# NOTICE OF REGULAR MEETING OF BOARD OF DIRECTORS

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

**100 NORTH CANYONS PARKWAY, LIVERMORE, CA 94551 PHONE (925) 454-5000**

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| **DATE:** | **Wednesday, January 19, 2011** |
| **TIME:** | **7:00 p.m.** |
| **LOCATION:** | **Zone 7 Administration Building** |
| | **100 North Canyons Parkway, Livermore, California** |

***Any member of the audience 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 Acting Zone 7 Board Secretary, Judy Rector, at (925) 454-5053 or fax (925) 454-5727. 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. CLOSED SESSION

   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

3. Open Session and Report Out of Closed Session
4. Salute to Flag
5. Citizens Forum

   *This is an opportunity for members of the audience 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.*

6. Minutes of the Regular Meeting of December 15, 2010
7. Consent Calendar

   a. Second Amendment to Memorandum of Understanding for the Alameda Creek Fisheries Workgroup's Flows Studies
   b. Request for Out-of-State Travel Expense Reimbursement to Attend the Southwest Membrane Operator Association's 2011 Annual Symposium in Las Vegas, Nevada
   c. Request for Out-of-State Travel to Attend Upcoming Association of California Water Agencies DC Conference
   d. Award of $5,000 to Ruby Hill Golf Course for Large Landscape Water Use Efficiency Irrigation Hardware Replacement

   Recommended action: Adopt resolutions approving items as presented.

8. Staffing Updates:

   a. Congratulations to Retiree
   b. Employee of the Month Recognition

9. First Amendment of the Installment Sale Agreement to Reduce ISA Credit Line

   Recommended action: Adopt resolution.

10. Discussion of the History of Livermore-Amador Valley Mining and the Chain of Lakes, Part 1

    Recommended action: Information only.

11. Committees – Minutes for: Administrative Committee, December 7
    Delta Committee, December 7
    Finance Committee, December 14

12. Items for Future Agenda – Directors

13. Reports – Directors
    a. Written report by Director Quigley
    b. Verbal reports

14. Staff Reports (Information items. No action will be taken.)
    a. General Manager's Report
    b. Upcoming Public Outreach Activities
    c. Legislative Update
    d. Status Report on Separation Efforts
    e. Quarterly Update of Expansion Fund
    f. Update on the Bay-Delta Conservation Planning Effort
    g. Verbal Reports

15. CLOSED SESSION

    a) Conference with Legal Counsel – Significant exposure to litigation pursuant to Subdivision (b) of Government Code Section 54956.9: 1 case

16. Open Session and Report Out of Closed Session

17. Adjournment

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

    a) Regular Board Meeting: February 16, 2011, 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
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT,
ZONE 7 WATER AGENCY

REGULAR MEETING
December 15, 2010

President Greci called the regular meeting to order at 7:00 p.m., with a salute to the flag. The following were present:

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|---|---|
| DIRECTORS: | SANDS FIGUERS<br>JOHN GRECI<br>AJ MACHAEVICH<br>CHRISTOPHER MOORE<br>SARAH PALMER<br>RICHARD QUIGLEY<br>BILL STEVENS |
| DIRECTORS ABSENT: | NONE |
| ZONE 7 STAFF: | JILL DUERIG, GENERAL MANAGER<br>REN NOSKY, GENERAL COUNSEL<br>KURT ARENDS, ASSISTANT GENERAL MANAGER, ENGINEERING<br>VINCE WONG, ASSISTANT GENERAL MANAGER, OPERATIONS<br>JOHN YUE, ASSISTANT GENERAL MANAGER, FINANCE<br>CAROL MAHONEY, ASSOCIATE GEOLOGIST<br>AMPARO FLORES, ASSOCIATE CIVIL ENGINEER<br>JUDY RECTOR, ACTING BOARD SECRETARY |

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**Item 3 - Citizens Forum**

None.

**Item 4 – Minutes of the Regular Meeting of November 15, 2010**

Director Moore moved and Director Palmer seconded approval of the November 15, 2010 minutes. The voice vote to approve was 7-0.

**Item 5 - Consent Calendar**

Director Palmer moved for approval and Director Quigley seconded the motion. The resolutions were approved by a roll call vote of 7-0:

| | |
|---|---|
| Resolution No: 11-4052 | Accept the annual report of development fee revenues and expenditures for the fiscal year ending June 30, 2010. (Item 5a) |
| Resolution No: 11-4053 | Accept the annual independent audit for the period ending June 30, 2010. (Item 5b) |

| | |
|---|---|
| Resolution No: 11-4054 | Authorize the General Manager to negotiate and execute amendments to the 2001, 2002 and 2003 Semitropic Point of Delivery Agreements, to extend their return periods. (Item 5c) |
| Resolution No: 11-4055 | Authorize the General Manager to negotiate and execute a professional services contract with The Gualco Group, Inc., to provide advocacy and legislative support services for a total not-to-exceed amount of $60,000 for Calendar Year 2011. (Item 5d) |

**Item 6 - Staffing Updates**

**Item 6a – Employee of the Month Recognition**

Ding Bang Bao, Water Plant Operator, is the employee of the month for October 2010. He currently works as a Water Treatment Plant Operator at the Del Valle Water Treatment Plant. According to the recommendations the committee received, Ding Bang is hardworking, dependable and is a pleasure to work with. He is always focusing on operating efficiency and constantly looking for ways to not only make the plant better but expanding his own knowledge. He is one of those wonderful guys to work with, always pitching in, always stepping up and offering to do things. In summary, we are fortunate to have Ding Bang on the job.

**Item 7 – Award of Contract for the Patterson Pass Water Treatment Plant Electrical Power System Upgrade Project**

The PPWTP Electrical Power System Upgrade Project includes replacement of the motor control center (MCC), its automatic transfer switch (ATS), associated electrical and control wiring, and a new electrical service for the California Department of Water Resources. Kurt Arends, Assistant General Manager, Engineering, explained that at the bid opening on December 7, Zone 7 received seven bids ranging from $192,000 to $585,000, all significantly lower than the engineer's estimate of $730,000. The low bidder ($192,000), Con J. Franke Electric, withdrew its bid due to calculation errors. The next lowest responsive and responsible bidder was Central Sierra Electric, Inc. On December 10, Zone 7 received a bid protest from MarTech, the fifth lowest bidder, against the fourth lowest bidder, Edward W. Scott Electric, relating to a subcontractor issue.

Angie McDaniel, representing Mechanical Analysis Repair, Inc. (MarTech) in Lodi, California, addressed the Board concerning Item 7. She said the project specs call for an independent, NETA-certified subcontractor for field testing. The only bidders to provide this were Edward W. Scott Electric and MarTech as per Section 16950, Electrical Tests. MarTech submitted the protest based on codes set forth in the subletting and subcontracting fair practices act against Edward Scott and Square D Engineering for the required arc-flash study listed as a bid item on Document 00400-2, Schedule of Prices. Ms. McDaniel requested that the Board of Directors reject Central Sierra Electric's bid and all other bids which do not comply with the act.

Kurt Arends identified two issues: 1. There is a contract requirement to use Square D for arc-flash testing and other testing required in the project. 2. The other issue raised by MarTech, and not part of their written bid protest, concerns requiring that electrical testing by an independent, subconsultant should be used, and also states that they should be certified by the InterNational Electrical Testing Association (NETA), an electrical testing certification. Zone 7 staff acknowledged that it does state in the specifications that the testing should be done by an independent subconsultant. Since this is a waiveable action not affecting the bid, and the low bidder as an electrical contractor may not plan to use any subconsultants if they have somebody who is NETA-certified, staff recommends going ahead and waiving that non-material, waiveable irregularity in the bid and award the contract.

General Counsel Ren Nosky thanked Ms. McDaniel for clarifying the protest because there was confusion regarding the content of the protest letter.

General Manager Jill Duerig reminded the Board that there is a timing issue with this project. The goal is to accomplish the project during the winter while the plant is shut down for the Patterson Reservoir cleaning and before demand starts up in March or April. If the project is re-bid, that window of opportunity will be missed. The project is needed because ground squirrels ate electrical conduits at the Patterson Pass Plant and parts of the electrical system are so outdated that they could not be replaced; the system has to be upgraded at the same time that the conduits are re-done.

After discussion by the Directors and reassurance by General Counsel Ren Nosky that the waiver is for the listing requirement, not the contractual requirement, Director Figuers moved for approval including a waiver of listing of the independent tester. Director Palmer seconded the motion. Before the vote, Kurt Arends added that the initial contract did not include electrical services to DWR for pumps, but it is cost effective for Zone 7 to do the work. A scope asking for an additional $12,000 in design and support funding in the contract is included in the last line of the resolution and this brings the new total to $205,600. Director Palmer stated that she would have preferred to see this addition on a separate resolution because it is a separate contract. Director Stevens stated his concern that waiving any requirement in the specifications might be unfair. The dollar amount is so small that it did not require a separate General Manager contract.

The wording of the resolution was revised to include the following language:

"BE IT FURTHER RESOLVED that the General Manager be authorized to waive the irregularity to list the testing subcontractors; and"

Director Figuers moved for approval of the conformed resolution and Director Quigley seconded the motion. Resolution No. 11-4056 was passed after a roll call vote of 6-1 with Director Stevens voting no.

**<u>Item 8 – Flood Protection and Storm Water Drainage Development Impact Fee Annual Adjustment</u>**

Kurt Arends, Assistant General Manager, Engineering, reminded the Board of the background on the Development Impact Fee Annual Adjustment and Ordinance. Zone 7's Board of Directors adopted Ordinance 2009-01, which established the Flood Protection and Storm Water Drainage Development Impact Fee (DIF), on March 18, 2009 and then amended it by Ordinance 2010-1 on March 17, 2010. The Ordinance prescribed the assessment of a DIF for developments creating new impervious surfaces as part of their projects.

The DIF is used to fund future projects identified in the Stream Management Master Plan which was approved by the Zone 7 Board in 2006. Ordinance 2010-01 prescribes a fee schedule for DIF adjustments. The fee, effective January 1, 2011, is $0.96 per square foot of impervious surface. The Ordinance allows for an adjustment in the fee in accordance with the published Engineering News Record Construction Cost Index (ENRCCI). The San Francisco ENRCCI percent difference for the period between December 2009 and December 2010 is +4.1% which, when applied to $0.96, results in an adjusted DIF of $1.00. This action required a public hearing and it was noticed in the newspaper on December 4 and 9, 2010. President Greci opened and closed the public hearing with no public comment.

Director Quigley moved for approval of the annual DIF adjustment and Director Stevens seconded the motion. Resolution 11-4057 was passed by a roll call vote of 7-0.

**Item 9 – Adoption of the 2010 Urban Water Management Plan**

The Delta Committee heard the presentation on the 2010 Urban Water Management Plan at its December 7 committee meeting. The Board members on the committee were anxious to have the remainder of the Board hear the presentation by Amparo Flores, Associate Civil Engineer.

Ms. Flores summarized the purpose of her presentation as a discussion of regulatory requirements, an overview of the draft plan, a discussion of the agency coordination and the public review process as required, and the status and schedule. The draft 2010 Urban Water Management Plan (UWMP) is a planning, water management, and communication tool that assesses the reliability of Zone 7's water resources over a 20-year planning horizon. It is required to be updated and adopted every five years. It was developed in coordination with Zone 7's retailers and was subject to review by cities and other relevant public agencies in the service area, as well as the public. It includes an analysis of Zone 7's water supplies and demands. It assumes 100% reliability in accordance with Zone 7's current policy, and assumes that a portfolio of potential water supply programs and projects will be implemented to comply with this policy. Zone 7 staff is evaluating potential portfolios as part of the Water System Master Plan (WSMP), which is expected to be completed in March 2011.

An urban water supplier that does not prepare, adopt, and submit a UWMP to the California Department of Water Resources (DWR) is ineligible to receive grant funding and drought assistance from the State of California . The Draft 2010 UWMP has been completed to allow for its adoption and submission to DWR well ahead of the July 1, 2011 deadline, and before DWR receives hundreds of UWMPs from other agencies. This will expedite its approval by DWR, and ensure that Zone 7 continues to be eligible for grant funding and drought assistance from the State.

The public hearing regarding the Draft 2010 Urban Water Management Plan was noticed in the newspapers on November 8 and 15, 2010. President Greci opened the public hearing. Randy Werner, City of Livermore, talked about population being important because the state asks for per capita water consumptions. He is appreciative of Zone 7 staff checking the accuracy of these numbers and working with the retailers.

Director Palmer noted that internal staff, not consultants, created the document and Zone 7 benefits by having staff able to create such a document.

Director Palmer moved to adopt the motion and Director Quigley seconded. After a roll call vote, Resolution 11-4058 was approved by a vote of 7-0.

**Item 10 – Partnership Agreement Between Zone 7 and City of Livermore for Flood Protection Improvements for the El Charro Specific Plan**

Carol Mahoney, Associate Geologist, gave the Board information concerning the options for the El Charro and future Chain of Lakes area. Cheri Sheets and Pam Lung, City of Livermore Engineering, were present.

Since late 2006, Zone 7 and the City of Livermore have been discussing the City's plans to develop the area adjacent to I-680, east of El Charro Road, now known as the "El Charro Specific Plan" (ECSP). A Partnership Agreement will allow that $10,000,000 will be available to the City of Livermore to facilitate the flood protection improvements along the Arroyo las Positas in the El Charro Specific Plan area. In addition to the flood protection improvements, the City is offering easements or fee title to three properties now owned by the City that will assist both parties in meeting the flood protection goals of the community.

There are five overall objectives of the Partnership Agreement: 1) provide local drainage for development as well as implement portions of Zone 7's Stream Management Master Plan (SMMP) associated with flood water detention, for the purposes of ultimately leading to future conveyance into the Chain of Lakes; 2) continue the use of the golf course as a floodplain for the conveyance of stormwaters; 3) provide a financial mechanism for cost sharing between the City and Zone 7 for the improvements described in the agreement; 4) provide a description of the flood protection improvements that will be constructed for mutual benefit; and 5) provide a description of mitigation measures, monitoring and maintenance responsibilities for the improvements described in the agreement. The City or the developer of the ECSP area, Paragon Outlets, is preparing to begin the bidding process and anticipate that this project will be awarded in early 2011.

Director Palmer moved and Director Machaevich seconded the motion. Resolution 11-4059 was approved by a roll call vote of 7-0.

**Item 11 – Committees**

No discussion.

**Item 12 - Items for Future Agendas – Directors**

None.

**Item 13 - Reports - Directors**

a. Written reports by Director Quigley
b. Verbal reports

## **Item 14 – Staff Reports**

14. Staff Reports (Information items. No action will be taken.)
    a. General Manager's Report
    b. Upcoming Public Outreach Activities
    c. Legislative Update
    d. Status Report on Separation Efforts
    e. Verbal Reports

Kurt Arends gave a verbal report on the Bay Delta Conservation Plan (BDCP) efforts. On November 18, the Steering Committee held its "last" meeting where they issued a draft working document which represents the progress they made to date. The Steering Committee is a stakeholder group trying to develop a plan to meet the political goals of restoring the Delta and water supply. Mr. Arends will be giving the Board a written update on BDCP efforts next month. A lot of the difficult decisions have yet to be agreed to because trying to get the environmental groups to agree with the water supply contractors on how much water is taken out is a challenge. There is a lot of technical work to be done and a tech analysis is underway which tries to take all proposed actions of the plan and apply a science to the outcome of those actions. There is a lot of scientific debate while looking at water supply operations, restoring habitat, and other stressors and trying to predict the impact that will have on a fish species.

There is a lot of concern about federal support for this effort and that doing this could result in less water for contractors (the Westlands Water District issued a letter intending to withdraw from the BDCP and soon after San Luis-Mendota Water Authority followed suit). The BDCP is the stakeholder group providing direction to the permittees, DWR and the Bureau of Reclamation, in what their project should be. The State issued a document "Highlights of the BDCP." Federal agencies issued a federal document called "Interim Federal Action Plan Status Update for the California Bay Delta 2011 and Beyond." Judge Wanger issued a ruling on Delta smelt just prior to the Board meeting which resulted in some wins on both sides, but it will require Fish and Wildlife to re-do the biological opinion.

Director Stevens requested a presentation by Kurt to the Delta Committee or the Board as a whole on justifying why we are putting money into the BDCP effort. He has the impression Zone 7 is throwing money down the chute when it could be in a bank account. Mr. Arends agreed to bring the matter back to the Board to review.

Director Moore referred to an area in the General Manager's Staff Report in regards to trouble with T1 lines coming out of Del Valle:

- Due to the frequent communication failures between Del Valle Water Treatment Plant (DVWTP) and the rest of the system, the phone company's frequently-repaired T-1 connection to the plant has become suspect and Zone 7's IT group is evaluating options, including installation of a second T1 line to the plant.

Director Moore reaffirmed that this is related to the presentation he did on the broadband network. Because SCADA systems are required for critical infrastructure, he stressed that Zone 7 must have a wireless broadband network for public safety.

The Board went into closed session at 9:05 p.m.

15. CLOSED SESSION

a) 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

b) Conference with Legal Counsel – Significant exposure to litigation pursuant to Subdivision (b) of Government Code Section 54956.9: 1 case

c) Conference with Legal Counsel – Existing litigation pursuant to Subdivision (a) of Government Code Section 54956.9:

County of Butte/County of Plumas v. State of California Department of Water Resources, Yolo County Superior Court, Case No. CV09-1258

**Item 15 – OPEN SESSION AND REPORT OUT OF CLOSED SESSION**

Closed session lasted only about ten minutes with nothing to report out.

The meeting was adjourned at 9:55 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: Environmental Services**
**CONTACT: Elke Rank**

AGENDA DATE: January 19, 2011 ITEM NO. **7a**

SUBJECT: Second Amendment to Memorandum of Understanding for the Alameda Creek Fisheries Workgroup's Flows Studies

## SUMMARY:

- Regular sightings of steelhead attempting to migrate up Alameda Creek, and the 1997 listing of the Central Coast steelhead (Oncorhynchus mykiss) as threatened under the federal Endangered Species Act, have focused public attention on steelhead in the Alameda Creek watershed.
- To coordinate efforts to restore these fish and to ensure compliance with the new federal regulations, the Alameda Creek Fisheries Workgroup was formed in early 1999 as a collaborative effort among many parties focusing on water flows and habitat restoration in the Alameda Creek watershed.
- The Workgroup benefits from the active participation and collaboration of 17 agencies and organizations, including Zone 7.
- A Memorandum of Understanding (MOU) was authorized by the Workgroup members in 2006; it outlines the Workgroup's purpose, organization, and conduct.
- The MOU was designed such that the Workgroup's funding partners pay their share periodically rather than upfront in a lump sum. This allows each task to be separately approved.
- Phase 1 of the Workgroup's study is complete, and Phase 2 is underway.
- The first amendment (2009) to the MOU authorized funding for the initial tasks of Phase 2.
- Additional funding is needed to fund additional tasks under Phase 2.

## FUNDING:

The funding source for Zone 7's $18,000 share in this segment of the study will be 50% Fund 52 Water Enterprise, and 50% Fund 76 Special Drainage Area.

## RECOMMENDED ACTION:

Adopt the attached Resolution authorizing the General Manager to negotiate and execute a second amendment to the 2006 Memorandum of Understanding for the Alameda Creek Fisheries Workgroup, and authorizing the General Manager to allocate funding for Zone 7's portion of the ongoing Phase 2 flow studies in an amount not to exceed $18,000.

