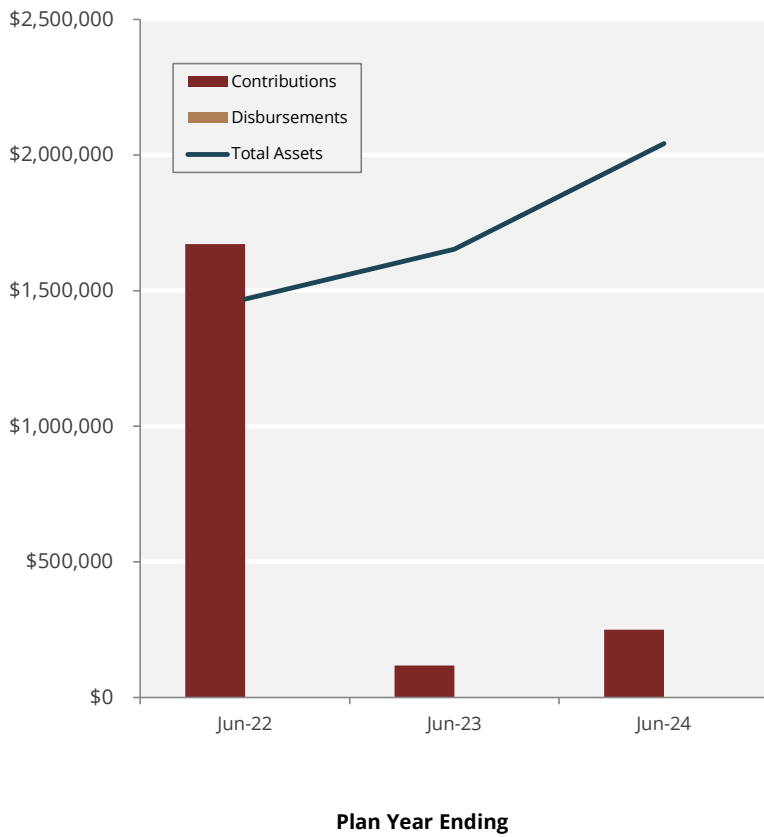
## AS OF JUNE 30, 2024:

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<b>Initial Contribution:</b>	July 2021: \$1,500,000
<b>Additional Contributions:</b>	\$540,103
<b>Total Contributions:</b>	\$2,040,103
<b>Disbursements:</b>	\$0
<b>Net Investment Earnings:</b>	\$2,647
<b>Account Balance:</b>	\$2,042,750

# SUMMARY OF AGENCY'S PENSION PLAN

## HISTORY OF CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF JUNE 30, 2024:



Year	Contributions	Disbursements	Total Assets
Jun-22	\$1,672,072	\$0	\$1,469,615
Jun-23	\$118,031	\$0	\$1,652,255
Jun-24	\$250,000	\$0	\$2,042,750



## PENSION FUNDING STATUS

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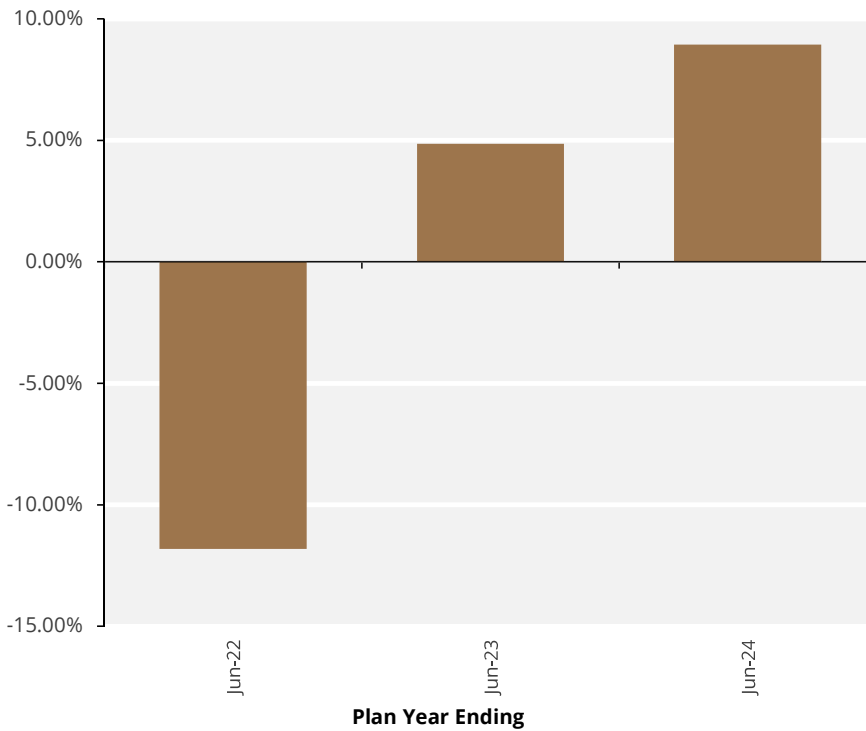
As of June 30, 2023, Zone 7 Water Agency's ACERA pension plan is funded as follows\*:

<b>Proportionate Share of Net Pension Liability (1.16%)</b>	<b>\$18.3 M</b>
Actuarially Determined Contribution (FY 22-23)	\$3.3 M
Discount Rate	7.00%

*\*Data from Agency's 2022-23 Annual Comprehensive Financial Report (ACFR)*

# PENSION PLAN TOTAL RETURNS

AS OF JUNE 30, 2024:



Year	Returns
Jun-22	-11.81%
Jun-23	4.85%
Jun-24	8.93%

Inception to Date (Annualized)
0.24%

Returns are net of the embedded fund fees and gross of trustee and trust administrator fees

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value. Past performance does not guarantee future results. Performance returns are impacted by agency plan activity and may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.

The advisor to the PARS portfolios is U.S. Bank, and PFM Asset Management serves as sub-advisor to U.S. Bank to manage these portfolios. Please see important additional disclosures to the PARS portfolios included in the individual strategy information at the end of this presentation.

# INVESTMENT REVIEW



## PARS/115P Moderately Conservative Strategic Blend

### Investment Performance Review For the Quarter Ended March 31, 2024

Client Management Team

PFM Asset Management LLC

PFM Asset Management

1 California Street  
Suite 1000  
San Francisco, CA 94111

1735 Market Street  
43rd Floor  
Philadelphia, PA 19103

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## **Financial Markets & Investment Strategy Review**

	QTD	YTD	1 Year	3 Years	5 Years	7 Years	10 Years
<b>DOMESTIC EQUITY</b>							
S&P 500	10.56%	10.56%	29.88%	11.49%	15.05%	14.09%	12.96%
Russell 3000 Index	10.02%	10.02%	29.29%	9.78%	14.34%	13.45%	12.33%
Russell 1000 Value Index	8.99%	8.99%	20.27%	8.11%	10.31%	9.16%	9.01%
Russell 1000 Index	10.30%	10.30%	29.87%	10.45%	14.76%	13.85%	12.68%
Russell 1000 Growth Index	11.41%	11.41%	39.00%	12.50%	18.52%	18.06%	15.98%
Russell Midcap Index	8.60%	8.60%	22.35%	6.07%	11.10%	10.58%	9.95%
Russell 2000 Value Index	2.90%	2.90%	18.75%	2.22%	8.17%	6.55%	6.87%
Russell 2000 Index	5.18%	5.18%	19.71%	-0.10%	8.10%	7.73%	7.58%
Russell 2000 Growth Index	7.58%	7.58%	20.35%	-2.68%	7.38%	8.40%	7.89%
<b>INTERNATIONAL EQUITY</b>							
MSCI EAFE (Net)	5.78%	5.78%	15.32%	4.78%	7.33%	6.70%	4.80%
MSCI AC World Index (Net)	8.20%	8.20%	23.22%	6.96%	10.92%	10.23%	8.66%
MSCI AC World ex USA (Net)	4.69%	4.69%	13.26%	1.94%	5.97%	5.88%	4.25%
MSCI AC World ex USA Small Cap (Net)	2.11%	2.11%	12.80%	0.38%	6.24%	5.74%	4.74%
MSCI EM (Net)	2.37%	2.37%	8.15%	-5.05%	2.22%	3.72%	2.95%
<b>ALTERNATIVES</b>							
FTSE NAREIT Equity REIT Index	-0.20%	-0.20%	10.54%	4.14%	4.15%	5.08%	6.61%
FTSE EPRA/NAREIT Developed Index	-1.05%	-1.05%	8.57%	-0.19%	0.75%	3.08%	4.00%
FTSE Global Core Infrastructure 50/50 Index (Net)	1.55%	1.55%	3.22%	2.91%	3.78%	5.27%	5.60%
Bloomberg Commodity Index Total Return	2.19%	2.19%	-0.56%	9.11%	6.38%	4.26%	-1.56%
<b>FIXED INCOME</b>							
Blmbg. U.S. Aggregate	-0.78%	-0.78%	1.70%	-2.46%	0.36%	1.06%	1.54%
Blmbg. U.S. Government/Credit	-0.72%	-0.72%	1.74%	-2.35%	0.62%	1.27%	1.70%
Blmbg. Intermed. U.S. Government/Credit	-0.15%	-0.15%	2.69%	-1.06%	1.09%	1.43%	1.61%
Blmbg. U.S. Treasury: 1-3 Year	0.28%	0.28%	2.94%	0.01%	1.13%	1.20%	1.06%
ICE BofAML Global High Yield Constrained (USD)	1.47%	1.47%	11.09%	0.43%	3.12%	3.63%	3.52%
Blmbg. Global Aggregate Ex USD	-3.21%	-3.21%	-0.71%	-6.53%	-2.50%	-0.82%	-1.38%
JPM EMBI Global Diversified	2.04%	2.04%	11.28%	-1.39%	0.71%	1.71%	3.05%
<b>CASH EQUIVALENT</b>							
90 Day U.S. Treasury Bill	1.30%	1.30%	5.35%	2.65%	2.06%	1.94%	1.41%

