ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

100 NORTH CANYONS PARKWAY • LIVERMORE, CA 94551 • PHONE (925) 454-5000 • FAX (925) 454-5727

NOTICE OF REGULAR MEETING OF BOARD OF DIRECTORS

DATE: **Wednesday, January 15, 2014**

TIME: **7:00 p.m.**

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

Any member of the public desiring to address the Board on an item under discussion may do so upon receiving recognition from the President. After receiving recognition, please step to the podium and state your name and address.

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 Zone 7 Board Secretary, Judy Rector, at (925) 454-5053 or fax (925) 454-5724. 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}

A G E N D A

1. Call Meeting to Order
2. Pledge of Allegiance
3. Citizens Forum

   This is an opportunity for members of the public to speak on an item not listed on the agenda. The Board cannot deliberate or take action on a non-agenda item unless it is an emergency as defined under Government Code Section 54954.2.

4. Minutes of the Regular Meeting of December 18, 2013

5. Consent Calendar
   a. Cost Sharing Agreement for Invasive Mussel Inspection Program at Lake Del Valle
   b. Election of Four Zone 7 Board Members on June 3, 2014

6. Staffing Update:

   November Employee of the Month Recognition

7. Award of Construction Contract for the PPWTP Ultrafiltration Clarifier Corrosion Control Upgrades Project

   Recommended Action: Adopt resolution.

8. Award of Construction Contract for the Mocho 4 Well Repair Project

   Recommended Action: Adopt resolution.

9. Committees - Water Resources Committee - notes pending.

10. Reports - Directors
    a. Verbal comments by President
    b. Written report by Director Quigley
    c. Verbal reports

11. Items for Future Agenda - Directors

12. Staff Reports (Information items. No action will be taken.)

    a. General Manager's Report
    b. Communications Outreach Activities
    c. Legislative Update
    d. Monthly Budget Report
    e. Update on Zone 7 Vehicle Fleet
    f. Verbal Reports

13. CLOSED SESSION

    (a) Conference with Legal Counsel -- Significant exposure to litigation pursuant to Gov't Code Section 54956.9(d) (2): 2 cases

    (b) Conference with Legal Counsel -- Potential litigation pursuant to Gov't Code section 54956.9(d) (3): 2 cases.

    (c) Conference with Labor Negotiators:
    Agency Negotiator: G.F. Duerig
    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 Real Property Negotiator:
    Property: APNs 946-1251-029-00 and 946-1251-8-6(partial)
    Agency Negotiator: G.F. Duerig
    Negotiating Parties: Robert M. Krantz, UPRR and Daniel Woldesenbet, AlCo PWA
    Under negotiation: Price and terms of payment

14. Open Session and Report Out of Closed Session

15. Adjournment

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

    a) Public Workshop on California Water Action Plan, January 30, 2014, 6:00 p.m.
    Dublin City Council Chamber
    b) Water Resources Committee Meeting: February 3, 2014, 4:00 p.m.
    c) Special Board Meeting (if needed): February 5, 2014
    d) Regular Board Meeting: February 19, 2014, 7:00 p.m.

Materials related to an item on this agenda that have been provided to the Board less than 72 hours prior to the meeting are available for public inspection at the Zone 7 office at the time of, and prior to, the meeting and at www.zone7water.com. All other material otherwise provided to the Board will be available at the public meeting.

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

REGULAR MEETING
December 18, 2013

President Stevens called the meeting to order at 7 p.m. The following were present:

DIRECTORS:	SANDS FIGUERS JOHN GRECI AJ MACHAEVICH SARAH PALMER RICHARD QUIGLEY ANGELA RAMIREZ HOLMES BILL STEVENS
DIRECTORS ABSENT:	NONE
ZONE 7 STAFF:	JILL DUERIG, GENERAL MANAGER KURT ARENDS, ASSISTANT GENERAL MANAGER, ENGINEERING TOM HUGHES, ASSISTANT GENERAL MANAGER, ADMINISTRATION MARGARET CHUN, ACCOUNTING MANAGER JUDY RECTOR, BOARD SECRETARY
COUNSEL:	DAVID ALADJEM, DOWNEY BRAND

Item 1 - Call Meeting to Order

Item 2 - Pledge of Allegiance

President Stevens led a salute to the flag.

Item 3 - Citizens Forum - None.

Item 4 - Minutes of the Regular Meeting of November 20, 2013

Director Ramirez Holmes moved and Director Quigley seconded the motion. The minutes passed by a 7-0 voice vote.

Item 5 - Consent Calendar

Director Ramirez Holmes requested that Consent Item 5(d) be pulled from Consent for discussion. Director Greci moved that Items 5(a), 5(b), and 5(c) be approved and Director Palmer seconded the motion, which was approved by a roll call vote of 7-0.

Resolution No. 14-4325 — Authorized the General Manager to negotiate and execute an Agreement with the City of Livermore for the Del Valle Water Treatment Plant Roadway Maintenance Project in an amount not to exceed $105,500. (Item 5a)

Resolution No. 14-4326	The Board of Directors of Zone 7 accepted the annual report of development fee revenues and expenditures for the fiscal year ending June 30, 2013. (Item 5b)
Resolution No. 14-4327	The Board of Directors of Zone 7 authorized Director Quigley's attendance at ACWA's Annual D.C. Conference and expenses associated with his attendance at this event. (Item 5c)

Director Ramirez Holmes commented on Item 5(d) and the communication practices with Supervisors Miley and Haggerty. She feels there should be more direct communication and meetings with the Supervisors and their staff.

Director Palmer said the letter is one of the next steps the Supervisors wanted to see and this letter is appropriate. Director Quigley and Director Machaevich agreed with Director Palmer and said that in the separation process plan this letter memorializes our interactions. We are going in a direction that is open and transparent with County staff and the Board of Supervisors. Director Machaevich agreed it is important to document, and approves moving forward. Director Greci said that written communication is filed, recorded and irrefutable and does not impose more meetings on their busy schedules. If they are dissatisfied with the steps taken, they have not told Zone 7. Director Ramirez Holmes said that writing a letter to LAFCo with copies to the Supervisors is not keeping them "in the loop" which was the problem last time with the pursuit of independence from the County. It is a political process that needs a political solution. Ms. Duerig stated that she will personally contact the Supervisors' Chiefs of Staff prior to mailing out letters letting them know that the letters will be issued and asking if they have any questions. Director Figuers agreed with Director Ramirez Holmes that we need to "glad hand." President Stevens stated that Zone 7 is doing exactly what the County wanted Zone 7 to do which was 1) go through the LAFCo process; 2) get a Principles of Agreement with Contra Costa County; and 3) get a Memorandum of Understanding with Alameda County Flood Control. He goes to every LAFCo meeting and tries to make contact with both Supervisors. Now we have a Principles of Agreement with Contra Costa County and it is important to update LAFCo.

Director Quigley moved for approval of the resolution and Director Greci seconded the motion. The motion passed with a roll call vote of 6-1-0 with Director Ramirez Holmes voting no.

Resolution No. 14-4328	The Board of Directors of Zone 7 directed the Board President to notify LAFCo of the development of Principles of Understanding that will provide a framework for future LAFCo applications and/or legislative language for Zone 7's independence. (Item 5d)

Item 6 - Staffing Update

Ms. Duerig announced that Sara Whatley, Safety Technician II, was chosen as the October 2013 Employee of the Month. After another staff member left Zone 7, the work was spread among other employees and Sara stepped in and worked on the compliance programs. She is also working on developing her knowledge and skills that contribute to the Agency. The Board applauded her and was pleased that she was present to receive their congratulations.

Item 7 - Independent Auditor's Report and Annual Financial Statements for Fiscal Year Ending June 30, 2013

Margaret Chun, Accounting Manager, presented to the Board the Independent Auditor's Report and Annual Financial Statements for the Fiscal Year Ending June 30, 2013, which had been presented to the Finance Committee in November. Committee members recommended that the report be brought to the full Board for acceptance.

Ms. Chun introduced Tim Kirsch from Maze and Associates, who was present to answer any questions regarding the audit process or findings.

Director Greci and Director Palmer both said they are pleased with the findings and layout of the audit. Director Figuers said that although the actual numbers were fine, he noted the interest paid on the reserves held in the county treasury, as reported on the Statement of Net Position in the Basic Financial Statements document, is low and that Zone 7 should get a higher interest rate on those funds. He also noted that on Item 5 (b), Annual Report on Collection and Use of Development Fees, the interest rate is also low on the interest from county investments. He asked if we have any large-scale flood control projects coming up and noted the amount of money in the Flood Protection/Storm Drainage DIF fund.

Director Ramirez Holmes asked Mr. Kirsch if he felt there were any changes that should be made to improve the Board's oversight on finances or management of finances. Mr. Kirsch replied that because the Board receives monthly financial statements as part of the Board packet, budget variance analysis on a monthly basis has already been added this year as a useful tool. In testing internal control, which is a determination of whether or not staff are following the policies and procedures the Board adopted previously, the auditors had absolutely no findings, which speaks highly of the staff and is very unusual as the auditors usually have recommendations for agencies to improve internal controls.

In response to President Stevens' question about how well-managed Zone 7 accounting is, Mr. Kirsch said the Memorandum on Internal Control states that they did not identify any deficiencies in internal control that they consider to be material weaknesses. This was addressed in the Finance Committee meeting. Director Ramirez Holmes referred to the Summary Notes from the Finance Committee meeting that stated, "David Alvey reported that the independent audit of Zone 7 finances was an unqualified 'clean' opinion; the agency remains in solid financial shape; and there are no glitches concerning internal controls."

Director Ramirez Holmes noted that the budget items are spread out but the audit calls out some things the Board needs to pay attention to such as the $1 million in overages for staff time and benefits for four projects. Ms. Duerig explained that they look at the overall budget for how many staff Zone 7 has and project how they will be used and then move staff around and charge particular accounts, i.e., when staff spent more time on hydraulic models for floods with the County for the MOU more money was not spent but labor expense was allocated to a fund where it hadn't been budgeted. Director Ramirez Holmes asked at what point there is a concern so overages are called out to the Board. Ms. Duerig replied that money is saved in other areas, it is just an overage in this fund, but the budget is just a roadmap. The Board approves the budget but staff resources are dedicated and moved around and this does not add to liabilities. President Stevens gave an example where staff did the work themselves on Cope Lake and did not hire a consultant so Zone 7 saved money.

Director Figuers asked about total salaries. They are broken down by funds but what is the overall, rough number for Zone 7 total salaries. Assistant General Manager Tom Hughes said a rough guess would be $19 million. Ms. Duerig said the monthly budget report describes how labor is distributed but is not currently in New World accounting software, and the hope is that monthly budget reporting will give the Board a better handle on how resources are moved around.

Director Ramirez Holmes told the Board that the Finance Committee decided to look at the finance control the auditor suggested would be a good improvement. She wants to make sure that item comes back to the Finance Committee early in the year so they can look at the audit process. She also requested that a positive press release be issued to let the public know about the clean messages from the auditors' impartial review and what the audit means in terms of Zone 7 checks and balances between Board and staff.

Director Ramirez Holmes moved the audit be approved and Director Palmer seconded the motion, which was approved by a voice vote of 7-0.

Resolution No. 14-4329	The Board of Directors of Zone 7 accepted the independent auditor's report, basic financial statements and supplementary information for the fiscal year ending June 30, 2013. (Item 7)

<u>Item 8 - Award of Contract for Security Guard Services</u>

Ms. Duerig told the Board that we have had security guard services for many years. At the treatment plants during the day, stationary guards monitor visitors coming to the plants. Off hours, there is a roving service that visits all facilities and does call-outs if needed. Prior to this year, Zone 7 went through the County as part of their major security contract and we were just one of many departments that used those services but last year there was a glitch where they dropped us inadvertently and there were issues with inadequate service. Now Zone 7 is going completely on our own with a three-year contract and the cost is comparable to what we paid in the past.

