

NOTICE OF REGULAR MEETING OF BOARD OF DIRECTORS

DATE: Wednesday, March 20, 2024

TIME: 5:30 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/84171174742>
(669) 900-6833, Meeting ID: 841 7117 4742

LIVE STREAMING: Comcast Channel 29
AT&T U-Verse Channel 99 (Livermore)
Streaming Live at 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 by 3:00 p.m. on Wednesday, March 20th.

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

AGENDA

1. Call Zone 7 Water Agency Meeting to Order
2. Closed Session
 - a. Government Code section 54957(b); Public Employee Performance Evaluation: Title: General Manager

- b. Conference with Legal Counsel – Anticipated Litigation: Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2): (1 potential case).
 - c. 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
 - d. Conference with Legal Counsel – Existing litigation pursuant to Gov't Code section 54956.9(d) (1): (1) State Water Contractors v. California Department of Fish & Wildlife (JCCP Case No. 5117), (2) Stark v. Alameda County Flood Control and Water Conservation District, Zone 7 (Alameda County Superior Court Case No. 22-CV-5837), (3) Bautista v. Alameda County Flood Control and Water Conservation District, Zone 7 (Alameda County Superior Court Case No. 22-CV-10679); (4) Alameda County Flood Control & Water Conservation District, Zone 7 v. County of Alameda, (Alameda County Superior Court Case No. 23-CV-51449); (5) Alameda County Flood Control & Water Conservation District, Zone 7 v. City of Pleasanton (Alameda County Superior Court Case No. 24-CV-61595); (6) In re: Aqueous Film-Forming Foams Products Liability Litigation (S.D. South Carolina, MDL No. 2:18-mn-2873-RMG).
3. Open Session and Report Out of Closed Session
 4. Pledge of Allegiance
 5. Roll Call of Directors
 6. Public Comment on Non-Agenda Items

The Public Comment section provides an opportunity to address the Board of Directors on items that are not listed on the agenda, or informational items pertinent to the agency's business. The Board welcomes your comments and requests that speakers present their remarks in a respectful manner, within established time limits, and focus on issues which directly affect the agency or are within the jurisdiction of the agency. The Board will not be able to act on matters brought to its attention under this item until a future board meeting.
 7. Minutes
 - a. Regular Board Meeting Minutes of February 21, 2024
 8. Consent Calendar
 - a. Award of Contract to Montrose Environmental for Routine Maintenance Program Programmatic Permitting and Support Services
 - b. Amendments to the Cost Share Agreement for Joint Modeling Effort of Los Vaqueros Reservoir Expansion Project
 - c. Award a Contract for Calibration and As-Needed Repair of Ozone Monitors and Analyzers at Patterson Pass Water Treatment Plant

- d. FY 2022-23 Pension Trust Fund Contribution Recommendation
- e. Award Contract for Strategic Plan Development
- f. Request by Director Palmer for Authorization to Attend the 2024 California H2O Women Conference

Recommended Action: Adopt Resolutions

9. Outreach and Communications Program Update

Recommended Action: Presentation Only

10. Committees

- a. Finance Committee Meeting Notes of February 15, 2024

11. Reports – Directors

- a. Written Reports
- b. Verbal Reports

12. Items for Future Agenda – Directors

13. Staff Reports

- a. General Manager’s Report
- b. February Outreach Activities
- c. Monthly Water Inventory and Water Budget Update
- d. Legislative Update
- e. Investment Report as of December 31, 2023
- f. FY 2023-24 Unaudited Second Quarter Revenue and Expenditure Report

14. Adjournment

15. Upcoming Board Schedule: (All meeting locations are in the Boardroom at 100 North Canyons Parkway, Livermore, unless otherwise noted.)

- a. Legislative Committee Meeting: March 28, 2024, 4:00 pm
- b. Special Board Meeting: April 3, 2024, 6:00 pm
- c. Finance Committee Meeting: April 11, 2024, 11:00 am
- d. Regular Board Meeting: April 17, 2024, 7:00 pm

MINUTES OF THE BOARD OF DIRECTORS
ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

REGULAR MEETING
February 21, 2024

Directors Present: Dawn Benson
Sandy Figuers
Dennis Gambs
Laurene Green
Kathy Narum
Sarah Palmer
Angela Ramirez Holmes

Staff Present: Valerie Pryor, General Manager
Chris Hentz, Assistant General Manager – Engineering
Osborn Solitei, Treasurer/Assistant General Manager – Finance
Ken Minn, Water Resources Manager
Sal Segura, Associate Engineer
Lillian Xie, Associate Engineer
Shelisa Jackson, Human Resources Manager
Donna Fabian, Executive Assistant

General Counsel: Rebecca Smith, Downey Brand

Item 1 – Call Zone 7 Water Agency Meeting to Order

President Figuers called the Regular Meeting of the Board of Directors to order at 7:16 p.m.

Item 2 – Closed Session

The Board entered Closed Session at 6:01 p.m. and concluded it at 7:05 p.m.

Item 3 – Open Session and Report Out of Closed Session

President Figuers stated that there was nothing to report out of Closed Session.

Item 4 – Pledge of Allegiance

President Figuers led the Pledge of Allegiance.

Item 5 – Roll Call of Directors

All Directors were present.

Item 6 – Public Comment

No public comments were received.

Item 7 – Minutes

Director Palmer made a motion to approve the Regular Board Meeting minutes of January 17, 2024, and Director Benson seconded the motion. The minutes were approved by a roll call vote of 7-0.

Item 8 – Consent Calendar

Director Palmer made a motion to approve Items 8a through 8c and Director Ramirez Holmes seconded the motion. The items on the Consent Calendar were approved by a roll call vote of 7-0.

Item 9 – Desktop Contaminant Mobilization Study

Valerie Pryor, General Manager, provided insightful background information on the study, which originated from the Tri-Valley Water Liaison Committee Feasibility Study completed in 2018. The study identified five feasible options for potable reuse in the Tri-Valley area—four involving groundwater augmentation and one related to surface water or direct potable reuse. Ms. Pryor emphasized that the Desktop Contaminant Mobilization Study was a recommendation stemming from their collaborative efforts. She clarified that, at this stage, it remains a study with hypothetical wells, and no project is currently underway.

Lillian Xie, Associate Engineer, then delved into the study's details. She highlighted how the study aligns with the Agency's Strategic Plan and provided context on potable reuse as a potential new water supply. The Potable Reuse Study assessed both indirect and direct options, concluding that potable reuse is technically feasible with no identified fatal flaws. This led to the initiation of the Desktop Contaminant Mobilization Study. Ms. Xie outlined the study's objectives and approach, discussing four purified water recharge scenarios selected from the Potable Reuse Study's shortlisted options.

Walt McNab, Hydrogeologist with Kennedy Jenks, provided a succinct summary of the modeling results. He explained the four scenarios exhibiting changes in arsenic and hexavalent chromium, leading to MCL exceedance, and presented a summary of their findings.

Ms. Xie then moved on to potential future considerations.

Director Ramirez Holmes raised concerns about the use of "relatively small" or "relatively large" without clear quantification. Mr. McNab recommended utilizing the maximum contaminant level (MCL), providing measurements in parts per billion.

Inquiring about the impact of the drought on the study, Director Ramirez Holmes learned that the scenarios considered a 20-year span, averaging hydrological conditions without specifically factoring in the drought. The long-term effects of introducing water into the groundwater basin were evaluated.

Director Ramirez Holmes further questioned if there were alternative treatment methods to mitigate contaminants. Ms. Xie suggested chemical stabilizers affecting pH levels could be employed before injection or recharge. Ken Minn, Water Resources Manager, explained the necessity of adjusting pH concentrations for infrastructure maintenance, highlighting that adjustments were tested at 7+ and 8+ concentrations with no significant differences in results.

Concerning the eight-year-old groundwater model, Director Ramirez Holmes sought clarification on potential changes. Mr. Minn affirmed that a new model would enhance clarity on concentration levels.

Director Green proposed additional core testing for better understanding of contaminants. Mr. McNab clarified that the study didn't target the provenance of elements, but lab assessments could be helpful.

Director Narum questioned if purified water, like current groundwater pH, could pause contaminant mobilization. Mr. McNab explained a sensitivity analysis with a slight pH reduction, indicating a potential tradeoff between cost and effectiveness.

Considering the new model, Director Narum inquired about its necessity and workload. Ms. Xie emphasized improved spatial resolution and cost efficiency, with Mr. Minn adding that it builds upon established fundamentals.

Director Gambs suggested a future operational scenario analysis for Lake I. Mr. McNab explained the 20-year dilution scenarios and potential adjustments based on updated mudflow models.

President Figuers shared historical insights about the basin.

Director Ramirez Holmes proposed presenting the information to the Tri-Valley Water Liaison Committee for feedback on next steps.

Director Green asked if staff would return to the Board after incorporating recommendations. Ms. Pryor confirmed that feedback from the Committee would guide the next steps presented to the Board.

Director Narum, as a member of the Tri-Valley Water Liaison Committee, advocated sharing the item with the group. She also requested the most current cost estimate and its comparison to other options. Ms. Xie stated that costs were not evaluated since the scenarios were based on the Potable Reuse Study. Ms. Pryor clarified that costs were not evaluated in the study but could be extrapolated from the 2022 Water Supply Evaluation for presentation in 2024 dollars.

Item 10 – Preliminary Water Supply Operations Plan for 2024

Sal Segura, Associate Civil Engineer, provided an update on the Preliminary Water Supply Operations Plan for 2024. Mr. Segura began by acknowledging the current rainfall but emphasized that despite appearances, the water year is not as favorable as it may seem. He informed the board about the positive news of a 50% increase in allocation, bringing it to 15% instead of the previously reported 10%.

Mr. Segura delved into the comparison of the 2023 actual water supply with three potential scenarios for 2024. He pointed out the differences, noting that 2024 is shaping up to be drier than the previous year. Despite this, he assured the Board that Zone 7's ability to meet customer demand will not be impacted. Mr. Segura then detailed the five components of the water supply, including State Water Project, local water from Lake Del Valle, local groundwater, Yuba and/or dry year program water, and water stored in Kern groundwater basin.

Regarding Kern groundwater, Mr. Segura explained its absence from the scenarios, attributing it to the abundant water supply in 2023, which allowed for substantial carryover from the state. He expressed confidence in the current robust position, which should sustain Zone 7 through the year. Sal referenced studies from the Department of Water Resources indicating a final allocation range of 10% to 50%, with no need to recover water from Kern in any scenario.

Moving on to projected water uses, Mr. Segura outlined the allocations for municipal deliveries, untreated agricultural and irrigation deliveries, groundwater recharge, Kern groundwater recharge, state water project carryover, Lake Del Valle carryover, and water loss. He highlighted the challenges faced in 2023, including water loss and transfers, but assured the Board that Zone 7 retained 25,000 acre-feet of carryover for the current year.

Mr. Segura concluded his presentation by discussing the projected uses for the available water supply in 2024, emphasizing the opportunities to store water as conditions improve. He acknowledged the preliminary perspective of a 15% allocation and emphasized Zone 7's readiness to adapt strategic moves based on future developments, aiming to make the most of available water resources for the current and future years.

Director Ramirez Holmes raised concerns about the storage situation in Cawelo. She questioned whether the reported lack of need for Cawelo this year was due to a lack of necessity or if there were issues preventing its use, posing a potential long-term problem. Mr. Segura explained that, if needed, water would likely be called from Semitropic first, as they

could provide 10,000 acre-feet promptly. He mentioned the possibility of a delay until September to recall water from Cawelo.

Director Ramirez Holmes then sought clarification on untreated water usage, expressing confusion about the higher use despite a lower allocation. Mr. Segura explained that the increased usage was based on empirical data, indicating that dry hydrologies cause soils to dry earlier in the year, leading to an expectation of higher watering needs.

Director Gambs raised questions about the Northern Sierra and the conservative estimate of a 15% allocation from the state. He inquired whether this estimate indicated a long-term average and specifically asked if the Northern Sierra referred to the Feather River watershed feeding into Oroville. Ms. Pryor clarified that while the Department of Water Resources tends to be conservative, the allocation is influenced not only by hydrology and storage but also by environmental restrictions in the Delta. Mr. Segura added that the hydrology in the Northern Sierra is approaching the average, standing at around 90% of the average year-to-date as of the current week.

Item 11 – Support for Employee-Led Events/Activities

Shelisa Jackson, Human Resources Manager, presented the next item, Support for Employee-Led Events/Activities. She expressed gratitude to Director Ramirez Holmes for initiating the discussion on this important topic and recognizing the Board's support for employees. Ms. Jackson provided background information, stating that on September 20, 2023, the Board acknowledged the significance of diversity, equity, and inclusion in the workplace, prompting further discussion on how the Board could support employee-led initiatives.

Ms. Jackson outlined the proposed program, emphasizing its role in attracting and retaining employees amidst market competition. The program aims to foster inclusivity, strengthen a sense of belonging, encourage team building, and improve overall employee morale. Employee-led activities may include social events, educational workshops, networking activities, community service projects, charity drives, book clubs, and more. Human Resources will facilitate the design and implementation of the program, tailored based on employee feedback.

To move forward, Ms. Jackson proposed the formation of cross-sectional committees or workgroups, seeking representation from different sections across the agency. She assured that the program parameters would be clearly defined, with regular updates provided to the Board.

Director Sarah Palmer expressed her positive view of the program and inquired about the estimated funding, to which Ms. Jackson responded with a request for \$20,000. Director Ramirez Holmes shared insights from discussions with other water agencies about similar initiatives, leading to the proposal for employee-led activities. She suggested starting with \$10,000 for the first year to gauge its effectiveness and emphasized the need to minimize red tape to ensure the program remains employee led.

Director Gambs praised the idea of employees taking charge at the staff level, fostering valuable relationships between individuals from different departments. Director Green requested timely updates on the program's schedule.

A brief discussion ensued on the requested funding amount, leading Director Ramirez Holmes to propose amending the Resolution to \$12,000. Director Palmer moved to approve the amended resolution, and Director Benson seconded it. The amended resolution was approved unanimously by a roll call vote of 7-0.

Item 12 – Outreach and Communications Program Update

This item was continued to a future Board meeting.

Item 13 – Declaration of Fix a Leak Week

Ms. Pryor informed the Board that Zone 7, as a participant in the US EPA's WaterSense program, is dedicated to promoting the efficient use of water resources through collaboration with retailers in various conservation programs. She highlighted WaterSense's annual "Fix a Leak Week" in March to raise public awareness, noting that this year's event is scheduled for March 18th through March 24th. Ms. Pryor detailed plans for Zone 7's retailers to actively encourage customers to address common leaks during Fix a Leak Week. Additionally, she announced the first annual "Waterwise Wendy Fix a Leak Challenge" along with promotions on social media, extensive information on the website, and other related activities. Ms. Pryor concluded by recommending the Board's adoption of the resolution in support of Fix a Leak Week.

Director Palmer made a motion to approve the Resolution and Director Narum seconded it. The item was approved by a roll call vote of 7-0.

Item 14 – Committees

The Committee notes received no comments.

Item 15 – Reports – Directors

Director Palmer submitted a written report and emphasized some key items within.

Director Ramirez Holmes reported that she will continue as Chair of the Los Vaqueros JPA until June 30. She also stated that she, Director Palmer and Director Green would be traveling to Washington DC next week for the ACWA DC Conference.

Director Narum stated that she handed out awards at the Livermore Science Odyssey fair two weeks ago.

Director Palmer added that the Alameda County Special Districts Associate is having its annual dinner on March 21st.

Item 16 – Items for Future Agenda – Directors

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

Item 17 – Staff Reports

The Staff Reports received no comments.

Valerie Pryor introduced Chris Hentz, the Agency's new Assistant General Manager of Engineering and Operations.

Item 18 – Adjournment

President Figuers adjourned the meeting at 9:10.



ORIGINATING SECTION: Integrated Planning
CONTACT: Elke Rank/Ken Minn

AGENDA DATE: March 20, 2024

SUBJECT: Award of Contract to Montrose Environmental for Routine Maintenance Program
Programmatic Permitting and Support Services

SUMMARY:

- This action is in support of Zone 7 Water Agency's Strategic Goal D - Effective Flood Protection and to implement Initiatives #9 – Continue to maintain the flood protection system and #10 – Update the flood protection strategy.
- To conduct routine flood channel maintenance activities, including bank and structure repairs, road maintenance, erosion control, and vegetation management, Zone 7 is required to obtain regulatory approvals from the California Department of Fish and Wildlife, the Regional Water Quality Control Board, and the U.S. Army Corps of Engineers.
- Regulatory agencies have recommended flood management agencies to obtain Routine Maintenance Program (RMP) programmatic permits as the preferred approach for permitting routine maintenance activities as this approach can provide flexibility and clarity for compliance, unified regulatory coverage among various regulators for a period of 5 to 10 years, improved ability for permittees to complete work in a timely manner, and solidifies standards for the terms and timeframe of the permits.
- Programmatic permits require additional annual reporting compared to Zone 7's current practice of individual project permitting. To support the Agency's transition to the RMP programmatic permits, the contract scope of work includes both securing the programmatic permits, as well as development of internal reporting tools such as tracking spreadsheets, report templates, and instructions for staff to perform the annual reporting.
- In compliance with the Agency Purchasing Policy, a Request for Proposals was advertised on February 2, 2024, to solicit consulting services for environmental programmatic permitting for Zone 7's routine maintenance program. Two proposals were received by the due date.
- The selection committee, consisting of Zone 7 staff, ranked Montrose Environmental highest and found it to be best qualified to complete the scope of work. Staff are satisfied with Montrose Environmental's previous services on similar permitting work.

- Staff recommends that the Board of Directors authorize the General Manager to negotiate, execute, and amend as necessary, a professional services contract with Montrose Environmental to complete environmental programmatic permitting and develop tools for annual permitting notification packages for the RMP in a not-to-exceed amount of \$396,000, which includes 10% contingency, for a 3-year contract period, with an option to extend an additional year if necessary.

FUNDING:

Funding is available in Fund 200 – Flood Protection Operations for FY 2023-24. Funding for future years will be requested in subsequent budget requests.

RECOMMENDED ACTION:

Adopt the attached Resolution.

ATTACHMENT:

Resolution

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY

SECONDED BY

**Award of Contract to Montrose Environmental for
Routine Maintenance Program Programmatic Permitting and Support Services**

WHEREAS, as part of the mission to "Deliver safe, reliable, efficient, and sustainable water and flood protection services," Zone 7 provides flood protection services; and

WHEREAS, to implement Strategic Plan Initiative Initiatives #9 – Continue to maintain the flood protection system and #10 – Update the flood protection strategy, Zone 7 seeks to secure long-term routine flood protection system maintenance permits, also known as Routine Maintenance Program (RMP) permits; and

WHEREAS, in compliance with the Agency Purchasing Policy, a Request for Proposals was advertised on February 2, 2024, to solicit consulting services for environmental programmatic permitting for Zone 7's RMP activities. Two proposals were received by the due date; and

WHEREAS, the selection committee consisting of Zone 7 staff ranked Montrose Environmental highest and found it to be best qualified to complete the scope of work. Montrose Environmental has provided consulting services to Zone 7 in the past, and staff were satisfied with their previous services on similar permitting 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 necessary, a professional services contract with Montrose Environmental to provide consulting services for environmental programmatic permitting and develop tools for annual permitting notification packages for the RMP in a not-to-exceed amount of \$396,000, which includes 10% contingency, for a 3-year contract period, with an option to extend an additional year if necessary.

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 March 20, 2024.

By: _____
President, Board of Directors



ORIGINATING SECTION: Integrated Planning
CONTACT: Lillian Xie/Ken Minn

AGENDA DATE: March 20, 2024

SUBJECT: Amendments to the Cost Share Agreement for Joint Modeling Effort of Los Vaqueros Reservoir Expansion Project

SUMMARY:

- To support the Mission to deliver safe, reliable, efficient, and sustainable water, Zone 7 Water Agency (Zone 7) has been evaluating participation in the Los Vaqueros Reservoir Expansion Project (Project). This action supports Strategic Plan Goal A – Reliable Water Supply and Infrastructure and is to implement Strategic Plan Initiative #2 – Evaluate and develop appropriate new water supply and reliability opportunities.
- The Project involves the expansion of the existing Los Vaqueros Reservoir, increasing the capacity from 160,000 acre-feet to 275,000 acre-feet (AF), and provides facility upgrades and construction of the Transfer-Bethany Pipeline. The Project will provide environmental, water supply reliability, operational flexibility, water quality, and recreational benefits. The Project includes eight regional partners. The Project is located in Contra Costa County, and most facilities are owned by Contra Costa Water District (CCWD). A Project facility map is included in Attachment 1 and an informational pamphlet on the Project is included in Attachment 2.
- The Project could provide new alternative conveyance and upstream local water storage to Zone 7. In the latest operations simulation, Zone 7 is assumed to have a storage buy-in of 10,000 AF and a conveyance buy-in of 2%.
- Zone 7 has been investing in the Project since 2016. The Los Vaqueros Reservoir Joint Powers Authority (JPA) was formed in October 2021 to govern the design, construction, operation, and maintenance of the Project. The JPA membership consists of CCWD, local agency partners, and the Department of Water Resources (as a non-voting member). The Zone 7 Board approved participation in the JPA in August 2021 and has been actively involved; Director Ramirez Holmes has served as the Chair of the JPA since its formation, and President Figuers serves as an alternate, representing Zone 7 as a local agency partner. The JPA is in the process of developing the Service Agreement, which serves as the long-term commitment to the Project. It is currently anticipated that LVE participants will need to consider entering into the Service Agreement by September 2024, which will contractually require their long-term commitment to the project.

- As the South Bay Aqueduct (SBA) contractors –Zone 7, Alameda County Water District (ACWD), and Santa Clara Valley Water District (Valley Water)—have mutual interests in analyzing anticipated LVE project operations concerning the State Water Project and the SBA. Staff from the agencies agreed to conduct joint modeling analyses to assist with determining the range of benefits of and potential risks with their agency’s respective participation in LVE.
- In October 2023, Zone 7 entered into a cost-share agreement with ACWD and Valley Water under the general manager’s authority for a not-to-exceed amount of \$33,333, and ACWD has retained Hazen and Sawyer, Inc. (Hazen) to develop a RiverWare model to analyze LVE operations for the SBA contractors.
- Work completed under the existing cost share agreement has included developing a RiverWare model and validating the data and assumptions used by the JPA. The staff has jointly determined that additional LVE analyses, such as incorporating the terms of the recently issued incidental take permit, are necessary, and the existing cost share agreement needs to be amended to increase joint funding.
- This modeling effort is scheduled to conclude in early summer 2024 to assist the agencies in making decisions.
- Staff recommends that the Board authorize the General Manager to negotiate and execute amendments to the cost share agreement with ACWD and Valley Water to contribute Zone 7’s share of additional funding in a not-to-exceed amount of \$125,000.

FUNDING:

Funding is available in Fund 100 – Water Enterprise Fund.

RECOMMENDED ACTION:

Adopt the attached Resolution.

ATTACHMENT:

Resolution

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

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

**Amendments to the Cost Share Agreement for Joint Modeling Effort of
Los Vaqueros Reservoir Expansion Project**

WHEREAS, in support of Zone 7 Water Agency's (Zone 7's) mission to deliver safe, reliable, efficient, and sustainable Water, Zone 7 is evaluating participation in the Los Vaqueros Reservoir Expansion (LVE) 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, as per the current project schedule, LVE participants will need to consider entering into the Service Agreement, by September 2024, which will contractually require the participants' long-term commitment to the project; and

WHEREAS, as the South Bay Aqueduct (SBA) contractors --Zone 7, Alameda County Water District (ACWD), and Santa Clara Valley Water District (Valley Water)—have mutual interests in analyzing LVE project operations concerning SBA, staff have agreed to conduct joint modeling analyses to assist with determining the feasibility of their agency's respective participation in LVE.; and

WHEREAS, work completed to date under the existing cost-share agreement has included developing a RiverWare model and validating the data and assumptions used by the Los Vaqueros Reservoir Joint Powers Authority, and the staff has jointly determined that additional LVE analyses, such as incorporating the terms of the recently issued incidental take permit, are necessary, and the existing cost share agreement needs to be amended to increase joint funding.

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 and directs the General Manager to negotiate, execute, and amend the amendments to the Cost Share Agreement for Consultant Modeling of Los Vaqueros Expansion Project, as necessary, to contribute an additional funding up to \$125,000.

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 March 20, 2024.

By: _____
President, Board of Directors

ORIGINATING SECTION: Maintenance

CONTACT: David Zachry

AGENDA DATE: March 20, 2024

SUBJECT: Award a Contract for Calibration and As-Needed Repair of Ozone Monitors and Analyzers at Patterson Pass Water Treatment Plant

SUMMARY:

- The proposed action is in support of the Zone 7 mission to deliver safe, reliable, efficient, and sustainable water and flood protection services and supports Strategic Plan Initiative #14 - evaluating the current program to increase ratio of preventative to reactive maintenance. Increasing the preventative maintenance percentage is a positive return on investment in the overall operation of the different facilities.
- In accordance with the Purchasing Policy, a Request for Quote (RFQ No. 2024-16) was issued to qualified vendors to solicit bids for the calibration and as-needed repair of ozone monitors and analyzers at Patterson Pass Water Treatment Plant. Xylem Water Solutions USA, Inc., was found to be the only responsive bidder.
- In July 2022, Xylem Water Solutions USA, Inc., entered into a contract with Zone 7 to perform the calibration of the ozone monitors at Del Valle Water Treatment Plant. To date, their performance has been to Zone 7's satisfaction.
- Staff recommends that the Board authorize the general manager to negotiate, execute, and amend an as-needed maintenance services contract with Xylem Water Solutions USA, Inc., for calibration and as-needed repair of ozone monitors and analyzers at Patterson Pass Water Treatment Plant for a three-year term starting July 1, 2024, through June 30, 2027, for a contract amount not-to-exceed \$188,000.

FUNDING:

Funding will be requested from Fund 100 - Water Enterprise Operations in the upcoming two-year budget for FY 2024-25 and 2025-26. Funding for additional years will be requested in subsequent budget requests.

RECOMMENDED ACTION:

Adopt the attached resolution.

ATTACHMENT:

Resolution

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY

SECONDED BY

Award a Contract for Calibration and As-Needed Repair of Ozone Monitors and Analyzers at Patterson Pass Water Treatment Plant

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

WHEREAS, Zone 7 owns sixteen pieces of ozone monitoring equipment at the Patterson Pass Water Treatment Plant that require maintenance, replacement parts, and repair; and

WHEREAS, maintaining ozone monitoring equipment will support Strategic Plan Initiative #4 - implement ozone; and Strategic Plan Initiative #5 – meet or surpass all drinking water health and safety requirements; and

WHEREAS, a Request for Quote (RFQ #2024-16) was issued to qualified vendors to solicit bidders for Calibration and As-Needed Repair of Ozone Monitors and Analyzers at Patterson Pass Water Treatment Plant. Xylem Water Solutions USA, Inc., was found to be the only responsible and qualified bidder.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate, execute and amend as needed a contract with Xylem Water Solutions USA, Inc., for a three-year term contract (starting July 1, 2024, through June 30, 2027), for a contract amount not-to-exceed \$188,000, which includes a 10% contingency.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on March 20, 2024.

By: _____
President, Board of Directors

ORIGINATING SECTION: Administration

CONTACT: Osborn Solitei

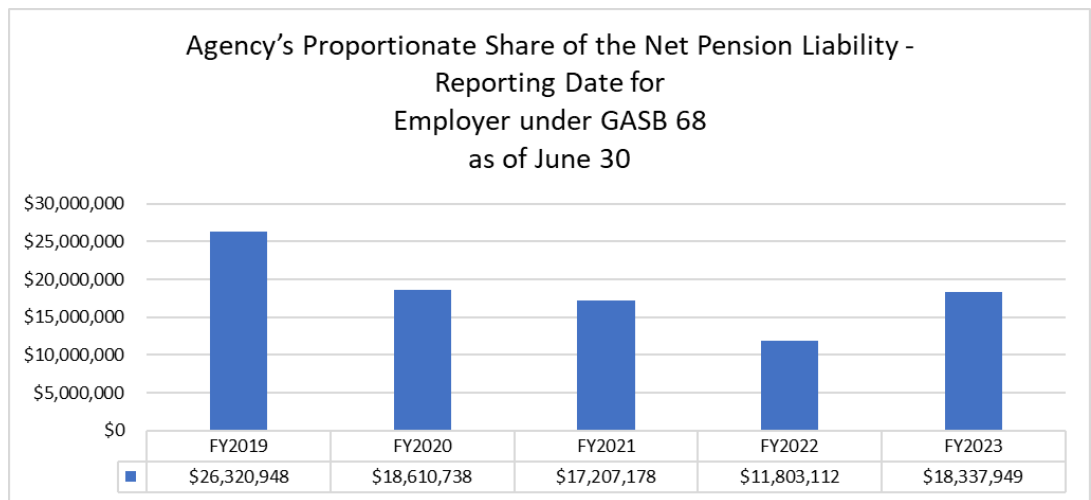
AGENDA DATE: March 20, 2024

SUBJECT: FY 2022-23 Pension Trust Fund Contribution Recommendation

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, which includes maintaining target levels of reserves and evaluating the Agency’s unfunded pension and other post-employment benefits (OPEB) liabilities.
- A pension liability trust allows employers to set aside and invest funds to prefund future pension payments. The trust was established to offset long-term pension liabilities, however, in the event of economic distress, the funds may be used to meet the Agency’s current annual employer pension obligation payments, as approved by the Board. The investments are held separately from other Agency funds and has its own investment strategy based on a longer-term outlook, expected rate of return and risk tolerance.
- Pursuant to Resolution No. 21-05 (as amended), dated February 17, 2021, the Board established an IRS Section 115 Post-Employment Benefits Trust (the “Trust”) for the purpose of pre-funding the Agency’s pension obligation, and adopted the Funding of Long-Term Pension Liability policy (the “Policy”). The policy was reviewed and subsequently amended per Resolution No. 23-20 dated March 15, 2023.
- The Policy includes three criteria for annual contributions to the Trust:
 - **Criteria 1** - All Fund 100 – Water Enterprise Operations Reserve Funds (Emergency, Operating and Reserve for Economic Uncertainties) have reached target reserve levels; and
 - **Criteria 2** - Fund 100 – Water Enterprise Operations has a positive net revenue based on audited actuals at the end of the fiscal year.
 - **Criteria 3** - In the event Criteria 2 (as defined above) is not met based on audited actuals, but the Board identifies other available funds during the budget process, the Board may make a finding to override Criteria 2 and contribute to the Trust.
- Staff has reviewed the FY 2022-23 audited actuals. Based on the audited actuals:
 - Criteria 1 has been met.
 - Criteria 2 has not been met as Fund 100 did not have positive net revenue based on audited actuals, i.e., actual expenses exceeded actual revenue.

- Fund 100 unallocated fund balance at the end of FY 2022-23 was \$1.9M. Based on Criteria 3, if the Board identifies other available funds during the budget process, the Board may identify a portion of these funds as eligible to contribute to the Trust, and override Criteria 2.
- The FY 2022-23 Adopted Budget includes a contribution to the Trust (\$152,000). Therefore, a contribution of \$183,380, equal to 1% of the audited fiscal year net pension liability per the adopted Board policy can be made based on Criteria 3.
- Staff met with the Finance Committee (Committee) on February 15, 2024, to discuss this item. The Committee made the following recommendations:
 - a) a contribution of \$183,380, in accordance with the Policy guidelines for annual contribution amounts.
 - b) an additional contribution of \$66,620 for a total contribution of \$250,000. The Committee recommended the additional contribution because in FY 2022-23, Fund 100 had \$1.9M in unallocated fund balance. Also, the pension liability increased from \$11.8M in FY 2021-22 to \$18.3M in FY 2022-23 as shown in the graph below.



FUNDING:

Funding is available in the FY 2023-24 Adopted Budget for a contribution of \$250,000 to the Pension Trust Fund.

RECOMMENDED ACTION:

Adopt the attached Resolution.

ATTACHMENT:

Resolution

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

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

FY 2022-23 Pension Trust Fund Contribution Recommendation

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 and Strategic Initiative No. 24 – continue to effectively manage financial resources, which includes maintaining target levels of reserves and evaluating the Agency’s unfunded pension and other post-employment benefits liabilities; and

WHEREAS, on February 17, 2021, the Board of Directors adopted Resolution No. 21-05 (as amended) establishing an Internal Revenue Service Section 115 Post-Employment Benefits Trust (the “Trust”) to pre-fund the Agency’s pension obligation and a Funding of Long-Term Pension Liability policy (the “Policy”), subsequently amended per Resolution No. 23-20, dated March 15, 2023; and

WHEREAS, as of June 30, 2023, the Agency’s net pension liability is \$18,337,949; and

WHEREAS, the Policy sets forth certain criteria for annual contributions to the Trust; and

WHEREAS, under Criteria 3, a contribution to the Trust for FY 2022-23 is permitted because the Board identified unallocated fund balance as available funding; and

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 a total contribution of \$250,00, which includes a contribution \$183,380 equal to 1% of the audited pension liability, to the Trust from available funds in accordance with the Policy.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on March 20, 2024.

By: _____
President, Board of Directors

ORIGINATING SECTION: Office of the General Manager
CONTACT: Valerie Pryor

AGENDA DATE: March 20, 2024

SUBJECT: Award Contract for Strategic Plan Development

SUMMARY:

This item supports Strategic Plan, Goal E – Effective Operations - provide the Agency with effective leadership, administration, and governance. The Agency’s current Five-Year Strategic Plan covers the period 2020-2024. The proposed contract will provide facilitation services which will develop the next Five-Year Strategic Plan in the May through December 2024 timeframe. Means Consulting, LLC was used to develop Zone 7’s current strategic plan and management has worked with this firm on other water utility-focused strategic plans including for California Urban Water Agencies and State Water Contractors (Zone 7 is a member of both organizations). Means Consulting LLC is recommended for the next Strategic Plan based on familiarity with Zone 7, water utility operations and California water issues, all as shown in the attached brochure.

The process for development of the strategic plan will include the following steps:

- Management team kickoff
- Management/Board interviews
- Supervisor and staff workshops
- Board strategic planning workshop
- Management team strategic plan review workshop
- Board meeting to present the strategic plan

The Agency’s Purchasing Policy allows for sole source contracting when the recommended vendor provides a specialized service and Means Consulting LLC has specialized knowledge of Zone 7’s operations and its strategic plan, as well as California water issues.

Staff recommends that the Board authorize the General Manager to negotiate, execute, and amend, as needed, a professional services agreement with Means Consulting LLC, to facilitate Strategic Plan development in an amount not-to-exceed \$92,510, which includes a 10% contingency.

FUNDING: Funds are available in 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

Award Contract for Strategic Plan Development

WHEREAS, the proposed action is in support of Strategic Plan, Goal E – Effective Operations - provide the Agency with effective leadership, administration, and governance; and

WHEREAS, the Agency’s current Five-Year Strategic Plan covers the period 2020-2024, and it is time to develop the next Five-Year Strategic Plan; and

WHEREAS, Means Consulting LLC is recommended for the next Strategic Plan based on familiarity with Zone 7, water utility operations and California water issues; and

WHEREAS, the Agency’s Purchasing Policy allows for sole source contracting when the recommended vendor provides a specialized service and Means Consulting LLC has specialized knowledge of Zone 7’s operations and its strategic plan, as well as California water issues.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate, execute, and amend, as needed, a professional services agreement with Means Consulting LLC, to facilitate Strategic Plan development in an amount not-to-exceed \$92,510, which includes a 10% contingency.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on March 20, 2024.

By: _____
President, Board of Directors

ORIGINATING SECTION: Administration
CONTACT: Valerie Pryor

AGENDA DATE: March 20, 2024

SUBJECT: Request by Director Palmer for Authorization to Attend the 2024 California H₂O Women Conference

SUMMARY:

- Director Sarah Palmer has expressed an interest in attending the two-day conference entitled, "2024 California H₂O Women Conference," to be held in Santa Barbara, California, on October 3-4, 2024.
- This conference is organized by Brownstein Hyatt Farber Schreck, LLP.
- This invitation-only event is both a professional conference and retreat designed to showcase leading women professionals and their contributions to the water industry.
- The proposed action is in support of Goal E, Effective Operations – Provide the Agency with effective leadership, administration, and governance.
- Pursuant to the Board of Directors Compensation and Expense Reimbursement Policy, Section E, compensation for meetings, events and activities must be approved by the Board in advance of the meeting to be considered services rendered at the request of the Board. Compensation and reimbursement of related expenses must be specifically authorized by the Board.

FUNDING:

Registration cost for the conference is \$750. There will also be miscellaneous expenses associated with attendance, i.e., airfare, hotel, and meals. Total miscellaneous expenditures are estimated at an additional \$1,500. Funds are available from Fund 100 – Water Enterprise.

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

**Authorizing Director Palmer to Attend the
2024 California H₂O Women Conference**

WHEREAS, Director Sarah Palmer has expressed an interest in attending the "2024 California H₂O Women Conference," to be held in Santa Barbara, California, on October 3-4, 2024; and

WHEREAS, the proposed action is in support of Goal E, Effective Operations – Provide the Agency with effective leadership, administration, and governance; and

WHEREAS, pursuant to the Board of Directors Compensation and Expense Reimbursement Policy, Section E, compensation for meetings, events and activities must be approved by the Board in advance of the meeting to be considered services rendered at the request of the Board; and

WHEREAS, compensation and reimbursement of related expenses must be specifically authorized by the Board; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control & Water Conservation District does hereby authorize Director Sarah Palmer's attendance at said conference; and

BE IT FURTHER RESOLVED that Director Palmer be reimbursed for actual and necessary expenses associated with her attendance at this event.

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 March 20, 2024.

By: _____
President, Board of Directors

ZONE 7 BOARD OF DIRECTORS
SUMMARY NOTES OF THE FINANCE COMMITTEE

February 15, 2024
11:00 a.m.

Directors Present: Dennis Gambs
Kathy Narum
Angela Ramirez Holmes

Staff Present: Osborn Solitei, Treasurer/Assistant General Manager - Finance
Chris Hentz, Assistant General Manager – Engineering
JaVia Green, Financial Analyst
Donna Fabian, Executive Assistant

1. Call Meeting to Order

Director Ramirez Holmes called the meeting to order at 11:02 a.m.

2. Public Comment on Items Not on the Agenda

There were no public comments.

3. Investment Report as of December 31, 2023 (Unaudited)

Justin Resuello, Client Relations Manager at PFM Asset Management, presented the Investment Report as of December 31, 2023. Mr. Resuello highlighted the positive state of consumers, acknowledging their role in supporting the economy. He discussed the economy's resilience, challenges in reaching the Fed's 2% inflation target, and cooling labor markets. Recent employment data, including the addition of over 350,000 new jobs and around 180,000 unemployment claims, was shared to underscore the overall economic strength driven by consumer activity.

Mr. Resuello also discussed the impact of Fed decisions on treasury yields, particularly emphasizing moments in November 2023 that led to significant growth in the portfolio's absolute values. Inflation trends, attributed to housing and manufacturing costs, were mentioned with a cautious outlook on increased credit card delinquencies. The presentation covered various economic aspects, including unemployment, wages, and concerns related to housing and manufacturing. Discussions on the yield curve, credit spreads, and Fed policy included a focus on Gross Domestic Product forecasts, indicating that current data does not support an impending recession.

Mr. Resuello presented detailed slides illustrating interest rate movements and sector yield spreads, showcasing positive returns in fixed income, especially in the last quarter when rates fell. Specific sector allocation data and compliance with investment policies were presented,

highlighting the diversity and strength of the portfolio. Mr. Resuello shared details of portfolio activities, contributing to a 3.2% quarterly performance that outperformed the benchmark.

The presentation concluded with a brief question and answer period, and the Committee agreed to move the comprehensive report to the full Board.

4. FY 2022-23 Pension Trust Fund Contribution Recommendation

JaVia Green, Financial Analyst, provided an overview of the recommendation based on the results of the Fiscal Year (FY) 2022-23. She explained that although the discussion is taking place in the current fiscal year, the recommendation is rooted in the performance of the previous year.

Ms. Green began by offering background information on the annual contribution criteria to the Section 115 Trust Fund (Trust). The policy was adopted in 2021, with an initial contribution of \$1.5 million. In 2023, an amendment was made to the policy to introduce a third criterion. She proceeded to outline the three criteria necessary for performing an annual contribution.

The first criterion is that Water Enterprise Operations (Fund 100) reserve funds must be funded at target levels. The second criterion is that Fund 100 should have positive net revenue, meaning that revenue exceeds expenditures. The third criterion comes into play if the second one is not met. In such a scenario, if the Board identifies other available funds during the budget process, it may make a finding to override the second criterion and contribute to the Trust fund.

Ms. Green reported that, based on staffs' review, the first criterion was met as Fund 100 reserves were funded at the target level, and there were unallocated fund balances available. However, the second criterion was not met, as expenses for FY 2022-23 exceeded revenue. Despite this, an unallocated fund balance of approximately \$1.9 million was present. During the budget process for FY 2022-23, the Board included a contribution to the Trust in the budget.

Considering that Criteria 3 was met and Criteria 1 satisfied, Ms. Green stated that staff recommend a contribution of \$183,380, equivalent to 1% of the FY 2022-23 audited pension liability of \$18.3 million. She proposed that if the Finance Committee agrees with this recommendation, the item would be forwarded to the full Board for adoption at the March Board meeting.

Director Narum raised a concern about expenses surpassing revenue, seeking clarification on whether this was an isolated incident or a recurring trend. She expressed worries about the sustainability of such financial dynamics. In response, Ms. Green explained that this can vary from year to year. Ms. Green told the Committee that upcoming projections for the current fiscal year indicated an expectation of revenue exceeding expenses. In FY 2022-23, the higher expenses to drought-related expenditures, specifically substantial spending on water transfers. Ms. Green assured the Committee that upcoming forecasts for the current fiscal year indicated an expectation of revenue exceeding expenses.

Director Ramirez Holmes sought more information, asking if the budget for the previous year had provisions for the contribution. Ms. Green confirmed this, mentioning that \$152,000 was budgeted based on an estimate of the pension liability. Director Ramirez Holmes delved into the policy, clarifying that it stipulates a 1% contribution with a maximum cap of \$500,000. She suggested including this information in the staff report when presented to the Board in March.

Director Gambs provided an observation, noting that the proposed contribution of \$183,000 seemed relatively modest compared to other financial considerations. He emphasized the importance of understanding the purpose of the Trust, particularly in relation to long-term benefits and retirement obligations. This led to a discussion about whether the Trust has been utilized for pension payments, with Osborn Solitei, Treasurer/Assistant General Manager - Finance, clarifying that the Trust has not been used for such purposes.

The conversation shifted to the nature and purpose of the Trust, with Director Narum highlighting its potential for higher yields through investments. Director Ramirez Holmes asked for the current value of the Trust, to which Ms. Green responded that it stood at \$1.6 million. Director Gambs posed a question about the obligation to pay retirement benefits and how it impacted cash flow. Mr. Solitei explained the unfunded liability concept and how the Board's contribution aimed to counteract it.

Director Narum emphasized the importance of the Trust, highlighting its potential for higher returns than traditional investment avenues. Director Ramirez Holmes suggested adding more context to the staff report, reiterating the purpose and benefits of the contribution. The discussion then touched upon the \$1.9 million unallocated fund balance, with Director Ramirez Holmes expressing the need to understand how it would be allocated and seeking visibility into the proposed list of expenditures.

Mr. Solitei clarified that the next agenda item would address suggestions for spending the \$1.9 million. Director Ramirez Holmes, recognizing the need for a comprehensive understanding before making decisions, suggested revisiting the contribution amount after reviewing the proposed allocations. The Committee agreed to table the discussion on the contribution and revisit it after the next agenda item.

5. FY 2023-24 Unaudited Second Quarter Revenue and Expenditure Report

JaVia Green provided an overview of key developments in reviewing the second quarter. The State Water Project announced an initial 10% allocation for calendar year 2024, with ongoing monitoring for the final allocation expected in April. The Agency secured a \$16 million SGMA Grant for the Stoneridge PFAS project, and while grant proceeds are pending, the grant agreement is finalized with a progress report due in April and anticipated proceeds in the first quarter of FY 2024-25 Bonds were issued in November to fund the Chain of Lakes PFAS project and other water system improvements.

Concerning connection fee revenue in Fund 130 – Water Expansion Fund (Fund 130), a decline prompted a revision of the year-end projection to \$10.5 million. Ms. Green indicated that further details on Fund 130 and its implications would be discussed in subsequent slides. The

agency's funds were classified into unrestricted and restricted categories, with Fund 100 designated for water enterprise operations and maintenance, funded through water rates.

Ms. Green presented a comparison of budgeted and actual figures, noting higher-than-expected water sales due to an agreement with Westside Water Districts. Additionally, interest earnings exceeded the budget, while savings in water utility costs resulted from the inability to bank water due to storm damage, leaving approximately \$1.4 million unspent. Capital funding to Fund 120, adjusted for inflation, yielded approximately \$1.0 million in savings, contributing to a projected unallocated reserve of \$4.4 million at fiscal year-end.

