

2023



ANNUAL REPORT



TABLE OF CONTENTS

OVERVIEW

2023 At a Glance	3
Message from the President	4

SERVICES

Water Quality	7
Water Reliability	13
Flood Protection	20

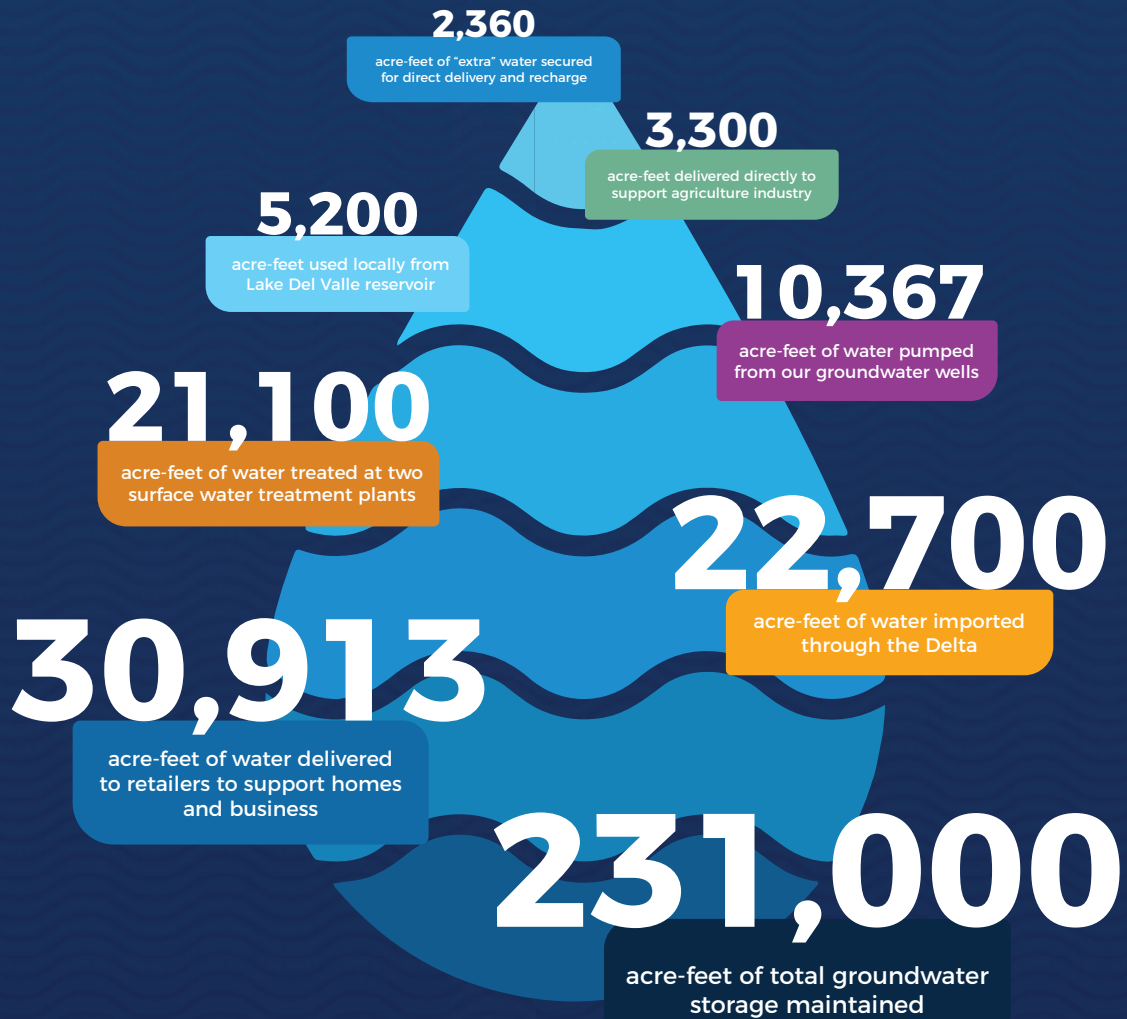
ADMINISTRATION

Finance	24
People	29
Kid Zone Education Program	31
Community	35





2023 ZONE 7 AT A GLANCE



MESSAGE FROM THE PRESIDENT



SARAH PALMER
President

2022-2023 Fiscal Year
Zone 7 Water Agency Board of Directors

Dear residents of Tri-Valley community,

Welcome to Zone 7 Water Agency's 2022-2023 Annual Report! This report covers the fiscal year from July 1, 2022, to June 30, 2023, and highlights our key accomplishments, challenges, and ongoing efforts to provide exceptional water quality, reliability and flood protection services. This year presented both extremes - from droughts to floods - testing our agency and community. Yet, we've met these challenges with the same spirit and resilience that have come to define the Tri-Valley community.

The second half of 2022 brought continued severe drought conditions, with record low rainfall and intense dry periods impacting our surface water supply across the state. This means the water we normally import from the State Water Project was not available, and our community helped make up the difference by rallying together and meeting our overall 15% conservation goal. We know reducing water usage year over year in these extended drought periods is not easy, and we appreciate our community's joint commitment to conservation. We share more about the drought and conservation efforts in our **Water Reliability** section.



The first three months of 2023 shifted to the other end of the spectrum with the ultimate example of unpredictability in our weather patterns. The “Storm Apocalypse” brought multiple atmospheric river storms to Northern California with water pouring from the sky and prolonged periods of powerful rainfall.

Zone 7 worked collaboratively with county, city and other partners to respond to flooding, working together to keep our community safe. This emergency response begins well in advance with year-round preparedness work and we are proud of our team’s ability to provide immediate response when needed, then to follow-up by applying for emergency grants from the Federal Emergency Management Agency (FEMA) within allowable timeframes to ensure we are leverage available resources and managing our local budget responsibly. Please find more information about the emergency response in our **Flood Protection** section.