Director Figuers asked how many person hours does the $405,000 buy us? The last page of Exhibit B has calculations. Ms. Duerig said it shows hourly rates under $20 for the gatekeeper and closer to $30 for the rover but the total also includes paying for the vehicle and radio. Director Figuers requested that Zone 7 look at the effectiveness of a mixture of video cameras and security staff and reduce needing people as much. Ms. Duerig replied that we have video cameras at the plants so the staff in the plant office can see who is at the gate after hours. To add video cameras at all facilities would require a meet-and-confer with the Unions. Ms. Duerig added there are security alarms at facilities to protect staff and the buildings and this contract also includes the rovers. In other words, security is already made up of a combination of video, alarms and people.

Director Quigley said that at ACWA, there was a module on Safety and there is a lot of interest in security because treatment plants and other public infrastructures have guards.

Director Ramirez Holmes asked questions about the process used to select the vendor and if there was only a one point difference, why the proposals from the competing firms were not brought to the Board. Tom Hughes, Assistant General Manager of Administration, responded that the dollar amount of the contract is not the only factor taken into consideration when selecting a vendor.

Overton's price was the best and they do pay union prevailing wages but it was not based solely on price.

Director Figuers suggested that the actual bids for the contracts from each firm be listed as they are for construction contracts.

General Counsel David Aladjem explained that there are rules governing how contracts like this are different from a construction contract that shows prices for labor, materials, etc. As with professional service contracts, this was awarded on a more complicated system with more variables. The Public Contracting Code recognizes that because of that variability, the way it is rated would defeat obtaining the goods, in this case the security services, by publishing the least cost for the service, which is why they don't do it. What staff has done in presenting the highest score on the RFP is common practice and the way it should be done.

Director Ramirez Holmes asked about Exhibit B which listed hourly rates and Mr. Aladjem said it was so staff would have those metrics to use when ranking and tailoring the services. Director Ramirez Holmes felt the Board should have been given more information about the difference in the rankings. Director Machaevich stated that you don't always go for the highest ranked company and services are looked at as a total package, the performance and what they can provide, and staff has to weigh all factors. He thinks Zone 7 will get more value for their money by going with Overton.

Director Palmer moved for approval of the resolution and Director Figuers seconded the motion. The motion passed with a roll call vote of 7-0.

Resolution No. 14-4330	Authorized the General Manager to negotiate and execute a services contract, not to exceed $405,000, with Overton Security Services, Inc. for security guard services for three years (January 1, 2014 through December 31, 2016) plus two optional one-year terms. (Item 8)

Item 9 - Committees - Finance Committee - November 14, 2013 - notes

Item 10 - Reports - Directors

a. Verbal comments by President
b. Written report by Director Quigley
c. Other Directors' Verbal Reports

Director Palmer reported on the GRACast she viewed on Chromium (6) and 1, 2, 3-TCP and distributed to the Board a copy of slides from the presentation. This is part of the GRACast series on Compounds of Emerging Concerns (CECs). Bottom line is that if Zone 7 has to make changes on treatment options for Chromium 6, it will cost a lot of money.

Director Palmer went to the ACWA Conference and gave Margaret Tracy information she obtained on CECs. There is a treatment technology for every contaminant, i.e., pharmaceuticals, personal care products, etc. Ozonization and activated carbon treat many CECs. She also attended a meeting on fracking. FracFocus.org's website gives a lot of information. A water resources meeting she attended was on habitat restoration and critical habitat. Director Greci complimented Director Palmer on the information she brought back to share with other board members.

Director Machaevich also asked if we can get our treatment plants to use ozone to improve our water. He feels the cost is low for the value in future better water quality because contaminants in the Delta will continue to threaten our supply.

Ms. Duerig explained the additional benefits of ozone. Ozone reduces taste and odor and disinfection byproducts but it also helps with coagulation. She reminded the Board that this summer there was a problem with the treatment plants meeting production demands because of treatment issues. Alameda County Water District and Santa Clara County Water District get the same water but both have ozone and had fewer treatment issues than Zone 7. A Phase 1 treatment study was brought to the Board last month to see how much ozone would help or whether other alternatives should be considered. Once the study is completed, more information will be available.

Director Quigley presented the ACWA award given to Zone 7 as a finalist for the Best in Blue outreach award for the water jug pyramid He also attended the Zone 7 holiday potluck with staff. At the ACWA conference, there was a module on Contaminants of Emerging Concerns, which will be on the ACWA website. He discussed the Region 5 presentation on "Coloring Outside of the Box" and Paula Kehoe, from the San Francisco Public Utilities Commission (SFPUC), had a great presentation and it will be on their website. The new SFPUC building captures 100 percent of the water that goes through the building. His last item was to note that on January 7 there will be a Region 5 board meeting at Zone 7.

Director Ramirez Holmes reported that she attended Supervisor Haggerty's Holiday Open House at the Pleasanton Fairgrounds. She donated raffle items to the Zone 7 Holiday potluck but was unable to attend.

Item 11 - Items for Future Agenda - Directors - none.

Item 12 - Staff Reports (Information items.)

a. General Manager's Report
b. Communications Outreach Activities
c. Legislative Update
d. Monthly Budget Report
e. Constituents of Emerging Concern (CECs): Protecting Groundwater Under the State Recycled Water Policy
f. Verbal Reports

Director Ramirez Holmes had a question on Staff Report 5(d), Monthly Budget Report, and asked for an explanation of why there was such a large percentage increase for Fund 120, Account 672, Land and Facility Improvements, on Page 2 of 3 of the Budget Summary. Ms. Duerig said that is because of the way it is budgeted. Capital projects go into Fund 120, Account 669, and as they are expended, they move to the actual line where they are expended. This is explained in the footnote to Account 669, which appears on the following page. Director Ramirez Holmes suggested that this be discussed with the Finance Committee because it could be done better.

The board went into closed session at 8:20 p.m.

Item 13 - Closed Session

(a) Conference with Legal Counsel -- Significant exposure to litigation pursuant to Gov't Code Section 54956.9(d) (2): 1 case.

(b) Conference with Legal Counsel -- Potential litigation pursuant to Gov't Code section 54956.9(d) (3): 2 cases.

(c) Conference with Labor Negotiators:
Agency Negotiator: G.F. Duerig
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 Real Property Negotiator:
Property: APNs 946-1251-029-00 and 946-1251-8-6 (partial)
Agency Negotiator: G.F. Duerig
Negotiating Parties: Robert M. Krantz, UPRR and Daniel Woldesenbet, AlCo PWA
Under negotiation: Price and terms of payment

Item 14 - Open Session and Report Out of Closed Session

The Board came out of Closed Session at 8:53 p.m. President Stevens stated there was no reportable action taken in closed session.

Item 15 - Adjournment

The meeting was adjourned at 8:55 p.m.

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

100 NORTH CANYONS PARKWAY • LIVERMORE, CA 94551 • PHONE (925) 454-5000 • FAX (925) 454-5727

ORIGINATING SECTION: Water Quality
CONTACT: Brian Keil\Gurpal Deol

AGENDA DATE: January 15, 2014 ITEM NO. 5a

SUBJECT: Cost Sharing Agreement for Invasive Mussel Inspection Program at Lake Del Valle

SUMMARY:

- Zebra and Quagga mussels foul water delivery systems and pipes that divert, treat, or transmit raw surface water, which dramatically increases operation and maintenance costs.
- The Department of Water Resources (DWR) in 2011 sponsored a study prepared by RNT Consulting, Inc., for assessing the vulnerability of the State Water Project to these mussels; this study concluded that there were periods over the past decade when calcium and pH levels in the South Bay Aqueduct water were within limits for survival of these mussels. Preventative efforts have been successful, with only two new discoveries of mussels in California water bodies in 2012, and no discoveries in 2013.
- The invasive mussel response plan developed to prevent and\or delay the infestation as long as possible was first implemented in July 2008 and will continue into 2014. The cost of the program for 2014 is estimated at approximately $283,512 by East Bay Regional Park District (EBRPD). EBRPD will be responsible for any costs in excess of $283,512.
- The program has been jointly funded by EBRPD, Santa Clara Valley Water District, Alameda County Water District, and Zone 7 since 2008.
- EBRPD will purchase reporting services from Quagga Inspection Services, LLC for the Quagga Inspection Database (QID). This database will provide a method of tracking inspections and failures in real-time throughout the network of lakes and reservoirs participating in the program. All agencies included in this agreement will have full access to this database for the duration of this agreement.
- Zone 7's share of the cost of the program is not to exceed $70,878 for 2014, much less than the projected annual cost of managing an infestation. Each year that infestation is delayed represents significant savings to Zone 7. EBRPD has continued with inspections in January in anticipation of the four-way agreement for 2014 being executed by the end of January.

FUNDING:
This effort is funded from Fund 100 –Water Enterprise.

RECOMMENDED ACTION:
Adopt the attached resolution authorizing the General Manager to negotiate and execute a four way funding agreement among EBRPD, ACWD, SCVWD, and Zone 7 to fund the Quagga and Zebra mussel prevention program for Lake Del Valle in 2014, for a not-to-exceed cost to Zone 7 of up to $70,878.

ATTACHMENTS:

- Zone 7 Board Resolution
- Cost Sharing Agreement for Invasive Mussel Inspection Program at Lake Del Valle for 2014

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

2014 Cost Sharing Agreement for Invasive Mussel Inspection Program at Lake Del Valle

WHEREAS, the impact of Quagga and Zebra mussels has been well documented in the Great Lakes and Northeastern United States for the past twenty years and has resulted in hundreds of millions of dollars in annual costs to the power and water industry; and

WHEREAS, these mussels were found in Southern California in January 2007, and in San Justo Reservoir in San Benito County in January 2008; with only two new discoveries in 2012 in Southern California systems; and

WHEREAS, an infestation of the South Bay Aqueduct facilities and/or Zone 7 facilities would result in significant financial and water supply impacts.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate and execute a four-way funding agreement among EBRPD, ACWD, SCVWD, and Zone 7 to continue the Quagga and Zebra Mussel prevention program for Lake Del Valle in 2014, for a not-to-exceed cost to Zone 7 of $70,878.

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 January 15, 2014.

By: ______________________________
President, Board of Directors

COST SHARING AGREEMENT FOR INVASIVE MUSSEL INSPECTION PROGRAM AT LAKE DEL VALLE

This Cost Sharing Agreement for the Invasive Mussel Inspection Program at Lake Del Valle ("Agreement") is made and entered into this 1st day of January, 2014 by and between the East Bay Regional Park District ("EBRPD"), Alameda County Water District ("ACWD"), Santa Clara Valley Water District ("SCVWD"), and Zone 7 of Alameda County Flood Control and Water Conservation District ("Zone 7").

RECITALS

WHEREAS, EBRPD manages and operates Lake Del Valle ("Del Valle") in Alameda County, California pursuant to an Operating Agreement with the State of California; and

WHEREAS, ACWD, SCVWD, and Zone 7, (collectively referred to as "Water Agencies") each receive water from Del Valle; and

WHEREAS, Zebra and Quagga Mussels are invasive mussels that have been encroaching into California water supply systems causing significant damage and risk to public water supplies and infrastructure; and

WHEREAS, the infestation of these mussels into lakes and reservoirs also has the potential to damage fisheries and harm other flora and fauna; and

WHEREAS, in 2008 the Water Agencies requested EBRPD to develop and implement an invasive mussel response plan that includes inspection of watercraft in order to reduce the risk of translocation of mussels to Lake Del Valle; and

WHEREAS, in 2008 the Water Agencies and EBRPD signed an MOU to comply with applicable portions of the Bay Area Consortium Zebra and Quagga Mussel Coordinated Prevention Plan; and

WHEREAS, the invasive mussel response plan developed and implemented in July 2008 by EBRPD will be continued in 2014; and

WHEREAS, EBPRD has appropriated funds in the District's 2014 Budget, Project #571200 for one-quarter the cost of the inspection program and the Water Agencies are willing to share with EBRPD the remaining cost of the inspection program as a means of avoiding potentially much greater costs for water supply in the future if infestation occurs; and

WHEREAS, this Agreement is intended to set forth the cost-sharing and other responsibilities of the parties regarding the inspection program,

NOW, **THEREFORE**, it is agreed to as follows:

1. Inspection Program. EBRPD shall continue the inspection program of boats and other watercraft entering Lake Del Valle. The inspection program is generally described in Exhibit "A" hereto.