Looking ahead, Ms. Green emphasized that the projections were based on two quarters, with final fund balances contingent on closing the books and conducting the audit. Recommendation for use of unallocated fund balance include funding reserves at the maximum level of \$33 million, offsetting future rate increases, contributing to the Trust, and preparing for unforeseen economic conditions, such as potential water transfers from other State Water Project contractors during dry years. Additionally, unallocated fund balance could be allocated for upcoming capital projects, including the Mocho PFAS facility and investments in water supply reliability projects.

Ms. Green then provided an overview of Fund 120 – Water Enterprise Capital Fund, the capital fund for renewal replacement, and system-wide improvements. She highlighted that the fund is primarily financed by water rates through capital funding from Fund 100, supplemented by other revenue sources like interest earnings. Ms. Green discussed the challenges faced by Fund 120, including lower-than-budgeted inflation leading to a reduction in the transfer amount from \$17 to \$16 million.

She elaborated on several ongoing multi-year projects, including the Stoneridge PFAS facility, Chain of Lakes PFAS project, Mocho demineralization plant (MGDP) concentrate conditioning pipeline project, and the MGDP electrical upgrade replacement projects, collectively amounting to \$40 million. Concerning the reserve policy, Ms. Green assured the Committee that projected year-end reserves comply with the Board policy of maintaining 100% of the following year's expenses in reserve.

Director Narum sought clarification on the reserve projection, expressing concerns about the \$13 million increase and its adequacy, particularly in light of the expected \$16 million grant. Ms. Green stated that the reserve is actually decreasing. She provided detailed figures from page seven, explaining the projected fiscal year-end balance of \$45.5 million after utilizing \$29 million from the reserve.

The discussion further explored the rationale behind the reserve projection, with Director Narum referring to page eight and expressing confusion about the budgeted \$32 million versus the projected \$45 million. JaVia Green clarified that the multi-year nature of capital projects contributes to this variance, as unspent funds are carried forward to the next year.

Director Gambs interjected, emphasizing the importance of collectively considering options for the \$1.9 million unallocated fund balance, mentioning potential applications to reserves,

improvement projects, or even the Trust fund. Ms. Green concurred, highlighting the recommendation to allocate the surplus to capital projects and water supply reliability projects.

The conversation shifted to considerations for the unallocated fund balance with Director Gambs suggesting attention to collective discussions on reserves and projects. Director Narum proposed allocating \$250,000 to the Trust. Director Ramirez Holmes suggested the remainder for smoothing water rates and funding water supply reliability projects. Directors Gambs expressed support, emphasizing the need for funding crucial projects for water reliability and water quality.

Ms. Green then shifted the discussion to Fund 110, the State Water Project Fund. She explained that the fund, which covers fixed costs related to the State Water Project, receives property tax revenue. Despite property tax revenue closely aligning with the budget, interest earnings consistently exceeded projections, and expenses were slightly lower. However, reserves were noted to surpass the maximum level both in the budget and at the projected year-end.

Ms. Green shared insights from a recent financial management conference where the Department of Water Resources disclosed projected capital costs of approximately \$6 billion through 2035 for the State Water Project. Despite current reserves exceeding the maximum, concerns were raised about the volatility and predictably increasing costs of the State Water Project.

Ms. Green then moved on to the Water Enterprise Capital Expansion noting a projected year-end connection fee revenue of approximately \$10 million, significantly below the \$24 million budget. She explained that expenses, including State Water Project - South Bay Aqueduct debt service, fixed costs, some capital projects, and staff labor, would result in a year-end fund balance decrease of \$3.6 million.

Ms. Green presented a historical chart of connection fee revenue since 2018, indicating a slowdown in growth. Director Ramirez Holmes expressed expectations for this decrease, considering the approaching build-out, and suggested analyzing Zone 7's transition plan from dependence on connection fees. Director Gambs emphasized potential challenges and considerations in phasing out connection fees, especially for projects like treatment facilities. Directors Narum and Ramirez Holmes discussed the need for a long-term view, factoring in development in three cities and the economic landscape. Mr. Solitei reminded the Committee that the upcoming Connection Fee Study will evaluate these factors.

The Committee agreed to move the item to the full Board.

4. (continued) FY 2022-23 Pension Trust Fund Contribution Recommendation

Director Ramirez Holmes addressed an issue regarding the pension policy. She highlighted the policy language that needed correction, specifically the terms "minimum" and "maximum." The current policy states, "The annual contribution amount shall be equal to 1% of the audited fiscal year net pension liability," next to a section labeled "minimum," and "maximum: the annual contribution amount shall not exceed \$0.5 million." She suggested that the correct

interpretation should be a straightforward 1% contribution without the implication of a range between minimum and maximum. She proposed moving to the full board a 1% contribution and recommended the removal of the words "minimum" and "maximum" in the next policy revision.

Osborn Solitei concurred, stating that the intent was not to provide a range but to have a 1% contribution with the recommendation that the board can fund up to \$250,000 additionally. Director Ramirez Holmes reiterated the need to modify the policy language for clarity.

The discussion moved to two options: Option A, adhering to the policy at 1%, and Option B, following the policy at 1% and recommending an additional amount, up to \$250,000. Director Narum expressed her preference for Option B because there is unallocated fund balance and the unfunded liability increased from \$11.8M to \$18.3M in one year.

Director Gambs suggested being more general in the recommendation, considering the reason for the additional allocation, and Director Ramirez Holmes agreed, modifying Option B to reflect that the Finance Committee recommends 1) 1% policy allocation for the Trust fund and 2) an additional allocation of \$66K due to the unallocated fund balance and the increased unfunded liability.

Mr. Solitei summarized the recommendation for the Finance Committee, including the 1% policy allocation and the additional \$66K, taking into account the reasons provided. Director Ramirez Holmes added a third part to address the modification of the policy language in the future. The Finance Committee's recommendation will be included in the staff report for the Board's consideration in March.

5. Verbal Reports

Director Ramirez Holmes requested the Audit Policy be the topic for the next Finance Committee meeting.

6. Adjournment

Director Ramirez Holmes adjourned the meeting at 12:41 p.m.

Palmer Board Report March 20. 2024

February 23 ACWA Region 5 Board

Meeting in Watsonville for Board Orientation and planning for the year ahead

February 27-29 ACWA Conference in Washington, DC

Attended by directors Palmer, Green, Ramirez-Holmes, coordinated by staff Carol Mahoney

Our Zone 7 team visited the offices of Representatives DeSaulnier, Swalwell and Senator Butler. We asked that they support funding for our PFAS Treatment plants, and I also presented information on the DCA.

On March 8, the U.S. House of Representatives passed the Consolidated Appropriations Act 2024 (H.R. 4366), a portion of which secured a \$957,752 federal grant award to help fund the Chain of Lakes (COL) PFAS Treatment Facility.

March 4 ACWA Local Government Committee

Updates and planning

DCA

March 1 meeting to set agenda

March 8 Board Meeting (rescheduled from March 21)

Topics Discussed:

- February 15, 2024, Regular Meeting Minutes
 - see the full board packet
 - <https://www.dcdca.org/wp-content/uploads/2024/03/2024-03-08-DCA-BOD-Packet.pdf>
 - reports
 - DCA has the updated cost estimate and benefit cost analysis coming in during the middle of quarter two (2) time frame and then that preferred project Engineers report is identified for end of quarter 3.
 - DWR reached an important milestone in December, releasing the Final EIR at the end of 2023. DWR is focusing on the water rights process and submitting a change in point of diversion petition to start the water rights hearing later in the year and the federal and state Endangered Species Act compliance. In addition, the Army Corps is continuing to coordinate their National Environmental Policy Act (NEPA) documents.
- Approval of Executive Director Services Agreement
 - Graham Bradner was approved as the Executive Director going forward

Next Board Meeting April 18, 2024, Regular Board Meeting at 2:00 p.m.

ORIGINATING SECTION: Administration
CONTACT: Valerie Pryor

AGENDA DATE: March 20, 2024

SUBJECT: General Manager's Report

SUMMARY:

The following highlights a few of the key activities which occurred last month. Also attached is a list of the General Manager (GM) contracts executed during February.

Engineering and Water Quality:

Zone 7 Public Water System Permit: Zone 7 received its updated public water system permit from the State Division of Drinking Water (DDW). This updated permit includes the new Stoneridge PFAS Treatment Facility as well as recent ozonation and other upgrades made to the Patterson Pass and Del Valle Water Treatment Plants. It also includes new permitting conditions that address regulatory and operational changes that have occurred since Zone 7's 1996 system-wide permit and numerous subsequent permit amendments.

Stoneridge Well PFAS Treatment Facility Project: The facility continues to operate and treat water for PFAS removal several days every week. The contractor continues with the installation of remaining electrical wiring, which will continue through March. The variable frequency drive for the new booster pump continues to be delayed until April. The project team received notice from PG&E, after a year of review, that PG&E will need to install a new, larger transformer for the project site before operation of the new booster pump can take place. The team has requested PG&E to provide an installation timeline for the transformer. Final completion is anticipated for spring 2024.

Chain of Lakes Wells PFAS Treatment Facility Project: The contractor has begun excavation of the underground storm drains, electrical duct banks, and vessel system concrete pad, which is anticipated to be complete by the end of March. Vessel system installation is projected to be in late April and early May. The project is anticipated to be complete in fall 2024.

Integrated Water Resources:

On February 21, DWR increased the State Water Project allocation from 10% to 15%, based on hydrology through February 1, 2024. Lake Oroville was at 83% capacity and making required flood control releases; however, regulatory constraints limited cross-Delta exports.

Staff is developing the 2024 water operations plan for several water supply scenarios. The February treated water supply comprised 78% surface water and 12% groundwater.

Staff continues to track the demand conditions. In February 2024, Zone 7's treated water production volume was 5% higher than the same time in 2023; however, if it's adjusted for the leap year, treated production was up only 1%. Calendar year to date (through February 29), treated production and untreated deliveries are approximately 18% lower than the same period in 2020.

DWR released a [strategic plan](#) for the State Water Project, focusing on a 5-year time horizon. The plan includes 5 goals: advancing an industry-leading safety culture, being the employer of choice, accelerating adaptation and strengthening resiliency for a changing climate, promoting awareness of the State Water Project's significance, and optimizing infrastructure, financial integrity, and operations.

Water Supply and Reliability Projects: Zone 7 is currently actively pursuing water supply and reliability projects. Key activities are as follows:

- **Delta Conveyance Project:** Zone 7 is participating in the four-year planning and permitting process and has approved funding through calendar year 2024. The environmental planning and preliminary engineering work are on schedule and on budget. On February 22, 2024, DWR submitted a Change in Point of Diversion Petition for the Delta Conveyance Project to the State Water Resources Control Board (State Water Board). This petition is for DWR to change the conditions of its water right permit, including a change in the location of where the water is collected, or the "point of diversion." This would not create a new water right or change the maximum permitted diversion amount under existing DWR water right permits. Zone 7 representatives continue to serve on the Boards of the Delta Conveyance Design and Construction Authority (DCA) and the Delta Conveyance Finance Authority (DCFA). Minutes for the February 15, 2024, DCA Board meeting are attached. Board packets for both the DCA and the DCFA can be found at: <http://www.dcdca.org/#meetings>.
- **Los Vaqueros Reservoir Expansion (LVE).** The Los Vaqueros Reservoir JPA Board met on February 14. The JPA Board approved the recommended capital preservation strategy, which would reduce the scope and budget of several project consultants to preserve sufficient project funding for near-term activities. The capital preservation strategy supports the Multi-Party Agreement Amendment #6, which will be for a time extension only. Small workgroups consisting of several JPA members continue to discuss and negotiate the project agreements, focusing on key issues such as risk management and project benefits.
- **Sites Reservoir.** The Sites Project Authority continues to develop the Operations Plan and Draft Benefits and Obligations Contract. The Sites Project Authority produced a new analysis that found that the proposed Sites Reservoir could have captured 1.2 million acre-feet of water in 2023 and 2024 to date.

Operations and Maintenance:

Staff worked on several projects including support work for the Del Valle Water Treatment Plant (DVWTP) Ozonation post-project work, the Patterson Pass Water Treatment Plant (PPWTP) Expansion and Ozonation Project, the Mocho Groundwater Demineralization Plant Concentrate Conditioning project, the Stoneridge PFAS Treatment Facility Project phase 2 and the Chain of Lakes PFAS Treatment Facility Project. Staff is in the process of commissioning the Stoneridge Facility.

The Mocho Groundwater Demineralization Plant (MGDP) bypass valve actuator failed on February 14. This is a critical valve that modulates to control groundwater that bypasses and blends with treated water and the MGDP cannot operate without this valve. Further, the MGDP needs to be flushed daily to protect the membranes. As a temporary fix, staff installed an actuator borrowed from DVWTP that is not an exact match but does enable flushing and some operations. Full repairs are anticipated by mid-April.

Administration:

Zone 7 has been awarded a \$957,752 federal grant award to help fund the Chain of Lakes PFAS Treatment Facility. Zone 7 has worked actively with Congressman Eric Swalwell and Congressman Mark DeSaulnier to obtain funding in the Consolidated Appropriations Act 2024 (H.R. 4366).

Zone 7 launched a new contest to promote Fix-a-Leak week in March. Details can be found at www.zone7water.com/challenge.



Public Tours: Staff is planning for this year's public tours. A tentative date of Saturday, May 18, 2024, has been set for the Patterson Pass Water Treatment Plant.

Monthly List of GM Contracts

February 2024

<u>Contracts</u>	<u>Amount</u>	<u>Purpose</u>
Natural Resource Results, LLC	\$30,000	Legislative Advocacy Services
Total February 2024	\$30,000	

BOARD OF DIRECTORS MEETING

MINUTES

REGULAR MEETING

Thursday, February 15, 2024

1:30 p.m.

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER

The regular meeting of the Delta Conveyance Design and Construction Authority (DCA) Board of Directors was called to order in person, by teleconference, and remotely - Conference Access Information: Phone Number: (669) 444-9171, Code: 83084606454#, <https://dcdca-org.zoom.us/j/83084606454?from=addon> at 1:30 pm.

2. ROLL CALL

Board members in attendance from the DCA Boardroom were Sarah Palmer, Martin Milobar, Gary Martin, Miguel Luna, Robert Cheng, and Adnan Anabtawi. Tony Estremera participated from Valley Water Headquarters Boardroom.

Alternate Directors in attendance remotely were John Weed, Royce Fast, Dan Flory, Russel Lafevre, Bob Tincher and Dennis LaMoreaux.

DCA staff members in attendance were Graham Bradner and Josh Nelson. Valerie Martinez participated in the Board Meeting remotely.

DWR staff members in attendance were Katherine Marquez and Rylan Gervase.

3. CLOSED SESSION

a) PUBLIC EMPLOYEE PERFORMANCE EVALUATION DISCUSSION

(Government Code Section 54957)

Title: Executive Director

b) CONFERENCE WITH LEGAL COUNSEL

Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2): 2 cases

- i. *Sierra Club et al. v. California Department of Water Resources*, Sacramento County Superior Court Case No. 34-2020-80003517

- i. Petitions regarding the Department of Water Resources' certification of the Final Environmental Impact Report for the Delta Conveyance Project.

4. OPEN SPECIAL MEETING & PLEDGE OF ALLEGIANCE

President Sarah Palmer convened the open session at approximately 2:10 p.m. and led all present in reciting the Pledge of Allegiance.

There were no reportable actions from the closed session.

5. APPROVAL OF MINUTES: January 24, 2024, Special Board Meeting

Recommendation: Approve the January 24, 2024, Special Board Meeting Minutes

Motion to Approve Minutes from January 24, 2024, as

Noted: Estremera
Second: Milobar
Yeas: Palmer, Milobar, Martin, Luna, Estremera, Cheng, Anabtawi
Nays: None
Abstains: None
Recusals: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstain; 0 Absent. (Motion passed as MO 24-02-01).

6. DISCUSSION ITEMS:

a) February DCA Monthly Report

Information Item

DCA Executive Director, Graham Bradner, presented to the Board an overview of the monthly board report. He began with Section 1: Work Performed in January 2024. The Program Management team completed the midyear budget review. This review allows DCA to view all the work that has been proposed and contracted through various task orders, assess the progress, and consider any potential changes. DCA does address potential changes through the year as a continual process. The midyear point provides the opportunity to see the direction the DCA is heading towards and guides how the second half of the year will go. This allows DCA to consider any changes that can be made to contracts and task orders, which provides the opportunity to daylight what the estimate at completion (EAC) will be for the fiscal year. DCA is starting to forecast an underrun of just under \$4M for the fiscal year, more details on this in the budget section of the report.

Mr. Bradner moved on to the Administrative functions, stating that the alignment tours are starting up again. DCA held about 20 tours last year and will be conducting tours starting in the spring and continue through summer and fall.

President Palmer asked if the tours would be changing as now there is a selected project.

Mr. Bradner stated that there does not seem to be any change to the tours as DCA was touring the proposed Bethany alignment project last year. DCA will continue to add and change different variations tailored to each audience with specific interest and timelines in mind. DCA will continue to look for ways to improve the tours.

Mr. Bradner continued to the Engineering section; the Engineering team is working on the estimate for the Bethany Reservoir alternative. DCA is also evaluating potential innovations that could reduce impacts, cost schedule, or improve constructability. DCA's plan is to reflect those potential innovations through a secondary estimate. The primary estimate will be a complete estimate of construction activity, soft cost, budget for community benefits and environmental mitigation costs. The secondary estimate that the DCA will develop using the cost savings innovations is more to take the primary estimate and deduct costs associated with various quantity, effort, equipment, and labor reductions. The timeline for the updated estimate is quarter two (2) and DCA has a graphic that will be shown later in the staff reports section. The graphic lays out these activities through the course of the year and depending on the Boards choice, it can be a continuous item that can be talked about during the regular board meeting updates.

Mr. Bradner went on to update the Board on Fieldwork activities and stated that the DCA completed most of the fall program in December 2023. There were a few locations that DCA was not able to access and is still working through with the team to gain access, but overall, the team had great success. Currently, the Fieldwork team is taking consideration of potential priority of future investigations to support continued evaluations of the Bethany Reservoir alternative alignment and construction refinements as the project continues to evolve. The work done under the initial study mitigated negative declaration (ISMND) was very broad in scope and looking to understand conditions across the Delta and fill data gaps. One key factor is that the future investigative work would be more focused and specifically aligned with the preferred project and less broadly distributed across the Delta. Mr. Bradner stated to the Board that DCA is in the early stages of the planning process and will keep the Board updated as the team makes progress.

Director Luna asked if the investigations are aligned along the east of the alignment.

Mr. Bradner stated that currently DCA over the last few years has collected 170-180 exploration points distributed throughout the system. There is a lot of data in the central Delta, much historical data that has been collected along the levies and long previous iterations of the project. Along the eastern margin of the Delta there are wide gaps of unknown conditions and information. DCA is continuously filling in the gaps with

information collected. To complete the final design of the project, DCA would need about 1,500-2,000 exploration points, while currently, the DCA is trying to understand the subsurface conditions and the variability.

Mr. Bradner continued to Section 3: Budget, DCA has an approved budget of \$40.4M with an EAC showing \$36.5M. The DCA has committed just under \$35M to date with about \$1.5M in reserve. As the spring approaches the underrun could shift to accommodate surveys, geotechnical work, and other activities.

Mr. Bradner stated in figure one (1) of the cash flow chart, expenses to date are still tracking as anticipated with the planned costs. The Controls team and Contract managers have done a great job forecasting their activities and turning those into actual expenditures. The DCA has not re-baselined the project, it will continue to stay where the line on the graph is and monitor the progress. There has been an increase in activities starting in the second half of the fiscal year due to the Department of Water Resources (DWR) decision on the project. It is uncertain whether the accuracy of the forecast will be maintained or if it will start to drift.

Mr. Bradner stated that the Program Management support activities are ongoing and linear in terms of how they spend the year. The project definition reports have a delayed status due to DCA intentionally delaying the start of the reports. The definition reports are associated with the procurement activities that will eventually be needed. DCA's vision for the engineering documentation is to have a preferred project engineer's report prepared by next fiscal year. The preferred project engineer's report will be the big picture document for the Bethany Reservoir alternative that contains all the engineering documentation. Currently the preferred project engineer's report is spread out among multiple engineering project reports with different alternatives, flow rates, addenda, supplements and other pieces that make it difficult to track. The DCA will produce a preferred project engineer's report that will remove any alternatives, anything that is not relevant to the preferred project and create a cohesive document that will include information that has been used to date. The preferred project engineer's report would then be supported by basis of design reports what the DCA tentatively called project definition reports. The project definition reports will be focused on the specific project features which will provide next level engineering information that will be necessary for procurement of feature design contractors. DCA is currently assessing the project priorities and Mr. Bradner stated that the project is not in the position to start the project definition reports.

Mr. Bradner stated that the investigation program is on track as the DCA is completing the lab analysis and all the documentation will have the calendar year 2023 data report ready for the internal use by the engineering team as they continue to look at subsurface conditions and evaluate those assumptions.

Director Cheng stated that State Water Contractor (SWC) staff were thinking that there's additional budget that's necessary for other tours outside the scope of the director's tour and wanted to know if Mr. Bradner had any conversations with SWC staff, Director Cheng mentioned that the Board was having those discussions.

Mr. Bradner stated that he had not had any discussion with the SWC staff. DCA is fully capable of managing tours and has reserve set aside. The Delta tours are an important part of the project and happy to take folks out on the tour and provide all the necessary resources. There may be a gap in terms of getting folks to Sacramento if they don't live locally and the DCA would appreciate the help in terms of making that happen.

No further comments or questions were received from the Board, nor were any public comment requests received.

b) DCA Environmental Compliance Committee Concept

Information Item

DCA General Counsel, Josh Nelson noted that with the recent certification of the Final Environmental Impact Report (FEIR). DCA is viewing the next steps and deciding when it would be best to establish the Environmental Compliance and Mitigation Committee. This committee is specifically identified in the Joint Powers Agreement (JPA) as well as the bylaws and needs to be established within 60 days of an approved project. As an approved project is not defined, DCA staff's recommendation is to not establish the committee now but establish it once DCA is ready to move into the construction and implementation phase. The reason for that is the work that DCA is currently doing is still within the planning phase. As stated in the previous month through a JEPA amendment, there was clarification that the planning phase would continue until all permits were obtained and the project is ready to move into construction and implementation. It is most appropriate for the Environmental Compliance and Mitigation Committee to be established once we are ready to move into construction and implementation. However, this is a Board advisory committee and it is a Board decision as to when to establish the committee. Accordingly, DCA staff wanted to bring this item before the Board to obtain feedback. If the board is comfortable with the staff's recommendation, no actions are required. If the Board would like to move forward with establishing the committee, there would need to be a resolution that can be made during a future meeting.

Director Anabtawi stated that he appreciates the staff for reviewing this and identifying that sort of ambiguity of the approval term. Committees and participation take a lot of time from everyone and it's important that those committees are focused and provide value as committee members and those participating.

President Palmer stated that there was some issue in terms as to when this decision would happen and appreciated the legal opinions and the staff work that put this forward. She asked if the Board was able to bring this forward at any time.

Mr. Nelson stated that yes, the Board may bring this topic up at any time.

Mr. Nelson stated that this doesn't mean that DCA wouldn't be doing outreach efforts as stated by Ms. Valerie Martinez. DCA and DWR are making substantial outreach efforts that are ongoing regardless of this committee being established.

President Palmer stated that this committee makes sense to be established in the future.

Mr. Bradner stated that the DCA had the stakeholder engagement committee that was sunset towards the beginning of the public process associated with the California Environmental Quality Act (CEQA). This was done in part to avoid confusion with engagement and involvement of the role of that committee relative to those other more regulatory mandated public Processes by DWR. There are permits remaining that have also mandated processes of their own and delaying the committee may be appropriate.

President Palmer stated that it makes since, DCA is the construction authority.

No further comments or questions were received from the Board, nor were any public comment requests received.

c) Adopt Resolution Establishing the DCA Finance Committee; Ratify President's Appointments to the Committee

Approve Resolution

Mr. Bradner presented to the board that in the past DCA has had budgets as small as on the order of \$21M. While DCA's budget this year is around \$40M, DCA anticipates something similar in the next fiscal year. As the program continues to grow and progress, Mr. Bradner expects the complexity of the budget process and activities being undertaken will continue to grow. Mr. Bradner believes the timing is right to start re-evaluating DCA's processes and consider how DCA allows this process to grow with likely expanding the budgets and work scope.

Director Palmer stated what DCA may be needing in terms of a finance committee and looking to have board alternates placed on committee with a board member chairing it. President Palmers considered all board members are qualified and deciding who may have the time to set forth to join the committee. The distribution of the committee is to represent people from the southern, middle and northern areas of the state. As a result, Director Gary Martin has consented to chair this committee, Director Martin Milobar has

also consented to be on this committee. President Palmer will also serve on the committee.

Recommendation: Motion to Adopt Resolution Establishing the DCA Finance Committee; Ratify President’s Appointments to the Committee

Motion to Adopt Resolution Establishing the DCA Finance Committee; Ratify President’s Appointments to the Committee, as

Noted: Luna
Second: Anabtawi
Yeas: Palmer, Milobar, Martin, Luna, Estremera, Cheng, Anabtawi
Nays: None
Abstains: None
Recusals: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstain; 0 Absent. (Motion passed as Resolution 24-02).

Director Cheng asked if the membership process was on an annual basis or what is the current thought.

President Plamer stated that the group has not gotten to that point yet.

Mr. Nelson stated that currently in the resolution it would be a two-year term following a fiscal year basis with the initial appointment expiring on June 30 of 2025. This is a decision point for this board and if there is a desire to modify that, the board would need to modify that in the resolution when adopting it.

No further comments or questions were received from the Board, nor were any public comment requests received.

d) The Economy of The State Water Project Report

Information Only

Mr. Bradner presented to the board, DWR, Policy Advisor Rylan Gervase that is currently the policy adviser for the State Water Project (SWP). Mr. Gervase leads key communication initiatives and projects. Mr. Gervase helps develop policy for special projects in the Suisun Marsh and Bay Delta. He also manages the SWP Federal funding program. Prior to his role at DWR, Mr. Gervase advocated for water and environmental policy for local governments as a legislative representative for California special district Association from 2017 to 2019. From 2013 to 2017, Mr. Gervase developed legislative legislation as legislative aid for Oakland assembly member Rob Bonta. Mr. Gervase graduated from Sacramento State University with a Bachelor of Arts degree in Government and Spanish. After graduation, Mr. Gervase was selected as a Jesse M Unruh

assembly fellow where he learned the legislative process and was mentored by senior staff in the California State Assembly.

President Palmer welcomed Mr. Gervase.

DWR conducted an economic analysis of the SWP to assess its importance and the need for investment in its aging infrastructure. The SWP, which is over 60 years old, requires billions of dollars in refurbishment and rehabilitation to maintain its current water service level of about 2.4M acre-feet per year. An additional 10% reduction in California's water supply due to climate change further necessitates massive infrastructure projects like the DCP to help modernize the water system for the effects of climate change. The study compared the SWP service area to other national economies and found that a portion of California receives most of its water from the SWP that is about 27M people and 750,000 acres of irrigated farmland across the state. The first takeaway of the study found that just this portion of California served by the SWP has a Gross Domestic Product (GDP) of \$2.3T, making it the equivalent of the world's eighth largest economy. According to the graph, that would put the SWP between the economies of France and Italy. California has a \$3.5T GDP, which makes that the fifth (5) largest economy in the world. The SWP is feeling a great deal of economic growth in California, which more than most of the entire economy is supported by the SWP. The SWP supports the largest economy in the United States out of any major water system and the second largest economy of any water management system in the world.

Mr. Gervase continued to present to the Board that the median household income of the service area of the SWP is about 20% higher than the rest of the United States. This shows that there is a significant economic benefit to having a stable and reliable water supply provided by the SWP. The second part of the study compared alternatives to the SWP to see if it would theoretically be cost effective to replace with another source. DWR looked at a variety of different sources including water conservation projects, storm water capture, water recycling and desalination. As shown on the graph, the range of costs for the SWP is about \$250 per acre foot and that's for customers in the Central Valley. For the Central Coast customer that range goes up to almost \$1,500 per acre foot. This is primarily due to pumping costs and the extra energy of getting the water to those areas. The only other alternative source of water that was comparably cost effective is the water conservation projects starting at around \$400 per acre foot ranging up to \$1,500 per acre foot. A water conservation project is less scalable to a utility level like the SWP if looking at the lower end of the scale. The \$400 per acre foot projects include low flow toilets, high efficiency shower heads, high efficiency appliances, etc. Items that simply are not going to produce the scale of water that the SWP will make available to contractors. The other sources of water were comparatively much more expensive without including conveyance. If there were to be a desalination plant built on the coast, that would require a conveyance infrastructure to communities inland. This would add a substantial amount

to the cost of those projects. In result of the study, the SWP is in fact one of the most affordable and cost-effective sources of water in California.

Mr. Gervase continued on, stating that 8.2M people living in disadvantaged communities in California rely on affordable water from the SWP. This would be about three quarters of all residents who live in disadvantaged communities in California and about one in three customers are a resident of a disadvantaged community. Many of these communities are in the Inland Empire of California, Los Angeles, the Central Valley and the Feather River watershed area. The final portion of the study concluded that the SWP supports 750,000 acres of irrigated farmland that produces up to \$19B in agricultural products and other crops a year, supporting 160,000 farm jobs in the state. The four (4) major agriculture counties that receive SWP water have sustained growth since the 1960s. Currently Kern County has received the most agricultural production growth and heavily relies on SWP water to irrigate its farmland. DWR also looked into other industries supported by the SWP and found that 800,000 businesses are indirectly relying on the SWP water and those businesses support 8.7M full-time jobs. Mr. Gervase stated that this is evidence pointing to the SWP as a key part of California's economy to assist in driving agricultural production, full-time employment and industry throughout the state.

Mr. Gervase stated that DWR conducted a study in collaboration with The Berkeley Research Group in December 2023 that highlighted the value of the SWP to California. There is a separate study focused on other public benefits including economic benefits, water supply, flood control, hydropower, environmental benefits, and recreational benefits. DWR is making a case for projects like the SWP as well as helping persuade policy makers in the public that is needed to keep investing in the California water systems.

Director Milobar stated if DWR knows what percentage of agricultural production leaves California and benefits other states.

Mr. Gervase stated that this goes beyond their scope of this study, DWR does not investigate what happens to the product once it leaves California. He will make a note and follow up when available.

Director Milobar stated that there needs to be some contribution of where those products end up. It's an important aspect as to where some of the funds should come from.

Director Martin stated that this presentation reinforces the importance of the SWP. Director Martin stated that when the Delta Conveyance is constructed and the costs are rolled out, if there is a way to see how those numbers might change.

Mr. Gervase stated that DWR is continuously looking for ways to bring in state and federal funding to help keep the cost of water down due to the necessary investments. There is time to continue brainstorming and find ways to bring in funding for the project. Mr. Gervase stated that he assists with the federal funding program to help identify opportunities through infrastructure bills that have been passed in recent years.

Director Martin stated that there does seem to be room for growth for the SWP and have the cost remain competitive with alternative sources. Director Martin asked if there was any plan once Sustainable Groundwater Management Act (SGMA) is completed and implemented which may reduce the amount of agriculture that is able to be done in the state.

Mr. Gervase stated that he does not have a direct answer to SGMA but does know that DWR is concerned about the matter. The expected reduction in water supply will require solutions to develop enough water. This may include alternative projects that were presented earlier. DWR is looking to ensure the water supply for the next 50 years and every solution is on the table and feels that the SWP is the most cost effective to the state compared to alternatives.

Mr. Bradner stated that DCA is working with DWR and economists to provide a full cost evaluation versus the benefit analysis that is expected to be released in quarter two (2) of this year. The analysis will acknowledge the timelines around the construction timing and accrual of benefits. The next steps supported by the SWC and then individually within the water agencies considering different financing alternatives and options. The process of the cost estimate and benefits analysis will shed light on the situation.

Director Martin asked if this analysis will be made available to the board and agencies.

Mr. Gervase stated that yes, these documents will be made available to the board. He has brochures that have great information.

President Palmer would like a few of the slides.

Director Luna stated that this presentation highlights the importance of the DCP. The DCP project is crucial as the SWP contributes 67% of the state's GDP. Failure to plan and invest in non-urgent times will lead to higher costs. The project serves 8.2M people in disadvantaged communities and will provide clean portable water to over a million people. Director Luna feels very fortunate to be on this board and to be able to plan and educate on this issue. When people oppose the project with just opposition and not looking at the new numbers and the facts of how it serves and how it can serve, it is very helpful in the communication aspect. He is very thankful of the Investments that the state has made that has allowed for the state to have this reliable source of water.

Director Cheng stated that he appreciates the time DWR took to create this report. He noted that there is recognition that the SWP is a wonderful asset to the state and investments need to be made. With the desalination experience that Director Cheng has, the source presented in the study challenges previous valuations of desalination and provides a more accurate price tag. This information will serve the board members well.

Director Anabtawi appreciates the ability to step back and understand the presentation. The project is too important to abandon, considering its impact on the economy and the communities it serves. Being a part of the Mojave Water Agency, this reliability and cost of water is always on his mind. It is expensive to supply water to that region of the state and understands that the availability of water to each region of the state varies.

President Palmer stated that she agrees with Director Anabtawi regarding all regions in the state have different water necessities. Regarding agriculture, it is more than just dollars and cents, it is a crucial part of the state and nation. President Palmer asked if the cost of conveyance was also included in the cost analysis that Mr. Gervase provided.

Mr. Gervase stated that the cost of the conveyance project was not included in the cost analysis presented.

Mr. Bradner asked if President Palmer was speaking regarding the DCP or the general conveyance of water.

President Palmer stated that it was moving water in general.

Mr. Gervase stated that this analysis does have the cost of general conveyance folded into the analysis.

Director Estremera stated that it was a great presentation.

Ms. Osha Meserve, Local Agencies of the North Delta, Public Comment, criticized the report and sees it as an insult to say that the SWP is considered a cheap source of water. Ms. Meserve believes that the project has not been paying the full cost of taking water out of this estuary and in result part of the reason as to why the Delta is experiencing at times a permanent drought, harmful algal blooms, an increase in salinity and the fisheries; particularly salmon and other listed fish are in such poor conditions. Ms. Meserve believes that this report that was presented is an admission to show that it cannot support itself and has been told that the DCP would have the beneficiaries pay for the project. The beneficiaries do not and can't pay for the project. Ms. Meserve stated that the report is incorrect with the statement that due to the project the economy is working. Ms. Meserve stated that there is no effort to balance the reasons as to how the economy is doing in certain areas. With the charts, it is believed that without the cost of the tunnel they are useless. Ms. Meserve is interested in knowing what the total cost of the tunnel will be and understands that the DCA is currently working on the report. She also believes that the

SWP could be invested in some of these other alternatives. Ms. Meserve stated that the Environmental Impact Report (EIR) mentioned that the tunnel would only serve about 15% of the customer needs. In addition, the EIR does not mention that the customers would be abandoning previous infrastructures. The current infrastructure needs to be maintained and have more respect for the Delta communities that bear the brunt of these actions.

No further comments or questions were received from the Board, nor were any public comment requests received.

7. STAFF REPORTS AND ANNOUNCEMENTS:

a. General Counsel's Report

DCA General Counsel, Josh Nelson, informed the Board that the annual Form 700s are due by April 2, 2024.

No comments or questions were received from the Board, nor were any public comment requests received.

b. Treasurer's Report

DCA Treasurer, Katano Kasaine, informed the Board that this report is for December 2023 and January 2024. DCA ended January with an ending cash balance of \$1,037,222. The balances for prepaid expenses and accounts payable as of January 31, 2024, were \$202,849 and \$1,174,917, respectively. For the same period, advances amounted to \$800,000 and total net position was \$219,242.

No comments or questions were received from the Board, nor were any public comment requests received.

c. DCP Communications Report

Mr. Bradner informed the Board that DCA has a very busy year ahead. DCA has the updated cost estimate and benefit cost analysis coming in during the middle of quarter two (2) time frame and then that preferred project Engineers report is identified for end of quarter 3. If the Board would like to adopt and introduce these milestones into the monthly report or any other location that would be beneficial.

President Palmer finds this graphic useful.

DCA Communications Manager, Valerie Martinez informed the Board that the Communications team has been working collaboratively with DWR and the Governor's office to ensure transparent public information dissemination. Speaking to the chart the Executive Director just walked the board through, there is a lot of planning for the various activities rolling out in 2024. Ms. Martinez stated that as Director Luna's mentioned, we

have a huge responsibility to ensuring that communities throughout the state understand what the project is and all the different components it entails. DWR has created materials such as brochures, Fast facts, and videos to enhance public understanding of the project. The Board members are welcome to receive the materials if requested and disperse them to their various agencies and general managers. The Communications team continues to work on the closer looks and highly recommend looking at the tunneling video and fact sheet. This does lay out how the project is being built and how the completion will be like. Another great piece is the seismic video, which talks about how the project addresses seismic issues. From a social media standpoint, the Facebook page grew by 100 likes, click-through rates for the work that is being pushed out continues to be at 2%, which typically sits at .8% for the industry. Putting this number into perspective, that is 104,000 video plays in January for the two (2) videos stated above. 1,700 people visited the website last month.

The Communications team is focusing on the Public Water Agency (PWA) one pagers. The team has created about seven (7) fact sheets for different agencies. These are being created at the request of the agencies through coordination with DWR. If any Board member is interested in having a one-pager completed for their agency to inform Ms. Martinez and she will work with her team. The alignment tours are set to resume starting at the end of February. DCA had approximately 200 people attend the tours last year. Many participants enjoyed the tour and have a better understanding of the project and how it will impact communities. Mr. Bradner and Carrie Buckman have teamed together to provide briefings and updates to some of the member agencies. The General Managers are encouraged to call DCA and have Mr. Bradner and Ms. Buckman provide those briefings to the boards and the community.

Ms. Martinez continued to present to the Board, DCA is preparing for the Association of California Water Agencies (ACWA) Conference. Claudia Rodriguez and her team have secured a booth in a strategic location with high traffic.

Ms. Martinez continued to present to the Board that DCA is excited about the Legislative Education Program and how it is shaping out.

Director Luna expressed that he feels DCA has the correct Communications consultant and demonstrates excitement over a tunneling video and he himself shares that excitement. Director Luna continued to mention that the Legislative Education Program is on track, they are outlining a cadence and identifying parties that will be engaging with. There has been great progress with meeting with DWR and the DCA, there may not be much update during the March 2024 meeting but will have some substantive information in April 2024. Director Luna proposed that Ms. Martinez do a presentation for the Delta Conveyance Finance Authority (DCFA) as they seemed very interested in understanding the tools and information.

President Palmer stated that there would be members attending the Washington, DC ACWA conference and if there is any informative material of the project that can be taken, President Palmer will take with her on the trip.

No further comments or questions were received from the Board, nor were any public comment requests received.

d. DWR Environmental Manager’s Report

DWR Program Manager Katherine Marquez is presenting for Carrie Buckman. Ms. Marquez informed the Board that DWR reached an important milestone in December, releasing the Final EIR at the end of 2023. DWR is focusing on the water rights process and submitting a change in point of diversion petition to start the water rights hearing later in the year and the federal and state Endangered Species Act compliance. In addition, the Army Corps is continuing to coordinate their National Environmental Policy Act (NEPA) documents.

No comments or questions were received from the Board, nor were any public comment requests received.

e. Verbal Reports

No verbal reports were received.

8. FUTURE AGENDA ITEMS:

No future agenda items requested.

9. PUBLIC COMMENT:

No public comment requests.

10. ADJOURNMENT:

President Palmer adjourned the meeting at 3:30 p.m., remotely-Conference Access Information: Phone Number: (669) 444-9171, Code: 83084606454#, <https://dcdca-org.zoom.us/j/83084606454?from=addon>

ORIGINATING SECTION: Office of the General Manager
CONTACT: Alexandra Bradley

AGENDA DATE: March 20, 2024

SUBJECT: February Outreach Activities

SUMMARY:

To deliver on the Agency's 2020-2024 Strategic Plan Goal F which strives to engage our stakeholders to foster mutual understanding, staff implements and oversees a multi-faceted outreach and communications program to connect with and engage stakeholders. Through an open and transparent approach, the Agency seeks to deliver effective customer-centric communications, reaching constituents where, when, and how they prefer. Effective communication builds confidence, trust, and awareness among constituents, increases participation to help with effective decision making, and helps strengthen Zone 7's commitment to its mission and vision. This monthly staff report provides timely updates on progress towards meeting the goal of engaging our stakeholders.

Communications Plan Updates

Conservation Outreach: Staff continues to collaborate with the retailers focusing on rebate promotion and educating customers on best practices for creating long-term habits of water conservation around the home and garden. Staff facilitates a monthly communications meeting with retailers and is working coordinate events and promotions for 2024.

Fix a Leak Week: Staff launched the Water Wise Wendy Fix-A-Leak Challenge 2024, which encourages residents to find and fix leaks to save water and win prizes throughout March. The contest is open to residents of Livermore, Pleasanton, Dublin, and the Dougherty Valley of San Ramon in Zone 7's service area. In the challenge, Water-Wise Wendy leads participants on a leak-detecting adventure with a checklist available at zone7water.com/challenge. Throughout March, participants can complete each of the different leak-detection challenges around their homes. Participants who complete the challenges by March 31st and submit the form and documentation online are eligible for a chance to win prizes.

The challenge is being promoted through Zone 7's social media channels and on the website. There is a paid campaign to increase awareness of Fix a Leak Week and the challenge through Facebook, Google Ads, YouTube and the Patch. The press release was featured in the ACWA eNews, the Dublin Chamber of Commerce, and the Livermore Valley Chamber of Commerce. Staff collaborated with TV30 on a public service announcement commercial that will be featured on TV30 throughout the month. Flyers were distributed to display at local libraries. The four retailers also agreed to sponsor and co-promote the challenge.

Press: Staff sent out one press release.

- [Zone 7 invites residents to save water and win big with new Water Wise Wendy Fix-A-Leak Challenge 2024](#)

Outreach Program Updates

Schools' Program: In February, our teachers taught 59 classes. A Water Academy email was sent to teachers informing them of the Fix-A-Leak challenge and encouraging anyone who has yet to sign up for a Water Academy lesson for this year to do so before year-end.

In-Person Events:

Livermore Science Odyssey, Thursday, February 8. Junction Avenue K-8 School. Livermore students and their families participated in person once again in this district-wide science fair. The Zone 7 booth featured two interactive groundwater models. Director Narum represented Zone 7 in awarding the One Water Awards along with co-sponsors Cal Water and the City of Livermore.

Jackson Elementary School Science Night, Livermore, Wednesday, February 21, 2024. For the first time, Zone 7 Water Agency attended Jackson Elementary Schools' Science Night. We were excited to present our popular floodplain model to their students and families. The attendees all enjoyed learning about our watershed and Zone 7 Water Agency's role in the community.

Granada High School Career Fair, Granada High School, Livermore, Wednesday, February 28, 2024. Zone 7 hosted a booth with information about water industry-based jobs. Over 200 students chatted with the two Zone 7 water operators and learned about what they do during their workday as well as pathways to such a career.

Fredericksen Pi Night, Fredericksen Elementary School, 7243 Tamarack Drive, Dublin on Thursday, March 14, 2024, 5:00pm-8:00pm. Zone 7 has been asked to attend Fredericksen Elementary school's brand-new Pi Night in celebration of math and sciences. We look forward to attending with our floodplain model and interacting with attendees.

A Day by The Water, Del Valle Regional Park, Saturday, March 23, 2024, 10:00am-3:00pm. Booths will be set up outside of the Del Valle Visitors Center focusing on the importance of water in our valley. Zone 7 will join other community organizations in interacting with families in the exploration and celebration of all things water.

SF Flower and Garden Show, Thursday, April 4 through Sunday, April 7 at the Alameda County Fair Grounds. Zone 7 will partner with Alameda County Clean Water Program to host a table at this annual event in its new location. Our booth will feature drought friendly native plants and information about water-wise gardening in our area.

Tri-Valley Innovation Fair, Saturday, April 13, 2024, 10:00am-5:00pm at Alameda Fairgrounds. Once again, Zone 7 will be represented at this hands-on event with over 50 exhibitors. We will have interactive activities and our usual giveaways and information about rebates.

City of Pleasanton Earth and Arbor Day Celebration, Saturday, April 20, 10:00am-3:00pm, at the Pleasanton Library, 400 Old Bernal Avenue. This event is an opportunity for community members of all ages to learn about environmental issues and sustainability solutions in an interactive, family friendly atmosphere. Zone 7 will have an interactive booth at which participants will create newspaper pots and plant native seeds to take home.

Ag & Enviro Adventure Day, Livermore High School, Tuesday, April 23, 2024, 8:00am-3:00pm. Zone 7 will participate in this organized event for Livermore third graders with an interactive movement-based activity which highlights our watershed and its connection with the community.

