



NOTICE OF REGULAR MEETING OF BOARD OF DIRECTORS

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

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

DATE: Wednesday, December 15, 2010

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. Salute to Flag
3. 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.

4. Minutes of the Regular Meeting of November 17, 2010
5. Consent Calendar
 - a. Annual Report on Collection and Use of Development Fees
 - b. Financial Audit for Fiscal Year Ending June 30, 2010
 - c. Semitropic Point of Delivery Amendments to Extend Return Period thru 2035
 - d. Contract for Advocacy and Legislative Consulting Support Services

Recommended action: Adopt resolutions approving items as presented.

6. Staffing Updates:
 - a. Employee of the Month Recognition
7. Award of Contract for the Patterson Pass Water Treatment Plant Electrical Power System Upgrade Project

Recommended action: Adopt resolution.

8. Flood Protection and Storm Water Drainage Development Impact Fee Annual Adjustment

Recommended action: Hold public hearing; adopt resolution.

9. Adoption of the 2010 Urban Water Management Plan

Recommended action: Hold public hearing; adopt resolution.

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

Recommended action: Adopt resolution.

11. Committees - None

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. Verbal Reports

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 Council – 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

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: January 19, 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
ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

REGULAR MEETING
November 17, 2010

President Greci called the regular meeting to order at 7:02 p.m., with a salute to the flag. The following were present:

DIRECTORS: SANDS FIGUERS
JOHN GRECI
A J MACHAEVICH
CHRISTOPHER MOORE
SARAH PALMER
RICHARD QUIGLEY
BILL STEVENS

DIRECTORS ABSENT: NONE

ZONE 7 STAFF: JILL DUERIG, GENERAL MANAGER
REN NOSKY, GENERAL COUNSEL
KURT ARENDS, ASSISTANT GENERAL MANAGER, ENGINEERING
VINCE WONG, ASSISTANT GENERAL MANAGER, OPERATIONS
JOHN YUE, ASSISTANT GENERAL MANAGER, FINANCE
JUDY RECTOR, ACTING BOARD SECRETARY

Item 3 - Citizens Forum

None.

Item 4 – Minutes of the Regular Meeting of October 20, 2010

Director Palmer noted corrections in the minutes she had relayed to Acting Board Secretary Judy Rector prior to the Board meeting. These included a change on Page 5 from a vote of 7-1 to 6-1 with Director Stevens voting no on Resolution 11-4038, and on Page 6, the vote was 7-0, not 7-1 on Resolution 11-4041. Director Moore moved and Director Palmer seconded approval of the corrected minutes of October 20, 2010. The vote to approve was 7-0.

Item 5 - Consent Calendar

Director Quigley asked that Item 5a be pulled for discussion and Director Palmer pulled 5b. Director Quigley commented on 5a that he supports the dollars and the program for Municipal Water Quality Investigations (MWQI) because it is for a good cause and the fingerprint report of the quality of the Delta; this goes a long way in explaining a need for a conveyance fix in the Delta relating to water quality.

Director Figuers moved for approval. Director Palmer seconded the motion. Resolution No. 11-4047 was approved by a voice vote of 7-0.

Resolution No: 11-4047 Authorizing Agreement with the Department of Water Resources for the Municipal Water Quality Investigations Program. (Item 5a)

On Item 5b, General Manager Jill Duerig explained that at its semi-annual meetings, ACWA periodically has votes of the general membership. Each member gets one vote and if we had multiple people at the meeting, we would have to delegate who our voter is. This is something we have done before and the resolution for Consent Item 5b is a request to designate that voting member. The changes to the bylaws are largely organizational in nature. There are some changes in terms of who can sit on the boards and the committees but they aren't substantive in nature. Since Director Quigley is already going to the conference, the agency saves money by recommending Director Quigley as the voting delegate for Zone 7.

Director Figuers moved and Director Stevens seconded the motion. Hearing no discussion from the audience, a voice vote was taken and passed 7-0 for Resolution 11-4048.

Resolution No: 11-4048 Designating Director Dick Quigley to act as its voting delegate at ACWA's Fall Conference. (Item 5b)

Item 6 - Staffing Updates

Item 6a – Congratulations to Retiree:

Retirement of Keith Jackson, Water Facilities Supervisor

Keith Jackson, Water Facilities Supervisor, was recognized and congratulated on his recent retirement. General Manager Jill Duerig said it was an exciting opportunity for one person to move on to the next part of his life and hopefully have a fun time doing it. Vince Wong, Assistant Vice President, Operations, introduced Keith and called him our resident balloon man in reference to Keith's hobby. Vince told the Board that Keith started his career with Zone 7 in September 1979 as a Water Plant Operator, and joined Zone 7 after 5 years at the Metropolitan Water District in Southern California. He was then promoted to Water Facilities Supervisor in January 1982. In April of 1984 Keith received his Grade 5 Treatment Operator Certificate from the State Department of Public Health. Keith was instrumental in putting together Zone 7's first comprehensive safety program in the late 1980s. He has supervised at both of the Water Treatment Plants and, during the last several months, he has been on special assignment to the maintenance department to facilitate the implementation of the new Computerized Maintenance Management System (CMMS).

In the past Keith was commended for the work he did during the Seven-Year Drought when Zone 7 was challenged to meet the needs of the community with our facilities and with limited resources; Keith was instrumental in getting us through that rough spot.

Mr. Jackson complimented his co-workers by saying that with all the good people he worked with in Water Operations, he was always amazed at the Maintenance Department and what the Water Operators can get done in difficult situations with the equipment they are given. Mr. Jackson thanked the Board for allowing him to speak and wished them luck with the many challenges they will have in the future.

President Greci read the resolution out loud and gave him a framed copy of the resolution from the Board. Resolution 11-4049 was passed by a motion from Director Palmer and seconded by Director Figurers with a voice vote of 7-0.

Director Palmer noted that Keith was instrumental in introducing the water quality issues at the plants to several of her students and, in her other hat as a teacher, she truly appreciates what he has done for the students that he has inspired.

Randy Werner, City of Livermore, who has known Keith a very long time, explained that the City of Livermore is first in line out of Patterson Pass Water Treatment Plant as a Zone 7 customer and, before Del Valle was in existence, Patterson Pass was the first water supply. Mitch Baker and Keith had good working relationships with the City of Livermore personnel so it is sad to see him go, but he is sure he is going to have a lot of fun.

Item 6b - Employee of the Month Recognition

Darryl “Pete” Petersen, Lead Plant Mechanic, is the September 2010 Employee of the Month. Pete works in the Maintenance Section, located at our Del Valle Water Treatment Plant. According to the recommendation the committee received, Pete is a pleasure to work with and always does his best to assist when immediate help is needed. He is creative at problem solving when faced with difficult maintenance-related issues and tries to satisfy everyone involved. Pete was complimented on his professionalism, initiative, and persistence. Zone 7 is fortunate to have Pete’s knowledge and experience on the job. He has been a valuable part of our Maintenance Section for many years. Through his work, Pete has contributed greatly to the success of the Section and to the betterment of Zone 7.

Item 7 – Contract Extension for Information Technology Services

John Yue, Assistant General Manager, Finance, introduced the item regarding the contract extension for information technology services. In June 2008, Zone 7 entered into a 2-1/2 year contract with LanLogic to provide IT services but that contract will expire in December 2010. LanLogic has provided similar services for many years in a satisfactory manner and part of the expiring contract includes an option to extend; therefore it is recommended that the Board authorize the General Manager to finalize and execute a contract extension with LanLogic.

Director Quigley inquired if there is an hourly burn rate attached to this contract? Mr. Yue responded that “yes, there is for different levels of services. The levels of services include anything from similar services provided by a Chief Technology Officer all the way down to desktop help, hardware, software, and maintenance management.”

Director Quigley asked if we are comfortable that they have a competitive rate. Jill Duerig, General Manager, replied that, as with many of our contracts, every three or four years we re-bid them to make sure that those numbers are still competitive but then we extend the contract a few times to save staff effort and this is one of those extensions with LanLogic.

Director Machaevich moved and Director Palmer seconded the motion. A roll call vote was taken and Resolution 11-4050 was approved by a vote of 7-0.

Item 8 – Extension of Untreated Water Contracts and Reorganization of Untreated Water Program

Kurt Arends, Assistant General Manager, Engineering, addressed the Board regarding the untreated water contract program. Currently we have 72 untreated water contracts. Because they were approved and adopted over time, expiration dates vary depending upon how far back they go, but the goal is to get them on the same path. At the end of this calendar year, 40 of the contracts will be expiring. Two years ago Zone 7 staff asked for an extension of contracts with the expectation that because these contracts do not accurately reflect the current arrangement and operation of our untreated water deliveries, we would come up with new untreated contracts or a different arrangement with the people who have the contracts and take water. Zone 7 staff started having meetings but because of staff changes in our legal counsel, that process stopped. Zone 7 staff would like an additional year, with the new counsel's assistance, to develop a plan and work with the stakeholders to find a solution that is going to work for everybody.

Mr. Arends explained that this request is to extend these 40 contracts for one additional year and, during that time, Zone 7 staff will be meeting with contractors to discuss the program.

Director Palmer noted that there are issues in terms of the 60+ contractors not directly billed or served by us. She asked if they are protected in terms of their need; they don't have water rights per se, but they get water availability. For instance, the Wentte contract is expiring and yet many who get water from Wentte are not expiring.

General Counsel Ren Nosky explained that part of the reason the program needs a major overhaul is because those kinds of question are ambiguous right now. A great deal of these contracts are not coterminous with each other, the contractual relationships are muddled, and a lot of them don't even match each other. The Board is going to have to get feedback from not only turnout contractors, but the subcontractors, and provide more uniformity. One option is to scrap the contracts and have everybody receive water through Zone 7 through an ordinance and fee procedure much like an irrigation district does. Eventually that would provide much more simplicity and uniformity not only to the contractors but to Zone 7 as well. We have a contract with the people who receive water through Wentte but we do not bill them

President Greci asked if there were contracts for the allotment of the water. They pay us for allotment. The transmission is done by the seven individuals who paid for the turnout and are considering maintenance and upkeep of turnouts. Are they setting their own price? General Counsel Nosky responded that in theory they are responsible for maintenance of the turnout. Once it gets to the turnout, we are done with it. President Greci continued by saying that the seven individuals that own turnouts will be very interested in how we orchestrate contracts for their cost concerns for operating. There ought to be continuity amongst all of them for the rates they charge. It should be fair because if they can charge whatever they want, and if they are saying I need this to maintain my system, and each individual has a different expectation of his maintenance fees, you are going to get head butting trying to get everyone on the same plate.

Director Moore said he appreciates President Greci's comments about protecting those that may not have the leverage when it comes to who is wielding the water and what they are being charged. It has to be fair that those who do have the turnouts and are paying for that conveyance

have to recover their cost, but it is never the issue when times are good, it is when times are bad and people are having difficulty and they are being charged outrageous rates. Get it right as best we can.

Director Figuers commented that a turnout is just an opening in the side of the bank with a valve and a pipe. His thought is that in order to clean up things, we may need to take over the turnouts, maintenance and all. But Kurt Arends said the real issue is how water gets from the turnout to the individual indirect contractors. We have no way of getting it there. It takes a combination of canals and a piping system.

Director Stevens noted that turnout holder's pay on a regular basis but he would prefer to just have those seven direct turnout contractors maintain the controls because then we have a steady income that is guaranteed but somehow make them contractually deliver downstream.

Director Moore asked if there are any restrictions on the selling price of water but Kurt Arends said that he does not know of any restrictions. President Greci asked if any of the people complain about cost or delivery but Mr. Arends was unaware of any complaints. He noted there are probably lots of verbal and handshake agreements but the problem is the contracts say one thing and that is not what is happening.

Randy Werner, City of Livermore, said the City of Livermore is number 20 on the list of current untreated water contractors and they might not always agree with Zone 7 but continue to work with them and execute contracts, as needed. He suggested losing rights if you don't execute the contract. Turn the valve off on the two delinquent contractors. He supports staff getting signed contracts but feels turning the tap off is a good way to get their attention.

General Manager Jill Duerig clarified that since they are not our customers, we do not know if they are taking any water. They are a customer of someone who could cut them off but that gets back to Director Stevens' remark that Wente is paying us for every drop whether they sell it to these non-contract signers or not.