2. Term. The term of this Agreement shall be from January 1, 2014 to December 31, 2014.

3. Schedule. EBRPD shall inspect all watercraft entering Lake Del Valle. The Inspection Program must be continuously enforced every day through December 31, 2014.

4. Compensation.

   a. Costs. EBRPD estimates that the inspection program will cost approximately $283,512 in personnel, annual Quagga Inspection Services, LLC for the Quagga Inspection Database (QID), and supplies. EBRPD and Water Agencies agree to share the cost of the inspection program on an equal basis up to a maximum amount of $70,878 by each Agency. EBRPD shall be solely responsible for any costs in excess of $283,512.

   b. Grants. EBRPD and Water agencies will share in any funds received from Department of Fish and Game for Quagga and Zebra Mussel Infestation Prevention programs.

   c. Inspection Fees. EBRPD will collect inspection fees in its sole discretion. Such inspection fees have been used to offset the costs to each party equally.

   d. Payment. EBRPD shall send a bi-annual invoice to each of the Water Agencies documenting the costs incurred and each party's proportionate share of the costs. The Water Agencies shall pay EBRPD within sixty days of the date of EBRPD's invoice.

5. Notification. EBRPD will notify the Water Agencies within 24 hours of positive detection of an invasive mussel at Lake Del Valle.

6. Independent Contractor. EBRPD, in the performance of the tasks to be performed by it, shall act as and be an independent contractor and not an agent or employee of the Water Agencies. As an independent contractor, EBRPD shall be responsible for tasks performed by its agents, contractors, or employees, including the payment of any and all compensation, or the provision of any benefits due said agents, contractors, or employees. EBRPD shall indemnify and hold harmless Water Agencies for any claims that may be made by EBRPD agents, employees, or contractors for benefits or compensation.

7. Indemnification. EBRPD shall be solely responsible for the inspection program. EBRPD shall defend, indemnify and hold harmless the Water Agencies, and their respective officers, employees, contractors and agents from and against claims, loss or liability arising out of or resulting from the work performed by the EBRPD under this Agreement.

8. No Representation or Warranties. The Water Agencies acknowledge that despite the best efforts of EBRPD and implementation of an inspection program, quagga/zebra mussels may be trans-located to Del Valle. EBRPD makes no representations or warranties regarding the ability of inspections to prevent the introduction of quagga/zebra mussels to Del Valle. Notwithstanding the foregoing paragraph (Indemnification), the parties understand and agree that nothing in this Agreement shall be construed as imposing duties, liabilities or costs on EBRPD as a result of the presence of quagga/zebra mussels in Del Valle.

9. Records. EBRPD shall maintain all records or documents relating to the Agreement and the inspection program at Del Valle for a minimum of three years from the date of termination of this Agreement.

10. Compliance with Laws. EBRPD shall comply with all applicable laws, ordinances, codes, regulations, and orders of federal and state regulatory authorities in the implementation of the inspection program.

11. Governing Law. This Agreement shall be governed by the laws of the State of California and venue shall be in the County of Alameda.

12. Counterparts. This Agreement may be signed in counterparts, which together shall constitute one Agreement.

13. Entire Agreement. This Agreement, including all exhibits attached hereto, represents the entire understanding of the parties as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to the matters covered herein. This Agreement may only be modified by a written amendment duly executed by the parties this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, the day and year first written above.

EAST BAY REGIONAL PARK DISTRICT

By: ______________________________
Robert E. Doyle
General Manager

APPROVED AS TO FORM:

By: ______________________________
District Counsel

ZONE 7 ALAMEDA COUNTY FLOOD CONTROL AND WATER CONVERSATION DISTRICT

By: ______________________________
G.F. Duerig
General Manager

APPROVED AS TO FORM:

By: ______________________________
General Counsel

ALAMEDA COUNTY WATER DISTRICT

By: ______________________________
Walter L. Wadlow
General Manager

APPROVED AS TO FORM:

By: ______________________________
General Counsel

SANTA CLARA VALLEY WATER DISTRICT

By: ______________________________
Beau Goldie
Chief Executive Officer

APPROVED AS TO FORM:

By: ______________________________
District Counsel

EXHIBIT A

Quagga and Zebra Mussel Watercraft Inspection Program – Lake Del Valle

1. All kayaks, canoes, inflatable boats, trailered boats, float tubes, and other watercraft entering Lake Del Valle shall be inspected prior to launch.

2. The inspections will be conducted by trained staff using inspection protocols developed jointly with the water agencies that reflect statewide "Clean and Dry" best management practices.

3. The inspection station shall be staffed starting at sunrise or 6:00 a.m., whichever is later, until one hour before sunset, 7 days per week. The launching of watercraft shall not be permitted outside the operating hours of the inspection station.

4. Boaters will be required to agree to a watercraft inspection and complete a pre-inspection questionnaire to determine if the watercraft has previously been used in mussel-infected waters. Boaters must have current identification and the vessel must be registered.

5. The inspection station may be temporarily closed if weather presents a serious risk of injury to the inspector or if agency personnel closed Del Valle to launching. In the case of a body of water being closed, inspectors would not leave until all boats were off the water and banded.

6. Watercraft failing clean and dry inspection standards shall not be re-inspected or permitted to launch for a minimum of five days.

7. Watercraft failing inspection because of a suspected presence of invasive mussels shall be temporarily quarantined pending the notification and response of the California Department of Fish and Game. EBRPD Police Department will assist as necessary.

8. A tagging or banding system shall be available for trailered watercraft leaving Lake Del Valle. Trailered watercraft entering Del Valle with an intact tag or band from any EBRPD or any mutually agreed upon designated agency inspection station will be permitted to enter the Lake under an abbreviated inspection process. Non-trailered watercraft that cannot be tagged or banded will be inspected.

9. The EBRPD will implement and collect a non-refundable fee for watercraft inspection services. Trailered watercraft with an intact band will not be subject to an inspection fee. Non- trailered watercraft with an Inspection Form issued within the last thirty days will not be subject to an inspection fee. Entry and watercraft launch fees shall be reimbursed if the watercraft fails the inspection. Float tubes will be inspected free of charge.

10. No new inspections (un-banded boats) will be initiated during periods of rain without a covered area in which to perform the inspection. Banded boats will be permitted to launch regardless of weather conditions.

11. EBRPD will purchase annual reporting services from Quagga Inspection Services, LLC for the Quagga Inspection Database (QID), a method of tracking inspections and failures in real-time throughout the network of lakes and reservoirs participating in the program.

12. EBRPD will maintain the necessary records for costs related to the inspection program.

13.

Estimated Costs		
Salary	$	297,662
Contingency	$	4,000
Inspection Supplies	$	1,000
QID	$	850
Fees Collected	$	(20,000)
Net Cost	$	283,512
1/4 Cost	$	70,878

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7
100 NORTH CANYONS PARKWAY • LIVERMORE, CA 94551 • PHONE (925) 454-5000 • FAX (925) 454-5727

ORIGINATING SECTION: ADMINISTRATION
CONTACT PERSON: JUDY RECTOR

AGENDA DATE: JANUARY 15, 2014 ITEM NO. **5b**

SUBJECT: ELECTION OF FOUR ZONE 7 BOARD MEMBERS ON JUNE 3, 2014

SUMMARY:

- The terms of four members of the Zone 7 Board (Directors Greci, Machaevich, Palmer and Stevens) will end on June 30, 2014.
- According to provisions of the District Act, the Zone 7 board election will be consolidated with the Direct Primary Election to be held on June 3, 2014.
- The period for obtaining and filing nomination papers will be February 10, 2014 through March 7, 2014. Should any incumbent decide not to file a declaration of candidacy, the filing period for non-incumbents will be extended by five days to March 12, 2014.
- Nomination papers may be picked up at the Registrar of Voters office in Oakland.
- Zone 7 board candidates who wish to have statements of qualification printed on the ballot will be charged the actual costs associated with printing, translating (Spanish, Chinese, Tagalog, English and Vietnamese) and typesetting the statements. All cost figures are provided by the Registrar of Voters and are based on actual costs and the number of registered voters in Zone 7.
- This year the Registrar of Voters is estimating that the cost for a ballot statement will be $1,740.
- It is recommended that the estimated cost of the statement of qualifications be collected at the time of filing. If actual costs are less than the estimate, candidates will receive refunds. If actual costs are more than the estimate, candidates will be billed for the difference. **There is no charge for candidates who choose not to have a ballot statement.**
- It is recommended that the Board adopt the attached resolution which:
    1. Calls for the consolidation of the Zone 7 election with the Direct Primary on June 3, 2014; and
    2. Establishes the up-front cost for candidates who wish to have a statement of qualifications printed on the ballot.

RECOMMENDED ACTION: Adopt attached resolution.

ATTACHMENT: Resolution

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

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

Election for Four Zone 7 Board Members

WHEREAS, the terms of four members of the Zone 7 Board of Directors will end on June 30, 2014; and

WHEREAS, the provisions of the District Act state that the Zone 7 board election will be consolidated with the Direct Primary Election.

NOW, THEREFORE, BE IT RESOLVED that the Zone 7 Board of Directors hereby authorizes and requests the Board of Supervisors of the County of Alameda to call an election for the purpose of electing four (4) Members of the Zone 7 Board of Directors, said election to be consolidated with the Direct Primary Election to be held on June 3, 2014; and

BE IT FURTHER RESOLVED that the cost of said election, including legal advertising, be charged to the Zone 7 General Fund; and

BE IT FURTHER RESOLVED that statements of qualifications by candidates shall not exceed two hundred (200) words; and

BE IT FURTHER RESOLVED that the estimated cost for ballot assembly and printing, Spanish and Chinese translation; and minority language sample ballot printing for each candidate's statement of qualifications shall be $1,740, payable to Zone 7 at the time of filing; and

BE IT FURTHER RESOLVED that should the actual cost for each candidate's statement of qualifications be less than $1,740, the candidate will receive a refund for the difference; and

BE IT FURTHER RESOLVED that should the actual cost for each candidate's statement of qualifications be more than $1,740, Zone 7 will bill each candidate for the additional cost.

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 January 15, 2014.

By: ____________________________________
President, Board of Directors

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7
100 NORTH CANYONS PARKWAY • LIVERMORE, CA 94551 • PHONE (925) 454-5000 • FAX (925) 454-5727

ORIGINATING SECTION: Administrative Services
CONTACT: Tom Hughes

AGENDA DATE: January 15, 2014 ITEM NO. **6**

SUBJECT: November Employee of the Month Recognition

SUMMARY:

The Employee Recognition Program Nomination Committee met in December and selected the Employee of the Month for November 2013 according to the established Program Guidelines. The individual chosen out of the submitted nominations is then recommended to Management for approval and there is a subsequent announcement of the selection to all Agency employees.

Dale McCombs, Water Plant Operator III, has been chosen from among those nominated as the November 2013 Employee of the Month. Dale works in the Distribution and Wellfield section of Operations, which is based out of the Parkside office.

Dale was nominated for his knowledge and expertise in water treatment for the Agency. Dale joined Zone 7 in 2005 in the midst of a career change. Since that time, he has become an articulate advocate for the Agency in many respects. Working in the Distribution section, Dale performs daily rounds, handles Underground Service Alerts and works with contractors when working around our various facilities. His verbal skills allow him to communicate confidently about Zone 7 facilities and his skills and knowledge of our pipelines and equipment assure our facilities are protected, while providing a safe environment for our community as well as our employees and contractors.

As noted in his recommendation, Dale is quite resourceful in finding answers and is willing to ask others for help when needed. He provides a valuable resource as he continually attempts to find ways to use technology to the advantage of the Agency.