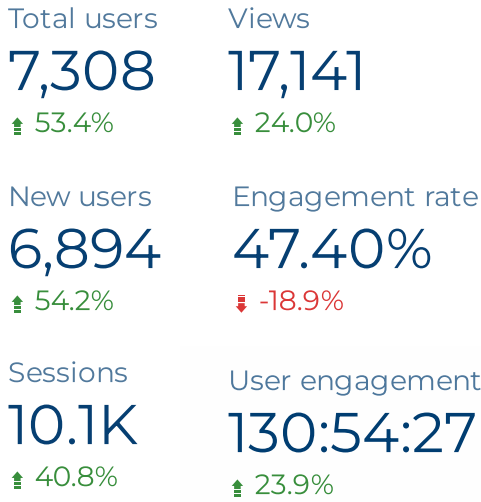
Marylin Avenue Family Science Night, Marylin Avenue School, Livermore, Monday, May 13 from 6:00pm-8:00pm. Zone 7 has been asked to participate in this STEM school's family science night. We look forward to engaging with Marylin Avenue students and their family members.

Please visit www.zone7water.com/calendar for the most up to date schedule of public events.

ATTACHMENT:

Monthly Analytics Dashboard

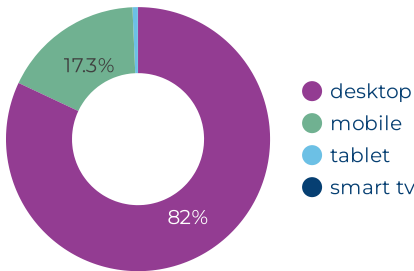
Highlights:



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	2,760	1,479
2.	Examples of a Water Cycle Story - Zone 7 Water Agency	1,368	994
3.	Lessons Middle School - Groundwater - Zone 7 Water Agency	962	500
4.	4. Label the Water Cycle - Zone 7 Water Agency	687	564
5.	Construction & Business Opportunities - Zone 7 Water Agency	606	254
6.	Water Wise Wendy's 2024 Fix-A-Leak Challenge - Zone 7 Water Agency	506	42
7.	Careers - Zone 7 Water Agency	446	299
8.	Zone 7 Water Agency - the Tri-Valley region's water wholesaler	331	331
9.	Board Meetings - Zone 7 Water Agency	283	136

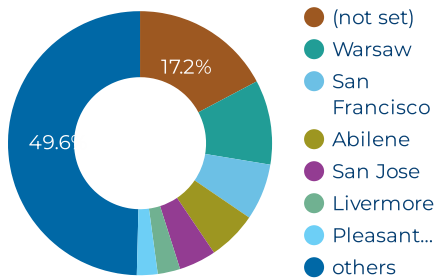
Device Type:



Acquisition source/medium - where traffic sessions come from

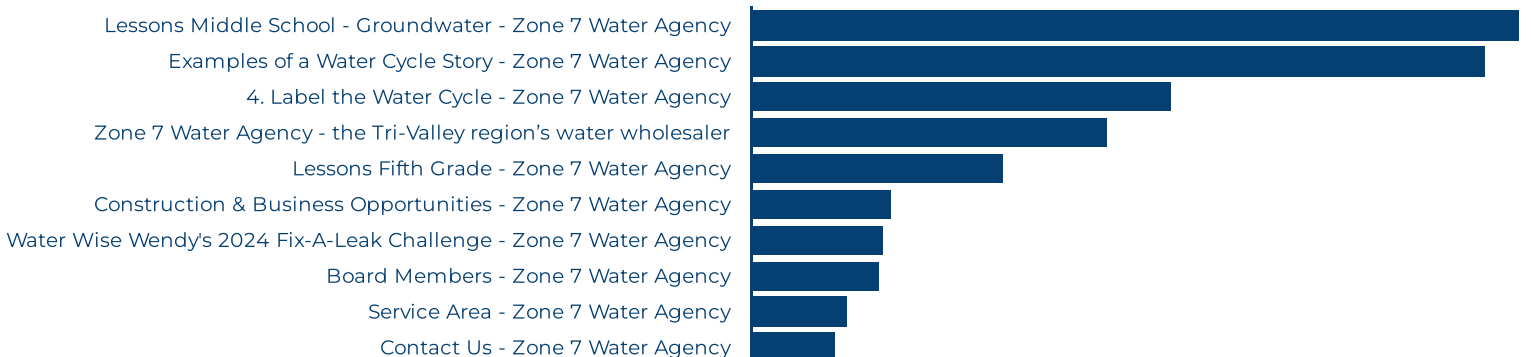
	Session source	Session medium	Sessions
1.	google	organic	4,385
2.	(direct)	(none)	3,358
3.	news.grets.store	referral	490
4.	bing	organic	352
5.	isd728.schoology.com	referral	172
6.	usc-onenote.officeapps.live.com	referral	90
7.	l.facebook.com	referral	81
8.	dsrsd.com	referral	60
9.	static.seders.website	referral	57

Users by City



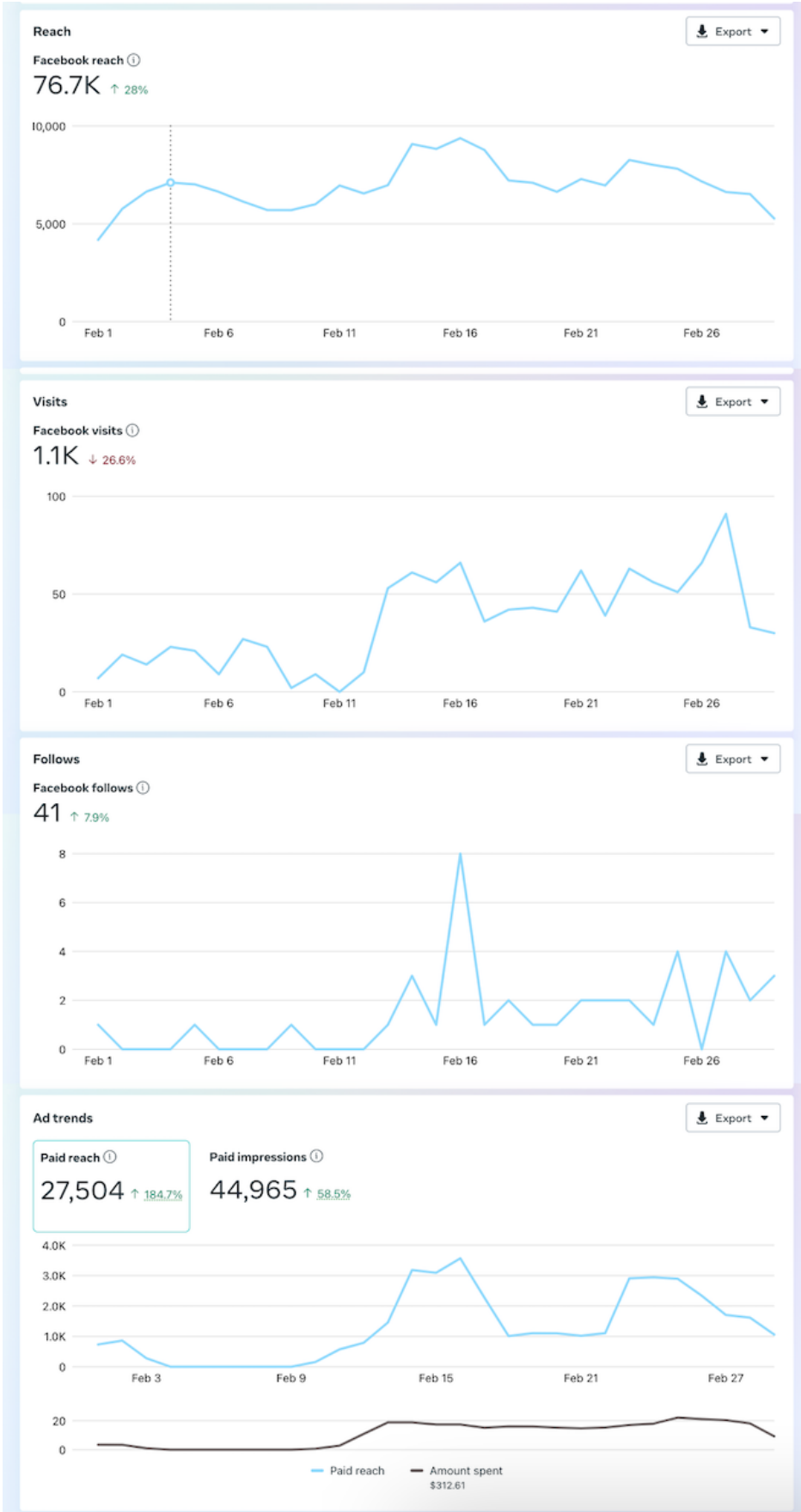
1 - 100 / 116

Pages with the most time spent by users



Facebook Snapshot Analytics

Total Posts **23** Engagement **114** Clicks **237** Page Followers **1,095**



Mailchimp Delivery Analytics

Total Eblasts Sent
2

Total Deliveries
2,230

Avg. Open Rate %
54.8%

Total Clicks
60

Monthly YouTube Performance

Total Views
10,407

Total Watch Time
134.4 hrs

Impressions
10,458

Top Five Videos of Month

- 1 Our Water's Journey
Aug 3, 2023
- 2 Tri-Valley Water Partners_Our Water's Journey
Aug 24, 2023
- 3 Tri Valley Waters Journey
- 4 Our Water's Journey
Jul 25, 2023
- 5 Wondrous World of Water - Ozone Treatment
Sep 2, 2020

Insights & Opportunities

WEBSITE

- Website traffic was up again in February, with marked increases in users, views, and sessions. Total traffic in number of users hit a high of 7,308 users in February, the highest single month of user traffic recorded in at least the previous three years.
- The education program and lessons continue to be a popular area of our website with multiple school districts locally and across the country utilizing the lessons on a regular basis.
- As was the case in January, there were several more business opportunities posted in the RFP section of the site which drove a significant amount of traffic as well.
- The career section also saw an increase in traffic this month, with users visiting multiple pages of the section beyond the landing page, including linking to the agency's mission, vision and values page, and benefits page.
- The preparedness page, which is now home to the agency's new storm alert system, also saw a notable increase in traffic.

SOCIAL MEDIA

- February continued the renewed interest we saw in January with exceptionally high traffic on Facebook - this was the second highest month on record for total reach, behind last October when we were heavily promoting the Flood Open House.
- Promoted posts for the annual report, flood preparedness, Water Academy and the Ion Exchange PFAS Treatment facility/video helped drive reach and engagement on social.
- General followers continued to climb with 41 new followers this month, 33 of those from this month's campaign focusing on flood preparedness.
- Video views on YouTube continue to perform well under active campaign status, with Tri-Valley videos leading the number of views as part of the Public Information Program campaign. The Wondrous World of Water Ozone Treatment video continued to perform in the top five organically. This combination of paid and organic performance shows us we have the opportunity to diversify performance of other videos with some small investment this year on a more consistent basis to maximize views on the content we have in our library.

DIRECT MAIL

- There were two newsletters sent in February, one general announcement for the board meeting and one Water Academy newsletter. The increased open rate this month was driven primarily by the board meeting announcement. The next Latest from Zone 7 newsletter will be delivered in March.

ORIGINATING SECTION: Integrated Planning

CONTACT: Sal Segura/Ken Minn

AGENDA DATE: March 20, 2024

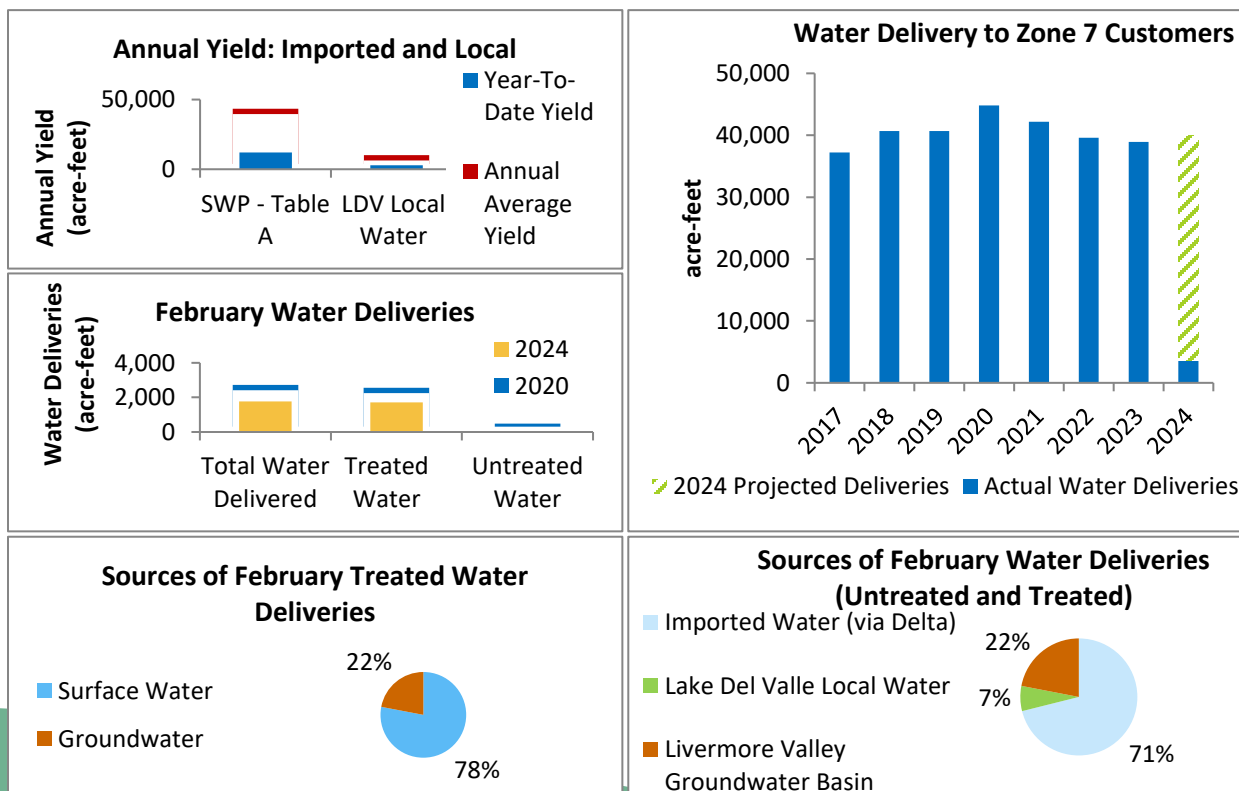
SUBJECT: Monthly Water Inventory and Water Budget Update

SUMMARY:

In support of Zone 7 Water Agency’s (Zone 7’s) mission to deliver safe, reliable, efficient, and sustainable Water and Strategic Goal A – Reliable Water Supply and Infrastructure, this report summarizes current water supply, usage, and storage conditions.

An overall analysis of the annual water supply is underway and anticipated to be completed in April 2024 as part of the Annual Review of Sustainable Water Supply. Long-term water supply planning is also summarized 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. The plans and evaluations consider the various sources of supply and storage available to Zone 7 locally, in State Water Project facilities, and in Kern County storage and recovery programs.

Summaries of 2024 Water Supplies, Deliveries, and Available Water (February 2024)



ZONE 7 WATER INVENTORY AND WATER BUDGET (February 2024)

Supply and Demand *(See Table 1, Table , Figure 1, Figure 2, Figure 3, and Figure 4)*

- Monthly totals: 1,730 acre-feet (AF) delivered to customers (1,710 AF treated production and 20 AF untreated deliveries) and 0 AF to recharge.
- Total treated water production decreased by 8% compared to last month.
- Treated water sources were 78% surface water and 12% groundwater this month.
 - Treatment plant production was 15.0 MGD.
 - Wellfield production was 4.3 MGD.

Comparison of Demands: 2024 vs 2020 baseline *(See Table 1)*

- In February 2024, Zone 7's overall water demands were 29% lower compared to the same time in 2020: treated water production was 24% lower, and estimated untreated deliveries were 88% lower than February 2020.

Table 1: February 2024 comparison - water demand and conservation

	Treated Production	Untreated Delivery	Total
February 2024 (AF)	1,710	20	1,730
February 2020 (AF)	2,250	170	2,420
February Conservation (2024 vs 2020)	24%	88%	29%

Imported Water *(See Table)*

- On February 21, 2024, the 2024 State Water Project was increased from 10% to 15%. The allocation is subject to revision as the water year progresses.

Table 2: Available Water Supplies for 2024 (as of March 1, 2024)

Source	Acre-Feet
Table A (Based on 15% initial allocation)	12,090
Water Transfers/ Exchanges	0
SWP Carryover + Backed Up Water (Preliminary Estimate)	29,400*
Lake Del Valle (Carryover + 2024 Yield)	7,750
Livermore Valley Groundwater Basin (Operational Storage AF/% Full)	121,000/ 96%
Kern Storage and Recovery Programs	95,600
Total	265,840

* This amount will be reduced to account for the water transfer amount when complete

Groundwater*(See Table 3 and Figure 5)*

- Zone 7 wellfield pumping was 380 AF, making up 22% of the treated supply.
- Groundwater basin overflow on the west side of the Livermore Valley Groundwater Basin was estimated at 0 AF.
- The Livermore Valley Groundwater Basin comprises four subbasins. The Basin's estimated maximum storage capacity is 254,000 AF, which includes the capacity below the Minimum Thresholds established in the Alternative Groundwater Sustainability Plan. The estimated storage capacity above the Minimum Thresholds (the operational storage) is 126,000 AF. Currently, the Basin is at approximately 96% of its storage capacity above minimum thresholds.(121,000 AF out of 126,000 AF).
 - It is important to note that all of the operational storage is accessible with Zone 7's existing wells as the groundwater production facilities can only access certain subbasins and 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 certain wells.
 - In February, Zone 7 updated its estimated groundwater basin storage estimates based on the results of recent groundwater level measurements and the 2023 hydrologic inventory. With this new data, Zone 7 issued retroactive corrections to estimated groundwater calculations previously reported.
- Zone 7 did not make releases for artificial recharge in February as natural flow exists.

Local Surface Water*(See Table 3 and Figure 6)*

- Zone 7's (preliminary) water storage in Lake Del Valle at the end of February is approximately 7,750 AF.
- In February, DWR released approximately 11,200 AF from Lake Del Valle to Arroyo Valle.

Stream Outflow*(See Table 3)*

- Surface runoff exceeded the 10 cubic feet per second (CFS) baseflow at the Arroyo de la Laguna at the Verona stream gauge for the entire month of February, resulting in a stream outflow of 20,440 AF.

Note: some surface flows out of the Livermore-Amador Valley are mandated for other downstream purposes.

Local Precipitation*(See Figure 7)*

- 3.44 inches of precipitation were recorded at Livermore Airport in February.
- Thus far in Water Year 2024, Livermore has received 10.12 inches of rain, or 97% of the average for Water Year to Date.

Sierra Precipitation*(See Figure 8)*

- 12.0 inches of precipitation was recorded in the Northern Sierras in February. The historical average precipitation in February is 8.9 inches.
- Cumulative precipitation in the Northern Sierra for Water Year 2024 is 32.8 inches or 91% of the seasonal average to date.

Sierra Snowpack*(See Figure 9)*

- Snowpack in the Northern Sierras is 80% of the average for February 29 at 23.1 inches of snow water equivalent.

Lake Oroville*(See Figure 10)*

- Lake Oroville was at 83% of total capacity (132% of average) as of February 29.
 - Storage: 2,962,120 AF
 - Storage as a percentage of total capacity increased by 7% over the month of February.

San Luis Reservoir*(See Figure 11)*

- San Luis Reservoir was at 68% capacity (85% of average) as of February 29.
 - Storage: 1,394,673 AF
 - SWP's share of storage is approximately 474,000 AF
 - Storage as a percentage of total capacity increased 7% over the month of February.

NOTE: Numbers presented are estimated and subject to refinement over the course of the year.

Table 2: Quarterly Water Inventory

Water Inventory for Zone 7 Water Agency

Note: Values are rounded. All units in AF unless noted otherwise. Subject to adjustment over the year.

	2023 <i>Jan-Dec</i>	2024 - YTD <i>Jan-Dec</i>
Source		
Incoming Supplies		
State Water Project (SWP) - Table A	47,376	0
State Water Project - Article 21	2,360	0
Lake Del Valle Local Water	4,310	100
Water Transfers/Exchanges ¹	-1,000	0
Subtotal	53,046	100
From Storage		
State Water Project - Carryover	1,630	3,170
Livermore Valley Groundwater Basin	1,670	640
Kern Storage and Recovery Programs	0	0
Subtotal	3,300	3,810
Total Supply	56,346	3,910
Water Use		
Customer Deliveries		
Treated Water Demand ²	34,060	3,560
Untreated Water Demand	4,870	50
Subtotal	38,930	3,610
To Storage		
Livermore Valley Groundwater Basin Recharge	8,850	300
Kern Storage and Recovery Programs	10,000	0
Subtotal	18,850	300
Total Water Use	57,780	3,910
Available Water Supplies		
Incoming Supplies	End-of-2023	
SWP - Table A (%)	100%	15%
SWP - Table A Remaining	33,200	0
Water Transfers/Exchanges ¹	-1,000	0
Subtotal	32,200	0
Storage Balance	End-of-2023	
SWP Carryover + Backed Up Water ³	32,200	29,030
Lake Del Valle Local Water	5,000	8,150
Livermore Valley Groundwater Basin ⁴	118,500	120,900
Kern Storage and Recovery Programs	95,600	95,600
Subtotal	251,300	253,680
Total Available Water	283,500	253,680
Watershed Conditions	End-of-2023	
Precipitation at Livermore Station (in)	13.8	6.93
Lake Del Valle Local Water Net Yield	2,300	3,250
Measured Change in Groundwater Basin Storage	17,700	2,400
Surface Water Outflow ⁵	166,810	25,990

¹ In 2023, Zone 7 executed a transfer agreement with the Westside Districts

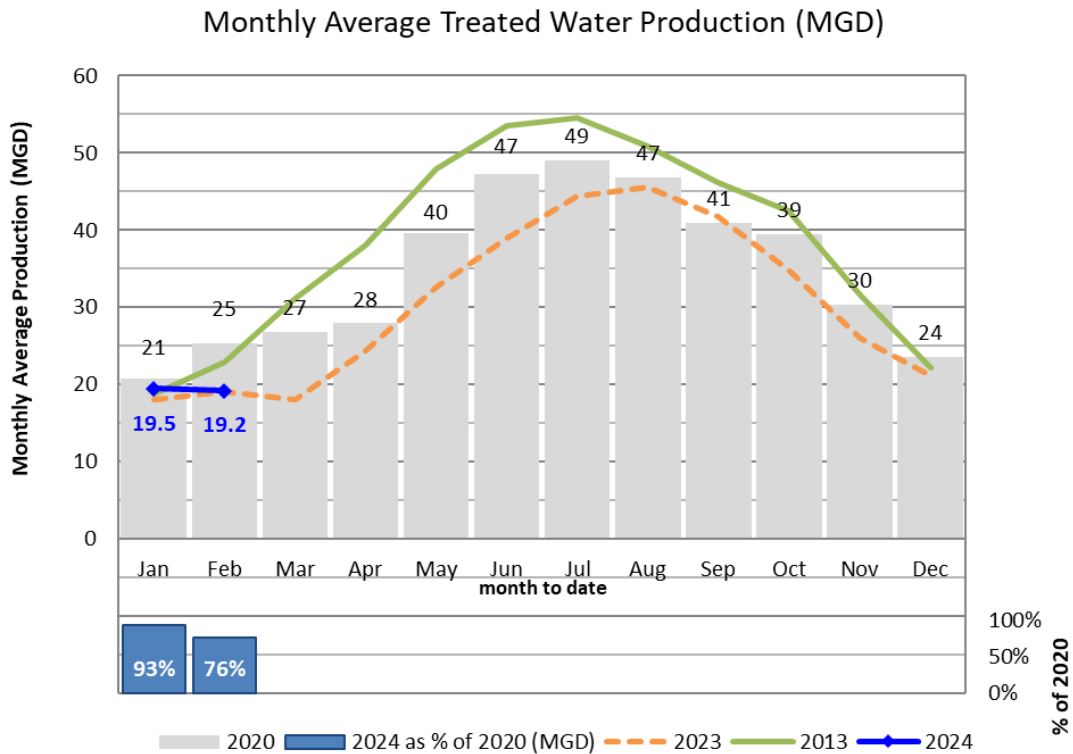
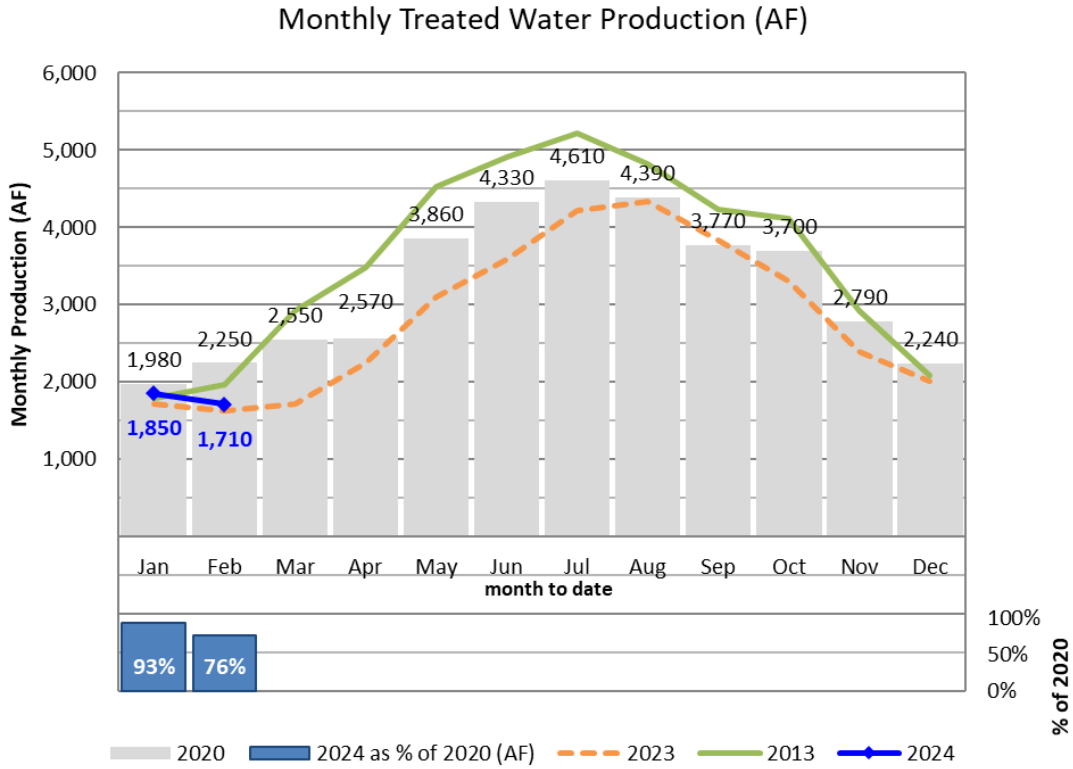
² Includes a small amount of unaccounted-for water.

³ Backed Up Water is recovered water from Kern Storage and Recovery Programs that is moved to San Luis Reservoir for storage.

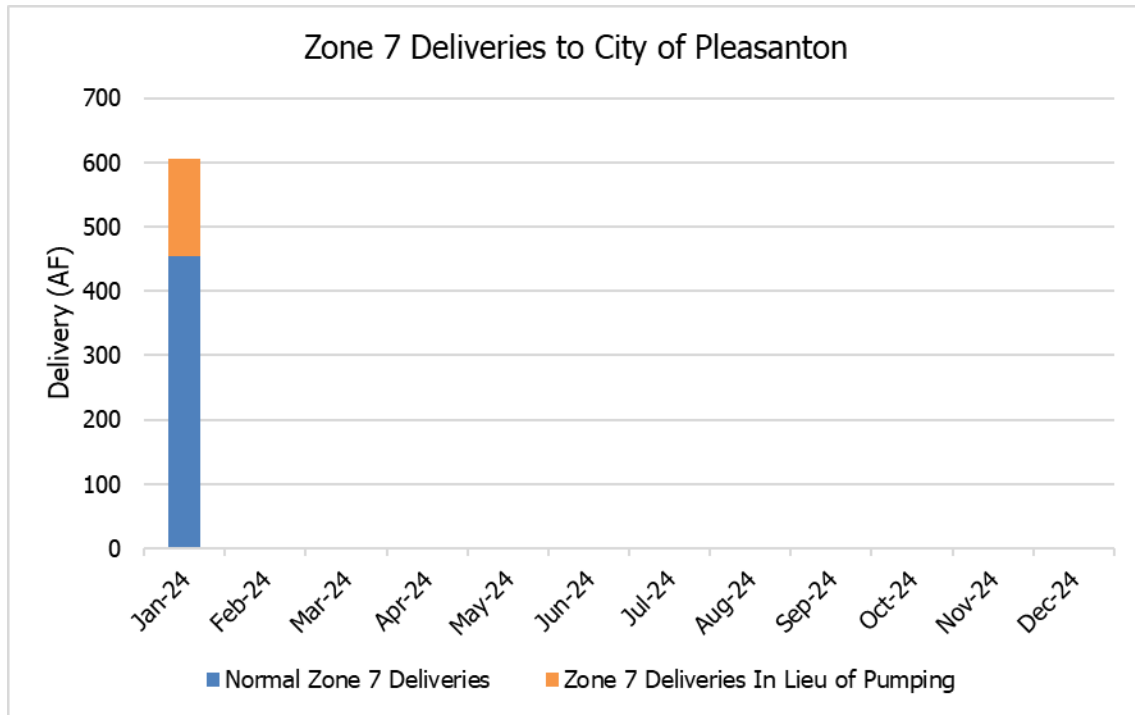
⁴ Storage volume is based on most recent groundwater level data; amount shown excludes 128,000 AF of emergency storage.

⁵ 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)

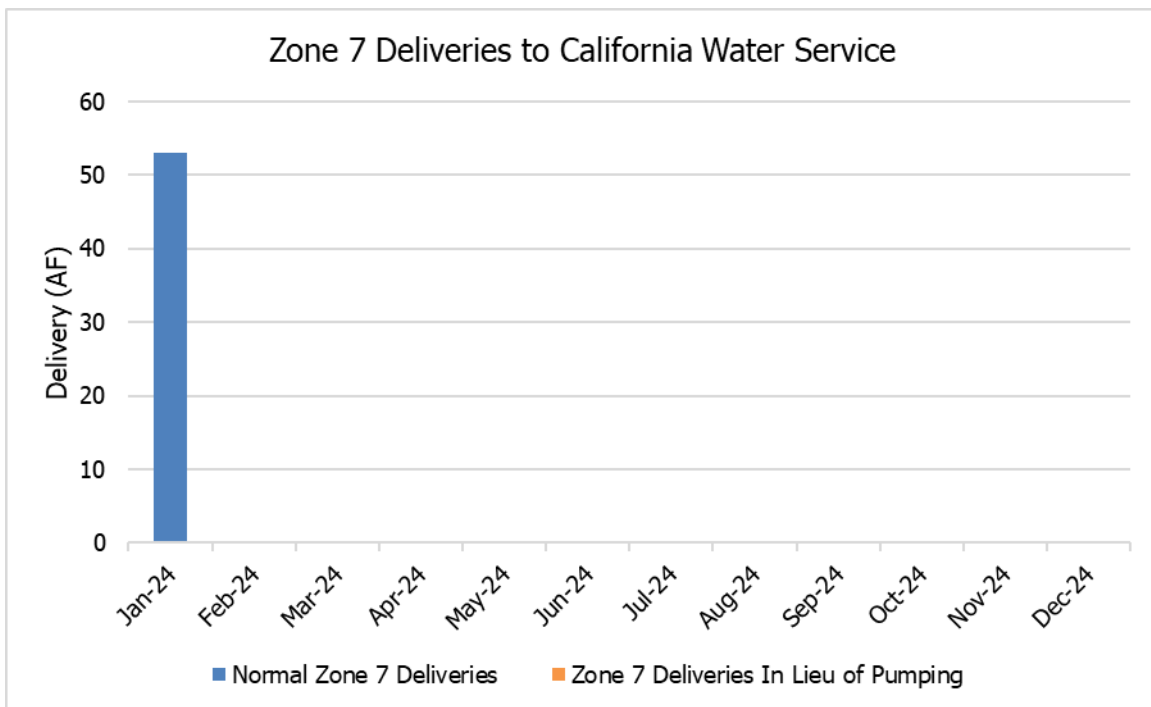


**Figure 2: Pleasanton Estimated In-Lieu Demand
(Based on 2018-2021 Pumping)**



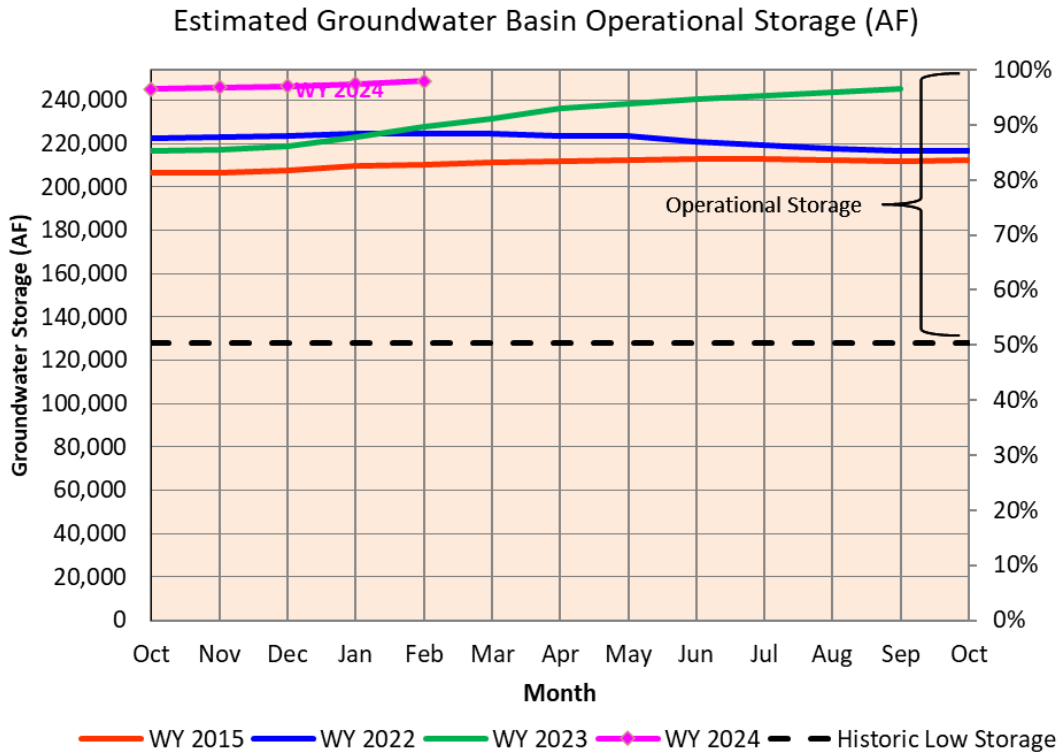
*Pleasanton’s pumping data for February is not yet available and will be reflected in future inventories.

**Figure 3: California Water Service Estimated In-Lieu Demand
(Based on 2018-2021 Pumping)**



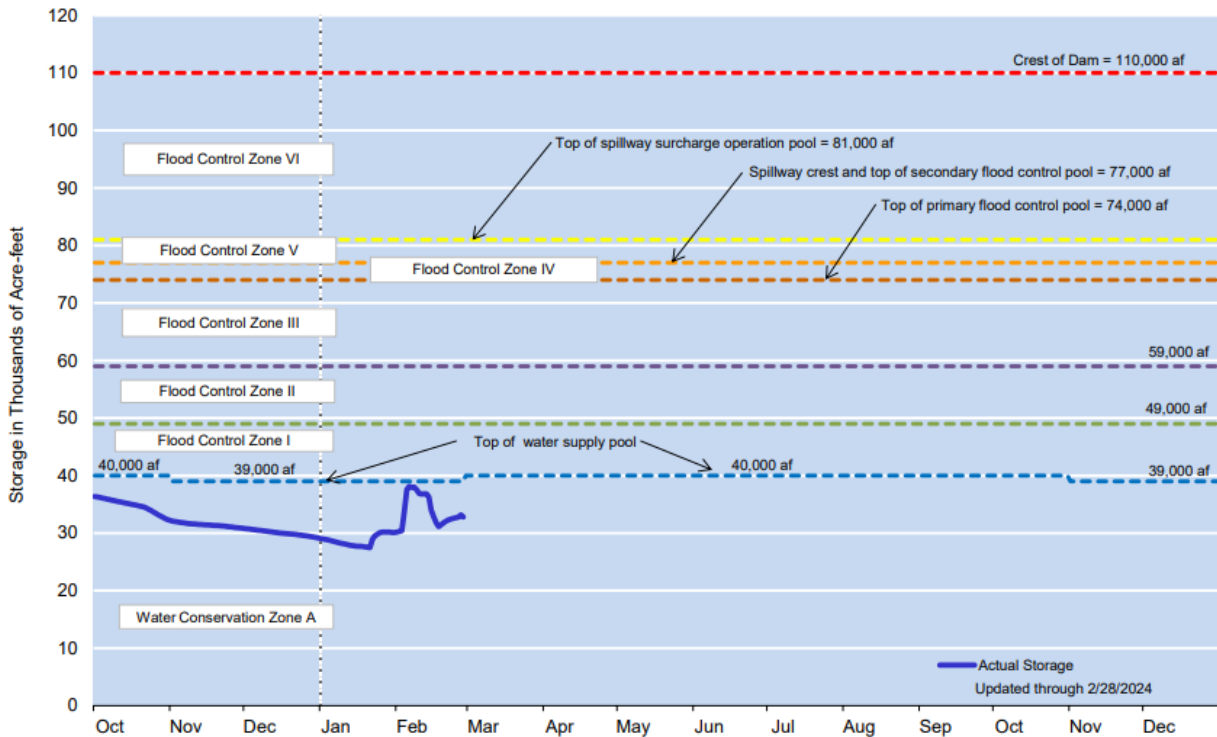
*Cal Water’s pumping data for February is not yet available and will be reflected in future inventories.

Figure 4: Livermore Valley Groundwater Basin Storage*



*The estimated groundwater basin storage represents the combined total storage from all four subbasins.

Figure 5: Lake Del Valle Storage



(Source: <https://water.ca.gov/-/media/DWR-Website/>)

Figure 6: Local Precipitation

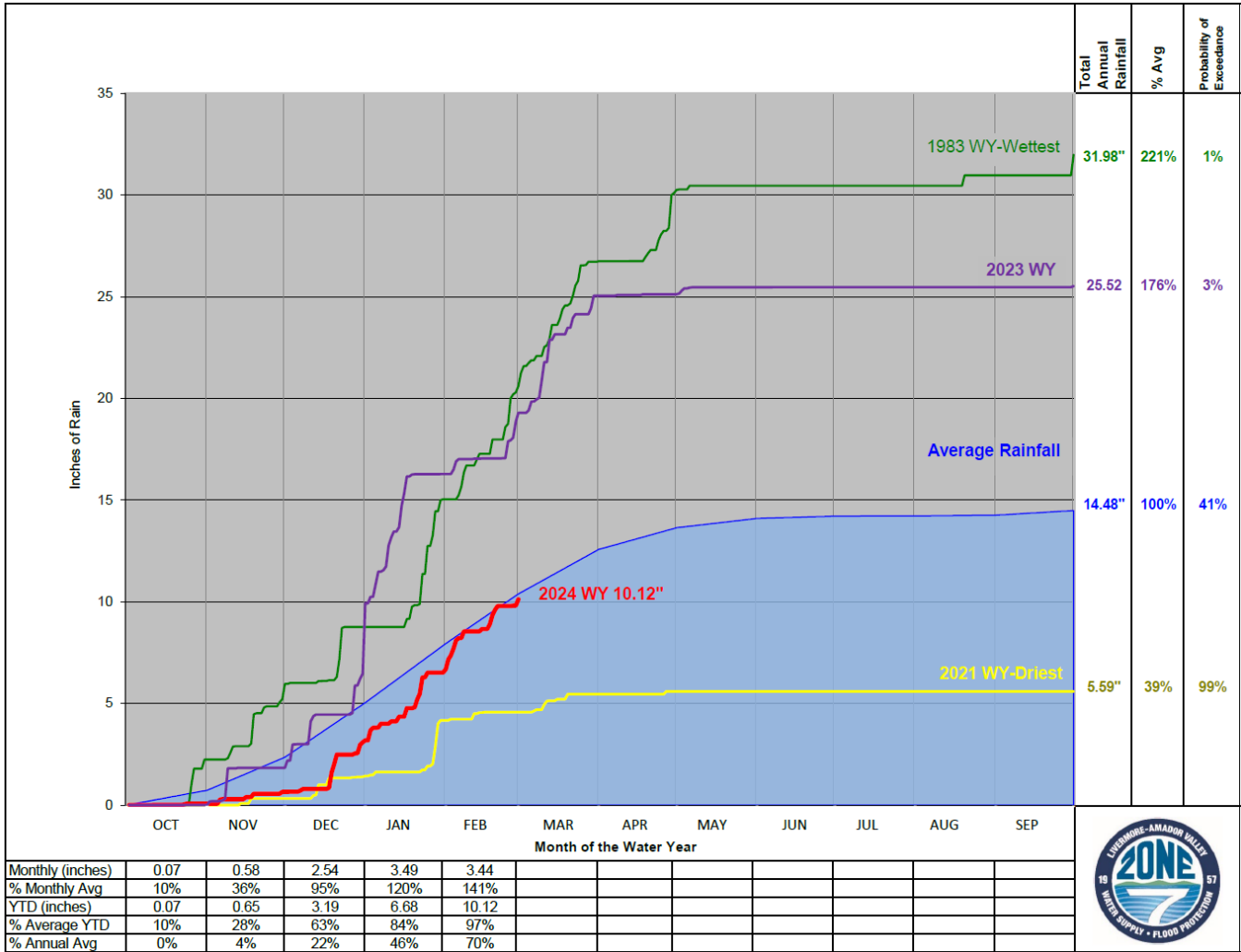
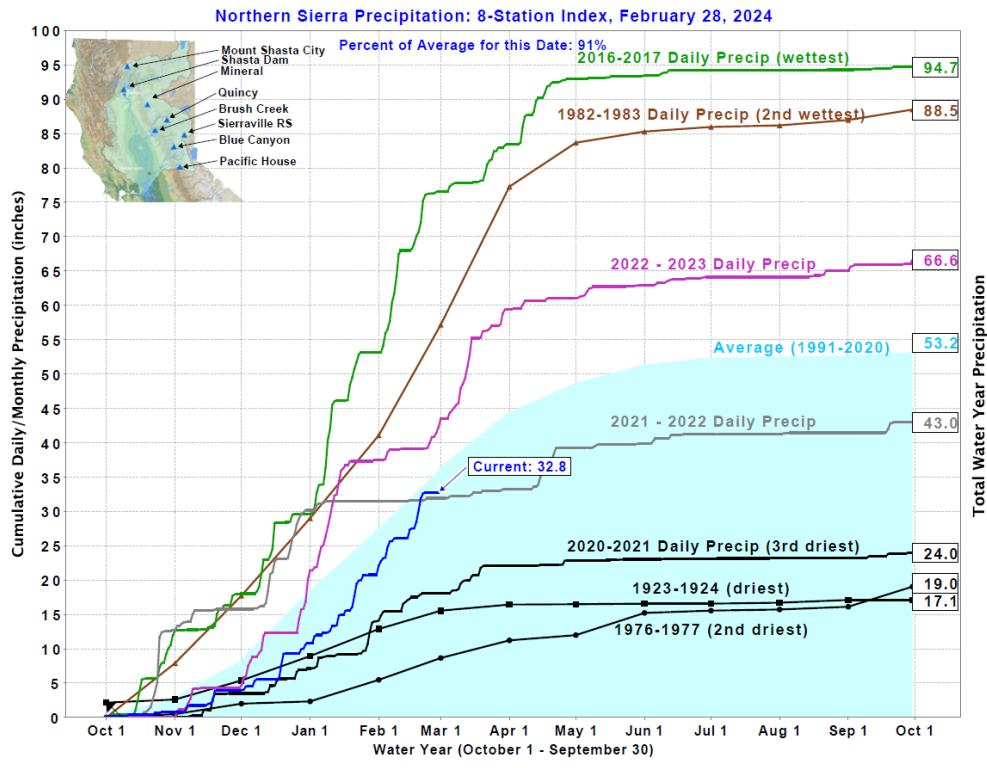


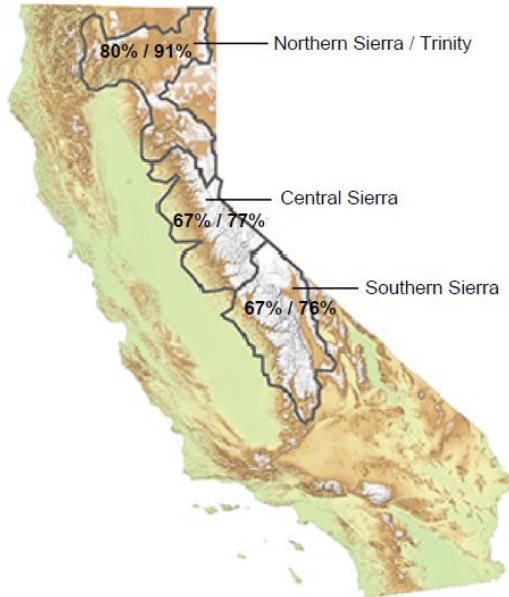
Figure 7: Cumulative Precipitation in the North Sierra