Director Stevens asked how often the meters are calibrated. Ms. Duerig responded that they are DWR's meters. They use them to charge us, we in turn use them to charge the turnout contractors, so we just pass along the cost; that is one of the reasons it works because we recover everything that is charged.

Director Stevens then asked if anybody actually inspects the canals, for instance, every 4 to 6 months? Ms. Duerig said that DWR inspects the canals. Director Stevens stated that if someone takes water out illegally with a siphon, then DWR should see it and Ms. Duerig agreed.

Director Palmer moved to approve resolution No. 11-4051 and Director Quigley seconded. After a roll call vote, the motion was passed by a vote of 7-0.

Item 9 – Committees –

None.

Item 10 - Items for Future Agendas – Directors

None.

Item 11 - Reports - Directors

- a. Written reports by Director Quigley
- b. Verbal reports

Director Quigley commented on the Zone 7 newsletter and complimented those who put it together. He also mentioned the letter from Randy Ritter, Golden Eagle Homes, thanking the Board of Directors for the requested repairs. Kurt Arends acknowledged Joe Seto and the Flood Control staff for their work on the Golden Eagle Homes request. Jill Duerig noted that the Zone 7 employee newsletter is under Boni Brewer's direction and others present at the Board meeting had also worked on it.

Item 12 – Staff Reports

- 12. Staff Reports (Information items. No action will be taken.)
 - a. General Manager's Report
 - b. Recent/Current Public Outreach Activities
 - c. Legislative Update
 - d. Status Report on Separation Efforts
 - e. Capital Improvement Program Update
 - f. Verbal Reports

Director Palmer noted that in Staff Report (a), the General Manager's report, there is a comment about Vulcan. The Board should pay attention to Vulcan because it was not just water pumping through but coming out of groundwater:

Staff continue to work with Vulcan to develop a plan for minimizing lost water flows. Vulcan continues to discharge to Arroyo Mocho at a rate of about 13 to 16 cubic feet per second (around 5 million gallons a day or around 30 acre feet per day), which is largely groundwater lost from the Main Groundwater Basin.

When the South Bay Aqueduct is cut off for whatever reason, then groundwater is what we turn to, i.e., when the Del Valle pipeline broke last year, we used groundwater. Director Palmer is glad Zone 7 is on top of this because it is crucially important; groundwater belongs to all of us in the Valley, not just Zone 7 water, and this is a lot of water loss.

13. 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

The Board went into closed session at 8:00 p.m.

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 8:10 p.m.



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

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

ORIGINATING DIVISION: Administrative Services
CONTACT PERSON: John Yue

AGENDA DATE: December 15, 2010

ITEM NO: 5a

SUBJECT: Annual Report on Collection and Use of Development Fees

SUMMARY:

- This item transmits the status of development impact fees held as of June 30, 2010 as required by AB 1600 and SB 1693, codified in the California Government Code Sections 66000, et seq. The fees accounted for in this report are Water Connection Fees, and Flood Protection and Storm Water Drainage Development Impact Fees.
- The Water Connection Fee and Flood Protection/Storm Water Drainage Fee are imposed to provide funding for projects that serve new development. Zone 7 maintains separate funds to account for each of these fees, allocates interest to each fund and accounts for expenditures for each separate project funded from these fees.
- The individual projects funded by the fees are reviewed and approved by your Board of Directors as part of the annual Capital Improvement Program. A detailed description of each project is available in the program document.
- The attached report summarizes the activities of the Water Connections Fees, (accounted for under the Capital Expansion Fund 73) and Flood Protection and Storm Water Drainage Development Impact Fees (accounted for under Flood Protection/Drainage DIF Fund 76).

FUNDING:

There is no funding impact.

RECOMMENDED ACTION:

Review and accept the annual report on Collection and Use of Development Fees for the period ending June 30, 2010.

ATTACHMENTS:

Annual Development Fees Report for the fiscal year ending June 30, 2010.

ZONE 7 WATER AGENCY
ANNUAL DEVELOPMENT FEE REPORT
For Fiscal Year Period Ending June 30, 2010

Capital Expansion Fund (73):

The connection fee ordinance was adopted in 1972. The fees are used to fund water acquisitions and expansion to the Zone's water supply, treatment, and delivery systems. The connection charge has been determined to be \$21,550 per equivalent connection (5/8-inch meter) for the period of 1/01/09 through 6/30/10. A separate charge for Dougherty Valley has been determined to be \$19,950 per connection for the period of 1/01/09 through 6/30/10.

Account / Job Number and Description	Start-End Fiscal Year	Actual FYTD 6/30/2010
Revenue and Transfers In:		
4231 GRANT NONOPERATING REVENUE		\$ 353,160
4311 INTEREST FROM INVESTMENTS		292,612
4321 INTEREST FROM OTHER SOURCES		2,369
4411 CONNECTION FEES - TREATED*		14,738,900
4412 CONNECTION FEES - DVSA		4,329,150
4614 PROJECT SPEC FEES		-
4814 DWR REFUNDS		781,902
4819 OTHER REVENUE		50,000
Total Revenue		\$ 20,548,094

Expenditures:

51401 DWR -SWP (SBA capacity & fixed costs)	ongoing	\$ 2,402,130
51408 LHWD - WATER AGREEMENTS	ongoing	-
51410 SWSD -WATER STORAGE AGREEMENTS	ongoing	-
51416 BWSD - WATER AGREEMENTS	ongoing	-
Subtotal Water Expansion Agreements		\$ 2,402,130

55000 CONNECTION FEE REFUNDS	1972-ongoing	\$ 51,441
55001 WATER CONNECTION FEE ADMIN	1972-ongoing	19,151
55003 LOW FLOW TOILET REBATE(41% from Job 52909)	1997-ongoing	31,634
55004 EXPANSION PROJECTS PLANNING	1997-ongoing	-
55010 GENERAL PLANNING	1995-ongoing	118,127
55034 ANNUAL SWP PEAKING PAYMENT	2001-ongoing	-
55037 SO BAY AQUEDUCT ENLARGEMENT Phase II	2002-36	7,820,765
55038 GOVERNMENT AFFAIRS/GRANTS	2003-ongoing	-
55039 ARROYO MOCHO LOW FLOW CROSSINGS	2003-14	-
55043 CUWA MEMBERSHIP & TECHNICAL STUDIES	2004-ongoing	54,000
55046 DVSA CONNECTION FEE REFUNDS	2005-ongoing	-
55048 NORTH CANYONS ADMIN/ENG BUILDING LEASE (35%)	2005-20	383,826
55050 CIP MANAGEMENT (75% from Job 52916)	2006-ongoing	113,502
55051 EVAL DELTA FUTR INFLU-WTR SUP/QUAL (40% f 55503)	2006-ongoing	-
55052 HABIT CONSERV PLAN-DELTA WTRSHED (50% 55504)	2006-11	31,292
55053 DELTA OUTREACH (50% from 55505)	2006-11	12,105
55054 WATER QUAL MGMT IMPLEMENT PLAN (36% 52917)	2007-ongoing	3,270
55056 E. ALAMEDA COUNTY CONSERV STRATEGY(80% fr 61904)	2007-11	21,119
55058 SCADA HARD-SOFTWARE REPLACE/UPGRADE PLAN (25%)	2007-10-closed	-
55059 DELTA SUPPLY RELIABILITY ASSESSMENT	2008-11	-
55060 2010 WATER SYSTEMS PLANNING (65% fr 52922)	2010-11	91,906
88315 TECH REVIEW OF BDCP (75% reimbursable)	2007-11	9,248
Subtotal General		\$ 8,761,387

55100 WATER TRANSFER PLANNING	1995-ongoing	\$ -
55104 WATER STORAGE	1998-ongoing	-
55106 CAWEL0 WD GROUNDWATER BANKING PROJ	2003-36	1,264,532
Subtotal Water Transfer Projects		\$ 1,264,532

* Includes a one-time adjustment to recognize \$7,694,433 previously booked as Deferred Revenue for connection credits resulting from the Shea-Lin Water Transfer Assistance Agreement in 2000.

ZONE 7 WATER AGENCY
ANNUAL DEVELOPMENT FEE REPORT
For Fiscal Year Period Ending June 30, 2009

Capital Expansion Fund (73) continued:

Account / Job Number and Description	Start-End Fiscal Year		Actual FYTD 6/30/2010
55200 WATER RECYCLING - PLANNING	1995-ongoing	\$	-
55203 BAY AREA REG WATER RECYCLING PROGRAM	1995-ongoing	\$	-
<i>Subtotal Water Recycling Projects</i>		\$	-
55300 WATER CONSRV PLAN (25% from Job 52905)	1995-ongoing	\$	9,061
55302 WATER CONSRV EDUC MAT (25% from 52907)	1995-ongoing		433
55303 WASHER REBATE PG (25% from Job 52908)	1997-ongoing		105,356
<i>Subtotal Water Conservation Projects</i>		\$	114,851
55425 WELLHEAD DEMIN PHASE I & II (50% from 52915)	2004-11		801,375
55426 CHAIN OF LAKES WELLFIELD	2007-11		3,299,733
55427 EL CHARRO PIPELINE I	2008-10-closed		242,359
55428 FORMER CAMP PARKS PIPELINE LINING (50% fr 52921)	2008-11		62,621
55429 CHAIN OF LAKES WELLS 3, 4 & 5	2008-12		934
55430 BAY AREA DESALINATION FEASABILITY STUDY (65% fr 52923)	2010-12		4,334
<i>Subtotal Well Field Expansion Projects</i>		\$	4,411,355
55603 ALTAMONT WTP AND ALTAMONT PIPELINE	2002-16		2,322
55611 PPWTP UF CHEMICAL SYSTEM IMPROVEMENTS	2006-10-closed		37,226
55613 ALTAMONT WATER TREATMENT PLANT	2007-16		79,678
55614 ALTAMONT PIPELINE - LIVERMORE REACH	2007-11		3,807,343
55615 PPWTP IMPROVEMENTS PROJ (36% from 52919)	2007-11		175,658
55616 ALTAMONT PIPELINE - COUNTY REACH	2008-15		7,888
<i>Subtotal Treatment Plant Expansion Projects</i>		\$	4,110,115
57101 CEQA LK H DIVERT (cost share f/88305)	2001-11	\$	29,080
57102 LAKES H,I, and COPE LAKE MGMT PLAN	2000-30		88,036
57104 CHAIN OF LAKES MASTER PLAN	2005-11		2,109
57105 LGA GRANT - HYDRO INVESTIGATION OF COL	2010-11		14,200
<i>Subtotal Chain of Lakes</i>		\$	133,425
<i>Total Expenditure</i>		\$	21,197,795
<i>Excess Revenue Over (Under) Expense</i>		\$	(649,701)
<i>Encumbrances, Commitments, and Reserves FYTD</i>		\$	9,663,749
3510 BEGINNING FUND BALANCE		\$	29,765,901
AUDIT ADJUSTMENT EOFY			
Ending EOFY Fund Balance Available		\$	19,452,452

ZONE 7 WATER AGENCY
ANNUAL DEVELOPMENT FEE REPORT
For Fiscal Year Period Ending June 30, 2010

Flood Protection and Storm Water Drainage Development Impact Fees Fund (76):

The flood protection and storm water drainage development impact fee ordinance was adopted in 2009 (Zone 7 Ordinance No. 2009-01). Revenues collected are authorized to be used for the acquisition, construction, engineering and improvement of the flood protection and/or storm water drainage elements of the SMMP of Zone 7, or to reduce the principal or interest of any bonded indebtedness thereof. Effective 5/18/09, all funds in the SDA Operations Fund (71) and SDA 7-1 Trust Fund (90) were transferred to the Flood Protection and Storm Water Drainage Development Impact Fee Fund and all outstanding SDA 7-1 Reimbursement Agreements were assigned to and assumed as obligations payable from the Flood Protection and Storm Water Drainage Development Impact Fee Fund. The fee schedule effective through 12/31/2009 was set at \$0.783 per square foot of impervious surface created. The fee schedule effective 01/01/2010 through 06/30/2010, was set at \$0.879 per square foot of impervious surface created.