The committee seconded the recommendation and recognized Dale McCombs as a valuable employee and asset to Zone 7, with management approving the selection.

RECOMMENDED ACTION:

It is recommended that the Zone 7 Board of Directors recognize and congratulate Dale McCombs as November 2013 Employee of the Month.

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

100 NORTH CANYONS PARKWAY • LIVERMORE, CA 94551 • PHONE (925) 454-5000 • FAX (925) 454-5727

ORIGINATING SECTION: FACILITIES ENGINEERING
CONTACT: MONA OLMSTED/RHETT ALZONA

AGENDA DATE: January 15, 2014 ITEM NO. 7

SUBJECT: Award of Construction Contract for the PPWTP Ultrafiltration Clarifier Corrosion Control Upgrades Project

SUMMARY:

- The project scope includes upgrades to the existing sacrificial cathodic protection system for the ultrafiltration plant clarifier at Patterson Pass Water Treatment Plant (PPWTP) and coating repair of the steel clarifier parts where the coating has failed.
- Per CEQA guidelines, Zone 7 staff prepared a Notice of Exemption for the project and filed it with the Alameda County Clerk and Recorder's Office on October 23, 2013.
- In accordance with the California Public Contract Code, Zone 7 advertised and solicited bids for the Project. On December 20, 2013, three bids ranging from $96,730 to $256,100 were received. The Engineer's estimate for the project scope under this contract is $160,000.
- The bids were reviewed by Zone 7 staff and the low bidder, Industrial Coating and Restoration Service, Inc. was determined not to be a responsive bidder.
- Furthermore, it was determined that the lowest responsive and responsible bidder is TPA Construction, Inc., with a bid of $190,000.
- Staff believes TPA Construction's bid of $190,000 to be reasonable and recommends the award of contract.

FUNDING:
Funding for the project is available in Fund 120 – Renewal and Replacement/System-Wide Improvements.

RECOMMENDED ACTION:
Consider bids for the construction of the PPWTP Ultrafiltration Clarifier Corrosion Control Upgrades Project and adopt the attached resolution to:

1) Approve plans, specifications, appendices, and addenda;
2) Reject the bid of Industrial Coating and Restoration Service, Inc., as non-responsive;
3) Accept the bid and award a contract to TPA Construction, Inc., as the lowest responsive and responsible bidder for the bid amount of $190,000;
4) Authorize the General Manager to negotiate and execute the contract with TPA Construction in an amount not-to-exceed $190,000; and
5) Authorize the General Manager to issue change orders as and when needed in an amount not-to-exceed $19,000 (10% of contract amount).

ATTACHMENTS:
1. Memo providing additional background and discussion of agenda item
2. Zone 7 Board Resolution

Interoffice Memo

Date: January 15, 2014
To: Jill Duerig, General Manager
From: Mona Olmsted, Associate Engineer
Subject: Award of Construction Contract for the PPWTP Ultrafiltration Clarifier Corrosion Control Upgrades Project

The following provides additional background and discussion on the above-referenced agenda item.

BACKGROUND:

In 2003, Zone 7 expanded Patterson Pass Water Treatment Plant (PPWTP) with the construction of the Ultrafiltration (UF) Plant. The UF Plant operates in parallel with the 13.5 million gallons per day (MGD) conventional plant and provides an additional 8 MGD production capacity. A circular solids contact clarifier provides flocculation and sedimentation as pretreatment for the UF membranes. The UF Plant clarifier is 102 feet in diameter, and was constructed with a capacity of 12 MGD (upgraded from 8 MGD for future plant expansion).

Zone 7's corrosion consultant, JDH, evaluated the clarifier on the PPWTP UF Plant as part of the annual cathodic protection survey in FY 2011/2012. Subsequently, JDH completed a condition assessment of the clarifier steel and the concrete structure in November 2012. Overall, the clarifier was found to be in satisfactory condition. However, leakage was reported as evidenced by efflorescence on the concrete wall exterior and corrosion was observed in areas of the steel where the coating had failed. A future capital improvement project is planned for installation of an elastomeric lining system on the entire interior concrete surface to prevent deterioration of the concrete and premature failure of the reinforcing steel. To protect the clarifier steel from further corrosion, upgrades to the existing sacrificial cathodic protection system and coating repair of the steel parts were also recommended in the condition assessment report. This upgrade and repair work will increase plant reliability and prolong facility service life. PPWTP Ultrafiltration Clarifier Corrosion Control Upgrades Project is in the Fiscal Year 2013/14 Capital Budget.

Staff has determined that the project is categorically exempt from CEQA review because it consists of "…operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time…" as referenced in Article 19, Section 15301 of the CEQA Guidelines. The Notice of Exemption was filed with the Alameda County Clerk and Recorder's Office on October 23, 2013.

DISCUSSION:

Zone 7 advertised the project two times in two local newspapers in accordance with the Public Contract Code. In addition, the project was advertised on Zone 7's website and at several northern California Builders Exchanges. A mandatory pre-bid meeting was held on December 6, 2013. Three bids were received and publicly read on December 20, 2013, at 2:00 p.m. in accordance with established procedures. There was a discrepancy in adding up the amounts entered in the total cost column in the bid submitted by one of the bidders. The discrepancy was resolved in accordance with the Contract Documents and the corrected amount, which does not affect the order of the bids, is shown below. The submitted bids were as follows:

Name of Firm	Total Bid Amount	Corrected Bid Amount
Industrial Coating and Restoration Service, Inc., Oceanside, CA	$96,730.00	-
TPA Construction, Inc., Rocklin, CA.	$200,000.00	$190,000.00
D. W. Nicholson Corporation, Hayward, CA	$256,100.00	-

The Engineer's estimate for the project scope under this construction contract is $160,000. The two higher bids may be in part due to the greater effort anticipated by the coating contractors in order to access the areas on the various clarifier parts that need spot coating repairs.

The bids have been reviewed by Zone 7 staff. The low bidder, Industrial Coating and Restoration Service, Inc., was determined to be non-responsive due to the material omission of Document 00482 (Bidder Certifications) from the bid envelope. On December 24, 2013, the low bidder also requested, in writing, relief of its bid due to an error resulting in a significant underbid. The second low bidder is TPA Construction, Inc., with a corrected bid amount of $190,000. The second low bidder has complied with the bid requirements and was determined to be responsive to the contract requirements. Staff believes the bid to be reasonable and recommends the award of contract to the lowest responsive and responsible bidder, TPA Construction, Inc., in an amount not-to-exceed $190,000. Additionally, staff recommends that the General Manager be authorized to negotiate and issue change orders as and when needed in an amount not-to-exceed $19,000 (10% of contract amount). All work will be measured for payment on actual items and quantities as directed by the District Representative designated for the project. This project is funded from Fund 120 – Renewal & Replacement/System-Wide Improvements, and funds are available in the Fiscal Year 2013/14 budget. Construction is expected to commence in February 2014 and substantial completion of the project is anticipated at the end of March 2014, well before anticipated higher demand periods.

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

Award of Construction Contract for the PPWTP Ultrafiltration Clarifier Corrosion Control Upgrades Project

WHEREAS, Zone 7 of the Alameda County Flood Control and Water Conservation District has a project for the construction of the PPWTP Ultrafiltration Clarifier Corrosion Control Upgrades Project; and

WHEREAS, a Notice of Exemption per the California Environmental Quality Act (CEQA) guidelines was prepared and filed for the project; and

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

WHEREAS, three bids were received and publicly read by the Zone 7 General Manager's authorized representatives at the Zone 7 Administration Office, 100 North Canyons Parkway, Livermore, California on December 20, 2013, at 2:00 p.m.; and

WHEREAS, Industrial Coating and Restoration Service, Inc., who submitted the low bid of $96,730 has been determined not to be a responsive bidder; and

WHEREAS, the lowest responsive and responsible bid received for this project is the bid by TPA Construction, Inc., with a bid of $190,000.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby approve the plans, specifications, appendices, and addenda for the PPWTP Ultrafiltration Clarifier Corrosion Control Upgrades Project; and

BE IT FURTHER RESOLVED that the bid submitted by Industrial Coating and Restoration Service, Inc., be rejected as non-responsive; and

BE IT FURTHER RESOLVED that the bid of the lowest responsive and responsible bidder, TPA Construction, Inc., be accepted, and that the contract for the work be awarded to TPA Construction, Inc., in an amount not-to-exceed $190,000; and

BE IT FURTHER RESOLVED that the General Manager be authorized to negotiate and execute the contract with TPA Construction, Inc., in an amount not-to-exceed $190,000; and

BE IT FURTHER RESOLVED that the General Manager be authorized to negotiate and issue change orders as and when needed in an amount not-to-exceed $19,000.

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 January 15, 2014.

By___________________________________
President, Board of Directors

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7
100 NORTH CANYONS PARKWAY • LIVERMORE, CA 94551 • PHONE (925) 454-5000 • FAX (925) 454-5727

ORIGINATING SECTION: FACILITIES ENGINEERING
CONTACT: JOHN KOLTZ/RHETT ALZONA

AGENDA DATE: January 15, 2014 ITEM NO. **8**

SUBJECT: Award of Construction Contract for the Mocho 4 Well Repair Project

SUMMARY:

- The project scope includes removal and replacement of the existing well pump, as needed replacement of damaged pump column, minor well cleaning activities, and a video log of the well casing and screens.
- Per CEQA guidelines, Zone 7 staff prepared a Notice of Exemption for the project and filed it with the Alameda County Clerk and Recorder's Office on December 12, 2013.
- In accordance with the California Public Contract Code, Zone 7 advertised and solicited bids for the Project. On January 6, 2014, three bids ranging from $99,000 to $155,827 were received.
- The Engineer's estimate for the project scope under this contract is $110,500.
- The bids were reviewed by Zone 7 staff and it was determined that the lowest responsive and responsible bidder is Layne Christensen Company, with a bid of $99,000.

FUNDING:

Funding for the project is available in Fund 120 – Renewal and Replacement/System-Wide Improvements.

RECOMMENDED ACTION:

Consider bids for the construction of the Mocho 4 Well Repair Project and adopt the attached resolution to:

1) Approve plans, specifications, appendices, and addenda;
2) Accept the bid and award a contract to Layne Christensen Company as the lowest responsive and responsible bidder for the bid amount of $99,000;
3) Authorize the General Manager to negotiate and execute the contract with Layne Christensen Company in an amount not-to-exceed $99,000; and
4) Authorize the General Manager to issue change orders as and when needed in an amount not-to-exceed $9,900 (10% of contract amount).

ATTACHMENTS:

1. Memo providing additional background and discussion of agenda item
2. Zone 7 Board Resolution

Interoffice Memo

Date: January 15, 2014
To: Jill Duerig, General Manager
From: John Koltz, Senior Engineer
Subject: Award of Construction Contract for the Mocho 4 Well Repair Project

The following provides additional background and discussion on the above-referenced agenda item.

BACKGROUND:

Mocho Well No. 4 was constructed and operational in 2002. The well had a production rate of approximately 4,000 gallons per minute. Over the last year, Mocho Well No. 4 has experienced a drop in production capacity of approximately 28 percent. Staff performed a well investigation which found no indication of damage to the existing pump motor based upon the electrical tests conducted. Also, no evidence of well casing or aquifer issues was found based upon static specific capacity values (there has been no increase in the drawdown curves relative to production rate). With no change in specific capacity, this indicates that there are no issues with the responsiveness of the aquifer or the well casing itself. Although a small portion of the drop in well production is attributable to increased total head due to the lower static groundwater levels in the area, the additional drop in production points to a mechanical performance issue with the existing well pump. A replacement well pump has been pre-purchased and is expected to be on site in late February, 2014 in order to expedite the construction schedule.

This project scope is to retain a contractor to pull the existing well pump and replace it with the new pump. Additionally, any of the 460 feet of pump column that is observed to be damaged by wear and tear of operation will be replaced. With the pump and pump column removed, there is also the opportunity to conduct a video log of the well casing and screens for condition assessment and perform some minor well cleaning. Lastly, for water quality protection, the well will be disinfected and bacteriologically tested.

