ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

NOTICE OF REGULAR MEETING OF BOARD OF DIRECTORS

DATE: Wednesday, February 18, 2015

TIME: 7:00 p.m.

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

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

In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available at the Zone 7 Administrative Building lot. If you are a person with a disability and you need disability-related modifications or accommodations to participate in this meeting, please contact the Zone 7 Board Secretary, Judy Rector, at (925) 454-5053 or fax (925) 454-5724. Notification 48 hours prior to the meeting will enable Zone 7 to make reasonable arrangements to ensure accessibility to this meeting. {28 CFR 35.102-35, 104 ADA Title II}

AGENDA

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

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

4. Minutes of the Regular Meeting of January 21, 2015 and Special Meeting/Board Workshop of February 4, 2015

5. Consent Calendar

   a. License Agreement Renewal for Seasonal Diversion Dam in Arroyo Las Positas with the City of Livermore
   b. Document Management Software for Records Retention/Management
   c. DWR Multi-Year Water Pool Demonstration Program Agreement
   d. Amending Guiding Principles for Board Members

6. Staffing Update:

   a. New Employee Introduction
   b. December Employee of the Month Recognition

7. Proposed Well Ordinance and Well Permitting Fee Schedule

   Recommended Action: Continue to April.

8. Contract for Phase I of the Busch Valley Well No. 1 Project

   Recommended Action: Adopt resolution.

9. Contract for Stoneridge Cross-Valley Isolation Valve Project

Recommended Action: Adopt resolution.

10. MOU with Alameda County Resource Conservation District to Support Stonybrook Creek Fish Passage Improvement Project

Recommended Action: Adopt resolution.

11. Nutrient Management Plan

Recommended Action: Adopt resolution.

12. Committees - Retailers/Wholesaler Liaison Committee Meeting – February 5, 2015 – notes pending

13. Reports - Directors

    a. Verbal comments by President
    b. Written report by Director Quigley
    c. Verbal reports

14. Items for Future Agenda - Directors

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

    a. General Manager's Report
    b. Monthly Budget Report
    c. Legislative Update
    d. Outreach Activities
    e. Drought Update
    f. Capital Projects Status Report
    g. Verbal Reports

16. CLOSED SESSION

(a) Conference with Legal Counsel - Significant exposure to litigation pursuant to Gov't Code Section 54956.9(d) (2): 3 cases

(b) Conference with Legal Counsel - Potential litigation pursuant to Gov't Code section 54956.9(d) (3): 1 case

(c) Conference with Legal Counsel - Existing litigation pursuant to Gov't Code Section 54956.9(d) (1):

Alameda County Flood Control and Water Conservation District, Zone 7 v. Pleasanton Gravel Co., Alameda County case no. HG14724177

(d) 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.

17. Open Session and Report Out of Closed Session

18. Adjournment

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

    a) Special Board Meeting (if needed): March 4, 2015
    b) Regular Board Meeting: March 18, 2015, 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

January 21, 2015

The following were present:

DIRECTORS:	SANDY FIGUERS JOHN GRECI JIM MCGRAIL SARAH PALMER DICK QUIGLEY ANGELA RAMIREZ HOLMES BILL STEVENS
DIRECTORS ABSENT:	NONE
ZONE 7 STAFF:	JILL DUERIG, GENERAL MANAGER KURT ARENDS, ASSISTANT GENERAL MANAGER, ENGINEERING MATT KATEN, PRINCIPAL ENGINEER, GROUNDWATER JUDY RECTOR, BOARD SECRETARY
COUNSEL:	DAVID ALADJEM, DOWNEY BRAND

Item 1 - Call Meeting to Order

President Greci called the meeting to order at 7:00 p.m.

Item 2 - Pledge of Allegiance

Item 3 - Citizens Forum - none

Item 4 - Minutes of the Regular Meeting of December 17, 2014

Directors Quigley moved to approve the minutes of December 17, 2014, and Director Palmer seconded the motion. The minutes were approved by a voice vote of 7-0.