This shift in weather also required a shift in water supply usage. In the first half of the fiscal year, where imported water supplies that we usually rely on were not available, we took 53% of our water from our stored local groundwater basin. Having this local groundwater “savings account” is critical for getting our community through times of water shortage like the recent drought. As new water supplies became available with the storms, our team quickly transitioned to using surface water and just 7% of our water was from our groundwater in the second half of the year. Our priority quickly shifted to using excess water to recharge the groundwater basin to prepare for the next drought, keep our groundwater basin a viable water supply for when we need it most, as outlined in the **Water Reliability** section.

Another important step in protecting our groundwater supply this year was making progress on our **Stoneridge Well PFAS Treatment System Project**. This important project added ion exchange (IX) treatment to our groundwater pump station in Pleasanton to remove **Per- and Polyfluoroalkyl substances (PFAS)** found in the local groundwater at the Stoneridge Well. We invite you to watch an animated video on how this new treatment works and see the installation happen in our **Water Quality** section.



As we continue to deal with an unpredictable climate we recongnize that having more resiliency in our water supply system is more crucial than ever in planning for future generations of the Tri-Valley community. We have worked with our regional partners to make progress on major Water Reliability efforts including:

- **The Delta Conveyance Project** would provide an alternative water conveyance route and improve the reliability of State Water Project supplies. The project has released draft environmental impact reports and statements for public review and is developing a community benefits program.
- **Los Vaqueros Reservoir Expansion Project** would increase the reservoir’s storage capacity and construct a new pipeline that connects to the South Bay Aqueduct. Zone 7 Board Director Angela Ramirez Holmes will serve a second term as Chair of the recently formed Los Vaqueros Reservoir Joint Powers Authority (JPA). The project has secured funding and is expected to begin construction in 2025.
- **Sites Reservoir Project** has made significant progress, with a water rights application, a WIFIA loan application, and a Final Environmental Impact Report/Environmental Impact Statement all submitted. Construction is expected to begin in 2025, and the project could provide up to 1.5 million acre-feet of new storage capacity for California.

In addition to our primary service delivery areas, a behind-the-scenes network of administrative team members support the work of Zone 7 with diligent financial accounting and budget management, a dedicated human resource team, a robust education program, and proactive communications and community engagement. From annual reports to annual events, lessons to libraries, org charts to expense charts - our commitment to transparency provides you with all the information you need to stay current on the activities of the agency in our **Administration** section.

Despite the year of extreme challenges, Zone 7 staff remained steadfast in their dedication, ensuring the seamless delivery of clean and safe water while diligently managing our extensive network of flood channels. The Board of Directors extends its deepest gratitude to the entire Zone 7 team, along with our retail partners, for their unwavering commitment to serving the Tri-Valley community.

Sarah Palmer



WATER QUALITY ACHIEVEMENTS

Zone 7 continued to provide safe, clean water to over a quarter-million people in the Tri-Valley, in partnership with our retailers. All water provided not only met, but often performed better than state and federal health standards.

36,000+
water samples
collected and tested
in 2022-2023 fiscal year

174
different contaminants
monitored in order to
provide high quality treated
drinking water

29
different analytical
methods used

PFAS UPDATE

Zone 7 is committed to proactively and swiftly addressing Per and Polyfluoroalkyl substances (PFAS) detected in the Tri-Valley's local groundwater basin in recent years.



REGULATORY PROGRESS

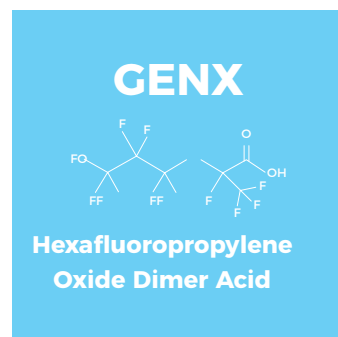
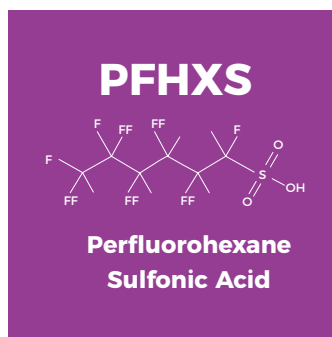
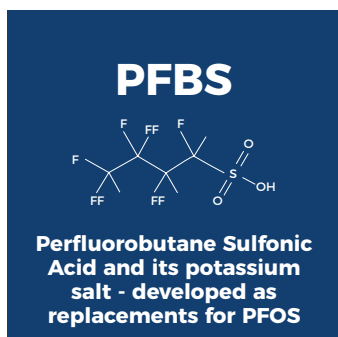
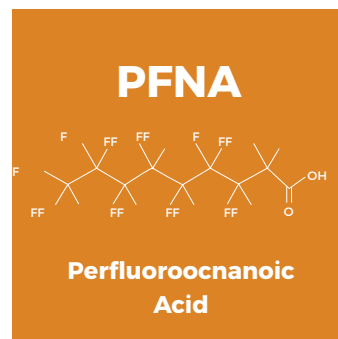
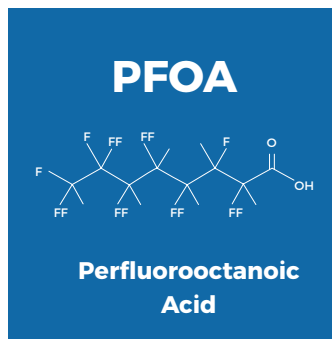
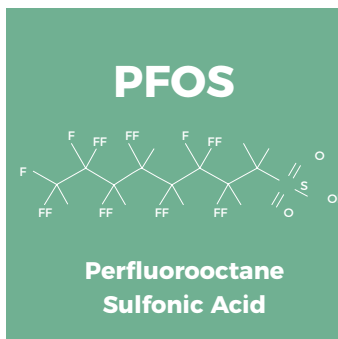
In March 2023, the US Environmental Protection Agency (EPA) released its proposed PFAS regulations which include maximum contaminant levels (MCLs) for six different PFAS. The regulations are expected to be finalized in the spring of 2024 and water systems would then have three years to be in compliance with the MCLs.