## ATTACHMENTS

1. Staff Memo providing additional background and discussion
2. Second amendment to MOU
3. Resolution

## Interoffice Memo

**Date:** January 19, 2011
**To:** Jill Duerig, General Manager
**From:** Elke Rank, Asst. Water Resources Planner, Environmental Services
**Subject:** Second Amendment to Memorandum of Understanding for the Alameda Creek Fisheries Restoration Workgroup's Flows Studies

**BACKGROUND:**

A Memorandum of Understanding (MOU) was approved by the 17 members of the Alameda Creek Fisheries Workgroup (Workgroup), including Zone 7, in 2006. The overall framework for the Workgroup to conduct studies consists of three phases:

- **Phase 1:** Data gathering; Workgroup planning sessions; Work Plan Development (complete)

- **Phase 2:** Evaluation of hydrologic and geomorphic conditions to determine what habitat and flow conditions might support successful steelhead populations (current)

- **Phase 3:** Development & analysis of specific strategies for habitat restoration and enhancement (approx. 2012)

The primary benefit of this collaborative fisheries restoration framework for participating agencies is regulatory assurance and protection from potentially violating provisions of the Endangered Species Act in the course of operations and maintenance activities within the watershed. The recommendations from the Workgroup's efforts will provide the participants with a common basis for determining appropriate impact mitigation for projects such as our future Stream Maintenance Master Plan (SMMP) projects, and also could spur opportunities for partnering on mitigation projects or grant funding applications.

The Workgroup funding partners pay their shares periodically as tasks are completed and a new scope of work is defined, rather than being paid upfront in one lump sum. The $30,000 that the Board of Directors of Zone 7 authorized in 2006 (original MOU), and the additional $40,000 authorized in 2009 (first amendment to MOU), for shared funding of the Workgroup's initial studies as identified in the MOU are nearly exhausted. See Attachment A for a list of activities and budgets to date.

Staff is recommending the Board authorize the General Manager to negotiate and execute an amendment to the MOU with the other members of the Workgroup to continue Zone 7's participation in studies focused on the restoration of steelhead to Alameda Creek, and approve an amount not to exceed $18,000 to proceed with tasks under Phase 2 of the Workgroup's studies.

**DISCUSSION:**

Regular sightings of steelhead attempting to migrate up Alameda Creek, and the 1997 listing of the Central Coast Steelhead (Oncorhynchus mykiss) as threatened under the federal Endangered Species Act, have focused attention on the possibility of establishing steelhead in the Alameda Creek watershed.

Workgroup and Activities:
To coordinate efforts to establish habitat for these fish and comply with federal regulations, the Alameda Creek Fisheries Workgroup was formed in early 1999 as a collaborative effort among many parties focusing on water flows and habitat restoration in the Alameda Creek watershed that could potentially support steelhead trout. The Workgroup benefits from the active participation and collaboration of 17 agencies and organizations; these entities signed a Workgroup MOU in 2006. Six of these members are funding partners (indicated by asterisks):

- Alameda County Flood Control & Water Conservation District, Public Works*
- Alameda County Resource Conservation District
- Alameda County Water District (ACWD)*
- Alameda Creek Alliance
- American Rivers
- CA Department of Fish and Game
- California State Coastal Conservancy*
- East Bay Regional Park District
- National Marine Fisheries Service
- Natural Resources Defense Council
- Pacific Gas & Electric Company*
- Regional Water Quality Control Board
- San Francisco Public Utilities Commission*
- U.S. Army Corps of Engineers
- U.S. Fish and Wildlife Service
- U.S. Natural Resources Conservation Service
- Zone 7 Water Agency*

The Workgroup has retained the consulting firm of McBain and Trush to complete the studies, and this contract is managed through ACWD. The budgets and scopes of work prepared by the consultant are approved by the Workgroup at large. The Workgroup is conducting studies in three phases as described below. See Attachment A for a summary of all activities to date (completed and underway).

**Phase 1:** Phase 1 is complete. It included data gathering and review of relevant existing data, reports, and studies on hydrologic and geomorphic conditions and fish habitat in the watershed, and preparation of a detailed work plan for the second phase of the flow studies.

**Phase 2:** Phase 2 is underway. Results will provide key information regarding habitat quality and quantity under variable streamflows for Alameda Creek watershed, with the goal of better understanding how specific instream flows and temperature conditions will influence anadromous salmonid and amphibian habitat. The work products will include an estimation of suitable fish habitat under various flow conditions, a surface water temperature model, and an estimation of the “number of good days” for steelhead (a “good day” includes ample physical habitat, favorable water temperatures, and abundant food) under different streamflows. These factors will allow the consultants to propose conditions that could support a successful steelhead population.

The requested MOU amendment and funding will cover the completion of Phase 2 habitat mapping that is currently in-progress, and the corresponding number of “good days” analysis. Thus far, no habitat mapping has taken place in Zone 7’s Service Area; additional funds will be required to complete such work, if proposed by the Workgroup.

**Phase 3:** The scope of Phase 3 of the flow studies will be determined following completion of Phase 2. Phase 3 may include, but would not be limited to, development and analysis of specific alternatives, including operational, engineering, and natural resource strategies, with the intent of achieving the goals to be identified in Phase 2. Phase 3 is not yet funded.

Given the diversity of interests participating in the Workgroup, and the complexity of the issues surrounding steelhead in the Alameda Creek watershed, a collaborative Technical Team, led by an independent consultant (the firm of McBain and Trush, selected in Phase 1), as proposed in the original MOU, has been working well. The independent consultant plays an important role in generating data and analyses that are viewed as credible, unbiased, and can be supported by the Workgroup members.

Furthermore, this collaborative effort allowed the Workgroup to secure State funding for Phase 1 of the studies, and hopefully additional funding will be secured in the future.

<u>Steelhead in Zone 7 Service Area:</u>
Zone 7 evaluated potential historical and current occurrences of steelhead (and rainbow trout) within the Livermore-Amador Valley, with specific focus on Arroyo Mocho and Arroyo Valle (Hanson, 2004). Following is a summary of the consultant’s conclusions:

- Arroyo Valle and Arroyo Mocho historically supported trout fisheries in the upper watersheds, through routine fingerling plantings from hatcheries including the Mount Whitney Hatchery.
- Rainbow trout sampled from Arroyo Mocho in 2000 were found to be genetically similar to the Mount Whitney Hatchery stock and did not appear to be genetically related to anadromous steelhead populations.
- Historically, steelhead passage in Arroyo Valle occurred infrequently, in response to high flow events that provided suitable surface water connectivity between Arroyo Valle and lower Alameda Creek. Records suggest that adult steelhead were periodically caught in Arroyo Valle and lower Alameda Creek, although the low occurrence of records of adult steelhead in Arroyo Valle suggests that only a small number of fish may have been present, and on an infrequent basis, within this actual portion of the watershed.
- Historically, the form of the channel in Arroyo Mocho would have made adult steelhead migration unlikely even prior to channelization, based upon historical geomorphic conditions within the lower reaches of the Arroyo Mocho channel. No records of adult steelhead being caught by recreational anglers were found for Arroyo Mocho.
- It is unlikely that either the Arroyo Valle or Arroyo Mocho watershed historically provided consistent suitable habitat conditions for steelhead passage, spawning, and/or juvenile rearing to support self-sustaining populations.

- Today, potentially suitable habitat exists for steelhead spawning and rearing in the upper reaches of Arroyo Mocho and immediately downstream of Del Valle Reservoir. However, management actions would be required to artificially achieve these benefits.

Other Related Activities:
There are a number of important projects that should significantly improve conditions for fish migration into the watershed in the near future, including:

- Modification to ACWD's lower and upper rubber dams;
- Installation of fish ladders at the BART weir (ACWD's middle rubber dam);
- Calaveras Dam replacement by SFPUC, and associated Habitat Conservation Plan;
- Improvements to PG&E pipeline crossing Alameda Creek; and

In addition, the National Marine Fisheries Service (NMFS) is preparing a regional Recovery Plan for Central California Coast (CCC) steelhead. The range of the CCC steelhead population includes most or all of every county surrounding San Francisco Bay. Recovery Plans identify threats to a species, outline and justify NMFS' recovery strategy; identify actions to achieve recovery; and identify goals and criteria by which to measure the species' achievement of recovery. NMFS' project permitting staff may then use the Recovery Plan when determining mitigation requirements for projects in the area covered by the Plan. Zone 7 and other Bay Area agencies are participating in a collaborative effort as NMFS develops the Recovery Plan. Providing NMFS with relevant and scientifically sound information about potential steelhead habitat and restoration potential in this area should help to establish realistic site-specific goals and objectives for recovery and future mitigation requirements.

**Attachment A**

**ALAMEDA CREEK FISHERIES WORKGROUP**
**SUMMARY OF FLOW STUDIES COMPLETED TO DATE**
**(as of November 2010)**

**Phase 1:** **Study Plan: Alameda Creek Population Strategies and Instream Flow Assessment for Steelhead Trout**

Start: December 2006
Finish: December 2007
Budget: $60,000

Description: This Study Plan first reviews steelhead (Oncorhynchus mykiss) life history characteristics and environmental requirements relevant to the Alameda Creek watershed. A conceptual recovery strategy emphasizing the need and utility of instream flow releases to support multiple life history tactics is then developed, followed by a description of key management issues that must be addressed for steelhead restoration. In the final section, ten Study Plan elements are presented as preliminary scopes of work.

**Phase 2A:** **Initiation of Alameda Creek Instream and Flow Habitat**

Start: June 2008
Finish: January 2009
Budget: $69,000

Description: This scope led to the development of the Alameda Creek Sampling and Analytical Plan for WY2009, and is a distillation of numerous meetings and workshops held by the Alameda Creek Fisheries Restoration Workgroup Flows Subcommittee. The subcommittee's objective was to take what is known about recommending instream flows, evaluate what has been attempted elsewhere, and the construct an instream flow strategy, methodology, and analytical framework that will best meet the unique needs of Upper Alameda Creek. Two technical workshops were held in summer 2008 to discuss, refine, and finalize components of the field sampling and assessment plan.

**Phase 2B:** **Initial Habitat Mapping on Upper Alameda Creek to Support Instream Flow and Habitat Assessment**

Start: March 2009
Finish: December 2009
Budget: $57,000

Description: This scope of work continues the work identified in the Sampling and Analysis Plan, focusing on: 1) Completing the balloon photography rectification and basemap production (completes Task 1 in the SAP); 2) Assembling and calibrating the habitat mapping team (Task 2.1 in the SAP); 3) Spawning habitat assessment (Task 2.2 in the SAP); and 4) Initiating the field habitat mapping of the three mainstem study reaches (Initiates Task 2.3 in the SAP).

**Phase 2C:** **Hydrology and Water Temperature Assessments on Upper Alameda Creek to Support Instream Flow and Habitat Assessment**

Start: August 2009
Finish: November 2010
Budget: $21,600

Description: This scope of work continues the work identified in the Sampling and Analysis Plan, focusing on: 1) Assist development of annual hydrographs and thermographs (SAP Task 3.1); 2) Recommend temperature / fish growth thresholds (SAP Task 3.2); and 3) Project management and meetings with the Fisheries Subcommittee Workgroup (SAP Task 4).

**Phase 2D: Continued Hydrologic Analyses, Habitat Mapping and Adult Steelhead Migration Evaluating on Upper Alameda Creek to Support Instream Flow and Habitat Assessments**

Start: January 2010
Finish: June 2010
Budget: $58,000

Description: The previous efforts (Phase 2A) initiated the instream flow study by first developing a Study Plan for Alameda Creek Population Recovery Strategies and Instream Flow Assessment for Steelhead Trout (completed January 2008), then developed a Sampling and Analysis Plan for 2009 to begin implementing the Study Plan. The 2009 Sampling and Analysis Plan identified six habitat mapping flows for the three study sites on Upper Alameda Creek; however, only approximately two flows were mapped (Phase 2B). Consequently, this scope of work continued the work identified in the 2009 Sampling and Analysis Plan by focusing on the following two tasks: 1) Continued analysis and computation of annual hydrographs of unimpaired, impaired, and future hydrologic conditions needed for the upcoming Number of Good Days analysis and contribute to technical memorandum preparation (completes Task 3.1 in the 2009 Sampling and Analysis Plan); and 2) Continued habitat mapping of the three Upper Alameda Creek study reaches to ensure at least 6 data points are collected for each study reach (completes Task 2.3 in the 2009 Sampling and Analysis Plan and Segments 2-4 in the 2008 Study Plan (Section 5.1.1.4)).

**Phase 2E: Continued Habitat Mapping and Adult Steelhead Migration Evaluation on Upper Alameda Creek to Support Instream Flow and Habitat Assessment**

Start: May 2010
Finish: In progress
Budget: $95,000

Description: This scope of work continued the work identified in the 2009 Sampling and Analysis Plan and expand to other tasks in the 2008 Study Plan by focusing on the following three tasks: 1) Establishing three new habitat mapping study reaches in Niles Canyon and habitat mapping them to ensure at least 6 data points are collected for each study reach (Completes Segment 1 in the 2008 Study Plan (Section 5.1. 1.4)); 2) Identify spawning destinations, survey riffle crest thalweg profiles, and route adult steelhead up to spawning destinations via the ascendograph analytical framework (completes Task 2.4 in the 2009 Sampling and Analysis Plan and Study Plan Element #2 in the 2008 Study Plan for Destination Points a, d, g, h, j, k, n, and q (Section 5.2. 1.1)); and 3) Continue coordination with the Fisheries Subcommittee via conference calls.

**Phase 2F: Number of Good Days Analysis on Upper Alameda Creek to Support Instream Flow and Habitat Assessment (Proposed Study – contract to be funded through 2010 MOU Amendment)**

Start: January 2011 (est.)
Finish: July 2011 (est.)
Budget: $61,425

Description: The 2009 Sampling and Analysis Plan identified six habitat mapping flows for the three study sites on the Upper Alameda Creek reach (between Welch Creek gage and Alameda Creek Diversion Dam). This field work on upper Alameda Creek has been completed, and flow-habitat curves developed. Field work has commenced at three study sites in the Niles Canyon reach, with flow habitat curves expected to be completed in February 2011. However, the analyses of the flow-habitat relationships via the Number of Good Days (NGD) and Number of Good Years (NGY) analyses have not been conducted for either of the two reaches. Consequently, this scope of work will focus on the following: 1) Integrate hydrology, water temperature, and flow-habitat relationships to conduct NGD and NGY analyses at the Upper Alameda Creek and Niles Canyon reaches (Completes analyses of Segments 1, 2, and 4 in the 2008 Study Plan Section 5.1.1.4); 2) Develop a technical memorandum that summarizes methods and analytical results of the habitat mapping effort and NGD/NGY analyses; and 3) Participate in meetings and coordinate with Fisheries Subcommittee (project management).

**Second Amendment to the Memorandum of Understanding (MOU)**

**Dated**

*November 19, 2010*

**Among**

Alameda County Flood Control and Water Conservation District, Alameda County Resource Conservation District, Alameda County Water District, Alameda Creek Alliance, California State Coastal Conservancy, California Department of Fish and Game, East Bay Regional Park District, National Marine Fisheries Service, Pacific Gas and Electric Company, San Francisco Public Utilities Commission, Zone 7 Water Agency

**Regarding**

The Alameda Creek Fisheries Restoration Workgroup (Workgroup) and collaborative Flow Studies focused on Steelhead Restoration.

## I. Recitals

A. The MOU authorized in 2006 by the organizations listed above includes a provision for amendments.
B. The funding provided in the 2006 MOU, totaling $240,000, has been expended to implement Phase 1 of the Flow Studies.
C. The additional funding provided in the First Amendment to the MOU, dated February 2009 and totaling $210,000, has nearly been expended on Phase 2 of the Flow Studies.
D. The signatories to this Second Amendment to the MOU, dated November 2010, have reviewed the scope of work to continue Phase 2 of the Flow Studies. The additional cost to complete the work is approximately $72,000.
E. A contingency of $9,000 is included to cover unforeseen needs, thereby helping to ensure the completion of scope of work this water year; unspent funds will be applied to future tasks under Phase 2 or Phase 3.
F. The total requested funds for the Second Amendment (estimated cost plus contingency) is $81,000.

## II. Modifications to the MOU

The MOU is hereby modified as follows:

**A. Section IV(B), Joint Funding of Flow Studies is amended to read as follows: as follows:**

To date, ACFC&WCD, ACWD, PG&E, SCC, SFPUC, and Zone 7 have collectively contributed $450,000 towards Alameda Creek watershed flow studies that are coordinated by a project manager, conducted by the Technical Team, and led by an independent consultant working on behalf of the Workgroup.

*November 2010*

The following organizations hereby agree to provide additional funding in the amount of $81,000 to continue Phase 2 of the Flow Studies under this Second Amendment to the MOU, and in the following amounts: Pacific Gas and Electric Company, $9,000; Alameda County Flood Control and Water Conservation District, $18,000; Alameda County Water District, $18,000; San Francisco Public Utilities Commission, $18,000; and Zone 7 Water Agency, $18,000. A possible future SCC contribution may reduce the estimated costs for the other parties in Phase 2, or it may be applied to Phase 3 as determined by the Workgroup.

With approval of this Second Amendment, the total commitment made to the Flow Studies is $531,000.

The Second Amendment signatories recognize that additional funding will be required to complete Phase 3 of the Flow Studies as described in the original MOU, or any additional tasks in Phase 2 that are not currently in the scope of work, and that the funders of these efforts will need to obtain additional authority beyond this Amendment to provide the necessary funds.

The selection of the project manager, scope of work for these studies and the identification of the Consultant has been, and will continue to be, led by the Flows Subcommittee on behalf of the Workgroup.

## III. Legal Effect

Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

**Signatures:**

Sign: Date:

**Organization:** Alameda County Flood Control and Water Conservation District, Zone 7
Name: G. F. Duerig
Title: General Manager

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

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

WHEREAS, Zone 7 of the Alameda County Flood Control and Water Conservation District, is a signatory to the 2006 Memorandum of Understanding for the Alameda Creek Fisheries Restoration Workgroup and its 2008 Amendment; and

WHEREAS, the initial funding arrangements specified in the 2006 Memorandum of Understanding have become obsolete; and

WHEREAS, the amount of $30,000 that the Board of Directors of Zone 7 authorized in 2006, and the $40,000 authorized in 2009, for shared funding of the Workgroup's studies as identified in the Memorandum of Understanding are nearly exhausted; and

WHEREAS, additional funding is required to implement the next segment of Phase 2 of these studies;

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 second amendment to the 2006 Memorandum of Understanding to the Alameda Creek Fisheries Restoration Workgroup with the other members of the Workgroup to continue our participation in studies focused on the restoration of steelhead to Alameda Creek; and

BE IT FURTHER RESOLVED that the General Manager be authorized by the Board to allocate funding for Zone 7's portion of the flow studies in an amount not to exceed $18,000.

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 the Zone 7 Water Agency on

January 19, 2011

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: ENGINEERING AND OPERATIONS**
**CONTACT: KURT ARENDS/VINCE WONG**

AGENDA DATE: January 19, 2011 ITEM NO. 7b

SUBJECT: REQUEST FOR OUT-OF-STATE TRAVEL EXPENSE REIMBURSEMENT TO ATTEND THE SOUTHWEST MEMBRANE OPERATOR ASSOCIATION'S 2011 ANNUAL SYMPOSIUM IN LAS VEGAS, NEVADA

SUMMARY:

- The Southwest Membrane Operator Association (SWMOA) is holding its 2011 Annual Symposium on February 7-9, 2011 in Las Vegas, Nevada. The symposium theme is "With Membranes – We are All In." The Annual Symposium offers a wide variety of technical sessions and exhibits to share the latest on technologies, case studies and research projects and their results.
- Zone 7's Mocho Groundwater Demineralization Plant (MGDP) is one of six or seven plants being considered for "Outstanding Plant of the Year" by SWMOA to be awarded at the 2011 Annual Symposium.
- Out-of-state travel authorization is requested for Karen Newton to attend and present at the 2011 Annual Symposium. Karen and the rest of the Water Quality Team have been providing technical support to the Engineering and Operations staff throughout the first year of start-up at the Mocho Groundwater Demineralization Plant. Karen also coordinated SWMOA's workshop that was held in November at Zone 7's Parkside Office. Her presentation will focus on developing Standard Operating Procedures (SOPs) as part of obtaining an operating permit for the new facility.
- Out-of-state travel authorization is also requested for Mike Square, Treatment Plant Operator, to attend the Membrane Operator Symposium. Mr. Square is assigned to the Patterson Pass Plant and has field experience operating the ultra-filtration membranes. Mr. Square has expressed an interest in attending the technical sessions at this conference. In addition, he will be available to represent Zone 7 if we were to receive the Plant-of-the-Year Award

FUNDING:

Conference costs include a $400 registration fee per person ($300 for the speaker) plus travel, lodging, and miscellaneous expenses for a total of approximately $1,600 per person. Funds are available and budgeted in the Water Enterprise Fund (52).