Item 5 - Consent Calendar

Director Ramirez Holmes asked that Item 5(a) be pulled for discussion.

Director Palmer asked that Items 5(b) and 5(f) be pulled for questions.

Item 5(a) Contract Change Order for PPWTP Centrifuge Equipment System Rental Service

Director Ramirez Holmes said that at the December 2012 meeting when the Board first considered the item and discussed the expense for the rentals, staff was working with DWR for additional drying beds for Patterson Pass Water Treatment Plant (PPWTP) and an interim contract was needed until the beds were set up at PPWTP, but the long-term plan was not discussed. Director Ramirez Holmes asked Kurt Arends, Assistant General Manager, Engineering, for an update. Mr. Arends confirmed that the actual design of the drying beds is in the CIP a couple of years away so the project was deferred due to other priorities and limited funds and resources. Mr. Arends explained that the issue in December 2012 was acquiring the property but to design and construct the drying beds is a separate capital project and there is not a critical need for them. Ultimately they will be part of the expansion plan for PPWTP.

Director Ramirez Holmes said that in 2012, Director Quigley asked for the components of the costs for the centrifuge rental, shipping and disposal cost of the sludge. He was told that the new financial software, New World, could gather those numbers. Mr. Arends said that the agenda item is for a single contract and is not broken down and paid on a unit volume basis depending upon the amount of sludge produced. Ms. Duerig added that Zone 7 now has a dump truck and staff moves the sludge. All three components were discussed over the course of the dump truck discussions and the update to the landfill contract discussions.

Director Ramirez Holmes then asked the reason why the cost is $78,000 over the contract amount. Mr. Arends said there was a delay before Mr. Needham billed Zone 7 but staff will restructure the payments for next year for more timely submissions. There was additional discussion among the Directors regarding the increased use of chemicals resulting in more sludge production and poor water quality through the South Bay Aqueduct due to the drought which also contributed to the increased cost of sludge management.

Director Quigley moved to approve Item 5(a) and Director Stevens seconded the motion. The item passed by a 7-0 roll call vote.

Resolution No. 15-36	Authorized change orders for CY 2014 for additional centrifuge equipment rental services with KNE. (Item 5a)

Item 5(b) Amendment to Arroyo Mocho Access Easement at Oaks Business Park, Livermore

Director Palmer pulled Item 5(b) because she had a question regarding the map attached to the agenda item and the relocated easement. She asked if the easement was to be added to the new easement or would it be replaced? Mr. Arends answered the questions she had on the map and easements.

Director Stevens moved to approve Item 5(b) and Director Palmer seconded the motion. The item passed by a 7-0 voice vote.

Resolution No. 15-37	Authorized an Amendment to the Grant of Easment with Livermore Oaks Joint Venture LLC for property in Oaks Business Park. (Item 5c).

Director Ramirez Holmes moved to approve Items 5(c), 5(d) and 5(e) and Director Palmer seconded the motion. The items were passed by 7-0 voice vote.

Item 5(c) Accept Easement from City of Livermore for an Underground Electric Line

Resolution No. 15-38	Authorized execution of the electric line easement from the City of Livermore. (Item 5c)

Item 5(d) Easement Amendments for Cross Valley Pipeline with CarMax Auto Superstores California and Stoneridge Chrysler Jeep Dodge, Pleasanton

Resolution No. 15-39 Authorized executing an Easement Amendment with CarMax Auto Superstores California and Stoneridge Chrysler Jeep Dodge. (Item 5d)

Item 5(e) Cost Sharing Agreement for Invasive Mussel Inspection Program at Lake Del Valle

Resolution No. 15-40 Authorized Zone 7's share to continue the Quagga and Zebra Mussel prevention program for Lake Del Valle in 2015 and subsequent years. (Item 5e)

Item 5(f) Professional Services Agreement with West Yost Associates

Director Palmer said she had a question on the bidding procedure for the Transmission System Planning Update and the outcome if Zone 7 was unable to complete a contract with West Yost and Associates. Ms. Duerig said that sometimes our standard terms, conditions or insurance requirements result in not being able to reach an agreement. For a professional services contract, the number two bidder is not based just on the dollar amount of the quote; it is also based on the qualifications. Zone 7 is hoping to reach an agreement with West Yost because it has been determined that they are the most qualified but there have been concerns raised by them on standard terms and conditions and, if Zone 7 cannot reach agreement, staff needs board approval to move forward with the project.