Account / Job Number and Description		Start-End Fiscal Year	Actual FYTD 6/30/2010
Revenue and Transfers In:			
4311	INTEREST FROM INVESTMENTS		\$ 247,118
4431	FLOOD PROTECTION/ STORM DRAINAGE DIF		\$ 1,167,903
4731	TRANSFERS FROM SDA RESERVE A		
4811	COST SHARE AGREEMENT REVENUE		
4941	OPERATING TRANSFERS IN		
Total Revenue and Transfers In			\$ 1,415,021
Expenditures:			
61000	SDA 7-1 GENERAL ADMINISTRATION	ongoing	\$ 182,294
61124	TRIAD DEV - COLLIER CREEK IMP	1997-24	-
61144	LINE H-RT. 84/I 580 INTERCHANG	1999-10-closed	-
61145	STREAMWISE (70% fr 61902)	2001-11	237,197
61150	LINE G/H ARROYO MOCHO/WD;LS PS/RLGN	2002-11	
61152	LN G - MOCHO BYPASS @ OAKS BUSINESS PARK	2002-10-closed	5,935
61154	NORTH CANYONS ADMIN/ENG BUILDING LEASE (10%)	2005-20	109,665
61155	PROP 50 RIVER PARKWAYS GRANT APPLICATION	2006-ongoing	-
61156	CIP MANAGEMENT (5% fr 52916)	2006-ongoing	7,567
61157	FLOW STUDIES-STEELHEAD RESTORATION (50% fr 61903)	2007-11	16,040
61158	E. ALAMEDA COUNTY CONSERV STRATEGY (10% fr 61904)	2007-11	2,640
Total Expenditures			\$ 561,338
Excess Revenue Over (Under) Expense			\$ 853,683
Encumbrances, Commitments, and Reserves FYTD			\$ 780,807
3510	BEGINNING FUND BALANCE		\$ 33,220,382
Available EOFY Fund Balance			\$ 33,293,258

development fees report 06-2010.xls 11/30/10

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

RESOLUTION NO

INTRODUCED BY
SECONDED BY

WHEREAS, California Government Code Sections 66000-66006 implement Assembly Bill 1600 and Senate Bill 1693, which impose requirements for the collection and expenditure of development impact fees; and

WHEREAS, pursuant to Government Code Section 66006, Zone 7 must issue an annual report relating to the development fees it imposes;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Zone 7 of Alameda County Flood Control & Water Conservation District hereby accepts the attached annual report of development fee revenues and expenditures for the fiscal year ending June 30, 2010.

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 Alameda
County Flood Control and Water Conservation District on

December 15, 2010

By: _____
President, Board of Directors



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

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

ORIGINATING DIVISION: Administrative Services

CONTACT PERSON: John Yue

AGENDA DATE: December 15, 2010

ITEM NO: 5b

SUBJECT: Financial Audit for Fiscal Year Ending June 30, 2010

SUMMARY:

- Maze and Associates conducted the external audit for the fiscal year ending June 30, 2010.
- The audit was conducted in accordance with generally accepted auditing standards in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. Those standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
- The audit concluded that the financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the major fund of the Alameda County Flood Control and Water Conservation District - Zone 7 at June 30, 2010, and the respective changes in the financial position and cash flows for the year are in conformity with generally accepted accounting principles in the United States of America.
- The audit findings were presented to the Finance Committee on December 14, 2010.

FUNDING:

There is no funding impact.

RECOMMENDED ACTION:

Accept the annual independent audit for the period ending June 30, 2010.

ATTACHMENTS:

Statement of Net Assets as of June 30, 2009 and June 30, 2010

Net Assets
June 30, 2010

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Assets:						
Current and other assets	\$58,322,304	\$58,371,017	\$120,789,879	\$104,617,390	\$179,112,183	\$162,988,407
Capital assets	14,661,865	14,860,651	214,245,244	208,537,248	228,907,109	223,397,899
Total assets	<u>72,984,169</u>	<u>73,231,668</u>	<u>335,035,123</u>	<u>313,154,638</u>	<u>408,019,292</u>	<u>386,386,306</u>
Liabilities:						
Current liabilities	327,148	4,069,717	5,367,003	17,641,510	5,694,151	21,711,227
Long-term liabilities	0	0	30,500,000	1,153,493	30,500,000	1,153,493
Total liabilities	<u>327,148</u>	<u>4,069,717</u>	<u>35,867,003</u>	<u>18,795,003</u>	<u>36,194,151</u>	<u>22,864,720</u>
Net assets:						
Invested in capital assets net of related debt	14,661,865	14,860,651	214,245,244	208,712,439	228,907,109	223,573,090
Unrestricted-Designated	57,518,054	52,980,686	83,068,988	80,744,502	140,587,042	133,725,188
Unrestricted	477,102	1,320,614	1,853,888	4,902,694	2,330,990	6,223,308
Total net assets	<u>\$72,657,021</u>	<u>\$69,161,951</u>	<u>\$299,168,120</u>	<u>\$294,359,635</u>	<u>\$371,825,141</u>	<u>\$363,521,586</u>

Changes in Net Assets
June 30, 2010

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Charges for services	\$1,178,982	\$10,423,524	\$30,887,925	\$30,059,518	\$32,066,907	\$40,483,042
Grants and other contributions	54,264	64,915	808,207	80,073	862,471	144,988
Other program revenues	23,928	103,738	30,443,571	20,803,089	30,467,499	20,906,827
General revenues						
Property taxes	5,918,281	6,129,952			5,918,281	6,129,952
Investment earnings and other	428,861	1,187,263	713,341	2,894,501	1,142,202	4,081,764
Total Revenues	<u>7,604,316</u>	<u>17,909,392</u>	<u>62,853,044</u>	<u>53,837,181</u>	<u>70,457,360</u>	<u>71,746,573</u>
Expenses:						
General government	3,547,907	3,397,298			3,547,907	3,397,298
Flood protection	561,339	3,989,212			561,339	3,989,212
Special drainage area operations		587,509				587,509
State Water Project			8,787,104	8,015,944	8,787,104	8,015,944
Cost of water sales			30,849,943	29,947,702	30,849,943	29,947,702
Facility use fees - capital improvement projects			5,328,142	7,366,067	5,328,142	7,366,067
Water connection fees - capital expansion projects			13,079,370	13,691,126	13,079,370	13,691,126
Total Expenses	<u>4,109,246</u>	<u>7,974,019</u>	<u>58,044,559</u>	<u>59,020,839</u>	<u>62,153,805</u>	<u>66,994,858</u>
Increase/(decrease) in net assets before transfers	3,495,070	9,935,373	4,808,485	(5,183,658)	8,303,555	4,751,715
Transfers		(5,269,405)		5,269,405		
Extraordinary item		(900,534)		(1,570,486)		(2,471,020)
Change in net assets	<u>3,495,070</u>	<u>3,765,434</u>	<u>4,808,485</u>	<u>(1,484,739)</u>	<u>8,303,555</u>	<u>2,280,695</u>
Net assets-beginning	69,161,951	65,396,517	294,359,635	295,844,374	363,521,586	361,240,891
Net assets-ending	<u>\$72,657,021</u>	<u>\$69,161,951</u>	<u>\$299,168,120</u>	<u>\$294,359,635</u>	<u>\$371,825,141</u>	<u>\$363,521,586</u>

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

RESOLUTION NO

INTRODUCED BY
SECONDED BY

WHEREAS, Maze and Associates was contracted to perform an independent audit of the financial statements for the fiscal year ending June 30, 2010 of Zone 7 of Alameda County Flood Control & Water Conservation District; and

WHEREAS, Maze and Associates has conducted its audit and presented its independent auditor's report at the Finance Committee meeting on December 14, 2010;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Zone 7 of Alameda County Flood Control & Water Conservation District hereby accepts the attached independent auditor's report, basic financial statements and supplementary information for the fiscal year ending June 30, 2010.

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 Alameda
County Flood Control and Water Conservation District on

December 15, 2010

By: _____
President, Board of Directors



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

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

ORIGINATING SECTION: WATER SUPPLY ENGINEERING
CONTACT: SAL SEGURA/JARNAIL CHAHAL

AGENDA DATE: December 15, 2010

ITEM NO. 5c

SUBJECT: Semitropic Point of Delivery Amendments to Extend Return Period thru 2035

SUMMARY:

- Zone 7 has been storing water in Semitropic Storage District (Semitropic) since 1998.
- The current storage balance is nearly 81 thousand acre-feet (TAF) of which 45 TAF (55%) was stored between 2000 and 2003.
- Initially, annual Point of Delivery (POD) Agreements were executed because DWR did not want to enter into long-term POD Agreements due to CEQA concerns related to the Monterey Amendment.
- Zone 7 has six separate POD Agreements with DWR and Kern County Water Agency for water stored in Semitropic between 1998 and 2003.
- A long-term POD Agreement was recently signed for water storage between years 2004 and 2020.
- The 2000-2003 POD Agreements, which specify a return period of ten years are due to expire between 2010 and 2013.
- The Semitropic POD Agreement for 2000 will expire on December 31, 2010. DWR is preparing an amendment for this POD Agreement extending the return period of the stored water until December 31, 2035. Staff recommends executing this amendment as soon as it becomes available.
- DWR intends to prepare amendments for 2001-2003 POD Agreements, extending their return period until December 31, 2035. Staff recommends executing these amendments as soon as they become available.

FUNDING:

The costs associated with out-of-basin storage are funded from Fund 52 –Water Enterprise Fund.

RECOMMENDED ACTION:

Adopt the attached resolution authorizing the General Manager to negotiate and execute amendments to the 2000-2003 Semitropic POD Agreements to extend the term to facilitate the return of Zone 7's water stored between 2000 thru 2003.

ATTACHMENTS:

1. Zone 7 Board Resolution for POD Amendments
2. Memo with Additional information

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
ZONE 7 BOARD OF DIRECTORS
RESOLUTION NO.

INTRODUCED BY
SECONDED BY

WHEREAS, Zone 7 currently has nearly 81 TAF of water stored in Semitropic Water Storage District for recovery during dry years; and

WHEREAS, the Point of Delivery Agreement with DWR and Semitropic for water stored in 2000 is scheduled to expire on December 31, 2010; and

WHEREAS, the Point of Delivery Agreements for 2001, 2002 and 2003 are also scheduled to expire in the next three years; and

WHEREAS, Zone 7 staff seeks to amend these agreements to extend the term and return period.

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 an amendment to the 2000 Semitropic Point of Delivery Agreement, to extend the return period; and

BE IT FURTHER 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 amendments to the 2001, 2002 and 2003 Semitropic Point of Delivery Agreements, to extend their return periods.

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 Alameda
County Flood Control and Water Conservation District on

December 15, 2010

By: _____
President, Board of Directors

Interoffice Memo

Date: December 15, 2010
To: Jill Duerig, General Manager
From: Sal Segura, Associate Civil Engineer
Subject: Semitropic Point of Delivery Amendments to Extend Return Period thru 2035

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

BACKGROUND:

On January 28, 1998, Zone 7 entered into a Memorandum of Understanding (MOU) with Semitropic Water Storage District (Semitropic) for a water banking and exchange program. Subsequent amendments to the MOU were made in December 1998, February 2003 and January 2005. Zone 7 is one of six banking partners who have signed MOUs to store and exchange water within Semitropic Water Storage District. In order for DWR to deliver Zone 7's water to Semitropic for future recovery, Zone 7 entered into Point of Delivery (POD) Agreements with DWR and Kern County Water Agency (Kern). Semitropic is one of 13 local water districts who contract with Kern as member units.

DISCUSSION:

Since 1998, Zone 7 has transferred into Semitropic for future recovery nearly 90,000 acre-feet (90 TAF) (after 10% transfer loss). In 2001 and 2008, Zone 7 recovered a combined total of 8,800 acre-feet leaving a balance of almost 81 TAF in storage. Of the 90 TAF transferred into storage by Zone 7, nearly 45 TAF was transferred between 2000 and 2003. In the years immediately following the above-referenced MOU, DWR did not want to enter into a long-term POD Agreement with Zone 7 due to CEQA concerns related to the Monterey Amendment. As a result, DWR and Zone 7 entered into six separate annual POD Agreements from 1998 through 2003. Unlike the POD Agreements for 1998 and 1999, the 2000-2003 POD Agreements specify a return period of 10 years and are due to expire between 2010 and 2013. These four POD Agreements will need to be amended to extend their term until 2035, in parallel with all other similar POD Agreements. A long-term POD Agreement was entered into on August 9, 2010 for storage between 2004 and 2020.