RECOMMENDED ACTION:

Adopt attached Resolution.

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

RESOLUTION NO.

INTRODUCED BY:
SECONDED BY:

**Out-Of-State Travel Expense Reimbursements to Attend The Southwest Membrane Operator Association (SWMOA) 2011 Annual Symposium**

WHEREAS, Karen Newton has been selected to make a presentation at the 2011 Annual Symposium of the Southwest Membrane Operator Association (SWMOA) in Las Vegas, Nevada, from February 7 through February 9, 2011; and

WHEREAS, Mike Square, Treatment Plant Operator, also has expressed an interest in attending the Annual SWMOA Symposium;

NOW, THEREFORE, BE IT RESOLVED that that the Board of Directors of Zone 7 of the Alameda County Flood Control & Water Conservation District does hereby authorize Karen Newton's and Mike Square's attendance at the SWMOA 2011 Annual Symposium in Las Vegas, Nevada, from February 7 through February 9, 2011; and

BE IT FURTHER RESOLVED that Karen Newton and Mike Square be reimbursed for actual and necessary expenses associated with their attendance at this event.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a resolution adopted by the Board of Directors of the Zone 7 Water Agency on

January 19, 2011

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: ADMINISTRATION**
**CONTACT: JILL DUERIG**

AGENDA DATE: January 19, 2011 ITEM NO. 7c

SUBJECT: REQUEST FOR OUT-OF-STATE TRAVEL TO ATTEND UPCOMING ASSOCIATION OF CALIFORNIA WATER AGENCIES' DC CONFERENCE

## SUMMARY:

Director Dick Quigley has expressed an interest in attending the Association of California Water Agencies' (ACWA) Annual DC Conference to be held March 1-3, 2011 in Washington, DC. This conference provides an opportunity to learn about the current plans and priorities of the Administration and Congress. The conference usually includes an Executive Branch speakers program as well as a Legislative session where invited members of Congress will address ACWA members and answer questions. Additional speakers will provide an analysis of the 2010 election outcome and what it may mean for water agencies. Although staff often participate in this annual conference, they have expressed an interest in saving travel expenses this year by foregoing attendance.

Director Quigley has already obtained board approval to attend all in-state ACWA conferences while participating on the ACWA Region 5 Board and the Energy Committee without seeking approval from the Board for reimbursement of travel and registration expenses. However, this is an out-of-state conference so additional Board authorization must be obtained.

## FINANCIAL:

Registration costs for ACWA's annual DC conference is $485 per person plus miscellaneous expenses associated with attendance, i.e., airfare, parking, accommodations and meals, with a total cost estimated at $3,000 per person. Funds are available from Fund 52-Water Enterprise.

## RECOMMEND ACTION:

Adopt attached resolution.

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

RESOLUTION NO

INTRODUCED BY
SECONDED BY

WHEREAS, Director Dick Quigley has expressed an interest in attending the Association of California Water Agencies (ACWA) DC Conference to be held March 1-3, 2011 in Washington, DC;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control & Water Conservation District does hereby authorize Director Quigley's attendance at ACWA's DC Conference; and

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

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on January 19, 2011.

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: OFFICE OF THE GENERAL MANAGER**
**CONTACT: ROBYN NAVARRA**

AGENDA DATE: January 19, 2011 ITEM NO. 7d

SUBJECT: Award of $5,000 to Ruby Hill Golf Course for Large Landscape Water Use Efficiency Irrigation Hardware replacement

**SUMMARY:**

- In 2008 James Ghielmetti of Ruby Hill Golf Club notified Director Bill Stevens, of their efforts to improve their irrigation efficiency on the golf course and was requesting an evaluation and feedback from Zone 7 on their conservation efforts. Ruby Hill also was seeking information on irrigation incentive programs for commercial customers.
- Conservation at Ruby Hill helps Zone 7 achieve the state's Delta Vision, reducing dependence on the Delta.
- In 2008, Zone 7 and the City of Pleasanton did not have an irrigation hardware replacement program for large landscapes. Staff met with Ruby Hill Golf Club maintenance staff and reviewed the upgrades to the property and he was provided the costs for these upgrades. It was determined Zone 7 would develop and implement a pilot outdoor landscape incentive program to commercial, industrial, and institutional customers. It was also tentatively agreed that Zone 7 would provide $5,000 to Ruby Hill Golf Club for their 2008-2009 conservation efforts.
- Staff has reviewed all documentation and recommends approving the $5,000 incentive to Ruby Hill Golf Club for their 2008-2009 conservation efforts. They have replaced a total of 761 irrigation nozzles and nozzle housings. The new design is proven to date a 10% water savings with the new upgrades. The project was completed on June 15, 2009, for a total cost of $12,500.
- This was informally approved previously but a board resolution is required by the County to process a check

**FUNDING:**
Funding is available in Fund 72-Renewal & Replacement.

**RECOMMENDED ACTION:**
Approve the attached resolution.

**ATTACHMENTS:**
Resolution

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
ZONE 7 WATER AGENCY

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

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 issue a rebate incentive to Ruby Hill Golf Club for their 2008-2009 irrigation efficiency and water saving efforts in the amount of $5,000.

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 the Zone 7 Water Agency on

January 19, 2011____________________________

By_______________________________________
President, Board of Directors

RUBY HILL

GOLF CLUB

November 25, 2008

Bill Stevens
Zone 7 Board of Directors
100 North Canyons Parkway
Livermore, CA 94551

Dear Mr. Stevens:

As the owner and operator of Ruby Hill Golf Club, I'm writing to you to request an evaluation of our efforts to improve our irrigation efficiency on the golf course. Specifically, I would like your feedback on a proposed improvement to our sprinkler nozzles, as it relates to your rebate program for customers who improve their water use efficiency.

As a business owner and homebuilder, I have always been sensitive to California's growing water needs. To this end, our staff has worked tirelessly to manage a championship golf course that makes reducing water use a top priority. These efforts have come in the form of planting drought-tolerant Bermuda grass, irrigation audits, and a voluntary reduction of 20% (70 acre feet) that will remain in effect indefinitely.

To realize further reductions, I would like to upgrade our 12-year old system by retrofitting the sprinklers with nozzles that will improve our distribution uniformity, thereby reducing our usage by an additional 5-10%. The Metropolitan Water District and EBMUD have seen the value of this particular improvement and have granted rebates to the following golf courses through their water conservation programs:

1. Blackhawk Country Club – **EBMUD**
2. Sequoyah Country Club – **EBMUD**
3. Aliso Viejo Country Club – **Metropolitan Water Dist.**
4. Angeles National Golf Course - **Metropolitan Water Dist.**
5. Black Gold Golf Course - **Metropolitan Water Dist.**
6. Chevy Chase Golf Course - **Metropolitan Water Dist.**
7. Costa Mesa Golf Club - **Metropolitan Water Dist.**
8. Hillcrest Country Club - **Metropolitan Water Dist.**
9. Los Robles Country Club - **Metropolitan Water Dist.**
10. Seacliff Country Club - **Metropolitan Water Dist.**
11. Meadowlark Country Club - **Metropolitan Water Dist.**
12. North Golf Course - **Metropolitan Water Dist.**
13. Spanish Hills Country Club - **Metropolitan Water Dist.**
14. Westridge Golf Course - **Metropolitan Water Dist.**
15. Wellshire Golf Course - **Metropolitan Water Dist.**

An independent study of the nozzle improvement was conducted by the Center for Irrigation Technology and can be viewed at: http://www.underhill.us/PDFs/Golf_20Course_20Irrigation_20Nozzle_20Study.pdf
At an average cost of $20.00 per sprinkler head, the entire project could be completed by March of 2009 for a total cost of about $12,000. A potential savings of 18-37 acre/feet could be realized by the Zone 7 water district.

I ask that this data be reviewed as it applies to your current efforts to promote water conservation. I believe the value of such efforts has already been realized by neighboring water districts and should be a part of Zone 7's conservation program. A timely review of this proposed plan would be appreciated to prepare for the 2009 growing season.

Sincerely,

James C. Ghielmetti
Owner

3400 W. RUBY HILL DRIVE, PLEASANTON, CA 94566-6413 (925) 417-5840 FAX (925) 417-5845

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7
100 NORTH CANYONS PARKWAY, LIVERMORE, CA 94551-9486 • PHONE (925) 454-5000

December 17, 2008

James C. Ghielmetti, Owner
Ruby Hills Golf Club
3400 W. Ruby Hill Drive
Pleasanton, CA 94533-6413

Subject: *Sprinkler Nozzle Improvements*

Dear Mr. Ghielmetti:

This letter is sent in response to your letter of November 25, 2008. We thank you for your interest and applaud your efforts to conserve water.

Currently, Zone 7 does not have a rebate program related to landscaping improvements. However, during water rate discussions that our Board conducted, staff was directed to develop a plan for expanding our conservation program and one of the areas for improvement is large landscape use. Although discussions were largely focused on schools, Zone 7 staff will be evaluating alternatives in collaboration with our four retail water agencies.

Stay tuned for future developments in our expanding water conservation program. If you have additional questions about conservation or any other water issues, please feel free to contact Jill Duerig, Zone 7's General Manager, at 925 454-5000.

Sincerely,

Sarah Palmer, President
Board of Directors

**Interoffice Memo**

**Date**: June 17, 2009
**To**: Jill Duerig, General Manager
**From**: David W. Houts, Assistant to the General Manager
Robyn Navarra, Conservation Coordinator
**Subject**: Conservation Plan Recommendations

## BACKGROUND

Water conservation is a priority in any water resources strategy developed for the Livermore-Amador Valley region. The overall objective of a water conservation program is to achieve and maintain a high level of water use efficiency throughout the region by eliminating wasteful practices in water use, developing information on current and potential water efficient practices and implementing these practices. In addition, based on the board's declaration of support for ACWA's conservation principles which include support for the governor's target of ultimately reducing water use 20% by the year 2020, a general expanded conservation plan was prepared with a goal of reducing average daily per capita demands, starting this year.

By implementing conservation programs, Zone 7 and all its customers (both treated and untreated) benefit in a number of ways:

- **Cost avoidance for purchased water.** Although Zone 7 has projected adequate water supplies for the near future, the cost of water has risen steadily and is expected to continue to do so. One way to avoid purchasing expensive imported water is to use less through water use efficiency programs.

- **Drought preparedness.** One way to lessen the severity of this and future droughts' effects on Zone 7 is to create a community that operates at a high level of water use efficiency.

- **Environmental sustainability.** Many of the programs in this plan support sustainable behavioral changes with our customers that not only have beneficial implications for water use, but also for energy, water quality, wastewater, runoff, and greenhouse gas emissions.

- **Compliance with Best Management Practices.** As a signatory to the California Urban Water Conservation Council (CUWCC), Zone 7 undertook an obligation to implement the Best Management Practices (BMPs) for water conservation. The programs included in this plan meet those obligations.

- **Reducing Demands on a Less-Reliable Supply.** Zone 7 imports about 80% of its water from the State Water Project. This water is conveyed through the Delta, which is in a state of crisis. Recent court and regulatory decisions have reduced the reliability of that water conveyance system. Climate change further stresses the projected availability of imported supplies. Regional demand reductions, whether on potable use, groundwater pumping or untreated water use, all contribute to local water supply reliability.

In order to evaluate the reliability of water conservation programs and the savings they can achieve, two fundamental concepts come into play:

- ***Technical Savings Potential:*** savings resulting from the installation of efficient plumbing fixtures such as high-efficiency toilets, clothes washers and irrigation systems.

- ***Behavioral Savings Potential:*** savings resulting from activities such as taking shorter showers, turning off faucets and reducing landscape watering.

"Technical Savings" comprise the majority of potential water savings, costs and benefits associated with the various conservation programs in the expanded conservation plan. This is the standard method used in the conservation industry because it is the most objective method to forecast future savings. It is more difficult to create a formula that predicts how people will behave. However, Zone 7 has recognized the importance of "Behavioral Savings" and the ongoing effort required to sustain them, as evidenced by the extensive outreach and education program that is ongoing at Zone 7.

The most efficient and cost-effective conservation programs target both behavioral and technical savings. Therefore, each conservation plan element includes an outreach component that not only encourages the customer to install or implement a device or activity, but to change their long-term behavior.

*Existing Zone 7 water conservation programs*:

- Wholesale Agency Assistance Programs: Assisting local water retailers in the areas of financial support, technical support, and program management.
- Conservation Coordinator: The position is currently staffed.
- Conservation Outreach: Increasing the public awareness of water conservation opportunities through outreach efforts, such as local community events and the agency web site, and through local schools, with assemblies and curriculum supplements to teachers and students.
- Residential High-Efficiency Clothes Washer Rebate Program: Providing rebates to subsidize the purchase of high-efficiency washing machines (HEW).
- Residential High-Efficiency Toilet Rebate Program: Providing rebates to subsidize the purchase of high-efficiency toilets (HET).
- The California Irrigation Management Information System (CIMIS): Installed at the Alameda County Fairgrounds and assisting landscape professionals in determining an appropriate irrigation schedule for the properties they manage.

**DISCUSSION**

In November 2008, the Board established a funding placeholder for water conservation programs and a recycled water plan, during deliberation of the treated water/recharge rates schedules for 2009. The approved Capital Improvement Plan (CIP) provided a total of $730,000 for the expanded water conservation program in Fund 72-Renewal & Replacement and in Fund 73-Expansion. Spending the budgeted total of $730,000 is subject to development of a plan for the enhanced conservation program.

In April 2009, the Zone 7 Board declared its support for the ACWA Policy Principles on Water Conservation and Water Use Efficiency. One of these principles was that “ACWA supports the Governor’s statewide goal to reduce per capita water use 20% by 2020.” Taking this in tandem with the Kennedy-Jenks report, staff developed the following roadmap to set Zone 7 on a course to accomplish significant water savings over the next ten years, starting now.

Zone 7’s calendar year 2006 retail water usage by account type is shown in Table 1. In order to evaluate the greatest potential conservation savings, staff used the year 2006 because it represents the last “normal” behavior before entering the multiple-year drought and Zone 7’s request for 10% conservation savings.

**Table 1. Zone 7 Potable Water Usage - 2006**

| Customer Class | Number of Water Accounts | Water Use (acre feet) | Water Use as Percentage of Total |
|---|---|---|---|
| Single Family Residential | 55,347 | 25,970 | 59.1% |
| Multi-Family Residential | 2,140 | 2,291 | 5.2% |
| Commercial/Institutional | 3,591 | 8,212 | 18.7% |
| Industrial | 15 | 104 | 0.2% |
| Landscape Irrigation | 1,762 | 6,333 | 14.4% |
| Other | 860 | 1,053 | 2.4% |
| **Total** | **63,715** | **43,964** | **100%** |

*Kennedy-Jenks Cost-Benefit Analysis of Demand Management Measures or BMPs*

Zone 7 commissioned a review of existing conservation programs, the CUWCC Demand Management Measures or Best Management Practices (BMPs) and a determination of the cost-effectiveness of implementing various conservation measures (current and additional). The report, “The Zone 7 Water Agency Cost-Effectiveness Study – April 2009,” by Kennedy/Jenks Consultants concludes:

- Zone 7 is well positioned with regard to the CUWCC Foundational BMPs of Utility Operations and Education (public information & schools).
- Zone 7 should continue the existing residential rebate programs for HEWs and HETs.
- Zone 7 should consider adding a number of programs, based upon favorable program cost-benefit ratios and value as marketing tools to promote other water conservation measures. Among these are Large Landscape Water Surveys; Commercial, Industrial and Institutional (CII) Surveys; and Plumbing Retrofits

Based on this information and discussions with Zone 7’s retailers, staff has identified the target audiences and conservation programs that are expected to have the greatest impact on water use:

1. Residential customers – expansion of high efficiency washing machine program; landscape surveys and irrigation controller rebates, with special focus on multi-family

dwellings.

2. Commercial customers – large landscape surveys and irrigation controller rebates; high efficiency toilet and urinal rebates.
3. Schools – large landscape surveys and irrigation hardware replacement; indoor surveys and plumbing fixture replacement.

With this in mind, staff has developed a plan for achieving additional technical conservation during the next year. The components and preliminary costs for individual components are shown in Table 2, below. More details on the expanded conservation program for this year are attached. Staff anticipates using the first year as a pilot program to establish the basis for a longer-term regional Conservation Master Plan.

**TABLE 2. Summary of Expanded (New Programs) Conservation Plan**

| SECTOR | PROGRAM | ESTIMATED PROGRAM COST | WATER SAVINGS FIRST YEAR (AF) | COST PER AF OVER LIFE OF DEVICE/ ACTIVITY |
|---|---|---|---|---|
| **Residential** | GreenPlumbers Training | $29,650 | Unknown | Unknown |
| **Residential** | Expansion of HEW Program | $38,800 | 6.2 | $626 |
| **Residential** | Weather Based Irrigation Controller (WBIC) Rebates | $31,900 | 4.14 | $770 |
| **CII** | Large Landscape Water Use Surveys & Budgets | $94,000 | 30.0 | $627 |
| **CII** | Irrigation System Hardware Rebates (including WBIC) | $101,600 | 24.58 | $413 |
| **CII** | Commercial High Efficiency Toilet (HET) Rebates | $52,021 | 8.0 | $325 |
| **CII** | High Efficiency Urinal (HEU) Rebates | $26,021 | 6.14 | $212 |
| **Schools** | Indoor Water Use Surveys & Plumbing Device Replacement | $42,250 | 15.68 | $1187 |
| **Schools** | Large Landscape Water Use Survey & Irrigation System Hardware Replacement | $196,000 | 91.48 | $462 |
| | **TOTAL:** | **$612,242** | **186.22 AF** | |

Additional details of the concepts for expanding the conservation program during the next year are included in Exhibit One.

As the first step in implementing the program, Zone 7 solicited proposals from consultants who conduct large landscape surveys. Five proposals were received from:

- WaterWise Consulting, Inc.
- Wood Rodgers
- SpotWater Management
- ValleyCrest Landscape Maintenance
- Green World Solutions Inc.

Staff reviewed the proposals and interviewed a short list. After the interviews, selected SpotWater Management as the most qualified to perform this work, with a budget of $84,000. Because the actual number of surveys may vary depending on the popularity of the program, staff recommends a 12% contingency be added for a total, not-to-exceed amount of $94,000.

**RECOMMENDATION:**

The attached Conservation Plan detail outlines an expanded water conservation program that costs approximately $612,242 for a year. This is well below the budgeted total of $730,000 for the expanded program but it is difficult to predict the popularity of the programs and how many rebates and surveys will actually be sought. Staff recommends approving the attached framework for budget expenditures during the first year and, as a first step, authorizing the General Manager to negotiate and execute a contract with SpotWater Management in an amount of $94,000 which includes a 12% contingency to perform Large Landscape Water Use Surveys.