EPA PROPOSED PFAS MCLS	
PFOS	4 parts per trillion (4.0 ppt)
PFOA	4 parts per trillion (4.0 ppt)
PFHxS	Hazard Index = 1.0 (unities)*
GenX Chemicals	Hazard Index = 1.0 (unities)*
PFNA	Hazard Index = 1.0 (unities)*
PFBS	Hazard Index = 1.0 (unities)*

* Hazard Index = $\left(\frac{[\text{GenX}]}{[10 \text{ ppt}]} + \frac{[\text{PFBS}]}{[2000 \text{ ppt}]} + \frac{[\text{PFNA}]}{[10 \text{ ppt}]} + \frac{[\text{PFHxS}]}{[9.0 \text{ ppt}]}\right)$

CA ADVISORY LEVELS FOR PFAS			
PFAS	Notification Level (ppt)	Response Level (ppt)	Issued Date/ Status
PFOS	6.5	40	February 6, 2020
PFOA	5.1	10	February 6, 2020
PFBS	500	5,000	March 5, 2021
PFHxS	3	20	October 31, 2022*

COMMON NAMES FOR TYPES OF PFAS



ZONE 7 RESPONSE



Zone 7 has completed design of two new PFAS treatment facilities, both of which made major progress during the 2022-23 fiscal year.

- The PFAS treatment facility for the Stoneridge Well came online in September 2023.
- The treatment facility for the Chain-of-Lakes (COL) wellfield is anticipated to come online in late summer of 2024.

The safety of our community's water supply is our number one priority. Our community can be assured that all water delivered to our customers meets regulatory standards and advisory levels.



Stay up
to date
on PFAS:



WATER QUALITY CAPITAL PROJECT UPDATES



STONERIDGE WELL ION EXCHANGE PFAS TREATMENT FACILITY UPGRADE

Vessel installation was completed in May of 2023, a major milestone for the overall completion of the Ion Exchange (IX) PFAS Treatment Facility at Stoneridge Well. The new facility removes PFAS from groundwater pumped into the facility to ensure the Tri-Valley community has a safe, reliable water supply.



STONERIDGE WELL UPGRADE TIMELINE



August 17, 2022

Ion exchange vessels purchased

October 19, 2022

Zone 7 Board of Directors approves project

February 2, 2023

Construction begins

May 23, 2023

Ion exchange vessels and equipment are installed at Stoneridge

September 2023

Stoneridge Well begins delivering ion exchange treated water to the Tri-Valley community

September 13, 2023

Grand opening ceremony commemorates new treatment facility

Spring 2024

Final construction expected to be complete

WATERSHED PROTECTION ACTIVITIES

LIVING ARROYOS

Living Arroyos, the Tri-Valley's collaborative partnership working to realize a community vision on a healthy watershed worked with partners and community volunteers to:





Remove **3,025** gallons of trash to keep our watershed clean



Plant **100** trees to provide shade, oxygen, soil stability and other benefits



Plant **369** acorns to replenish our oak woodlands which protect soil from erosion



Remove over **1,364** gallons of invasive weeds to keep local habitat thriving



COUNTING OUR VALUABLE TREES

This year we initiated a new systemwide tree inventory project to assess and inventory individual trees along Zone 7-owned channel maintenance roads and right-of-ways.

BENEFITS OF NEW TREE INVENTORY SYSTEM

- ✓ will serve as an asset management tool
- ✓ help plan for long term sustainability
- ✓ ensure healthy riparian trees
- ✓ support a healthy ecosystem including water quality



SYCAMORE TREES & WATER QUALITY

Zone 7 is nearing completion of a multi-year EPA Water Quality Improvement Fund grant, in collaboration with San Francisco Estuary Institute and H.T. Harvey Ecological Consultants.



GOALS

- ✓ **Improve San Francisco Bay water quality and the health and resilience of Alameda Creek watershed**
- ✓ **Enhance aquatic and riparian habitat**
- ✓ **Advance stormwater planning**
- ✓ **Support coarse sediment reuse**

PROGRESS IN 2022-23 FISCAL YEAR

- Prepared Sycamore Alluvial Woodland Restoration and Enhancement Suitability Study report
- Completed guidelines for implementing, maintaining, and monitoring a study to restore sycamore alluvial woodland at two locations in Livermore
- Collected and installed sycamore cuttings at the study sites
- Collected and began propagating approximately 700 additional California sycamore cuttings as container plantings



WATER RELIABILITY ACHIEVEMENTS

30,913

acre-feet of potable water delivered to the four retailers for the homes and businesses of the Tri-Valley.

2,360

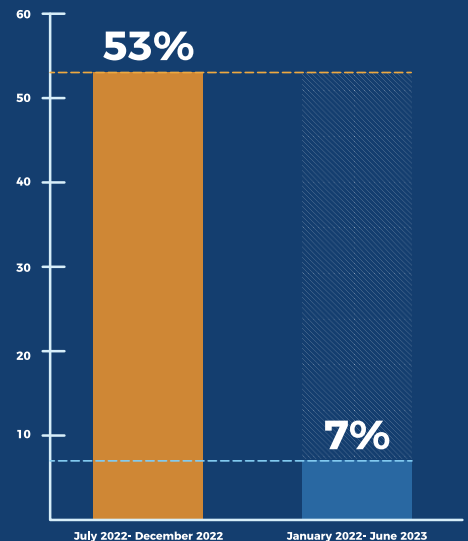
acre-feet of water secured for direct delivery and recharge*



*The California State Department of Water Resources (DWR) makes this water available when it does not have storage capacity in the State Water Project system. This water is in addition to Zone 7's normal State Water Project deliveries.