Since the expiration of the 2000 POD Agreement (SWPAO #00037) will occur at the end of the year, DWR has decided to prepare a single amendment to extend the term of this agreement to 2035. DWR will, at a later date, prepare amendments to the remaining three POD Agreements to extend their term to 2035. Staff recommends that the Board authorize the General Manager to negotiate and execute these amendments to the 2000-2003 POD Agreements.

ATTACHMENT: Semitropic Water Storage and Recovery History by Zone 7

Semitropic Water Storage District (STWSD)
Storage and Recovery History
By Zone 7 Water Agency

Year	STWSD Transfer	STWSD Transfer Losses	STWSD Net Storage	STWSD Withdrawn Storage	STWSD Storage Balance
1998	5,970	597	5,373	0	5,373
1999	22,910	2,291	20,619	0	25,992
2000	23,940	2,394	21,546	0	47,538
2001	5,000	500	4,500	1,807	50,231
2002	14,287	1,429	12,858	0	63,089
2003	6,500	650	5,850	0	68,939
2004	5,740	574	5,166	0	74,105
2005	5,740	574	5,166	0	79,271
2006	5,740	574	5,166	0	84,437
2007	717	72	645	0	85,083
2008	0	0	0	7,000	78,083
2009	0	0	0	0	78,083
2010	3,000	300	2,700	0	80,783
Total	99,544	9,954	89,590	8,807	80,783



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

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: December 15, 2010

ITEM NO. 5d

SUBJECT: Contract for Advocacy and Legislative Consulting Support Services

SUMMARY:

- The Gualco Group, Inc., has provided professional services to Zone 7 related to governmental relations, in particular providing advocacy and legislative consulting, since January 2003.
- In late 2008 proposals were again requested to provide these services. At that time, staff determined that of the proposals submitted, The Gualco Group, Inc. was the best qualified due to its knowledge of Zone 7 issues and due to its greater experience in representing the interests of both water agencies and flood protection agencies
- The current contract with The Gualco Group was approved by the Board in January 2009, with the potential for two one-year extensions at Zone 7's discretion.
- A one-year extension to the current contract was granted for 2010 and will expire on December 31, 2010.
- Staff recommends authorizing the General Manager to negotiate and execute a second one-year contract amendment with The Gualco Group, Inc., with the total not-to-exceed amount of \$60,000.
- This would reflect a \$10,000 reduction from the \$70,000 maximum in the 2009 contract and in the 2010 contract extension, by scaling back some Gualco services without affecting its core mission of representing Agency interests in Sacramento.

FUNDING:

Funding is available from Fund 50 – General Fund and from Fund 52 – Water Enterprise.

RECOMMENDED ACTION:

Approve attached Resolution, authorizing 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.

Attachments: Background memo
Resolution

Interoffice Memo

Date: December 15, 2010
To: Jill Duerig
From: Boni Brewer
Subject: Contract for Advocacy & Legislative Consulting Support Services

BACKGROUND:

The Gualco Group, Inc., has been providing Advocacy & Legislative Consulting Support Services to Zone 7 since January 2003 (for instance, the firm provided lobbying support for the AB 1125 action that in 2003 granted Zone 7 greater local autonomy and independence from Alameda County government, and in the last couple of years has represented the Agency's interests in tracking and providing input on the state's landmark water legislation).

The most recent Request for Proposals to provide such services was issued in December 2008 and of the three firms that submitted, Gualco was determined to be the best qualified and the best fit for Zone 7. This was due to its understanding of Agency issues and its experience in representing the interests of both water agencies and flood protection agencies on the state level.

DISCUSSION:

With the new Legislature taking seat early this month followed by the Brown administration taking office in early 2011, with our continued involvement in statewide water issues and with anticipated efforts to separate from Alameda County, Zone 7 staff requests the continued retention of the professional services of a government relations consultant to represent the Agency's issues and concerns at the state level.

The needs of the Livermore-Amador Valley and of Zone 7 are complex. Zone 7 needs a government relations firm to help in the following areas:

1. Track legislation that might affect Zone 7 water-supply and/or flood-control programs.
2. Initiate legislation on behalf of Zone 7, and
3. Put Zone 7 in a better position to attract state and/or federal grants.

Staff has been pleased with the The Gualco Group, Inc.'s, performance and responsiveness to Agency requests. In recognition of the Agency's budget constraints, Gualco has agreed to reduce the not-to-exceed amount in the contract from this year's \$70,000 down to \$60,000, by scaling back some services without affecting Gualco's core mission of representing Agency interests in Sacramento.

FUNDING:

Funding is available from Fund 50 – General Fund and from Fund 52 – Water Enterprise.

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

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 to negotiate and execute a one-year contract extension with The Gualco Group, Inc., to provide government relations services for advocacy and legislative consulting for the not-to-exceed amount of \$60,000.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

December 15, 2010

By _____
President, Board of Directors



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

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: December 15, 2010

ITEM NO: 6

SUBJECT: Employee of the Month Recognition

SUMMARY:

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

Ding Bang Bao, Water Plant Operator, has been chosen from among those nominated as the October 2010 Employee of the Month. Ding Bang works as a Water Treatment Plant Operator in the Operations Section, currently at our 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 focused on the operating efficiency of the plant and expands his knowledge as an operator to be better at his job. Ding Bang is complimented on his work ethic, use of good judgment, and ability to remain level headed when the going gets tough. In summary, we are fortunate to have Ding Bang on the job.

RECOMMENDED ACTION:

It is recommended that the Zone 7 Board of Directors recognize and congratulate Ding Bang Bao as October 2010 Employee of the Month.



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

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

ORIGINATING SECTION: WATER SUPPLY ENGINEERING
CONTACT: JAIME RIOS/JARNAIL CHAHAL

AGENDA DATE: December 15, 2010

ITEM NO. 7

SUBJECT: Award of Contract for the Patterson Pass Water Treatment Plant
Electrical Power System Upgrade Project

SUMMARY:

- 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.
- The Engineer's estimate for the project scope under this contract is \$730,000.
- The project is categorically exempt from CEQA review. The Notice of Exemption is scheduled to be filed with the County on December 17, 2010.
- The project was advertised in three local papers, on an internet site (Onvia) and on Zone 7's website.
- On December 7, 2010, in accordance with established procedures, bids were received, opened, and publicly read.
- Seven bids ranging from \$192,000 to \$585,400 were received.
- The low bidder, Con J Franke Electric, has requested to withdraw their bid due to a calculation error in their bid.
- Bids were reviewed by Zone 7 staff and it was determined that the lowest responsive and responsible bidder is Central Sierra Electric, Inc. with a bid of \$319,265.

FUNDING:

Funds are available in Fund 72 - Renewal and Replacement / System-wide Improvements.

RECOMMENDED ACTION:

Consider bids for the construction of the PPWTP Electrical Power System Upgrade Project and adopt the attached resolution to:

- Approve plans, specifications, appendices and addenda;
- Reject the bid of Con J Franke Electric as non-responsive and non-responsible;
- Accept the bid and award a contract to Central Sierra Electric, Inc., as the lowest responsive and responsible bidder for the bid amount of \$319,265;
- Authorize the General Manager to negotiate and execute the contract with Central Sierra Electric, Inc.;
- Authorize the General Manager to issue change orders as and when required by the contract for an amount not-to-exceed \$31,926.50 (10% of contract amount); and
- Authorize the General Manager to amend the professional services contract with DTN Engineers, Inc., to increase the contract amount by \$12,000 to \$205,600 for design and construction support services.

ATTACHMENTS:

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

Interoffice Memo

Date: December 15, 2010
To: Jill Duerig, General Manager
From: Jaime Rios, Associate Civil Engineer
Subject: Award of Contract for the Patterson Pass Water Treatment Plant Electrical Power System Upgrade Project

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

BACKGROUND:

On December 16, 2009, the Zone 7 Board authorized a professional services contract with DTN Engineers for design and construction support services for the Patterson Pass Water Treatment Plant Electrical Power System Upgrade Project for a total not-to-exceed amount of \$193,600, which includes a 10% contingency. The project consisted of replacement of the motor control center (MCC), its automatic transfer switch (ATS) and associated electrical and control wiring at Patter Pass Water Treatment Plant (PPWTP).

DISCUSSION:

The MCC and its ATS at the PPWTP are beyond their useful lives and need to be replaced within the next couple of years to avoid potential catastrophic failure. In addition, the electrical and control wiring that feed into the MCC experienced substantial damage from ground squirrels in 2009. To save time and funds, Zone 7 pre-purchased the MCC to be installed under this contract. The purchase order for the MCC has been processed and delivery is scheduled for February 4, 2011. The project is categorically exempt from CEQA review under Article 19, Section 15302, "Class 2 - Existing Facilities." The Notice of Exemption is scheduled to be filed with Alameda County by December 17, 2010.

DWR owns and operates the Patterson Reservoir, which is located immediately north of and adjacent to the PPWTP. PPWTP receives its source water from Patterson Reservoir. DWR maintains Patterson Reservoir and periodically uses pumps to drain and clean the reservoir. Pumping has been performed with mobile pumps brought onsite. DWR requested an electrical service from Zone 7 to allow installation of permanent pumps, which would improve maintenance and cleaning of the reservoir. Rather than installing this electrical service as a stand-alone project, it was more efficient to add it to the Patterson Pass Water Treatment Plant Electrical Power System Upgrade Project. As this is a DWR facility that services only Zone 7, and costs incurred by DWR would be 100% passed through to Zone 7, it is more economical for Zone 7 to do the work instead of DWR.

Because of the increase in project scope of adding the DWR electrical service, additional funds are needed for the professional services contract which provides design and construction support services. The design and construction support services contract with DTN Engineers, Inc. was for an amount not-to-exceed \$193,600 which includes a 10% contingency which was authorized for the General Manager. Additional funds are needed in excess of the authorized 10 percent contingency in the amount of \$12,000. The agenda item includes a request to amend the design and construction support services contract with DTN Engineers, Inc., to increase the contract amount to a total of \$205,600. Staff will continue to negotiate with DTN Engineers to minimize the costs of these services.

This project was advertised on November 15, 2010 and November 22, 2010 in three local newspapers. In addition, the project was advertised on an internet site (Onvia) and on Zone7's website. Copies of the plans and specifications were posted in twenty-five Northern California building exchanges. A Mandatory Pre-Bid Meeting was held on December 2, 2010. On December 7, 2010, in accordance with established procedures, the following bids were received:

<u>Name of Firm</u>	<u>Total Bid Amount</u>
(Con J. Franke Electric)	(\$192,000)*
Central Sierra Electric, Inc.	\$319,265
DM Jepsen Electric	\$328,693.55
Harris Electric	\$364,000
Edward W. Scott Electric	\$379,000
Martech	\$382,312
Triple S. Electric	\$585,400

* Requested to withdraw based on calculation error

The Engineer's estimate for the project scope included under this contract is \$730,000. The bids have been reviewed by Zone 7 staff. All bids were lower than the Engineer's estimate and this is apparently due to the current depressed economy. The lowest bid in particular was substantially lower than the Engineer's estimate. Staff contacted the low bidder to confirm that their bid was accurate. The low bidder confirmed that there was an error in their calculations and asked to withdraw their bid. Staff contacted the second lowest bidder to make sure their bid is not in error. The second lowest bidder has complied with the bid requirements and is the lowest responsive and responsible bidder.

Staff recommends the award of contract to the lowest responsive and responsible bidder, Central Sierra Electric, Inc., for an amount not-to-exceed \$319,265 based on the unit prices in their bid for Project No. 207-10. Additionally, staff recommends that the General Manager be authorized to issue change orders as and when required by the contract to increase the contract to an amount not-to-exceed \$351,192 (an additional 10% of contract bid amount).

SCHEDULE:

Construction is scheduled to commence during the middle of January 2011 and substantial completion of the project is anticipated by the end of March 2011.