Source: Investment Metrics. Returns are expressed as percentages. Please refer to the last page of this document for important disclosures relating to this material.



Investment Strategy Overview


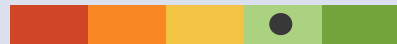







Asset Class	Our Q2 2024 Investment Outlook	Comments
<b>U.S. Equities</b>		<ul style="list-style-type: none"> <li>Fed's guidance of higher economic growth and moderating inflation a positive but recent uptick in inflation data warrants attention. Markets reacted positively to March Fed projections with S&amp;P hitting all time high.</li> <li>Rising valuations are supported by improving earnings growth expectations but any negative news could lead to a pullback.</li> <li>Mid- and small-cap valuations are attractive and would benefit as investor sentiment/earnings growth expectations improve. Exposure to interest rate sensitive sectors such as regional banks remains a concern.</li> </ul>
Large-Caps		
Mid-Caps		
Small-Caps		
<b>Non-U.S. Equities</b>		<ul style="list-style-type: none"> <li>International equities continue to trade at a discount to U.S. equities but slowing economic growth in Europe and China is a headwind.</li> <li>EM equities trade at attractive valuations relative to developed market equities. We remain cautious on China and are closely monitoring the recent change in investor sentiment towards Chinese equities.</li> <li>International small-caps provide exposure to foreign local economies, but uneven economic growth and geopolitical tensions leads us to be at neutral positioning.</li> <li>Overall, we maintain neutral exposure to international equities.</li> </ul>
Developed Markets		
Emerging Markets		
International Small-Caps		
<b>Fixed Income</b>		<ul style="list-style-type: none"> <li>The Fed's recent guidance points towards soft-landing scenario with three expected rate cuts in 2024. Yields at short-end of the curve look attractive even as long-term yields fell back from the recent highs. We expect a further fall in yields as inflation continues to moderate.</li> <li>Credit markets remain attractive due to strong corporate fundamentals. We continue to seek diversified credit exposure and are closely watching signs for any distress in the corporate credit space.</li> </ul>
Long-Duration, Interest Rate-Sensitive Sectors		
Credit-Sensitive Sectors		
<b>Alternatives</b>		<ul style="list-style-type: none"> <li>Higher interest rates and rising foreclosure for office buildings are headwinds for private real estate returns. Public REITs have recovered from the lows in 2023. We expect this trend to continue helped by falling rates and economic soft landing.</li> <li>Private equity is facing headwinds from higher leverage costs and falling valuations. Debt strategies may benefit from banks' tighter lending standards as long as default rates remain low.</li> <li>Increased infrastructure investment in the U.S. post the passing of Jobs Act and Chips Act a positive for infrastructure. Transition to renewable energy is another tailwind for both private and listed infrastructure while higher interest rates are headwinds.</li> </ul>
Real Estate		
Private Equity		
Private Debt		
Infrastructure		

● Current outlook    ○ Outlook one quarter ago



The view expressed within this material constitute the perspective and judgment of PFM Asset Management LLC at the time of distribution (March 31, 2024) and are subject to change.