GROUNDWATER PUMPED

Zone 7 quickly transitioned treated source water supplies from using an average of **53% groundwater** in the first half of the fiscal year to just **7% groundwater** in the second half of the fiscal year once surface water supplies became available.



SUSTAINABLE GROUNDWATER MANAGEMENT

In fiscal year 2022-2023, Zone 7 submitted the Sustainable Groundwater Management Annual Report for Water Year 2022 prior to the April 1, 2023 statutory deadline. The agency is currently awaiting DWR approval on the Alternative Groundwater Sustainability Plan submitted in 2021. We continue to manage the groundwater basin sustainably while extracting over 10,367 acre-feet of groundwater for much needed water supply during the drought.

KEEPING OUR GROUNDWATER SAFE FROM PFAS

Per- and Polyfluoroalkyl substances (PFAS) are synthetic chemicals used in manufacturing a variety of consumer products such as packaging, non-stick surfaces, and fire-fighting foams. PFAS have been found in air, soil and water around the world, and have been found locally in our groundwater basin. In our ongoing effort to keep our water safe, Zone 7 has completed a variety of contamination management strategies.



- ✓ PFAS Potential Source Investigation (Jacobs Engineering, Inc. 2020)
- ✓ PFAS and Hexavalent Chromium Treatment Feasibility Study (Carollo, 2020)
- ✓ PFAS Mobilization Modeling Study (2022) to analyze movement of known PFAS plumes under various pumping scenarios
- ✓ Continued to develop potential PFAS management strategies to manage plumes in upper and lower aquifers
- ✓ Tracked more than 62 contamination cases during 2022-2023 including case closures cleaned to state standards.



WATER RELIABILITY CAPITAL PROJECT UPDATES



SITES RESERVOIR PROJECT PROGRESS

Zone 7 continued to invest in the **Sites Reservoir Project**, a proposed new off-stream reservoir project that could provide Zone 7 with a new water supply and upstream storage capacity.



KEY PLANNING EFFORT PROGRESS

- ✓ The Sites water rights application was publicly noticed by the State Water Resources Control Board, a major milestone in the water rights process.
- ✓ The Water Infrastructure Finance and Innovation Act (WIFIA) loan application was submitted to the US Environmental Protection Agency.
- ✓ The Final Environmental Impact Report/ Environmental Impact Statement was submitted to the US Bureau of Reclamation for review and authorization to publish the document.



2025

construction of Sites Reservoir is expected to begin

1.5 million acre-feet

of new storage capacity in Sites Reservoir

49%

of eligible project costs could be covered by the WIFIA loan if approved



LOS VAQUEROS RESERVOIR EXPANSION PROJECT

Zone 7 continued to invest in the **Los Vaqueros Reservoir Expansion Project**, which proposes to increase the Los Vaqueros Reservoir storage capacity from 160,000 acre-feet to 275,000 acre-feet and construct the Transfer-Bethany Pipeline, a regional intertie. The project could provide Zone 7 with new local upstream storage capacity and alternative conveyance.



2025 - 2031
Construction

2026

Construction begins on Transfer-Bethany Pipeline

2028

Construction begins on Los Vaqueros Dam Expansion

\$82 MILLION

allocated to the Los Vaqueros expansion project by the US Bureau of Reclamation

115,000 ACRE-FEET

of increased storage capacity proposed at Los Vaqueros expansion

KEY PLANNING EFFORT PROGRESS

- ✓ An executive director for the Los Vaqueros Reservoir Joint Powers Authority was hired to coordinate project activities.
- ✓ The project was allocated \$82 million by the US Bureau of Reclamation from the Bipartisan Infrastructure Law.
- ✓ The US Environmental Protection Agency invited this project to apply for a Water Infrastructure Finance and Innovation Act loan, which could cover up to 49% of eligible project costs.



DELTA CONVEYANCE PROJECT

Zone 7 continued to invest in the **Delta Conveyance Project**, a proposed tunnel connecting two new intake facilities in the North Delta to the existing facilities in the South Delta. This project could provide Zone 7 with alternative conveyance and help increase the reliability of State Water Project supplies.



KEY PLANNING EFFORT PROGRESS

- ✓ The Draft Environmental Impact Report was released for public review and comment and several public hearings were held to receive verbal comments.
- ✓ The Draft Environmental Impact Statement was released for public review and comment.
- ✓ Several workshops were held to develop the framework for the Community Benefits Program to identify and implement projects that benefit the Delta community.

MISSED OPPORTUNITY

If the DCP was operational during the high rain events in January 2023, we could have moved **228,000 acre-feet of water** into the San Luis Reservoir



228,000 acre-feet of water

=

enough water to supply:



over **2.3 million** people for one year

or



nearly **800,000** households for one year

The theoretical DCP diversion of 228,000 acre-feet is about

40%

of the total volume exported by the SWP in water year 2022.

COMMUNITY CONSERVATION EFFORTS DURING HISTORIC DROUGHTS



The Zone 7 Board of Directors unanimously declared an end to the drought emergency and 15% mandatory conservation requirements on April 19, 2023. Working together with the community and retailers, the Agency exceeded the needed 15% conservation goal by 4% during some of the driest years on record for our area. We are grateful to the Tri-Valley community for their successful efforts to conserve our most precious resource during this time.