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

WHEREAS, Zone 7 of the Alameda County Flood Control and Water Conservation District has a project for the construction of the Patterson Pass Water Treatment Plant Electrical Power System Upgrade Project; and

WHEREAS, said project was advertised with bids to be received by the General Manager or her authorized representatives at the Zone 7 Administration Office, 100 North Canyons Parkway, Livermore, California 94551 on December 7, 2010, at 2:00 p.m. at which time said bids would be taken and opened and publicly read; and

WHEREAS, on December 7, 2010, the following bids were submitted in response to said advertisement; and

<u>Name of Firm</u>	<u>Total Bid Amount</u>
Con J. Franke Electric	\$192,000
Central Sierra Electric, Inc.	\$319,265
DM Jepsen Electric	\$328,693.55
Harris Electric	\$364,000
Edward W. Scott Electric	\$379,000
Martech	\$382,312
Triple S. Electric	\$585,400

WHEREAS, the low bidder Con J Franke Electric has requested to withdraw their bid due to a calculation error in their bid:

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby approve the plans, specifications, appendices and addenda for the Patterson Pass Water Treatment Plant Electrical Power System Upgrade Project; and

BE IT FURTHER RESOLVED that the bid of Con J Franke Electric is rejected as non-responsive and non-responsible; and

BE IT FURTHER RESOLVED that the bid of the lowest responsive and responsible bidder, Central Sierra Electric, Inc., be accepted, and that the contract for the work be awarded to Central Sierra Electric, Inc. for an amount not to exceed \$319,265; and

BE IT FURTHER RESOLVED that the General Manager be authorized to execute the contract on behalf of Zone 7 of the Alameda Flood Control and Water Conservation District

upon such presentation and approval of the contract and each of the bonds presented by Central Sierra Electric, Inc., and

BE IT FURTHER RESOLVED that the General Manager be authorized to negotiate and issue change orders as and when required by the contract for an amount not to exceed \$31,926.50; and

BE IT FURTHER RESOLVED that the General Manager be authorized to amend the design and construction support services contract with DTN Engineers, Inc., to increase the contract amount to \$205,600.

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 Alameda
County Flood Control and Water Conservation District on

December 15, 2010

By _____
President, Board of Directors



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

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

ORIGINATING SECTION: ENGINEERING
CONTACT: JOE SETO/JEFF TANG

AGENDA DATE: December 15, 2010

ITEM NO. 8

SUBJECT: Flood Protection and Storm Water Drainage Development Impact Fee Annual Adjustment

SUMMARY:

- 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. Ordinance 2009-01 was then amended 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 on August 16, 2006.
- Ordinance 2010-01 prescribes a fee schedule for DIF adjustments.
- The adopted DIF, 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.
- Staff recommends adopting a DIF of \$1.00 per square foot of impervious surface created, to be effective on January 1, 2011.

FUNDING:

Revenue collected from the new Flood Protection and Storm Water Drainage Impact fees will be deposited into the Flood Protection and Storm Water Drainage Development Impact Fee Fund – Fund 76.

RECOMMENDED ACTIONS:

- Hold Public Hearing
- Approve Resolution

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

WHEREAS, Ordinance 2009-001 was adopted by the Board of Directors of Zone 7 of Alameda County Flood Control and Water Conservation District on March 18, 2009 establishing the collection of a Flood Protection and Storm Water Drainage Development Impact Fee; and

WHEREAS, the Board of Directors of Zone 7 of Alameda County Flood Control and Water Conservation District adopted Ordinance 2010-001 on March 17, 2010 amending the Flood Protection and Storm Water Drainage Development Impact Fee; and

WHEREAS, Ordinance 2010-001 includes Appendix A, Zone 7 Drainage Fee Schedule for March 2009 to January 1, 2012, which provides the adopted Fee, effective January 1, 2011, as \$0.96 per square feet of impervious surfaces; and

WHEREAS, Ordinance 2010-01 allows an annual adjustment of the Fee as determined by the increase in the Engineering News Record Construction Cost Index;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Zone 7 of Alameda County Flood Control and Water Conservation District does hereby approve the annual adjustment of the Flood Protection and Storm Water Drainage Development Impact Fee as follows:

Effective January 1, 2011: \$1.00 per square foot of newly created impervious surface

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 Alameda County Flood Control and Water Conservation District on

December 15, 2010

By _____
President, Board of Directors



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

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

ORIGINATING SECTION: WATER SUPPLY ENGINEERING
CONTACT: AMPARO FLORES AND JARNAIL CHAHAL

AGENDA DATE: December 15, 2010

ITEM NO. 9

SUBJECT: Adoption of the 2010 Urban Water Management Plan

SUMMARY:

- The Draft 2010 Urban Water Management Plan (UWMP) was prepared in accordance with the California Urban Water Management Planning Act. The 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.
- The Draft 2010 UWMP 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.
- The Draft 2010 UWMP 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.
- By design, no shortages are expected under normal, single dry, and multiple dry water years if planned programs and projects are implemented. If they are not implemented, potential shortages—based on a “High Water Demand” scenario—are expected beginning in 2020 in the amounts shown below:

Water Year Type	Potential Range of Shortages (Acre-Feet Annually) Between 2020 and 2030 Without New Supplies
Normal	2,000-10,500
Single Dry*	1,800-8,700
Multiple Dry*	2,200-36,000

*Under dry conditions, Zone 7 uses surface water previously stored in the groundwater basin and non-local storage (Cawelo and Semitropic) to boost water supplies and minimize shortfalls.

- Zone 7 is aggressively developing a strategy via the WSMP for providing a reliable, high-quality water supply.

FUNDING:

This effort is funded from Fund 52 –Water Enterprise Fund.

RECOMMENDED ACTIONS:

Conduct public hearing and adopt the Draft 2010 Urban Water Management Plan, and the associated Water Shortage Contingency Plan.

ATTACHMENTS:

- 1) Zone 7 Board Resolution
- 2) Memo with additional information.

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS
RESOLUTION NO.

INTRODUCED BY
SECONDED BY

Adoption of the 2010 Urban Water Management Plan,
Including the Water Shortage Contingency Plan

WHEREAS, the Assembly Bill, commonly known as the Urban Water Management Planning Act (Water Code Division 6, Part 2.6, Sections 10610 through 10650), requires all urban water purveyors serving more than 3,000 customers either directly or indirectly, or more than 3,000 acre-feet of water annually, to prepare and submit a plan, or plan update, once every five years; and

WHEREAS, said plan is for the purpose of evaluating and developing water management policies to achieve conservation and efficient use of urban water supplies; and

WHEREAS, Zone 7 Water Agency is the overall water management agency for the Livermore-Amador Valley, including the cities of Dublin, Livermore, Pleasanton and a portion of San Ramon; and

WHEREAS, Zone 7 Water Agency's 2005 Urban Water Management Plan was approved by the California Department of Water Resources in early 2006; and

WHEREAS, Zone 7 Water Agency has prepared and circulated for public review an updated Draft 2010 Urban Water Management Plan, which includes the required Water Shortage Contingency Plan; and

WHEREAS, a public hearing regarding the Draft 2010 Urban Water Management Plan was properly noticed and held to receive comments.

NOW, THEREFORE, BE IT RESOLVED that the Draft 2010 Urban Water Management Plan be approved as the 2010 Urban Water Management Plan for Zone 7 Water Agency; and

BE IT FURTHER RESOLVED that Zone 7 reaffirms its commitment to maintain the long-term reliability of its water supply; and

BE IT FURTHER RESOLVED that the 2010 Urban Water Management Plan be filed with the California Department of Water Resources.

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 Alameda County Flood Control and Water Conservation District on

December 15, 2010

By _____
President, Board of Directors

Interoffice Memo

Date: December 15, 2010
To: Jill Duerig, General Manager
From: Amparo Flores, Associate Engineer, Water Supply Engineering
Subject: Adoption of the 2010 Urban Water Management Plan

BACKGROUND:

The Zone 7 Water Agency Draft 2010 Urban Water Management Plan (UWMP) has been prepared in response to the California Urban Water Management Planning Act (UWMP Act), Water Code Division 6, Part 2.6, Sections 10610 through 10650. The UWMP Act requires every urban water supplier that provides water for municipal purposes either directly or indirectly to more than 3,000 customers, or supplies more than 3,000 acre-feet of water annually (AFA), to prepare and adopt a UWMP. Zone 7 Water Agency (Zone 7) currently supplies more than 40,000 AFA of municipal water and is therefore subject to the UWMP Act. The 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 considering normal, dry, and multiple dry year scenarios. In addition, it includes a Water Shortage Contingency Plan, describing how Zone 7 will manage partial and catastrophic loss of supply.

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 (State). Each urban water supplier must update and re-adopt the UWMP every five years on or before December 31, in years ending in zero or five. Zone 7 adopted and submitted its 2005 UWMP to DWR in 2005, and it was approved in March 2006. For 2010, the State has extended the submission deadline to July 1, 2011 in order to give water suppliers sufficient time to meet the new requirements under Senate Bill SBX7-7 (SB 7). SB 7, which is to be implemented by retail water suppliers, is intended to reduce per capita water consumption in California by 20 percent by the year 2020.

The Draft 2010 UWMP has been completed at this time 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.

DISCUSSION:

Changes from the 2005 UWMP

This UWMP addresses all new relevant legislation enacted between 2005 and 2010, most notably SB 7, as described above, and Senate Bill 1087, related to the provision of water supply to lower income households. The implementation of SB 7 primarily rests with the retailers; however, Zone 7 is incorporating the demand reductions expected from the retailers in its planning.

In late 2009, Zone 7 began its efforts to update its Water System Master Plan. This update involves a significant departure from the previous planning methodology used by Zone 7, which assumed a repetition of historical patterns. To make its planning more robust, Zone 7 developed a new risk model that incorporates potential variations from the historical hydrologic sequence.

This dynamic model also allows for a more rigorous year-by-year analysis of future water system operations in response to various hydrologic sequences for long-term water supply planning. Data from DWR's Draft 2009 State Water Project Reliability Report (Draft Reliability Report) were incorporated into the model; unlike the 2005 version, this Draft Reliability Report accounts for potential climate change impacts. The updated data from DWR also reflect recent Biological Opinions related to fish impacts of the State Water Project (SWP) and the associated operational restrictions and estimated supply reductions as of late 2009.

To be more consistent with DWR's UWMP guidelines, median values were used instead of average values for the water supply quantities (e.g., State Water Project and Arroyo del Valle) during normal water years. The multiple dry year scenario was also changed from 6 years to 5 years, to make it more consistent with the requirements for the water service reliability analysis.

Public Agency Coordination and Public Review

As a first step in the preparation of the 2010 UWMP, Zone 7 held a kick-off meeting in June 2009 with technical staff from its water retailers (Retailers): City of Livermore (Livermore), City of Pleasanton (Pleasanton), Dublin San Ramon Services District (DSRSD), and California Water Service Company (Cal Water). The purpose of the kick-off meeting was to coordinate the preparation of Zone 7's and the Retailers' 2010 UWMP to ensure consistency among them, particularly with respect to projected water demands and future water supplies. Zone 7 held three additional meetings with the Retailers over the UWMP development process period, between July 2009 and December 2010. The Retailers provided necessary information for the completion of this UWMP, particularly information on their population and water demand projections, wastewater management, water conservation plans, and recycled water plans. Zone 7 is also providing assistance to the Retailers in preparing their individual UWMPs.

As the wholesale water supplier to the Livermore-Amador Valley, Zone 7 notified the cities within the service area of the update process for the UWMP and the opportunity to submit comments on the Draft 2010 UWMP in compliance with Section 10642 of the Water Code. The Livermore-Amador Valley Water Management Agency was also given the opportunity to review the Draft 2010 UWMP. As a special agency within Alameda County, Zone 7 similarly coordinated with the Alameda County Planning Department. A 60-day notice of the public hearing was disseminated to cities within the service area and Alameda County. A public review period was conducted in the month of November 2010 before the public hearing at the December 2010 Zone 7 Board Meeting; the public hearing is intended to present the Draft 2010 UWMP, and receive and address comments from the public. As advertised in the local newspapers, the Draft 2010 UWMP was made available for public review and comment in public libraries, in the Zone 7 administrative office, on the Zone 7 website, and during the public hearing. During the Draft 2010 UWMP development process, Zone 7 staff met with the Zone 7 Board's Delta Committee in public meetings conducted in September and December 2010 to keep members apprised of key issues and progress.

Zone 7 staff was in the unique position of meeting with DWR in October 2010 for a preliminary review of Zone 7's Draft 2010 UWMP even before the issuance of the 2010 UWMP Guidebook (the draft and final versions of the Guidebook are expected to be issued in mid-December 2010 and late January/early February 2011, respectively). DWR used a working draft of the guidelines to review and provide comments on Zone 7's Draft 2010 UWMP and staff believes the current draft meets DWR's requirements. As a result, Zone 7 expects an expedited "verification of completeness" process upon formal submission of the adopted 2010 UWMP to DWR. Note, however, that additional information or amendments requested by DWR after submission will likely require approval by the Board as was done in 2005.