# EXHIBIT ONE: **Expanded Conservation Plan Detail**

The following plan outlines an expanded conservation program to be implemented over the next year. A total budget is attached to the Staff Memo, above, as Table 2. Note that each category has estimates, only, that will significantly vary depending on numbers of participants and current amount of use and wasted water; determination of actual savings will only be possible from meter readings.

## *Education - GreenPlumbers®*

Zone 7 already has a substantial education and outreach program. The enhanced program would add a contract with GreenPlumbers®, which is an innovative, national training and accreditation program that assists plumbers in understanding their role in the environment and public health. The organization's goal is to train and deploy a green army of thousands of plumbers to promote the benefits of water conservation and the reduction of GHG emissions. The focus is on changing consumer and plumbing behavior through the use of energy efficiency and water saving technologies. As a grassroots effort, the plan is a voluntary one that can be implemented quickly without legislation or regulation. Due to the range of sponsorships, this program is estimated at $4,000 per course of the five-course series, plus any anticipated staff costs for facilitation.

- Course 1: Solar Hot Water
- Course 2: Caring for Our Water
- Course 3: Climate Care
- Course 4: Water Efficient Technology
- Course 5: Inspection Report Services

*Why Offer This Program?*
It is estimated that a professional plumber may have as many as 600 contacts per year with the general public in the course of providing services, which makes this program a very cost-effective outreach and education effort.

*Zone 7 Impact:*
- Estimated Additional Program Cost: $29,650 for one series of five courses and program administration.

## *Residential Programs*

### **Expansion of HEW Rebate Program to Include Multi-Family Customers**
Zone 7 already has a significant high-efficiency water rebate program but it is only available to single-family residential customers. The expanded program would extend these rebates to multi-family residential customers.

*Current Market Condition*
Coin or card-operated washing machines are often found in common-area multi-family buildings

and apartment complexes. These types of multi-user laundry facilities can also be found at college dormitories, motels, detention facilities, homeless and family shelters, RV parks, campgrounds and mobile home parks. These machines use virtually the same technology as residential models, and because of their high usage, have the potential to save more water. The current Zone 7 program does not provide rebates for multi-family customers. Staff recommends the expansion of the program to include multi-family and multi-user laundry facility customers.

*Why Offer This Program?*
Common area clothes washing facilities provide excellent opportunities for water conservation because the frequency of use for each clothes washer is much greater than in-home machines. While an in-home machines average only six to eight loads per week, common area machines often wash 20 to 50 loads per week per clothes washer.

*Zone 7 Impact:*

- Estimated Additional Program Cost: $38,800 for 200 rebates and program administration.
- Cost-Benefit Ratio: 1.62
- Cost per AF: $49
- Potential Total Water Savings in Year 1: 6.2 AF

**Weather-Based Irrigation Controller (WBIC) Rebate Program**
Zone 7 does not have any irrigation controller rebate program, at present. However, landscape irrigation enhancements were one of the potential Demand Management Measures/BMPs identified in the Kennedy-Jenks study for possible implementation.

*Current Market Condition*
Weather-based irrigation controllers, also known as “smart” controllers, automatically adjust watering times based on local weather conditions. On average, most consumers know little about landscape efficiency technology and the benefit that outdoor water efficiency brings to the health of their landscape investment and water bill. Consumers tend to understand the general benefits of a controller, but traditional landscape control systems have been too complex and expensive for the average customer to utilize. Although WBICs are more evident in the market, customers need additional incentives to make this financial investment.

*Why Offer This Program?*
Zone 7 can achieve great outdoor water savings if this product is marketed to and accepted by residential customers. These devices can save over 13,500 gallons per year or over 1/3 acre foot savings per customer over the product life.

*Zone 7 Impact:*

- Estimated Program Cost (WBIC): $31,900 for 100 rebates and program administration.
- Cost-Benefit Ratio: 1.65
- Cost per AF: $770
- Potential Total Water Savings in Year 1: 4.14 AF

### *Commercial, Industrial and Institutional (CII) Programs*

Zone 7 does not currently have a CII program. Again, this was a Demand Management Measure/BMP identified in the Kennedy-Jenks report.

Many business owners and facility managers do not yet recognize that water conservation is a cost-effective way to reduce operating costs. When compared to energy costs, water is a relatively low-cost resource and is not often scrutinized for cost saving opportunities. Decision-makers do not realize water use savings typically extend to savings in wastewater and perhaps power costs as well.

Water efficiency programs warrant a “second look” by a business manager when two conditions exist:

1. Generous rebates are available; and
2. The retrofits can be installed within a quick timeframe.

This plan’s CII Program is designed with high-efficiency technologies in mind, technologies that, for the most part, can be installed with relative ease. These products and programs have a strong history of success both through independent studies and the experiences of other water agencies.

**Large Landscape Water Use Surveys and Water Budgets**

Zone 7 does not currently have a Large Landscape program. Again, this was a Demand Management Measure/BMP considered in the Kennedy-Jenks report.

*Current Market Conditions*

Statistics show that as much as 50% of commercial water is used for irrigation. With many cases of over-irrigation, excessive run-off and inefficient hardware, water agencies have the opportunity to tap common sense and technology to improve conservation efforts and enhance the health and beauty of our landscapes. And since the climate of the Livermore-Amador Valley is warmer and dryer than many other areas in the San Francisco Bay region, outdoor water use is a significant component of water use in our service area (over 14% of total water use in 2006).

*Why Offer This Program?*

Large landscape surveys and water budgets provide technical assistance to customers to use water more efficiently. These surveys consist of an evaluation of existing irrigation system components, system layout and irrigation practices in relation to the plant material, climate and topography of the site. Studies show that large landscape surveys can reduce water use up to 35%.

*Zone 7 Impact:*

- Estimated Program Cost: $94,000 for 30 surveys and program administration.
- Cost-Benefit Ratio: 6.7
- Cost per AF: $627
- Potential Total Water Savings in Year 1: 30 AF

**<u>Weather-Based Irrigation Controller (WBIC) Rebate Program</u>**
Zone 7 does not currently have a WBIC Rebate program. However, this was a Demand Management Measure/BMP identified in the Kennedy-Jenks report.

*Current Market Condition*
Statistics show that as much as 50% of commercial water is used for irrigation. With many cases of over-irrigation, excessive run-off and inefficient hardware, water agencies have the opportunity to tap common sense and technology to improve conservation efforts and enhance the health and beauty of our landscapes. And since the climate of the Livermore-Amador Valley is warmer and dryer than many other areas in the San Francisco Bay region, outdoor water use is a significant component of water use in our service area (over 14% of total water use in 2006).

*Why Offer This Program?*
With WBICs installed on commercial properties, customers can avoid over-watering and excessive run-off by scheduling the amount of irrigation based on the type of landscape and current weather conditions. The technology to control irrigation application automatically has been included in large-scale commercial systems for some time, but is relatively new to the small commercial sector. Zone 7 hopes to incentivize this program enough to motivate these customers to install these devices.

*Rebate Amount:* $300-$1,100 depending on the number of stations (total included in estimate for all Irrigation System Hardware Rebates, below).

**<u>Other Irrigation System Hardware Rebates</u>**
Zone 7 does not currently have any Irrigation System Hardware Rebate program. Again, this was a Demand Management Measure/BMP identified in the Kennedy-Jenks report.

*Current Market Conditions*
Landscape watering represents a major percentage of water use and waste in California. Based upon the experience of thousands of landscape audits performed by the San Diego County Water Authority, incentives are needed to spur irrigation equipment upgrades for improvements in irrigation efficiency. While the number of gross over-irrigators has declined steadily, distribution uniformity (DU, defines how evenly the irrigation system applies water over the landscape) has remained low, about 50%. Without good DU, water use cannot be reduced to efficient levels without harming the landscape.

*Why Offer This Program?*
Although the achievement of landscape efficiency sometimes requires complex solutions and a considerable financial investment, the payback in cost and water savings is plentiful. In addition to water savings, high efficiency irrigation equipment upgrades can result in energy savings, reduced runoff, and increased turf quality. This program complements the large landscape survey program by offering a rebate of up to 50% to implement water efficient hardware upgrades. This program includes the WBIC rebate program, described above.

*Rebate Amount:* up to 50% of hardware costs, not to exceed $5,000 per site

*Zone 7 Impact (Total for WBIC and Other Irrigation Hardware Rebates):*

- Estimated Program Cost: $101,600 and program administration.
- Cost-Benefit Ratio: 0.96
- Cost per AF: $413
- Potential Total Water Savings in Year 1: 25 AF

**High Efficiency Toilet (HET) and High Efficiency Urinal (HEU) Rebate Programs**

Zone 7 currently has an HET rebate program for single family residential customers. The expanded program would extend this program to non-residential customers and include both HETs and HEUs.

*Current Market Condition*

There has been much success in the Zone 7 service area with residential high efficiency toilets, but there is a significant non-residential sector that can be reached through rebates for commercial HETs and HEUs. In fact, some of the biggest opportunities for water savings are found in the Commercial, Industrial and Institutional (CII) sectors. In Zone 7's service area, CII customers account for 19% of total water use. In addition, schools, with their high person/fixture ratio and high frequency of use, can demonstrate a very fast payback on these types of conservation investments.

*Why Offer This Program?*

HETs can save 19,000 gallons per year when replacing an average, non-efficient toilet and 4,000 gallons per year when replacing a ULFT. When replacing inefficient fixtures, HEUs can save between 1.0 and 4.5 gallons per flush, without sacrificing performance. That's a significant amount of water, since statistics show that nearly 80 percent of the urinals in use today exceed the maximum allowable flush volume set by federal standards. For schools, implementation is sometimes impeded by budgetary restrictions of the schools. Therefore it is suggested that the cost to schools be fully rebated.

*Rebate Amounts:* HETs up to $150, HEUs up to $150

*Zone 7 Impact (HET):*

- Estimated Program Cost: $52,021 for 200 rebates and program administration.
- Cost-Benefit Ratio: 1.10
- Cost per AF: $325
- Potential Total Water Savings in Year 1: 8 AF

*Zone 7 Impact (HEU):*

- Estimated Program Cost: $26,021 for 100 rebates and program administration.
- Cost-Benefit Ratio: 1.10
- Cost per AF: $212
- Potential Total Water Savings in Year 1: 6.14 AF

***Commercial, Industrial and Institutional (CII) Programs - <u>(Schools Only)</u>***

Schools would be eligible for all CII programs but this is a targeted comprehensive program for schools to provide additional financial support to achieve potential indoor and outdoor water savings, through services and limited hardware replacement. Potential indoor and outdoor water savings for schools range from 20 percent to 38 percent. Through this program, Zone 7 will subsidize potentially up to 100% of the conservation measures implemented.

*Why Offer This Program?*
We appreciate that the program is marginally cost-effective in strict cost-benefit terms due to the potential full subsidy by Zone 7, but should be viewed as an outreach opportunity, the "right thing to do" to save water, the only way to reach out to distressed budget-constrained schools and a way to enhance communities by improving the appearance of school campuses and the playability of sport fields. For Zone 7, we believe that public agencies should be role models of water use efficiency. This program provides goodwill for participating agencies.

<u>**Indoor Water Use Surveys and Plumbing Device Replacement *(Schools Only)***</u>
*Current Market Conditions*
Implementing water conservation in schools offers two-fold benefits; water is saved at the facility, and the students receive practical education and experience on the merits of water conservation. The high person/fixture ratio results in very high frequency of use leading to a very fast payback on many conservation investments. While the savings potential is huge, implementation is sometimes impeded by budgetary restrictions of the schools. When selecting water efficient equipment, it is important to consider durability and tamper resistance wherever students have access to the fixtures, equipment and appliances. High schools are considered one of the most abusive environments for sanitary fixtures.

*Why Offer This Program?*
Schools use a tremendous amount of water every day in restrooms, locker rooms, cafeterias, and laboratories. Facility managers could save thousands of dollars annually on reduced water and sewer charges simply by reviewing how their facilities use water and by upgrading inefficient fixtures. Faucet aerators and low-flow showerheads are proven, inexpensive water saving devices. Offering these to schools in conjunction with site audits will result in significant water savings.

*Zone 7 Impact:*
- Estimated Program Cost: $42,250 for four local schools and program administration.
- Cost-Benefit Ratio: 5.60 (hardware replacement) & 3.62 (indoor surveys)
- Cost/AF: $1187
- Potential Total Water Savings in Year 1: 15.7 AF

<u>**Large Landscape Water Use Surveys and Irrigation System Hardware Rebates *(Schools Only)***</u>
As it specifically applies to public schools, these incentives could take the form of up-front funding or grants for this equipment and have a higher incentive cap than our commercial and other public sector landscape programs. The benefits of efficient landscape irrigation include water and energy savings; reduced runoff and resulting reduced fertilizer and chemical runoff to

aquifers and wastewater treatment plants; increased turf and plant quality; lessening of weed and disease activity; and reduction in hand watering.

*Zone 7 Impact:*

- Estimated Program Cost:  $196,000 for four local schools and program administration.
- Cost-Benefit Ratio:  5.71
- Cost per AF: $462
- Potential Total Water Savings in Year 1:  91.5 AF

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: HUMAN RESOURCES**
**CONTACT PERSON: TOM HUGHES / GINGER STATON**

AGENDA DATE: January 19, 2011 ITEM NO. 8a

SUBJECT: Staffing Update: Congratulations to Retiree

SUMMARY:

Continuing our practice of advising the Board of Directors on staffing changes, we are recognizing the name and service time for one employee who has retired from Agency service.

*Retirement of Linda Vernon, Account Clerk*
We would like to recognize Linda Vernon, Account Clerk who started her career with Alameda County in 1974. During her tenure she has worked in several departments, including Public Works, the Sheriff's Department, and Pleasanton Municipal Court. She joined Zone 7's Accounting section in September 1992.

RECOMMENDED ACTION:

Adopt the attached resolution acknowledging service to the Agency of Linda Vernon.

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

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

WHEREAS, Linda M. Vernon has served the citizens of Alameda County since her employment with the County began in February 1974; and

WHEREAS, Ms. Vernon served in the Public Works Agency, the Sheriff's Department and the Municipal Court; and

WHEREAS, Ms. Vernon served the citizens of the Livermore-Amador Valley since her employment with the Zone 7 Water Agency began in September 1992; and

WHEREAS, Ms. Vernon, with her conscientious and organized work habits, effectively and efficiently completed her work consistently in a timely manner; and

WHEREAS, Ms. Vernon, with her detail-oriented approach, provided instructive training to new staff and helpful answers to employee questions; and

WHERAS, Ms. Vernon, with her knowledge and experience always provided excellent customer service for fellow staff members and vendors; and

WHEREAS, Ms. Vernon retired from Zone 7 service effective January 8, 2011;

NOW, THEREFORE, BE IT RESOLVED that this Board does hereby acknowledge, commend, and thank Ms. Vernon for her fine public service to Zone 7 Water Agency and the people of the Livermore-Amador Valley.

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 the Zone 7 Water Agency on

January 19, 2011

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:** HUMAN RESOURCES
**CONTACT PERSON:** TOM HUGHES

AGENDA DATE: January 19, 2011 ITEM NO. 8b

SUBJECT: Employee of the Month Recognition

SUMMARY:

The Employee Recognition Program Nomination Committee met in December and selected the Employee of the Month for November 2010 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.

Brad Ledesma, Associate Civil Engineer, has been chosen from among those nominated as the November 2010 Employee of the Month. Brad works as an Associate Engineer in the Water Supply Engineering Section at the North Canyons location. According to the recommendation the committee received, Brad produces excellent, high quality work and gives the job 110% effort every day. Brad is recognized for his willingness to learn, and then to train others, passing along the knowledge and job skills he has acquired along the way. Brad was complimented for thinking 'outside the box' to solve problems. He plans ahead and takes his responsibilities seriously to efficiently complete projects. We are fortunate to have Brad on the job.

RECOMMENDED ACTION:

It is recommended that the Zone 7 Board of Directors recognize and congratulate Brad Ledesma as November 2010 Employee of the Month.

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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**ORIGINATING DIVISION: Financial and Systems Services**
**CONTACT PERSON: John Yue**

AGENDA DATE: January 19, 2011 ITEM NO. 9

SUBJECT: Approve the First Amendment to the Installment Sale Agreement and First Amendment of Assignment Agreement Amending the Maximum Amount of Advances and Authorize the General Manager to Enter Into Same

**SUMMARY:**


- The Board approved an Installment Sale Agreement (ISA) on November 14, 2007 which was established with Wells Fargo Bank in January 2008. On December 16, 2009, the Board authorized the General Manager to advance up to $33 million under the ISA to meet a projected funding shortfall in the Expansion Fund (73). A $30.5 million advance was made on February 17, 2010.

- Staff reported at the Finance Committee on August 25, 2010 that additional advances are not anticipated, and reducing the maximum amount of advances outstanding under the ISA to $30.5 million would avoid a commitment fee of $3,687.50 every three months. The Finance Committee concurred and supported a reduction.

- Nossaman, LLP, special ISA counsel, has reviewed the amendment transaction and opined that no tax liability will be triggered under US Internal Revenue Service code.

- Staff recommends finalizing and entering into a First Amendment to the ISA and First Amendment of Assignment Agreement to amend the maximum amount of advances outstanding to $30.5 million.


**RECOMMENDED ACTION:**
Adopt the attached resolution approving the First Amendment to the ISA and First Amendment of Assignment Agreement amending the maximum amount of advances outstanding from $60,000,000 to $30,500,000 and authorizing the General Manager to finalize and execute.

ATTACHMENTS:
Resolution
First Amendment to Installment Sale Agreement
First Amendment to Assignment Agreement

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

**RESOLUTION APPROVING A FIRST AMENDMENT TO INSTALLMENT SALE AGREEMENT AND A FIRST AMENDMENT TO ASSIGNMENT AGREEMENT; MAKING CERTAIN DETERMINATIONS RELATING THERETO; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH**

WHEREAS, the Alameda County Flood Control and Water Conservation District, Zone 7 (the "Agency") is a special district duly organized and validly existing under the laws of the State of California; and

WHEREAS, the Agency is authorized to sell and purchase its property to finance public capital improvements, including those improvements constituting the Project (as defined below); and

WHEREAS, in order to finance certain improvements (the "Project") to the Agency's water system (the "Enterprise") the Agency has previously determined to enter into an Installment Sale Agreement, dated as of January 1, 2008 (the "Installment Sale Agreement") with Municipal Finance Corporation (the "Corporation") pursuant to which the Agency will purchase the Project from the Corporation; and

WHEREAS, under and pursuant to such Installment Sale Agreement, the Agency will be obligated to make certain installment payments to the Corporation (the "Installment Payments"); and

WHEREAS, the Corporation has assigned its rights under the Installment Sale Agreement to Wells Fargo Bank, National Association (the "Purchaser") in a principal amount sufficient to finance the Project, all under and in accordance with the laws of the State of California and an Assignment Agreement, dated as of January 1, 2008, between the Corporation and the Purchaser (the "Assignment Agreement"); and

WHEREAS, in order to reduce the maximum total amount of Advances which may be outstanding under the Installment Sale Agreement from $60,000,000 to $30,500,000, it is necessary to amend the Installment Sale Agreement and the Assignment Agreement

WHEREAS, there has been presented at this meeting the form of a First Amendment to Installment Sale Agreement, dated as of February 1, 2011 (the "First Amendment to Installment Sale Agreement") between the Agency and the Corporation, and a First Amendment to Assignment Agreement, dated as of February 1, 2011 (the "First Amendment to Assignment Agreement") between the Purchaser and the Corporation.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7 AS FOLLOWS:**

SECTION 1. Approval of First Amendment to Installment Sale Agreement. The form of First Amendment to Installment Sale Agreement, as presented to this meeting is hereby approved. The General Manager is hereby authorized and directed, for and on behalf of the Agency, to execute, acknowledge and deliver the First Amendment to Installment Sale Agreement, in substantially the form presented to this meeting, with such changes therein as the General Manager may require or approve, with the advice and approval of counsel to the Agency, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 2. Approval of First Amendment to Assignment. The First Amendment to Assignment Agreement between the Corporation and the Purchaser is hereby approved by the Agency.