2.4 billion
gallons of potable water saved in FY23 relative to FY21

19% reduction
in potable water usage during the same period

REBATES HELP REACH OUR CONSERVATION GOALS

In April of 2023, Zone 7 launched a pool cover rebate pilot program. The program offers up to \$100 toward a cover for pools to help reduce evaporation. Additionally, Zone 7 continued to promote its High-Efficiency Clothes Washer, Lawn Conversion, and Smart Irrigation Controller rebates in partnership with our retailers.



190

high-efficiency clothes washer rebates

62

water-efficient lawn conversion rebates

Scan here to learn more about our rebates:



135

smart irrigation controller rebates

53

pool cover rebates

CONSERVATION AS A WAY OF LIFE

While the mandatory restrictions are no longer in place, Zone 7 encourages the Tri-Valley community to consider conservation a way of life. Changes in weather patterns and severe conditions mean having reliable water supply and plentiful reserves such as our local groundwater basin are critical for long-term sustainability of our region. 2023 was the first 100% State Water Project allocation since 2006, allowing Zone 7 to begin recharging the groundwater basin and helping it recover from the recent drought.

Find Water Wise Tips:



THE FLOOD & DROUGHT CYCLE

A look at the past 20 years shows that periods of drought are followed by a flood season, with repeated periods of drought. This historical cycle teaches us the importance of long-term water storage planning.





FLOOD PROTECTION

ACHIEVEMENTS

RETURN OF FLOOD WATERS



This year brought the return of rain and floods after several years of drought, with massive storm events in January and March of 2023. Atmospheric rivers drenched the Tri-Valley bringing debris into flood channels, creating blockages in culverts, damaging roads, and making some impassable. The flood events required emergency response from Zone 7 teams to keep our flood channels flowing and our community safe. All roads damaged by the storm events have now been repaired.

11,000 cubic yards
of debris removed
from channels

8,368 cubic yards
of sediment removed

5,385 linear feet
of access roads repaired
in response to floods

\$2,139,809
in clean up and debris
removal costs submitted to
FEMA for reimbursement



The sediment catch basin in Livermore had exceeded the capacity and was blocking drainage to surrounding neighborhoods. The Flood Maintenance team was able to coordinate with DWR and the city of Livermore to shut off the groundwater recharge for 21 days to complete work in the Arroyo Mocho. The Flood Maintenance team submitted all records to the Federal Emergency Management Agency for a potential 75% cost reimbursement, as part of our responsible fiscal management strategy.



PROACTIVE FLOOD MAINTENANCE

The department also managed regular proactive maintenance including repairing access road cracking to help prevent future bank failures, removing hazardous encampment debris, and addressing fence damages primarily caused by unauthorized entry.

- ✓ Trash capture devices installed in Dublin in an effort to capture trash before it enters the flood channel.
- ✓ The first annual flood system condition assessment report was completed to evaluate the overall condition of the flood channels and identify any deficiencies affecting flood water conveyance.

**2,000
linear feet**

of access road
cracking repaired
proactively

80

fence
repairs

**47,472
linear feet**

of vegetation
removed

**110
cubic yards**

of encampment
debris removed



HERE WE GOAT AGAIN...











The Zone 7 goats were back for a third season as part of our comprehensive mowing efforts to maintain local flood channels and reduce the risk of fire. The goats eat away overgrown vegetation adjacent to the flood channels with their 6 ft reach, as well as along the ground to control brush and create an effective fire break. The goats naturally clear low lying brush and fallen branches, all without disturbing the soil or using pesticides.



THE GOATS HUNGRILY CHEW AWAY OVERGROWTH OF:



These goats are part of our integrated vegetation management plan with diverse methods of controlling growth alongside flood protection channels, which may double as recreational trails through local partnerships. While these trails provide community benefits, they also pose a high risk for fire, making vegetation management critical – and why we appreciate our goat helpers so much!

-  Trees
-  Bushes
-  Grasses
-  Weeds
-  Shrubs
-  Ragweed
-  Poison Oak
-  Thistles
-  Thorny Vines
-  Blackberry

FLOOD PROTECTION CAPITAL PROJECT UPDATES



ARROYO MOCHO MEDEIROS REACH FLOODPLAIN RECONNECTION PROJECT

The original project aimed to reconnect the Arroyo Mocho with its natural floodplain in the Oak Grove Nature Reserve. The plan was to excavate the reserve to allow flooding during storms, however, due to public concerns, the plan was revised to minimize disturbances.

- ✓ The project received a \$500,000 grant through the California River Parkways Program to improve the trail along the reach of Arroyo Mocho
- ✓ A portion of the asphalt trail was lowered to allow flooding during large storms
- ✓ The Oak Grove Nature Reserve was graded to define trail paths
- ✓ Primary trail work was completed in October 2022
- ✓ Tree planting and invasive species removal continued through October 2023
- ✓ The area is designed to accommodate a 10-year or greater storm event flow

Overall, the project successfully reconnected the Arroyo Mocho River with its floodplain, reducing flood risk and improving the trail.





FINANCIAL ACHIEVEMENTS

EXCELLENCE IN FINANCIAL REPORTING

The Agency earned a Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for its FY 2021-22 Annual Comprehensive Financial Report, a recognition of the Agency's commitment to responsible fiscal management, transparency, and public accountability.

WATER RATES

On November 16, 2022, the Board approved 5.5% annual rate revenue adjustments for wholesale water services for Calendar Years (CY) 2023, 2024, 2025 and 2026. The CY 2023 increase went into effect February 1, 2023. The remaining increases will be effective January 1, 2024-2026. The Board will revisit the rate schedule for calendar years 2025 and 2026, through a public process, with any changed rates adopted by November 2024.

 **5.5%**

The approved rate increases are essential to construct, maintain, and repair the crucial infrastructure that keeps customers' water safe and consistently flowing to homes and businesses.