Water Service Reliability

The Draft 2010 UWMP includes an analysis of Zone 7's water supplies and demands and discusses how Zone 7 intends to meet any shortfalls through 2030. Two demand scenarios were included: "Low Water Demand" accounts for the conservation required under SB 7 while "High Water Demand" does not. Potential projects that could be used to meet projected shortfalls are described in the Draft 2010 UWMP, but the Water System Master Plan (WSMP) currently under preparation (to be completed by March 2011) will provide more specific details on Zone 7's strategy for meeting projected water demands, including water demands from the Retailers, Zone 7's direct customers, untreated water customers, and associated transmission system and groundwater banking losses. The Draft 2010 UWMP assumes 100% reliability in accordance with Zone 7's current policy, and assumes that a potential portfolio of water supply programs and projects will be implemented to comply with this policy. Chapter 16 of the Draft 2010 UWMP provides details on the analysis of water supplies and demands under various hydrologic conditions from 2010 through 2030.

Normal Water Years

Under normal water year scenarios, Zone 7 does not anticipate any difficulty in meeting projected water demands, with or without additional conservation measures, assuming Zone 7 can successfully implement planned programs and projects. The maximum potential shortage—based on the High Water Demand scenario—could be as high as 10,500 acre-feet (AF) between 2020 and 2030 if Zone 7 cannot implement planned programs and projects. Note that no shortages are expected before 2020.

Single Dry Years

Under single dry year scenarios, Zone 7 does not expect shortages through 2030 with the implementation of planned programs and projects. The maximum potential shortage—based on the High Water Demand scenario—could be as high as 8,700 AF between 2020 and 2030 if Zone 7 cannot implement planned programs and projects. The maximum potential shortage during single dry years is lower than that for normal water years because, during dry years, Zone 7 taps into its previously stored surface water in the local groundwater basin and the banking programs in Kern County. Note that no shortages are expected before 2020.

Multiple Dry Years

Under multiple dry year scenarios, shortages of up to 36,000 AF—based on the High Water Demand scenario—can be expected between 2020 and 2030 without planned programs and projects. Note that no shortages are expected before 2020.

In summary, Zone 7 is aggressively developing a strategy via the WSMP for providing a reliable, high-quality water supply that will meet the needs of the Livermore-Amador Valley through buildout of adopted general plans. As part of its strategy, Zone 7 will also re-evaluate its current reliability policy. The UWMP shows how Zone 7 can meet current and future demands by implementing planned programs and projects and staff recommends adoption of the Draft 2010 UWMP. After adoption, staff will submit the 2010 UWMP to DWR for verification of completeness within 30 days, as required by law.



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

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: December 15, 2010

ITEM NO. 10

SUBJECT: Partnership Agreement Between Zone 7 and City of Livermore for Flood Protection Improvements for the El Charro Specific Plan

SUMMARY:

- 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). Around that same time, Zone 7 staff began examining an implementation strategy for our Stream Management Master Plan (SMMP) projects.
- In early 2007, Zone 7 Staff, and subsequently our consultants, began meeting with the City to discuss project alternatives that mutually met the goals of the SMMP and the El Charro Specific Plan. Zone 7 has spent a considerable amount of staff and consultant time working to this end. While the City's project does not directly result in stormwater flow into the Chain of Lakes, it does provide a potentially cost-effective alternative to portions of Project R.5-3 proposed in the SMMP.
- The Partnership Agreement allows that \$10,000,000.00 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.
- The City or the developer of the ECSP area, Paragon Outlets, are preparing to begin the bidding and award process and anticipate that this project will be awarded in early 2011.
- A memo detailing the specifics of the Partnership Agreement is attached.

FUNDING:

Funding for this agreement is from Fund 76 – Flood Protection and Storm Water Drainage and Fund 50 – General Fund/Flood Control.

RECOMMENDED ACTION:

Authorize the General Manager to negotiate and execute the Partnership Agreement between Zone 7 and the City of Livermore for Flood Protection Improvements for the El Charro Specific Plan.

ATTACHMENTS:

- Memo Providing Additional Background and Discussion of Agenda Item
- Resolution
- Map

Interoffice Memo

Date: December 15, 2010
To: Jill Duerig, General Manager
From: Carol Mahoney, Associate Professional Geologist
Subject: Partnership Agreement Between Zone 7 and City of Livermore for Flood Protection Improvements for the El Charro Specific Plan

BACKGROUND:

In late 2006, the City of Livermore came to Zone 7 to discuss their plans for developing in the vicinity of the Chain of Lakes as a part of their upcoming El Charro Specific Plan (ECSP). Around the same time, Zone 7 Staff began examining the projects in the recently-adopted Stream Management Master Plan (SMMP), especially those associated with the Chain of Lakes. Meetings between City and Zone 7 staff have since been taking place and have focused on identifying collaborative opportunities. Staff have worked to incorporate the goals of the SMMP projects R.5-2 and R.5-3 with the needs and planned improvements of the City. While the City's project does not directly result in stormwater flow into the Chain of Lakes, it does provide a potentially cost-effective alternative to Project R.5-3 as originally proposed in the SMMP.

Through extensive negotiations, Zone 7 and the City identified cost elements for areas of mutual benefit, which encompassed flood protection improvements and properties that may have strategic value to future projects. The product of these discussions is a draft Partnership Agreement).

DISCUSSION:

On January 20, 2010, the Board was updated on the progress of the negotiations and informed of specific deal points that were still undergoing discussions between the City and Zone 7. In July 2010, Staff presented a draft deed restriction and negotiation update to the Board. This deed restriction over a portion of Zone 7 owned property along the Arroyo Las Positas was being sought by the City to facilitate receiving their 401 Permit from the San Francisco Bay Regional Water Quality Control Board. The Board passed a Resolution of Intent to provide evidence of Zone 7's concurrence regarding the use of the mitigation area and the necessary restrictions on July 21, 2010. Zone 7 and the City have been working since that date to finalize the Partnership Agreement. Although the El Charro Specific Plan's flood protection improvements are not the same as those specified in Zone 7's SMMP, the main intent of the projects identified is the same.

In the SMMP, Project R.5-3 envisioned a widened Arroyo Las Positas through the golf course area and replacing the existing fish ladder with an at-grade channel. The modified channel was to have the capacity to carry 100-year ultimate flows and contain a diversion with side weir and flow control structure directing water into a diversion channel that would convey flood flows into the Chain of Lakes for temporary detention. Once the storm had passed, a pump station would then pump water back into the Arroyo Mocho channel, a portion of which would need to be widened to handle bypass and pump-back flows. In contrast, the ECSP proposes to retain the Las Positas Golf Course as a part of the natural floodplain, and maintain its capacity through construction of berms, in lieu of widening the channel in this area. The following overview gives the basic elements of the Partnership Agreement.

OBJECTIVES:

The overall objectives of the Partnership Agreement are as follows:

- 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.
- 5) Provide a description of mitigation measures, monitoring and maintenance responsibilities for the improvements described in the agreement.

IMPROVEMENTS:

Below is a brief description of the facilities that are being constructed as a part of this Partnership Agreement:

1) Southern Conveyance Channel:

This flow-through basin is being constructed, in part, to channel flood flows from the broader upstream floodplain into a discrete location for future conveyance into the Chain of Lakes. A portion of the flows moving through this basin act as detention of stormwater from the surrounding development in lower flow events.

2) Culverts under Jack London Boulevard Extension:

These culverts will allow stormwater and flood flows to pass beneath the extension of Jack London Boulevard and into the Southern Conveyance Channel.

3) Golf Course Berms:

Berms are planned and are being strategically placed south of the Arroyo Las Positas within the Las Positas Golf Course to blend in with the surrounding landscape and prevent flooding of the Livermore Airport. The berms in this phase of the construction will be the most downstream section of the overall length. These berms will help funnel the flood flows to the culverts and into the Southern Conveyance Channel. Future phases of berm construction will need to take place to fully protect the airport from flooding.

4) Arroyo Las Positas Creek Restoration:

A streamside restoration of riparian vegetation will be constructed on 2.1 acres along a section of the Arroyo Las Positas owned by Zone 7. Of this, 0.3 acres will be used as mitigation for the impacts of the ECSP improvements. The remaining 1.8 acres will be credited to Zone 7 by the Regional Water Quality Control Board and the Department of Fish

and Game for future mitigation on Zone 7 projects. A deed restriction over the restoration property is required for this action. Zone 7's Board passed a resolution agreeing in principle to allow this deed restriction on July 21, 2010. This resolution states that it is the Board's intent to recommend that such a deed restriction be placed over the property to the Board of Supervisors once the final agreement is entered into between Zone 7 and the City of Livermore.

PROPERTY:

In addition to the improvements listed above, the following City-owned land parcels are promised to Zone 7 under irrevocable offers of dedication. These dedications take the form of fee title or easement, depending on any existing encumbrances on the land. The offers of dedication can be exercised at any time by Zone 7 and do not result in Zone 7 taking on the responsibility or liability for any of these parcels until Zone 7 chooses to accept dedication.

The following parcels are located in areas that may be strategically important to flood protection and water management in the future.

1) Portola-Las Positas Parcel (formerly known as the Lin Parcel):

This property will be dedicated in fee and is located on the Arroyo Las Positas near the new Portola Avenue bridge and connecting roadway. The parcel was identified during Zone 7's StreamWISE effort as a potential site for an off-stream sedimentation basin. A sediment basin upstream of Kitty Hawk Road was identified as a needed element to prevent future accumulation of sediment in the reach of Arroyo Las Positas between Kitty Hawk and Airway. The City has requested that a pedestrian trail and bridge be located within this parcel. The exact location of these improvements will be coordinated with Zone 7 at a later date.

2) Madeiros Parkway Parcel (including Oak Grove Nature Reserve area):

This property will be dedicated in fee and is located upstream of the Holmes Street bridge and downstream of the Arroyo Road bridge on the Arroyo Mocho. This parcel is a former gravel extraction area and is bisected by an existing pedestrian/bike path. This parcel is currently a floodplain and could be used as floodplain expansion in addition to preservation. It may also serve as enhanced groundwater recharge with modifications. The area to the north has undergone park planning and is known as the "Oak Grove Nature Reserve." No actions or projects from the park plan have been initiated to date. It is understood between the City and Zone 7 that Zone 7 will not take on the responsibility for the implementation of the park plan, but agrees to work with the City and stakeholders to ensure that the use of the area will not impede the future parkland use. The City will need to include the area in their recreational license with Zone 7 to facilitate the continued use of the area as parkland once Zone 7 takes ownership.

3) Oak Tree Parcel:

Although this property is owned by the City, it will be dedicated in the form of an easement due to the fact that it is considered to be part of the Livermore Airport property. This parcel is located along Airway Boulevard near the bridge over the Arroyo Las Positas and opposite the Las Positas Golf Course. This parcel contains the large oak tree surrounded by a split rail fence which is visible from Airway Boulevard. This property was identified in Zone 7's StreamWISE effort as being strategic for the location of additional culverts beneath Airway Boulevard to carry additional flood capacity. This location may also serve as a future sedimentation basin.

4) Southern Conveyance Channel:

Zone 7 will receive an easement across the Southern Conveyance Channel (SCC) to allow for the construction and maintenance of future facilities. At this time the plan is to divert flood flows at the most downstream end of the SCC into the Chain of Lakes for temporary detention to prevent flooding downstream.

5) Floodway/Floodplain Agreement:

A separate agreement is being drafted that will allow for the continued use of the golf course as a flood plain and that will release Zone 7 from the liability of flooding in this area on City owned parcels. This Floodway/Floodplain Agreement is still in draft form, but will be recorded against the property similar to an easement. The City requested that this agreement be entered into in this manner in lieu of an easement because of the complicated nature of properties purchased with grant funds from the Federal Aviation Administration for airport purposes, as these property were.

