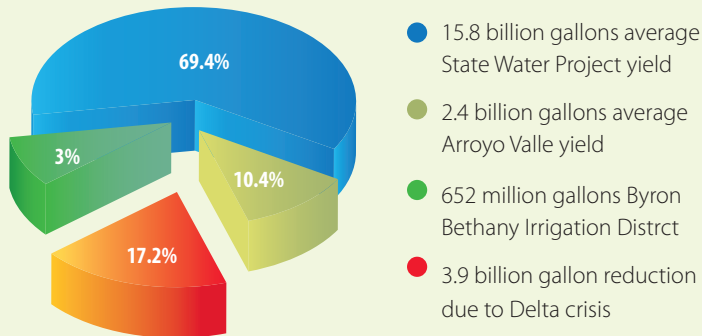




A Path Forward: *The Bay Delta Conservation Plan*

Restoring water supply reliability to the State Water Project



Over the last few years, due to Delta pumping restrictions and the effects of climate change on water supply, Zone 7's projected long-term average yield from the State Water Project has been reduced by more than 3.9 billion gallons, or about 17 percent of total supplies.

Gov. Jerry Brown and federal officials announce major progress in achieving compromises that will further the co-equal goals of water supply reliability and improved restoration of the Delta ecosystem.

The commitment of both the state and federal governments to work with water users, environmental organizations and local agencies to achieve these co-equal goals will benefit Zone 7, which relies on Delta conveyance for more than 80 percent of the water supply it delivers to Pleasanton, Livermore, Dublin and Dougherty Valley.

The Delta's ecosystem is in crisis while the State Water Project has infrastructure that is aging and inadequate. Taking steps now for a Delta solution that employs science to address both needs equally may be the single best chance to avoid disaster. The entire Bay Area depends on the Delta watershed for

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Flood Protection & Water Supply Work Hand-in-Hand

Although Zone 7 Water Agency is one of 10 active zones of the Alameda County Flood Control and Water Conservation District, it is the only zone governed by its own seven-member locally elected board of directors and the only one to, in addition to flood protection, also serve as a water supplier.



Wente Street, 1995

Under a public mandate to provide local flood control management, Zone 7 develops strategic approaches; collects revenues; administers programs; issues contracts; oversees, manages and directs contractors; and provides needed services that assure local control of regional flood protection.

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Flood Protection

A key part of our mission

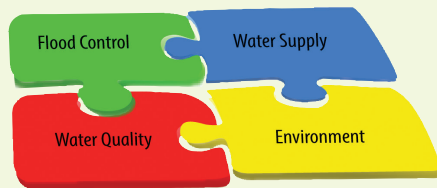
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Since long before Zone 7 was created by Livermore-Amador Valley voters in 1957, the critical issues of water supply, water quality and flood protection have shaped the region's ability to prosper. The Valley had for many years been experiencing a declining groundwater table and uncontrolled storm runoff, and had very little watershed planning. In fact, a record flood in 1955 turned much of North Pleasanton into a lake.

Today, Zone 7 continues to wisely manage the use of all of its water resources in a holistic, integrated fashion. Our dual flood protection and water supply functions are managed cohesively so as to complement each other. For example, during major storms, we use the Valley's system of arroyos to carry high waters out of the area to protect lives and property from flooding. At other times, we use these same streams to replenish the groundwater basin with water purchased from the State Water Project. This recharging of the basin with surplus water in wet years provides a contingency water supply for use during droughts and summertime peak demands, and improves groundwater quality. Another multi-purpose facility is Lake Del Valle, which is operated by the State Department of Water Resources for water storage, flood protection and recreational purposes.

Along these same lines, Zone 7's Stream Management Master Plan identifies water supply storage, groundwater recharge, and stormwater detention as integrated uses of the future Chain of Lakes, a significant resource located at the center of the Valley. This series of sand-and-gravel mining pits will be turned over to Zone 7 as quarrying operations end over time (currently, Zone 7 owns two of the 10 lakes).

This integrated management of the Valley's water resources -- imported water supply from State Water Project, local watershed runoff, the arroyos, the Chain of Lakes and the groundwater basin -- is necessary for providing cost-effective water supply reliability, water quality, flood protection and environmental protection.



A Path Forward

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two-thirds of its drinking water supply. But, for people in Zone 7's service area, the plumbing that is proposed as tunnels under the Delta is no less than a lifeline to the Sierra snowmelt needed to maintain our current quality of life.

The Bay Delta Conservation Plan (BDCP) is our best hope of addressing the challenges of a deteriorating Delta ecosystem and building a water conveyance system that can withstand the effects of a major earthquake and climate change. Climate change, alone, is threatening the future of water supply to the Valley. A no-action alternative means unreliable water in Zone 7's service area in the future. Zone 7 looks forward to the BDCP effort producing draft environmental documents early next year, and to selection of a preferred alternative shortly thereafter.