Staff has determined that the project is categorically exempt under CEQA and the Notice of Exemption was filed with the Alameda County Clerk and Recorder's Office on December 12, 2013.

DISCUSSION:

Zone 7 advertised the project two times in two local newspapers in accordance with the Public Contract Code. In addition, the project was advertised on Zone 7's website and at several northern California Builders Exchanges. A pre-bid meeting was held on December 30, 2013. Three bids were received and publicly read on January 6, 2014, at 2:00 p.m. in accordance with established procedures. The submitted bids were as follows:

Name of Firm	Total Bid Amount
Layne Christensen Company, Woodland, CA	$99,000.00
Zim Industries, Inc., Fresno, CA	$139,400.00
Pump Repair Service Co., San Francisco, CA	$155,827.00

The Engineer's estimate for the project scope under this construction contract is $110,500. The bids have been reviewed by Zone 7 staff. The low bidder, Layne Christensen Company, has complied with the bid requirements and was determined to be responsive to the contract requirements. Staff believes the bid to be reasonable and recommends the award of contract to the lowest responsive and responsible bidder, Layne Christensen Company, in an amount not-to-exceed $99,000. All work will be measured for payment on actual items and quantities as directed by the District Representative designated for the project. This project is funded from Fund 120 – Renewal & Replacement/System-Wide Improvements, and funds are available in the Fiscal Year 2013/14 budget. Construction is expected to commence in February 2014 and substantial completion of the project is anticipated at the end of March 2014 so that the well will be in service well before the anticipated higher demand summer months.

RECOMMENDATION:

Staff recommends the award of contract to Layne Christensen Company in an amount not-to-exceed $99,000. Additionally, staff recommends that the General Manager be authorized to negotiate and execute a contract with Layne Christensen Company in an amount not-to-exceed $99,000 and issue change orders as and when needed in an amount not-to-exceed $9,900 (10% of contract amount).

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

Award of Construction Contract for the Mocho 4 Well Repair Project

WHEREAS, Zone 7 of the Alameda County Flood Control and Water Conservation District has a project for the construction of the Mocho 4 Well Repair Project; and

WHEREAS, a Notice of Exemption per the California Environmental Quality Act (CEQA) guidelines was prepared and filed for the project; and

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

WHEREAS, three bids were received and publicly read by the Zone 7 General Manager's authorized representatives at the Zone 7 Administration Office, 100 North Canyons Parkway, Livermore, California on January 6, 2014, at 2:00 p.m.; and

WHEREAS, the lowest responsive and responsible bid received for this project is the bid by Layne Christensen Company, with a bid of $99,000.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby approve the plans, specifications, appendices, and addenda for the Mocho 4 Well Repair Project; and

BE IT FURTHER RESOLVED that the bid of the lowest responsive and responsible bidder, Layne Christensen Company, be accepted, and that the contract for the work be awarded to Layne Christensen Company, in an amount not-to-exceed $99,000; and

BE IT FURTHER RESOLVED that the General Manager be authorized to negotiate and execute the contract with Layne Christensen Company in an amount not-to-exceed $99,000; and

BE IT FURTHER RESOLVED that the General Manager be authorized to negotiate and issue change orders as and when needed in an amount not-to-exceed $9,900.

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 January 15, 2014.

By___________________________________
President, Board of Directors

1/15/14 Board written/narrative comments by Dick Quigley

January 6: ACWA special teleconference board meeting to ratify and approve new committee appointments. Region 5 committee confirmations include Jill Duerig, Zone 7, Water Quality Chair; Sue Stephenson, DSRSD, Communications Chair; Greg Zlotnick, Ground Water Chair; Gary Skrel, Local Government Vice Chair.

January 7: Participated in an ACWA Region 5 Board meeting at Zone 7. New board members introduced serving (2014-15 terms): Lesa McIntosh, EBMUD; Polly Holcombe, Carpentaria Valley Water District; Andy Moran, SFPUC; John Weed, ACWD, and Dave Hodgin, Scotts Valley Water District. The Board vacancy was filled by the appointment of Brian Schmidt, SCVWD. Outreach captains appointed are Teresa Alvarado, SCVWD, and Sue Stephenson, DSRSD, and the appointment of Committee reporters' names were discussed and should be confirmed soon. 2014-15 Region work plan discussed and spring and fall Sunday/Monday regional meetings were agreed on. Timing TBD with ACWA staff input. An event focusing on the Tri-Valley Watershed was discussed with partnerships using the SWAPA conference model. A work group was named to investigate and report back. A teleconference call pre-Sacramento board meetings will be tried January 27, 2014 for sharing key regional issues at the State ACWA table. Other regions have found this beneficial in furthering understanding and integrating Regional and State water issues, i.e., ACWA Statewide Water Action Plan and State Water Plan.

January 8: Attended a California Special District Alameda County Chapter meeting in Livermore. Keynote speaker was Alameda County Supervisor Richard Valle who made a plea for Measure A, a .05% tax measure for county hospital infrastructure, asking all to look at it on the June ballot. He gave a strong pro discussion of why the topic was preserving the safety net. Many of the agencies attending were concerned about drought and water conditions. Bert Michalczyk, Georgean Vonheeder-Leopold and I shared with the group that John Laird will speak in Dublin on January 30. There will also be a March 5, 2014, meeting of the Tri-Valley Utility Coordination and Integration Study to be held at the Martinelli Event Center in Livermore.

Please let me know if you have any questions or suggestions.

Thanks,
DQ

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

100 NORTH CANYONS PARKWAY, LIVERMORE, CA 94551 • PHONE (925) 454-5000 • FAX (925) 454-5727

ORIGINATING SECTION: ADMINISTRATION
CONTACT: Jill Duerig

AGENDA DATE: January 15, 2014 **ITEM NO. 12a**

SUBJECT: GENERAL MANAGER'S REPORT

SUMMARY: The following highlights a few of the key activities which occurred during December. Also attached is a list of the General Manager (GM) contract(s) executed during the month.

Engineering and Flood Control:

- Calendar Year 2013 set a new record as the driest year measured in the Livermore Valley, with total precipitation only 31% of the 14.47-inch average (4.5 inches received at Livermore Station 15e). Previous dry Calendar Year record-holders at the same station include 1976 with 6.4" (44% of average); 1929 with 6.58" (45% of average); and 1917 with 6.81" (47% of average).

- Although Governor Brown has not yet declared a drought emergency, he has established a multi-agency task force to prepare for the potential drought in response to requests from many legislators to declare an emergency after DWR's initial State Water Project allocation of 5% and concern that the CVP (federal project) agricultural allocation may be set at 0% which would be catastrophic for funding the next phase of the BDCP (with no imported water to sell, many CVP public water agencies will have significant revenue impacts).

- The Vulcan pipeline into Cope Lake was completed and Vulcan began discharging into Cope Lake instead of into the Arroyo Mocho. During the first two weeks of operation, 6 million gallons of groundwater were saved that would otherwise have flowed to the Bay. The next step will be to determine the best way to transfer water from Cope into Lake I for recharge. Zone 7's consultant is recommending pumping; pump installation options are under consideration.

- The Power and Water Resources Pooling Authority (PWRPA) is evaluating a Power Purchase Agreement-type opportunity for pooled solar power that will provide PWRPA with renewable energy credits to help PWRPA offset the requirements of the Renewable Portfolio Standard while benefiting from 20 years of fixed energy costs.

Environmental & External Affairs:

- The court issued its decision on the schedule regarding the final Chromium (6) Maximum Contaminant Level (MCL). Instead of having until the end of August to review and consider comments submitted on the draft, the court directed DPH to finalize and issue the MCL by June 15, 2014.

- Living Arroyos had three volunteer days in December. The students of the Dougherty Valley National Honor Society came out to help at both the regular Saturday volunteer days and on the 14th, the Rotary Club of Livermore Valley and a group of Cub Scouts volunteered. In 2013, volunteers planted a total of 3000 acorns along the Arroyo Mocho.

- Complaints were received about public access to trails in the vicinity of the new Stoneridge Bridge that are reportedly resulting in trespass at nearby residences. Staff continue to work with the cities to address these concerns under the terms of the existing recreational license agreements.

Finance & Administration

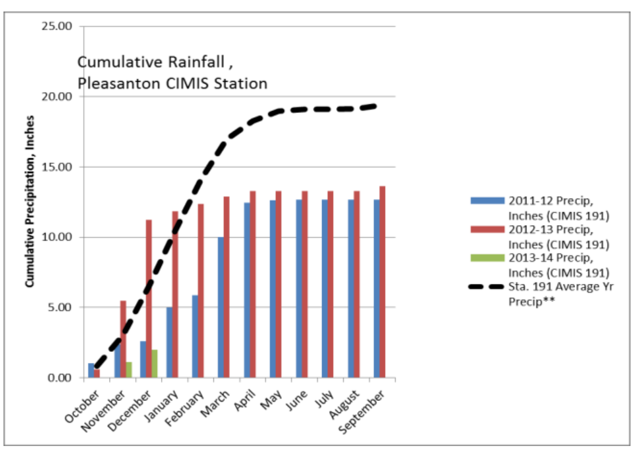
- The holiday potluck was another success. Thanks to generous donations from staff, board members and others, $890 was raised for the Open Heart Kitchen. Three cheers to everyone who participated, helping to make things a little easier for those less fortunate in our community!

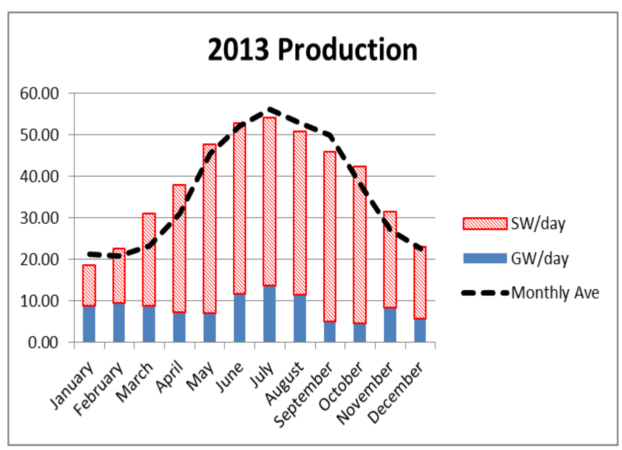
Operations and Maintenance:

- On December 17, the Department of Water Resources (DWR) got reports of water flowing through a backyard in Fremont. Upon inspection, DWR discovered another leak in the South Bay Aqueduct (SBA). To isolate the leaking section, upstream plants (ACWD and Zone 7) were forced offline for a couple days to empty the SBA and close the isolation valve. When opening the valve and re-watering the repaired section, ACWD and Zone 7 were able to stay on line at low production rates, a new procedure for DWR.

- In mid-December, the Patterson Pass Ultra-Filtration (UF) Plant's air compressor failed. This shut down the UF plant since air-actuated valves could not be operated and normal drain and fill operations could not be conducted. A replacement compressor will have to be purchased. In the meantime, oil-free compressed air tanks (for drain and fill) and conventional plant air (for the valves) are being used to keep the UF operational.