Director Stevens and Ms. Duerig discussed issues with the County over contract language and insurance requirements. General Counsel David Aladjem has been working with the County to resolve some of these issues.

Director Quigley moved to approve Item 5(a) and Director Palmer seconded the motion. The item passed by a 7-0 roll call vote.

Resolution No. 15-41 Authorized a contract with West Yost Associates for the Transmission System Planning Update. (Item 5f)

Item 6 - Staffing Update

Caroline Abram was nominated as the November 2014 Employee of the Month. Ms. Abram works in Operations at Del Valle Water Treatment Plant and is credited for suggesting addition of a windsock at the powdered activated carbon (PAC) feed stations so that operators can determine wind direction and mitigate the potential for getting PAC material blowing everywhere. The board applauded Ms. Abram in absentia.

Item 7 – Contract with Morrison & Associates, Inc., for Outreach Program Support Services

Ms. Duerig said the biggest component of the Outreach Program Support Services is the schools program which is incredibly successful and positive comments are heard from the community and retailers. This program has grown over the years and a high school component was added this year as a separate contract but staff now wants to fold it into the main contract. Staff is happy with their performance and recommends that the Board approve the contract.

The directors commented on the compliments they have heard on the Outreach Program. Director Ramirez Holmes asked for a list of schools where presentations were held. Also, with the increase in presentations from 354 in 2013-14 to 400 in 2014-15, is that number meeting the demand of classrooms who want the presentation? Mr. Morrison said there are about 30 classrooms on the waiting list that they have not committed to because they want to make sure they can accommodate them within their budget. The program is getting more popular every year. Director Ramirez Holmes inquired about what could be done in terms of the contract to include those on the waiting list. She said she would like to see an increase for next year and also to have a workshop so the board, community members and other school faculty can attend and see the presentations. She thought it was a worthwhile investment for the conservation effort especially with the interest in water due to the drought.

President Greci said it would be difficult to have a workshop because the presentations are geared to the grade level of the students. Ms. Duerig suggested that the resolution be modified to say "in an amount not to exceed $232,000 which includes a 10% ($21,000) contingency." That gives Zone 7 flexibility if there is another high demand for presentations. If requests exceed the budget, the contract can be amended. Director McGrail noted that he is in favor of that idea. Director Ramirez Holmes suggested a sampling of the fourth grade presentation, the state standard, and the high school program. Ms. Duerig suggested that the information be shared at a board meeting so it is open to the public.

Director Stevens moved to approve the amended resolution for Item 7and Director Palmer seconded the motion. The item passed by a 7-0 roll call vote.

Resolution No. 15-42	Authorized a one-year professional services contract with Morrison & Associates, Inc.

<u>Item 8 – First Reading of Proposed Zone 7 Well Ordinance</u>

Matt Katen, Principal Engineer, Groundwater, gave a brief background on the draft ordinance and a quick update since it was presented to the Board in October. The draft ordinance provides details on well construction, destruction and enforcement actions, additional groundwater protection in special requirement areas, provides Zone 7 well and boring permit fees independent of the County's permit fee schedule and strengthens the Agency's control over the groundwater basin.

Based on comments received from the public and committee members at the Water Resources Committee meeting in November, the ordinance was revised to include the recommended fee schedule. The proposed permit fee schedule was revised to reduce the Supply Well Destruction Permit Fee by $200 from $700 to $500, and the Monitoring Well Destruction Permit Fee by $100 from $600 to $500.