(Source: http://cdec.water.ca.gov/cgi-progs/products/PLOT_ESI.pdf)

Figure 8: Sierra Snowpack

% of April 1 Average / % of Normal for This Date



NORTH	
Data as of February 29, 2024	
Number of Stations Reporting	25
Average snow water equivalent (Inches)	23.1
Percent of April 1 Average (%)	80
Percent of normal for this date (%)	91

CENTRAL	
Data as of February 29, 2024	
Number of Stations Reporting	49
Average snow water equivalent (Inches)	17.9
Percent of April 1 Average (%)	67
Percent of normal for this date (%)	77

SOUTH	
Data as of February 29, 2024	
Number of Stations Reporting	27
Average snow water equivalent (Inches)	15.3
Percent of April 1 Average (%)	67
Percent of normal for this date (%)	76

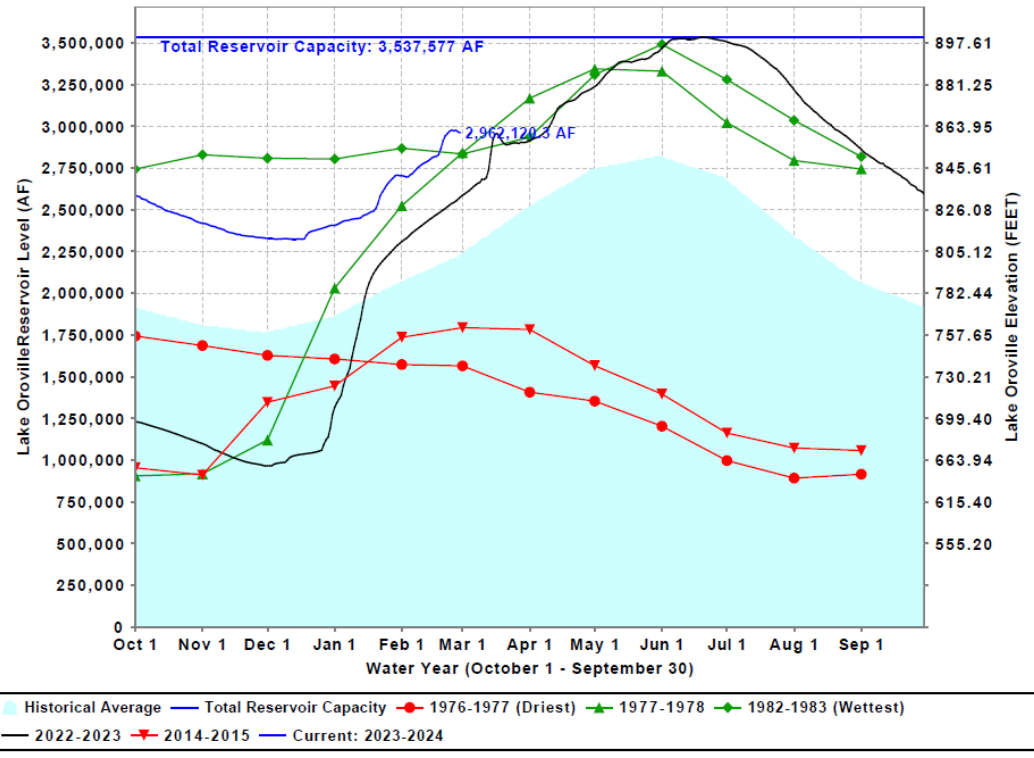
STATE	
Data as of February 29, 2024	
Number of Stations Reporting	101
Average snow water equivalent (Inches)	18.5
Percent of April 1 Average (%)	70
Percent of normal for this date (%)	80

Statewide Average: 70% / 80%

(Source: <https://cdec.water.ca.gov/reportapp/javareports?name=swccond.pdf>)

Figure 10: Lake Oroville Storage

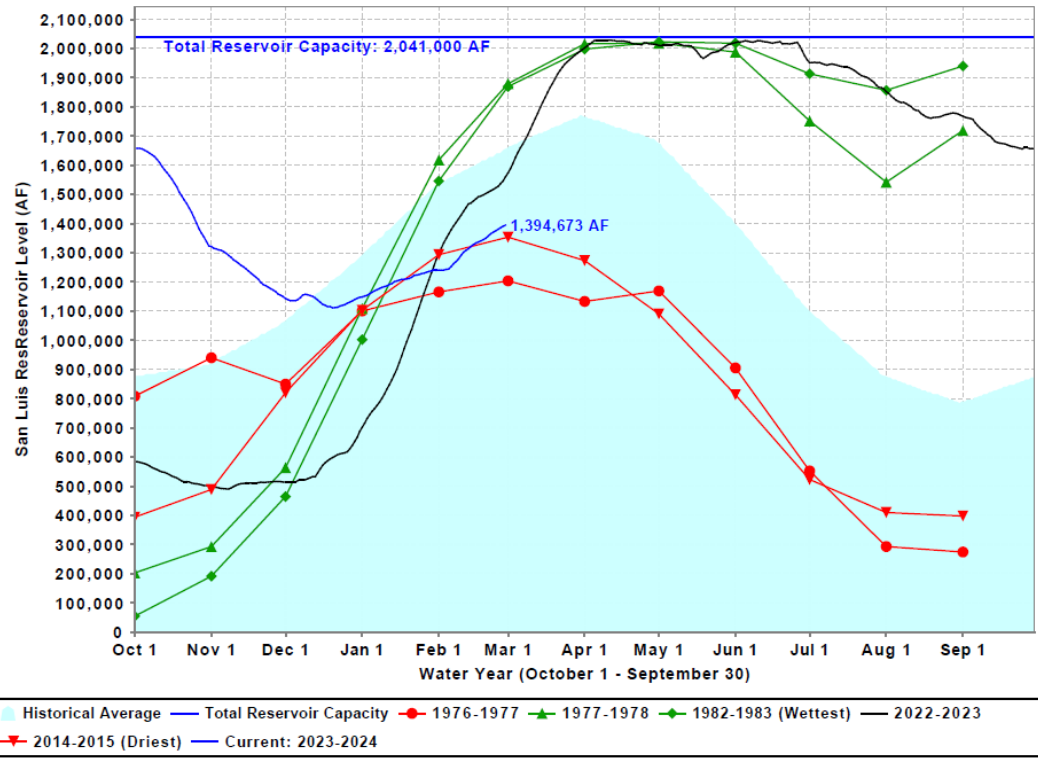
Lake Oroville Levels: Various Past Water Years and Current Water Year, Ending At Midnight February 29, 2024



(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 February 29, 2024



(Source: <https://cdec.water.ca.gov/resapp/ResDetail.action?resid=SNL>)



ORIGINATING SECTION: Office of the General Manager
CONTACT: Carol Mahoney/Valerie Pryor

AGENDA DATE: March 20, 2024

SUBJECT: Legislative Update

SUMMARY:

Zone 7 staff, with the support of Agency consultants, monitors legislation that is being considered in Sacramento, as well as other political and regulatory activities of interest. This item supports Strategic Plan, Goal F – Stakeholder Engagement, engage our stakeholders to foster understanding of their needs, the Agency, and its function. California’s Assembly, Senate, and Committees began the second year of their two-year legislative cycle on January 3, 2024. The attached is the legislative executive summary of bills of potential interest prepared by The Gualco Group, Inc.

Of note this month is the news that Zone 7 was included in the Fiscal Year 2024 federal budget appropriations package that was signed by the President on March 9, 2024. Zone 7 has been recommended to receive \$959,752 out of the EPA’s State and Tribal Government (STAG) Community Grants Program for the Chain of Lakes PFAS Treatment Facility.

FUNDING:

N/A

RECOMMENDED ACTION:

Information only.

ATTACHMENT:

Gualco Legislative Executive Summary – for March 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 03/07/2024
BROWN ACT LEGISLATION				
<u>AB 817 (Pacheco)</u>	Open meetings: teleconferencing: subsidiary body	This bill, until January 1, 2026, would authorize a subsidiary body, as defined, to use similar alternative teleconferencing provisions and would impose requirements for notice, agenda, and public participation, as prescribed. In order to use teleconferencing pursuant to this act, the bill would require the legislative body that established the subsidiary body by charter, ordinance, resolution, or other formal action to make specified findings by majority vote, before the subsidiary body uses teleconferencing for the first time and every 12 months thereafter.	Watch	Senate Committee on Rules
<u>AB 2302 (Addis)</u>	Open meetings: local agencies: teleconferences	Current law imposes prescribed restrictions on remote participation by a member under alternative teleconferencing provisions, including establishing limits on the number of meetings a member may participate in solely by teleconference from a remote location, prohibiting such participation for a period of more than 3 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	Assembly Committee on Local Government

[SB 537](#)
[\(Becker\)](#)

**Open meetings:
multijurisdictional,
cross-county
agencies:
teleconferences**

Provides if a member of a legislative body of a local agency shows "just cause," including for a childcare or caregiving need of a relative that requires the member to participate remotely. This bill would expand the circumstances of "just cause" to apply to the situation in which an immunocompromised child, parent, grandparent, or other specified relative requires the member to participate remotely.

Watch

Assembly Floor –
Inactive File

GENERAL

[AB 1211](#)
[\(Mathis\)](#)

**Safe Drinking Water
State Revolving
Fund: internet
website information:
updates**

Current law requires the State Water Resources Control Board, at least once every 2 years, to post information on its internet website regarding implementation of the Safe Drinking Water State Revolving Fund Law and expenditures from the Safe Drinking Water State Revolving Fund, as specified This bill would require the board to post the information at least annually.

Watch

Senate
Committee on
Environmental
Quality

[AB 1828](#)
[\(Waldron\)](#)

**Personal income
taxes: voluntary
contributions:
Endangered and Rare
Fish, Wildlife, and
Plant Species
Conservation and
Enhancement
Account: Native
California Wildlife
Rehabilitation
Voluntary Tax
Contribution Fund:
covered grants.**

Current law, until January 1, 2025, allows an individual taxpayer to contribute amounts in excess of the taxpayer's personal income tax liability for the support of specified funds and accounts, including, among others, to the Endangered and Rare Fish, Wildlife, and Plant Species Conservation and Enhancement Account, a continuously appropriated account established in the Fish and Game Preservation Fund, or until December 1 of a calendar year that the Franchise Tax Board determines the amount of contributions estimated to be received will not at least equal the minimum contribution amount of \$250,000. This bill would extend the operability of the taxpayer contribution described above until the sooner of January 1, 2032, or until December 1 of a calendar year that the Franchise Tax Board determines the amount of contributions estimated to be received will not at least equal the minimum contribution amount of \$250,000.

Watch

Assembly
Committee on
Appropriations

AB 1870
(Ortega)

**Notice to employees:
legal services**

Employers who are subject to the workers' compensation system are generally required to keep posted in a conspicuous location frequented by employees and easily read by employees during the hours of the workday a notice that includes, among other information, to whom injuries should be reported, the rights of an employee to select and change a treating physician, and certain employee protections against discrimination. Current law requires the administrative director to make the form and content of this notice available to self-insured employers and insurers. This bill would require the notice to include information concerning an injured employee ability to consult licensed attorney to advise them of their rights under workers' compensations laws, as specified. The bill would also make technical, nonsubstantive changes to these provisions.

Watch

Assembly
Committee on
Insurance

AB 1957
(Wilson)

**Public contracts:
best value
construction
contracting for
counties**

Current law also authorizes these counties to use a best value construction contracting method to award individual annual contracts, not to exceed \$3,000,000, for repair, remodeling, or other repetitive work to be done according to unit prices, as specified. Current law establishes procedures and criteria for the selection of a best value contractor and requires that bidders verify specified information under oath. Current law requires the board of supervisors of a participating county to submit a report that contains specified information about the projects awarded using the best value procedures described above to the appropriate policy committees of the Legislature and the Joint Legislative Budget Committee before March 1, 2024. Current law repeals the pilot program provisions on January 1, 2025. This bill would instead authorize any county of the state to utilize this program and would remove the January 1, 2025, sunset date, thereby extending the operation of those provisions indefinitely.

Watch

Assembly
Committee on
Local
Government

<u>AB 2285</u> <u>(Rendon)</u>	Environmental protection: 30x30 goal: urban nature-based investments: parity	This bill would encourage the Governor’s office, state agencies, and the Legislature, when distributing resources towards conservation and restoration goals during future budgetary deliberations, to ensure parity in allocations toward urban nature-based investments. The bill would require state funding agencies, including certain state conservancies and the Wildlife Conservation Board, when programming and awarding funds to revise, modify, or amend guidelines as necessary to meet the 30x30 goal, to allow for urban nature-based projects on degraded lands to be eligible and competitive for state funds.	Watch	Set for hearing 03/06/2024 Assembly Committee on Natural Resources
<u>AB 2320</u> <u>(Irwin)</u>	Wildlife Connectivity and Climate Adaptation Act of 2024: wildlife corridors	This bill, the Wildlife Connectivity and Climate Adaptation Act of 2024, would require the Natural Resources Agency, as part of an annual report, to identify key wildlife corridors, as defined, in the state, connections between large blocks of natural areas and habitats, progress on protecting additional acres of wildlife corridors, and goals for wildlife corridor protection in the next 5 years, as provided.	Watch	Assembly Committee on Water, Parks, and Wildlife
<u>SB 908</u> <u>(Cortese)</u>	Public records: legislative records: electronic messages	The bill would prohibit an elected or appointed official or employee of a public agency from creating or sending a public record using a nonofficial electronic messaging system unless the official or employee sends a copy of the public record to an official electronic messaging system, as specified.	Watch	Senate Committee on Rules
<u>SB 1252</u> <u>(Stern)</u>	California Mosquito Surveillance and Research Program	Current law establishes the California Mosquito Surveillance and Research Program, which is administered by the University of California, Davis, and requires the university to maintain an interactive internet website for management and dissemination of data on mosquito borne virus and surveillance control and coordinate with the State Department of Public Health, among other functions, to the extent the program receives federal, state, or private funding for those purposes, as specified. This bill would require the program to consult with partners at the University of California and the California State University about the most up-to-date research pertaining to mosquito abatement.	Watch	Senate Committee on Health

NATURAL RESOURCES BOND

<u>AB 305 (Villapudua)</u>	California Flood Protection Bond Act of 2024	General Obligation Bond - \$4,500,000,000	Watch	Senate Committee on Natural Resources and Water
<u>AB 408 (Wilson)</u>	Climate-resilient Farms, Sustainable Healthy Food Access, and Farmworker Protection Bond Act of 2024	General Obligation Bond - \$3,650,000,000	Watch	Senate Committee on Appropriations
<u>AB 1567 (Garcia)</u>	Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2024	General Obligation Bond - \$15,995,000,000	Watch	Senate Committee on Natural Resources and Water
<u>SB 638 (Eggman)</u>	Climate Resiliency and Flood Protection Bond Act of 2024	General Obligation Bond - \$6,000,000,000	Watch	Assembly Committee on Water, Parks, & Wildlife
<u>SB 867 (Allen)</u>	Drought, Flood, and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and	General Obligation Bond – \$15,500,000,000	Watch	Assembly Committee on Natural Resources

**Outdoor Access, and
Clean Energy Bond
Act of 2024**

UTILITY MANAGEMENT

<u>AB 457</u> <u>(Patterson)</u>	Surplus Land Act: exempt surplus land: leases	Expands the definition of "exempt surplus land" to include a parcel that (1) is identified in the local agency's circulation element or capital improvement program for future roadway development, (2) is no larger than 2 acres, (3) is zoned for retail commercial use, and the use of the parcel is consistent with the underlying zoning, and (4) abuts a state highway right-of-way.	Watch	Held at Senate Desk
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WATER RIGHTS

<u>AB 460</u> <u>(Bauer-Kahan)</u>	State Water Resources Control Board: water rights and usage: interim relief: procedures	Authorizes the State Water Resources Control Board in conducting specified investigations or proceedings to inspect the property or facilities of a person or entity, as specified. The bill would authorize the board, if consent is denied for an inspection, to obtain an inspection warrant, as specified, or in the event of an emergency affecting public health and safety, to conduct an inspection without consent or a warrant.	Watch	Senate Committee on Natural Resources and Water
<u>AB 1272</u> <u>(Wood)</u>	State Water Resources Control Board: drought planning	Would require the State Water Resources Control Board, in consultation with the Department of Fish and Wildlife, to adopt principles and guidelines for diversion and use of water in coastal watersheds, as specified, during times of water shortage for drought preparedness and climate resiliency. The bill would require that the principles and guidelines allow for the development of locally generated watershed-level plans to support public trust uses, public health and safety, and the human right to water in times of water shortage, among other things.	Watch	Held at Senate Desk

[AB 1284](#)
[\(Ramos\)](#)

Tribal ancestral lands and waters: cogovernance and comanagement agreements

This bill would provide that the Legislature encourages the Natural Resources Agency, and its departments, conservancies, and commissions, to enter into cogovernance and comanagement agreements with federally recognized tribes. The bill would authorize the Secretary of the Natural Resources Agency or a delegate to enter into agreements with federally recognized tribes for the purposes of shared responsibility, decision making, and partnership in resource management and conservation within a tribe's ancestral lands and waters, and would require the secretary or a delegate to be the signatory for the state for these agreements.

Watch

Senate
Committee on
Rules

[AB 1563](#)
[\(Bennett\)](#)

Groundwater sustainability agency: groundwater extraction permit: verification

Current law authorizes a groundwater sustainability agency to request of the county, and requires a county to consider, that the county forward permit requests for the construction of new groundwater wells, the enlarging of existing groundwater wells, and the reactivation of abandoned groundwater wells to the agency before permit approval. This bill would instead require a county to forward permit requests for the construction of new groundwater wells, the enlarging of existing groundwater wells, and the reactivation of abandoned groundwater wells to the groundwater sustainability agency before permit approval.

Watch

Senate
Committee on
Governance and
Finance

WATER SUPPLY

[AB 1573](#)
[\(Friedman\)](#)

Water conservation: landscape design: model ordinance

Requires updated model ordinance to include provisions that require that plants included in a landscape design plan be selected based on their adaptability to climatic, geological, and topographical conditions of the project site, as specified. The bill would also exempt landscaping that is part of a culturally specific project, as defined, ecological restoration projects that do not require a permanent irrigation system, mined-land reclamation projects that do not require a permanent irrigation system, and existing plant collections, as part of botanical gardens and arboretums open to the public, from the model ordinance.

Not Favor

Senate Floor

[AB 1827](#)
[\(Papan\)](#)

**Local government:
fees and charges:
water: higher-
consumptive water
parcels**

This bill would provide that the fees or charges for property-related water service imposed or increased, as specified, may include the incrementally higher costs of water service due to specified factors, including the higher water usage demand of parcels. The bill would provide that the costs associated with higher water usage demands, the maximum potential water use, or a projected peak water usage demand may be allocated using any method that reasonably assesses the water service provider's cost of serving those parcels that are increasing potential water usage demand, maximum potential water use, or project peak water use demand.

Watch

Assembly
Committee on
Local
Government

[SB 1110](#)
[\(Ashby\)](#)

**Urban retail water
suppliers:
informational order:
conservation order**

Current law authorizes the State Water Resources Control Board, on and after January 1, 2024, to issue informational orders pertaining to water production, water use, and water conservation to an urban retail water supplier that does not meet its urban water use objective. Current law requires the board to consider certain information in determining whether to issue an informational order. This bill would require the board to additionally consider lower cost actions the water supplier has implemented or will implement in order to help the water supplier achieve overall water supply resiliency in determining whether to issue an informational order.

Watch

Senate
Committee on
Natural
Resources and
Water

[SB 1255](#)
[\(Durazo\)](#)

**Public water
systems: needs
analysis**

Current law requires the State Water Resources Control Board to annually adopt a fund expenditure plan, as provided, and requires expenditures from the fund to be consistent with the fund expenditure plan. Current law requires the state board to base the fund expenditure plan on data and analysis drawn from a specified drinking water needs assessment. This bill would require the state board to develop a needs analysis of the state's public water systems on or before May 1, 2025, and on or before May 1 of each year thereafter.

Watch

Senate
Committee on
Environmental
Quality

SGMA

[AB 828](#)
[\(Connolly\)](#)

Sustainable groundwater management: managed wetlands

The Sustainable Groundwater Management Act requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans, except as specified. Current law defines various terms for purposes of the act. This bill would add various defined terms for purposes of the act, including the terms “managed wetland” and “small community water system.”

Watch

Senate Committee on Rules

[AB 2079](#)
[\(Bennett\)](#)

Sustainable Groundwater Management Act: groundwater basins

The Sustainable Groundwater Management Act authorizes the State Water Resources Control Board to designate a groundwater basin as a probationary basin if the state board makes a certain determination and to develop an interim plan for the probationary basin. The act requires that a local agency or groundwater sustainability agency have 180 days to remedy the deficiency if the board designates the basin as a probationary basin. This bill would make nonsubstantive changes to the latter provision.

Watch

In Print

[SB 1156](#)
[\(Hurtado\)](#)

Groundwater sustainability agencies: financial disclosures

This bill would require members of the executive team, board of directors, and other groundwater management decision makers of groundwater sustainability agencies to annually disclose any economic or financial interests pursuant to the Political Reform Act of 1974 that may reasonably be considered to affect their decision-making related to groundwater management, as provided.

Watch

Set for hearing 04/09/2024
Senate Committee on Natural Resources



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

December 31, 2023

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

Subject: **Investment Report as of December 31, 2023 (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 December 31, 2023. Enclosed with this report is a detailed composition of investments held in Zone 7's name by securities category as of December 31, 2023. 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	\$ 93,070,000	\$ 88,195,591	\$ 90,907,807	64.96%	No Limit	Yes	2.81%
Corporate Bonds (Medium Term Notes)	22,190,000	21,943,711	22,228,173	16.16%	30%	Yes	4.06%
Federal Agency Commercial Mortgage-Backed Security	15,521,233	15,571,603	15,310,781	11.47%	No Limit	Yes	4.94%
Negotiable Certificate of Deposit (CD)	1,350,000	1,324,071	1,380,671	0.98%	30%	Yes	5.08%
Asset-Backed Securities	3,550,000	3,604,457	3,558,424	2.66%	20%	Yes	5.24%
Money Market (1)	5,119,265	5,119,265	5,119,265	3.77%	20%	Yes	5.24%
Total Investments	\$ 140,800,498	\$ 135,758,698	\$ 138,505,121	100%			3.36%
US Bank	4,826,064	4,826,064	4,826,064				
Total Cash & Investments	\$ 145,626,562	\$ 140,584,762	\$ 143,331,185				3.36%

(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 December 31, 2023, the County Treasurer held approximately \$156,813,440 (unaudited) for the Agency. The amount held by the County Treasurer is sufficient to meet all operating cash needs for the Agency within the next six months. Here is a link to the County investment reports: <https://treasurer.acgov.org/treasury/reports.page?>

I hereby certify that, to the best of my actual knowledge, this report includes all investments in the Agency pool investment portfolio and is in conformity with the Agency's current investment policy dated July 1, 2023.

Market value amounts are from PFM Asset Management which provides investment management services for the Agency. U.S. Bank provides the Agency custody services. Book value amounts include premiums or discounts and are adjusted at year end on the general ledger.

Sincerely,

DocuSigned by:

Osborn Solitei

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Osborn Solitei, Treasurer

Attachments:

- Agency Investment Management Portfolio as of December 31, 2023
- PFM Asset Management Investment Performance Review for December 31, 2023

c: Valerie Pryor, General Manager



ZONE 7 WATER AGENCY

Investment Performance Review For the Quarter Ended December 31, 2023

Client Management Team

Monique Spyke, Managing Director
Joseph Creason, Portfolio Manager
Jeremy King, Key Account Manager

PFM Asset Management LLC

1 California Street Ste. 1000
San Francisco, CA 94111-5411
415-393-7270

213 Market Street
Harrisburg, PA 17101-2141
717-232-2723

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

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Market Update

Current Market Themes



- ▶ The U.S. economy is characterized by:
 - ▶ Economic resilience but expectations for a slowdown
 - ▶ Cooling inflation that still remains above the Federal Reserve's ("Fed") target
 - ▶ The labor market coming into better balance
 - ▶ Consumers that continue to support growth through spending



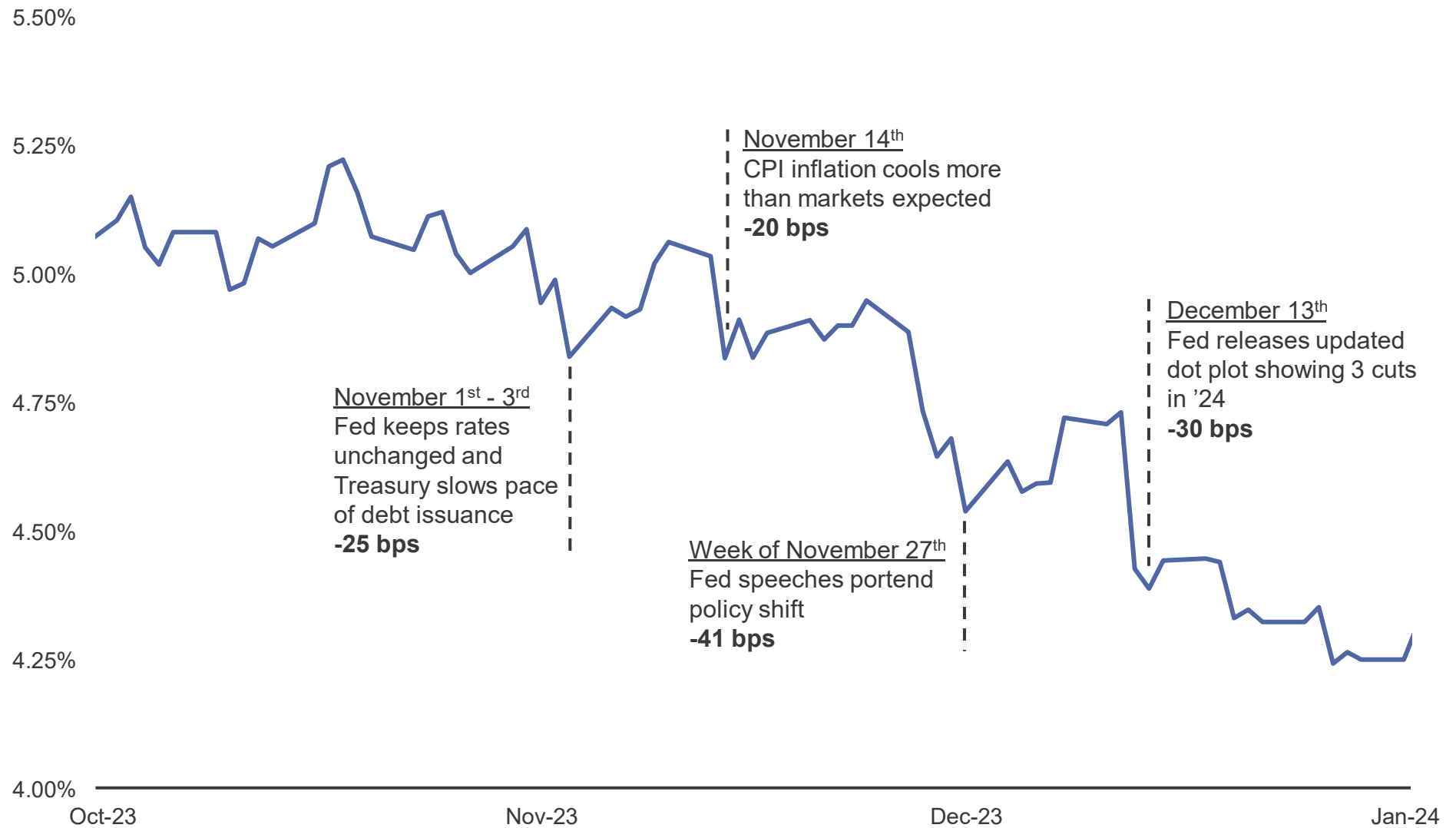
- ▶ Federal Reserve signals end to rate hiking cycle
 - ▶ Fed projected to cut the short-term Fed funds rate by 75 basis points by December 2024, with the overnight rate falling to 4.50% to 4.75%
 - ▶ Markets are pricing a more aggressive 6 rate cuts by year end
 - ▶ Fed officials reaffirm that restoring price stability is the priority



- ▶ Treasury yields ended the quarter materially lower
 - ▶ After peaking in October, yields reversed course on dovish Fed pivot
 - ▶ Yield curve inversion persisted throughout the rally
 - ▶ Credit spreads narrowed sharply on increased expectations for a soft landing

Rates Fall on Softer Inflation and Fed Pivot

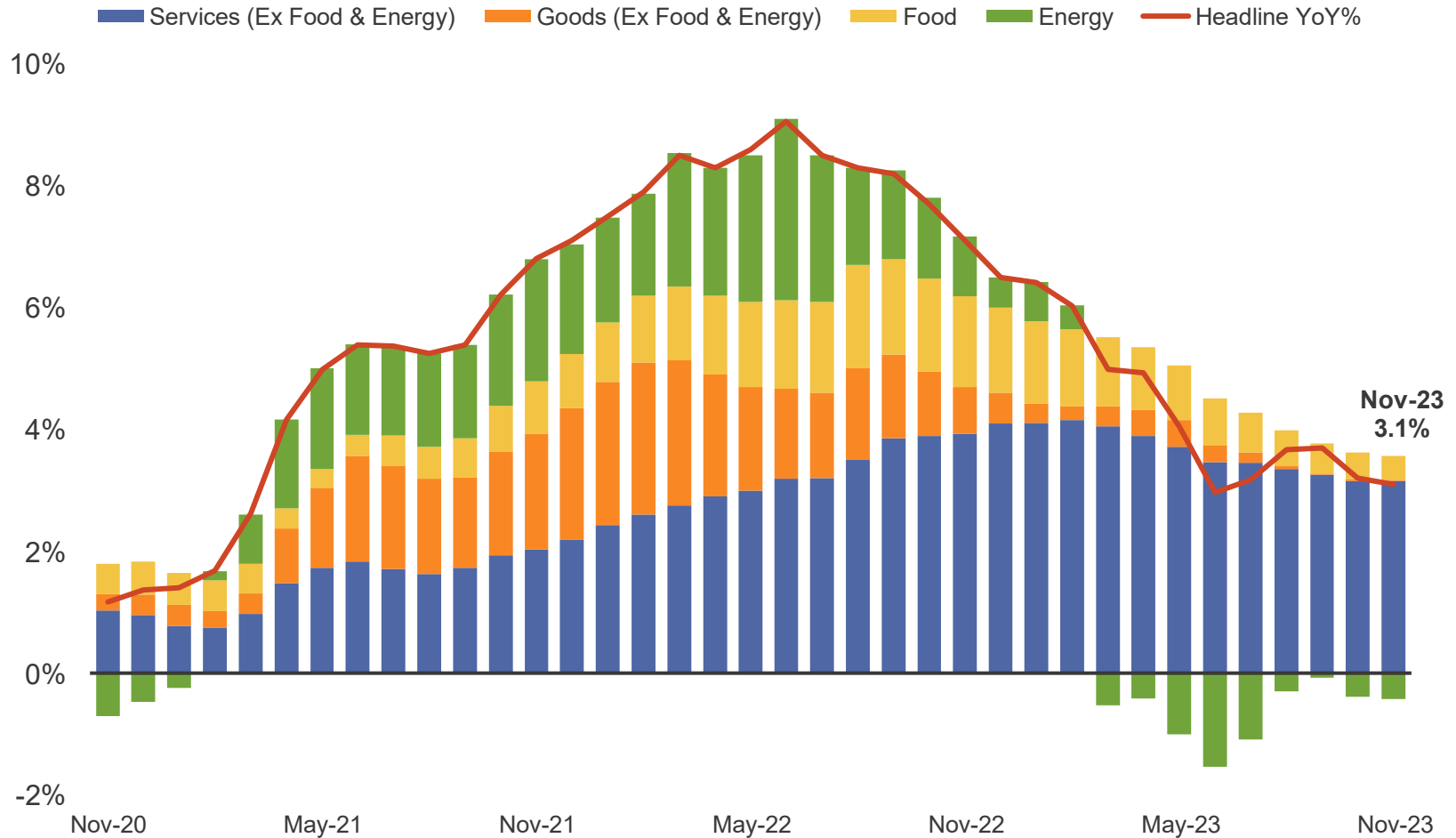
2-Year US Treasury Yield



Source: Bloomberg, as of 12/31/2023.

Inflation Continues to Trend Lower

Consumer Prices (CPI) Year-over-Year Change in Top-Line Contributions



Lower energy and goods prices help to offset increases in wage-driven services costs

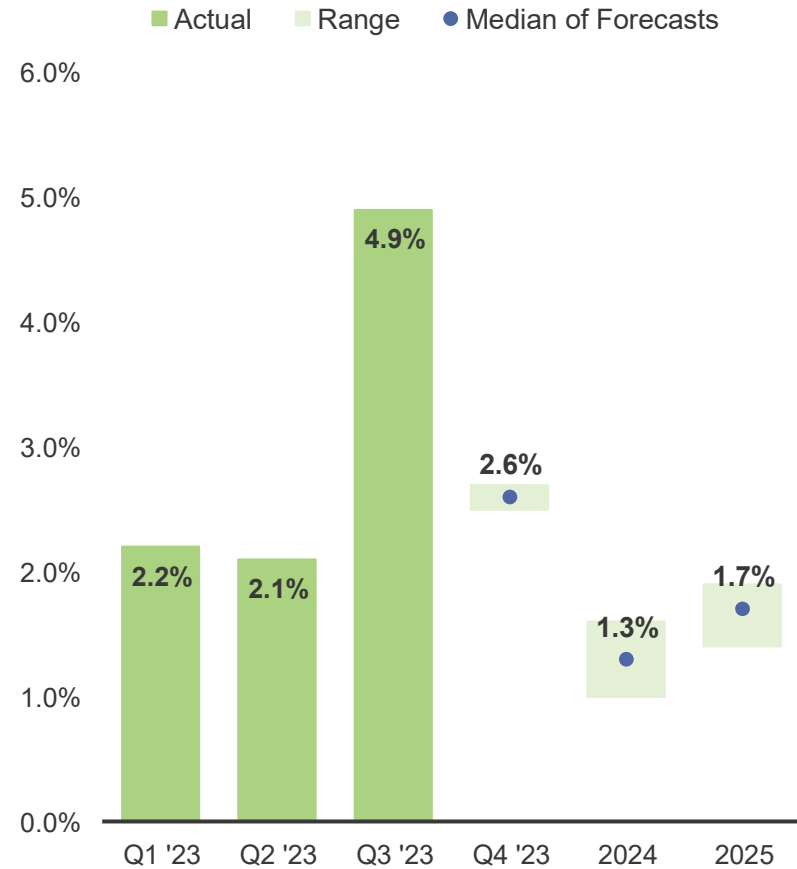
Source: Bloomberg, as of November 2023.

Balanced Risks Support Soft Landing

<i>Employment</i>	○	○	●
<i>Wages</i>	○	○	●
<i>Consumer</i>	○	●	○
<i>Inflation</i>	○	●	○
<i>Housing</i>	●	○	○
<i>Manufacturing</i>	●	○	○
<i>Inverted yield curve</i>	○	●	○
<i>Credit spreads</i>	○	○	●
<i>Fed Policy</i>	○	●	○

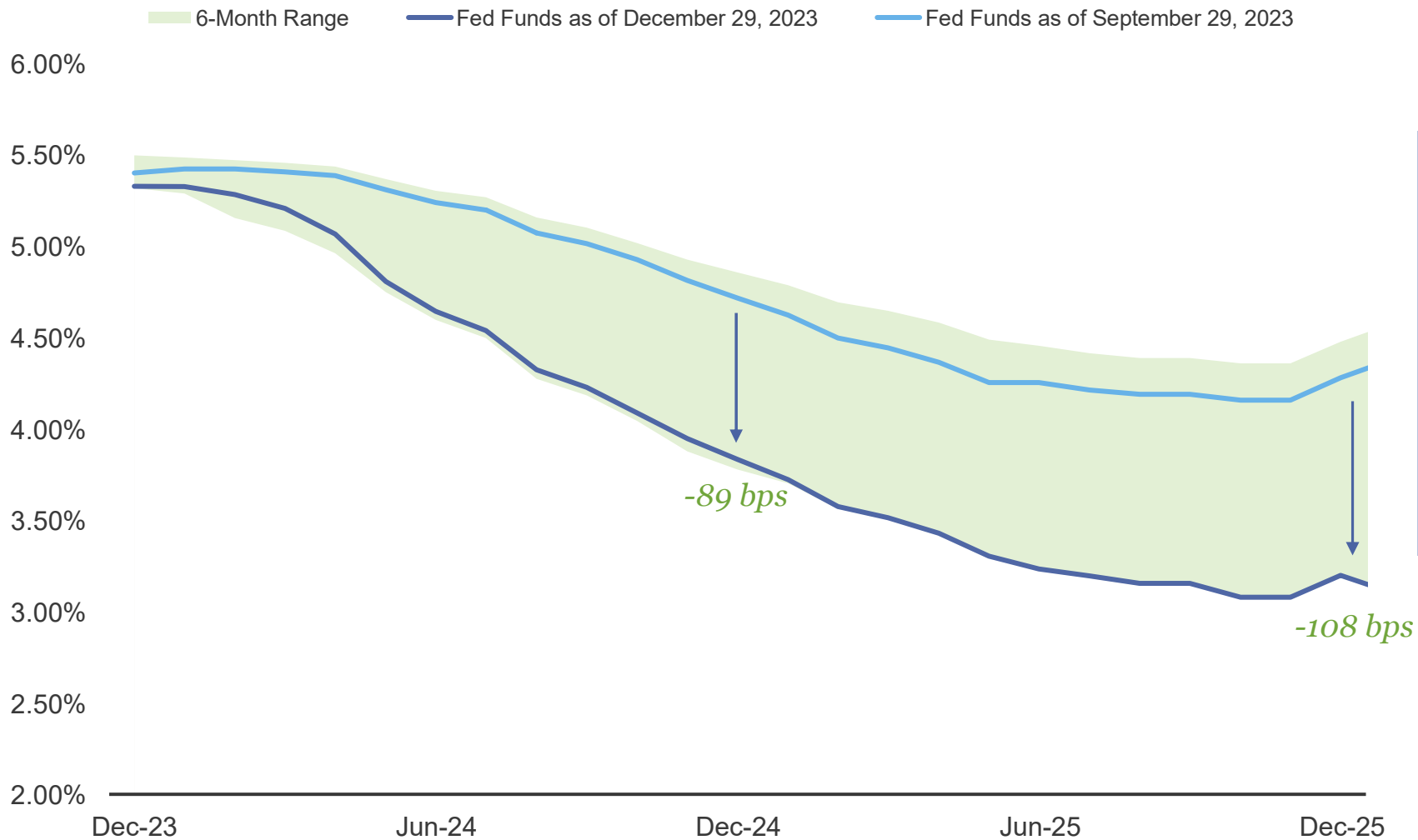
Source: Bloomberg, Economist Forecasts.

U.S. GDP Forecasts Annualized Rate



Market Expects Lower Rates

Implied Fed Funds Rate

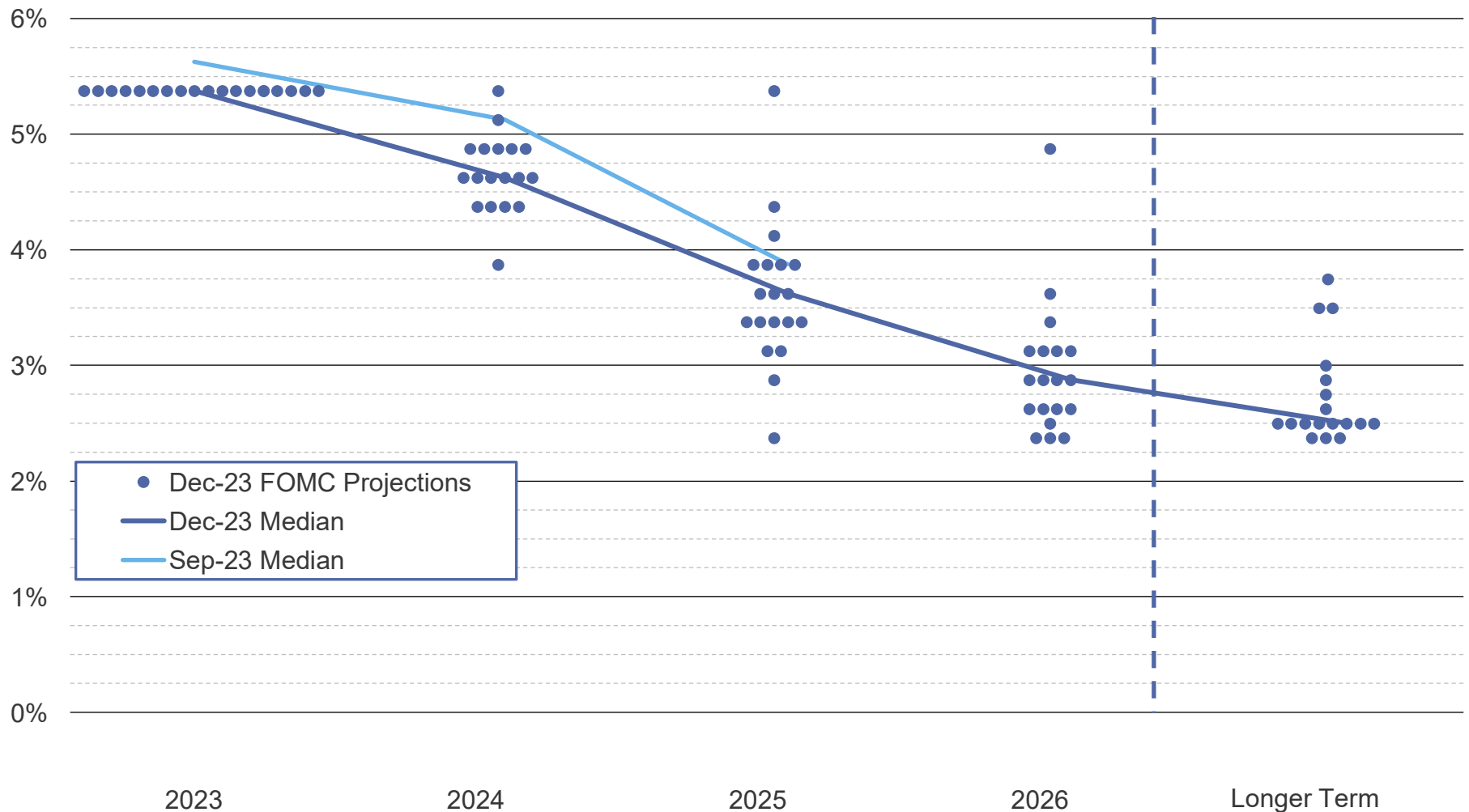


Expectations for Fed Funds have reached their most dovish levels in 6 months in response to falling inflation, Fed pivot, and moderating labor market

Source: Bloomberg, as of December 2023.