**Factors to Consider Over the Next 6-12 Months**

<p><b>Monetary Policy:</b></p>  <ul style="list-style-type: none"> <li>Recent Fed guidance implies three rate cuts in 2024 and points to an economic soft landing but path of rate cuts remains uncertain.</li> <li>Globally, central banks are nearing the start of rate cutting cycle in reaction to moderating inflation with the Swiss central bank being the first to cut.</li> </ul>	<p><b>Economic Growth:</b></p>  <ul style="list-style-type: none"> <li>U.S. economic growth is led by consumers and supported by a robust labor market. Recent recovery in manufacturing activity along with continued strength in services a tailwind.</li> <li>Economic growth outside U.S. remain mixed with slower growth projected in Eurozone.</li> </ul>	<p><b>Inflation:</b></p>  <ul style="list-style-type: none"> <li>Inflation continues to moderate but has proven to be stickier than expected, predominantly in housing and service sectors. Globally, inflation has continued to moderate.</li> <li>Recent upside surprises in the U.S. warrants closer attention but expect moderating trend to continue.</li> </ul>
<p><b>Financial Conditions:</b></p>  <ul style="list-style-type: none"> <li>Financial conditions continue to ease as the Fed pivot remains in play alongside strength in various economic indicators.</li> <li>With interest rates remaining elevated, we continue to focus on identifying pockets of stress within financial markets.</li> </ul>	<p><b>Consumer Spending (U.S.):</b></p>  <ul style="list-style-type: none"> <li>Consumer confidence reached a multi-year high following strong wage growth, a resilient labor market, and moderating inflation.</li> <li>Hiring, wage growth, and increased hours worked have all played a role in boosting personal income and spending and we expect consumer strength to continue as labor markets remain healthy.</li> </ul>	<p><b>Labor Markets:</b></p>  <ul style="list-style-type: none"> <li>The labor market remains strong, but we have seen cooling conditions from the extreme levels of 2022.</li> <li>Strong wage increases reflect a competitive labor market and is a key focus for monetary policy moving forward.</li> </ul>
<p><b>Corporate Fundamentals:</b></p>  <ul style="list-style-type: none"> <li>Earnings growth expectations are improving while profit margins are stabilizing at pre-pandemic levels.</li> <li>Higher cash levels especially across S&amp;P 500 companies, increasing stock buybacks and lower credit default rates are positives.</li> </ul>	<p><b>Valuations:</b></p>  <ul style="list-style-type: none"> <li>U.S. equity and credit markets have experienced a run up in valuations amid strong corporate fundamentals and continued economic growth.</li> <li>International equities look attractive but continued economic and geopolitical uncertainty is leading to increased volatility.</li> </ul>	<p><b>Political Risks:</b></p>  <ul style="list-style-type: none"> <li>Geopolitical risks continue to remain elevated. U.S./China tensions, Russia/Ukraine war, Israel/Hamas conflict, China's moves in South China Sea and Taiwan Strait further add to risks.</li> <li>Elections across the globe could also lead to short-term volatility.</li> </ul>



Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg. The views expressed within this material constitute the perspective and judgment of PFM Asset Management LLC at the time of distribution (March 31, 2024) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness, or suitability.