MAINTENANCE:

The City or private company shall maintain all areas within the El Charro Specific Plan unless otherwise specified. The ‘Responsible Party’ for maintenance and the trigger for the transfer of such responsibilities for all improvement areas is set forth in the table below:

Improvement Area	Initial Maintenance Responsibility	Ultimate Maintenance Responsibility
Southern Conveyance Channel	City	Zone 7, upon construction of connection to Chain of Lakes ⁽¹⁾
Mitigation-Restoration Area	City	Zone 7, upon acceptance by regulatory agencies plus additional 5-years of maintenance ⁽²⁾
Golf Course Berms	City	City
Culverts under JLB	City	City

(1) City will provide \$115,655 (2010 dollars) annually for the continued maintenance of the southern conveyance channel. This payment will be adjusted annually for inflation.

(2) City will provide \$89,339 (2010 dollars) annually for the continued maintenance of the mitigation property and for the encumbrance of placing a deed restriction on the Zone 7 owned parcel. This payment will be adjusted annually for inflation.

PAYMENT:

Zone 7 agrees to deposit the sum of ten million dollars into a restricted account within 30 days of the execution of the joint agreement. This funding will be paid to the City in the following increments:

- 1) **Nine Millions Dollars** shall be transferred from Zone 7 to the City within 30 days of City’s written notice to Zone 7 that all of the following conditions have been met:
 - a) irrevocable offers of dedication are made by the City in favor of Zone 7 on the parcels described above;

- b) the grant by City of a valid easement in favor of Zone 7 across the Southern Conveyance Channel; and
 - c) issuance of the Notice of Award by the City of all applicable contracts for construction of the Improvements.
- 2) **Five Hundred Thousand Dollars** shall be transferred from Zone 7 to the City within 30 days of the date of the Final Inspection of the Improvements by the City.
 - 3) **Five Hundred Thousand Dollars** shall be transferred from Zone 7 to the City within 30 days of the date the City issues its final Notice of Completion for the construction of the Improvements.

Development Impact Fees: The City and/or developer are responsible for paying to Zone 7 all applicable Zone 7 Development Impact Fees at the time specified in the ordinance and at the rate in place at the time of payment.

NEXT ACTIONS:

It is Staff's understanding that the City intends to rely on the main developer, Paragon Outlets (formerly Prime), to bid and construct the improvements acting as their agent. The City anticipates authorizing these actions in the spring of 2011. Construction of the infrastructure improvements must be completed prior to the finalization of the development's construction activities. The mitigation-restoration site along the Arroyo Las Positas will be constructed as a part of the infrastructure improvements. Before finalizing the deed restriction, and prior to the award of the construction contract, Staff anticipates bringing the final language to the Zone 7 Board for review, approval, and recommendation to the Board of Supervisors. In addition, an access agreement is needed to allow the City (or its agent) to enter the site to install the mitigation/restoration. Lastly, an easement from Zone 7 to the City is needed for the Jack London Boulevard bridge over Arroyo Las Positas in the vicinity of the restoration area.

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

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

WHEREAS, Zone 7 of the Alameda County Flood Control and Water Conservation District and the City of Livermore (City) staff have been in negotiations regarding the flood protection improvements proposed as a part of the City's El Charro Specific Plan (ECSP) and have reached tentative agreement on the final elements of a Partnership Agreement for the construction of the ECSP flood protection improvements; and

WHEREAS, although the City's project does not directly result in flood flows entering the Chain of Lakes as was envisioned in Zone 7's SMMP Project R.5-3, it does provide cost-effective alternatives to portions of Project R.5-3 through the preservation of the floodplain that exists through the Las Positas Golf Course, the construction of the golf course berms, and the construction of a Southern Conveyance Channel; and

WHEREAS, riparian plantings on 1.8 acres along the Zone 7 owned portion of the Arroyo Las Positas shall be allocated for future mitigation credits for use by Zone 7; and

WHEREAS, the Partnership Agreement allows that \$10,000,000.00 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; and

WHEREAS, in addition to the flood protection improvements, the City is offering to Zone 7 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;

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 the Partnership Agreement between Zone 7 and the City of Livermore for Flood Protection Improvements for the El Charro Specific Plan.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

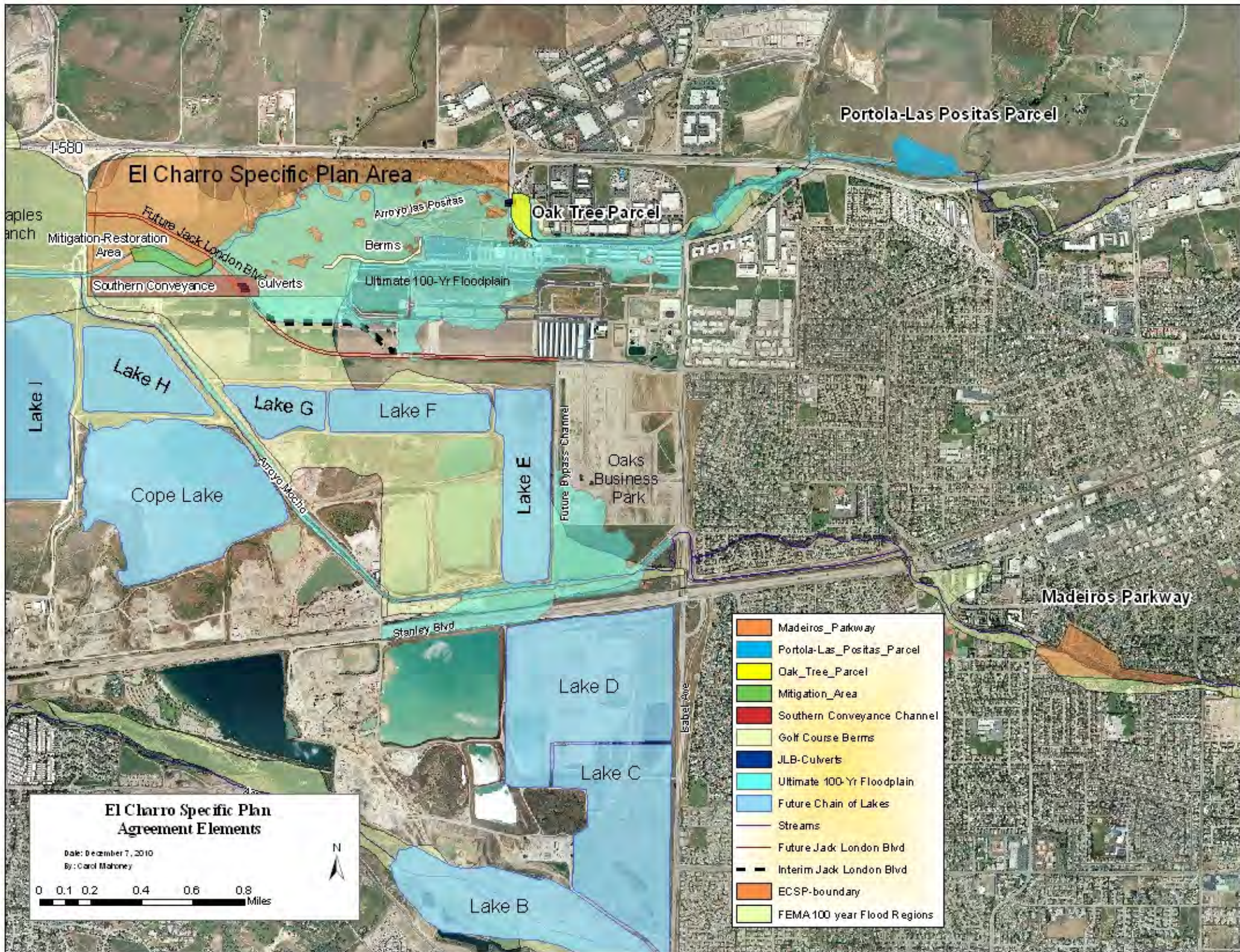
ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a resolution
Adopted by the Board of Directors of Zone 7 of Alameda
County Flood Control and Water Conservation District on

December 15, 2010

By _____
President, Board of Directors



12/ 15 /10 Board Written/narrative Comments By Dick Quigley

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.

ACWA 11/29-12/3 trip report

12/3 ACWA/JPIA info and binder of Risk Management and insurance opportunities as we move forward away from County. Good resource. (See large binder for staff and board to use)

Attended several committee meetings including: Clean Water, Outreach Task force (I am a member), Energy (I am a member and presenter) and Local Government.

12/4 Pre-eminent California historian offers "A History of Ingenuity" and tells a compelling story of California inventing itself through water; his discussion focused on the past, present and future.

I had the honor and privilege to be a panelist for the Energy Committee Program (representing Zone 7) at the Vision for the Future ACWA Fall Conference in Indian Wells. Over 1,840 attended from 450 water agencies throughout the state. The moderator was Dr Lon House, ACWA Energy Consultant, and Professor at UC Davis. I am sharing their presentations as well as the one I gave. Thanks Dennis and Carl for the help. See: ACWA Fall Conference 2010 19Nov10 v1.ppt (att)

Co Panelist: Andrew Webster, Chief Engineer's District web site and information
Rancho California Water District

Rancho California Water District (RCWD) is a local, independent "Special District," serving the areas of Temecula and Murrieta since 1965.

See: <https://www.ranchowater.com>

Co Panelist: Gary Arant, General Manager, Valley Center Municipal Water District
See: Valley Center MWD has no additional water to allocate. ...
Gary Arant...vcmwd.org/Water%20Supply%20Update%20for%20Certified%20Agricultural..

Valley Center Municipal Water District Deploys 1.1-MW Solar Array

January 6, 2009

California, United States [RenewableEnergyWorld.com] WorldWater & Solar Technologies has completed the installation of a 1.1-megawatt (MW) solar power system for the Valley Center Municipal Water District (VCMWD) in Valley Center, California. The system, which was financed and will be owned, operated and maintained by Solar Power Partners Inc. (SPP), will provide 2.1 million kilowatt-hours of electricity per year for the district, offsetting up to 20% of the electricity required by their largest pumping station.

"This is another example of our ability to deliver 'best in class' solar technology to large commercial clients, as we did for Denver International Airport and Fresno Yosemite International Airport."

-- Frank Smith, CEO, WorldWater & Solar Technologies

The project was developed using a solar power purchase agreement (PPA), requiring no cash outlay from [VCMWD](#), which will purchase the generated power from [SPP](#) for the twenty-five year life of the agreement. [Sharp Solar](#) supplied the solar panels for the project. "I am pleased to announce the successful completion of our flat-plate solar installation at Valley Center, on schedule and to the client's specifications," said Frank Smith, CEO of [WorldWater & Solar Technologies](#). "This is another example of our ability to deliver 'best in class' solar technology to large commercial clients, as we did for Denver International Airport and Fresno Yosemite International Airport. The experience gained from these installations will serve us well as we look to bring our ENTECH CPV and CPVT modules to the market this year." Sharp's solar modules were deployed in the Fresno and Denver International Airport solar projects as well.

Wed PM attended a panel of experts forecasting what's going to happen to the CSI Solar initiatives, ballot measure, federal and state legislation in 2011 and beyond. One of the presenters was Sophie Atkins of BB&K, LLP that Dennis Gambs spoke highly of in assisting our PPA.

A Wednesday Luncheon session "The Water Bond: Where Do We Go From Here" provided insight from a panel of expert "insiders" on what is being done to keep the package passed by the Legislature in '09 in the public eye until it goes to the voters in November 2012. Maintaining public support for this historic legislation package and how public agencies work together will be crucial.

An afternoon session Town Hall Meeting: "Flows, Waters Supply Assurances: Co- Equal or Colliding?" provided insight to the future and provided a variety of view points on various reports SWRC, BDCP, DFG etc. impacts and how we can put California back on the co equal path. Lester Snow moderated this panel.

Thursday AM I attended an Ethics Training session and got re-certified for AB1234. Lots of emphasis on conflict, gifts and salaries ala Bell, Rangle and other celeb's in governance.

The Thursday luncheon speaker, Patricia Mulroy, GM Las Vegas WD & Southern Nevada Water Authority, gave a powerful "big picture look" at how western states will make ends meet in the future. How and what the Delta and the Colorado have in common and are interconnected. Water energy Nexus was a key part of her message.

Thursday PM attended a Water Trends Program: "Improving Near-Term Water Reliability: The ACWA Water Transfer Initiative". Fixing the Delta by improving conveyance will take many years, but improving California's system of voluntary water transfers could help maintain water supply in the near term. David Aladjem of Downey and Brand LLP, and Ren's partner, was an excellent panelist.