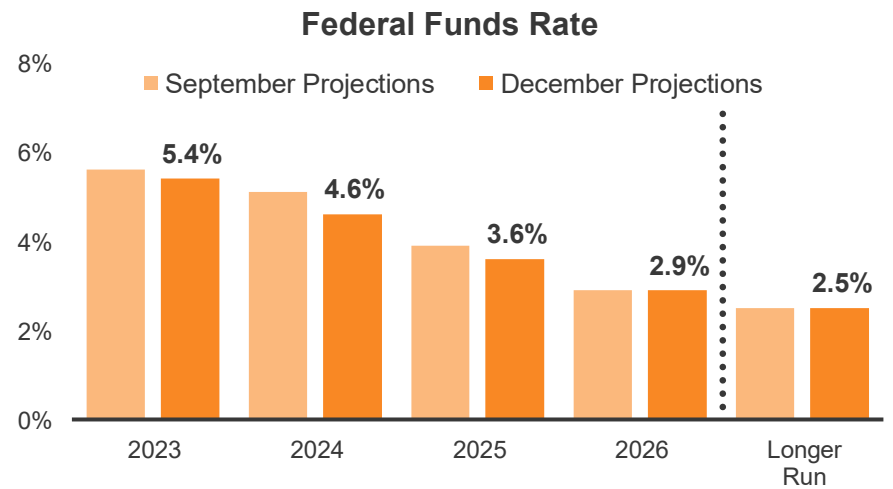
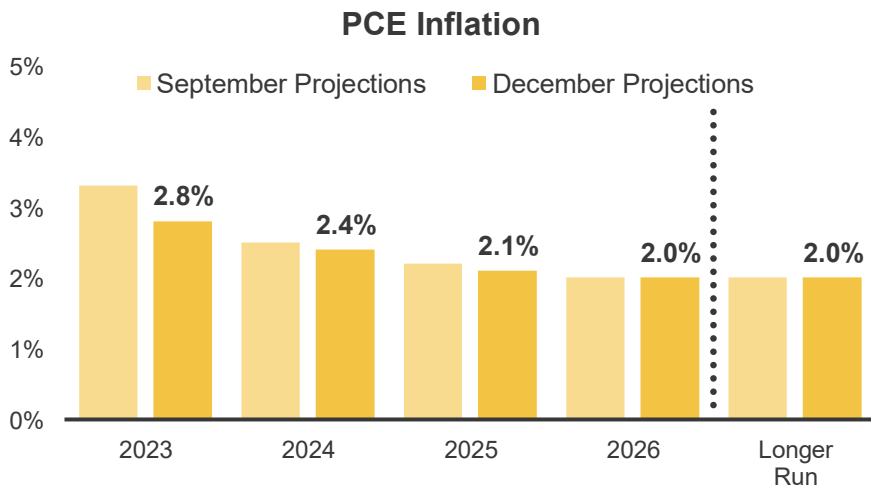
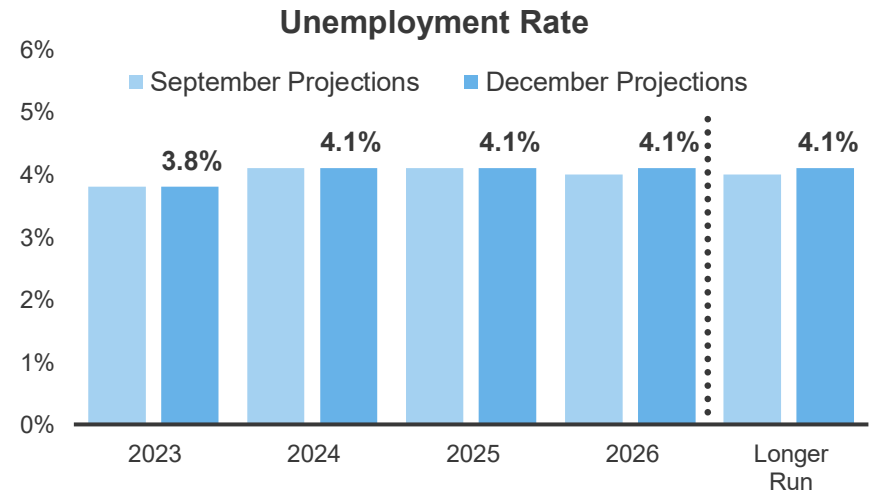
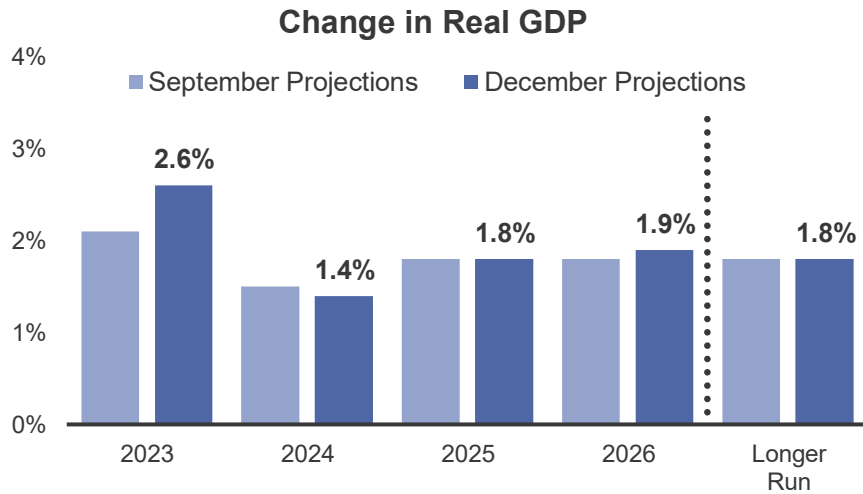
Fed's Updated "Dot Plot" Also Shows Lower Rate Trajectory

Fed Participants' Assessments of 'Appropriate' Monetary Policy



Source: Federal Reserve. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end.

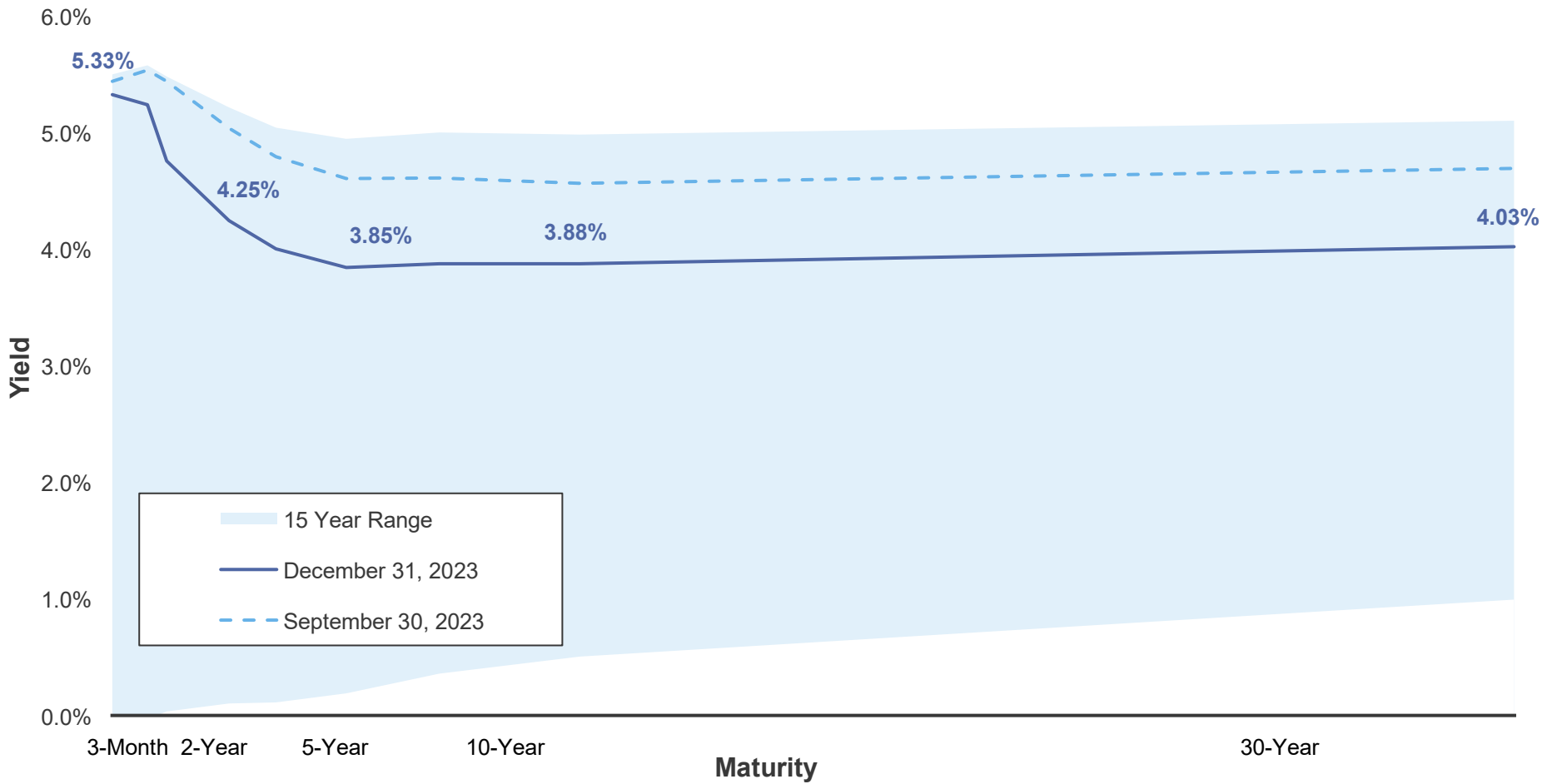
Federal Reserve Projects a Soft Landing



Source: Federal Reserve, latest economic projections as of December 2023.

Interest Rates Moderate but Remain High

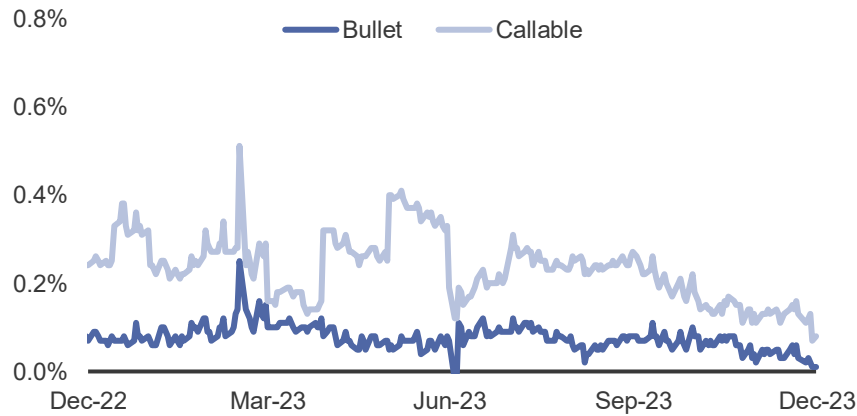
U.S. Treasury Yield Curve



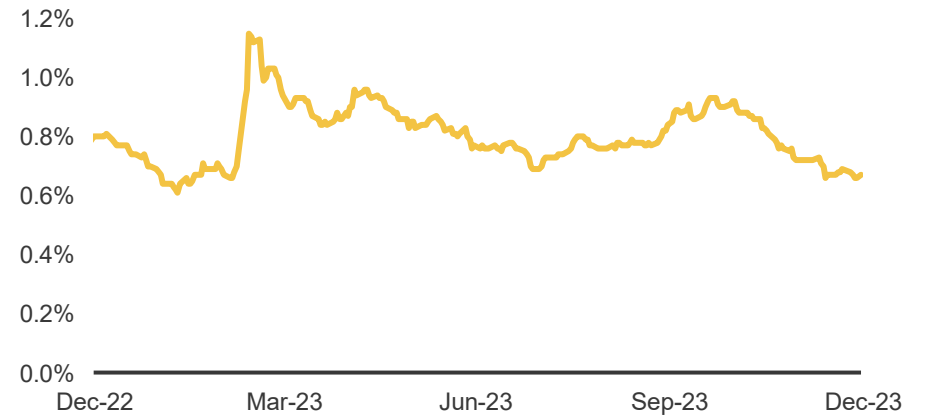
Source: Bloomberg, as of December 31, 2023.

Sector Yield Spreads

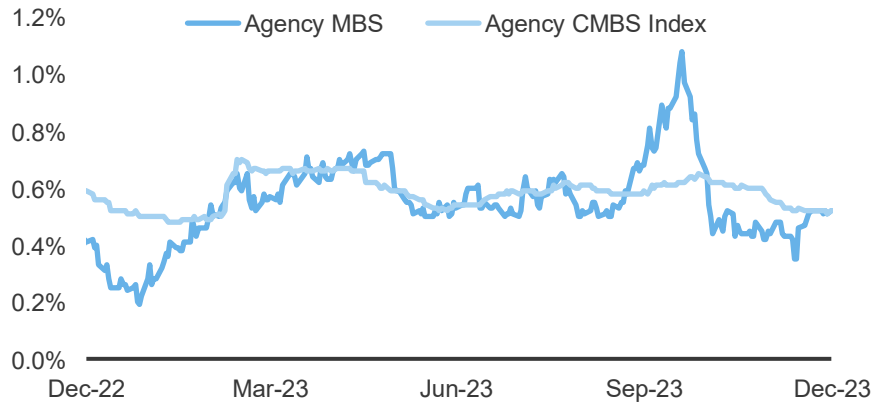
Federal Agency Yield Spreads



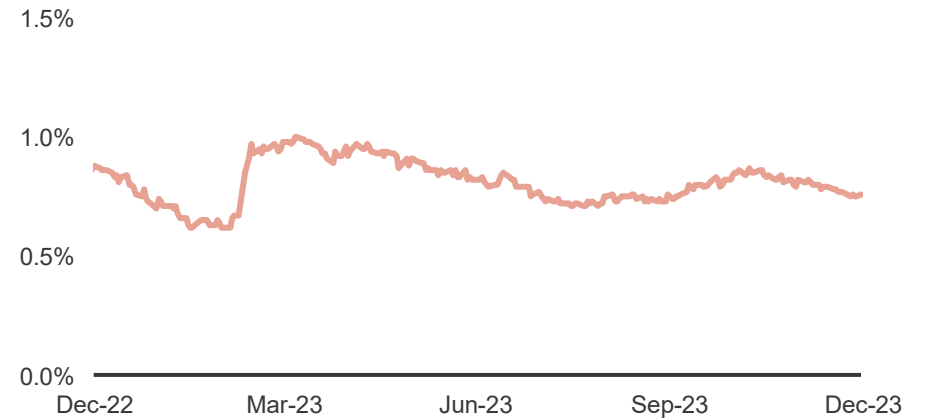
Corporate Notes A-AAA Yield Spreads



Mortgage-Backed Securities Yield Spreads

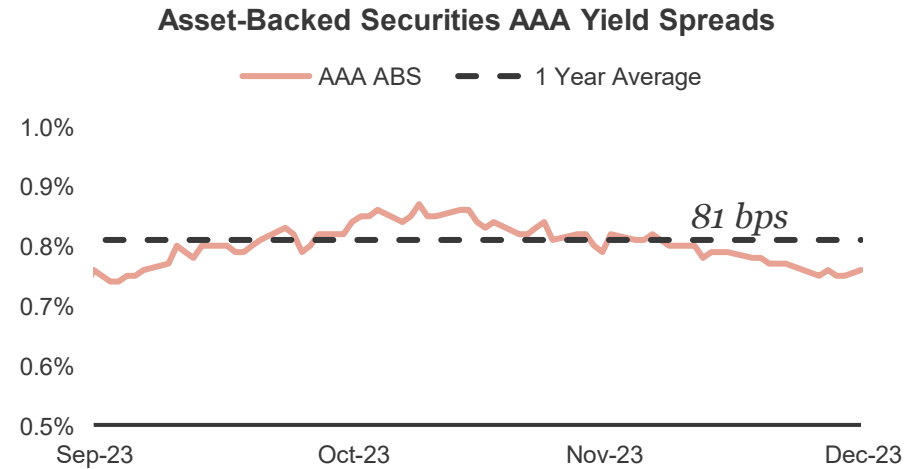
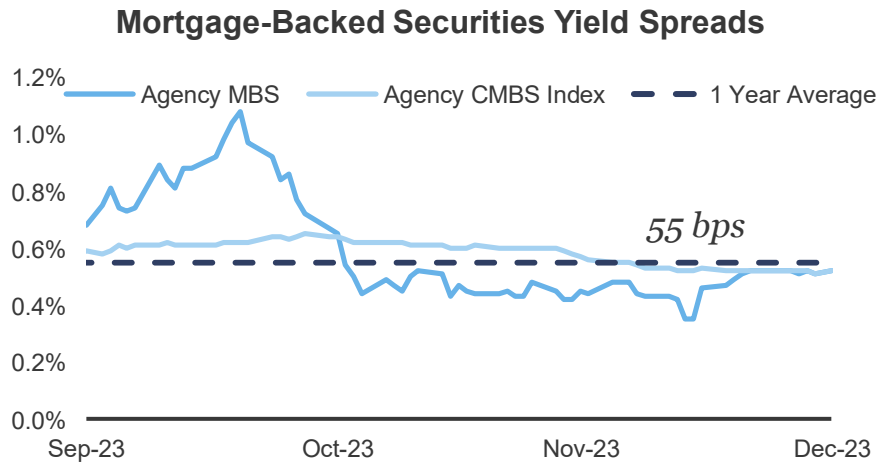
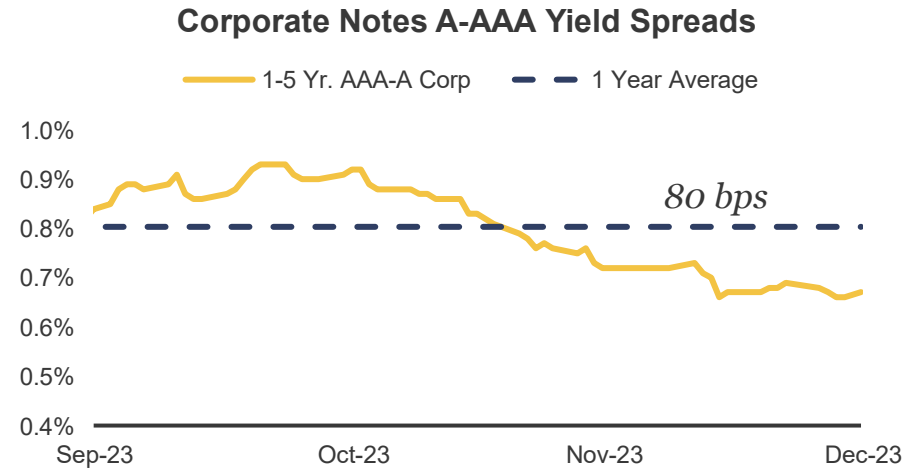
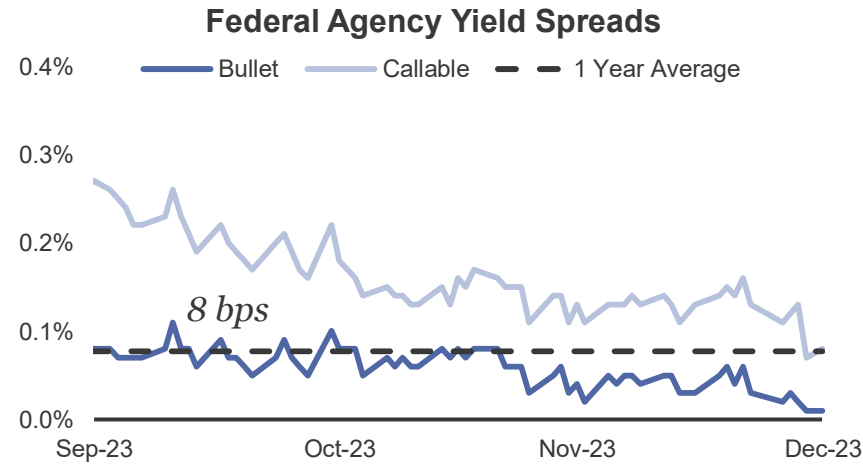


Asset-Backed Securities AAA Yield Spreads



Source: ICE BofA 1-5 year Indices via Bloomberg, MarketAxess and PFMAM as of December 31, 2023. Spreads on ABS and MBS are option-adjusted spreads of 0-5 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

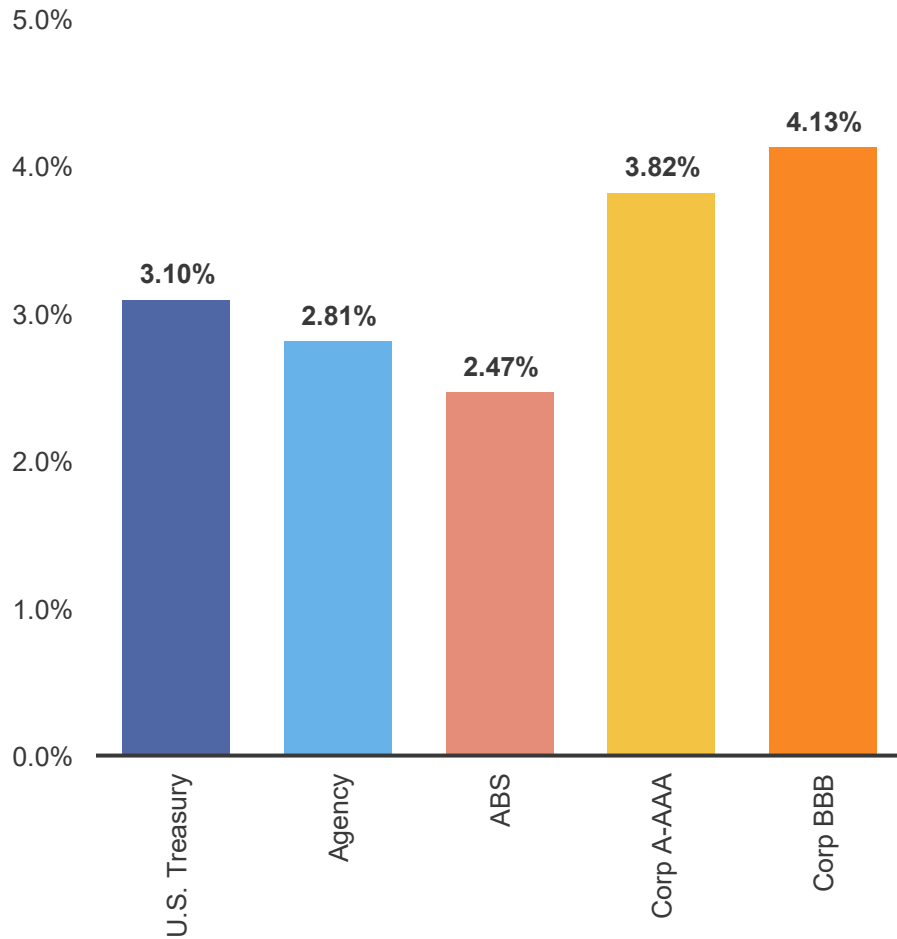


Source: ICE BofA 1-5 year Indices via Bloomberg, MarketAxess and PFMAM as of December 31, 2023. Spreads on ABS and MBS are option-adjusted spreads of 0-5 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities and represented by the ICE BofA Agency CMBS Index.

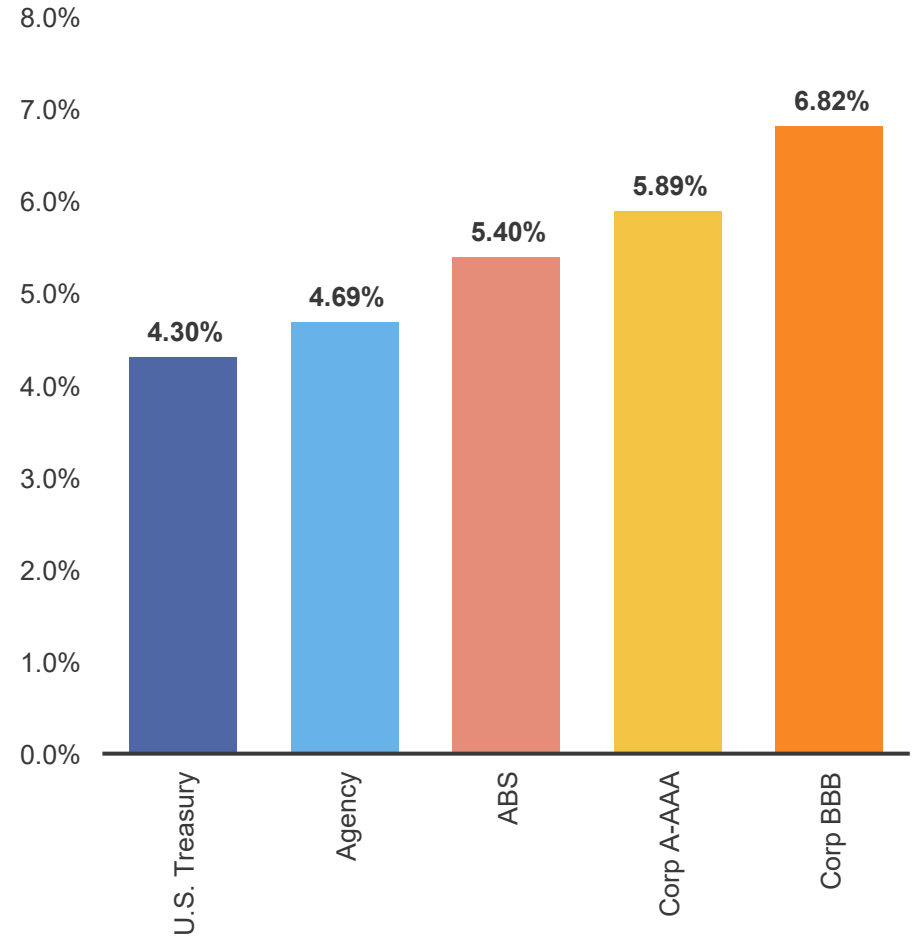
Fixed-Income Markets in 4Q 2023

1-5 Year Indices

1-5 Year Indices Quarterly Returns



1-Year Return



Source: ICE BofA Indices. ABS indices are 0-5 year, based on weighted average life. As of December 31, 2023.

Fixed-Income Sector Commentary – 4Q 2023

- ▶ **U.S. Treasuries** yields are lower by 70-80 basis points over the quarter for maturities greater than one year as markets have now priced five to six rate cuts in 2024. While the curve remains inverted, yield levels remain above their 30-year averages.
- ▶ **Federal agency** spreads remained tight and issuance was light. As a result, value during Q4 was limited. Excess returns of callable structures outperformed bullets as spreads narrowed from historical wides.
- ▶ **Supranational** spreads, similar to agencies, remained low and range-bound on limited supply, favoring opportunities in other sectors.
- ▶ **Taxable Municipal** issuance remained heavily oversubscribed due to a lack of supply. The secondary market had limited opportunities to pick up yield versus similarly-rated corporates.
- ▶ **Investment-Grade Corporates** were one of the best performing fixed-income sectors for both Q4 and calendar year 2023. After a brief broad market de-risking in late September and most of October, the IG corporate sector did an about-face and finished the year with spreads rallying to their lowest levels in over nine months. Strong economic conditions, the increasing perception of a soft landing, and robust demand for the sector fueled the market rally, as longer duration and lower quality issuers outperformed.
- ▶ **Asset-Backed Securities** generated positive excess returns in Q4, although not to the same extent as corporates. While spreads tightened into year-end, the relatively muted rally vs. other non-government sectors possibly underscores the market expectation for modestly weaker consumer fundamentals moving forward. Incremental income from the sector remains attractive and our fundamental outlook for the economy is supportive for the sector.
- ▶ **Mortgage-Backed Securities** were one of the best performing investment grade sectors in Q4 despite a roller coaster pathway. After widening in October to their highest levels since the spring of 2020, spreads proceeded to rally into year-end, finishing near nine-month lows.
- ▶ **Short-term credit** (commercial paper and negotiable CDs) spreads tightened over the quarter and the credit curve flattened modestly. Shorter-term maturities are less attractive and we prefer issuers with maturities between 6 and 12 months.

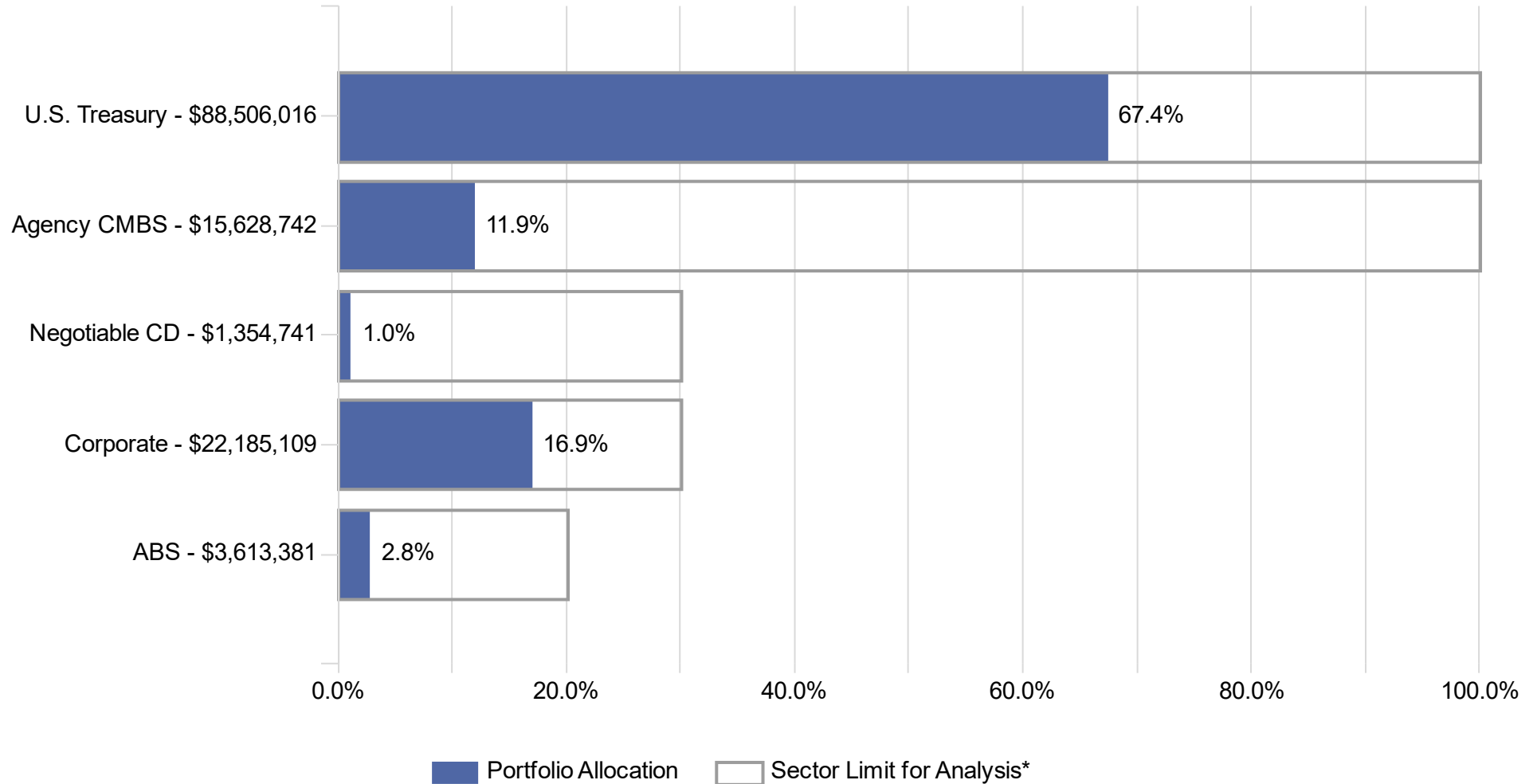
Fixed-Income Sector Outlook – 1Q 2024

Sector	Our Investment Preferences
COMMERCIAL PAPER / CD	
TREASURIES	
T-Bill	
T-Note	
FEDERAL AGENCIES	
Bullets	
Callables	
SUPRANATIONALS	
CORPORATES	
Financials	
Industrials	
SECURITIZED	
Asset-Backed	
Agency Mortgage-Backed	
Agency CMBS	
MUNICIPALS	



Account Summary

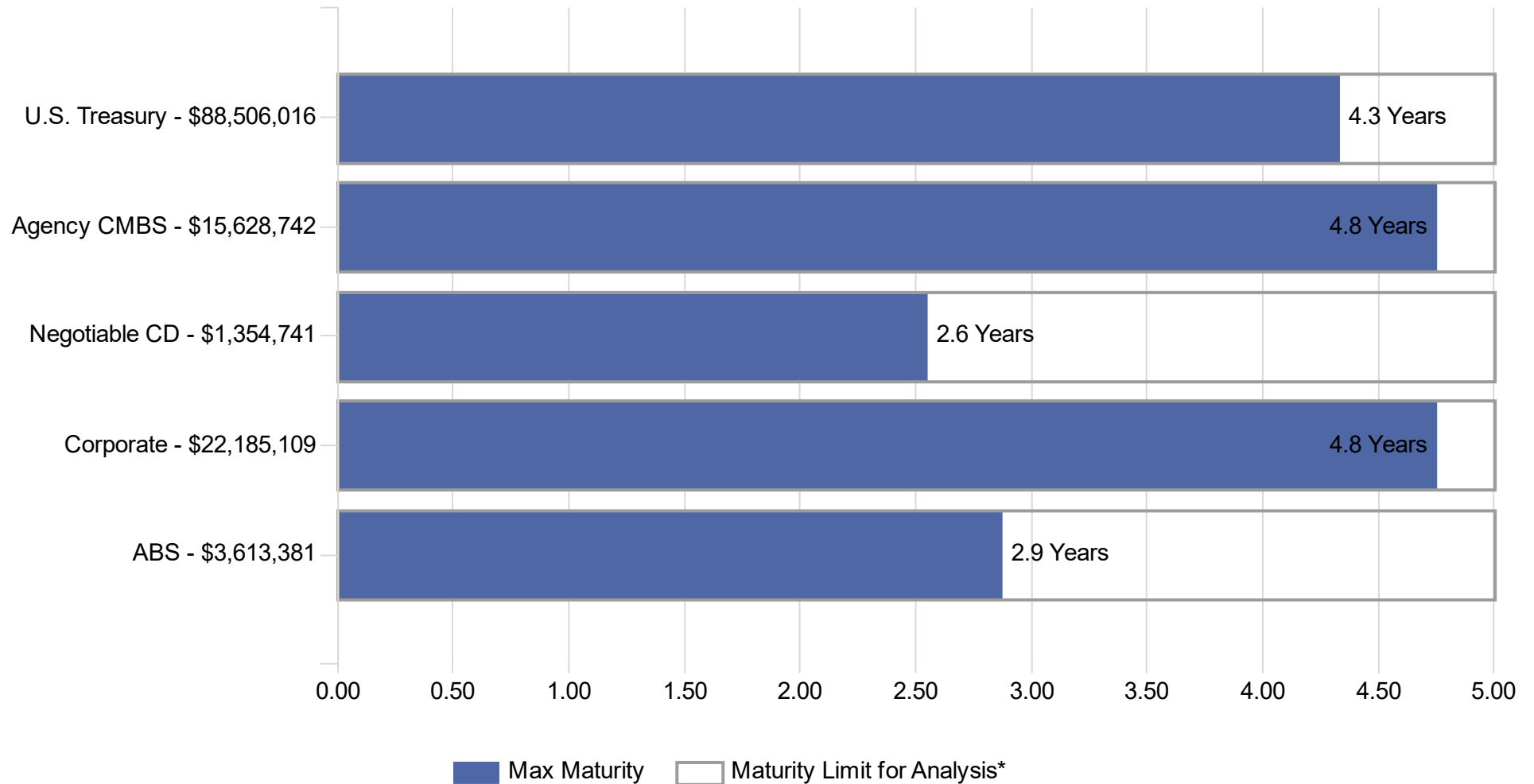
Sector Allocation Analytics



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 December 31, 2023, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management LLC*

Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Asset and Investment Management ("AIM").

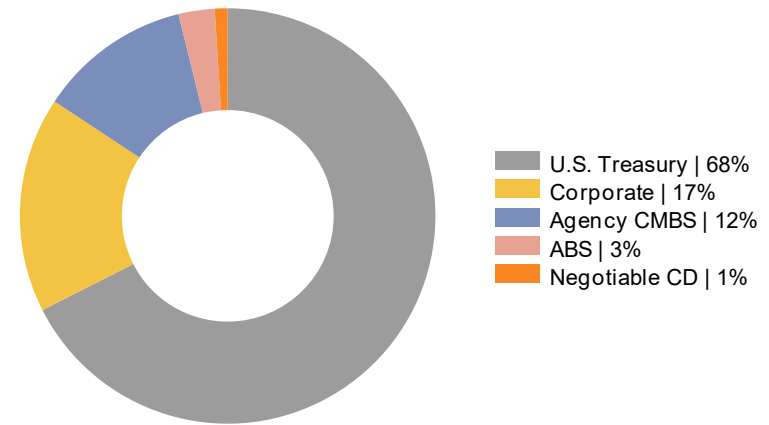
Portfolio Review: ZONE 7 WATER AGENCY

Portfolio Snapshot - ZONE 7 WATER AGENCY¹

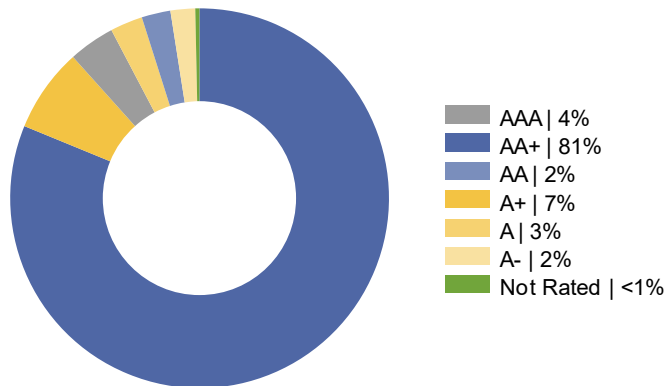
Portfolio Statistics

Total Market Value	\$136,414,128.90
<i>Securities Sub-Total</i>	\$130,639,433.09
<i>Accrued Interest</i>	\$648,555.94
<i>Cash</i>	\$5,126,139.87
Portfolio Effective Duration	2.62 years
Benchmark Effective Duration	2.53 years
Yield At Cost	3.36%
Yield At Market	4.34%
Portfolio Credit Quality	AA

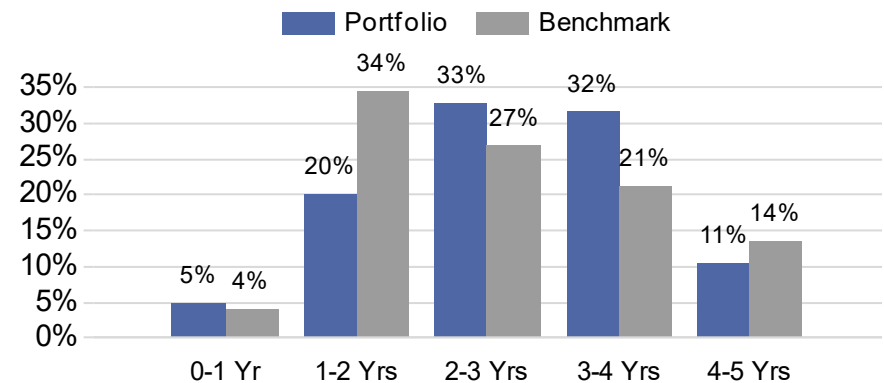
Sector Allocation



Credit Quality - S&P



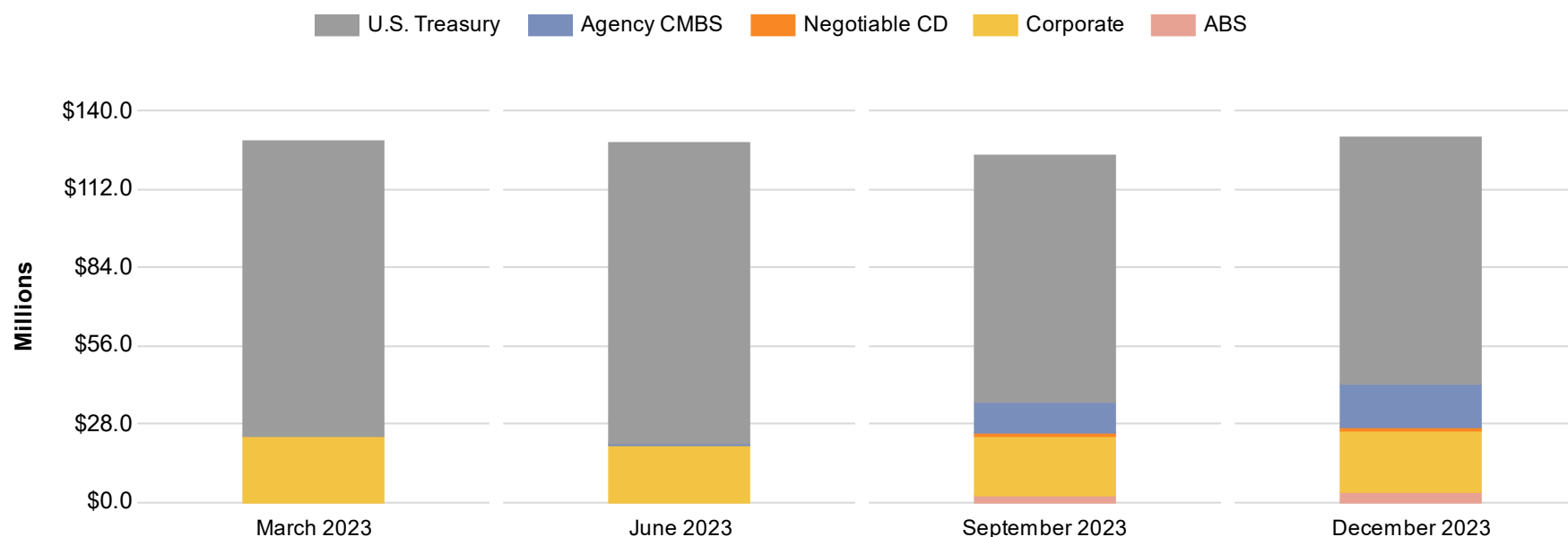
Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest. The portfolio's benchmark is the ICE BofA 1-5 Year U.S. Treasury Index. Source: Bloomberg. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

Sector Allocation Review - ZONE 7 WATER AGENCY

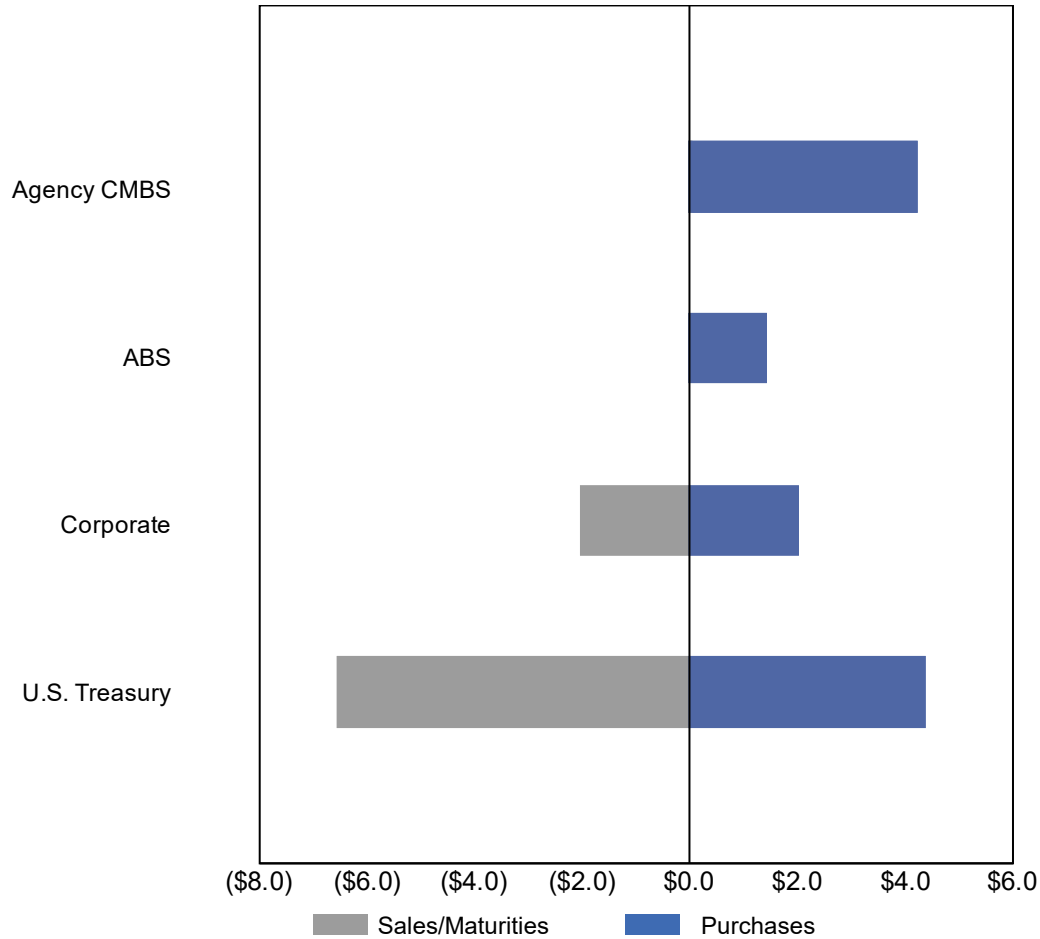
Security Type	Mar-23	% of Total	Jun-23	% of Total	Sep-23	% of Total	Dec-23	% of Total
U.S. Treasury	\$105.4	81.6%	\$107.7	83.7%	\$88.1	71.2%	\$88.2	67.5%
Agency CMBS	\$0.0	0.0%	\$0.9	0.7%	\$10.8	8.8%	\$15.6	11.9%
Negotiable CD	\$0.0	0.0%	\$0.0	0.0%	\$1.3	1.1%	\$1.3	1.0%
Corporate	\$23.8	18.4%	\$20.1	15.6%	\$21.3	17.2%	\$21.9	16.8%
ABS	\$0.0	0.0%	\$0.0	0.0%	\$2.1	1.7%	\$3.6	2.8%
Total	\$129.3	100.0%	\$128.7	100.0%	\$123.7	100.0%	\$130.6	100.0%



Market values, excluding accrued interest. Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM. Detail may not add to total due to rounding.