- December demands were approximately average, despite light precipitation locally (30% of average for this time in the Water Year, as measured at CIMIS Station 191 in Pleasanton):





Monthly List of GM Contracts

December 2013

Contracts:

Stetson Engineers, Inc.	$25,000	Provide Technical Review of Hanson's New Design for the Arroyo Mocho Diversion to Lake H
WorkSmart Automation, Inc.	43,290	Database Services and SCADA Reporting Enhancements
Total December 2013	$68,290	

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7
100 NORTH CANYONS PARKWAY • LIVERMORE, CA 94551 • PHONE (925) 454-5000 • FAX (925) 454-5727

ORIGINATING SECTION: Administrative Services
CONTACT: Tom Pico

AGENDA DATE: January 15, 2014 ITEM NO. **12b**

SUBJECT: Communications Outreach Activities

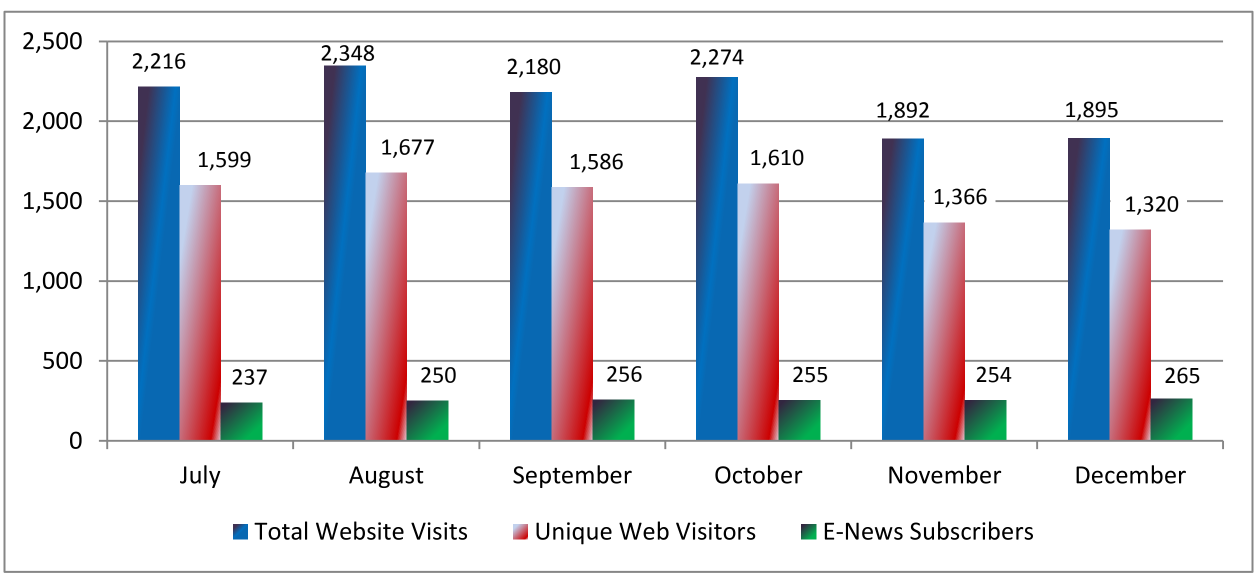
E-Newsletters, December 10 & 23, 2013

The December 10th e-newsletter had an article announcing the upcoming January 30, 2014, public workshop in Dublin at which California Natural Resources Secretary John Laird will outline the California Water Action Plan, and a second article on the release of the public draft of the Bay Delta Conservation Plan and associated environmental documents. The December 23rd e-newsletter addressed how the most recent independent audit gave another clean bill of health to Zone 7 for its financial statements.

Christmas Bird Count, December 20, 2013

Zone 7 again provided access to its Chain of Lakes property as part of the fifth annual Eastern Alameda County Christmas Bird Count, hosted by the Ohlone Audubon Society and the Alameda Creek Alliance. Within the Chain of Lakes area, a total 1,036 water birds were spotted, including ducks, geese, grebes, pelicans, cormorants, sandpipers and gulls; and there were another 40 raptors, including hawks, kites and a golden eagle. Birds also were counted in several of the area's regional parks, SFPUC watershed lands, and birding hotspots including lower Mines Road, Sunol Wilderness, and Springtown Preserve. This marked the 114th year of the annual nationwide volunteer-based survey effort coordinated by the Audubon Society to promote bird conservation and assess long-term trends in winter bird populations.

Website & E-news Subscription Activity



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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ORIGINATING SECTION: Administration
CONTACT: Tom Pico

AGENDA DATE: January 15, 2014 ITEM NO. **12c**

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 activities of interest to the Agency.
- The Legislature was set to reconvene January 6, 2014 for the second year of the session and Governor Brown was scheduled to introduce his FY 2014-15 budget January 10th.
- The California Environmental Protection Agency and the Health and Human Services Agency scheduled a public hearing for January 15, 2014 to receive comments about the governor's proposal to shift the Drinking Water Program from the Department of Public Health to the State Water Resources Control Board (WRCB). The administration convened a working group last fall to discuss the transition. Conclusions from that process and input from the public hearing will be used to draft the final transition plan (projected in mid-February 2014).
- The Department of Water Resources (DWR) and the WRCB have submitted budget change proposals in response to the administration's request for a groundwater regulatory plan to enforce quality standards and safeguard supply and the aquifers themselves.
- Both Senator Lois Wolk (D-Davis) and Assemblyman Anthony Rendon (D-Lakewood) plan to move forward with their respective bills, each proposing a new water bond. Enacting either one and placing it on the ballot will require a two-thirds majority of both houses of the Legislature, as would modifying or delaying the $11.2 billion bond currently headed for the November 2014 ballot. Both new proposals call for expenditures of about $6.5 billion. Notably, the governor has not commented about the bonds.
- HR 3588, the Community Fire Safety Act, clarified PL 111-380, the 2010 Reduction of Lead in Drinking Water Act. The latter went into effect on January 4, 2014, and USEPA announced on October 22, 2013, that it was going to expand its interpretation to include fire hydrants, including those recently installed. This could have caused retail water agencies to incur huge expenses (replacing both newly installed hydrants and any hydrants in inventory), with very little public benefit. The water industry strongly supported HR 3588 which established an exemption for hydrants from the lead-free law. Both Congress and the Senate passed HR 3588 unanimously. On December 20, 2013, President Obama signed HR 3588 into law (Public Law 113-64) exempting fire hydrants from the requirement to be lead free.

RECOMMENDED ACTION: Information only

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7
100 NORTH CANYONS PARKWAY • LIVERMORE, CA 94551 • PHONE (925) 454-5000 • FAX (925) 454-5727

ORIGINATING DIVISION: ADMINISTRATIVE SERVICES
CONTACT PERSON: JAVIA GREEN

AGENDA DATE: January 15, 2013 ITEM NO. **12d**

SUBJECT: **Monthly Budget Report**

SUMMARY:

A new financial software system (New World) was implemented on July 1, 2013, starting with fiscal year 2013/14. New World allows us to provide monthly updates on both revenue and expenses. This report provides a summary of budget performance and an explanation of any major variances. The following bullet points provide explanations and additional details to assist in reading this report:

- For all the funds except for Fund 100, expenses currently exceed revenue. This is due to the timing difference of revenues and expenses. For example, Fund 110 - State Water Project receives the bulk of property tax revenue in November and April, while the majority of payments to the Department of Water Resources (DWR) are processed monthly. Until property tax revenue is received, expenses will continue to exceed revenue. The financial data reported for Fund 130 – Expansion is another example of a revenue and expense timing difference. Most connection fee revenue is received in the spring and summer, but the majority of non-discretionary expenses (i.e., SBA Enlargement and Cawelo Groundwater Banking Program) are incurred in the late summer and late winter.

- Year-to-date (YTD) payroll expenses for all funds are reported through the pay period ending 12/21/2013. This represents just about six month of expenses or about 47%. Payroll costs are not automatically captured by New World, causing timing differences in the posting of payroll charges. Instead, labor is imported from two separate systems; the County's financial system (Alcolink) and Zone 7's cost system. Zone 7 must depend on the County's system until separation.

- The capital project funds are Funds 120, 130 and 210. On the attached Annual Budget by Account Classification Report, please note that the budgets for the capital project funds are reported in just a few accounts. Actual project expenses are reported in the appropriate account, resulting in the appearance that expenses exceed the budget. Therefore, it is important to focus on the expenditure totals, which show that expenses are within budget.

- The information in the following tables summarizes, by fund, the attached Annual Budget by Account Classification Report (produced in New World) and includes FY Unaudited Actuals from the former financial system (Fundware).

- The Annual Budget by Account Classification report provides the FY 12/13 Budget for comparison purposes. FY 12/13 Actuals are not included in this report because the data is not available in the new financial system. The FY 13/14 Budget shown is the adopted budget plus any transfers or carryovers.

- For this report, use of reserves has been removed from the FY 13/14 revenue budgets to better display actual revenue variances.

- The period of July 1 through December 31 represents approximately 50% of the fiscal year. By December, we typically expect that 40% - 50% of the budget has been used, representing about four months of expenses. This is because services rendered/goods purchased in December are usually invoiced the following month. Other variations are due to the as-needed and seasonal nature of expenses.

Water Enterprise Fund – Fund 100 (formerly Fund 52)

Category		12/13 Unaudited Actual		13/14 Budget		13/14 YTD Actual	% Used/Received
Revenue	$	39,469,514	$	37,884,745	$	19,739,534	52.1%
Expenses	$	35,262,653	$	42,779,364	$	17,696,473	41.4%

This fund provides financing for the acquisition and conveyance of raw water, treatment and delivery to the Zone 7 service area. The primary source of revenue for this fund is water sales. Water sales revenue totals $19.5M, which is 52% of the budget for the entire fiscal year. This includes the sale of 20,450-acre feet of treated water through November. December water sales revenue is not reported because the meter reading data that generates the monthly water billing was not available at the time of this report.

Revenue also includes proceeds from the State of California Prop 84 Water Conservation Grant and refunds from DWR. YTD expenses reflect labor, payments to DWR for the monthly variable water charge, and other water production related expenses (i.e., chemicals, utilities and maintenance). Some expenses are lower because of their as-needed/seasonal nature and are not spent evenly over a twelve-month period.

State Water Facilities Fund – Fund 110 (formerly Fund 51)

Category		12/13 Unaudited Actual		13/14 Budget		13/14 YTD Actual	% Used/Received
Revenue	$	12,040,842	$	13,798,385	$	6,331,189	45.9%
Expenses	$	14,002,380	$	14,118,181	$	7,441,063	52.7%

This is a pass-through fund for fixed charges associated with the State Water Project, assessed as a property tax override. $5.6M of property tax revenue has been posted, representing 49% of the budget for the entire fiscal year. YTD revenue also includes a $0.8M refund from DWR. YTD expenses reflect payments to DWR for fixed costs.

Water Renewal/Replacement & System-wide Improvements – Fund 120 (formerly Fund 72)

Category		12/13 Unaudited Actual		13/14 Budget		13/14 YTD Actual	% Used/Received
Revenue	$	7,347,879	$	8,831,962	$	4,475,800	50.7%
Expenses	$	4,100,242	$	22,513,419	$	7,040,812	31.3%

This fund pays for capital projects addressing the replacement and improvement of the current water treatment and delivery system. The primary source of funding is a transfer from Fund 100 – Water Enterprise. YTD revenue includes Dougherty Valley Facility Use Fees and the quarterly transfers from Fund 100.

Expenses reflect labor for capital projects, the North Canyons lease payment, laboratory equipment, and watershed investments. The timing of expenses is tied to the construction schedule for capital projects (i.e. construction in the winter, when production is lower at the treatment plants). An increase in expenses is expected once construction is underway.

Water Expansion – Fund 130 (formerly Fund 73)

Category	12/13 Unaudited Actual	13/14 Budget	13/14 YTD Actual	% Used/Received
Revenue	$ 29,176,830	$ 20,948,165	$ 9,297,420	44.4%
Expenses	$ 18,814,437	$ 53,478,099	$ 42,562,198	79.6%

This fund is intended to provide funding for new facilities and supplies to meet the demands of new development. The primary source of revenue is connection fees. YTD revenue includes $1M in DWR refunds and $8.1M from connection fees, about 44% of the budget for the entire fiscal year. Roughly 40% of connection fee revenue is typically received during the first half of the fiscal year, with the remaining 60% occurring in the second half.

A total of 66 connection fee credits have been used totaling $1.56M, while 604 credits remain outstanding, valued at $14.5M at the 2014 connection fee level (see Chart 1 attached). Expenses reflect payments to DWR, the North Canyons lease payment, interest on the ISA, watershed investments, SBA Enlargement, and Cawelo debt payments. The ISA with Wells Fargo was paid off on December 19, 2013; this single payment was a large percentage of anticipated expenses this year. Of the remainder of the budge (about $23M), about $12M or a little over half has been expended. Please note that the ISA pay-off will be shown as a reduction in assets and liabilities in the FY 13/14 Financial Audit.