SECTION 3. Other Acts. The General Manager is hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, which in consultation with the Agency's general counsel and Nossaman LLP, special counsel, they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and any and all such actions previously taken by such Officers or staff members are hereby ratified and confirmed.

SECTION 4. Effective Date. This Resolution shall take effect upon adoption.

PASSED, APPROVED AND ADOPTED this 19th day of January, 2011, by the following roll call vote:

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 the Zone 7 Water Agency on

January 19, 2011 ____________________________

By ______________________________________
President, Board of Directors

**FIRST AMENDMENT TO INSTALLMENT SALE AGREEMENT**

**between the**

**ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7**

**and**

**MUNICIPAL FINANCE CORPORATION**

**Dated as of February 1, 2011**

**FIRST AMENDMENT TO INSTALLMENT SALE AGREEMENT**

This FIRST AMENDMENT TO INSTALLMENT SALE AGREEMENT, made and entered into as of February 1, 2011 (the "Amendment"), between the ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7, a special district duly organized and existing under and by virtue of the laws of the State of California (the "Agency"), and MUNICIPAL FINANCE CORPORATION, a corporation duly organized and existing under and by virtue of the laws of the State of California (the "Corporation") (all capitalized terms not otherwise defined herein shall have the meanings set forth in that certain Installment Sale Agreement, dated as of January 1, 2008 (the "Installment Sale Agreement"), between the Agency and the Corporation):

**W I T N E S S E T H:**

**WHEREAS,** in order to provide for the financing of certain capital improvements of the Agency's water system (the "Enterprise"), the Corporation and the Agency have executed and delivered the certain Installment Sale Agreement; and

**WHEREAS,** in order to reduce the total amount of Advances which may be outstanding under the Installment Sale Agreement, is necessary to amend the Installment Sale Agreement, as permitted by Section 8.13 of the Installment Sale Agreement.

**NOW, THEREFORE,** for and in consideration of the premises and the material covenants hereinafter contained, the Corporation and the Agency agree as follows:

**Section 1. Amendment of Section 3.02(a).**

The not-to-exceed amount of Advances outstanding contained in Section 3.02(a) of the Installment Sale Agreement is hereby reduced from $60,000,000 to $30,500,000.

**Section 2. Amendment of Section 3.03(c).**

The amount set forth in Section 3.03(c) of the Installment Sale Agreement for purposes of calculating the commitment fee is hereby reduced from $60,000,000 to $30,500,000.

**Section 3. Amendment of Exhibit B.**

The not-to-exceed amount of Advances outstanding contained in Exhibit B of the Installment Sale Agreement is hereby reduced from $60,000,000 to $30,500,000.

**Section 4.** **Entire Agreement.**

The Installment Sale Agreement and the Amendment constitute the entire Agreement between the parties. Except where altered by a specific provision of this Amendment, all other terms and conditions of the Installment Sale Agreement shall remain in full force and effect.

**Section 5.** **California Law.**

This Amendment shall be construed and governed in accordance with the laws of the State of California.

**Section 6.** **Effective Date.**

This Amendment shall become effective upon its execution and delivery, and shall terminate as set forth in the Installment Sale Agreement.

**Section 7.** **Execution in Counterparts.**

This Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed and attested the First Amendment to Installment Sale Agreement by their officers thereunto duly authorized as of the day and year first written above.

**MUNICIPAL FINANCE CORPORATION**

By: ___________________________________
President

**ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7**,

By: ___________________________________
G. F. Duerig, General Manager

APPROVED:

**WELLS FARGO BANK, NATIONAL ASSOCIATION**

By _______________________________________
Authorized Officer

**FIRST AMENDMENT TO ASSIGNMENT AGREEMENT**

**between**

**WELLS FARGO BANK, NATIONAL ASSOCIATION**

**and**

**MUNICIPAL FINANCE CORPORATION**

**Dated as of February 1, 2011**

**FIRST AMENDMENT TO ASSIGNMENT AGREEMENT**

This FIRST AMENDMENT TO ASSIGNMENT AGREEMENT, made and entered into as of February 1, 2011 (the "Amendment"), between WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (the "Bank"), and MUNICIPAL FINANCE CORPORATION, a corporation duly organized and existing under and by virtue of the laws of the State of California (the "Corporation");

**W I T N E S S E T H:**

**WHEREAS,** the Corporation and the Alameda County Flood Control and Water Conservation District, Zone 7 (the "Agency") have executed and delivered that certain Installment Sale Agreement, dated as of January 1, 2008, as amended by a First Amendment to Installment Sale Agreement, dated as of February 1, 2011 (collectively, the "Installment Sale Agreement"); and

**WHEREAS,** in order to provide for the financing of certain capital improvements by the Agency with respect to the Installment Sale Agreement, the Corporation and the Bank have executed and delivered that certain Assignment, dated as of January 1, 2008 (the "Assignment Agreement"); and

**WHEREAS,** in order to reduce the total amount of Advances which may be outstanding under the Installment Sale Agreement, is necessary to amend the Assignment Agreement, as permitted therein.

**NOW, THEREFORE,** for and in consideration of the premises and the material covenants hereinafter contained, the Corporation and the Bank agree as follows:

**Section 1. Amendment of Maximum Amount of Advances.**

The references to the maximum amount of Advances outstanding contained in the Assignment Agreement are hereby reduced from $60,000,000 to $30,500,000.

**Section 2. Entire Agreement.**

The Assignment Agreement and the Amendment constitute the entire Agreement between the parties. Except where altered by a specific provision of this Amendment, all other terms and conditions of the Assignment Agreement shall remain in full force and effect.

**Section 3.** **California Law.**

This Amendment shall be construed and governed in accordance with the laws of the State of California.

**Section 4.** **Effective Date.**

This Amendment shall become effective upon its execution and delivery, and shall terminate as set forth in the Assignment Agreement.

**Section 5.** **Execution in Counterparts.**

This Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed and attested the First Amendment to Assignment Agreement by their officers thereunto duly authorized as of the day and year first written above.

**MUNICIPAL FINANCE CORPORATION**

By: ___________________________________
President

**WELLS FARGO BANK, NATIONAL ASSOCIATION**

By ________________________________________
Authorized Officer

APPROVED:

**ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7**,

By: ___________________________________
G. F. Duerig, General Manager

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: ENGINEERING**
**CONTACT: KURT ARENDS/CAROL MAHONEY**

AGENDA DATE: January 19, 2011 ITEM NO. 10

SUBJECT: Discussion of the History of Livermore-Amador Valley Mining and the Chain of Lakes, Part 1

**SUMMARY:**


- Mining of aggregate began in the late 1800's in the Livermore-Amador Valley and continues today as an important economic resource. Today, the quarry area is located in the center of the Valley, but mining has taken place across the Valley floor and in or near arroyos.
- Prior to the mid-1950's permits were not issued for mining activities and little oversight of the operations was conducted. The state in which the mining pits were reclaimed was often not addressed and standards of mined slopes varied. A statewide act that governed mining activities and reclamation was not passed until 1975. Alameda County conformed its existing mining ordinance to this act in 1977.
- The *Specific Plan for Livermore-Amador Valley Quarry Area Reclamation* (LAVQAR) was adopted on November 5, 1981. This plan provides a roadmap for reclamation of the mining area to create the "Chain of Lakes," and defines the overall land uses for the lakes and the area immediately surrounding them. LAVQAR assumes that all aggregate will be mined out by 2030, by which time all of the remaining lakes of the designated chain will be deeded to Zone 7 for water management purposes.
- Staff will make a presentation on history and development of the LAVQAR and in subsequent meetings, discussions will focus on the Zone 7-Quarry Owner agreements and the Surface Mining Permits along with their associated reclamation plans.


**RECOMMENDED ACTION:**
Information only.

**ATTACHMENTS:**

- Memo Providing Additional Background and Discussion of Agenda Item

## Interoffice Memo

**Date**: January 19, 2011
**To**: Jill Duerig, General Manager
**From**: Carol Mahoney, Associate Professional Geologist
**Subject**: Discussion of the History of Livermore-Amador Valley Mining and the Chain of Lakes – Part 1

**BACKGROUND:**

This discussion of the history of the quarry area between Livermore and Pleasanton will cover governing documents and ordinances that are administered at the State and County level. Subsequent agendas will discuss the agreements between Zone 7 and the individual quarry owners/operators and outside influences on the future "Chain of Lakes." Figure 1 shows a map of the Chain of Lakes and surrounding area.

The mining of sands and gravels has been taking place in the Livermore-Amador Valley since the late 1800's, with large mining areas across the Valley floor, but generally located near the arroyos. Prior to 1956, mining permits were not issued for these activities. In the 1950's, Alameda County began to review the impacts of mining on local water supplies and adopted *Ordinance 181 N.S.* to create a permitting process. This early ordinance did not, however, address reclamation or contamination issues.

In the mid-1960's, mining permits began to require more stringent protections for water resources and many required the creation of reclamation plans to accompany the permits; however, this was not standardized until the 1970's with the adoption of the State's *Surface Mining and Reclamation Act of 1975*, which required reclamation plans for all mining operations conducted after January 1, 1976. Alameda County followed suit and adopted a new mining ordinance in 1977.

The *Specific Plan for Livermore-Amador Valley Quarry Area Reclamation* (LAVQAR) was adopted on November 5, 1981. This plan provides a roadmap for reclamation of the mining area to create the "Chain of Lakes," and defines the overall land uses for the lakes and the area immediately surrounding them. Using the LAVQAR as a base, the Zone 7-Quarry owner agreements were negotiated in the late 1980's. These agreements will be discussed in detail in a subsequent agenda item. The Surface Mining Permits (SMPs) and associated reclamation plans also rely heavily on the LAVQAR for their content. The hierarchy of governing documents for the reclamation of the mining area and the creation of the Chain of Lakes are discussed below in chronological order. Key elements that determine how or when mining and reclamation are to take place are detailed for each governing document.

**DISCUSSION:**

### <u>Pre-1970's:</u>

Prior to the 1970's, aggregate mining in the Livermore-Amador Valley was not strictly regulated and few plans existed for how the quarry areas would be reclaimed at the end of mining. Statewide recognition of the importance of aggregate supply coupled with a greater awareness of the potentially negative environmental impacts caused by mining lead the way for specific legislation to be created to guide future mining and reclamation.

## 1970's:

### *Surface Mining And Reclamation Act Of 1975:*

The Surface Mining and Reclamation Act (SMARA) was enacted by the California Legislature to regulate the extraction of minerals and the reclamation of mined land. The State of California maintains a SMARA office that oversees the requirements of this Act.

Subsection 2712 of SMARA states, "It is the intent of the Legislature to create and maintain an effective and comprehensive surface mining and reclamation policy with regulation of surface mining operations so as to assure that:

> (a) Adverse environmental effects are prevented or minimized and mined lands are reclaimed to a usable condition which is readily adaptable for alternative land uses.
> (b) The production and conservation of minerals are encouraged, while giving consideration to values relating to recreation, watershed, wildlife, range and forage, and aesthetic enjoyment.
> (c) Residual hazards to the public health and safety are eliminated."

This Act is referenced as the basis for the Alameda County Mining Ordinance and the Surface Mining Permits and associated Reclamation Plans.

### *Alameda County Mining Ordinance:*

The Alameda County Mining Ordinance was brought into conformance with SMARA in 1977 and has undergone numerous revisions through the years to update regulations. The most recent adoption of an amendment was in late 2010, to address requests for mining setback reductions. This action was brought about by the proposed widening project for Highway 84 (Isabel Ave.) through Livermore.

In general, the Mining Ordinance provides regulations to ensure the availability of mineral resources while guiding mining operations through the following:

A. Prevention or mitigation of adverse effects on the environment, including air pollution, impedance of groundwater movement and water quality degradation, damage to aquatic or wildlife habitat, flooding, erosion, sedimentation effects, and excessive noise;
B. Progressive reclamation concurrent with mining so that mined lands are returned to a condition adaptable for alternate land uses, with no residual hazards to public health or safety and with land and water resources maintained in a state beneficial to society; and
C. Consistency with Mineral resource management policies of the [Alameda County] General Plan.

The Mining Ordinance provides for periodic review of Mining Permits and Reclamation Plans. Such reviews are scheduled by the Planning Commission at time intervals not to exceed five years for the Reclamation Plan (although in practice this time frame varies), and at such an interval as the Planning Commission determines appropriate for the Surface Mining Permits.

These reviews consider new or changed circumstances within the general area of the mining operations that should be accommodated by the Permit or Plan. These reviews are subject to public hearings, and any adopted changes to the Permit or Plan shall be binding upon the operation. Specific aspects of mining and reclamation that are governed by the Ordinance are summarized in Appendix A.

## 1980's:

### *Specific Plan for Livermore-Amador Valley Quarry Area Reclamation (LAVQAR):*

The Specific Plan for Livermore-Amador Valley Quarry Area Reclamation (LAVQAR) was adopted on November 5, 1981. There are nine specific objectives of the LAVQAR plan:

1. To mitigate alteration/impedance of groundwater movement and storage due to mining operations.
2. To mitigate exposure of groundwater to evaporative losses due to mining operations.
3. To mitigate exposure of groundwater to increased risk of quality degradation due to surface exposure as a result of mining operations.
4. To provide uninterrupted and undiminished satisfactory water quantity and quality in the upper aquifer of the mined area for beneficial uses.
5. To provide conditions to allow economic mining of sand and gravel resources benefitting the San Francisco Bay region.
6. To provide a surface water storage and transmission system to replace a portion of the existing subsurface system to mitigate mining impacts and enhance the ability to utilize, develop, and manage the water resources of the Livermore-Amador Valley for public benefit.
7. To provide land areas capable of productive use and with minimum residual hazards.
8. To provide flexibility sufficient to allow for changes in the Specific Plan in response to changes in future conditions, information, needs, technology, plans, or priorities.
9. To provide a framework concerning the future of the Quarry Area to help planning and decision making in the Livermore-Amador Valley.

The plan provides a roadmap for reclamation of the Chain of Lakes, its uses and overall land use in the area surrounding the lakes. Use of the Chain of Lakes is listed as water conservation, water transmission, groundwater recharge, flood control and water quality management. Additionally water areas were also identified as having the following potential uses: recreation, fish farming, and "other productive uses to the extent such uses would be compatible with the first-named uses." Each of the Surface Mining Permits (SMPs) and their accompanying reclamation plans refer to the improvements identified in the LAVQAR plan. The LAVQAR plan is also heavily referenced in the Zone 7-Quarry owner agreements that were executed in 1987 and 1988. Both the SMPs and these agreements will be discussed in detail in a subsequent agenda.

## 1990's and 2000's:

During the 1990's and early 2000's many of the Surface Mining Permits (SMPs) were amended or updated. There is some confusion over the difference between the "mining" permits and the "reclamation plans" that exist today. Originally, Alameda County issued "mining permits" to the quarry owners under "Q" designations (Q-2, Q-4, Q-76. etc). Mining permits with a Q designation were issued prior to the 1975 adoption of SMARA and generally did not contain an expiration date; therefore mining rights are held in perpetuity over the property. These rights run with the land and can be transferred among mining companies. However after SMARA, Surface

Mining Permits began to require reclamation plans to accompany mining activities. For example, prior to 1983, the area now known as “SMP-16” was identified as “Q-4” and “Q-40.” In 1983, SMP-16 was created to replace the old “Q” permits and added a reclamation plan that showed what the lakes would look like and what improvements would be made upon completion of mining. All “Q” permits have been superseded by surface mining permits and accompanying reclamation plans.

Likewise, the relationships among the quarry owners and operators are often multifaceted with alliances being formed among and between the quarry owners and operators. In general, Pleasanton Gravel Company (PGC), also known as Rhodes and Jamieson Company, is a land owner with whom the other quarry operators lease property and mining rights but work under the leasee’s own Surface Mining Permit. Examples of this are SMP-16 (permitted and mined by Vulcan, owned by PGC) and SMP-31 (permitted and mined by Hanson, owned by PGC) (Figure 2). In these cases, PGC owns the underlying property and mineral rights, but leases this property and mining rights to the various quarry operators. The conditions of the leases vary. Lakes impacted by these leased rights are Lakes C, D, E, F, G, and H.

FUTURE DISCUSSIONS:

Part 2 of this history and discussion of quarry activities will focus on the Zone 7 – Quarry Owner/Operator agreements and the Surface Mining Permits for each quarry operator. Other governing documents, such as general plans that influence Chain of Lakes and the uses of surrounding lands, will also be detailed in subsequent discussions.

# APPENDIX A

## Summary of requirements from the Alameda County Surface Mining Ordinance

A. Mining Setbacks*

*(This provision is now subject to appeal for reduction of setback per the most recent amendments to the Ordinance)

**1.** Surface Mining excavations shall not be conducted closer than:

a. Twenty-five (25) feet of the common property line of any parcel, except where the adjacent property is being mined in the same manner with respect to such line;
b. Fifty (50) feet of the right-of-way or future width line of any street.

**2.** Mining excavations shall be set back from water courses, flood control channels, reservoirs and water conservation facilities a distance as may be determined by the Planning Commission on recommendation of Alameda County Flood Control and Water Conservation District or Public Works Agency to be sufficient to protect existing or planned facilities.

B. Drainage-Water Quality and Conservation

**1.** Provision shall be made to protect mining operations from overflow from adjacent streams or from slope failures caused by infiltration and seepage from surface water bodies by the construction of levees or other devices to prevent flooding. No obstruction shall be placed in stream channels without obtaining a Permit allowing such obstruction from the County Flood Control and Water Conservation District.

**2.** Excavations that may penetrate near or into usable water bearing strata shall not reduce the transmissivity or area through which water may flow unless approved equivalent transmissivity or area has been provided elsewhere, nor subject such groundwater basin or subbasin to pollution or contamination.

**3.** Nothing in this Chapter shall be construed to prevent the use of Mined Lands for the conservation or storage of water, or for the control of flood or storm waters, by a public agency duly authorized to engage in such work, provided that any such use will not conflict with nor prevent Reclamation required under an approved Reclamation Plan, and provided such use is approved by the County Flood Control and Water Conservation District and/or Public Works Agency.

**4.** Any waters discharged from the site to adjacent lands, streams, or bodies of water or to any groundwater body shall meet all applicable water quality standards of the Regional Water Quality Control Board and any other agency with authority over such discharges. Records of any water quality monitoring conducted in conjunction with the requirements of such agency or agencies shall be made available to the Director of Public Works on request. Discharges of water to designated on-site settling ponds or desilting basins shall not be deemed to be in violation solely on the basis of sediment content.

C. Groundwater Use

All groundwater lost by pond evaporation and by export with the product in the Mining Operation and related activities shall be determined with reasonable accuracy and recorded annually. Said information shall be made available to the Director of Public Works, if required.

D. Guarantee of Performance

The Operator shall guarantee all Reclamation work accomplished for any period as may be determined necessary by the Planning Commission to assure the permanency of any or all physical Reclamation features and standards.

E. Drainage, Erosion and Sediment Control

**1.** Any temporary stream or watershed diversion shall be restored in final Reclamation unless determined unnecessary by the Planning Commission based on recommendation of the County Flood Control and Water Conservation District and/or Public Works Agency.

**2.** Regrading and revegetation shall be designed and carried out to minimize erosion, provide for drainage to natural outlets or interior basins designed for water storage, and to eliminate potholes and similar catchments that could serve as breeding areas for mosquitoes.