## **Plan Performance Summary**

**PARS/115P Moderately Conservative Strategic Blend**

**As of March 31, 2024**

**Asset Allocation & Performance**

	Allocation		Performance(%)								
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
<b>Total Portfolio</b>	<b>95,233,845</b>	<b>100.00</b>	<b>2.25</b>	<b>2.25</b>	<b>9.62</b>	<b>1.17</b>	<b>4.25</b>	<b>4.41</b>	<b>N/A</b>	<b>4.19</b>	<b>07/01/2015</b>
<i>Blended Benchmark</i>			2.15	2.15	8.67	1.26	4.21	4.38	N/A	4.29	
<b>Domestic Equity</b>	<b>23,089,499</b>	<b>24.25</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>02/01/2024</b>
<i>Russell 3000 Index</i>			10.02	10.02	29.29	9.78	14.34	13.45	12.33	8.81	
Dodge & Cox Stock	2,526,506	2.65	8.50	8.50	25.59	10.37	13.57	11.80	11.08	8.38	02/01/2024
iShares S&P 500 Value ETF	1,138,794	1.20	8.01	8.01	25.36	11.98	13.06	11.19	10.44	7.70	02/01/2024
Columbia Contrarian Core Inst3	3,044,503	3.20	10.50	10.50	34.37	11.44	16.16	14.07	12.94	8.52	02/01/2024
Vanguard Growth & Income Adm	5,823,839	6.12	12.44	12.44	31.75	11.98	15.21	14.10	13.03	9.70	02/01/2024
Harbor Capital Appreciation Ret	1,675,684	1.76	13.75	13.75	47.91	9.32	17.22	17.99	N/A	9.12	02/01/2024
iShares S&P 500 Growth ETF	1,662,286	1.75	12.69	12.69	33.49	9.99	15.57	15.68	14.36	9.55	02/01/2024
<i>S&amp;P 500</i>			10.56	10.56	29.88	11.49	15.05	14.09	12.96	8.73	
iShares Russell Mid-Cap ETF	3,273,960	3.44	8.55	8.55	22.16	5.90	10.93	10.42	9.78	10.13	02/01/2024
<i>Russell Midcap Index</i>			8.60	8.60	22.35	6.07	11.10	10.58	9.95	10.17	
Undisc Managers Behavioral Val R6	1,982,105	2.08	6.39	6.39	21.25	9.73	12.70	10.04	9.96	8.69	02/01/2024
Emerald Growth Institutional	1,961,823	2.06	5.83	5.83	21.02	-1.45	7.91	9.71	8.79	9.53	02/01/2024
<i>Russell 2000 Index</i>			5.18	5.18	19.71	-0.10	8.10	7.73	7.58	9.44	
<b>International Equity</b>	<b>5,933,487</b>	<b>6.23</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>02/01/2024</b>
<i>MSCI AC World ex USA (Net)</i>			4.69	4.69	13.26	1.94	5.97	5.88	4.25	5.74	
Dodge & Cox International Stock	778,384	0.82	3.13	3.13	13.38	5.14	7.30	5.47	4.02	6.22	02/01/2024
MFS International Growth R6	791,183	0.83	4.85	4.85	10.36	3.70	8.02	9.21	7.08	5.66	02/01/2024
DFA Large Cap International I	2,246,328	2.36	5.73	5.73	15.46	5.34	7.86	7.10	5.04	6.49	02/01/2024
<i>MSCI AC World ex USA (Net)</i>			4.69	4.69	13.26	1.94	5.97	5.88	4.25	5.74	
Hartford Schroders Emerging Mkts Eq	2,117,592	2.22	3.46	3.46	7.24	-6.93	2.72	4.27	N/A	8.32	02/01/2024
<i>MSCI EM (net)</i>			2.37	2.37	8.15	-5.05	2.22	3.72	2.95	7.35	
<b>Other Growth</b>	<b>833,321</b>	<b>0.88</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>02/01/2024</b>
Vanguard Real Estate ETF	833,321	0.88	-1.19	-1.19	8.50	1.72	3.68	4.64	6.20	3.95	02/01/2024
<i>MSCI US REIT Index</i>			-0.32	-0.32	10.37	4.03	4.14	5.07	6.54	3.99	

Returns are gross of investment advisory fees and net of mutual fund fees. Returns are expressed as percentages and for periods over one year are annualized. Asset class level returns may vary from individual underlying manager returns due to cash flows. Total Portfolio returns prior to 1/1/2024 were provided by previous Advisor and believed to be accurate and reliable. Returns for January 2024 were calculated by the legacy performance system of previous Advisor and believed to be accurate and reliable.

