Zone 7 Water Agency
Water Supply Reliability and Water Rates

Valerie Pryor, General Manager

October 10, 2018
Water Supply

In any given year, Zone 7 meets demands (avg. 40,000 AF) using incoming supplies and water from storage.

- **Normal years**: Demands are met through a combination of imported supplies (largely State Water Project), local surface water, and groundwater (primarily for peak demands).
- **Dry years**: Water from the Kern County groundwater banks, dry year transfers, and Yuba Accord supplement supplies; additional groundwater is also pumped locally. Stored water in the form of SWP Carryover and Lake Del Valle storage are also used to supplement dry year supplies.

**INCOMING SUPPLIES**

- **Imported Supplies**:
  - SWP – Table A: Table A amount of 80,619 AF, average of 50,000 AF per year; additional minor amounts available
  - Transfers: As needed, when available

- **Local Surface Water**:
  - Arroyo Valle: Runoff during the year captured in Lake Del Valle, average of 7,300 AF per year

**SUPPLIES IN STORAGE**

- **SWP Carryover**: Typically target 7,000-10,000 AF; as of end of 2017: 10,100 AF (unused Table A)
- **Lake Del Valle**: Varies depending on hydrology up to about 7,500 AF; as of end of 2017: 5,600 AF
- **Main Basin**: Water artificially recharged by the Agency into local groundwater basin using imported and local supplies with total capacity of 254,000 AF; emergency storage capacity: 128,000 AF; operational storage capacity: 126,000 AF; storage as of end of 2017: 246,000 AF
- **Kern County Groundwater Banks**: Agreements with Semitropic Water Storage District and Cawelo Water District provides 198,000 acre-feet of storage capacity; storage as of end of 2017: 104,100 AF
All of Zone 7’s Imported Supplies are delivered through the Delta/SBA System:

- SWP
- SWP Carryover
- Dry Year Transfers
- SWP Exchanges

STATE WATER PROJECT, over 80% of Zone 7’s Water Supply
What is the “Delta?”
Upcoming Water Supply Evaluation Process

- 2015 Urban Water Management Plan identified for additional water supply
- Recent drought showed a need for additional water supply reliability (portfolio diversification)
- Zone 7 is currently reviewing water supply programs
- All options will have significant costs
- 2018 Water Supply Evaluation will facilitate decision-making
  - Updated demands
  - Updated State Water Project reliability
California WaterFix: Major Infrastructure Improvement

- Key component of the California Water Action Plan, along with conservation, storage & recycling => diverse portfolio
- Involves construction of three new fish-friendly intakes in the northern part of the Delta and two new tunnels under the Delta
- Creates a dual conveyance system (old plus new) that updates aging infrastructure, improving the reliability of the SWP and CVP water supplies.
- About 80% of Zone 7’s water supply comes from the State Water Project and other imported water supplies which are dependent on the Delta and the South Bay Aqueduct for delivery.
- Almost all of the water supplied to the Tri-Valley’s untreated water customers such as vineyards, orchards and golf courses comes from the State Water Project and other imported water supplies which are dependent on the Delta for delivery.
- The current 50-year old system is vulnerable to disruptions due to seismic events, levee failures, and environmental restrictions.
- A major earthquake in the Delta could leave the Tri-Valley area without much of its water supply for several months.
- CWF is designed to enhance fish protections and the Delta ecosystem.
Zone 7 Infrastructure

Surface Water Treatment Plants
- Del Valle WTP: 36 MGD
- Patterson Pass WTP: 19 MGD

Groundwater Production Wells
- 10 wells with total 42 MGD peak capacity

Mocho Groundwater Demineralization Plant
- Removes salt and minerals; from Main Basin with 6 MGD of pumped groundwater

Transmission
- 41 miles of 12"-42" pipelines
- 2 pumping stations
Background – Water Does a Dollar Pay for?

- Labor: 32¢
- Capital Investments: 25¢
- Operating Costs: 21¢
- Water Payments: 14¢
- Debt Payments: 5¢ and 3¢
- Other Services and Supplies: 5¢
Current Water Rate Process

- Zone 7 is in the process of establishing wholesale water rates for 4 years (calendar years 2019-2022)
- The long presentation was sent to you as background
- Zone 7 has been committed to a public and transparent process
  - Ample public notification through print and eNewsletters
  - Mailers to all households
  - Board meetings on September 5 and 19
- Final vote expected on October 17
Proposed Rates Based on a Cost of Service Study

• No new operating programs or staff proposed
  • Continuing to hold positions vacant
• Continues annual funding for capital improvement program
  • To maintain infrastructure
• Increases funding for reserves over 4 years to achieve target levels
  • $26 million used in drought
• Considers funding for water supply reliability projects
  • Early proposals includes $6-15 million over 4 years
  • Board will consider significantly lower amount
• Will increase monthly water bills from $2-3/month in 2019
Questions and Discussion