**3.** Silt basins which will store water during periods of surface runoff shall be equipped with sediment control and removal facilities and protected spillways designed to minimize erosion when such basins have outlet to lower ground.

**4.** Final grading and drainage shall be designed in a manner to prevent discharge of sediment above natural levels existent prior to mining operations.

**5.** Upon Reclamation, no condition shall remain that will or could lead to the degradation of water quality below applicable standards of the Regional Water Quality Control Board or any other agency with authority over water quality.

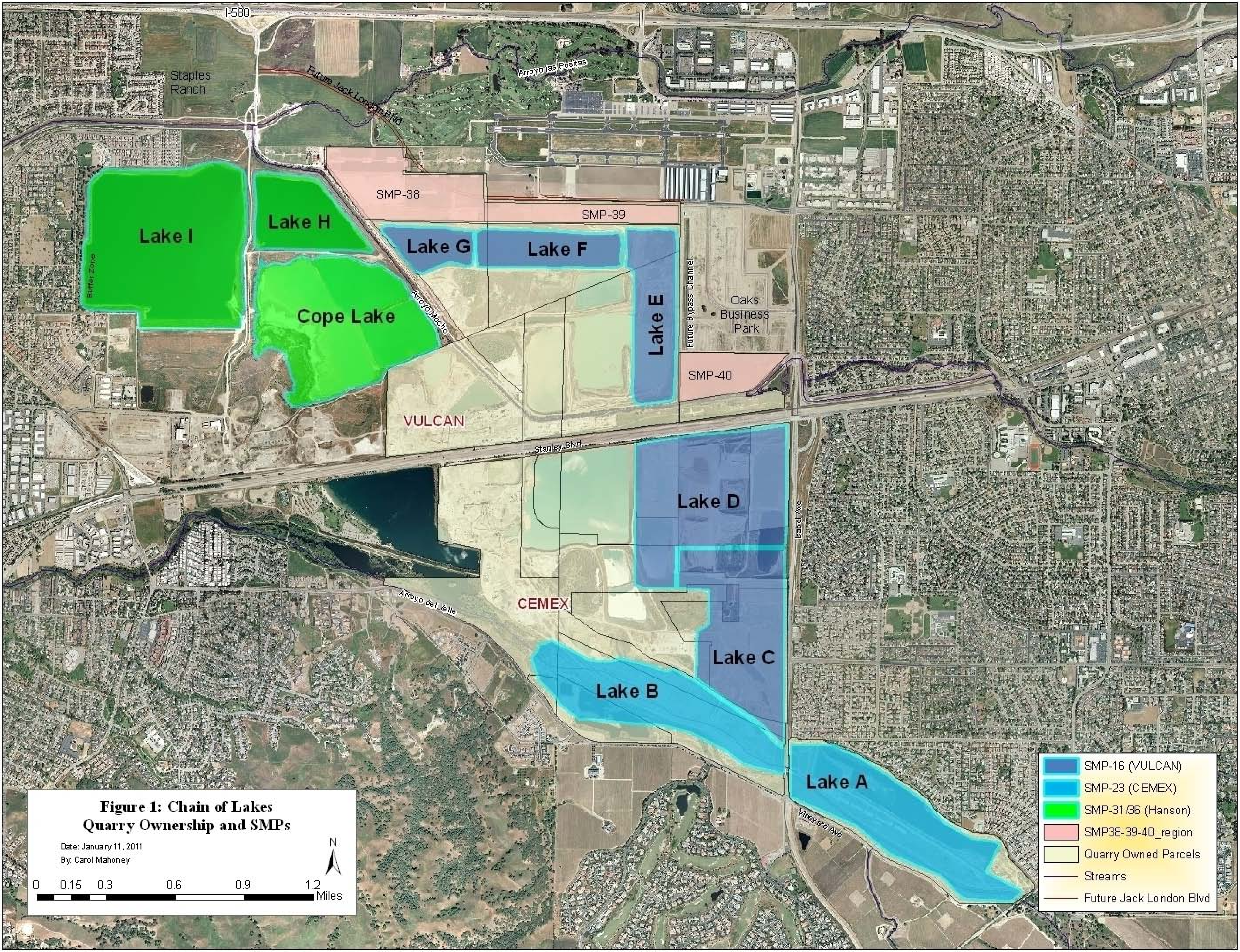


**Figure 1: Chain of Lakes**
**Quarry Ownership and SMPs**

**Administrative Committee**:
Summary Notes and Minutes

| | | | |
|---|---|---|---|
| **Meeting Date:** | December 7, 2010 | **Start Time:** | 4:00 p.m. |
| **Directors Present:** | J. Greci<br>S. Palmer<br>B. Stevens | **Zone 7 Staff Present:** | K. Arends<br>B. Brewer<br>J. Chahal<br>J. Duerig<br>A. Flores<br>B. Ledesma<br>C. Mahoney |

1. **Public Comment on Items Not on the Agenda**

   Members of the public did not provide comments.

2. **El Charro Specific Plan Agreement**

   Staff gave a presentation to the Committee updating them on the El Charro Specific Plan (ECSP) Agreement between Zone 7 and the City of Livermore. Staff discussed the objectives of the plan, expected physical improvements, the properties involved, payments between Livermore and Zone 7, maintenance responsibilities, and next steps. The financial impact of the agreement to Zone 7 is $10,000,000 which will be split between Fund 50 and Fund 76 per the Development Impact Fee (DIF) prescribed allocation.

   The Committee asked whether the Agreement includes any waivers of the development impact fee and Staff responded that the fees will be paid at the rate set forth in the ordinance at the time of the construction of the improvements. "Grandfathering" of fees was not considered in accordance with the direction that the Board previously provided for Staff during the development of the DIF. Fees will increase in January 2011 per the ordinance, but the DIF will be reevaluated in 2012. Director Stevens requested a more detailed map be shown in the presentation to the Board in December. The Committee unanimously agreed to recommend the Agreement to the Board.

3. **Chain of Lakes Planning**

   Staff gave a presentation on the status of planning for the Chain of Lakes, and specific issues surrounding ownership and potential opportunities for Zone 7. Staff is still investigating some discrepancies amongst different documents related to property boundaries, spheres of influence, etc.

   Director Stevens requested a copy of LAVQAR, and also recommended that Staff prepare a more detailed briefing for the Board in the near future, especially for the benefit of new members. He suggested that a separate meeting of the full board may be useful to allow sufficient time to cover the complexities of the Chain of Lakes program. The Committee recommended that the Staff hold off on the discussion of the Chain of Lakes at the December Board meeting, and that the Staff prepare two or more separate presentations addressing the history and the future of the Chain of Lakes and bring to the Board and possibly back to the Committee for further discussion.

4. **Adjournment**

   Meeting was adjourned at 5:00 p.m.

# **Delta Committee**:
## Summary Notes and Minutes

| | | | |
|---|---|---|---|
| **Meeting Date:** | December 7, 2010 | **Start Time:** | 5:00 p.m. |
| **Directors Present:** | J. Greci<br>S. Palmer<br>B. Stevens | **Zone 7 Staff Present:** | K. Arends<br>B. Brewer<br>J. Chahal<br>J. Duerig<br>A. Flores<br>B. Ledesma |

**1. Public Comment on Items Not on the Agenda**

Members of the public did not provide comments.

**2. 2010 Urban Water Management Plan Update**

Staff gave a presentation to the Committee discussing the regulatory drivers for and purpose of the Draft 2010 Urban Water Management Plan (UWMP), key elements of the Draft 2010 UWMP (including changes from the 2005 UWMP and water supply and demand analysis table summaries for normal, dry, and multiple dry year scenarios), the agency coordination and public review process, and the status and schedule of the UWMP. Staff also explained that by meeting with DWR in October 2010, addressing DWR comments, and preparing the Draft 2010 UWMP for adoption before the end of the year, Zone 7 is likely to get the Draft 2010 UWMP approved in a timely manner and avoid any disruption to Zone 7's ability to receive grants and drought assistance from the State. Early completion of Zone 7's Draft 2010 UWMP will also help the retailers with the completion of their plans. Staff requested that the Committee recommend the Draft 2010 UWMP for adoption at the December 15, 2010 Board Meeting.

The Committee asked for clarification regarding some of the water supply and demand amounts shown in the table summaries. The Committee also agreed that early completion and submission of the 2010 UWMP is prudent, as Zone 7 does not want to lose any grant funding opportunities. The Committee unanimously decided to recommend the Draft 2010 UWMP for adoption and commended the staff on the effort.

**3. Water System Master Plan – Status Update**

Staff gave a presentation on revisions to the Water System Master Plan (WSMP) approach. In particular, staff recommended: a) combining the "lowest unit cost" and the "optimize water quality" portfolios into one portfolio since potential programs and projects expected to bring supplies with lower salts and minerals are already being evaluated in the former portfolio; and b) including water conservation in every portfolio to be evaluated since plans for regional conservation under SBX7-7 by 2020 are becoming more definite. Staff also provided an overview of the various reliability policies in the Bay Area, and recommended a common definition of reliability based on a maximum shortage. For example, an 85% reliability policy would imply no shortages higher than 15%. Staff presented the schedule for the WSMP, and noted that the work is intended to be completed in March 2011. The Committee concurred with all of the recommendations.

**4. Adjournment**

Meeting was adjourned at 6:00 p.m.

SUMMARY MINUTES OF THE FINANCE COMMITTEE
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
ZONE 7 WATER AGENCY BOARD OF DIRECTORS

December 14, 2010
4:00 p.m.

| | | | |
|---|---|---|---|
| Directors present: | Sandy Figures | Zone 7 Staff: | Jill Duerig, General Manager |
| | A. J. Machaevich | | John Yue, Asst. General Manager, Finance |
| | Chris Moore | | Tamara Baptista, Senior Staff Analyst |
| | | | JaVia Green, Staff Analyst |
| | | | Judy Rector, Acting Board Secretary |

**1. Public Comment - None**

2. **Review of Independent Audit for Fiscal Year Ending June 30, 2010**

John Yue, Assistant General Manager, Finance, opened the presentation by stating that the purpose of the meeting is to give the Finance Committee the financial position of Zone 7 as indicated by the audited financial statements for the FY ending June 30, 2010. He acknowledged Teri Yasuda, Zone 7 Senior Auditor Accountant, whose efforts made this audit a success. He also introduced Tim Krisch and David Alvey from Maze & Associates who conducted the independent audit of Zone 7's financial statements.

Mr. Yue explained how the audit of Zone 7's financial records conform with generally-accepted accounting principles and the required financial reporting. It also summarizes the results of the activities to make the audit. The independent auditor reviews our accounting records to obtain a reasonable assurance that our financial statements fairly represent the financial conditions of Zone 7. Based on this review and by examining and testing Zone 7 records, the auditor develops an opinion of the representation of the financial statements. The results of the audit are contained in the auditor's letter which can be found on the attached page 1 of the report.

Two capital projects, El Charro Pipeline and Ferric Chloride Storage Modification, were capitalized in this fiscal period. In February 2010, we withdrew $30.5 million from the Wells Fargo ISA to augment the capital expansion funds.

The primary conclusion from the audited financial statements is that Zone 7 is in good financial health.

Tim Krisch from Maze & Associates, discussed the audit findings and stated that the audit has received an unqualified "clean" opinion and that is the highest level of assurance they, as independent auditors, can provide. The agency is in a very solid, healthy financial condition. Though the auditors are challenged to determine if there are any material weaknesses or significant deficiencies, they did not find any which translates to the fact that management and staff are following policies that the Board has created.

After discussion and agreement by Directors Moore, Figuers and Machaevich, a motion by Director Moore to accept the report with the Committee's thanks to the auditor. Director Machaevich seconded the motion and it passed with a vote of 3-0. John Yue will submit the audit to the Board with a note that the Finance Committee is recommending acceptance.

**3. Staff Reports – Verbal**

John Yue said the modification to the ISA credit commitment is still ongoing. The latest estimate from attorneys is that there ought to be a first cut draft amendment, as far as language, available sometime next week to use for negotiations with Wells Fargo. If there aren't any roadblocks, by January Zone 7 will have an amendment to the agreement for the Board to consider. At the current terms, the annual cost of that extra $28.5 million is approximately $15,000 and is due the end of 2013.

Director Moore asked how things are looking now with water sales. General Manager Jill Duerig stated that water sales are not great but the ISA is related to developer connection fee collection. Zone 7 has been seeing hints of activity such as the El Charro Specific Plan, a commercial development proposed for the area east of El Charro Road and south of #580 that the City of Livermore is hoping to begin within the next six months, and the Arroyo Vista redevelopment in Dublin that will bring in connection fees. She suggested that it may take four or five years to get back to where Zone 7 was but things are starting to turn around.

No further issues or comment.

Meeting was adjourned at 4:25 p.m.

## 1/19/11 Board written/narrative comments by Dick Quigley

**(Unanswered from December board meeting)**

**I am requesting a staff update on where we are relative to a** unified statement on the ESA implementation issues and producing a set of policy principles as discussed at Oct and Nov board meetings.

**I don't believe we ever adopted an energy policy. Am I correct? As we complete our strategic plan I believe it would be a good idea to consider!**

**I am also requesting a staff update and status report on our strategic plan.**

**(Unanswered from November board meeting)**

Washington DC ACWA conference in March 1-3, 2011 is something I would like to again attend and represent ZONE 7 Board. See: http://www.acwa.com/events/acwas-2011-washington-dc-conference. The November elections suggest attendance is important!

Would also like to suggest consideration be given for a Directors travel budget as other districts do.

**On energy/water nexus: note the following as Dennis Gambs and I participated last year. I suggest we stay connected.**

**SAVE THE DATE**
**California Water and Energy Coalition**
**www.cal-wec.org**
**Stakeholder Meeting Announcement**

When: Thursday, February 3, 2011
Where: Metropolitan Water District of Southern California
700 North Alameda Street Los Angeles, CA 90012-2944 **Room 2-145.** **Click here** for driving directions

**Please contact Metropolitan Water District by January 31, 2011** if you plan to attend this meeting in person or via conference call so that Security at MWD can be notified of expected attendees. Individuals interested in attending remotely will be sent conference call and GoToMeeting access information via email.

### MEETING PURPOSE AND BACKGROUND

After multiple stakeholder workshops in 2010, the need to assemble a continuous and formalized stakeholder group to tackle the complex issue of the water/energy nexus became apparent. The **California Water and Energy Coalition** is the product of this need and is supported by stakeholders from both industries who are interested in developing cohesive relationships and collaboration that will ensure the sustainability of water and energy supplies in California.

The first full meeting of CalWEC is open to stakeholders of the water and energy industries who are interested in *actively* participating in information exchange, project collaboration and developing a unified approach to water and energy issues in California. You are invited to attend either in person or via conference call.

The California Water and Energy Coalition is an independent ad-hoc stakeholder group. Attendance is restricted to water & energy utility personelle, consultants, regulators, industry related non-profit stakeholders and academics.

**Water Research Foundation** (WaterRF)
6666 West Quincy Avenue, Denver, CO 80235  Phone: 303.347.6106
Cell:  303.947.0168  Fax: 303.730.0851   scline@WaterRF.org

**Thursday, Jan 6**:  Attended a Tour of South Bay Aqueduct enlargement facilities presented by DWR principal engineering leader.

Great handout showing SBA as water supply for over 2 million people. Capacity increase from 300 CFS to 420 CFS and "163 million dollar investment as of June 2011." Clearly shows me why a Delta fix is vital for long-term sustainability as we need to import more and better water through the Delta. Was refreshing to see so many Zone 7 staff as well as other agency community water champions on the bus. Thanks, Jarnail, for setting it up. The new Dyer Reservoir (425 acre-feet) is less than four miles away from Harvey Banks and about 1.5 miles from Bethany Reservoir. We walked to the top of the Del Valle branch line fix and saw the finished product.  We also heard about the $12 million bill revision and we pay 53%.

**Friday, Jan 7:**  Attended an ACWA Region 5 Board meeting via conference call. **See the following:**

ACWA REGION 5 BOARD MEETING CONFERENCE CALL

**Friday, January 7, 2011**
**DRAFT MEETING NOTES**

Region 5 Chair Dave Hodgin called the meeting to order and meeting attendees gave self-introductions.

Meeting attendees:

Bob Feldman
Katy Foulkes
Dave Hodgin
Dan Naumann *(not in attendance)*
Bob Ptacek
Dick Quigley
John Weed

Appointing the 2012-2013 Region Election Nominating Committee was discussed. Dave Hodgin and Katy Foulkes will contact the following individuals to ask them to be on the nominating committee: Bette Boatmun, Jill Duerig, Rick Gilmore, Bert Michalczyk and Walt Wadlow. They will report back to the board.

The Region 5 2010-2011 Work Plan was discussed and it was agreed to make no changes to the plan at this time. Paula Currie and Linda Anderson, ACWA Meetings & Membership Department, were present to discuss ACWA's Member Recruitment Campaign. Paula described the information kit and list of Region 5 non-members that is being sent out to board members. She said a letter will be going out to all non-members and explained that board members can assist in the effort by contacting agencies on the list they are familiar with and also by contacting those non-members that respond to the letter. Paula also said she would send the board a spreadsheet of ACWA members and CSDA members to determine why some CSDA members are not ACWA members.

A discussion on public agencies and what other associations they belong to followed. It was agreed that Marcia would ask ACWA's Meetings and Membership Department to create a spreadsheet that lists all Region 5 public agencies that deal with water and what other organizations they belong to. The discussion also went into reaching out to water retailers with possibly a separate membership category. It was suggested that these suggestions should be given to the ACWA Membership Committee to possibly explore.

Marcia reported that the Region 5 budget balance now stands at approximately $8,785. There was some discussion on the rationale for keeping a large balance. It was agreed that ongoing member recruitment will use a portion of the money and that the board will be kept aware of the budget balance.

The May 22-23 Freeport Facility Event was discussed. It was agreed that attendees will meet at a yet to be determined hotel in Elk Grove on May 22 for a program and reception. Program content suggestions included “Supplemental Water Supplies” including desal and water storage. Marcia will discuss with ACWA staff to find speakers.

On May 23, an 8:30 a.m. continental breakfast will be provided at the hotel followed by a speaker on the history of the town of Freeport. The bus will leave the hotel at 9:30 headed for a tour of the Freeport Regional Water Facility. While on the way, a Sacramento Regional Wastewater Treatment Plant spokesperson will point out and give background on the SRWTP facility as well as the surrounding areas.

Next will be a guided tour of the Freeport Facility followed by a catered lunch at the facility. ACWA staff is looking into costs and will report back to the board. Katy Foulkes will look into reception and/or bus sponsors for the event when she is provided with cost estimates.

The Region 5 Fall Event was discussed. Dick Quigley suggested a South Bay Aqueduct Improvement Plant tour. A Fall Region 5 member recruitment event was also discussed. It was agreed that the board and staff will review the list of non- member agencies to determine the area with the most prospective non-members for the event but it was tentatively agreed that the event will be held in the San Luis Obispo area. It will begin with an evening reception with speakers followed the next day by a daylong program on timely water issues which may include Pajaro Valley WMA Recycling Facility. ACWA Meetings and Membership Department will work with the region on the recruitment part of the program. September 11-12 was selected as the best date for the event. Other dates were September 18-19 and September 25-26 which is very close to the two-day ACWA Board meeting.

It was determined that the next Region 5 board meeting will be held in Santa Cruz on March 18 from 11:00 a.m. to 2:00 p.m.

There were no other discussion items and the meeting was adjourned.