Thursday PM I can also report that I had lunch with Chris Yates, the NMFS assistant regional administrator for protected species and attended the Anadromous Species Task Force meeting where Carl and others spoke. And, I can report that other parts of the state want to follow the same collaborative approach to steelhead recovery strategies that Zone 7 and SCWA initiated in the Bay Area.

Friday Breakfast meeting provided an "Insiders Panel: A New Dynamic". State and Federal leaders offered their views post election on what does it all mean, who are the new players on the scene, and how you (Your Agency) can navigate the results for results! Very insightful!

Lastly for you still reading, Bonnie and I, plus Carl, were the only representatives from Zone 7. EBMUD had 14, BBID had 4, ACWD had about 5, CCWD had 5 or more, SFPUC had several. I hope you get my point. The ACWA meetings are great educational and networking forums. They would be great for our rising staff stars, and Board Members. I am great full for Boni and I being allowed to attend.

I highly recommend sending more in the future (spring meeting is in Sacramento 5/10-13/2011). A Region 5 meeting will occur in March hosted by EBMUD at their new Freeport Facility.

MONDAY Dec 6 Participated in the Bay Area Water Forum at the State Costal Conservancy in Oakland see: www.baywaterforum.org by teleconference webinar. Carl was a spokesperson for an IRWMP update, and the speaker gave an overview of the three-county, seven-agency North Bay co-operative approach to water recycling, and the role a project will play in recharge and restoration. Board members from EBMUD and CCWD also attended

**I have significantly more material if there is interest.
If there are any questions on this report please give me a call or e-mail.**

Thanks!
Dick Quigley



Zone 7 Water Agency
Del Valle Water Treatment Plant
Solar Project
Getting Back on Track



ACWA Fall Conference 2010
Presented by Dick Quigley
Zone 7 Water Agency Board of Directors

Presentation Outline

- What's Zone 7?
- Solar Project Development Background
- Project Description
- Project Progress
- Evaluation of Contract Termination
- Getting the Project Back on Track
- Lessons Learned
- A Board Member's Perspective

What's Zone 7?

- Alameda County Water Conservation and Flood Control District – Zone 7
- Only “zone” of the 10 with its own elected board
- Treats Delta and local water for four retail agencies serving over 200,000 in the Livermore-Amador Valley
- Provides some untreated water for agriculture
- Manages the local groundwater basin
- Also provides flood protection
- Certified by Climate Action Registry

Zone 7 Water Agency





Project Development Background

- Board charge to look at renewable energy
- Alternative Energy Study
 - Comprehensive evaluation of all facilities
 - Recommendation – solar power purchase agreement at water treatment plants
- Advantages of a PPA
 - No upfront capital
 - Includes federal tax and California Solar Initiative incentives

Project Timeline

TASK	2005	2006	2007	2008	2009	2010	2011
Committee and board action							
Alternative Eenergy Study							
CSI rebate reservation w/PG&E							
PPA contract with RTI							
Economy "tanks"							
RTI served with NOD							
RTI work on project stops							
Zone 7 terminates RTI contract							
Zone 7 issues new RFP							
Board authorizes new contract							
Estimated in-service date							

Solar Facilities at Del Valle WTP



The Project

- 300kW, ground-mounted, single-axis trackers on site less than 2 acres
- Entered into PPA with Renewable Technologies Inc. (RTI) in July 2008
 - Purchase price of \$0.125 per kWh, 3.5% annual escalator
 - In-service date – December 31, 2008
 - CSI rebate assigned to RTI
 - Savings of \$16K initial year and \$80K over 20-year term of PPA
- RTI was only submitted proposal with less than the marginal costs of purchasing power from PG&E



Project Progress

- Fall of 2008 – project starts, economy tanks
- In-service deadline missed
- RTI prepared plans and installed:
 - All Conduits
 - Inverters
 - Screw Foundations
- Worked stopped in January 2010
- CSI rebate reservation expired



Conduit Point of Connection to Array Field





Array Field Area

Inverter and Screw Anchor Foundations





Evaluation of Contract Termination

- Cost-effective solar provider needed to replace RTI
- Facilities being constructed resulted in project collateral
- Project delay would result in greater energy savings
- RTI was seeking to obtain loan



Getting Back on Track

- Zone 7 terminated the PPA with RTI
- Solicited new solar providers
 - PPA better defined
 - Pre-selected solar providers
 - Worked with experienced attorney

PRESENT WORTH ANALYSIS

Proposer	Initial Year Rate	Annual Escalation	First Year Production	First Year Savings	PW Savings
RTI	\$0.125/kWh	3.5%	515,400 kWh	\$26,587	\$401,951
Borrego Solar	\$0.12/kWh	3.0%	648,608 kWh	\$52,042	\$810,911



Keys to a More Favorable Price

- Solar panels and inverters now cost less
- Proposed solar panels/trackers produce more energy than original PPA project
- Project better defined, unknowns and risks minimized
- Existing facilities purchased at a discount



Lessons Learned

- Funding ability of solar provider important
- Analyze savings over PPA term
- Expired CSI rebates can be extended
- The down-turn in the economy proved to be a blessing in disguise for Zone 7



A Board Member's Perspective

- No skin in the game on PPA
- New venture for water utility skeptics – Zone 7 board and staff
- 300kW solar plant is “toes in the water”
- But good to get into the game!

Questions?



Dick Quigley

rlquig1@comcast.net

925-989-9218



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

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

ORIGINATING SECTION: ADMINISTRATION

CONTACT: Jill Duerig

AGENDA DATE: December 15, 2010

ITEM NO. 14a

SUBJECT: GENERAL MANAGER'S REPORT

SUMMARY: The following highlights a few of the key activities which occurred during November. Also attached is a list of the General Manager (GM) contracts executed during the month under the general authority to issue professional services contracts up to \$50,000 and construction contracts up to \$25,000.

Operations and Maintenance:

- During November, DWR announced its initial State Water Project allocation of 25%. Last year's initial allocation was only 5% because storage was so much lower. Initial allocations are based on early-season levels of storage and usually increase as the wet season progresses (last year's final allocation was 50%).
- The South Bay Aqueduct's (SBA) 8-week shutdown began on November 12th. The Patterson Pass Conventional Plant was shut down (the UF plant was already offline) and annual maintenance work began. The Del Valle Water Treatment Plant shifted to Lake Del Valle as a sole source, with a maximum available flow of 22 million gallons per day (MGD).
- Annual "filter surveillance" (condition assessment) was performed this year by in-house staff at Patterson Pass. This is work normally performed by an outside consultant. Staff identified some parts of the surface wash system which require repairs and these have been added to the maintenance work planned for the SBA shutdown.
- 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.

Engineering and Flood Control:

- The contracting company that was supposed to be upgrading the Patterson Pass clarifier during the 8-week SBA shutdown this winter notified staff that delivery of long-lead-time equipment is running at least two months behind schedule. Staff have now determined that the most prudent course of action is to delay the project until next winter as there is no longer time to complete the project and get the plant back online before seasonal demands are likely to increase. Contingency planning and negotiation of a suitable change order are ongoing.

- Staff continue work on the annual membrane purchase for the Patterson Pass Ultra-Filtration (UF) plant. Zone 7 submitted this purchase order (PO) to the County's purchasing department in Oakland on October 6th. It took almost two months for complete processing of this order in Oakland. Approximately 20% of the membranes are being replaced this year at a total cost of approximately \$300,000. The lead time for membrane purchases is about six months so the two-month delay could be significant (the UF Plant is usually brought back on line in late April or early May as demands start to increase).
- HDR continues work on the update to the Asset Management Program. Technical memos have been submitted regarding pipeline risk analysis and condition assessment of above-ground assets. These are currently undergoing preliminary review by project staff prior to further distribution.
- 3.54 inches of accumulated rainfall in October and November, as measured at the California Irrigation Management Information System (CIMIS) Station 191 in Pleasanton, was 117% of average for this time in the water year.

Environmental & External Affairs:

- Both Westlands and the San Luis & Delta-Mendota Water Authority withdrew from the Bay Delta Conservation Plan (BDCP) Steering Committee. Most analysts consider this a strategy by the federal contractors to try to force the BDCP back onto a track that is more focused on water reliability as being a co-equal goal since many recent discussions suggest that environmental parties and regulators consider the eco-system to be the primary BDCP goal with water reliability a lesser, secondary goal.

Finance & Administration

- Zone 7 hosted a hands-on training workshop for the Southwest Membrane Operators Association (SWMOA) at the Parkside office, with a tour of the Mocho Groundwater Demineralization Plant (see <http://www.swmoa.org/pdfs/Zone7WorkshopBrochure.pdf>). Presentations were given by Zone 7's Karen Newton and the MGDGP design engineer, Carollo. The MGDGP tour was led by Zone 7 operator Jeff Madden. The conference was received well, with positive comments received from the attendees.

Monthly List of GM Contracts

November 2010

Contracts:

Hunt Enterprises	\$ 50,000
IEDA	30,000
First Building Maintenance Company	20,000

Total November 2010 \$100,000



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

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: December 15, 2010

ITEM NO. 14b

SUBJECT: Upcoming Public Outreach Activities

Christmas Bird Count, December 17

Zone 7 will again provide access to its Chain of Lakes property, along with some volunteer staff assistance, as part of the second annual Eastern Alameda County Christmas Bird Count, hosted by the Ohlone Audubon Society and the Alameda Creek Alliance. Birds also will be counted at several of the area's regional parks, SFPUC watershed lands, and birding hotspots including lower Mines Road, Sunol Wilderness and Springtown Preserve. Last year's inaugural count within the entire 15-mile diameter circle had more than 75 volunteers who found 144 species (70 in the Chain of Lakes area) including golden eagles, bald eagles, prairie falcons, northern pygmy-owls, rock wrens, yellow-billed magpies, lark, vesper, and grasshopper sparrows. Although the Valley is relatively new to the Christmas Bird Count, this marks 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.

DWR Road Closure Public Outreach Meeting, Feb. 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 Feb. 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.



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

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

ORIGINATING SECTION: Administration
CONTACT: Jill Duerig/Tim Hunt

AGENDA DATE: December 15, 2010

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.
- The Legislature came back into session December 6th when newly-elected members were sworn in to office and then adjourned until January 3rd when Governor-elect Jerry Brown will be sworn in. Brown is scheduled to present his proposed budget by January 10th. The process will be different in 2011 because voters passed Proposition 25 allowing the budget to pass by a simple majority, but maintaining the two-thirds requirement to pass new taxes. In addition, the passage of Proposition 26 required a two-thirds vote on certain state and local fees.
- The passage of Proposition 20 expanded the responsibility of the 14-member reapportionment commission to include redrawing Congressional district boundaries as well as state Legislative and Board of Equalization districts. Eight commissioners already have been selected by random drawing from a pool of 36 volunteers. These eight will select the final six members according to strict criteria. The final commission will have five members from each major party and four members who are independent, from minor parties or decline-to-state.

FUNDING: No funding necessary.

RECOMMENDED ACTION: Information only.

ATTACHMENT: None



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

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: December 15, 2010

ITEM NO. 14d

SUBJECT: STATUS REPORT ON SEPARATION EFFORTS

SUMMARY:

Business Administration:

- The monthly meeting with Management Partners was held on November 17th. Staff reviewed and discussed with Management Partners upcoming tasks. Management Partners will review the administrative and financial policies of peer agencies, and begin developing a set of draft policies for Zone 7's comment and consideration while keeping in mind existing policies established by the Board.
- Staff are continuing to hold weekly meetings to develop the software conversion needs/criteria. Staff discussions on requirements of project accounting, cost accounting and budgeting have occurred. Discussions are continuing to cover the needs of other functions.
- The next regularly scheduled meeting with Management Partners is on December 15th.

Employee Services:

- Held Joint Separation Negotiations meeting December 1, 2010. Staff members are working on action items and revisions to the transition agreement as discussed in preparation for the next scheduled meeting on Wednesday, January 5, 2011 at 1:30 p.m.
- Staff met with Andy Belknap of Management Partners December 7, 2010 regarding next steps within the Human Resources scope of work of the separation implementation.
- The meeting with the County HR Director previously scheduled for December 9, 2010 to discuss items related to the separation road map was rescheduled by the County and is now set for January 6, 2011.