The new fee amounts are close to the average charged by the ten Northern California agencies that were surveyed. President Greci commented that this provides good protection for Zone 7's groundwater basin which is the number one goal of this Ordinance. When wells are not installed correctly or destroyed properly, contamination of the groundwater basin can occur. It is important that Zone 7 have control over the groundwater basin independent of the County even if the Ordinance is similar to theirs.

Director Figuers said the Ordinance had undergone several revisions and has improved but he found contradictions in it which he noted and Mr. Katen responded to each of his observations.

Director Ramirez Holmes asked about the appeals section in Section 9 and if there is a process if the Agency designates an area as a special requirements area. Ms. Duerig said in the wine areas, the concerns are in the Nutrient Management Plan. When both the Ordinance and the Nutrient Management Plan were brought to the Board together the last time, there was a lot of confusion and overlap.

Director Ramirez Holmes asked for an example of a special appeal. Ms. Duerig said most appeals come forward when the Agency has identified an abandoned well and sent the property owner a letter asking that the well be destroyed. If the property owner does not want to destroy the abandoned well, there is some negotiation and if resolution is not reached, then there is an appeal process.

Mr. Arends summarized the discussion with the County on the Well ordinance. In October Zone 7 received a letter from the County expressing concerns about Zone 7's proposed Well Ordinance. Zone 7 staff met with County Public Works staff about those concerns and the County proposed that they were going to adopt an updated County Ordinance (which has not been updated since 1973) and incorporate the changes proposed by Zone 7. Public Works staff later decided to simply amend the County Ordinance with a jurisdictional section. If Zone 7 adopted its own ordinance, then the County ordinance no longer applies within that area. The concern by the County was having duplicative ordinances and overlapping areas. The County staff was going to the Board of Supervisors with that amendment; however, because it was for Zone 7, they felt Zone 7 should present it to the Board of Supervisors. A Board of Supervisors item with a provision in the County ordinance that Zone 7 adopt its own ordinance was sent to the Board of Supervisors from Zone 7 but it was then determined that the item needed to go to the Transportation/Planning Committee. Now county staff is again proposing to amend the County ordinance with the provisions Zone 7 wanted and Zone 7 would continue to operate under the County ordinance. The information was discussed at the January Water Resources Committee meeting and it was decided to bring forward the first reading of the ordinance.

Director Ramirez Holmes asked if the County said that if both are in effect, would it create a problem where people are paying both Zone 7 and the County? Mr. Arends clarified that Zone 7 administers the ordinance within Zone 7's service area so if someone is putting in a well in our area, they come to Zone 7 for a permit. We would collect only the Zone 7 fee if needed, not one for the County. In response to her question about two ordnances overlapping, Mr. Aladjem said he and County Counsel agree that there are different ways to move forward and there is general agreement that however we do this should be seamless and not have contradictory requirements. The way County Counsel first put forward the ordinance was if Zone 7's board were to adopt an ordinance, Zone 7's ordinance would apply within Zone 7 and this is the simplest solution. County Counsel wants to get direction from their board at the County Transportation/Planning Committee meeting and then sit down and talk.

Director Ramirez Holmes expressed her concern about moving forward adopting the Ordinance when things have not been "ironed out" with the County. Mr. Aladjem said the process to adopt an ordinance is lengthy and we are only at the very beginning. The first thing to do is have the first reading. There needs to be a publication of the summary of what the ordinance does. Then there is a second reading in February or later so there is plenty of time to have a discussion at the staff level and make sure of all of the work the County has done or wants to do and all the work Zone 7 has done or wants to do is coordinated and then the Board decides when and how to adopt the ordinance. The County Board of Supervisors goes through the same process and after they are coordinated, we would move to the adoption of the ordinance and the completion of the process. When Director Ramirez Holmes asked if it was going to the Transportation/Planning Committee on February 2 but the date keeps changing.