SUSTAINABLE GROUNDWATER MANAGEMENT GRANT



As part of our responsible fiscal management strategy, the team applied for federal funding to offset local costs for development of the Stoneridge Well Ion Exchange (IX) PFAS Treatment facility. On September 12, 2023, DWR announced Zone 7 will receive a \$16 million award!

\$16 Million grant
from the California Department of Water Resources' Sustainable Groundwater Management Grant Program

16% of our drinking supply
will be brought back online with this project, the first facility to offer IX PFAS removal in Northern California



SERIES A WATER REVENUES BOND



S&P Global Ratings (S&P) raised its long-term rating on the Agency's outstanding bonds, and provided its highest rating to our newly issued bonds, both with stable outlook.

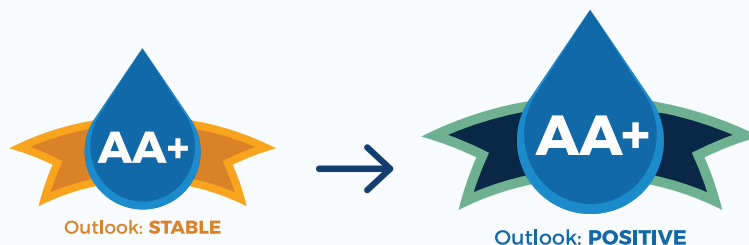
2018 Outstanding Bonds Upgraded



2023 Bond Issuance Rating



FITCH RATINGS ALSO UPGRADED THE AGENCY'S OUTLOOK



The exceptional ratings led to a successful bond sale on October 24, 2023, which will be used to fund the Chain of Lakes PFAS Treatment Facility and other planned capital improvement projects.

\$30 million
in bond proceeds received

4.68%
true interest cost

30-year
financing on bonds

FY 2023-24 MID-CYCLE BUDGET AMENDMENT

On October 18, 2023, the Board adopted the FY 2023-24 Mid-Cycle Operating and Capital Budget Amendment. The mid-cycle budget review is completed every other year to confirm the two-year budget is still aligned with the Board's strategic planning priorities, economic and climate conditions, capital project plans, adopted salary schedules, adopted rates and fees, and reserve policy requirements.

FISCAL YEAR HIGHLIGHTS

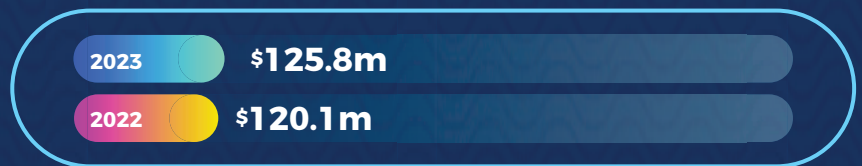


Net Position \$586m
+\$19 million (+3.4%) ↑



Net position increased by \$19 million or 3.4% from \$567 million to \$586 million

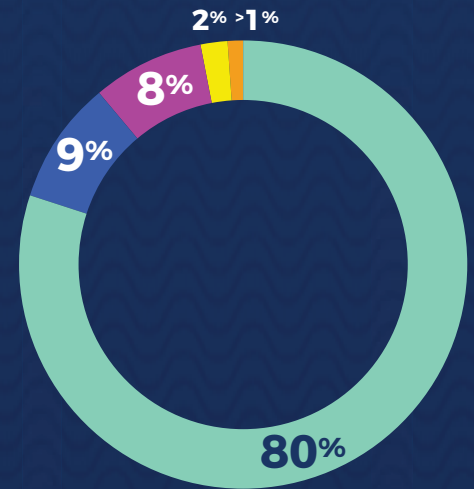
Total Revenue \$125.8m
+\$5.7 million (+4.8%) ↑



\$125.8 million in agency-wide actual audited revenue during FY 2023

Total Revenues by Category

- Charges for Services
- Property Taxes
- Grants + other contributions
- Investment earnings and others (loss)
- Capital grants + other contributions

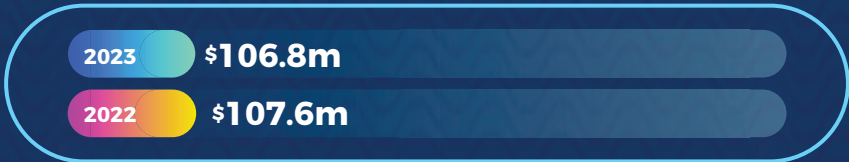


Total revenues increased by \$5.7 million or 4.8 percent to \$125.8 million from \$120.1 million in the prior year. The increase is mainly due to a \$4.8 million increase in investment earnings from the previous year as a result of favorable market conditions, a \$3 million increase in grants and other contributions from DWR refunds of our State Water Project pass-through payments, and a \$0.9 million increase in property tax due to increased property assessed valuations. These increases were offset by a decrease in charges for services as connection and development fees decreased \$2.6 million due to slower construction and development activities in the service area.