Portfolio Activity - ZONE 7 WATER AGENCY

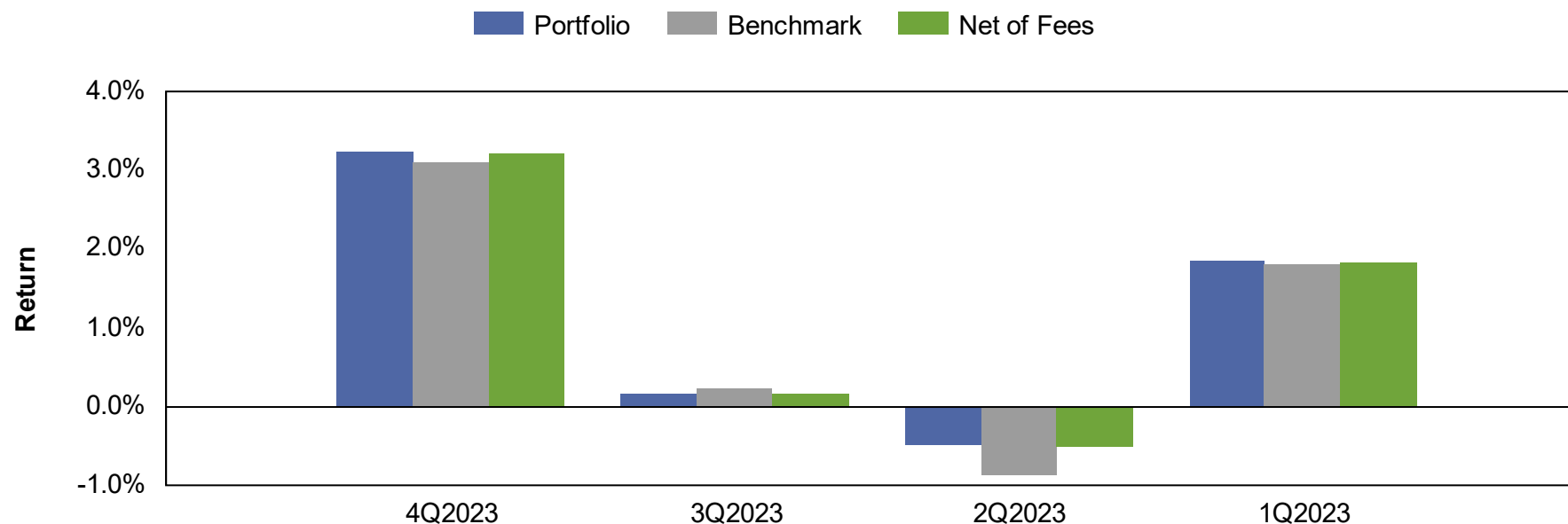
Net Activity by Sector
(\$ millions)



Sector	Net Activity
Agency CMBS	\$4,229,751
ABS	\$1,434,818
Corporate	(\$1,325)
U.S. Treasury	(\$2,169,497)
Total Net Activity	\$3,493,747

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



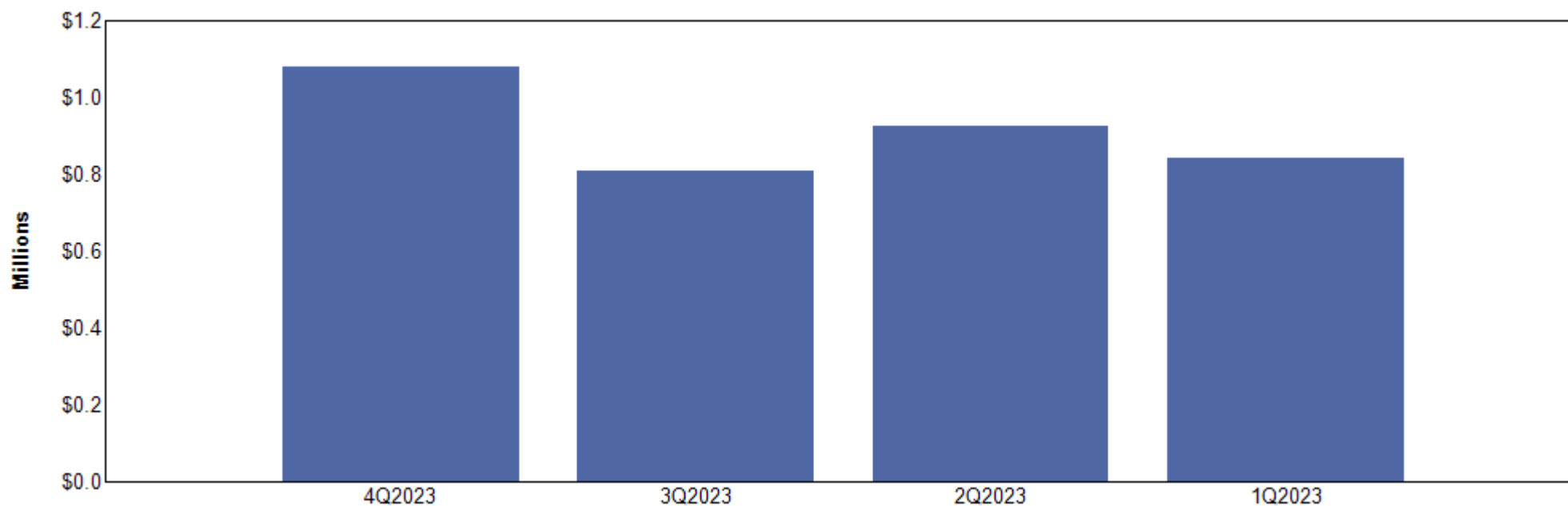
Market Value Basis Earnings	4Q2023	3Q2023	2Q2023	1Q2023
Interest Earned ¹	\$842,902	\$710,235	\$599,139	\$558,797
Change in Market Value	\$3,420,672	(\$487,156)	(\$1,256,358)	\$1,882,121
Total Dollar Return	\$4,263,574	\$223,079	(\$657,219)	\$2,440,918
Total Return²				
Portfolio	3.23%	0.16%	-0.49%	1.84%
Benchmark ³	3.10%	0.23%	-0.86%	1.82%
Basis Point Fee	0.02%	0.02%	0.02%	0.02%
Net of Fee Return	3.21%	0.14%	-0.50%	1.83%

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	4Q2023	3Q2023	2Q2023	1Q2023
Interest Earned ¹	\$842,902	\$710,235	\$599,139	\$558,797
Realized Gains / (Losses) ²	(\$68,143)	(\$202,352)	\$344	\$4,031
Change in Amortized Cost	\$304,692	\$301,060	\$324,706	\$278,167
Total Earnings	\$1,079,450	\$808,943	\$924,189	\$840,995

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
U.S. Treasury	67.4%	
UNITED STATES TREASURY	67.4%	AA / Aaa / AA
Agency CMBS	11.9%	
FANNIE MAE	1.0%	AA / Aaa / AA
FREDDIE MAC	10.9%	AA / Aaa / AA
Negotiable CD	1.0%	
RABOBANK NEDERLAND	1.0%	A / Aa / AA
Corporate	16.9%	
AMAZON.COM INC	1.5%	AA / A / AA
APPLE INC	1.8%	AA / Aaa / NR
BANK OF AMERICA CO	1.5%	A / A / AA
CITIGROUP INC	1.6%	A / Aa / A
DEERE & COMPANY	0.8%	A / A / A
HOME DEPOT INC	1.0%	A / A / A
JP MORGAN CHASE & CO	2.1%	A / Aa / AA
MICROSOFT CORP	1.6%	AAA / Aaa / NR
PACCAR FINANCIAL CORP	0.8%	A / A / NR
TARGET CORP	1.0%	A / A / A
TOYOTA MOTOR CORP	0.8%	A / A / A
WAL-MART STORES INC	1.0%	AA / Aa / AA
WELLS FARGO & COMPANY	1.5%	A / Aa / AA
ABS	2.8%	
AMERICAN EXPRESS CO	0.8%	AAA / NR / AAA
BANK OF AMERICA CO	0.4%	NR / Aaa / AAA
CHASE ISSURANCE	0.8%	AAA / NR / AAA
CITIGROUP INC	0.2%	AAA / Aaa / AAA
HYUNDAI AUTO RECEIVABLES	0.3%	AAA / NR / AAA

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
ABS	2.8%	
TOYOTA MOTOR CORP	0.2%	AAA / NR / AAA
Total	100.0%	

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.

**Issuer Distribution
As of December 31, 2023**

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	88,195,591	67.51%
FREDDIE MAC	14,206,272	10.87%
JP MORGAN CHASE & CO	2,739,010	2.10%
BANK OF AMERICA CO	2,493,552	1.91%
CITIGROUP INC	2,353,750	1.80%
APPLE INC	2,295,745	1.76%
MICROSOFT CORP	2,021,276	1.55%
WELLS FARGO & COMPANY	1,977,285	1.51%
AMAZON.COM INC	1,947,058	1.49%
FANNIE MAE	1,365,330	1.05%
RABOBANK NEDERLAND	1,324,071	1.01%
HOME DEPOT INC	1,321,572	1.01%
TARGET CORP	1,283,125	0.98%
WAL-MART STORES INC	1,280,642	0.98%
TOYOTA MOTOR CORP	1,261,191	0.97%
AMERICAN EXPRESS CO	1,088,388	0.83%
CHASE ISSURANCE	1,061,103	0.81%
DEERE & COMPANY	1,020,249	0.78%
PACCAR FINANCIAL CORP	1,001,940	0.77%
HYUNDAI AUTO RECEIVABLES	402,281	0.31%
Grand Total	130,639,433	100.00%

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 01/31/2022 0.875% 01/31/2024	91282CDV0	260,000.00	AA+	Aaa	2/7/2022	2/8/2022	257,836.72	1.30	952.04	259,910.11	259,065.61
US TREASURY NOTES DTD 03/31/2022 2.250% 03/31/2024	91282CEG2	960,000.00	AA+	Aaa	4/1/2022	4/4/2022	956,512.50	2.44	5,488.52	959,568.26	952,800.00
US TREASURY NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	1,550,000.00	AA+	Aaa	4/13/2022	4/18/2022	1,479,947.27	2.41	179.99	1,535,261.40	1,515,609.38
US TREASURY NOTES DTD 07/15/2021 0.375% 07/15/2024	91282CCL3	3,075,000.00	AA+	Aaa	2/7/2022	2/8/2022	2,997,884.77	1.43	5,326.94	3,057,979.07	2,998,125.00
US TREASURY NOTES DTD 01/15/2022 1.125% 01/15/2025	91282CDS7	3,030,000.00	AA+	Aaa	2/7/2022	2/8/2022	2,994,492.19	1.54	15,746.94	3,017,413.28	2,919,215.63
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	28,895.38	5,017,718.54	4,921,500.00
US TREASURY NOTES DTD 03/31/2020 0.500% 03/31/2025	912828ZF0	3,200,000.00	AA+	Aaa	4/1/2022	4/4/2022	3,005,750.00	2.62	4,065.57	3,119,062.50	3,042,000.00
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	15,303.06	3,122,939.78	3,056,152.50
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	3,290.29	3,078,415.81	2,944,997.50
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	908.14	1,030,192.77	1,003,781.25
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	1,423.45	1,642,714.26	1,573,368.75
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	1,419.77	2,134,873.52	2,081,343.75
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	524.59	1,535,063.59	1,485,750.08
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	4,958.97	3,075,373.61	2,919,050.00
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	6,489.04	3,245,030.84	3,160,265.62

For the Quarter Ended December 31, 2023

ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 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	6,146.00	3,096,033.55	2,993,203.13
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	1,564.90	1,194,574.28	1,133,316.35
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	4,432.79	6,417,685.95	6,240,325.00
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	1,091.80	1,623,658.32	1,537,003.13
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	7,603.89	3,234,571.55	3,142,125.00
US TREASURY NOTES DTD 11/15/2016 2.000% 11/15/2026	912828U24	6,450,000.00	AA+	Aaa	6/6/2022	6/8/2022	6,181,669.92	3.01	16,656.59	6,276,355.18	6,099,281.25
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	45,042.80	5,207,138.12	5,031,687.50
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	4,918.27	5,343,816.42	5,156,894.82
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	19,074.38	6,046,709.33	5,908,028.44
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	37.77	2,528,690.96	2,442,773.30
US TREASURY NOTES DTD 08/15/2017 2.250% 08/15/2027	9128282R0	2,570,000.00	AA+	Aaa	9/1/2022	9/6/2022	2,436,580.86	3.40	21,841.51	2,472,228.32	2,423,831.25
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	20,334.22	1,930,338.90	1,953,337.50
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	41,383.72	5,991,513.00	5,929,573.73
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	12,337.50	1,697,914.24	1,678,462.50
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	7,829.41	843,205.52	840,968.75
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	5,156.73	861,430.83	851,754.69
Security Type Sub-Total		93,070,000.00					88,743,017.40	2.81	310,424.97	90,597,381.81	88,195,591.41

For the Quarter Ended December 31, 2023

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
Negotiable CD											
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	30,670.50	1,350,000.00	1,324,070.55
Security Type Sub-Total		1,350,000.00					1,350,000.00	5.08	30,670.50	1,350,000.00	1,324,070.55
Corporate											
JPMORGAN CHASE & CO CORP NOTES DTD 01/28/2014 3.875% 02/01/2024	46625HJT8	720,000.00	A-	A1	5/20/2021	5/24/2021	785,318.40	0.47	11,625.00	722,059.89	718,814.16
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	1,988,648.91	1,947,057.79
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	1,329,765.77	1,280,641.70
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	41,812.10	1,942,660.73	1,977,285.06
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	2,020,196.00
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	1,370,017.02	1,283,125.25
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	2,030,583.59	2,021,276.18
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	2,059,730.08	2,008,586.72
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	1,326,986.23	1,321,571.69

For the Quarter Ended December 31, 2023

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
Corporate											
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	968,979.20	991,055.38
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	2,301,739.18	2,295,745.00
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	195,000.00	A	A2	7/13/2023	7/14/2023	197,652.00	4.64	4,477.69	197,403.78	199,948.32
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	345,000.00	A	A2	7/14/2023	7/18/2023	348,381.00	4.73	7,922.06	348,071.28	353,754.72
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	455,000.00	A	A2	7/11/2023	7/14/2023	454,322.05	4.98	10,447.94	454,385.50	466,546.08
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	970,744.08	1,001,940.23
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	2,056,166.58
Security Type Sub-Total		22,190,000.00					21,997,363.40	4.06	241,398.04	21,986,775.24	21,943,710.86
Agency CMBS											
FHMS K061 A2 DTD 01/30/2017 3.347% 11/01/2026	3137BTUM1	963,557.64	AA+	Aaa	5/19/2023	5/24/2023	933,898.13	4.31	2,687.52	939,136.33	935,474.63
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	1,253,018.28	1,275,206.57
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	1,096,688.12	1,119,090.16
FHMS K506 A1 DTD 09/01/2023 4.650% 05/01/2028	3137HAMG8	648,390.66	AA+	Aaa	9/7/2023	9/14/2023	638,693.99	5.01	2,512.51	639,251.21	654,050.21
FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028	3137HAD45	1,082,077.87	AA+	Aaa	7/19/2023	7/27/2023	1,082,050.82	4.78	4,307.57	1,082,053.23	1,086,806.37

For the Quarter Ended December 31, 2023

ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Agency CMBS											
FHMS 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	1,362,232.49	1,372,138.60
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	1,353,687.13	1,365,330.35
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	1,297,017.84	1,345,017.76
FHMS KJ47 A1 DTD 09/01/2023 5.272% 08/01/2028	3137HAMN3	732,206.88	AA+	Aaa	9/19/2023	9/28/2023	732,203.22	5.27	3,216.83	732,203.40	750,024.22
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	1,281,811.33	1,315,028.70
FHMS K507 A2 DTD 09/01/2023 4.800% 09/01/2028	3137HAMS2	1,300,000.00	AA+	Aaa	9/20/2023	9/28/2023	1,284,461.10	5.07	5,200.00	1,285,183.46	1,323,883.54
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	983,630.41	1,035,370.82
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	513,541.19	529,583.69
FHMS K511 A2 DTD 12/01/2023 4.860% 10/01/2028	3137HB3G7	750,000.00	AA+	Aaa	11/28/2023	12/7/2023	747,845.25	4.93	3,037.50	747,871.94	765,889.91
FHMS K512 A2 DTD 12/01/2023 5.000% 11/01/2028	3137HBCF9	680,000.00	AA+	Aaa	12/11/2023	12/21/2023	686,349.84	4.78	2,833.33	686,315.51	698,707.29
Security Type Sub-Total		15,521,233.05					15,228,117.68	4.94	57,139.16	15,253,641.87	15,571,602.82
ABS											
CCCIT 2023-A1 A1 DTD 12/01/2023 5.230% 12/01/2027	17305EGW9	295,000.00	AAA	Aaa	12/4/2023	12/11/2023	294,963.01	5.23	1,285.71	294,963.49	297,583.70
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	264,972.12	270,135.25
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	1,069,954.58	1,088,388.27
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	1,044,725.46	1,061,103.45
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	394,949.30	402,281.47

For the Quarter Ended December 31, 2023

ZONE 7 WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
ABS											
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	1,128.80	479,936.10	484,965.31
Security Type Sub-Total		3,550,000.00					3,549,480.54	5.24	8,923.27	3,549,501.05	3,604,457.45
Managed Account Sub Total		135,681,233.05					130,867,979.02	3.36	648,555.94	132,737,299.97	130,639,433.09
Securities Sub Total		\$135,681,233.05					\$130,867,979.02	3.36%	\$648,555.94	\$132,737,299.97	\$130,639,433.09
Accrued Interest											\$648,555.94
Total Investments											\$131,287,989.03

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY									
10/11/2023	10/19/2023	1,325,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	1,299,075.05	5.26%	
10/12/2023	10/13/2023	1,300,000.00	912797FB8	US TREASURY BILL	0.00%	10/19/2023	1,298,855.89	5.29%	
10/25/2023	10/26/2023	1,970,000.00	912797HN0	US TREASURY BILL	0.00%	12/5/2023	1,958,426.25	5.32%	
10/25/2023	10/31/2023	1,015,000.00	3137HAST4	FHMS K509 A2	4.85%	9/1/2028	986,741.05	5.60%	
11/3/2023	11/13/2023	395,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	394,948.06	5.54%	
11/7/2023	11/14/2023	265,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	264,971.43	5.54%	
11/14/2023	11/21/2023	515,000.00	3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	514,961.44	5.14%	
11/28/2023	12/7/2023	750,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	748,452.75	4.93%	
12/4/2023	12/5/2023	410,000.00	912797FV4	US TREASURY BILL	0.00%	12/21/2023	409,036.50	5.30%	
12/4/2023	12/11/2023	295,000.00	17305EGW9	CCCIT 2023-A1 A1	5.23%	12/1/2027	294,963.01	5.23%	
12/5/2023	12/8/2023	2,000,000.00	48125LRU8	JP MORGAN CORP NOTES (CALLABLE)	5.11%	12/8/2026	2,000,000.00	5.11%	
12/7/2023	12/14/2023	480,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	479,935.54	4.98%	
12/11/2023	12/12/2023	688,000.00	912797FV4	US TREASURY BILL	0.00%	12/21/2023	687,093.56	5.28%	
12/11/2023	12/21/2023	680,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	688,238.73	4.78%	
Total BUY		12,088,000.00					12,025,699.26		0.00
INTEREST									
10/1/2023	10/25/2023	1,300,000.00	3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
10/1/2023	10/25/2023	735,000.00	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	3,229.10		
10/1/2023	10/25/2023	1,320,000.00	3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
10/1/2023	10/25/2023	1,350,000.00	3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.38		
10/1/2023	10/25/2023	1,300,000.00	3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
10/1/2023	10/25/2023	1,165,000.00	3137F2LJ3	FHLMC MULTIFAMILY STRUCTURED P	3.11%	6/1/2027	3,026.09		
10/1/2023	10/25/2023	1,083,950.99	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,315.03		
10/1/2023	10/25/2023	1,375,000.00	3136BQDE6	FNA 2023-M6 A2	4.19%	7/1/2028	4,801.04		
10/1/2023	10/25/2023	965,000.00	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,691.55		
10/1/2023	10/25/2023	650,000.00	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,518.75		
10/2/2023	10/2/2023		MONEY0002	MONEY MARKET FUND			22,152.89		
10/13/2023	10/13/2023	1,990,000.00	023135CE4	AMAZON.COM INC CORPORATE NOTES	3.00%	4/13/2025	29,850.00		
10/15/2023	10/15/2023	1,070,000.00	02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,041.63		
10/15/2023	10/15/2023	1,045,000.00	161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
10/31/2023	10/31/2023	5,775,000.00	912828ZN3	US TREASURY NOTES	0.50%	4/30/2027	14,437.50		
10/31/2023	10/31/2023	1,225,000.00	91282CBW0	US TREASURY NOTES	0.75%	4/30/2026	4,593.75		
10/31/2023	10/31/2023	5,890,000.00	91282CFU0	US TREASURY NOTES	4.12%	10/31/2027	121,481.25		
10/31/2023	10/31/2023	865,000.00	91282CHA2	US TREASURY NOTES	3.50%	4/30/2028	15,137.50		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
10/31/2023	10/31/2023	3,125,000.00	9128284M9	US TREASURY NOTES	2.87%	4/30/2025	44,921.88		
11/1/2023	11/1/2023		MONEY0002	MONEY MARKET FUND			29,311.99		
11/1/2023	11/25/2023	1,015,000.00	3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
11/1/2023	11/25/2023	965,000.00	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,691.55		
11/1/2023	11/25/2023	1,325,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
11/1/2023	11/25/2023	734,002.13	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	3,224.72		
11/1/2023	11/25/2023	1,300,000.00	3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
11/1/2023	11/25/2023	1,375,000.00	3136BQDE6	FNA 2023-M6 A2	4.19%	7/1/2028	4,801.04		
11/1/2023	11/25/2023	1,320,000.00	3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
11/1/2023	11/25/2023	1,300,000.00	3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
11/1/2023	11/25/2023	1,350,000.00	3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.38		
11/1/2023	11/25/2023	649,440.61	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,516.58		
11/1/2023	11/25/2023	1,165,000.00	3137F2LJ3	FHLMC MULTIFAMILY STRUCTURED P	3.11%	6/1/2027	3,026.09		
11/1/2023	11/25/2023	1,083,304.40	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,312.45		
11/10/2023	11/10/2023	2,300,000.00	037833ET3	APPLE INC CORP NOTES CALLABLE	4.00%	5/10/2028	46,000.00		
11/15/2023	11/15/2023	6,450,000.00	912828U24	US TREASURY NOTES	2.00%	11/15/2026	64,500.00		
11/15/2023	11/15/2023	1,560,000.00	912810FB9	US TREASURY NOTES	6.12%	11/15/2027	47,775.00		

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)
INTEREST									
11/15/2023	11/15/2023	1,070,000.00	02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
11/15/2023	11/15/2023	1,045,000.00	161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
11/15/2023	11/15/2023	6,220,000.00	912828X88	US TREASURY NOTES	2.37%	5/15/2027	73,862.50		
11/30/2023	11/30/2023	8,425,000.00	91282CCF6	US TREASURY NOTES	0.75%	5/31/2026	31,593.75		
11/30/2023	11/30/2023	1,600,000.00	91282CAZ4	US TREASURY NOTES	0.37%	11/30/2025	3,000.00		
12/1/2023	12/1/2023		MONEY0002	MONEY MARKET FUND			22,269.66		
12/1/2023	12/25/2023	1,165,000.00	3137F2LJ3	FHLMC MULTIFAMILY STRUCTURED P	3.11%	6/1/2027	3,026.09		
12/1/2023	12/25/2023	1,320,000.00	3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
12/1/2023	12/25/2023	515,000.00	3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		
12/1/2023	12/25/2023	1,015,000.00	3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
12/1/2023	12/25/2023	1,325,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
12/1/2023	12/25/2023	965,000.00	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,691.55		
12/1/2023	12/25/2023	1,375,000.00	3136BQDE6	FNA 2023-M6 A2	4.19%	7/1/2028	4,801.04		
12/1/2023	12/25/2023	1,082,753.89	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,310.26		
12/1/2023	12/25/2023	648,954.79	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,514.70		
12/1/2023	12/25/2023	1,300,000.00	3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
12/1/2023	12/25/2023	1,300,000.00	3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		

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)
INTEREST									
12/1/2023	12/25/2023	1,350,000.00	3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.38		
12/1/2023	12/25/2023	733,214.79	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	3,221.26		
12/15/2023	12/15/2023	1,550,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	1,937.50		
12/15/2023	12/15/2023	1,045,000.00	161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
12/15/2023	12/15/2023	395,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	1,945.15		
12/15/2023	12/15/2023	265,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	1,264.20		
12/15/2023	12/15/2023	1,070,000.00	02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
12/26/2023	12/26/2023	1,300,000.00	931142ED1	WALMART INC CORP NOTES (CALLABLE)	3.55%	6/26/2025	23,075.00		
12/31/2023	12/31/2023	2,750,000.00	912828ZV5	US TREASURY NOTES	0.50%	6/30/2027	6,875.00		
Total INTEREST		96,950,621.60					773,015.75		0.00
MATURITY									
10/19/2023	10/19/2023	1,300,000.00	912797FB8	US TREASURY BILL	0.00%	10/19/2023	1,300,000.00		
12/5/2023	12/5/2023	1,085,000.00	912797HN0	US TREASURY BILL	0.00%	12/5/2023	1,085,000.00		
12/21/2023	12/21/2023	688,000.00	912797FV4	US TREASURY BILL	0.00%	12/21/2023	688,000.00		
Total MATURITY		3,073,000.00					3,073,000.00		0.00
PAYDOWNS									
10/1/2023	10/25/2023	997.87	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	997.87		

ZONE 7 WATER AGENCY

Portfolio Activity

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
10/1/2023	10/25/2023	646.59	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	646.59		
10/1/2023	10/25/2023	559.39	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	559.39		
11/1/2023	11/25/2023	485.82	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	485.82		
11/1/2023	11/25/2023	550.51	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	550.51		
11/1/2023	11/25/2023	787.34	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	787.34		
12/1/2023	12/25/2023	1,007.91	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,007.91		
12/1/2023	12/25/2023	564.13	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	564.13		
12/1/2023	12/25/2023	1,442.36	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	1,442.36		
12/1/2023	12/25/2023	676.02	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	676.02		
Total PAYDOWNS		7,717.94					7,717.94		0.00
SELL									
10/11/2023	10/13/2023	1,135,000.00	91282CHA2	US TREASURY NOTES	3.50%	4/30/2028	1,101,578.41		-46,420.80
11/3/2023	11/6/2023	395,000.00	912797HN0	US TREASURY BILL	0.00%	12/5/2023	393,324.23		6.68
11/8/2023	11/13/2023	170,000.00	912797HN0	US TREASURY BILL	0.00%	12/5/2023	169,451.73		1.04
11/17/2023	11/21/2023	320,000.00	912797HN0	US TREASURY BILL	0.00%	12/5/2023	319,343.93		1.93
12/5/2023	12/8/2023	1,980,000.00	46625HJT8	JPMORGAN CHASE & CO CORP NOTES	3.87%	2/1/2024	2,001,324.88		-15,792.26
12/7/2023	12/11/2023	370,000.00	91282CDV0	US TREASURY NOTES	0.87%	1/31/2024	368,843.12		-2,109.49

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
SELL									
12/7/2023	12/11/2023	410,000.00	912797FV4	US TREASURY BILL	0.00%	12/21/2023	409,401.31		3.50
12/11/2023	12/12/2023	690,000.00	91282CDV0	US TREASURY NOTES	0.87%	1/31/2024	687,966.80		-3,834.06
Total SELL		5,470,000.00					5,451,234.41		-68,143.46

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	10/11/2023	10/19/2023	1,325,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	1,299,075.05	5.26%	
BUY	10/12/2023	10/13/2023	1,300,000.00	912797FB8	US TREASURY BILL	0.00%	10/19/2023	1,298,855.89	5.29%	
BUY	10/25/2023	10/26/2023	1,970,000.00	912797HN0	US TREASURY BILL	0.00%	12/5/2023	1,958,426.25	5.32%	
BUY	10/25/2023	10/31/2023	1,015,000.00	3137HAST4	FHMS K509 A2	4.85%	9/1/2028	986,741.05	5.60%	
BUY	11/3/2023	11/13/2023	395,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	394,948.06	5.54%	
BUY	11/7/2023	11/14/2023	265,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	264,971.43	5.54%	
BUY	11/14/2023	11/21/2023	515,000.00	3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	514,961.44	5.14%	
BUY	11/28/2023	12/7/2023	750,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	748,452.75	4.93%	
BUY	12/4/2023	12/5/2023	410,000.00	912797FV4	US TREASURY BILL	0.00%	12/21/2023	409,036.50	5.30%	
BUY	12/4/2023	12/11/2023	295,000.00	17305EGW9	CCCIT 2023-A1 A1	5.23%	12/1/2027	294,963.01	5.23%	
BUY	12/5/2023	12/8/2023	2,000,000.00	48125LRU8	JP MORGAN CORP NOTES (CALLABLE)	5.11%	12/8/2026	2,000,000.00	5.11%	
BUY	12/7/2023	12/14/2023	480,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	479,935.54	4.98%	
BUY	12/11/2023	12/12/2023	688,000.00	912797FV4	US TREASURY BILL	0.00%	12/21/2023	687,093.56	5.28%	
BUY	12/11/2023	12/21/2023	680,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	688,238.73	4.78%	
INTEREST	10/1/2023	10/25/2023	1,300,000.00	3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
INTEREST	10/1/2023	10/25/2023	735,000.00	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	3,229.10		
INTEREST	10/1/2023	10/25/2023	1,320,000.00	3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
INTEREST	10/1/2023	10/25/2023	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	10/1/2023	10/25/2023	1,300,000.00	3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
INTEREST	10/1/2023	10/25/2023	1,165,000.00	3137F2LJ3	FHLMC MULTIFAMILY STRUCTURED P	3.11%	6/1/2027	3,026.09		
INTEREST	10/1/2023	10/25/2023	1,083,950.99	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,315.03		
INTEREST	10/1/2023	10/25/2023	1,375,000.00	3136BQDE6	FNA 2023-M6 A2	4.19%	7/1/2028	4,801.04		
INTEREST	10/1/2023	10/25/2023	965,000.00	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,691.55		
INTEREST	10/1/2023	10/25/2023	650,000.00	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,518.75		
INTEREST	10/2/2023	10/2/2023		MONEY0002	MONEY MARKET FUND			22,152.89		
INTEREST	10/13/2023	10/13/2023	1,990,000.00	023135CE4	AMAZON.COM INC CORPORATE NOTES	3.00%	4/13/2025	29,850.00		
INTEREST	10/15/2023	10/15/2023	1,070,000.00	02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,041.63		
INTEREST	10/15/2023	10/15/2023	1,045,000.00	161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
INTEREST	10/31/2023	10/31/2023	5,775,000.00	912828ZN3	US TREASURY NOTES	0.50%	4/30/2027	14,437.50		
INTEREST	10/31/2023	10/31/2023	1,225,000.00	91282CBW0	US TREASURY NOTES	0.75%	4/30/2026	4,593.75		
INTEREST	10/31/2023	10/31/2023	5,890,000.00	91282CFU0	US TREASURY NOTES	4.12%	10/31/2027	121,481.25		
INTEREST	10/31/2023	10/31/2023	865,000.00	91282CHA2	US TREASURY NOTES	3.50%	4/30/2028	15,137.50		
INTEREST	10/31/2023	10/31/2023	3,125,000.00	9128284M9	US TREASURY NOTES	2.87%	4/30/2025	44,921.88		
INTEREST	11/1/2023	11/1/2023		MONEY0002	MONEY MARKET FUND			29,311.99		
INTEREST	11/1/2023	11/25/2023	1,015,000.00	3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
INTEREST	11/1/2023	11/25/2023	965,000.00	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,691.55		

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	11/1/2023	11/25/2023	1,325,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
INTEREST	11/1/2023	11/25/2023	734,002.13	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	3,224.72		
INTEREST	11/1/2023	11/25/2023	1,300,000.00	3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
INTEREST	11/1/2023	11/25/2023	1,375,000.00	3136BQDE6	FNA 2023-M6 A2	4.19%	7/1/2028	4,801.04		
INTEREST	11/1/2023	11/25/2023	1,320,000.00	3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
INTEREST	11/1/2023	11/25/2023	1,300,000.00	3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
INTEREST	11/1/2023	11/25/2023	1,350,000.00	3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.38		
INTEREST	11/1/2023	11/25/2023	649,440.61	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,516.58		
INTEREST	11/1/2023	11/25/2023	1,165,000.00	3137F2LJ3	FHLMC MULTIFAMILY STRUCTURED P	3.11%	6/1/2027	3,026.09		
INTEREST	11/1/2023	11/25/2023	1,083,304.40	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,312.45		
INTEREST	11/10/2023	11/10/2023	2,300,000.00	037833ET3	APPLE INC CORP NOTES CALLABLE	4.00%	5/10/2028	46,000.00		
INTEREST	11/15/2023	11/15/2023	6,450,000.00	912828U24	US TREASURY NOTES	2.00%	11/15/2026	64,500.00		
INTEREST	11/15/2023	11/15/2023	1,560,000.00	912810FB9	US TREASURY NOTES	6.12%	11/15/2027	47,775.00		
INTEREST	11/15/2023	11/15/2023	1,070,000.00	02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
INTEREST	11/15/2023	11/15/2023	1,045,000.00	161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
INTEREST	11/15/2023	11/15/2023	6,220,000.00	912828X88	US TREASURY NOTES	2.37%	5/15/2027	73,862.50		
INTEREST	11/30/2023	11/30/2023	8,425,000.00	91282CCF6	US TREASURY NOTES	0.75%	5/31/2026	31,593.75		
INTEREST	11/30/2023	11/30/2023	1,600,000.00	91282CAZ4	US TREASURY NOTES	0.37%	11/30/2025	3,000.00		

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	12/1/2023	12/1/2023		MONEY0002	MONEY MARKET FUND			22,269.66		
INTEREST	12/1/2023	12/25/2023	1,165,000.00	3137F2LJ3	FHLMC MULTIFAMILY STRUCTURED P	3.11%	6/1/2027	3,026.09		
INTEREST	12/1/2023	12/25/2023	1,320,000.00	3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	3,546.40		
INTEREST	12/1/2023	12/25/2023	515,000.00	3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	2,175.45		
INTEREST	12/1/2023	12/25/2023	1,015,000.00	3137HAST4	FHMS K509 A2	4.85%	9/1/2028	4,102.29		
INTEREST	12/1/2023	12/25/2023	1,325,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	5,233.75		
INTEREST	12/1/2023	12/25/2023	965,000.00	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,691.55		
INTEREST	12/1/2023	12/25/2023	1,375,000.00	3136BQDE6	FNA 2023-M6 A2	4.19%	7/1/2028	4,801.04		
INTEREST	12/1/2023	12/25/2023	1,082,753.89	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	4,310.26		
INTEREST	12/1/2023	12/25/2023	648,954.79	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	2,514.70		
INTEREST	12/1/2023	12/25/2023	1,300,000.00	3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	5,037.50		
INTEREST	12/1/2023	12/25/2023	1,300,000.00	3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	5,200.00		
INTEREST	12/1/2023	12/25/2023	1,350,000.00	3137HACX2	FHMS K505 A2	4.81%	6/1/2028	5,421.38		
INTEREST	12/1/2023	12/25/2023	733,214.79	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	3,221.26		
INTEREST	12/15/2023	12/15/2023	1,550,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	1,937.50		
INTEREST	12/15/2023	12/15/2023	1,045,000.00	161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	4,493.50		
INTEREST	12/15/2023	12/15/2023	395,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	1,945.15		
INTEREST	12/15/2023	12/15/2023	265,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	1,264.20		

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)
INTEREST	12/15/2023	12/15/2023	1,070,000.00	02582JKD1	AMXCA 2023-3 A	5.23%	9/15/2028	4,663.42		
INTEREST	12/26/2023	12/26/2023	1,300,000.00	931142ED1	WALMART INC CORP NOTES	3.55%	6/26/2025	23,075.00		
INTEREST	12/31/2023	12/31/2023	2,750,000.00	912828ZV5	US TREASURY NOTES	0.50%	6/30/2027	6,875.00		
MATURITY	10/19/2023	10/19/2023	1,300,000.00	912797FB8	US TREASURY BILL	0.00%	10/19/2023	1,300,000.00		
MATURITY	12/5/2023	12/5/2023	1,085,000.00	912797HN0	US TREASURY BILL	0.00%	12/5/2023	1,085,000.00		
MATURITY	12/21/2023	12/21/2023	688,000.00	912797FV4	US TREASURY BILL	0.00%	12/21/2023	688,000.00		
PAYDOWN	10/1/2023	10/25/2023	997.87	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	997.87		
PAYDOWN	10/1/2023	10/25/2023	646.59	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	646.59		
PAYDOWN	10/1/2023	10/25/2023	559.39	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	559.39		
PAYDOWN	11/1/2023	11/25/2023	485.82	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	485.82		
PAYDOWN	11/1/2023	11/25/2023	550.51	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	550.51		
PAYDOWN	11/1/2023	11/25/2023	787.34	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	787.34		
PAYDOWN	12/1/2023	12/25/2023	1,007.91	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,007.91		
PAYDOWN	12/1/2023	12/25/2023	564.13	3137HAMG8	FHMS K506 A1	4.65%	5/1/2028	564.13		
PAYDOWN	12/1/2023	12/25/2023	1,442.36	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	1,442.36		
PAYDOWN	12/1/2023	12/25/2023	676.02	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	676.02		
SELL	10/11/2023	10/13/2023	1,135,000.00	91282CHA2	US TREASURY NOTES	3.50%	4/30/2028	1,101,578.41		-46,420.80
SELL	11/3/2023	11/6/2023	395,000.00	912797HN0	US TREASURY BILL	0.00%	12/5/2023	393,324.23		6.68

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	11/8/2023	11/13/2023	170,000.00	912797HN0	US TREASURY BILL	0.00%	12/5/2023	169,451.73		1.04
SELL	11/17/2023	11/21/2023	320,000.00	912797HN0	US TREASURY BILL	0.00%	12/5/2023	319,343.93		1.93
SELL	12/5/2023	12/8/2023	1,980,000.00	46625HJT8	JPMORGAN CHASE & CO CORP NOTES	3.87%	2/1/2024	2,001,324.88		-15,792.26
SELL	12/7/2023	12/11/2023	370,000.00	91282CDV0	US TREASURY NOTES	0.87%	1/31/2024	368,843.12		-2,109.49
SELL	12/7/2023	12/11/2023	410,000.00	912797FV4	US TREASURY BILL	0.00%	12/21/2023	409,401.31		3.50
SELL	12/11/2023	12/12/2023	690,000.00	91282CDV0	US TREASURY NOTES	0.87%	1/31/2024	687,966.80		-3,834.06
TOTALS			117,589,339.54					21,330,667.36		-68,143.46

Important Disclosures

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- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
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- 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.

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.



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ACCOUNT STATEMENT

For the Month Ending

December 31, 2023

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Jeremy King

Key Account Manager
213 Market Street
Harrisburg, PA 17101-2141
717-232-2723
kingj@pfmam.com

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Accounts included in Statement

99350000 ZONE 7 WATER AGENCY

ZONE 7 WATER AGENCY
OSBORN SOLITEI
100 NORTH CANYONS PARKWAY
LIVERMORE, CA 94551

Online Access <https://www.pfmam.com> **Customer Service** 1-717-232-2723



Account Statement

For the Month Ending **December 31, 2023**

Important Disclosures

Important Disclosures

This statement is for general information purposes only and is not intended to provide specific advice or recommendations. PFM Asset Management LLC ("PFMAM") is 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. PFMAM maintains a written disclosure statement of our background and business experience. If you would like to receive a copy of our current disclosure statement, please contact Service Operations at the address below.

Proxy Voting PFMAM does not normally receive proxies to vote on behalf of its clients. However, it does on occasion receive consent requests. In the event a consent request is received the portfolio manager contacts the client and then proceeds according to their instructions. PFMAM's Proxy Voting Policy is available upon request by contacting Service Operations at the address below.

Questions About an Account PFMAM's monthly statement is intended to detail our investment advisory activity as well as the activity of any accounts held by clients in pools that are managed by PFMAM. The custodian bank maintains the control of assets and executes (i.e., settles) all investment transactions. The custodian statement is the official record of security and cash holdings and transactions. PFMAM recognizes that clients may use these reports to facilitate record keeping and that the custodian bank statement and the PFMAM statement should be reconciled and differences resolved. Many custodians use a settlement date basis which may result in the need to reconcile due to a timing difference.

Account Control PFMAM does not have the authority to withdraw funds from or deposit funds to the custodian outside the scope of services provided by PFMAM. Our clients retain responsibility for their internal accounting policies; implementing and enforcing internal controls and generating ledger entries or otherwise recording transactions.

Market Value Generally, PFMAM's market prices are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv or Bloomberg. For certain short-term investments or 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. Prices that fall between data points are interpolated. Non-negotiable FDIC-insured bank certificates of deposit are priced at par. Although PFMAM believes the prices to be reliable, the values of the securities may not represent the prices at which the securities could have been bought or sold. Explanation of the valuation methods for a registered investment company or local government investment program is contained in the appropriate fund offering documentation or information statement.

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 straightline basis. Such discount or premium with respect to longer term securities is amortized using the constant yield basis.

Tax Reporting Cost data and realized gains / losses are provided for informational purposes only. Please review for accuracy and consult your tax advisor to determine the tax consequences of your security transactions. PFMAM does not report such information to the IRS or other taxing authorities and is not responsible for the accuracy of such information that may be required to be reported to federal, state or other taxing authorities.

Financial Situation In order to better serve you, PFMAM should be promptly notified of any material change in your investment objective or financial situation.

Callable Securities Securities subject to redemption prior to maturity may be redeemed in whole or in part before maturity, which could affect the yield represented.

Portfolio The securities in this portfolio, including shares of mutual funds, are not guaranteed or otherwise protected by PFMAM, the FDIC (except for certain non-negotiable certificates of deposit) or any government agency. Investment in securities involves risks, including the possible loss of the amount invested. Actual settlement values, accrued interest, and amortized cost amounts may vary for securities subject to an adjustable interest rate or subject to principal paydowns. Any changes to the values shown may be reflected within the next monthly statement's beginning values.

Rating Information provided for ratings is based upon a good faith inquiry of selected sources, but its accuracy and completeness cannot be guaranteed.

Shares of some local government investment programs and TERM funds are marketed through representatives of PFMAM's affiliate, PFM Fund Distributors, Inc. which is registered with the SEC as a broker/dealer and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Municipal Securities Rulemaking Board ("MSRB"). You may reach the FINRA by calling the FINRA Hotline at 1-800-289-9999 or at the FINRA website address <https://www.finra.org/investors/investor-contacts>. A brochure describing the FINRA Regulation Public Disclosure Program is also available from FINRA upon request.

Key Terms and Definitions

Dividends on local government investment program funds consist of interest earned, plus any discount ratably amortized to the date of maturity, plus all realized gains and losses on the sale of securities prior to maturity, less ratably amortization of any premium and all accrued expenses to the fund. Dividends are accrued daily and may be paid either monthly or quarterly. The monthly earnings on this statement represent the estimated dividend accrued for the month for any program that distributes earnings on a quarterly basis. There is no guarantee that the estimated amount will be paid on the actual distribution date.

Current Yield is the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical fund account with a balance of one share over the seven-day base period including the statement date, expressed as a percentage of the value of one share (normally \$1.00 per share) at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by

365 and dividing the result by 7. The yields quoted should not be considered a representation of the yield of the fund in the future, since the yield is not fixed. **Average maturity** represents the average maturity of all securities and investments of a portfolio, determined by multiplying the par or principal value of each security or investment by its maturity (days or years), summing the products, and dividing the sum by the total principal value of the portfolio. The stated maturity date of mortgage backed or callable securities are used in this statement. However the actual maturity of these securities could vary depending on the level or prepayments on the underlying mortgages or whether a callable security has or is still able to be called.

Monthly distribution yield represents the net change in the value of one share (normally \$1.00 per share) resulting from all dividends declared during the month by a fund expressed as a percentage of the value of one share at the beginning of the month. This resulting net change is then annualized by multiplying it by 365 and dividing it by the number of calendar days in the month.

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.

Managed Account A portfolio of investments managed discretely by PFMAM according to the client's specific investment policy and requirements. The investments are directly owned by the client and held by the client's custodian.

Unsettled Trade A trade which has been executed however the final consummation of the security transaction and payment has not yet taken place.

Please review the detail pages of this statement carefully. If you think your statement is wrong, missing account information, or if you need more information about a transaction, please contact PFMAM within 60 days of receipt. If you have other concerns or questions regarding your account, or to request an updated copy of PFMAM's current disclosure statement, please contact a member of your client management team at PFMAM Service Operations at the address below.