Mr. Aladjem said the County has general governmental authority in all areas of the County but AB1125 gives Zone 7 authority to adopt ordinances using exactly the same process the County uses for matters than concern only Zone 7. The types of well requirements that Zone 7 would have whether it is the areas of special requirements or other areas within Zone 7 would not apply County-wide but they are issues where we want to make sure that special requirements are met. It is his understanding that County staff generally concur with all of those but AB 1125 allows us to adopt special requirements for Zone 7 through the ordinance process so that it is legally binding and one of the options on the table. Mr. Aladjem and the County's Counsel both see a number of different ways to go forward legally within both the County and Zone 7's authority. If there was a more stringent ordinance locally rather than a broader, County-wide general ordinance, or an overlapping ordinance, the more stringent of the two ordinances would be required in that local area. He gave an example that if the County required sealing down to 10 feet and Zone 7 said 20 feet, that would be a requirement within Zone 7. He said this is a common practice with overlapping jurisdictions and usually does not create any problems.

Director Ramirez Holmes said she still has a concern whether or not we are able to do something in the interim and where does that leave the people applying for a permit while discussions between the County and Zone 7 continue? Her concern is that we are opening up legal challenges for Zone 7 if we passed an ordinance. Mr. Aladjem said that once the ordinance is adopted by the Zone 7 Board of Directors, it would apply within a geographic scope of Zone 7 and the Zone 7 ordinance will be more up-to-date and more stringent so if someone wants to drill a well within Zone 7, our ordinance would apply as the more stringent of the two.

Ms. Duerig added that the Water Resources Committee did discuss this item and asked the Committee members to add any thoughts they had. Director Stevens said this is a fiscally-sound and good idea to protect our groundwater basin and collect fees and has nothing to do with separation from the County. Mr. Aladjem said that the ordinances can be put together so they do not trigger the subject of Zone 7's separation from the County. This is just an ordinance that updates the requirements within Alameda County and Zone 7 that is going to protect the public's interest in the groundwater basin. Director Palmer said it is crucial to protect our groundwater and the groundwater basin and that is what helps and protects the people of this valley. Abandoned wells are an important issue. Director Figuers stated that in the original ordinance there was a map showing the Zone 7 service area and he asked if one could be included with this ordinance? Ms. Duerig replied that generally ordinances do not have maps but it could be done. He also asked if the permit form had been written? Mr. Katen said there is an existing permit form but there is always the possibility of updating it.

Public Comment

Randy Werner, City of Livermore, asked if there are substantial changes between the first reading and the second reading, do you have to have another first reading or just the second reading? Mr. Aladjem said it depends upon the nature of the changes because if they are minor, they would go to the second reading. If they are fundamental changes as a matter of proceeding and informing the public, then a first reading could be appropriate.

Director Stevens moved to adopt the Ordinance but Mr. Arends and Mr. Aladjem helped with the wording of the proper motion which was to read the title, waive the reading of the remainder of the ordinance, but to not make any determination of what would happen in February. The final determination was that the title has been read and the board is waiving the complete first reading of the Ordinance in the process of developing an ordinance. It was also made clear that this was not for approval of the Ordinance. A voice vote was taken of 6-1 with Director Ramirez Holmes voting no.

Item 9 - Committees – Retailers/Wholesaler Liaison Committee Meeting – November 17, 2014 – draft notes
Finance Committee Meeting – January 8, 2015 – notes
Water Resources Committee Meeting – January 13, 2015 - notes

Director Figuers noted that at the Finance Committee Meeting five specific committee meeting dates were set up (April 23, May 7, July 9, September 10 and November 19). Four are designed for specific actions. The July meeting is a placeholder, if needed. The Committee will also revisit the reserve policies and how they were originally defined. Financial policies will also be discussed.