**PARS/115P Moderately Conservative Strategic Blend**

**As of March 31, 2024**

**Asset Allocation & Performance**

	Allocation		Performance(%)								
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
<b>Fixed Income</b>	<b>62,295,046</b>	<b>65.41</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>02/01/2024</b>
<i>Blmbg. U.S. Aggregate</i>			-0.78	-0.78	1.70	-2.46	0.36	1.06	1.54	-0.50	
Baird Aggregate Bond Inst	16,249,276	17.06	-0.45	-0.45	2.80	-2.17	0.81	1.45	1.97	0.95	03/01/2024
iShares Core US Aggregate Bond ETF	11,786,198	12.38	-0.75	-0.75	1.61	-2.48	0.32	1.02	1.50	0.84	03/01/2024
<i>Blmbg. U.S. Aggregate</i>			-0.78	-0.78	1.70	-2.46	0.36	1.06	1.54	0.92	
Dodge & Cox Income	15,407,663	16.18	-0.32	-0.32	4.09	-0.92	1.89	2.28	2.52	-0.24	02/01/2024
PGIM Total Return Bond R6	15,727,578	16.51	0.14	0.14	4.61	-1.68	0.96	1.84	2.43	-0.11	02/01/2024
<i>Blmbg. U.S. Aggregate</i>			-0.78	-0.78	1.70	-2.46	0.36	1.06	1.54	-0.50	
MainStay MacKay High Yield Corp Bond Fund	3,124,331	3.28	1.68	1.68	9.56	3.00	4.40	4.48	4.61	1.31	03/01/2024
<i>ICE BofA High Yield Master II</i>			1.51	1.51	11.04	2.21	4.03	4.25	4.36	1.19	
<b>Cash Equivalent</b>	<b>3,082,491</b>	<b>3.24</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>02/01/2024</b>
<i>ICE BofA 3 Month U.S. T-Bill</i>			1.29	1.29	5.24	2.58	2.02	1.90	1.38	0.86	
First American Government Obligation - X	3,082,491	3.24	1.31	1.31	5.28	2.61	1.95	1.82	N/A	0.86	02/01/2024
<i>ICE BofA 3 Month U.S. T-Bill</i>			1.29	1.29	5.24	2.58	2.02	1.90	1.38	0.86	

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**PARS/115P Moderately Conservative Strategic Blend**

**As of March 31, 2024**

**Calendar Year Comparative Performance**

	Performance(%)							
	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total Portfolio</b>	<b>11.32</b>	<b>-13.32</b>	<b>5.27</b>	<b>10.64</b>	<b>13.64</b>	<b>-2.83</b>	<b>9.44</b>	<b>4.81</b>
<i>Blended Benchmark</i>	10.29	-12.35	5.50	9.89	13.55	-1.87	8.13	5.45
<b>Domestic Equity</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>Russell 3000 Index</i>	25.96	-19.21	25.66	20.89	31.02	-5.24	21.13	12.74
Dodge & Cox Stock	17.48	-7.22	31.73	7.16	24.83	-7.07	18.33	21.28
iShares S&P 500 Value ETF	22.02	-5.41	24.67	1.24	31.71	-9.09	15.19	17.17
Columbia Contrarian Core Inst3	32.21	-18.45	24.45	22.44	33.08	-8.81	21.89	8.77
Vanguard Growth & Income Adm	24.76	-17.11	29.11	18.08	29.77	-4.61	20.80	12.12
Harbor Capital Appreciation Ret	53.86	-37.67	15.74	54.56	33.39	-0.96	36.68	N/A
iShares S&P 500 Growth ETF	29.80	-29.51	31.76	33.21	30.91	-0.17	27.20	6.74
<i>S&amp;P 500</i>	26.29	-18.11	28.71	18.40	31.49	-4.38	21.83	11.96
iShares Russell Mid-Cap ETF	17.07	-17.43	22.38	16.91	30.31	-9.13	18.32	13.58
<i>Russell Midcap Index</i>	17.23	-17.32	22.58	17.10	30.54	-9.06	18.52	13.80
Undisc Managers Behavioral Val R6	14.57	-1.10	34.50	3.62	23.34	-15.20	13.53	20.97
Emerald Growth Institutional	19.06	-24.50	4.04	38.85	28.70	-11.57	28.11	10.89
<i>Russell 2000 Index</i>	16.93	-20.44	14.82	19.96	25.53	-11.01	14.65	21.31
<b>International Equity</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>MSCI AC World ex USA (Net)</i>	15.62	-16.00	7.82	10.65	21.51	-14.20	27.19	4.50
Dodge & Cox International Stock	16.70	-6.78	11.03	2.10	22.78	-17.98	23.94	8.26
MFS International Growth R6	14.96	-15.02	9.65	15.82	27.31	-8.79	32.58	2.79
DFA Large Cap International I	17.87	-13.03	12.81	8.12	22.04	-14.14	25.37	3.16
<i>MSCI AC World ex USA (Net)</i>	15.62	-16.00	7.82	10.65	21.51	-14.20	27.19	4.50
Hartford Schroders Emerging Mkts Eq	9.00	-22.14	-4.93	23.78	22.32	-15.42	N/A	N/A
<i>MSCI EM (net)</i>	9.83	-20.09	-2.54	18.31	18.42	-14.57	37.28	11.19
<b>Other Growth</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Vanguard Real Estate ETF	11.75	-26.20	40.38	-4.72	28.91	-5.95	4.95	8.53
<i>MSCI US REIT Index</i>	13.74	-24.51	43.06	-7.57	25.84	-4.57	5.07	8.60