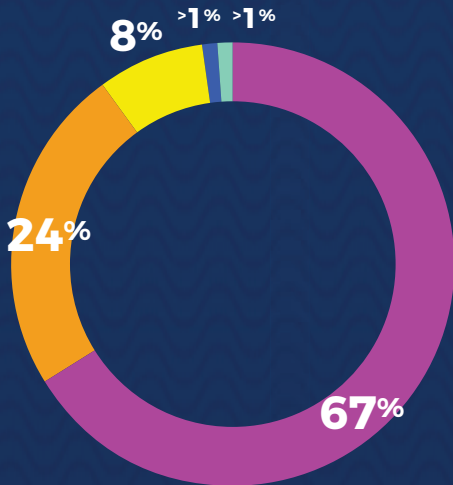


Total Expenses \$106.8m

-\$0.9 million (-0.8%) ↓



\$106.8 million in agency-wide actual audited expenses during FY 2023



Total Expenses by Category

- Water Enterprise
- State Water Project
- Flood Protection Operations
- Flood Protection Grants
- Flood Protection Development Impact Fee

Total expenses decreased by \$0.9 million or 0.8 percent from \$107.7 million to \$106.8 million mainly due to a \$6.6 million decrease in Water Enterprise water purchases and water storage as the state of drought emergency declared by the Board ended in 2023. Flood Protection Operations projects decreased \$3.5 million as maintenance repair program activities were completed or substantially completed in fiscal year 2023 along with a deferral of flood repair projects to fiscal year 2024. This decrease was offset by a \$4.5 million increase in employee salaries and benefits due to a cost-of-living adjustment, effective June 2022, a \$1.4 million increase in State Water Project pass-through payments to DWR, a \$1.2 million increase in other services and supplies for funding contributions to the Los Vaqueros Reservoir Expansion Project, and a \$1.1 million increase in capital asset depreciation due to the capitalization of large construction projects in recent years.

Capital Assets \$364m

+\$7.9 million (+2.2%)

Capital assets increased by \$7.9 million, or 2.2 percent, from \$356.1 million to \$364 million. The increase is mainly due to the construction of the Patterson Pass Water Treatment Plant ozone and upgrade projects as the Agency used the 2018 Water Revenue Bonds in the acquisition fund.





Zone 7 Water Agency is made up of dedicated public servants with a wide variety of expertise, brought together by an unwavering commitment to delivering quality, reliability and safety to the people they serve. Through droughts and floods, immediate emergencies and long-term planning projects, from making sure our families are served the water they need today, and for generations to come, our essential workers make it possible.



7 Board Members

The Zone 7 Board of Directors set policy and guide our long-term strategy.

7 Members of the Office of the General Manager

The office of the general manager helps lead our organization with the help of legal counsel, public outreach and administrative support.



54 WATER PRODUCTION TEAM MEMBERS



Water operators work in shifts to ensure 24-hour coverage at our two water treatment plants. Maintenance workers range from mechanics to electricians to safety techs who keep all equipment running smoothly and the flood protection system safely maintained.



26
Operators

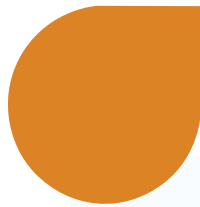
29
Maintenance Staff



25 ENGINEERS



A team of flood control, water supply and water quality engineers ensure our infrastructure now and in the future is top-notch.



17 WATER RESOURCE PLANNERS



A team of engineers, geologists and planners strategically and sustainably manage our water supply system, care for our watershed, and ensure efficient energy usage

16 FINANCE TEAM MEMBERS



This department responsibly manages our financial and human resources to ensure a strong future for Zone 7.

Thank you to our essential workers!





KID ZONE

ACHIEVEMENTS

TEACHING THE NEXT WATER-SAVVY GENERATION



The Kid Zone Schools Program is designed to teach kids to be water-savvy today so they can be water-wise adults for generations to come. Lessons are aligned with the Next Generation Science Standards for K-12, created and taught by certified educators.





1,343
**Kindergarteners
& Transitional
Kindergarteners**
learned about
WATER MATTERS

1,352
1st Graders
learned about
WATER WISE TIPS

1,181
3rd Graders
learned about
**THE PEOPLE & EVENTS
OF OUR WATERSHED**

393
4th Graders
learned about
**CALIFORNIA &
THE RACE FOR
LIQUID GOLD**

1,357
2nd Graders
learned all about
**CREEKS &
STREAMS**

633
6th Graders
learned about
**THE WONDER
DOWN UNDER**

400
7th & 8th Graders
learned about
**DRINKING WATER
TREATMENT**









1,126
5th Graders
learned about
**LIFE AS A WATER
MOLECULE**

= Reached nearly **8,000 students**
by providing over **300 Kid Zone Lessons**



REACHING STUDENTS ALL AROUND THE TRI-VALLEY AREA

STUDENT FOCUSED OUTREACH EVENTS

-  **LIVERMORE SCIENCE ODYSSEY**
150+ students and their families
-  **CROCE ELEMENTARY FAMILY SCIENCE NIGHT**
88+ students and their families
-  **ARROYO SECO ELEMENTARY FAMILY SCIENCE NIGHT**
80+ students and their families
-  **ALTAMONT CREEK, EARTH DAY FAMILY SCIENCE NIGHT**
85+ students and their families
-  **LAWRENCE ELEMENTARY FAMILY SCIENCE NIGHT**
120+ students and their families
-  **GRANADA HIGH SCHOOL CTE CAREER FAIR**
180+ high school students
-  **MARILYN ELEMENTARY FAMILY SCIENCE NIGHT**
145+ high school students
-  **LIVERMORE HIGH SCHOOL AG DAY**
300+ third graders, teachers, and parents

= Reached over **1,100 students and families**



CALIFORNIA WATER: BACK TO IT'S ROOTS



2023 ANNUAL LIVERMORE WATER CONSERVATION ART CONTEST

Once again, Zone 7 was proud to sponsor the Livermore Water Conservation Art Contest to help make sure students understand that native California plants are naturally drought resistant, use less water, and are beautiful! Students were encouraged to inspire their community to save water by going back to our native California plant roots with the art of their choice. Check out the winning submission!



Congratulations!



**ANNA POORANI
AMARNATH**

2023 Water
Conservation Art
Contest Winner



LIVERMORE
CALIFORNIA





COMMUNITY ENGAGEMENT

Zone 7 builds trust and transparency through ongoing community engagement and outreach. We're making information more accessible, easier to understand, and available in multiple formats to meet the evolving digital landscape. We are actively engaging the community through special events and information sharing to foster stronger connections and understanding within the Tri-Valley.