Every resident of our Valley relies on water for basic public health and fire protection. Businesses and agriculture need water to stay healthy, as does our \$200 million wine industry. Without water imported through the Delta, our Valley's economy would wither and die. The proposed tunnel project, itself, is expected to generate 170,000 new jobs to grow the statewide economy.

In addition to improved water supply reliability, fixing the Delta conveyance system would reduce our water treatment costs by providing source water less contaminated by agricultural drainages, wastewater-treatment plant discharges, urban runoff and recreational activities so the costs of fixing the Delta will be somewhat offset.

Zone 7 continues to aggressively investigate options to diversify our water supply sources. But ultimately, we will always have to rely on Delta conveyance for the majority of our water supply. The reality is that regardless of the source, a reliable long-term solution for water supply reliability will take significant investment from Zone 7.



Holding the Line on Water Rates for 2013

Thanks to continued cost efficiencies, Zone 7's Board of Directors has been able to hold wholesale treated water rates in 2013 to current levels, and to limit a rate increase in 2014 to the current inflation rate of 2.65 percent.

Rates will remain unchanged for 2013 and the rate for 2014 will add approximately \$1.04 a month to the typical household bill assuming the increase is fully passed on by water retail agencies serving Pleasanton, Livermore, Dublin and Dougherty Valley.

"We remain committed to providing a high level of service while doing everything we can to control costs," Board President Sarah Palmer said following the Board's October 17 vote. "Despite significant ongoing financial pressures facing water agencies throughout the state, Zone 7 has made significant strides in cutting operating costs on behalf of its ratepayers."

Since the 2009-10 fiscal year, Zone 7 has cut its annual operating budget by more than \$4 million. Continuing efficiency measures include a soft hiring freeze, employee benefit and cost-of-living wage concessions, lowered costs of outside contracts by maximizing use of in-house resources, and reduced chemical costs by participating in a consortium of Bay Area water agencies that purchase common treatment chemicals and can achieve savings through high-volume buying. The agency is also reducing energy costs through operation of a new solar facility at the Del Valle Water Treatment Plant and participation in PG&E's Peak Day Pricing program.

This is the first time that Zone 7 has set rates for a two-year period rather than annually. The Board's purpose in setting rates on a two-year basis is to provide greater predictability and stability, both for Zone 7 and for its customers.

Preserving Critical Infrastructure

Our recent project to renovate a key piece of equipment at the Patterson Pass Conventional Water Treatment Plant is part of the Zone's Asset Management Plan and serves as an example of Zone 7's commitment to protecting the reliability of the community's water supply.

The Patterson Pass Clarifier removes from 80 to 90 percent of suspended particles from the untreated water we receive from the State Water Project before that water undergoes additional filtration and treatment. The original facility was constructed in 1964 and although it had performed well over the years, it had outlived its useful life, and it was requiring more and more maintenance to keep this critical piece of equipment in operation. The recently completed project included replacing the clarifier equipment in the existing concrete basin, repairing areas in the concrete walls and floor, recoating surfaces, and installing a new corrosion-control system.

Before



After



The project is part of Zone 7's updated Asset Management Plan, which helps the Agency proactively plan, schedule and implement equipment repair or replacement projects so we can continue to provide cost-effective, high-quality, reliable water delivery within our service area.

Another significant project involves upgrades to the State Water Project's South Bay Aqueduct. It is being improved by the State Department of Water Resources for additional water-supply reliability and energy efficiency, and enlarged to meet contractual capacity levels.



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ABOUT ZONE 7

In addition to providing flood protection to eastern Alameda County, Zone 7 Water Agency provides treated drinking water to four major water retailers, along with a small number of direct customers, serving approximately 220,000 people in Pleasanton, Livermore, Dublin and the Dougherty Valley area of San Ramon.

It also supplies untreated irrigation water to some local agricultural operations and manages the Livermore-Amador Valley's groundwater basin.

Sign up for e-news!

Save paper and get more frequent updates.
Sign up for Zone 7's e-newsletter at
www.zone7water.com

Who To Contact

About Your Water

California Water Service Company: (925) 447-4900
City of Livermore: (925) 960-8100
City of Pleasanton Operations Services: (925) 931-5500
Dublin San Ramon Services District: (925) 828-0515

About Your Storm Drains & Sand Bags

Alameda County Public Works: (510) 670-5480
City of Dublin Public Works: (925) 833-6630
City of Livermore: (925) 960-8100
City of Pleasanton Operations Services: (925) 931-5500