Flood Protection Operations – Fund 200 (formerly Fund 50)

Category	12/13 Unaudited Actual	13/14 Budget	13/14 YTD Actual	% Used/Received
Revenue	$ 6,151,496	$ 6,200,347	$ 3,368,904	54.3%
Expenses	$ 5,355,914	$ 25,948,108	$ 12,805,389	49.3%

This fund provides funding for general administration and the maintenance and improvement of the existing flood protection system. The primary source of revenue is property taxes. Property tax revenue totaling $3.2M has been posted, around 54% of the budget for the entire fiscal year. Expenses include labor, the North Canyons lease payment, watershed investments and the summer flood control maintenance program.

Flood Protection and Stormwater Drainage (DIF) – Fund 210 (formerly Fund 76)

Category		12/13 Unaudited Actual		13/14 Budget		13/14 YTD Actual	% Used/Received
Revenue	$	5,180,104	$	2,632,000	$	960,115	36.5%
Expenses	$	1,227,729	$	7,440,315	$	3,364,376	45.2%

This fund provides funding for flood protection facilities required for new development. The primary source of revenue is development impact fees. YTD revenue includes $0.9M in development impact fee revenue, about 37% of the budget for the entire fiscal year. Similar to connection fees, about 40% of impact fee revenue is typically received during the first half of the fiscal year, with the remaining 60% occurring in the second half. Expenses include the North Canyons lease payment, flood protection projects and watershed investments.

RECOMMENDED ACTION:

Information only.

ATTACHMENTS:

CHART 1 – Shea-Lin Connection Fee Credit Estimated Potential Lost Revenue
Zone 7 Water Agency Annual Budget by Account Classification Report

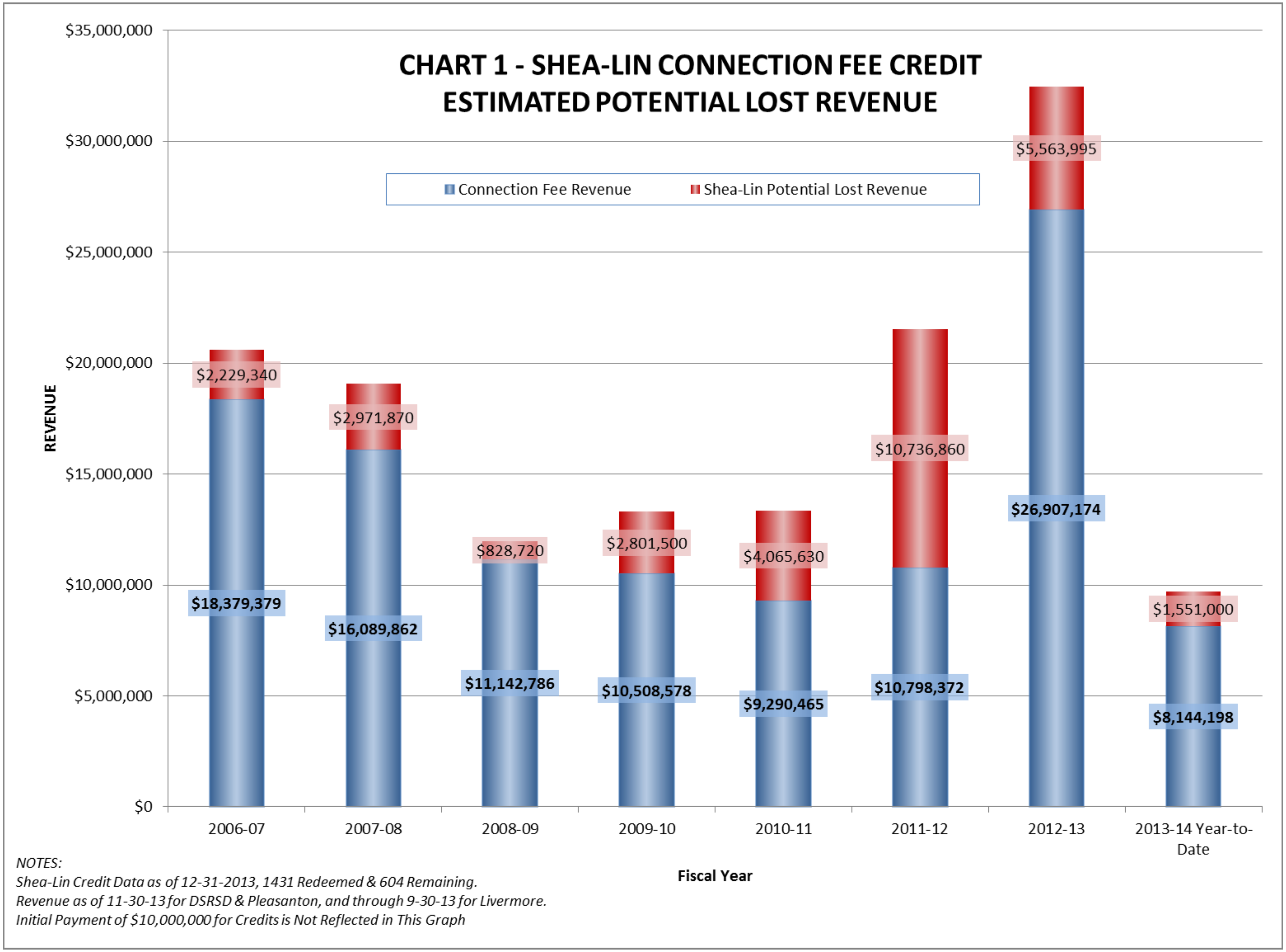
CHART 1 - SHEA-LIN CONNECTION FEE CREDIT
ESTIMATED POTENTIAL LOST REVENUE
Connection Fee Revenue
Shea-Lin Potential Lost Revenue
REVENUE
$35,000,000
$30,000,000
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$0
2006-07
2007-08
2008-09
2009-10
2010-11
2011-12
2012-13
2013-14 Year-to-Date
Fiscal Year
$18,379,379
$2,229,340
$16,089,862
$2,971,870
$11,142,786
$828,720
$10,508,578
$2,801,500
$9,290,465
$4,065,630
$10,798,372
$10,736,860
$26,907,174
$5,563,995
$8,144,198
$1,551,000
NOTES:
Shea-Lin Credit Data as of 12-31-2013, 1431 Redeemed & 604 Remaining.
Revenue as of 11-30-13 for DSRSD & Pleasanton, and through 9-30-13 for Livermore.
Initial Payment of $10,000,000 for Credits is Not Reflected in This Graph

ZONE 7 WATER AGENCY
Annual Budget by Account Classification Report
Budget Summary

	FY 12/13 Budget	FY 13/14 Budget	FY 13/14 YTD Amount	% Used/Rec
FUND: 100 Water Enterprise Operations				
Revenue				
411 - Water Sales & Service	$37,085,455.00	$37,664,745.00	$19,503,902.64	52%
452 - Aid from Governmental Agencies - State	$700.00	$700.00	$92,670.00	13239%
461 - Investment Earnings	$95,000.00	$95,000.00	$0.00	0%
462 - Rents and Royalties	$31,000.00	$31,000.00	$9,768.43	32%
464 - Fines and Penalties	$0.00	$0.00	$203.33	-
481 - Other Revenue	$93,300.00	$93,300.00	$132,989.90	143%
499 - Use of Reserves	$0.00	$0.00	$0.00	-
Revenue Totals	$37,305,455.00	$37,884,745.00	$19,739,534.30	52%
Expenditures				
511 - Personal Services - Salaries and Wages[1]	$12,979,972.00	$13,325,249.00	$5,228,206.59	39%
512 - Personal Services - Overtime[1]	$204,410.00	$206,778.00	$77,960.07	38%
513 - Personal Services - Benefits[1]	$5,935,795.00	$6,388,757.00	$2,862,663.52	45%
600 - Labor & Overhead Distributed[2]	($7,587,903.00)	($7,803,870.00)	($1,686,032.76)	22%
611 - Purchased Services	$3,458,839.00	$4,660,032.00	$875,606.42	19%
621 - Water	$5,327,008.00	$6,914,912.00	$2,765,875.85	40%
631 - Chemicals	$3,490,885.00	$2,841,522.00	$895,913.07	32%
641 - Utilities	$1,664,556.00	$1,829,570.00	$960,379.27	52%
643 - Communications	$227,508.00	$175,014.00	$60,905.29	35%
651 - Cleaning Services	$64,196.00	$48,835.00	$18,276.28	37%
652 - Repairs and Maintenance	$2,955,100.00	$2,451,870.00	$585,755.41	24%
653 - Rental Services	$113,200.00	$108,650.00	$35,726.29	33%
661 - General Office Services/ Supplies	$904,375.00	$617,065.00	$108,906.22	18%
662 - Organizational Membership/ Participation	$452,323.00	$519,283.00	$301,252.78	58%
665 - Other Services/ Supplies	$726,440.00	$780,206.00	$127,645.69	16%
667 - Training and Travel	$424,296.00	$395,220.00	$46,317.37	12%
669 - Special Departmental Expense	$826,500.00	$787,772.00	$170,616.82	22%
671 - Equipment, Furniture and Vehicles	$37,000.00	$32,499.00	$10,498.81	32%
691 - Transfers	$0.00	$8,500,000.00	$4,250,000.00	50%
Expenditure Totals	$32,204,500.00	$42,779,364.00	$17,696,472.99	41%
FUND Total: Water Enterprise Operations	$5,100,955.00	($4,894,619.00)	$2,043,061.31	
FUND: 110 State Water Facilities				
Revenue				
411 - Water Sales & Service	$1,314,313.00	$1,299,710.00	$0.00	0%
421 - Property Taxes	$10,150,000.00	$11,247,000.00	$5,555,484.00	49%
452 - Aid from Governmental Agencies - State	$45,000.00	$45,000.00	$0.00	0%
453 - Aid from Governmental Agencies - Local	$505.00	$611.00	$620.58	102%
461 - Investment Earnings	$25,750.00	$16,522.00	$0.00	0%
464 - Fines and Penalties (64)	$0.00	$0.00	$4.65	-
481 - Other Revenue	$1,065,403.00	$1,189,542.00	$775,079.60	65%
499 - Use of Reserves	$0.00	$0.00	$0.00	-
Revenue Totals	$12,600,971.00	$13,798,385.00	$6,331,188.83	46%
Expenditures				
621 - Water	$13,974,125.00	$14,118,181.00	$7,441,062.84	53%
Expenditure Totals	$13,974,125.00	$14,118,181.00	$7,441,062.84	53%
FUND Total: State Water Facilities	($1,373,154.00)	($319,796.00)	($1,109,874.01)	

ZONE 7 WATER AGENCY
Annual Budget by Account Classification Report
Budget Summary

	FY 12/13 Budget	FY 13/14 Budget	FY 13/14 YTD Amount	% Used/Rec
FUND: 120 Water Enterprise Capital IR&R				
Revenue				
431 - Development Fees	$26,550.00	$250,000.00	$225,420.00	90%
441 - Charges for Services	$0.00	$7,500.00	$380.00	5%
461 - Investment Earnings	$141,703.00	$74,462.00	$0.00	0%
499 - Transfers and Use of Reserves	$6,600,000.00	$8,500,000.00	$4,250,000.00	50%
Revenue Totals	$6,768,253.00	$8,831,962.00	$4,475,800.00	51%
Expenditures				
600 - Labor & Overhead Distributed[1]	$0.00	$0.00	$517,992.73	-
611 - Purchased Services	$0.00	$192,728.00	$118,159.17	61%
643 - Communications	$0.00	$0.00	$41.72	-
653 - Rental Services	$0.00	$0.00	$222,487.50	-
661 - General Office Services/ Supplies	$0.00	$0.00	$427.31	-
665 - Other Services/ Supplies	$0.00	$0.00	$2,233.31	-
669 - Special Departmental Expense[3]	$12,023,062.00	$22,147,261.00	$34.54	0%
671 - Equipment, Furniture and Vehicles	$0.00	$76,281.00	$0.00	0%
672 - Land and Facility Improvements	$0.00	$97,149.00	$67,076.59	69%
Expenditure Totals	$12,023,062.00	$22,513,419.00	$7,040,811.96	31%
FUND Total: Water Enterprise Capital IR&R	($5,254,809.00)	($13,681,457.00)	($2,565,011.96)	