PFM Asset Management LLC
Attn: Service Operations
213 Market Street
Harrisburg, PA 17101

NOT FDIC INSURED NO BANK GUARANTEE MAY LOSE VALUE



Managed Account Summary Statement

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

Transaction Summary - Managed Account

Opening Market Value	\$129,491,960.18
Maturities/Calls	(1,776,690.42)
Principal Dispositions	(3,437,100.72)
Principal Acquisitions	4,557,378.45
Unsettled Trades	0.00
Change in Current Value	1,803,885.60
Closing Market Value	\$130,639,433.09

Cash Transactions Summary - Managed Account

Maturities/Calls	1,773,000.00
Sale Proceeds	3,467,536.11
Coupon/Interest/Dividend Income	117,805.10
Principal Payments	3,690.42
Security Purchases	(5,307,720.09)
Net Cash Contribution	(8,079.93)
Reconciling Transactions	0.00

Earnings Reconciliation (Cash Basis) - Managed Account

Interest/Dividends/Coupons Received	148,240.49
Less Purchased Interest Related to Interest/Coupons	(2,496.39)
Plus Net Realized Gains/Losses	(175,408.16)
Total Cash Basis Earnings	(\$29,664.06)

Cash Balance

Closing Cash Balance	\$5,126,139.87
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Earnings Reconciliation (Accrual Basis)

	Total
Ending Amortized Value of Securities	132,737,299.97
Ending Accrued Interest	648,555.94
Plus Proceeds from Sales	3,467,536.11
Plus Proceeds of Maturities/Calls/Principal Payments	1,776,690.42
Plus Coupons/Dividends Received	117,805.10
Less Cost of New Purchases	(4,559,267.34)
Less Beginning Amortized Value of Securities	(133,311,612.03)
Less Beginning Accrued Interest	(505,438.69)
Total Accrual Basis Earnings	\$371,569.48



Portfolio Summary and Statistics

For the Month Ending **December 31, 2023**

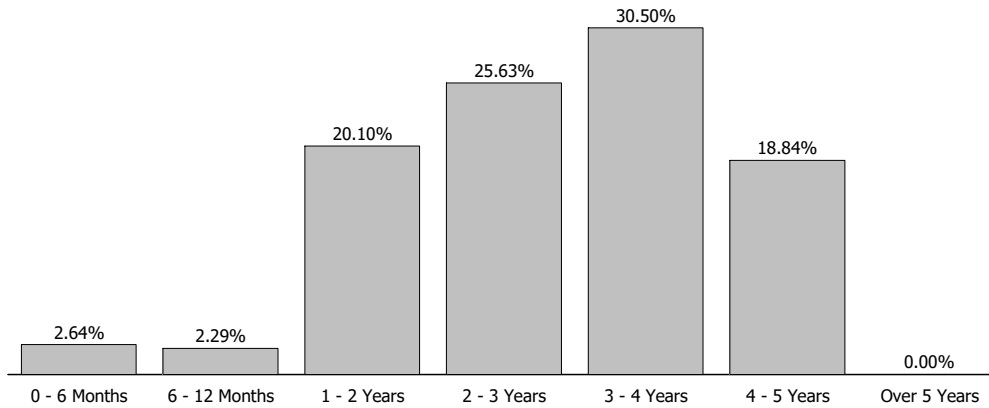
ZONE 7 WATER AGENCY - 99350000

Account Summary

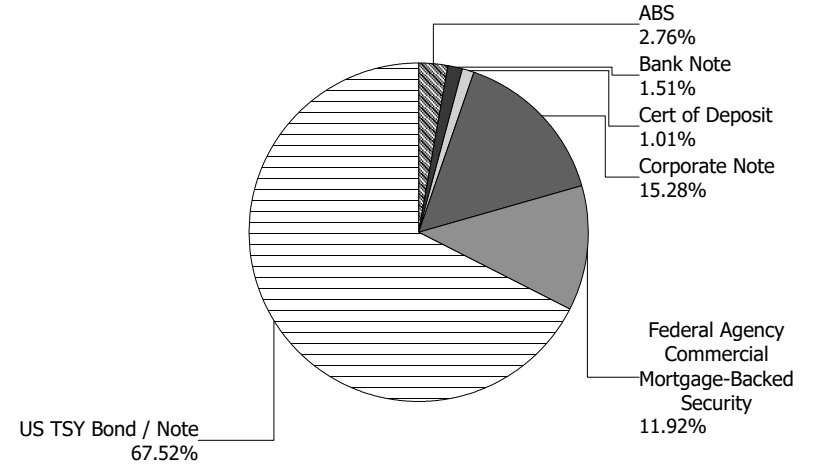
Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	93,070,000.00	88,195,591.41	67.52
Federal Agency Commercial Mortgage-Backed Security	15,521,233.05	15,571,602.82	11.92
Corporate Note	20,245,000.00	19,966,425.80	15.28
Certificate of Deposit	1,350,000.00	1,324,070.55	1.01
Bank Note	1,945,000.00	1,977,285.06	1.51
Asset-Backed Security	3,550,000.00	3,604,457.45	2.76
Managed Account Sub-Total	135,681,233.05	130,639,433.09	100.00%
Accrued Interest		648,555.94	
Total Portfolio	135,681,233.05	131,287,989.03	

Unsettled Trades **0.00** **0.00**

Maturity Distribution



Sector Allocation



Characteristics

Yield to Maturity at Cost	3.36%
Yield to Maturity at Market	4.34%
Weighted Average Days to Maturity	1042

Managed Account Issuer Summary

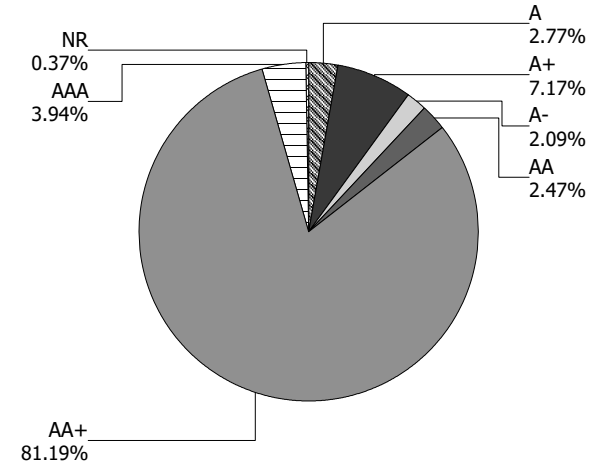
For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

Issuer Summary

Issuer	Market Value of Holdings	Percent
AMAZON.COM INC	1,947,057.79	1.49
AMERICAN EXPRESS CO	1,088,388.27	0.83
APPLE INC	2,295,745.00	1.76
BANK OF AMERICA CO	2,493,552.03	1.91
CHASE ISSURANCE	1,061,103.45	0.81
CITIGROUP INC	2,353,750.28	1.80
DEERE & COMPANY	1,020,249.12	0.78
FANNIE MAE	1,365,330.35	1.05
FREDDIE MAC	14,206,272.47	10.87
HOME DEPOT INC	1,321,571.69	1.01
HYUNDAI AUTO RECEIVABLES	402,281.47	0.31
JP MORGAN CHASE & CO	2,739,010.16	2.10
MICROSOFT CORP	2,021,276.18	1.55
PACCAR FINANCIAL CORP	1,001,940.23	0.77
RABOBANK NEDERLAND	1,324,070.55	1.01
TARGET CORP	1,283,125.25	0.98
TOYOTA MOTOR CORP	1,261,190.63	0.97
UNITED STATES TREASURY	88,195,591.41	67.51
WAL-MART STORES INC	1,280,641.70	0.98
WELLS FARGO & COMPANY	1,977,285.06	1.51
Total	\$130,639,433.09	100.00%

Credit Quality (S&P Ratings)





Managed Account Detail of Securities Held

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 01/31/2022 0.875% 01/31/2024	91282CDV0	260,000.00	AA+	Aaa	02/07/22	02/08/22	257,836.72	1.30	952.04	259,910.11	259,065.61
US TREASURY NOTES DTD 03/31/2022 2.250% 03/31/2024	91282CEG2	960,000.00	AA+	Aaa	04/01/22	04/04/22	956,512.50	2.44	5,488.52	959,568.26	952,800.00
US TREASURY NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	1,550,000.00	AA+	Aaa	04/13/22	04/18/22	1,479,947.27	2.41	179.99	1,535,261.40	1,515,609.38
US TREASURY NOTES DTD 07/15/2021 0.375% 07/15/2024	91282CCL3	3,075,000.00	AA+	Aaa	02/07/22	02/08/22	2,997,884.77	1.43	5,326.94	3,057,979.07	2,998,125.00
US TREASURY NOTES DTD 01/15/2022 1.125% 01/15/2025	91282CDS7	3,030,000.00	AA+	Aaa	02/07/22	02/08/22	2,994,492.19	1.54	15,746.94	3,017,413.28	2,919,215.63
US TREASURY NOTES DTD 02/15/2022 1.500% 02/15/2025	91282CDZ1	5,100,000.00	AA+	Aaa	05/04/22	05/05/22	4,896,398.44	3.01	28,895.38	5,017,718.54	4,921,500.00
US TREASURY NOTES DTD 03/31/2020 0.500% 03/31/2025	912828ZF0	3,200,000.00	AA+	Aaa	04/01/22	04/04/22	3,005,750.00	2.62	4,065.57	3,119,062.50	3,042,000.00
US TREASURY NOTES DTD 04/30/2018 2.875% 04/30/2025	9128284M9	3,125,000.00	AA+	Aaa	05/03/22	05/04/22	3,120,361.33	2.93	15,303.06	3,122,939.78	3,056,152.50
US TREASURY NOTES DTD 07/31/2020 0.250% 07/31/2025	91282CAB7	3,145,000.00	AA+	Aaa	02/07/22	02/08/22	2,998,560.94	1.63	3,290.29	3,078,415.81	2,944,997.50
US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025	91282CAJ0	1,075,000.00	AA+	Aaa	07/06/22	07/07/22	990,175.78	2.89	908.14	1,030,192.77	1,003,781.25
US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025	91282CAJ0	1,685,000.00	AA+	Aaa	03/08/22	03/09/22	1,596,603.32	1.81	1,423.45	1,642,714.26	1,573,368.75
US TREASURY NOTES DTD 09/30/2020 0.250% 09/30/2025	91282CAM3	2,235,000.00	AA+	Aaa	05/03/22	05/04/22	2,039,612.11	2.97	1,419.77	2,134,873.52	2,081,343.75
US TREASURY NOTES DTD 11/30/2020 0.375% 11/30/2025	91282CAZ4	1,600,000.00	AA+	Aaa	04/13/22	04/18/22	1,477,187.50	2.61	524.59	1,535,063.59	1,485,750.08
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	3,160,000.00	AA+	Aaa	02/07/22	02/08/22	2,998,420.31	1.71	4,958.97	3,075,373.61	2,919,050.00



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 03/31/2021 0.750% 03/31/2026	91282CBT7	3,225,000.00	AA+	Aaa	04/01/22	04/04/22	2,995,848.63	2.64	6,146.00	3,096,033.55	2,993,203.13
US TREASURY NOTES DTD 03/31/2021 0.750% 03/31/2026	91282CBT7	3,405,000.00	AA+	Aaa	05/03/22	05/04/22	3,126,614.65	2.98	6,489.04	3,245,030.84	3,160,265.62
US TREASURY NOTES DTD 04/30/2021 0.750% 04/30/2026	91282CBW0	1,225,000.00	AA+	Aaa	02/17/22	02/18/22	1,170,162.11	1.86	1,564.90	1,194,574.28	1,133,316.35
US TREASURY NOTES DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	1,665,000.00	AA+	Aaa	03/08/22	03/09/22	1,592,546.48	1.82	1,091.80	1,623,658.32	1,537,003.13
US TREASURY NOTES DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	6,760,000.00	AA+	Aaa	06/06/22	06/08/22	6,195,434.38	2.99	4,432.79	6,417,685.95	6,240,325.00
US TREASURY NOTES DTD 09/30/2021 0.875% 09/30/2026	91282CCZ2	3,420,000.00	AA+	Aaa	05/03/22	05/04/22	3,122,353.13	3.00	7,603.89	3,234,571.55	3,142,125.00
US TREASURY NOTES DTD 11/15/2016 2.000% 11/15/2026	912828U24	6,450,000.00	AA+	Aaa	06/06/22	06/08/22	6,181,669.92	3.01	16,656.59	6,276,355.18	6,099,281.25
US TREASURY NOTES DTD 02/15/2017 2.250% 02/15/2027	912828V98	5,300,000.00	AA+	Aaa	07/05/22	07/07/22	5,162,945.31	2.85	45,042.80	5,207,138.12	5,031,687.50
US TREASURY NOTES DTD 04/30/2020 0.500% 04/30/2027	912828ZN3	5,775,000.00	AA+	Aaa	08/03/22	08/05/22	5,161,406.25	2.92	4,918.27	5,343,816.42	5,156,894.82
US TREASURY NOTES DTD 05/15/2017 2.375% 05/15/2027	912828X88	6,220,000.00	AA+	Aaa	06/10/22	06/13/22	5,966,826.56	3.28	19,074.38	6,046,709.33	5,908,028.44
US TREASURY NOTES DTD 06/30/2020 0.500% 06/30/2027	912828ZV5	2,750,000.00	AA+	Aaa	08/09/22	08/10/22	2,440,410.16	2.99	37.77	2,528,690.96	2,442,773.30
US TREASURY NOTES DTD 08/15/2017 2.250% 08/15/2027	9128282R0	2,570,000.00	AA+	Aaa	09/01/22	09/06/22	2,436,580.86	3.40	21,841.51	2,472,228.32	2,423,831.25
US TREASURY NOTES DTD 09/30/2022 4.125% 09/30/2027	91282CFM8	1,940,000.00	AA+	Aaa	11/01/22	11/03/22	1,927,344.53	4.27	20,334.22	1,930,338.90	1,953,337.50
US TREASURY NOTES DTD 10/31/2022 4.125% 10/31/2027	91282CFU0	5,890,000.00	AA+	Aaa	12/13/22	12/14/22	6,019,303.91	3.63	41,383.72	5,991,513.00	5,929,573.73



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 11/15/1997 6.125% 11/15/2027	912810FB9	1,560,000.00	AA+	Aaa	01/26/23	01/30/23	1,730,685.94	3.62	12,337.50	1,697,914.24	1,678,462.50
US TREASURY NOTES DTD 03/31/2023 3.625% 03/31/2028	91282CGT2	850,000.00	AA+	Aaa	05/31/23	05/31/23	842,263.67	3.83	7,829.41	843,205.52	840,968.75
US TREASURY NOTES DTD 04/30/2023 3.500% 04/30/2028	91282CHA2	865,000.00	AA+	Aaa	05/01/23	05/01/23	860,877.73	3.61	5,156.73	861,430.83	851,754.69
Security Type Sub-Total		93,070,000.00					88,743,017.40	2.81	310,424.97	90,597,381.81	88,195,591.41
Federal Agency Commercial Mortgage-Backed Security											
FHMS K061 A2 DTD 01/30/2017 3.347% 11/01/2026	3137BTUM1	963,557.64	AA+	Aaa	05/19/23	05/24/23	933,898.13	4.31	2,687.52	939,136.33	935,474.63
FHMS K064 A2 DTD 05/15/2017 3.224% 03/01/2027	3137BXOY1	1,320,000.00	AA+	Aaa	08/16/23	08/18/23	1,245,131.25	4.98	3,546.40	1,253,018.28	1,275,206.57
FHLMC MULTIFAMILY STRUCTURED P DTD 08/01/2017 3.117% 06/01/2027	3137F2LJ3	1,165,000.00	AA+	Aaa	08/17/23	08/22/23	1,089,457.03	5.01	3,026.09	1,096,688.12	1,119,090.16
FHMS K506 A1 DTD 09/01/2023 4.650% 05/01/2028	3137HAMG8	648,390.66	AA+	Aaa	09/07/23	09/14/23	638,693.99	5.01	2,512.51	639,251.21	654,050.21
FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028	3137HAD45	1,082,077.87	AA+	Aaa	07/19/23	07/27/23	1,082,050.82	4.78	4,307.57	1,082,053.23	1,086,806.37
FHMS K505 A2 DTD 07/01/2023 4.819% 06/01/2028	3137HACX2	1,350,000.00	AA+	Aaa	07/13/23	07/20/23	1,363,483.80	4.59	5,421.38	1,362,232.49	1,372,138.60
FNA 2023-M6 A2 DTD 07/01/2023 4.190% 07/01/2028	3136BODE6	1,375,000.00	AA+	Aaa	07/18/23	07/31/23	1,351,689.45	4.58	4,801.04	1,353,687.13	1,365,330.35
FHMS KJ47 A1 DTD 09/01/2023 5.272% 08/01/2028	3137HAMN3	732,206.88	AA+	Aaa	09/19/23	09/28/23	732,203.22	5.27	3,216.83	732,203.40	750,024.22
FHMS K506 A2 DTD 09/01/2023 4.650% 08/01/2028	3137HAMH6	1,300,000.00	AA+	Aaa	09/07/23	09/14/23	1,280,769.10	4.99	5,037.50	1,281,811.33	1,315,028.70
FHMS K508 A2 DTD 10/01/2023 4.740% 08/01/2028	3137HAO74	1,325,000.00	AA+	Aaa	10/11/23	10/19/23	1,295,934.80	5.26	5,233.75	1,297,017.84	1,345,017.76



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

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
Federal Agency Commercial Mortgage-Backed Security											
FHMS K509 A2 DTD 10/01/2023 4.850% 09/01/2028	3137HAST4	1,015,000.00	AA+	Aaa	10/25/23	10/31/23	982,638.76	5.60	4,102.29	983,630.41	1,035,370.82
FHMS K507 A2 DTD 09/01/2023 4.800% 09/01/2028	3137HAMS2	1,300,000.00	AA+	Aaa	09/20/23	09/28/23	1,284,461.10	5.07	5,200.00	1,285,183.46	1,323,883.54
FHMS K510 A2 DTD 11/01/2023 5.069% 10/01/2028	3137HB3D4	515,000.00	AA+	Aaa	11/14/23	11/21/23	513,511.14	5.14	2,175.45	513,541.19	529,583.69
FHMS K511 A2 DTD 12/01/2023 4.860% 10/01/2028	3137HB3G7	750,000.00	AA+	Aaa	11/28/23	12/07/23	747,845.25	4.93	3,037.50	747,871.94	765,889.91
FHMS K512 A2 DTD 12/01/2023 5.000% 11/01/2028	3137HBCF9	680,000.00	AA+	Aaa	12/11/23	12/21/23	686,349.84	4.78	2,833.33	686,315.51	698,707.29
Security Type Sub-Total		15,521,233.05					15,228,117.68	4.94	57,139.16	15,253,641.87	15,571,602.82
Corporate Note											
JPMORGAN CHASE & CO CORP NOTES DTD 01/28/2014 3.875% 02/01/2024	46625HJT8	720,000.00	A-	A1	05/20/21	05/24/21	785,318.40	0.47	11,625.00	722,059.89	718,814.16
AMAZON.COM INC CORPORATE NOTES DTD 04/13/2022 3.000% 04/13/2025	023135CE4	1,990,000.00	AA	A1	04/11/22	04/13/22	1,986,835.90	3.06	12,935.00	1,988,648.91	1,947,057.79
WALMART INC CORP NOTES (CALLABLE) DTD 06/27/2018 3.550% 06/26/2025	931142ED1	1,300,000.00	AA	Aa2	02/07/22	02/09/22	1,372,527.00	1.84	640.97	1,329,765.77	1,280,641.70
JP MORGAN CORP NOTES (CALLABLE) DTD 12/08/2023 5.110% 12/08/2026	48125LRU8	2,000,000.00	A+	Aa2	12/05/23	12/08/23	2,000,000.00	5.11	6,529.44	2,000,000.00	2,020,196.00
TARGET CORP CORP NOTES (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	1,375,000.00	A	A2	02/07/22	02/09/22	1,366,915.00	2.08	12,363.54	1,370,017.02	1,283,125.25
MICROSOFT CORP CORP NOTES (CALLABLE) DTD 02/06/2017 3.300% 02/06/2027	594918BY9	2,075,000.00	AAA	Aaa	12/14/22	12/16/22	2,015,634.25	4.06	27,580.21	2,030,583.59	2,021,276.18
BANK OF AMERICA CORP CORP NOTES (CALLABL DTD 03/11/2021 1.658% 03/11/2027	06051GJO3	2,170,000.00	A-	A1	04/13/22	04/18/22	2,000,761.70	3.40	10,993.46	2,059,730.08	2,008,586.72



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

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
Corporate Note											
HOME DEPOT INC CORP NOTES (CALLABLE) DTD 09/14/2017 2.800% 09/14/2027	437076BT8	1,390,000.00	A	A2	01/26/23	01/30/23	1,311,326.00	4.16	11,567.89	1,326,986.23	1,321,571.69
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 01/12/2023 4.625% 01/12/2028	89236TKQ7	980,000.00	A+	A1	08/14/23	08/16/23	967,946.00	4.94	21,277.57	968,979.20	991,055.38
APPLE INC CORP NOTES CALLABLE DTD 05/10/2023 4.000% 05/10/2028	037833ET3	2,300,000.00	AA+	Aaa	05/10/23	05/11/23	2,302,001.00	3.98	13,033.33	2,301,739.18	2,295,745.00
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	195,000.00	A	A2	07/13/23	07/14/23	197,652.00	4.64	4,477.69	197,403.78	199,948.32
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	345,000.00	A	A2	07/14/23	07/18/23	348,381.00	4.73	7,922.06	348,071.28	353,754.72
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	455,000.00	A	A2	07/11/23	07/14/23	454,322.05	4.98	10,447.94	454,385.50	466,546.08
PACCAR FINANCIAL CORP CORPORATE NOTES DTD 08/10/2023 4.950% 08/10/2028	69371RS64	975,000.00	A+	A1	08/17/23	08/21/23	970,407.75	5.06	18,902.81	970,744.08	1,001,940.23
CITIBANK NA CORP NOTES (CALLABLE) DTD 09/29/2023 5.803% 09/29/2028	17325FBB3	1,975,000.00	A+	Aa3	09/26/23	09/29/23	1,975,000.00	5.80	29,289.03	1,975,000.00	2,056,166.58
Security Type Sub-Total		20,245,000.00					20,055,028.05	3.91	199,585.94	20,044,114.51	19,966,425.80
Certificate of Deposit											
COOPERAT RABOBANK UA/NY CERT DEPOS DTD 07/20/2023 5.080% 07/17/2026	21684LGS5	1,350,000.00	A+	Aa2	07/17/23	07/20/23	1,350,000.00	5.08	30,670.50	1,350,000.00	1,324,070.55
Security Type Sub-Total		1,350,000.00					1,350,000.00	5.08	30,670.50	1,350,000.00	1,324,070.55
Bank Note											



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2023**

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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
Bank Note											
WELLS FARGO BANK NA BANK NOTES (CALLABLE DTD 08/09/2023 5.450% 08/07/2026	94988J6D4	1,945,000.00	A+	Aa2	08/18/23	08/22/23	1,942,335.35	5.50	41,812.10	1,942,660.73	1,977,285.06
Security Type Sub-Total		1,945,000.00					1,942,335.35	5.50	41,812.10	1,942,660.73	1,977,285.06
Asset-Backed Security											
CCCIT 2023-A1 A1 DTD 12/01/2023 5.230% 12/01/2027	17305EGW9	295,000.00	AAA	Aaa	12/04/23	12/11/23	294,963.01	5.23	1,285.71	294,963.49	297,583.70
TAOT 2023-D A3 DTD 11/14/2023 5.540% 08/15/2028	89239FAD4	265,000.00	AAA	NR	11/07/23	11/14/23	264,971.43	5.54	652.49	264,972.12	270,135.25
CHAIT 2023-A1 A DTD 09/15/2023 5.160% 09/15/2028	161571HT4	1,045,000.00	AAA	NR	09/07/23	09/15/23	1,044,710.33	5.17	2,396.53	1,044,725.46	1,061,103.45
AMXCA 2023-3 A DTD 09/19/2023 5.230% 09/15/2028	02582JKD1	1,070,000.00	AAA	NR	09/12/23	09/19/23	1,069,952.17	5.23	2,487.16	1,069,954.58	1,088,388.27
HART 2023-C A3 DTD 11/13/2023 5.540% 10/16/2028	44918CAD4	395,000.00	AAA	NR	11/03/23	11/13/23	394,948.06	5.54	972.58	394,949.30	402,281.47
BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028	05522RDH8	480,000.00	NR	Aaa	12/07/23	12/14/23	479,935.54	4.98	1,128.80	479,936.10	484,965.31
Security Type Sub-Total		3,550,000.00					3,549,480.54	5.24	8,923.27	3,549,501.05	3,604,457.45
Managed Account Sub-Total		135,681,233.05					130,867,979.02	3.36	648,555.94	132,737,299.97	130,639,433.09
Securities Sub-Total		\$135,681,233.05					\$130,867,979.02	3.36%	\$648,555.94	\$132,737,299.97	\$130,639,433.09
Accrued Interest											\$648,555.94
Total Investments											\$131,287,989.03



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Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
U.S. Treasury Bond / Note										
US TREASURY NOTES DTD 01/31/2022 0.875% 01/31/2024	91282CDV0	260,000.00	CITIGRP		99.64	259,065.61	1,228.89	(844.50)	0.09	5.14
US TREASURY NOTES DTD 03/31/2022 2.250% 03/31/2024	91282CEG2	960,000.00	BNP_PAR		99.25	952,800.00	(3,712.50)	(6,768.26)	0.26	5.28
US TREASURY NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	1,550,000.00	BNP_PAR		97.78	1,515,609.38	35,662.11	(19,652.02)	0.46	5.23
US TREASURY NOTES DTD 07/15/2021 0.375% 07/15/2024	91282CCL3	3,075,000.00	CITIGRP		97.50	2,998,125.00	240.23	(59,854.07)	0.55	5.12
US TREASURY NOTES DTD 01/15/2022 1.125% 01/15/2025	91282CDS7	3,030,000.00	BARCLAY		96.34	2,919,215.63	(75,276.56)	(98,197.65)	1.04	4.77
US TREASURY NOTES DTD 02/15/2022 1.500% 02/15/2025	91282CDZ1	5,100,000.00	HSBC		96.50	4,921,500.00	25,101.56	(96,218.54)	1.12	4.73
US TREASURY NOTES DTD 03/31/2020 0.500% 03/31/2025	912828ZF0	3,200,000.00	BNP_PAR		95.06	3,042,000.00	36,250.00	(77,062.50)	1.25	4.61
US TREASURY NOTES DTD 04/30/2018 2.875% 04/30/2025	9128284M9	3,125,000.00	BNP_PAR		97.80	3,056,152.50	(64,208.83)	(66,787.28)	1.32	4.60
US TREASURY NOTES DTD 07/31/2020 0.250% 07/31/2025	91282CAB7	3,145,000.00	BNP_PAR		93.64	2,944,997.50	(53,563.44)	(133,418.31)	1.59	4.45
US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025	91282CAJ0	1,075,000.00	RBC		93.38	1,003,781.25	13,605.47	(26,411.52)	1.67	4.42
US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025	91282CAJ0	1,685,000.00	NOMURA		93.38	1,573,368.75	(23,234.57)	(69,345.51)	1.67	4.42
US TREASURY NOTES DTD 09/30/2020 0.250% 09/30/2025	91282CAM3	2,235,000.00	BNP_PAR		93.13	2,081,343.75	41,731.64	(53,529.77)	1.75	4.38
US TREASURY NOTES DTD 11/30/2020 0.375% 11/30/2025	91282CAZ4	1,600,000.00	WELLS_F		92.86	1,485,750.08	8,562.58	(49,313.51)	1.92	4.30
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	3,160,000.00	GOLDMAN		92.38	2,919,050.00	(79,370.31)	(156,323.61)	2.08	4.24
US TREASURY NOTES DTD 03/31/2021 0.750% 03/31/2026	91282CBT7	3,225,000.00	CITIGRP		92.81	2,993,203.13	(2,645.50)	(102,830.42)	2.23	4.13
US TREASURY NOTES DTD 03/31/2021 0.750% 03/31/2026	91282CBT7	3,405,000.00	MORGAN_		92.81	3,160,265.62	33,650.97	(84,765.22)	2.23	4.13
US TREASURY NOTES DTD 04/30/2021 0.750% 04/30/2026	91282CBW0	1,225,000.00	CITIGRP		92.52	1,133,316.35	(36,845.76)	(61,257.93)	2.32	4.15



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Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
U.S. Treasury Bond / Note										
US TREASURY NOTES DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	1,665,000.00	BNP_PAR		92.31	1,537,003.13	(55,543.35)	(86,655.19)	2.40	4.13
US TREASURY NOTES DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	6,760,000.00	CITIGRP		92.31	6,240,325.00	44,890.62	(177,360.95)	2.40	4.13
US TREASURY NOTES DTD 09/30/2021 0.875% 09/30/2026	91282CCZ2	3,420,000.00	NOMURA		91.88	3,142,125.00	19,771.87	(92,446.55)	2.72	4.03
US TREASURY NOTES DTD 11/15/2016 2.000% 11/15/2026	912828U24	6,450,000.00	RBC		94.56	6,099,281.25	(82,388.67)	(177,073.93)	2.80	4.02
US TREASURY NOTES DTD 02/15/2017 2.250% 02/15/2027	912828V98	5,300,000.00	JPM_CHA		94.94	5,031,687.50	(131,257.81)	(175,450.62)	3.01	3.99
US TREASURY NOTES DTD 04/30/2020 0.500% 04/30/2027	912828ZN3	5,775,000.00	NOMURA		89.30	5,156,894.82	(4,511.43)	(186,921.60)	3.31	3.96
US TREASURY NOTES DTD 05/15/2017 2.375% 05/15/2027	912828X88	6,220,000.00	BARCLAY		94.98	5,908,028.44	(58,798.12)	(138,680.89)	3.25	3.98
US TREASURY NOTES DTD 06/30/2020 0.500% 06/30/2027	912828ZV5	2,750,000.00	WELLS_F		88.83	2,442,773.30	2,363.14	(85,917.66)	3.47	3.95
US TREASURY NOTES DTD 08/15/2017 2.250% 08/15/2027	9128282R0	2,570,000.00	HSBC		94.31	2,423,831.25	(12,749.61)	(48,397.07)	3.47	3.95
US TREASURY NOTES DTD 09/30/2022 4.125% 09/30/2027	91282CFM8	1,940,000.00	MERRILL		100.69	1,953,337.50	25,992.97	22,998.60	3.48	3.92
US TREASURY NOTES DTD 10/31/2022 4.125% 10/31/2027	91282CFU0	5,890,000.00	BARCLAY		100.67	5,929,573.73	(89,730.18)	(61,939.27)	3.57	3.93
US TREASURY NOTES DTD 11/15/1997 6.125% 11/15/2027	912810FB9	1,560,000.00	NOMURA		107.59	1,678,462.50	(52,223.44)	(19,451.74)	3.50	3.99
US TREASURY NOTES DTD 03/31/2023 3.625% 03/31/2028	91282CGT2	850,000.00	JPM_CHA		98.94	840,968.75	(1,294.92)	(2,236.77)	3.94	3.90
US TREASURY NOTES DTD 04/30/2023 3.500% 04/30/2028	91282CHA2	865,000.00	CITIGRP		98.47	851,754.69	(9,123.04)	(9,676.14)	4.04	3.89
Security Type Sub-Total		93,070,000.00				88,195,591.41	(547,425.99)	(2,401,790.40)	2.38	4.24
Federal Agency Commercial Mortgage-Backed Security										
FHMS K061 A2 DTD 01/30/2017 3.347% 11/01/2026	3137BTUM1	963,557.64	CITIGRP		97.09	935,474.63	1,576.50	(3,661.70)	2.55	4.44



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Federal Agency Commercial Mortgage-Backed Security										
FHMS K064 A2 DTD 05/15/2017 3.224% 03/01/2027	3137BXOY1	1,320,000.00	MORGAN_		96.61	1,275,206.57	30,075.32	22,188.29	2.85	4.37
FHLMC MULTIFAMILY STRUCTURED P DTD 08/01/2017 3.117% 06/01/2027	3137F2LJ3	1,165,000.00	CANT_FI		96.06	1,119,090.16	29,633.13	22,402.04	3.09	4.36
FHMS K506 A1 DTD 09/01/2023 4.650% 05/01/2028	3137HAMG8	648,390.66	WELLS_F		100.87	654,050.21	15,356.22	14,799.00	3.59	4.43
FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028	3137HAD45	1,082,077.87	JPM_CHA		100.44	1,086,806.37	4,755.55	4,753.14	3.10	4.67
FHMS K505 A2 DTD 07/01/2023 4.819% 06/01/2028	3137HACX2	1,350,000.00	JPM_CHA		101.64	1,372,138.60	8,654.80	9,906.11	3.86	4.41
FNA 2023-M6 A2 DTD 07/01/2023 4.190% 07/01/2028	3136BODE6	1,375,000.00	JPM_CHA		99.30	1,365,330.35	13,640.90	11,643.22	4.02	4.36
FHMS KJ47 A1 DTD 09/01/2023 5.272% 08/01/2028	3137HAMN3	732,206.88	JPM_CHA		102.43	750,024.22	17,821.00	17,820.82	3.32	4.68
FHMS K506 A2 DTD 09/01/2023 4.650% 08/01/2028	3137HAMH6	1,300,000.00	WELLS_F		101.16	1,315,028.70	34,259.60	33,217.37	4.00	4.37
FHMS K508 A2 DTD 10/01/2023 4.740% 08/01/2028	3137HAQ74	1,325,000.00	BMO		101.51	1,345,017.76	49,082.96	47,999.92	4.02	4.38
FHMS K509 A2 DTD 10/01/2023 4.850% 09/01/2028	3137HAST4	1,015,000.00	MORGAN_		102.01	1,035,370.82	52,732.06	51,740.41	4.09	4.37
FHMS K507 A2 DTD 09/01/2023 4.800% 09/01/2028	3137HAMS2	1,300,000.00	MERRILL		101.84	1,323,883.54	39,422.44	38,700.08	4.05	4.36
FHMS K510 A2 DTD 11/01/2023 5.069% 10/01/2028	3137HB3D4	515,000.00	JPM_CHA		102.83	529,583.69	16,072.55	16,042.50	4.10	4.41
FHMS K511 A2 DTD 12/01/2023 4.860% 10/01/2028	3137HB3G7	750,000.00	MERRILL		102.12	765,889.91	18,044.66	18,017.97	4.15	4.37
FHMS K512 A2 DTD 12/01/2023 5.000% 11/01/2028	3137HBCF9	680,000.00	JPM_CHA		102.75	698,707.29	12,357.45	12,391.78	4.30	4.37
Security Type Sub-Total		15,521,233.05				15,571,602.82	343,485.14	317,960.95	3.67	4.42
Corporate Note										
JPMORGAN CHASE & CO CORP NOTES DTD 01/28/2014 3.875% 02/01/2024	46625HJT8	720,000.00	DIRECT		99.84	718,814.16	(66,504.24)	(3,245.73)	0.09	5.71



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Corporate Note										
AMAZON.COM INC CORPORATE NOTES DTD 04/13/2022 3.000% 04/13/2025	023135CE4	1,990,000.00	JPM_CHA		97.84	1,947,057.79	(39,778.11)	(41,591.12)	1.27	4.75
WALMART INC CORP NOTES (CALLABLE) DTD 06/27/2018 3.550% 06/26/2025	931142ED1	1,300,000.00	MORGAN_	04/26/25	98.51	1,280,641.70	(91,885.30)	(49,124.07)	1.30	4.60
JP MORGAN CORP NOTES (CALLABLE) DTD 12/08/2023 5.110% 12/08/2026	48125LRU8	2,000,000.00	JPM_CHA	11/08/26	101.01	2,020,196.00	20,196.00	20,196.00	2.69	4.74
TARGET CORP CORP NOTES (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	1,375,000.00	BARCLAY	12/15/26	93.32	1,283,125.25	(83,789.75)	(86,891.77)	2.86	4.32
MICROSOFT CORP CORP NOTES (CALLABLE) DTD 02/06/2017 3.300% 02/06/2027	594918BY9	2,075,000.00	GOLDMAN	11/06/26	97.41	2,021,276.18	5,641.93	(9,307.41)	2.71	4.20
BANK OF AMERICA CORP CORP NOTES (CALLABL DTD 03/11/2021 1.658% 03/11/2027	06051GJQ3	2,170,000.00	CITIGRP	03/11/26	92.56	2,008,586.72	7,825.02	(51,143.36)	2.16	4.17
HOME DEPOT INC CORP NOTES (CALLABLE) DTD 09/14/2017 2.800% 09/14/2027	437076BT8	1,390,000.00	TD	06/14/27	95.08	1,321,571.69	10,245.69	(5,414.54)	3.29	4.25
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 01/12/2023 4.625% 01/12/2028	89236TKQ7	980,000.00	MKTX		101.13	991,055.38	23,109.38	22,076.18	3.65	4.32
APPLE INC CORP NOTES CALLABLE DTD 05/10/2023 4.000% 05/10/2028	037833ET3	2,300,000.00	MORGAN_	04/10/28	99.82	2,295,745.00	(6,256.00)	(5,994.18)	3.95	4.05
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	195,000.00	SIEBERT		102.54	199,948.32	2,296.32	2,544.54	4.04	4.33
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	345,000.00	SOCGEN		102.54	353,754.72	5,373.72	5,683.44	4.04	4.33
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	455,000.00	CITIGRP		102.54	466,546.08	12,224.03	12,160.58	4.04	4.33
PACCAR FINANCIAL CORP CORPORATE NOTES DTD 08/10/2023 4.950% 08/10/2028	69371RS64	975,000.00	MKTX		102.76	1,001,940.23	31,532.48	31,196.15	4.11	4.28



Managed Account Fair Market Value & Analytics

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
Corporate Note										
CITIBANK NA CORP NOTES (CALLABLE) DTD 09/29/2023 5.803% 09/29/2028	17325FBB3	1,975,000.00	CITIGRP	08/29/28	104.11	2,056,166.58	81,166.58	81,166.58	4.11	4.82
Security Type Sub-Total		20,245,000.00				19,966,425.80	(88,602.25)	(77,688.71)	2.85	4.46
Certificate of Deposit										
COOPERAT RABOBANK UA/NY CERT DEPOS DTD 07/20/2023 5.080% 07/17/2026	21684LGS5	1,350,000.00	RABOBAN		98.08	1,324,070.55	(25,929.45)	(25,929.45)	2.37	5.90
Security Type Sub-Total		1,350,000.00				1,324,070.55	(25,929.45)	(25,929.45)	2.37	5.90
Bank Note										
WELLS FARGO BANK NA BANK NOTES (CALLABLE) DTD 08/09/2023 5.450% 08/07/2026	94988J6D4	1,945,000.00	JPM_CHA	07/07/26	101.66	1,977,285.06	34,949.71	34,624.33	2.42	4.76
Security Type Sub-Total		1,945,000.00				1,977,285.06	34,949.71	34,624.33	2.42	4.76
Asset-Backed Security										
CCCT 2023-A1 A1 DTD 12/01/2023 5.230% 12/01/2027	17305EGW9	295,000.00	CITIGRP		100.88	297,583.70	2,620.69	2,620.21	3.58	4.98
TAOT 2023-D A3 DTD 11/14/2023 5.540% 08/15/2028	89239FAD4	265,000.00	JPM_CHA		101.94	270,135.25	5,163.82	5,163.13	2.25	5.07
CHAIT 2023-A1 A DTD 09/15/2023 5.160% 09/15/2028	161571HT4	1,045,000.00	JPM_CHA		101.54	1,061,103.45	16,393.12	16,377.99	2.46	4.79
AMXCA 2023-3 A DTD 09/19/2023 5.230% 09/15/2028	02582JKD1	1,070,000.00	CITIGRP		101.72	1,088,388.27	18,436.10	18,433.69	2.46	4.82
HART 2023-C A3 DTD 11/13/2023 5.540% 10/16/2028	44918CAD4	395,000.00	BNP_PAR		101.84	402,281.47	7,333.41	7,332.17	2.26	5.11
BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028	05522RDH8	480,000.00	MERRILL		101.03	484,965.31	5,029.77	5,029.21	4.33	4.74
Security Type Sub-Total		3,550,000.00				3,604,457.45	54,976.91	54,956.40	2.76	4.86



Managed Account Fair Market Value & Analytics

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
Managed Account Sub-Total		135,681,233.05				130,639,433.09	(228,545.93)	(2,097,866.88)	2.62	4.34
Securities Sub-Total		\$135,681,233.05				\$130,639,433.09	(\$228,545.93)	(\$2,097,866.88)	2.62	4.34%
Accrued Interest						\$648,555.94				
Total Investments						\$131,287,989.03				



Managed Account Security Transactions & Interest

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
BUY										
11/28/23	12/07/23	FHMS K511 A2 DTD 12/01/2023 4.860% 10/01/2028	3137HB3G7	750,000.00	(747,845.25)	(607.50)	(748,452.75)			
12/04/23	12/05/23	US TREASURY BILL DTD 06/22/2023 0.000% 12/21/2023	912797FV4	410,000.00	(409,036.50)	0.00	(409,036.50)			
12/04/23	12/11/23	CCCIT 2023-A1 A1 DTD 12/01/2023 5.230% 12/01/2027	17305EGW9	295,000.00	(294,963.01)	0.00	(294,963.01)			
12/05/23	12/08/23	JP MORGAN CORP NOTES (CALLABLE) DTD 12/08/2023 5.110% 12/08/2026	48125LRU8	2,000,000.00	(2,000,000.00)	0.00	(2,000,000.00)			
12/07/23	12/14/23	BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028	05522RDH8	480,000.00	(479,935.54)	0.00	(479,935.54)			
12/11/23	12/12/23	US TREASURY BILL DTD 06/22/2023 0.000% 12/21/2023	912797FV4	688,000.00	(687,093.56)	0.00	(687,093.56)			
12/11/23	12/21/23	FHMS K512 A2 DTD 12/01/2023 5.000% 11/01/2028	3137HBCF9	680,000.00	(686,349.84)	(1,888.89)	(688,238.73)			
Transaction Type Sub-Total				5,303,000.00	(5,305,223.70)	(2,496.39)	(5,307,720.09)			
INTEREST										
12/01/23	12/01/23	MONEY MARKET FUND	MONEY0002	0.00	0.00	22,269.66	22,269.66			
12/01/23	12/25/23	FHLMC MULTIFAMILY STRUCTURED P DTD 08/01/2017 3.117% 06/01/2027	3137F2LJ3	1,165,000.00	0.00	3,026.09	3,026.09			
12/01/23	12/25/23	FHMS K064 A2 DTD 05/15/2017 3.224% 03/01/2027	3137BXOY1	1,320,000.00	0.00	3,546.40	3,546.40			
12/01/23	12/25/23	FNA 2023-M6 A2 DTD 07/01/2023 4.190% 07/01/2028	3136BODE6	1,375,000.00	0.00	4,801.04	4,801.04			
12/01/23	12/25/23	FHMS K507 A2 DTD 09/01/2023 4.800% 09/01/2028	3137HAMS2	1,300,000.00	0.00	5,200.00	5,200.00			
12/01/23	12/25/23	FHMS K508 A2 DTD 10/01/2023 4.740% 08/01/2028	3137HAQ74	1,325,000.00	0.00	5,233.75	5,233.75			
12/01/23	12/25/23	FHMS K506 A1 DTD 09/01/2023 4.650% 05/01/2028	3137HAMG8	648,954.79	0.00	2,514.70	2,514.70			
12/01/23	12/25/23	FHMS K509 A2 DTD 10/01/2023 4.850% 09/01/2028	3137HAST4	1,015,000.00	0.00	4,102.29	4,102.29			
12/01/23	12/25/23	FHMS K061 A2 DTD 01/30/2017 3.347% 11/01/2026	3137BTUM1	965,000.00	0.00	2,691.55	2,691.55			



Managed Account Security Transactions & Interest

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
INTEREST										
12/01/23	12/25/23	FHMS K505 A2 DTD 07/01/2023 4.819% 06/01/2028	3137HACX2	1,350,000.00	0.00	5,421.38	5,421.38			
12/01/23	12/25/23	FHMS K506 A2 DTD 09/01/2023 4.650% 08/01/2028	3137HAMH6	1,300,000.00	0.00	5,037.50	5,037.50			
12/01/23	12/25/23	FHMS KJ47 A1 DTD 09/01/2023 5.272% 08/01/2028	3137HAMN3	733,214.79	0.00	3,221.26	3,221.26			
12/01/23	12/25/23	FHMS K510 A2 DTD 11/01/2023 5.069% 10/01/2028	3137HB3D4	515,000.00	0.00	2,175.45	2,175.45			
12/01/23	12/25/23	FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028	3137HAD45	1,082,753.89	0.00	4,310.26	4,310.26			
12/15/23	12/15/23	US TREASURY NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	1,550,000.00	0.00	1,937.50	1,937.50			
12/15/23	12/15/23	AMXCA 2023-3 A DTD 09/19/2023 5.230% 09/15/2028	02582JKD1	1,070,000.00	0.00	4,663.42	4,663.42			
12/15/23	12/15/23	HART 2023-C A3 DTD 11/13/2023 5.540% 10/16/2028	44918CAD4	395,000.00	0.00	1,945.15	1,945.15			
12/15/23	12/15/23	CHAIT 2023-A1 A DTD 09/15/2023 5.160% 09/15/2028	161571HT4	1,045,000.00	0.00	4,493.50	4,493.50			
12/15/23	12/15/23	TAOT 2023-D A3 DTD 11/14/2023 5.540% 08/15/2028	89239FAD4	265,000.00	0.00	1,264.20	1,264.20			
12/26/23	12/26/23	WALMART INC CORP NOTES (CALLABLE) DTD 06/27/2018 3.550% 06/26/2025	931142ED1	1,300,000.00	0.00	23,075.00	23,075.00			
12/31/23	12/31/23	US TREASURY NOTES DTD 06/30/2020 0.500% 06/30/2027	912828ZV5	2,750,000.00	0.00	6,875.00	6,875.00			
Transaction Type Sub-Total				22,469,923.47	0.00	117,805.10	117,805.10			
MATURITY										
12/05/23	12/05/23	US TREASURY BILL DTD 08/08/2023 0.000% 12/05/2023	912797HN0	1,085,000.00	1,085,000.00	0.00	1,085,000.00	6,374.38	0.00	
12/21/23	12/21/23	US TREASURY BILL DTD 06/22/2023 0.000% 12/21/2023	912797FV4	688,000.00	688,000.00	0.00	688,000.00	906.44	0.00	
Transaction Type Sub-Total				1,773,000.00	1,773,000.00	0.00	1,773,000.00	7,280.82	0.00	



Managed Account Security Transactions & Interest

For the Month Ending **December 31, 2023**

ZONE 7 WATER AGENCY - 99350000

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
PAYDOWNS										
12/01/23	12/25/23	FHMS KJ47 A1 DTD 09/01/2023 5.272% 08/01/2028	3137HAMN3	1,007.91	1,007.91	0.00	1,007.91	0.01	0.00	
12/01/23	12/25/23	FHMS K506 A1 DTD 09/01/2023 4.650% 05/01/2028	3137HAMG8	564.13	564.13	0.00	564.13	8.44	0.00	
12/01/23	12/25/23	FHMS K061 A2 DTD 01/30/2017 3.347% 11/01/2026	3137BTUM1	1,442.36	1,442.36	0.00	1,442.36	44.40	0.00	
12/01/23	12/25/23	FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028	3137HAD45	676.02	676.02	0.00	676.02	0.02	0.00	
Transaction Type Sub-Total				3,690.42	3,690.42	0.00	3,690.42	52.87	0.00	
SELL										
12/05/23	12/08/23	JPMORGAN CHASE & CO CORP NOTES DTD 01/28/2014 3.875% 02/01/2024	46625HJT8	1,980,000.00	1,974,258.00	27,066.88	2,001,324.88	(185,367.60)	(15,792.26)	FIFO
12/07/23	12/11/23	US TREASURY BILL DTD 06/22/2023 0.000% 12/21/2023	912797FV4	410,000.00	409,401.31	0.00	409,401.31	364.81	3.50	FIFO
12/07/23	12/11/23	US TREASURY NOTES DTD 01/31/2022 0.875% 01/31/2024	91282CDV0	370,000.00	367,673.05	1,170.07	368,843.12	751.56	(2,109.49)	FIFO
12/11/23	12/12/23	US TREASURY NOTES DTD 01/31/2022 0.875% 01/31/2024	91282CDV0	690,000.00	685,768.36	2,198.44	687,966.80	1,509.38	(3,834.06)	FIFO
Transaction Type Sub-Total				3,450,000.00	3,437,100.72	30,435.39	3,467,536.11	(182,741.85)	(21,732.31)	
Managed Account Sub-Total					(91,432.56)	145,744.10	54,311.54	(175,408.16)	(21,732.31)	
Total Security Transactions					(91,432.56)	\$145,744.10	\$54,311.54	(\$175,408.16)	(\$21,732.31)	

ORIGINATING SECTION: Administration
CONTACT: Osborn Solitei

AGENDA DATE: March 20, 2024

SUBJECT: FY 2023-24 Unaudited Second 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, fiscal year-end projections, and explanations of any major variances through the second quarter of fiscal year (FY) 2023-24 (July 1, 2023 – December 31, 2023) for the following funds:

- › Fund 100 – Water Enterprise Operations
- › Fund 110 – State Water Facilities
- › Fund 120 – Water Enterprise Renewal/Replacement & System-Wide Improvements
- › Fund 130 – Water Enterprise Capital Expansion
- › Fund 200 – Flood Protection Operations
- › Fund 210 – Flood Protection Development Impact Fee Fund (DIF)
- › Fund 300 – Water Facilities Fund

This report was presented to the Finance Committee on February 15, 2024. The Committee unanimously recommended the report be submitted to the next regular board meeting. The Committee also provided the following direction on use of the Fund 100 unallocated fund balance:

- › Offsetting future rate increases.
- › Funding the annual contribution to the IRS Section 115 Pension Trust per the adopted Board policy (equal to 1% of the audited fiscal year net pension liability).
- › Funding for water supply reliability projects.