**Let me know if you have any questions.**

Thanks!
Dick Quigley

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 19, 2011 **ITEM NO. 14a**

**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) contracts executed during the month.

Operations and Maintenance:

- During December, the California Department of Water Resources (DWR) announced that State Water Project allocations for 2011 were increased to 50%, after DWR released its first snow survey of the year. As of December 28th, water content in California's mountain snowpack was 198 percent of normal for the date

- The South Bay Aqueduct's (SBA) 8-week shutdown began on November 12th and continued throughout December. The Patterson Pass plants remained offline and annual maintenance work continued. The Del Valle Water Treatment Plant had Lake Del Valle as a sole source, with a maximum available flow of 22 million gallons per day (MGD).

- Another small water leak was identified in the Mocho Well No. 1 area. Troubleshooting is underway to determine the source of the leak and the best approach for repair. Actual repairs will not be scheduled until SBA work is completed and normal winter operations are resumed.

Environmental & External Affairs:

- In December, the state agencies released the 86-page "Highlights of the BDCP" (http://resources.ca.gov/docs/Highlights_of_the_BDCP_FINAL_12-14-10_2361.pdf), an overview of the Plan's most central elements; the full BDCP document consists of more than 3,000 pages, and can be found at http://www.baydeltaconservationplan.com.

- In December, the Central Valley Regional Board unanimously adopted staff's proposed Sacramento Regional County Sanitation District (SRCSD) permit with only some minor late revisions. The routine permit was five years late, partly because it was bitterly opposed by city and county elected officials who represent SRCSD. Terms of the new permit will require major renovation of district sewage facilities. Although the action has already been appealed to the State Board, this new, more-stringent permit is still a huge step forward in minimizing one of the major stressors to the Delta (ammonia discharges to the Sacramento River), paving the way to help reverse ecosystem degradation (one of the co-equal goals of the BDCP).

- In early December, Judge Wanger issued a new ruling concluding that the new biological opinion (bi-op) that underlies current pump restrictions (developed after the 2007 case in his court) is "arbitrary, capricious and unlawful." The ruling remands the bi-op back to the Fish and Wildlife Service to correct its work, which lawyers close to the case said should take at least nine months to complete. Among the key points to be addressed is a re-evaluation (or renegotiation) of the so-called X2[1] monitoring requirements of the Operations Criteria and Plan (OCAP; for federal and state water pumping) related to saltwater intrusion in the Delta. Depending on resolution of the X2 issue, this could impact a key part of the BDCP.

- Because of the close relationship between the resolution of the Wanger court issues and the BDCP, the three principal funding agencies (Westlands, Metropolitan Water and Kern County Water) have suggested that BDCP funding will be put on hold at the end of January unless agreement is reached on certain key issues such as X2 so as not to expend funds unnecessarily.

Engineering and Flood Control:

- A series of storms hit the area which resulted in bank-related damage within Zone 7's flood control facilities. Thus far, there are a total of ten bank slides (five in South San Ramon Creek, two in Tassajara Creek and one each in Arroyo de la Laguna, Arroyo Mocho and Alamo Canal). Staff have placed plastic sheeting over the slide areas and continue clearing work, like removal of fallen tree branches obstructing maintenance roads, removal of debris caught at culvert piers, and opening clogged drainage inlets, all of which can cause localized flooding.

- Staff executed a contract with the City of Pleasanton to provide engineering services to assist the City in preparation of its Urban Water Management Plan

- Staff voluntarily participating in the watershed sediment study received training and have now begun assisting the San Francisco Estuary Institute (SFEI) staff on the installation of sediment gauges, samplers and recorders at three locations.

Finance & Administration

- As part of the Agency's succession planning, staff agreed to formally participate in the Bay Area Water/ Wastewater Workforce Development Collaborative (BayWorks). This group provides a forum and framework to discuss workforce development issues as well as to develop and implement cost-effective programs that ensure sufficient numbers of qualified, prepared staff to satisfy the core needs of water and wastewater agencies in the Bay Area. Other water signatories include SFPUC, EBMUD, Santa Clara Valley Water District, ACWD, CCWD and San Jose Water Company. The Bay Area Community College Consortium is also a signatory.

- BayWorks is in addition to the ongoing sponsorship of the Bay Area Consortium of Water and Wastewater Education (BACWWE), which works with Solano Community College to attract new people to the industry and to encourage current operators to continue their education and training to fulfill an urgent need to replace a retiring workforce. This successful program provides opportunities by utilizing instructors who are employed by the sponsoring agencies who bring the classroom setting closer to the actual day-to-day operations of the plants. Statistics include: 19 sponsoring agencies (including Zone 7) have provided 35 classes over eight semesters for approximately 710 BACWWE students.

[1] This is the term used to define the distance that salt water stretches from the Golden Gate Bridge to the point in the Delta where salinity is measured at 2 parts per thousand (ppt). 2 ppt is generally considered the breaking point between brackish water and fresh water. If the X2 value is high, then there is more saltwater intrusion into the Delta. If the X2 value is low, then there is more freshwater in the Delta

**Monthly List of GM Contracts**

**December 2010**

Contracts:

| | |
|---|---|
| Urban Creeks Council | $25,000 |
| Western Strata | 23,900 |
| **Total December 2010** | **$48,900** |

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: OFFICE OF THE GENERAL MANAGER**
**CONTACT: BONI BREWER**

AGENDA DATE: January 19, 2011 ITEM NO. 14b

SUBJECT: Upcoming Public Outreach Activities

**Recent Public Outreach Activities**

Christmas Bird Count, December 17

Zone 7 again provided access to its Chain of Lakes property as part of the second annual Eastern Alameda County Christmas Bird Count, hosted by the Ohlone Audubon Society and the Alameda Creek Alliance. A total of 72 bird species -- including grebes, white-tailed kites, mergansers and other diving ducks -- were identified in the Chain of Lakes area during this event. "The Chain of Lakes is quite a resource in Alameda County for wintering waterfowl," said Rich Cimino of Ohlone Audubon. Birds also were counted at several of the area's regional parks, SFPUC watershed lands, and birding hotspots including lower Mines Road, Sunol Wilderness and Springtown Preserve. In all, 85 volunteers bird-watching in a 15-mile diameter circle (including the Chain of Lakes) counted 144 species, including golden eagles and bald eagles. Although the Valley is relatively new to the Christmas Bird Count, this marked the 111th year of an annual nationwide volunteer-based survey effort coordinated by the Audubon Society to promote bird conservation and assess long-term trends in winter bird populations.

**Upcoming Public Outreach Activities**

DWR Road Closure Public Outreach Meeting, February 2, 2011

Zone 7 is supporting DWR's public outreach efforts in connection with planned temporary road closures in summer 2011 related to the South Bay Aqueduct Improvement & Enlargement Project. A community meeting is set for 5:30 to 8:30 p.m. on February 2 at the Livermore Civic Center Library. Additional meetings will take place in the Spring with Alameda County, since the closures will require county permits. The current schedule is for 1) the stretch of Patterson Pass Road from Greenville Road east to S. Flynn Road to be closed to through traffic from June 14 through 20, 2011; 2) the stretch of Tesla Road from South Vasco Road east to Greenville Road to be closed to through traffic from June 22 through 28, 2011; and 3) a stretch of Mines Road 1.6 miles south of Tesla Road to have a temporary bypass lane for a period of about five weeks, following the July 4, 2011 weekend.

Spring Home & Garden Show, February 18-21

Zone 7, along with some of our water retailers and the Alameda County Flood Control and Water Conservation District's Clean Water Program, will share a booth with messages focused primarily on stormwater pollution prevention during the Home & Garden Show at the Alameda County Fairgrounds in Pleasanton. Hours are: February 18, from noon to 7 p.m.; and February 19, 20 and 21, from 10 a.m. to 6 p.m.

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7
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**ORIGINATING SECTION: Administration**
**CONTACT: Jill Duerig/Tim Hunt**

**AGENDA DATE**: January 19, 2011 ITEM NO. 14c

**SUBJECT:** Legislative Update

**SUMMARY:**

- Zone 7 staff, with the support of the agency's lobbying firm, The Gualco Group, Inc., and the agency's legislative support consultant, Tim Hunt, monitors legislation that is being considered in Sacramento.
- Staff, with recommendations of the agency's lobbying firm, determines a number of bills of interest to Zone 7 for the legislative session. Of particular interest to Zone 7 are bills regarding specific water issues, such as those related to the Delta.
- 36 years after he first took the oath of office, Governor Jerry Brown was sworn in January 3rd for his third term. His inaugural address was sober and laid out the challenges that he and the Legislature face with the $25 billion budget shortfall. He released his budget proposal January 10th and proposed closing the shortfall with about $12.5 billion in spending cuts plus a proposal to ask voters to extend $12 billion of short-term tax increases (sales tax and auto registration fee, together accounting for about $6 billion). The governor asked the Legislature to approve ballot measures to extend the taxes five years so voters could consider the proposal in June. He proposed realigning government by shifting revenues and responsibilities to local governments.
- Governor Brown appointed former Santa Cruz Assemblyman John Laird as Secretary of Natural Resources. Laird served as chairman of the Assembly finance committee and is considered a fiscal expert. Environmental groups cheered his appointment. He is a strong environmentalist and was a co-author of AB 32, the greenhouse gas reduction legislation. What his appointment will mean for the Bay Delta Conservation Plan and State Project water operations remains to be seen.
- Mary Nichols was reappointed as chair of the state Air Resources Board for a second term.
- State Senate leader Darrell Steinberg introduced SB 52, which would appropriate $50 million from existing unallocated bond funds, to the Department of Water Resources, specifically to cover some of the costs of the required upgrade to the Sacramento Regional County Sanitation District's sewage treatment facility. The Central Valley Water Quality Control Board in December required upgrading the treatment level to tertiary, the treatment level required of other sewage dischargers into the Delta, as part of Sac Regional's permit renewal. Sac Regional has appealed the decision to the state board.

**FUNDING:** No funding necessary.

**RECOMMENDED ACTION:** Information only.

**ATTACHMENT**: None

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/John Yue/Tom Hughes

**AGENDA DATE:** January 19, 2011 **ITEM NO. 14d**

**SUBJECT:** STATUS REPORT ON SEPARATION EFFORTS

**SUMMARY:**

Susan Muranishi, Alameda County Administrator, sent a letter to staff dated December 13, 2010, in response to the October 29th submittal of Management Partners' draft schedule. She acknowledged that the submitted schedule was a very detailed critical path to achieve separation and that Zone 7 staff should continue to keep her apprised of progress in implementing the plan and that she will arrange a meeting with relevant County parties at a future date when significant progress has been achieved.

Business Administration:

- The monthly meeting with Management Partners was held on December 15th. Staff reviewed and discussed with Management Partners upcoming tasks. Management Partners finalized a list of high-performing peer agencies and is conducting a survey to collect a list of administrative and financial policies. Staff is transmitting a collection of existing Zone 7 policies to Management Partners so that they can ensure applicable policy continuity.

- Staff is investigating the feasibility of advancing the time-line on outsourcing payroll services away from County-provided services prior to separation to allow for 9/80 schedules for non-exempt (hourly) employees. An initial meeting with a large payroll service vendor was held on January 5. The vendor needs to review its ability to handle various MOU terms affecting pay rates within its system.

- Administration/Finance staff continue to meet weekly to identify the software conversion needs/criteria and to review existing processes for possible efficiency improvements.

- The next regularly scheduled meeting with Management Partners is on January 19th.

Employee Services:

- Held Joint Separation Negotiations meeting with the four bargaining units on January 5, 2011. Staff members are working on revisions to the proposed transition agreement which will be sent electronically to participants prior to the next scheduled meeting on February 23, 2011.

- An internal timeline spreadsheet was developed to assign and track the progress of Human Resources elements of the separation road map between Employee Services staff and Management Partners.

- Staff will meet again with Andy Belknap of Management Partners January 18, 2011 regarding classification, recruitment, and selection pieces within the separation implementation scope of work and timeline.

- Staff will be rescheduling the January 6th meeting with the County HR Director to discuss items related to the separation road map.

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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**ORIGINATING DIVISION: Financial and Systems Services**
**CONTACT PERSON: JaVia Green**

AGENDA DATE: January 19, 2011 ITEM NO. 14e

SUBJECT: Quarterly Update of Expansion Fund

## SUMMARY:

- A $60 million (M) Installment Sale Agreement (ISA) was established with Wells Fargo Bank in January 2008, to fill a funding shortfall for the Altamont Water Treatment Plant and Pipeline Project. A portion of the project, the Altamont Pipeline - Livermore Reach, has been constructed. On February 17, 2010, Zone 7 drew $30.5M from the ISA and payback is required by January 1, 2014.

- Projected sources and uses of funds and year-end available funding through Fiscal Year 13/14 is as follows:

| Fiscal Year | Projected Equivalent Connections | Projected Revenue | ISA Draw/Payback | Projected Expenses | Projected End of Year Available Funding[1] |
|---|---|---|---|---|---|
| 09/10[2] | 543[3] | $20,715,550[3] | $30,500,000 | $21,312,244 | $51,111,903 |
| 10/11 | 380 | $9,957,681 | | $17,605,660 | $43,463,923 |
| 11/12[4] | 390 | $10,848,965 | | $21,671,956 | $32,640,932 |
| 12/13[4] | 550 | $13,019,202 | | $16,228,587 | $29,431,547 |
| 13/14[4] | 880 | $21,522,048 | -$30,503,481 | $14,933,390 | $5,516,723 |

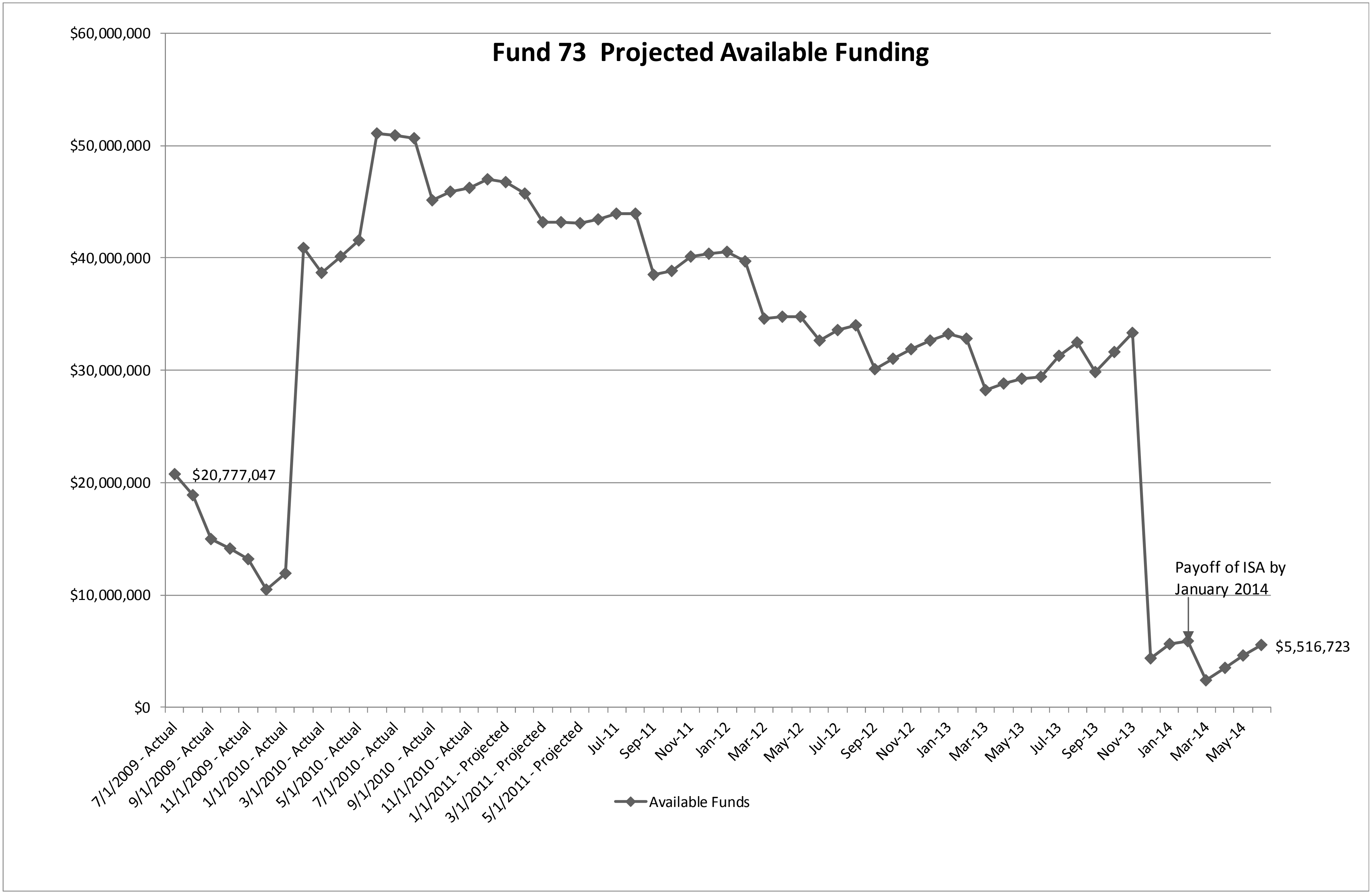
1. Represents the sum of net available funds and cash from ISA after expenses.
2. FY 09/10 expenditures and revenue are based on audited actuals.
3. Equivalent Connections of 543 based on actual connection fees revenue of $11.4M before a one-time adjustment; revenue of $20.7M includes the one-time adjustment to recognize $7.7M previously booked as deferred revenue for connection credits (Shea-Lin Water Transfer Assistance Agreement, 2000).
4. Projected equivalent connections for fiscal years 11/12 - 13/14 have been revised downward further from the previous quarterly report's projections to reflect the continuing slow economic recovery.

- In December 2010, the County Administrator's lead analyst gave an economic update that continues to be bleak and suggesting the possibility of a double-dip recession. Citing September data, unemployment in Alameda County remains high at 11.6% (California's average is 12.4%; US average is 9.6%). Construction and manufacturing activities show little to no growth. The impacts to Zone 7 appear to be continued slowness in connection fee revenue. Future connection fee revenue is projected to account for the continued slow-down in growth. Based on the revenue and expenditure projections shown in the table above, staff anticipates sufficient funding to pay off the ISA in January 2014. The attached Fund 73 cash flow provides more details on the data summarized above. Projected available funding is shown in the chart below.

## RECOMMENDED ACTION:

Information only.