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**PARS/115P Moderately Conservative Strategic Blend**

**As of March 31, 2024**

**Calendar Year Comparative Performance**

	Performance(%)							
	2023	2022	2021	2020	2019	2018	2017	2016
<b>Fixed Income</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>Blmbg. U.S. Aggregate</i>	5.53	-13.01	-1.55	7.51	8.72	0.01	3.54	2.65
Baird Aggregate Bond Inst	6.43	-13.35	-1.46	8.63	9.48	-0.30	4.20	3.52
iShares Core US Aggregate Bond ETF	5.59	-13.06	-1.67	7.42	8.68	-0.05	3.53	2.56
<i>Blmbg. U.S. Aggregate</i>	5.53	-13.01	-1.55	7.51	8.72	0.01	3.54	2.65
Dodge & Cox Income	7.70	-10.87	-0.91	9.45	9.73	-0.31	4.36	5.61
PGIM Total Return Bond R6	7.78	-14.86	-1.15	8.10	11.14	-0.63	6.71	4.83
<i>Blmbg. U.S. Aggregate</i>	5.53	-13.01	-1.55	7.51	8.72	0.01	3.54	2.65
MainStay MacKay High Yield Corp Bond Fund	11.97	-7.81	5.35	5.28	13.03	-1.34	6.79	15.99
<i>ICE BofA High Yield Master II</i>	13.46	-11.22	5.36	6.17	14.41	-2.27	7.48	17.49
<b>Cash Equivalent</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>ICE BofA 3 Month U.S. T-Bill</i>	5.02	1.46	0.05	0.67	2.28	1.87	0.86	0.33
First American Government Obligation - X	5.00	1.54	0.03	0.40	2.12	1.74	0.79	N/A
<i>ICE BofA 3 Month U.S. T-Bill</i>	5.02	1.46	0.05	0.67	2.28	1.87	0.86	0.33

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**PARS/115P Moderately Conservative Strategic Blend**

**As of March 31, 2024**

**Account Reconciliation**

QTR	Market Value As of 01/01/2024	Net Flows	Return On Investment	Market Value As of 03/31/2024
Total Portfolio	92,983,920	391,568	1,858,356	95,233,845



**PARS/115P Moderately Conservative Strategic Blend**  
**Historical Hybrid Composition - Blended Benchmark**

**As of March 31, 2024**

<b>Allocation Mandate</b>	<b>Weight (%)</b>
<b>Jul-2015</b>	
PARS Moderately Conservative	100.0

See next page for a composition of the blended benchmark.

**PARS/115P Moderately Conservative Strategic Blend**

**As of March 31, 2024**

**Historical Hybrid Composition - PARS Moderately Conservative**

Allocation Mandate	Weight (%)
<b>Oct-2012</b>	
BImbg. U.S. Aggregate	49.3
S&P 500	15.5
ICE BofA 1-3 Yr. Gov/Corp	14.0
FTSE 1 Month T-Bill	5.0
Russell 2000 Index	4.5
MSCI EAFE (net)	4.0
Russell Midcap Index	3.0
MSCI EM (net)	2.0
ICE BofA High Yield Master II	1.8
Wilshire US REIT Index	1.0
<b>Apr-2007</b>	
BImbg. U.S. Aggregate	40.0
ICE BofA 1-3 Yr. Gov/Corp	25.0
S&P 500	25.0
FTSE 1 Month T-Bill	5.0
MSCI EAFE (net)	3.5
Russell 2000 Index	1.5
<b>Jul-1986</b>	
BImbg. U.S. Aggregate	40.0
S&P 500	30.0
ICE BofA 1-3 Yr. Gov/Corp	25.0
FTSE 1 Month T-Bill	5.0

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