Highlights of this report include:

- › **State Water Project Allocation** – On December 1, 2023, DWR announced an initial State Water Project (SWP) allocation of 10% for calendar year (CY) 2024. On February 21, 2024, DWR announced an increase in the SWP allocation to 15% for CY 2024. The allocation will continue to be updated during 2024.

- › **Grant Award for Stoneridge PFAS Project** – The Agency was formally awarded \$16M for the Stoneridge PFAS Treatment Facility project in September 2023. DWR is processing the agreement and is expected to finalize and sign the agreement by March 2024. The Agency anticipates submitting its first progress report by April 2024 and receiving reimbursement funds by the first quarter of FY 2024-25.
- › **2023 Water Revenue Bond Financing** – The Agency issued tax-exempt water revenue bonds to fund the construction phase costs for the Chain of Lakes PFAS Treatment Project and other water system improvements. The bond financing priced October 24, 2023, and closed November 7, 2023.
- › **Water Connection Fees** – The Agency is projecting to collect approximately \$10.5M in water connection fees in FY 2023-24, a 70% decline in revenue since FY 2018-19, signaling a slowdown in development. Water connection fee revenue currently funds:
 - › Agency’s water expansion projects
 - › Portion of the SBA enlargement project
 - › Portion of the Agency’s share of the Los Vaqueros Reservoir Expansion Project
 - › Agency’s share of the Sites Reservoir Project

ANALYSIS:

The Agency maintains several funds; these fund balances are grouped into two categories – Unrestricted Fund Balances and Restricted Fund Balances.

UNRESTRICTED FUNDS

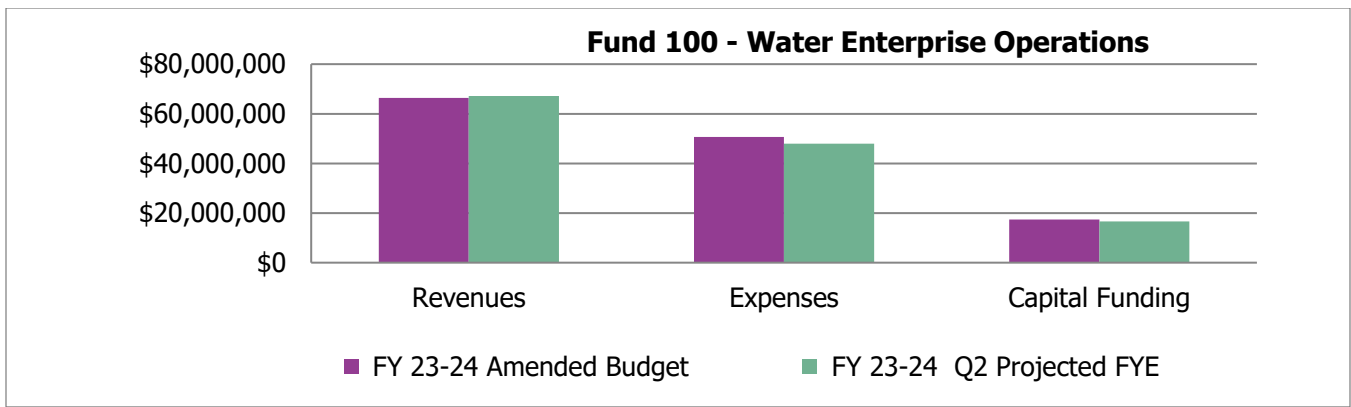
Unrestricted Fund Balance: This describes the portion of fund balance that is not restricted to use. To facilitate the discussion of reserve funds, this report will categorize the various funds as “Unrestricted Reserves” and “Restricted Reserves.” In general, Board policy can most affect Unrestricted Reserves.

Fund 100 – Water Enterprise Operations Fund

Primary Funding Source: Water Rates

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

The following graph shows the FY 2023-24 Amended Budget and second quarter (Q2) projected FYE 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 Q2 YTD Actual	FY 23-24 Q2 Projected FYE	Year-End Over / (Under) Budget
Audited Beg. Fund Balance	\$29,266,000	\$29,369,000	\$29,369,000	\$103,000
Revenue				
Water Sales ¹	65,763,000	33,947,082	66,148,000	385,000
Investment Earnings ²	300,000	258,241	750,000	450,000
Other Revenue	332,000	128,504	332,000	-
Total Revenue	66,395,000	34,333,826	67,230,000	835,000
Expenses				
Labor ³	17,005,000	9,254,016	18,508,000	1,503,000
Professional Services ⁴	4,098,000	830,191	2,950,000	(1,148,000)
Legal Services	340,000	173,652	340,000	-
County Services	1,909,000	376,641	1,909,000	-
Insurance Services	735,000	740,913	760,000	25,000
Water ⁵	10,555,000	5,447,859	8,663,000	(1,892,000)
Chemicals ⁵	4,140,000	1,881,389	3,821,000	(319,000)
Utilities ⁵	2,509,000	1,095,576	2,410,000	(99,000)
Repairs and Maintenance	2,162,000	1,107,830	2,162,000	-
Rental Services ⁶	104,000	246,071	309,000	205,000
General/Other Supplies	930,000	455,925	930,000	-
Other Services (Rebates, Outreach) ⁷	1,015,000	454,627	802,000	(213,000)
LVR Expansion Participation ⁸	992,000	495,600	992,000	-
Debt Service ⁹	4,127,000	3,342,050	3,342,000	(785,000)
Total Expenses	50,621,000	25,902,340	47,898,000	(2,723,000)
Capital Funding ¹⁰	17,424,000	8,316,857	16,651,000	(773,000)
Estimated Revenue over Expenses	(1,650,000)	114,629	2,681,000	4,331,000
Ending Fund Balance	\$27,616,000	\$29,483,629	\$32,050,000	\$4,434,000

Note: Values are rounded to the thousands and may not add due to rounding.

Revenue

- 1. Water Sales:** Year-to-date (YTD) water sales revenue reflects water sales through December 31, 2023. The projected year-end water sales revenue is more than budget primarily because of the 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. The projection also includes the following rate increases:
 - › 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:** Projected interest earnings exceed budget and reflect current favorable market conditions.

Expenditures

- 3. Labor:** YTD labor includes payroll through December 31, 2023. A 5% cost of living adjustment took effect June 25, 2023. As of December 31, 2023, the Agency had a 13.4% vacancy rate. The projected year-end labor costs are based on trends and exceed budget because the budget planned for a vacancy rate of 15%.
- 4. Professional Services:** Includes professional services related to water enterprise operations. The year-end projection is less than budget because of multi-year services including:
 - › water supply model (~\$220K)
 - › groundwater model update (~\$150K)
 - › groundwater studies (~\$150K)
 - › energy master plan (~\$50K)The projection is also less than budget due to a variety of as-needed services (\$300K), and contingency (\$250K).
- 5. Water production costs:** Includes Water, Chemicals, and Utilities.

Water: The Agency's SWP allocation for CY 2023 was 100%. YTD expenses are primarily made up of the SWP conveyance costs including costs to send and store approximately 4,300 AF of water to Semitropic through the banking program, and the Agency's Delta Conveyance Project participation costs. The budget planned for conveying and storing water with the Semitropic and Cawelo banking programs. The year-end projection is less than budget primarily because the Agency is unable to send water to Cawelo due to significant damage to Cawelo's banking infrastructure from the 2023 storms.

Chemicals and Utilities: The year-end projection is less than budget because of the high-quality of surface water reducing both the amount of chemicals needed to treat the water and the energy cost to produce the water.

- 6. Rental Services:** Includes rents and leases on equipment and buildings, and beginning in FY 2023-24, includes leases on software and licenses. The YTD actuals are more than budget because of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* rule which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements. This is the first-year software and licenses have been included in this account classification.
- 7. Other Services:** This category includes organizational memberships, rebates, communication services, and public outreach. The year-end projection is less than budget primarily because of lower demand for conservation rebates.
- 8. Los Vaqueros Reservoir Expansion (LVE) Project Participation:** This category includes the Agency's participation costs in the development phase of the LVE project. Per Resolution No. 23-55, dated July 19, 2023, the Board approved Multiparty Agreement No. 5, committing \$1.239M in funding to the project through June 30, 2024. The funding is split 80/20 between Funds 100 and 130.
- 9. Debt Service:** Includes annual debt service payments for the following Agency issued Livermore Valley Water Financing Water Revenue Bonds:
- › 2018 Series A, \$64,010,000 for Ozone project and Cawelo prepayment.
 - › 2023 Series A, \$28,795,000 for Chain of Lakes PFAS treatment facility project.
- The overall year-end projection is less than budget because the actual January 1, 2024, interest payment on the 2023 Series A Bonds is less than budget.
- 10. Capital Funding:** The projected transfer is less than budget as the budget assumes a 6% annual adjustment, and the actual Engineering News Record Construction Cost Index (ENRCCI) adjustment from June 2022 to June 2023 was 0.1%.

Water Supply Conditions

The SWP's current allocation for CY 2024 is 10% (see the Monthly Water Inventory and Water Budget Update in the February 21, 2024, Board Agenda packet). The United States Drought Monitor indicates no drought in most of California (<https://droughtmonitor.unl.edu/CurrentMap/StateDroughtMonitor.aspx?CA>).

Reserves

Per Strategic Plan Initiative No. 24, the Agency shall maintain target levels of reserves. As of December 31, 2023, Fund 100 reserves are fully funded at the target level. The projected fiscal year-end reserves in excess of targets (unallocated fund balance) is about \$4.4M. There are a variety of options for use of unallocated fund balance including, but not limited to:

- › Funding reserve(s) at the maximum level (e.g., Reserve for Economic Uncertainty),
- › Offsetting future rate increases,
- › Funding the annual contribution to the IRS Section 115 Pension Trust per the adopted Board policy (equal to 1% of the audited fiscal year net pension liability), and
- › Funding for financial impacts of future unforeseen economic conditions (e.g., dry year water transfers).

- › Funding for capital projects (e.g., Mocho Wellfield PFAS treatment facility and/or water supply reliability projects).

The table below compares Minimum, Target, and Maximum reserves to projected fiscal year-end reserves.

Fund 100 Reserves	Minimum	Target	Maximum	FY 23-24 Q2 Projected FYE	Actual Above / (Below) Target
Operating Reserves ¹	\$8,214,000	\$12,321,000	\$16,428,000	\$12,321,000	-
Emergency Reserves ²	6,617,000	8,271,000	9,925,000	8,271,000	-
Reserve for Economic Uncertainties ³	3,621,000	5,432,000	7,243,000	5,432,000	-
Subtotal	\$18,452,000	\$26,024,000	\$33,596,000	\$26,024,000	-
Pension Trust Fund ⁴				1,599,000	-
Projected Unallocated Fund Balance ⁵				4,427,000	4,427,000
Total Reserves	\$18,452,000	\$26,024,000	\$33,596,000	\$32,050,000	\$4,427,000

Note: Values are rounded to the thousands and may not add due to rounding.

¹The FY 23-24 Q2 projected FYE Operating Reserve is funded at the target level of 90 days of operating expenses.

²The FY 23-24 Q2 projected FYE Emergency Reserve is funded at the target level of 2.5% of Water Enterprise assets.

³The FY 23-24 Q2 projected FYE Reserve for Economic Uncertainties is funded at 15% of FY 23-24 budgeted volume-based water sales revenue.

⁴The FY 23-24 Q2 projected FYE Pension Trust Fund reflects a balance of \$1.6M.

⁵The FY 23-24 Q2 projected FYE unallocated fund balance is \$4.4M.

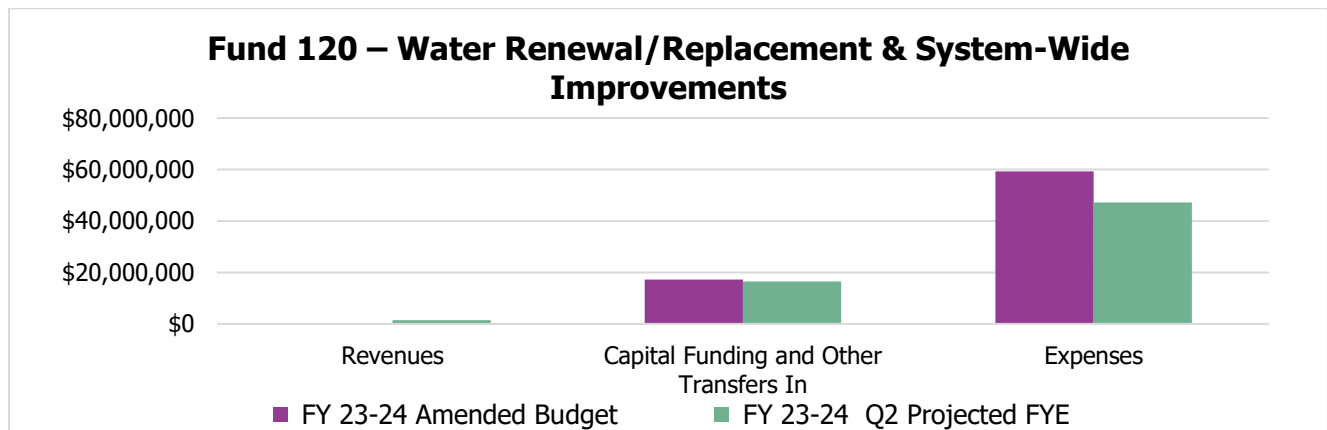
Fund 120 – Water Renewal/Replacement & System-Wide Improvements

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 projects needed to keep the current water treatment and delivery systems functioning effectively. Fund 120 pays for capital projects as outlined in the Agency’s asset management program and the capital improvement program.

The following graph shows the FY 2023-24 Amended Budget and Q2 projected fiscal year-end revenue, capital funding, and expenditures.



Note: When expenses exceed revenue, capital reserves (working capital) are being expended.

Details of Revenue and Expenses for Fund 120

Fund 120 - Water Enterprise Renewal/Replacement & Systemwide Improvements	FY 23-24 Amended Budget	FY 23-24 Q2 YTD Actual	FY 23-24 Q2 Projected FYE	Year-End Over/(Under) Budget
Audited Beginning Fund Balance	\$44,990,000	\$45,119,000	\$45,119,000	\$129,000
2023 Water Revenue Bond Proceeds	29,665,000	29,665,000	29,665,000	-
Adjusted Beginning Fund Balance	74,655,000	74,784,000	74,784,000	129,000
Revenue				
Investment Earnings ¹	100,000	628,856	1,478,000	1,378,000
Other Revenue	2,000	2,212	2,000	-
Total Revenue	102,000	631,068	1,480,000	1,378,000
Other Financing Sources				
Capital Funding ²	17,214,000	8,220,302	16,441,000	(773,000)
Total Other Financing Sources	17,214,000	8,220,302	16,441,000	(773,000)
Expenses				
Labor ³	1,706,000	678,893	1,706,000	-
Capital Projects ⁴	57,579,000	7,990,424	45,469,000	(12,110,000)
Total Expenses	59,285,000	8,669,318	47,175,000	(12,110,000)
Estimated Revenue/Other Financing Sources over Expenses	(41,969,000)	182,053	(29,254,000)	12,715,000
Ending Fund Balance	\$32,686,000	\$74,966,053	\$45,530,000	\$12,844,000

Note: Values are rounded to the thousands and may not add due to rounding.

Revenue

- Investment Earnings:** Projected year-end interest earnings reflect favorable market conditions.
- Capital Funding:** The projected transfer is less than budget as the budget assumes a 6% annual adjustment, and the actual Engineering News Record Construction Cost Index (ENRCCI) adjustment from June 2022 to June 2023 was 0.1%.

Expenses

- Labor costs:** YTD labor includes payroll through December 31, 2023. The year-end projection is reflective of upcoming project work through the end of the fiscal year.
- Capital Projects:** The year-end projection reflects multi-year projects currently in the construction phase or nearing completion including:
 - › Stoneridge PFAS Treatment Facility,
 - › Chain of Lakes PFAS Treatment Facility,
 - › Wells & MGD Electrical Upgrades/Replacement Project, and
 - › MGD Concentrate Conditioning Project.

Reserves

The table below compares the FY 2023-24 Amended Budget ending reserve balances to the Q2 projected ending reserve balances.

Fund 120 Reserves	FY 23-24 Amended Budget FYE	FY 23-24 Q2 Projected FYE
Debt Service Rate Stabilization Reserve	\$6,300,000	\$6,300,000
Pension Trust	46,000	41,000
Designated for Capital Projects Reserve ¹	26,340,000	39,189,000
Total Reserve	\$32,686,000	\$45,530,000

¹This 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 February 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	\$745K	\$575K	\$575K	\$-	Planning	Fall 2024
Valley Booster Pump Station Project	\$7.2M	\$7.2M	\$7.2M	\$-	Substantially complete	Fall 2023
DVWTP Roadway/Parking Lot Repairs and Post Ozone Project	\$2.8M	\$2.8M	\$2.8M	\$-	Construction	Spring 2024
DVWTP Polymer Mixing System Replacement Project	\$785K	\$785K	\$785K	\$-	Substantially Complete	Spring 2024
Pipeline Inspection Study	\$250K	\$250K	\$250K	\$-	Study In-process	Summer 2024
MGDP Concentrate Conditioning Project	\$7.8M	\$7.8M	\$7.8M	\$-	Construction	Spring 2024
Chain of Lakes PFAS Treatment Facility Project ¹	\$24.4M	\$24.4M	\$2.4M	\$22M ¹	Design complete	Fall 2024
Stoneridge Well PFAS Project	\$16.3M	\$16.3M	\$16.3M	\$-	Construction	Spring 2024
Wells & MGDP Electrical Upgrades/ Replacement Project	\$7.3M	\$7.3M	\$7.3M	\$-	Construction	Spring 2025
Electric Vehicle Chargers	\$651K	\$651K	\$651K	\$-	Planning	Winter 2024
PLC Modernization at DVWTP, MGDP, and PPWTP	\$700K	\$700K	\$700K	\$-	In-process	Summer 2024
SCADA Core Switch Replacement	\$400K	\$400K	\$400K	\$-	In-process	Summer 2024
Total	\$69.3M	\$69.2M	\$47.2M	\$22M		

¹ 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 Q2 Unaudited Actual Interest Income & Misc. Deposits	FY 2023-24 Q2 Unaudited Actual Transfers Out ^{A,B}	FY 2023-24 Q2 Projected Ending Fund Balance
Fund 300 - Water Facilities Fund	1,117,000	-	(1,117,000)	-

Fund 300 has been subsequently authorized by the Board for the Sites Reservoir Project and is expected to have a balance of \$0 by June 30, 2024:

- Per Resolution No. 22-05 dated January 19, 2022, the Board authorized the Third Amendment to the 2019 Sites Reservoir Project Agreement at 10,000 acre-feet of participation in an amount not-to-exceed \$4M through 2024.

RESTRICTED FUNDS ANALYSIS

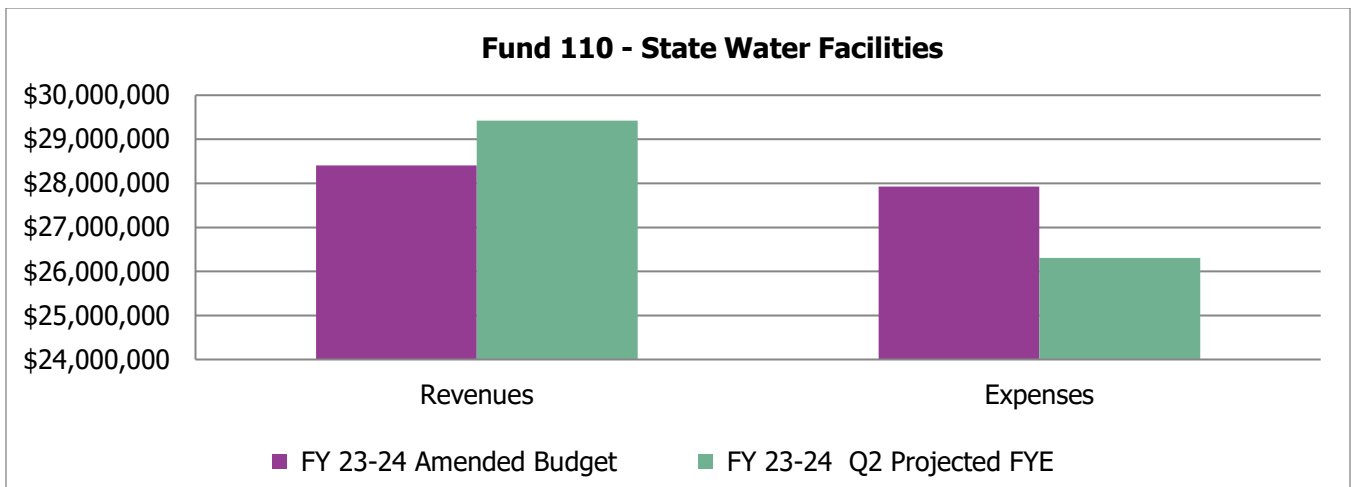
Restricted Fund Balance: Includes the portion of the fund balance that can only be spent for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers. It also includes a legally enforceable requirement that the resources can only be used for specific purposes enumerated in the law. The restricted funds are not available to serve as operating or emergency reserves. These primarily 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 Taxes

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 Q2 projected fiscal year-end revenue and expenditures.



When expenses exceed revenue, operating reserves (working capital) are being expended.

Details of Revenue and Expenses for Fund 110

Fund 110 - State Water Facilities	FY 23-24 Amended Budget	FY 23-24 Q2 YTD Actual	FY 23-24 Q2 Projected FYE	Year-End Over / (Under) Budget
Audited Beg. Fund Balance	\$47,489,000	\$48,613,000	\$48,613,000	\$1,124,000
Revenue				
Dougherty Valley Surcharge	2,350,000	-	2,350,000	-
Property Taxes ¹	22,201,000	11,283,307	22,201,000	-
DWR Refunds	3,675,000	1,224,995	3,675,000	-
Investment Earnings ²	180,000	557,627	1,200,000	1,020,000
Total Revenue	28,406,000	13,065,929	29,426,000	1,020,000
Expenses³	27,923,000	21,261,707	26,308,000	(1,615,000)
Estimated Revenue over Expenses	483,000	(8,195,778)	3,118,000	2,635,000
Ending Fund Balance	\$47,972,000	\$40,417,222	\$51,731,000	\$3,759,000

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.

- 1. Property Taxes:** YTD revenue includes the first installment of property tax. The second installment is due in April. The revenue projection is based on the budget as there is neither additional information nor significant trends available to change the fiscal year-end revenue projection at this time.
- 2. Investment Earnings:** Projected year-end interest earnings reflect favorable market conditions.

Expenses

3. Expenditures: Include DWR fixed charges that occur both monthly and semi-annually. Transportation capital charges and the improvement portion of the SBA Improvement and Enlargement Project debt service payments are paid in January/July and March/September, respectively. The year-end projection reflects anticipated payments through June 2024 based on the 2024 Statement of Charges.

Reserves

The following table compares the FY 2023-24 Amended Budget ending reserve balance to the Q2 projected ending reserve balance and maximum reserve. Although the year-end projected reserve balance exceeds the reserve maximum, SWP costs are highly volatile and unpredictable. Based on the SWP Budget Report for CYs 2024 and 2025, the total capital need for the next 12 years is estimated to be \$6.0B, of which the Agency is responsible for its proportional share.

Fund 110 Reserves	FY 23-24 Amended Budget FYE	FY 23-24 Q2 Projected FYE	Reserve Maximum
Total Reserve Balance	\$47,972,000	\$51,731,000	\$30,715,000

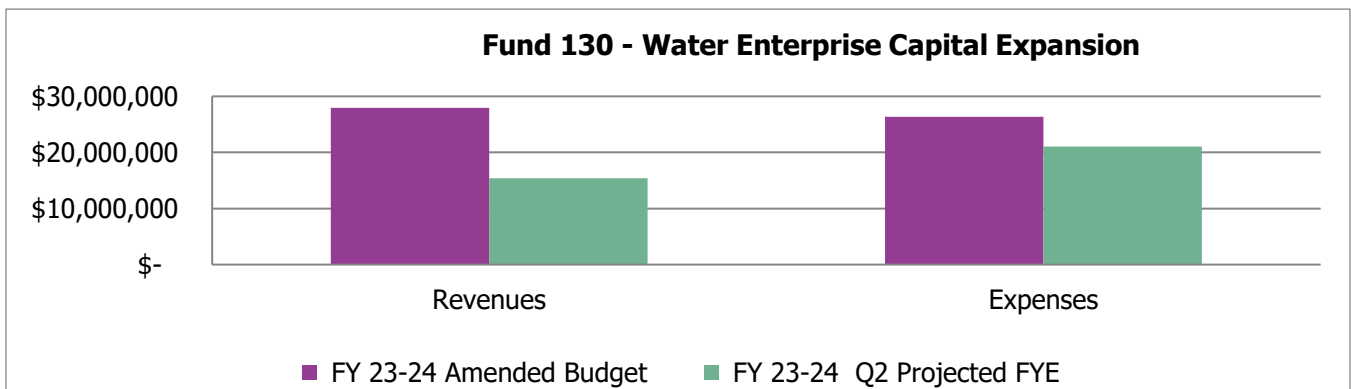
Note: Values are rounded to the thousands.

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 Q2 projected FYE revenue and expenditures.



Details of Revenue and Expenses for Fund 130

Fund 130 - Water Enterprise Capital Expansion	FY 23-24 Adopted Budget	FY 23-24 Q2 YTD Actual	FY 23-24 Q2 Projected FYE	Year-End Over/(Under) Budget
Audited Beg. Fund Balance	\$70,933,000	\$70,387,000	\$70,387,000	(\$546,000)
Revenue				
Connection Fees ¹	24,812,000	5,282,835	10,500,000	(14,312,000)
Investment Earnings ²	140,000	921,288	1,900,000	1,760,000
DWR Refunds	3,000,000	1,514,942	3,000,000	-
Total Revenue	27,952,000	7,719,065	15,400,000	(12,552,000)
Expenses				
Labor ⁴	349,000	105,399	211,000	(138,000)
Professional Services	152,000	111,691	150,000	(2,000)
Water ⁵	16,850,000	12,264,945	16,604,000	(246,000)
Capital Projects ⁶	3,435,000	189,665	932,000	(2,503,000)
Debt Service	1,089,000	760,942	1,089,000	-
Total Expenses	21,875,000	13,432,641	18,986,000	(2,889,000)
Estimated Revenue over Expenses	6,077,000	(5,713,576)	(3,586,000)	(9,663,000)
Ending Fund Balance	\$77,010,000	\$64,673,424	\$66,801,000	(\$10,209,000)

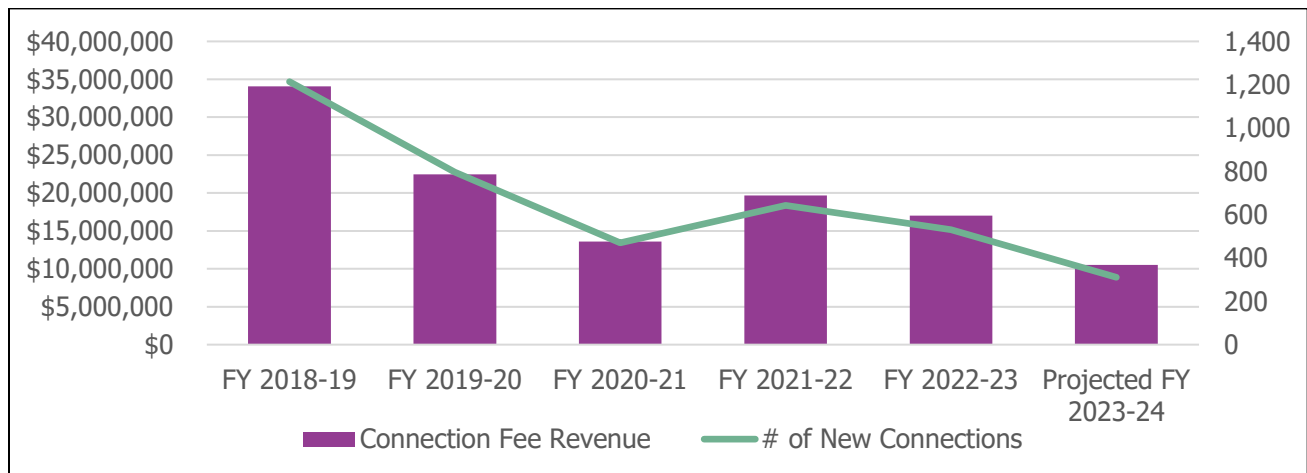
Note: Values are rounded to the thousands and may not add due to rounding.

Revenue

The primary source of revenue is connection fees.

- 1. Connection Fees:** YTD revenue is through November 2023 and comprised of approximately 159 new connections, primarily from the DSRSD service area. The year-end revenue projection is approximately \$14M less than budget based on updated projections from the Retailers.

Connection fee revenue has continued to decline since 2019. Staff continue to monitor the revenue source as most expenses in this fund are fixed payments. The following graph and table illustrate the declining trend in connection fee revenue and new connections since FY 2018-19.



	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Projected FY 2023-24
Connection Fee Revenue	\$34,068,092	\$22,461,926	\$13,609,527	\$19,669,510	\$17,023,627	\$10,500,000
# of New Connections	1,214	796	470	643	530	311

2. Investment Earnings: Year-end projection reflects a higher-than-expected rate of return based on current favorable market conditions.

Expenses

3. Labor: YTD labor includes payroll through December 31, 2023, for water expansion projects. The year-end projection is based on YTD trends.

4. Water: YTD expenses are made up of the first installment of the SBA debt service payments, due annually in September. The year-end projection includes the second installment payment, due in March.

5. Capital Projects: The year-end projection is less than budget due to the multi-year nature of projects including:

- › Well Master Plan (~\$800K),
- › Capital Improvement Program Update (~\$100K),
- › COL Conveyance system (~\$135K), and
- › COL Facilities and Improvements (~\$700K).

Reserves

The table below compares the FY 2023-24 Amended Budget ending reserve balances to the Q2 projected ending reserve balances.

Fund 130 Reserves	FY 23-24 Amended Budget FYE	FY 23-24 Q2 Projected FYE
Sinking Funds ¹	\$26,933,000	\$26,933,000
Debt Service Rate Stabilization Reserve	2,300,000	2,300,000
Designated for Capital Projects Reserve ²	47,761,000	37,554,000
Pension Trust Fund	16,000	14,000
Total Reserves	\$77,010,000	\$66,801,000

¹This reserve was established by the Board to fund debt service payments that continue after build-out.

² 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 or recently completed.

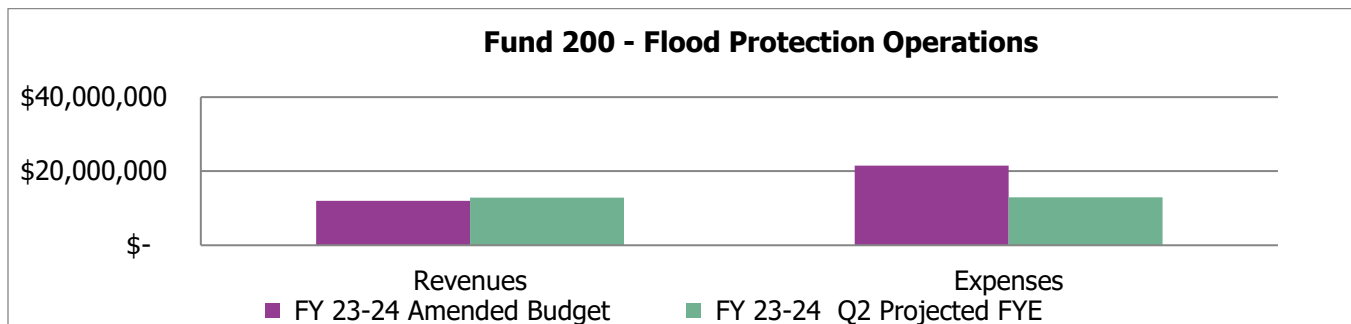
Project	Total Cost	Fund 130 Share	Status	In-service
Ten-Year CIP Update	\$300K	\$150K	Planning	Fall 2024
Non-discretionary obligations	~\$20M annually	~\$20M	n/a	ongoing

Fund 200 – Flood Protection Operations

Primary Funding Source: Property Taxes.

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 pays for renewal/replacement and improvement projects for the existing flood protection system.

The following graph shows FY 2023-24 Amended Budget and Q2 projected FYE revenue and expenditures.



Details of Revenue and Expenses for Fund 200

Fund 200 - Flood Protection Operations	FY 23-24 Amended Budget	FY 23-24 Q2 YTD Actual	FY 23-24 Q2 Projected FYE	Year-End Over/(Under) Budget
Audited Beg. Fund Balance	\$23,923,000	\$23,917,000	\$23,917,000	(\$6,000)
Revenue				
Property Taxes ¹	11,344,000	6,271,347	11,630,000	286,000
Investment Earnings ²	215,000	253,200	550,000	335,000
Other Revenue ³	436,000	656,682	657,000	221,000
Total Revenue	11,995,000	7,181,229	12,837,000	842,000
Expenses				
Labor ⁴	3,075,000	1,189,779	2,719,000	(356,000)
Professional Services ⁵	5,450,000	741,365	3,850,000	(1,600,000)
Repairs and Maintenance ⁶	11,876,000	1,879,196	5,250,000	(6,626,000)
Rental Services	50,000	3,399	10,000	(40,000)
Other Services/ Supplies	1,095,000	454,927	1,095,000	-
Total Expenses	21,546,000	4,268,665	12,924,000	(8,622,000)
Estimated Revenue over Expenses	(9,551,000)	2,912,564	(87,000)	9,464,000
Ending Fund Balance	\$14,372,000	\$26,829,564	\$23,830,000	\$9,458,000

Note: Values are rounded to the thousands and may not add due to rounding.

Revenue

The primary source of revenue for this fund is property taxes.

- 1. Property Tax:** YTD revenue includes the first installment of property tax. The second installment is due in April. The revenue projection has been revised based on the property tax estimate provided by the County.
- 2. Investment Earnings:** Year-end projection reflects a higher-than-expected rate of return based on current favorable market conditions.
- 3. Other Revenue:** YTD revenue is primarily made up of funds received from DWR for the Stanley Reach improvements to satisfy DWR's project mitigation. The year-end projection is equal to the YTD actual.

Expenses

Per Resolution No. 23-06, dated February 1, 2023, the Board declared a local state of flood emergency within its service area. Subsequent Resolutions (No. 23-07, No. 23-08, 23-80) were passed to fund emergency repair work and a need assessment in the amount of \$3.7M. These additional appropriations are reflected in the professional services and repairs and maintenance year-end projections.

- 4. Labor:** YTD labor includes payroll through December 31, 2023. Year-end projection is based on trends.
- 5. Professional Services:** Year-end projection is less than budget due to multi-year services such as the Alamo Creek Project planning and design services to repair damages to flood protection facilities, as-needed services, and contingency.
- 6. Repairs and Maintenance:** Includes flood engineering repair services and additional flood emergency projects. The year-end projection is less than budget due to multi-year projects such as the Alamo Creek Project and upcoming emergency flood repairs.

Reserves

The table below compares the FY 2023-24 Amended Budget ending reserve balance to the Q2 projected ending reserve balance.

Fund 200 Reserves	FY 23-24 Amended Budget	FY 23-24 Q2 Projected FYE
Operating Reserves	\$1,800,000	\$1,800,000
Designated for Capital Projects Reserve	12,390,000	21,848,000
Section 115 Pension Trust	182,000	182,000
Total Reserves	\$14,372,000	\$23,830,000

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 February 15, 2023, Board meeting.

The following table lists major projects that are in progress or recently completed.

Project	Total Cost	Fund 200 Share	Status	In-service
Alamo Creek Bank Stabilization Pilot Project ¹	\$6.1M	\$1.5M	Design	Winter 2025
Phase 1 2022-23 Storm Damage Repairs	TBD	TBD	In-process	TBD

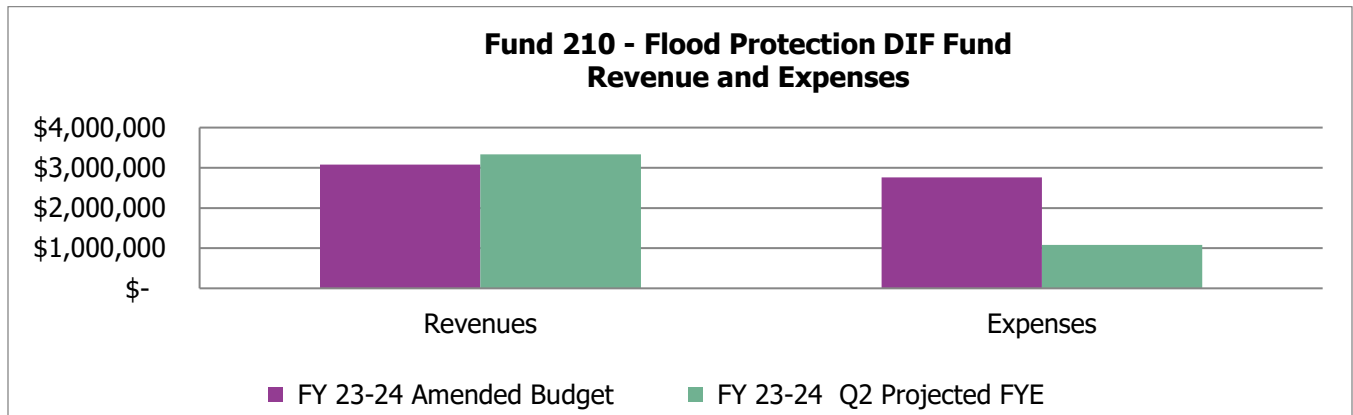
¹DWR has awarded up to \$4.6M in grants through the Floodplain Management, Protection, and Risk Awareness (FMPRA) Grant program.

Fund 210 – Flood Protection Development Impact Fee Fund

Primary Funding Source: Development Impact Fees.

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

The following graph shows the FY 2023-24 Amended Budget and Q2 projected FYE revenue and expenditures.



Details of Revenue and Expenses for Fund 210

Fund 210 - Flood Protection DIF Fund	FY 23-24 Amended Budget	FY 23-24 Q2 YTD Actual	FY 23-24 Q2 Projected FYE	Year-End Over/(Under) Budget
Audited Beg. Fund Balance	\$75,211,000	\$75,845,000	\$75,845,000	\$634,000
Revenue				
Development Fees ¹	2,500,000	547,174	1,313,000	(1,187,000)
Investment Earnings	553,000	734,808	1,900,000	1,347,000
Other Revenue	25,000	117,532	118,000	93,000
Total Revenue	3,078,000	1,399,514	3,331,000	253,000
Expenses				
Labor ²	275,000	8,466	17,000	(258,000)
Capital Projects ³	2,488,000	150,365	1,067,000	(1,421,000)
Total Expenses	2,763,000	158,831	1,084,000	(1,679,000)
Revenue over Expenses	315,000	1,240,683	2,247,000	1,932,000
Estimated Ending Fund Balance	\$75,526,000	\$77,085,683	\$78,092,000	\$2,566,000

Note: Values are rounded to the thousands and may not add due to rounding.

Revenue

- 1. Development Impact Fees:** Revenue is primarily generated from development impact fees and interest earnings. The year-end projection is based on trends.
- 2. Investment Earnings:** Year-end projection reflects a higher-than-expected rate of return based on current favorable market conditions.

Expenses

- 3. Labor:** Includes staff labor through December 31, 2023. Projection is based on YTD trends.
- 4. Capital Projects:** Includes professional services, projects planned in the FY 2023-24 budget, and multi-year projects including the Flood Management Plan Phase 2.

Reserves

The following table and chart compare the FY 2023-24 Amended Budget ending reserve balance to the Q2 projected ending reserve balance.

Fund 210 Reserves	FY 23-24 Amended Budget FYE	FY 23-24 Q2 Projected FYE
Total Capital Projects Reserve	\$75,526,000	\$78,092,000

The Agency is in the process of developing and implementing a Flood Management Plan to direct the Agency's future flood maintenance activities and capital projects. Per Resolution No. 22-73, dated August 17, 2022, the Board adopted the Flood Management Plan Phase 1. Flood Management Plan Phase 2A professional and project management services were approved at the Board meeting on February 15, 2023.