## ATTACHMENT:
Chart – Fund 73 Projected Available Funding
Fund 73 Five-year Cash Flow Tables


Fund 73 Projected Available Funding
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$0
$20,777,047
Payoff of ISA by January 2014
$5,516,723
7/1/2009 - Actual
9/1/2009 - Actual
11/1/2009 - Actual
1/1/2010 - Actual
3/1/2010 - Actual
5/1/2010 - Actual
7/1/2010 - Actual
9/1/2010 - Actual
11/1/2010 - Actual
1/1/2011 - Projected
3/1/2011 - Projected
5/1/2011 - Projected
Jul-11
Sep-11
Nov-11
Jan-12
Mar-12
May-12
Jul-12
Sep-12
Nov-12
Jan-13
Mar-13
May-13
Jul-13
Sep-13
Nov-13
Jan-14
Mar-14
May-14
Available Funds

# Fund 73 Cash Flow Tables

**09/10**

| | 7/1/2009 - Actual | 8/1/2009 - Actual | 9/1/2009 - Actual | 10/1/2009 - Actual | 11/1/2009 - Actual | 12/1/2009 - Actual | 1/1/2010 - Actual | 2/1/2010 - Actual | 3/1/2010 - Actual | 4/1/2010 - Actual | 5/1/2010 - Actual | 6/1/2010 - Actual | **Sum of Key Data** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *Beginning Fund Balance Projected* | *21,209,597* | *20,777,047* | *18,880,767* | *14,965,466* | *14,148,967* | *13,166,578* | *10,518,296* | *11,909,351* | *40,893,026* | *38,682,173* | *40,146,851* | *41,536,315* | |
| *Encumbrances* | | | | | | | | | | | | | **-** |
| *Net Available Funds - Projected* | 21,209,597 | 20,777,047 | 18,880,767 | 14,965,466 | 14,148,967 | 13,166,578 | 10,518,296 | 11,909,351 | 40,893,026 | 38,682,173 | 40,146,851 | 41,536,315 | |
| *Source of Funds- Projected* | | | | | | | | | | | | | **-** |
| *Z7 Connection Fee Revenue* | *449,188* | *405,356* | *416,023* | *193,975* | *384,021* | *62,837* | *277,348* | *416,023* | *754,011* | *1,130,729* | *900,542* | *1,654,416* | ***7,044,467*** |
| *DV Connection Fee Revenue* | | *239,400* | *-* | *458,850* | *179,550* | *52,800* | *785,100* | *319,200* | *79,800* | *518,700* | *738,150* | *957,600* | ***4,329,150*** |
| *Interest Revenue/Prepaid Connections/Other* | | | *447,604* | *191,538* | *-* | *-* | *-* | *71,916* | *31,244* | *735,854* | *11,866* | *7,850,911* | ***9,340,933*** |
| *ISA* | | | | | | | | *30,500,000* | | | | | ***30,500,000*** |
| *Total Sources of Funds* | *449,188* | *644,756* | *863,626* | *844,363* | *563,571* | *115,637* | *1,062,448* | *31,307,139* | *865,055* | *2,385,283* | *1,650,557* | *10,462,927* | |
| *Available Funds Projected* | *21,658,784* | *21,421,804* | *19,744,394* | *15,809,829* | *14,712,538* | *13,282,214* | *11,580,744* | *43,216,489* | *41,758,081* | *41,067,456* | *41,797,409* | *51,999,242* | |
| *Projected Expenditures* | *881,737* | *2,541,036* | *4,778,928* | *1,660,863* | *1,545,960* | *2,763,918* | *(328,607)* | *2,323,464* | *3,075,908* | *920,605* | *261,094* | *780,607* | ***21,205,512*** |
| *Sinking Fund Contribution* | | | | | | | | | | | | *106,731* | ***106,731*** |
| *Net Available Funds - Projected* | *20,777,047* | *18,880,767* | *14,965,466* | *14,148,967* | *13,166,578* | *10,518,296* | *11,909,351* | *40,893,026* | *38,682,173* | *40,146,851* | *41,536,315* | *51,111,903* | |

**10/11**

| | 7/1/2010 - Actual | 8/1/2010 - Actual | 9/1/2010 - Actual | 10/1/2010 - Actual | 11/1/2010 - Actual | 12/1/2010 - Actual | 1/1/2011 - Projected | 2/1/2011 - Projected | 3/1/2011 - Projected | 4/1/2011 - Projected | 5/1/2011 - Projected | 6/1/2011 - Projected | **Sum of Key Data** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *Beginning Fund Balance Projected* | *51,111,903* | *50,896,147* | *50,629,054* | *45,161,002* | *45,860,601* | *46,274,576* | *46,991,507* | *46,784,414* | *45,757,218* | *43,157,727* | *43,183,132* | *43,119,552* | |
| *Encumbrances* | | | | | | | 201,804 | | | | | | ***201,804*** |
| *Net Available Funds - Projected* | | | | | | 46,274,576 | | | | | | | ***46,274,576*** |
| *Source of Funds- Projected* | | | | | | | | | | | | | **-** |
| *Z7 Connection Fee Revenue* | *(128,007)* | *128,007* | *1,120,061* | *640,035* | *138,674* | *426,690* | *263,025* | *263,025* | *263,025* | *263,025* | *263,025* | *863,519* | ***4,504,106*** |
| *DV Connection Fee Revenue* | *-* | *-* | *598,500* | *-* | *-* | *638,400* | *279,888* | *279,888* | *279,888* | *279,888* | *279,888* | *880,381* | ***3,516,721*** |
| *Interest Revenue/Prepaid Connections/Other* | *(19,030)* | *576* | *92,762* | *31,463* | *690,849* | *24,837* | *114,413* | *-* | *884,704* | *116,278* | *-* | *-* | ***1,936,854*** |
| *ISA* | | | | | | - | | | | | | | **-** |
| *Total Sources of Funds* | *(147,037)* | *128,583* | *1,811,324* | *671,498* | *829,524* | *1,089,927* | *657,327* | *542,913* | *1,427,617* | *659,191* | *542,913* | *1,743,900* | |
| *Available Funds Projected* | *50,964,866* | *51,024,730* | *52,440,378* | *45,832,500* | *46,690,125* | *47,364,504* | *47,648,834* | *47,327,327* | *47,184,835* | *43,816,918* | *43,726,045* | *44,863,452* | |
| *Projected Expenditures* | *68,719* | *395,676* | *7,279,376* | *(28,101)* | *415,548* | *372,997* | *864,420* | *1,570,109* | *4,027,108* | *633,786* | *606,494* | *1,253,889* | ***17,460,021*** |
| *Sinking Fund Contribution* | | | | | | | | | | | | *145,640* | ***145,640*** |
| *Net Available Funds - Projected* | *50,896,147* | *50,629,054* | *45,161,002* | *45,860,601* | *46,274,576* | *46,991,507* | *46,784,414* | *45,757,218* | *43,157,727* | *43,183,132* | *43,119,552* | *43,463,923* | |

| | | | | |
|---|---|---|---|---|
| *FY 10/11 Key Data:* | *Projected Connection Fee Revenue:* | *$ 8,020,827* | *Projected Expenditures* | *$ 17,807,464* |
| | *Actually Received* | *$ 3,434,354* | *Actually Spent/Encumbered* | *$ 8,504,215* |
| | *% of Actual to Projected* | *43%* | *% of Actual to Projected* | *48%* |

| | FY 11/12 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 | Jan-12 | Feb-12 | Mar-12 | Apr-12 | May-12 | Jun-12 | **Sum of Key Data** |
| *Beginning Fund Balance Projected* | *43,463,923* | *43,948,427* | *43,919,217* | *38,487,712* | *38,885,135* | *40,096,871* | *40,374,991* | *40,526,992* | *39,673,545* | *34,626,218* | *34,770,330* | *34,792,483* | |
| *Encumbrances* | | | | | | | | | | | | | **-** |
| *Net Available Funds - Projected* | | | | | | | | | | | | | **-** |
| *Source of Funds- Projected* | | | | | | | | | | | | | **-** |
| *Z7 Connection Fee Revenue* | *403,870* | *403,870* | *403,870* | *403,870* | *403,870* | *403,870* | *282,328* | *282,328* | *282,328* | *282,328* | *282,328* | *282,328* | ***4,117,187*** |
| *DV Connection Fee Revenue* | *430,118* | *430,118* | *430,118* | *430,118* | *430,118* | *430,118* | *300,678* | *300,678* | *300,678* | *300,678* | *300,678* | *300,678* | ***4,384,778*** |
| *Interest Revenue/Prepaid Connections/Other* | *107,884* | *-* | *-* | *136,804* | *884,704* | *-* | *122,364* | *-* | *969,645* | *125,600* | *-* | *-* | ***2,347,000*** |
| *ISA* | | | | | | | | | | | | | **-** |
| *Total Sources of Funds* | *941,872* | *833,988* | *833,988* | *970,792* | *1,718,692* | *833,988* | *705,370* | *583,006* | *1,552,651* | *708,606* | *583,006* | *583,006* | |
| *Available Funds Projected* | *44,405,795* | *44,782,415* | *44,753,205* | *39,458,504* | *40,603,827* | *40,930,859* | *41,080,361* | *41,109,998* | *41,226,196* | *35,334,824* | *35,353,336* | *35,375,490* | |
| *Projected Expenditures* | *457,368* | *863,198* | *6,265,493* | *573,368* | *506,956* | *555,868* | *553,368* | *1,436,454* | *6,599,978* | *564,494* | *560,852* | *2,548,486* | ***21,485,884*** |
| *Sinking Fund Contribution* | | | | | | | | | | | | *186,072* | ***186,072*** |
| *Net Available Funds - Projected* | *43,948,427* | *43,919,217* | *38,487,712* | *38,885,135* | *40,096,871* | *40,374,991* | *40,526,992* | *39,673,545* | *34,626,218* | *34,770,330* | *34,792,483* | *32,640,932* | |

| | FY 12/13 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Jul-12 | Aug-12 | Sep-12 | Oct-12 | Nov-12 | Dec-12 | Jan-13 | Feb-13 | Mar-13 | Apr-13 | May-13 | Jun-13 | **Sum of Key Data** |
| *Beginning Fund Balance Projected* | *32,640,932* | *33,588,966* | *34,024,966* | *30,098,980* | *31,036,916* | *31,876,867* | *32,655,872* | *33,225,310* | *32,792,693* | *28,196,101* | *28,794,384* | *29,225,229* | |
| *Encumbrances* | | | | | | | | | | | | | **-** |
| *Net Available Funds - Projected* | | | | | | | | | | | | | **-** |
| *Source of Funds- Projected* | | | | | | | | | | | | | **-** |
| *Z7 Connection Fee Revenue* | *594,405* | *594,405* | *594,405* | *594,405* | *594,405* | *594,405* | *412,250* | *412,250* | *412,250* | *412,250* | *412,250* | *412,250* | ***6,039,930*** |
| *DV Connection Fee Revenue* | *634,452* | *634,452* | *634,452* | *634,452* | *634,452* | *634,452* | *440,020* | *440,020* | *440,020* | *440,020* | *440,020* | *440,020* | ***6,446,832*** |
| *Interest Revenue/Prepaid Connections/Other* | *108,530* | *-* | *-* | *104,432* | *-* | *-* | *155,021* | *-* | *-* | *164,456* | *-* | *-* | ***532,440*** |
| *ISA* | | | | | | | | | | | | | **-** |
| *Total Sources of Funds* | *1,337,387* | *1,228,857* | *1,228,857* | *1,333,289* | *1,228,857* | *1,228,857* | *1,007,291* | *852,270* | *852,270* | *1,016,726* | *852,270* | *852,270* | |
| *Available Funds Projected* | *33,978,319* | *34,817,823* | *35,253,823* | *31,432,269* | *32,265,773* | *33,105,724* | *33,663,163* | *34,077,580* | *33,644,963* | *29,212,827* | *29,646,654* | *30,077,499* | |
| *Projected Expenditures* | *389,353* | *792,858* | *5,154,843* | *395,353* | *388,906* | *449,853* | *437,853* | *1,284,888* | *5,448,862* | *418,443* | *421,425* | *417,951* | ***16,000,587*** |
| *Sinking Fund Contribution* | | | | | | | | | | | | *228,000* | ***228,000*** |
| *Net Available Funds - Projected* | *33,588,966* | *34,024,966* | *30,098,980* | *31,036,916* | *31,876,867* | *32,655,872* | *33,225,310* | *32,792,693* | *28,196,101* | *28,794,384* | *29,225,229* | *29,431,547* | |

| | FY 13/14 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Jul-13 | Aug-13 | Sep-13 | Oct-13 | Nov-13 | Dec-13 | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | **Sum of Key Data** |
| *Beginning Fund Balance Projected* | *29,431,547* | *31,272,065* | *32,494,038* | *29,809,098* | *31,667,070* | *33,295,529* | *4,356,526* | *5,650,205* | *5,862,959* | *2,395,809* | *3,540,232* | *4,645,482* | |
| *Encumbrances* | | | | | | | | | | | | | **-** |
| *Net Available Funds - Projected* | | | | | | | | | | | | | **-** |
| *Source of Funds- Projected* | | | | | | | | | | | | | **-** |
| *Z7 Connection Fee Revenue* | *990,855* | *990,855* | *990,855* | *990,855* | *990,855* | *990,855* | *686,993* | *686,993* | *686,993* | *686,993* | *686,993* | *686,993* | ***10,067,087*** |
| *DV Connection Fee Revenue* | *1,056,048* | *1,056,048* | *1,056,048* | *1,056,048* | *1,056,048* | *1,056,048* | *732,256* | *732,256* | *732,256* | *732,256* | *732,256* | *732,256* | ***10,729,824*** |
| *Interest Revenue/Prepaid Connections/Other* | *215,539* | *-* | *-* | *232,994* | *-* | *-* | *236,929* | *-* | *-* | *39,674* | *-* | *-* | ***725,137*** |
| *ISA* | | | | | | *(30,503,481)* | | | | | | | ***(30,503,481)*** |
| *Total Sources of Funds* | *2,262,442* | *2,046,903* | *2,046,903* | *2,279,897* | *2,046,903* | *35,342,432* | *1,656,178* | *1,419,249* | *1,419,249* | *1,458,923* | *1,419,249* | *1,419,249* | |
| *Available Funds Projected* | *31,693,990* | *33,318,968* | *34,540,941* | *32,088,995* | *33,713,973* | *35,342,432* | *6,012,704* | *7,069,454* | *7,282,208* | *3,854,732* | *4,959,481* | *6,064,731* | |
| *Projected Expenditures* | *421,925* | *824,930* | *4,731,843* | *421,925* | *418,443* | *482,425* | *362,499* | *1,206,494* | *4,886,399* | *314,499* | *313,999* | *314,007* | ***14,699,390*** |
| *Sinking Fund Contribution* | | | | | | | | | | | | *234,000* | ***234,000*** |
| *Net Available Funds - Projected* | *31,272,065* | *32,494,038* | *29,809,098* | *31,667,070* | *33,295,529* | *4,356,526* | *5,650,205* | *5,862,959* | *2,395,809* | *3,540,232* | *4,645,482* | *5,516,723* | |

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7
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**ORIGINATING SECTION: ENGINEERING**
**CONTACT: KURT ARENDS**

AGENDA DATE: January 19, 2011 ITEM NO. 14f

SUBJECT: Update on the Bay-Delta Conservation Planning Effort

## BACKGROUND:

For nearly four years the Steering Committee for the Bay-Delta Conversation Plan (BDCP) have been working to develop a plan to protect, restore and enhance the ecosystem of the Sacramento-San Joaquin Delta and provide a more reliable water supply. The result of this effort is the Bay Delta Conservation Plan (BDCP). On November 18, 2010, the Steering Committee released a Working Draft of all the Plan components completed to date (available at www.baydeltaconservationplan.com). In December 2010, the California State Department of Water Resources (DWR), along with the California Natural Resources Agency and Department of Fish and Game released Highlights of the BDCP (also available at www.baydeltaconservationplan.com). The Highlights document provides an overview of the Plan's main elements, approaches to some of the most challenging issues, and different perspectives from participants in the BDCP process.

## DISCUSSION:

The BDCP provides a regulatory path for the project proponents to agree to implement a collection of habitat restoration measures, other stressor reduction activities, and water operations criteria in return for regulatory approval of the necessary long-term permits for the various projects and water operations (Covered activities).

Instead of mitigating for impacts on a project by project, species by species approach, the BDCP seeks to improve the health of the ecological system as a whole which will contribute to the recovery of at-risk species. To achieve this, the plan identifies 19 conservation and management actions, called Conservation Measures, which combined make up a conservation strategy. The BDCP Conservation Measures fall into three distinct categories to be implemented over a 50-year time frame:

- **Water Flow and Conveyance**: Consisting of a "dual conveyance" water delivery system including a new north delta diversion improving such things as velocity, direction, timing, nutrient transport, and migration corridors through the delta.
- **Aquatic and Terrestrial Habitat**: Water-based habitat features such as channel geometry, depth, slope, water quality and type of vegetation, and land-based habitat features that support non-aquatic species.
- **Other Stressor Reduction**: Non-physical habitat and non-flow-related activities to help species survive and thrive such as reducing toxic substances and invasive species.

The draft estimate of the capital cost to implement the entire BDCP over 50 years is $16.3 billion. Of that, approximately $12.7 billion is for the pipeline/tunnel conveyance option and $3.6 billion to implement ecosystem restoration and other stressor actions.

**NEXT STEPS:**

Although a working draft of the BDCP has been completed, a significant amount of work remains in order to complete the BDCP. The effects analysis, which looks at the biological effects of the various actions, is still underway and expected to be completed within the next one to two months. However, the analysis is driven by underlying assumptions that might change based on the December 2010 court ruling by Judge Wanger and ongoing litigation; the need to resolve these issues could potentially impact the BDCP schedule. If work is able to continue on schedule, a Public Review Draft BDCP is anticipated to be available for public review and comments in fall 2011.

To advance the BDCP and complete the required "effects analysis," there are six major decisions that need to be made to determine appropriate assumptions and analytical methods:

1. Type of Intakes (this has tentatively been resolved; given the size of the intakes, in-stream structures are not feasible so the intakes will have to be on-bank intakes)
2. San Joaquin River conditions and the I:E ratio that balances flows and exports (one purpose of the existing Vernalis Adaptive Management Plan (VAMP), beyond looking at flows and exports, was to investigate how the survival rate of Chinook salmon smolts migrating through the San Joaquin River system could be improved by constructing a rock barrier at the Head of Old River (HORB); the original 2007 Wanger decision prohibited construction of the HORB because of potential negative impacts on smelt; the court-identified conflicts need to be resolved before proceeding)
3. Old and Middle River (OMR) Flow Requirements (modeling of the dual conveyance shows improved OMR flows; some feel that governmental controls such as those that would be imposed as permit conditions or as part of an adopted BDCP are needed to assure operators do not circumvent these requirements; in addition, there is some concern that existing OMR conditions are inadequate protection for certain species, such as sturgeon in wet years)
4. Rio Vista Flows below the intakes (additional governmental controls may be needed to assure that minimum flows required for habitat and species protection downstream of the new intakes are assured)
5. Fall X2 (This is the term used to define the distance that salt water stretches from the Golden Gate Bridge to the point in the Delta where salinity is measured at 2 parts per thousand (ppT). 2 ppT is generally considered the breaking point between brackish water and fresh water. If the X2 value is high, then there is more saltwater intrusion into the Delta. If the X2 value is low, then there is more freshwater in the Delta. Judge Wanger's December 2010 decision found insufficient scientific basis for the current X2 requirements and has remanded to the agencies for further consideration; again, the court-identified conflicts need to be resolved before proceeding)
6. Upper Sacramento River Fall Temperatures (these are related to operation of upstream dams; current requirements may not be adequate to protect Spring Run Salmon)

These decisions will be made, either as part of the court effort or as part of the BDCP effort. Until these decisions are made, there is some concern that proceeding with the BDCP and effects analysis is premature and that much of the work would have to be re-done should decisions change significantly over existing assumptions (i.e., if the BDCP proceeds under erroneous decisions that change when court-ordered re-evaluations are made; on the other hand, if the BDCP process could be used to reach joint decisions, they could be provided to the court and, in effect, satisfy both needs with a single effort). Therefore, the major federal funding partners (Westlands and San Luis Delta Mendota Water Authority) have formally announced that, if unresolved, funding to the BDCP and its related EIR/EIS will be put on hold at the end of January but that a major effort should be made to resolve them this month. The major state funding partners (Kern County Water and Metropolitan Water) seem to share these concerns but have not made any formal announcements of withdrawal.

Zone 7 will continue to support, participate in and track the developments of the BDCP as the delta continues to be the cornerstone of the valley's current and future water supply. Once next steps and appropriate timing for completion are determined, Staff anticipates bringing a second amendment to the Cooperation Agreement to the Board for approval, potentially as early as February 2011. The Cooperation Agreement contains provisions which define the decision-making process for managing the BDCP process, identifies budget and assigns administrative responsibilities. The original Agreement was approved in 2007 for the term of three years. The first amendment was approved by the Board on November 18, 2010 providing a one year extension, expiring on January 30, 2011. The water contractors are currently reviewing the agreement to determine if any additional changes to the agreement are warranted which could be incorporated into the second amendment.