Item 10 - Reports - Directors

a. Verbal comments by President – Off-site Board meeting February 4 at Hilton Garden Inn
b. Written report by Director Quigley
c. Verbal Reports

Director Quigley said he attended an Alameda County California Special Districts Association meeting where Supervisor Nate Miley spoke about a County initiative for disposal of prescription drugs. He also noted that this would be of interest to Margaret Tracy and thanked Ms. Duerig for the response letter she sent to her.

Director Ramirez Holmes said she viewed a webinar on Managing Drought. She also viewed a webinar on New Infrastructure Financing Tools. She also attended a Pleasanton City Council meeting where the City Council voted to suspend for 90 days their mandatory restrictions and their fine structure but still encouraged residents to conserve.

Director Stevens attended a LAFCO meeting where Ms. Duerig gave a presentation on flood control.

Item 11 - Items for Future Agendas - Directors

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

a. General Manager's Report
b. Monthly Budget Report
c. December Legislative Update
d. December Outreach Activities
e. Update Related to the Bay Delta Conservation Plan
f. Drought Update
g. Verbal Reports

Director Stevens had comments on the Drought Update staff report. H wants to get rid of the 1982 wet year graph and insert 2013-14 as a reminder to everybody that it parallels 1976-77 and this year we will see if we are rebounding compared to the second driest period.

Director Figuers said January is now the 7th out of 9 Januarys that have had low rainfall totals and it breaks the previous record from 1931.

The Board went into closed session at 8:45 p.m.

Item 13 - Closed Session

(a) Conference with Legal Counsel - Significant exposure to litigation pursuant to Gov't Code Section 54956.9(d) (2): 3 cases

(b) Conference with Legal Counsel - Potential litigation pursuant to Gov't Code section 54956.9(d) (3): 1 case

(c) Conference with Legal Counsel - Existing litigation pursuant to Gov't Code Section 54956.9(d) (1):

Alameda County Flood Control and Water Conservation District, Zone 7 v. Pleasanton Gravel Co., Alameda County Case No. HG14724177

(d) 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.

Item 14 - Open Session and Report Out of Closed Session

The Board came out of Closed Session at 9:08 p.m. and President Greci reported there were no reportable actions taken in closed session.

Item 15 - Adjournment

The meeting was adjourned at 9:10 p.m.

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

SPECIAL MEETING/BOARD WORKSHOP

February 4, 2015

President John Greci called the Special Board Meeting to order at 4:05 p.m. The following were present:

DIRECTORS:	JOHN GRECI JIM McGRAIL SARAH PALMER DICK QUIGLEY BILL STEVENS
ABSENT:	ANGELA RAMIREZ HOLMES SANDY FIGUERS
ZONE 7 STAFF:	JILL DUERIG, GENERAL MANAGER DAVID ALADJEM, GENERAL COUNSEL
THE MATHIS GROUP:	DR. BILL MATHIS, FACILITATOR JAN MATHIS, RECORDER

Item 1 - Pledge of Allegiance - President Greci led those present in the Pledge.

Item 2 - Citizens Forum - None.

Item 3 - Retreat

There was some discussion about the attendance. With two Board members absent today, those present agreed that there was a need to have the whole team present in order to work with Dr. Bill Mathis. To learn to work together as a team, everyone has to be present. The team-building portion of the meeting is to be continued.

Dr. Bill Mathis said that he has talked with all but one Board member and has feedback from each of them. Dr. Mathis will contact the remaining member of the Board to see if they will provide feedback and also when they are able to attend a retreat so that a full-team retreat can be scheduled. President Greci added that he has established good personal interactions with most Directors, and he promised to continue to work on this.

Those present agreed that there are some things that can be addressed today as part of achieving goals and objectives. Director Quigley said that the focus of the board has to be “vision forwarding” and that the Board has to stop spinning its wheels on the 2014 General Manager’s Performance Evaluation. Director Sarah Palmer then moved and Director Bill Stevens seconded the motion with unanimous consent that the General Manager’s 2014 Performance Evaluation is complete and that the General Manager will bring back a recommendation for a process for the 2015 evaluation within the next few months.