	FY 12/13 Budget	FY 13/14 Budget	FY 13/14 YTD Amount	% Used/Rec
FUND: 130 Water Enterprise Cap Expansion				
Revenue				
431 - Development Fees	$12,382,587.00	$18,400,000.00	$8,144,197.74	44%
461 - Investment Earnings	$89,885.00	$166,565.00	$0.00	0%
481 - Other Revenue	$2,539,000.00	$2,381,600.00	$1,153,222.40	48%
499 - Use of Reserves	$0.00	$0.00	$0.00	-
Revenue Totals	$15,011,472.00	$20,948,165.00	$9,297,420.14	44%
Expenditures				
600 - Labor & Overhead Distributed[1]	$0.00	$0.00	$166,566.89	-
611 - Purchased Services	$0.00	$172,751.00	$36,420.88	21%
621 - Water	$0.00	$18,654,187.00	$11,138,527.75	60%
653 - Rental Services	$0.00	$0.00	$173,045.85	-
662 - Organizational Membership/ Participation	$0.00	$0.00	$17,242.50	-
665 - Other Services/ Supplies	$0.00	$0.00	$342.70	-
667 - Training and Travel	$0.00	$0.00	$14.80	-
669 - Special Departmental Expense[3]	$22,455,379.00	$3,834,499.00	$15,052.43	0%
671 - Equipment, Furniture and Vehicles	$0.00	$6,377.00	$14,538.19	228%
672 - Land and Facility Improvements	$0.00	$56,804.00	$428,680.12	755%
675 - Debt Service	$0.00	$30,753,481.00	$30,571,765.43	99%
Expenditure Totals	$22,455,379.00	$53,478,099.00	$42,562,197.54	80%
FUND Total: Water Enterprise Cap Expansion	($7,443,907.00)	($32,529,934.00)	($33,264,777.40)	

ZONE 7 WATER AGENCY
Annual Budget by Account Classification Report
Budget Summary

	FY 12/13 Budget	FY 13/14 Budget	FY 13/14 YTD Amount	% Used/Rec
FUND: 200 Flood Protection Operations				
Revenue				
421 - Property Taxes	$5,873,310.00	$5,979,557.00	$3,203,259.99	54%
441 - Charges for Services	$3,000.00	$3,000.00	$7,377.57	246%
452 - Aid from Governmental Agencies - State	$54,000.00	$54,000.00	$0.00	0%
453 - Aid from Governmental Agencies - Local	$690.00	$690.00	$697.88	101%
461 - Investment Earnings	$112,619.00	$110,600.00	$0.00	0%
462 - Rents and Royalties	$17,500.00	$17,500.00	$18,124.69	104%
464 - Fines and Penalties	$0.00	$0.00	$4.03	-
481 - Other Revenue	$35,000.00	$35,000.00	$139,440.00	398%
499 - Use of Reserves	$0.00	$0.00	$0.00	-
Revenue Totals	$6,096,119.00	$6,200,347.00	$3,368,904.16	54%
Expenditures				
600 - Labor & Overhead Distributed[1]	$1,218,073.00	$2,100,065.00	$832,060.76	40%
611 - Purchased Services	$1,396,975.00	$2,720,461.00	$181,164.47	7%
643 - Communications	$3,000.00	$2,239.00	$675.13	30%
651 - Cleaning Services	$6,000.00	$10,000.00	$2,390.47	24%
652 - Repairs and Maintenance	$2,795,000.00	$5,291,743.00	$901,131.13	17%
653 - Rental Services	$25,000.00	$145,500.00	$65,677.29	45%
661 - General Office Services/ Supplies	$64,100.00	$19,550.00	$2,805.20	14%
662 - Organizational Membership/ Participation	$77,000.00	$141,084.00	$930.00	1%
665 - Other Services/ Supplies	$22,000.00	$28,400.00	$7,784.43	27%
667 - Training and Travel	$18,500.00	$30,900.00	$2,355.80	8%
669 - Special Departmental Expense	$25,000.00	$13,333.00	$6,666.66	50%
671 - Equipment, Furniture and Vehicles	$3,500.00	$0.00	$0.00	-
672 - Land and Facility Improvements	$0.00	$15,444,833.00	$10,801,747.92	70%
Expenditure Totals	$5,654,148.00	$25,948,108.00	$12,805,389.26	49%
FUND Total: Flood Protection Operations	$441,971.00	($19,747,761.00)	($9,436,485.10)	
FUND: 210 Flood Protection/Drainage DIF				
Revenue				
431 - Development Fees	$1,872,436.00	$2,500,000.00	$931,554.86	37%
461 - Investment Earnings	$154,894.00	$132,000.00	$0.00	0%
481 - Other Revenue	$0.00	$0.00	$28,560.00	-
499 - Use of Reserves	$0.00	$0.00	$0.00	-
Revenue Totals	$2,027,330.00	$2,632,000.00	$960,114.86	36%
Expenditures				
600 - Labor & Overhead Distributed[1]	$0.00	$0.00	$169,412.38	-
611 - Purchased Services	$0.00	$184,493.00	$37,297.98	20%
653 - Rental Services	$0.00	$0.00	$49,441.65	-
665 - Other Services/ Supplies	$0.00	$0.00	$598.52	-
669 - Special Departmental Expense[3]	$3,347,956.00	$6,522,656.00	$0.00	0%
672 - Land and Facility Improvements	$0.00	$733,166.00	$3,107,624.98	424%
Expenditure Totals	$3,347,956.00	$7,440,315.00	$3,364,375.51	45%
FUND Total: Flood Protection/Drainage DIF	($1,320,626.00)	($4,808,315.00)	($2,404,260.65)	
Revenue Grand Totals:	$79,809,600.00	$90,295,604.00	$44,172,962.29	49%
Expenditure Grand Totals:	$89,659,170.00	$166,277,486.00	$90,910,310.10	55%
Net Grand Totals:	($9,849,570.00)	($75,981,882.00)	($46,737,347.81)	

Notes:

1. Agency-wide salaries, wages, overtime and benefits are budgeted in Fund 100, then distributed to other funds based on assignments and work demands.
2. This is a credit to Fund 100 for salaries, wages, overtime and benefits charged to other funds.
3. Capital project expenses are budgeted in just a few accounts. Actual project expenses are reported in the appropriate expense account, as spent.

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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ORIGINATING SECTION: MAINTENANCE
CONTACT: GERALD DEWITT/KURT ARENDS

AGENDA DATE: January 15, 2014 ITEM NO. **12e**

SUBJECT: Update on Zone 7 Vehicle Fleet

BACKGROUND:

In May 2012, staff presented an informational report to the Board which discussed the agency's fleet management policies, energy guidelines, vehicle acquisition and replacement process, and provided an inventory of existing Class C vehicles. This update provides a review and additional information related to the agency's fleet management practices.

There is currently no formal, detailed, board-adopted Zone 7 policy governing the purchasing and/or replacement of agency vehicles. In December of 2007, a draft Energy Policy was presented to the Board which identified goals of reducing greenhouse gas emissions, reducing energy use and considering the purchase of energy efficient and/or low emission vehicles. The policy was not adopted by the Board but instead included in the development of energy guidelines as one of the Agency's strategic planning priorities for staff. These staff guidelines were completed with the Strategic Planning Priorities and subsequently implemented. The guidelines include those pertaining to the selection of new vehicles and ensure that consideration is given to the relative energy efficiency and emission levels of available alternatives.

Recently, a Fleet Oversight Group (FOG) was formed to oversee all fleet related activities including implementation of our energy guidelines as related to vehicle purchases. This group is comprised of the two AGM's, the Maintenance Manager, and the Transportation and Supply Coordinator. The FOG is charged with reviewing and making recommendations related to the fleet, and annually reviewing the vehicle replacement charge for fleet vehicles, adjusting the rate as necessary to maintain a reasonable and adequate replacement fund balance.

DISCUSSION:

Vehicles are purchased for one of two reasons – either as a new, additional vehicle or as a replacement vehicle for one already in the fleet. In the first case, the agency begins considering the need to add a vehicle to its fleet when the requesting Section proposes the purchase cost as part of the annual budget and justifies the need through the budget review process. The annual budget is then presented to the Board for consideration and approval. If the budget is approved by the Board, the new vehicle is purchased and funded from that annual budget.

When a vehicle is added to the fleet, a replacement fund is immediately created which accumulates funds over the expected life of the vehicle so that adequate funds are available to replace the vehicle once it comes to the end of its useful life. For class C vehicles we accumulate funds over a ten year period. Vehicles are not automatically replaced at 10 years, however maintaining the replacement fund allows for replacement earlier than scheduled if a vehicle is damaged or becomes too costly to maintain. The decision of when to actually replace a vehicle is made by staff based on a consideration of age, mileage, maintenance costs and overall vehicle condition. As a guide, staff uses 12 years or 100,000 miles as the life expectancy of a class C vehicle.

Once the decision has been made to replace a vehicle, staff identifies the appropriate type of vehicle to meet the business need; sedan, truck, van, etc. Staff then identifies what options are available. Referring to the “Guidelines for Energy-Related Activities” (attached) staff also identifies energy efficient and/or low emission alternatives, if any are available. These may include diesel, gas, gas-hybrid, plug-in hybrid and all electric options, as well as natural gas, biodiesel and other “green” alternatives. Staff then considers CO_2 emissions and overall life cycle cost of the options as well as a general preference for vehicles made in the USA. The analysis is then reviewed by the FOG, and a recommendation is made to the General Manager for the vehicle purchase.

Once the new vehicles are received, surplus vehicles are disposed of through the County Surplus program. The County charges Zone 7 a fee of $200 to sell surplus vehicles and any revenue in excess of the fee is transferred to Zone 7. While part of the County, Zone 7 must participate in this program.

Since 2009, Zone 7 has added six gas-hybrid vehicles to its fleet. As vehicles in the fleet age and are replaced, additional low emission, energy efficient vehicles are anticipated to replace sedans and small utility vehicles. There are fewer viable gas-hybrid or all-electric options available for larger vehicles limiting their use in that portion of the fleet. However, all vehicles are becoming more energy efficient and produce fewer emissions in order to comply with new California vehicle regulations.

Zone 7 currently has a pool of 45 class C cars and trucks in its fleet. This includes pool vehicles which are generally shared among Administration and Engineering staff and “assigned” vehicles which are typically for emergency response or assigned to field staff, primarily within the operations and maintenance departments so that tools and equipment can be stocked for the typical work for which the vehicle is used. The current fleet vehicles range in age from new to 15 years old. To help maximize the use of vehicles, periodically vehicles may be rotated between assignments, exchanging low mileage vehicles for those getting higher use. Currently four vehicles have been identified for replacement in the current fiscal year and the guidelines are being applied to select new vehicles.

In addition to class C vehicles, Zone 7 also manages a fleet of off road and heavy duty vehicles. The vehicles are also owned, managed and maintained by Zone 7 and are an integral part of carrying out the agency’s day-to-day business. These vehicles are the responsibility of the Maintenance Section and include the following: a ten-wheel dump truck, a backhoe, two Bobcat tractors, a boom lift and four forklifts. A replacement fund is also being established for these vehicles in the next budget cycle, and will be under the oversight of the FOG. The intent is to establish a replacement fund based on a 15 years vehicle life with actual replacement depending on the vehicle age, usage and condition. Smaller items, such as trailers are not included in this fund.

RECCOMENDATION:

No action - for board information only.