15
press releases

22
e-newsletters
and special
announcements

29
special events
and community
presentations



SPECIAL EVENT HIGHLIGHTS



PATTERSON PASS TOURS

The newly upgraded Patterson Pass Water Treatment Plant was opened for the first public tours in several years. Tours were held on Saturday, June 17 from 10am to 2pm and consisted of separate one-hour group tours. Each group tour began with a special presentation introducing the attendees to the history and functions of Zone 7 Water Agency. Tours were promoted in advance with a video of the original opening of the facility and all the time slots sold out!



67
in-person
attendees

6
tour
slots

16,135
Patterson Pass
videos on YouTube*

*Our Wondrous World of Water video series is designed to help make water quality understandable for everyone. We added the Patterson Pass Water Treatment Plant Upgrade video in September of 2022 and it became our most viewed YouTube video of the 2022-2023 fiscal year!



LITTLE FREE LIBRARY

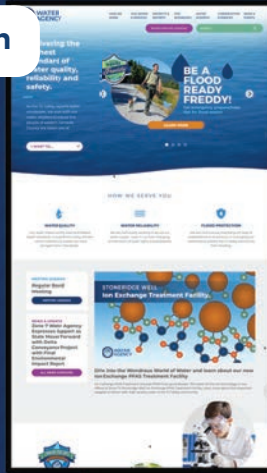
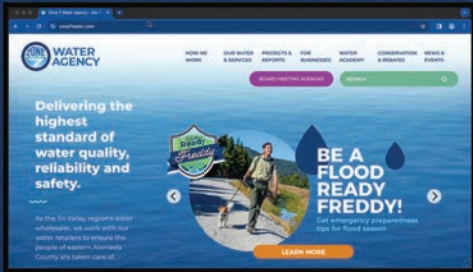
Girl Scout Troop's 31253 installed the Zone 7 Little Free Library on June 7, 2023 in Pleasanton, CA. The library encourages kids to become water-wise at a young age by providing free books to anyone in the community with literature that:

- highlights the importance of water
- sheds light on today's water issues and
- provides water-saving resources for the community.



DIGITAL CONNECTIONS

<https://Zone7Water.com>



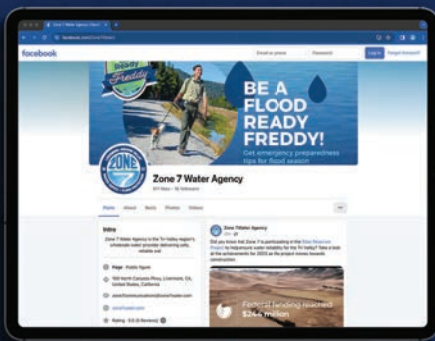
49,807
website visitors

78,800
user sessions

150,959
page views



Facebook



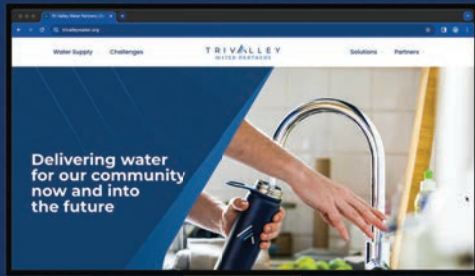
880
Followers



325,180
Total Reach



<https://TriValleyWater.org>



632
website visitors

844
user sessions

1,430
page views



500

LinkedIn followers

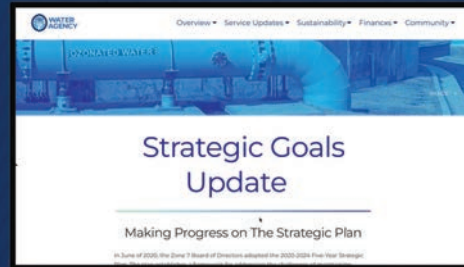


705
website visitors

<https://Zone7Water.Report>

1,000
user sessions

4,720
page views



 **Next Door**

153
Next Door Posts

1,606,081
total impressions
on Next Door

1,321
thanks/reactions from
community members

 **Youtube**

48,522
YouTube Video Views

455.9
hours of video watch time



OUTREACH CAMPAIGN HIGHLIGHTS

DROUGHT ALERT CONSERVATION CAMPAIGN

In 2021 and 2022, California and the Tri-Valley faced a severe drought emergency. This crisis demanded immediate action from the water industry and the community alike. While Zone 7 had a robust, long-term water conservation plan in place through the Water Wise Wendy campaign, the dire situation necessitated a more urgent response. We created the Drought Alert campaign, partnering with our retailers to effectively inspire the community and achieve the crucial 15% water conservation goal.



15%
reduction in
water use

70 spots
on local radio

161
conservation posts

1,405
streaming video
spots on cable

10,738
page views across all
conservation webpages

13
million impressions
achieved with
outreach campaign



FIX-A-LEAK WEEK 2023

In honor of the EPA’s annual Fix-a-Leak Week, March 20-26, Water Wise Wendy videos came out of the vault with new activity sheets to encourage kids to save some water! The EPA promotes Fix-a-Leak Week to families across the country to take action and fix leaks inside their home and outside in their yards.



8
Fix-A-Leak videos featuring Water Wise Wendy

23,197
combined video views during Fix-A-Leak Week

508,308
impressions achieved during 2023 digital outreach campaign



AWARDS



The California Association of Public Information Officers (CAPIO) recognized Zone 7 for outstanding achievements in communications with three Excellence in Public Information and Communications (EPIC) awards:



Flood Ready Freddy Flood Preparedness Campaign

EPIC award
for Video Production Series

EPIC award
for Preparedness/Public Safety Education Campaign



Water Wise Wendy Conservation Campaign

EPIC award
for Video Production Series