Next, the Board discussed the existing Guiding Principles for Board Members and whether they adequately captured the original Gentleperson's Agreement. One of the items that seemed to be lacking was a clear statement on the Board President's role in assuring that Directors adhere to the Principles. After some discussion, the Board agreed that it might be appropriate to add the following to the Guiding Principles:

<u>Role of the Board President</u>:

- If the Board President determines that a director is in violation of one or more of these principles, the President can take action up to and including discussion with an Ad Hoc Committee and, if appropriate, introduction of a board action for censure of that director.

Staff was directed to bring forward as an agenda item at the next regular Board meeting so that the Board can formally vote on the proposal.

After these discussions, Dr. Mathis summarized the conversations and input he has received to date from the six Directors to whom he has spoken and some of the topics that could be discussed at a future retreat:

1. "When we don't measure our own effectiveness with the Board, we lose focus as well as interest." Functioning as a team: where are we? We can begin to pin point the problem when we have a scorecard.

2. Learned from staff that Finance Committee team has a problem – how do we manage this micro-involvement?

3. Concerns expressed about the image of the Board – Staff attend meetings to watch the Board fight and undermine management; this tells us that we need to work on our relationships with each other. Maybe we need to do something different. If we don't have the same viewpoint of how we're going to move forward, we may be in trouble.

4. Some say there is too much politics? Guessing the purpose of why an item is on someone's personal agenda – leading to trouble.

5. Want to talk about succession planning at Zone 7; need to discuss where we want staff to be in 2-3 years; what do we do with opportunities we have out there?

<u>Item 6 - Verbal Reports</u> – None.

<u>Item 7 - Adjournment</u>

The meeting was adjourned at 5:25 p.m.

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

ORIGINATING SECTION: Flood Control
CONTACT: Jeff Tang/Joe Seto

AGENDA DATE: February 18, 2015 ITEM NO. **5a**

SUBJECT: License Agreement Renewal for Seasonal Diversion Dam in Arroyo Las Positas with the City of Livermore

SUMMARY:

- The City of Livermore (City) is a Zone 7 untreated water customer and takes delivery of untreated surface water from the South Bay Aqueduct via Altamont Creek to irrigate Springtown Golf Course.
- The City operates a seasonal dam in the Arroyo las Positas at its confluence with Altamont Creek to divert the purchased water for irrigating the Golf Course.
- Zone 7 owns and maintains Arroyo Las Positas at that location for regional flood control and water conservation purposes.
- The City entered into a License Agreement (Agreement) with Zone 7, which was approved by the Zone 7 Board on March 16, 2005, to install, operate, and maintain the seasonal dam, such that it does not impact the primary use of the channel for flood control and water conservation purposes.
- The City is responsible for all permitting and regulatory requirements associated with the installation and operation of the seasonal dam.
- The initial term of the Agreement was for five (5) years and is renewable for additional periods of five (5) years thereafter. The Agreement was amended in February 2010 to extend the term of the Agreement to March 15, 2015.
- The City is proposing to execute Amendment No. 2 to the Agreement extending the term of the agreement for five additional years through March 2020. The Livermore City Council approved the renewal at their January 27, 2015 City Council meeting.
- Staff recommends that the Board authorize the General Manager to negotiate and execute Amendment No. 2 and any future amendments for renewal of the License Agreement.

FUNDING:

Since all costs for installation, operation, and removal of the seasonal dam are borne by the City of Livermore, there is no funding impact to Zone 7.

RECOMMENDED ACTION:

Adopt attached resolution authorizing the General Manager to negotiate and execute Amendment No. 2 and any future amendments for renewal the License Agreement.

ATTACHMENTS:

- Resolution
- License Agreement and Amendment No. 2

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

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

Agreement Renewal for Seasonal Diversion Dam in Arroyo Las Positas with the City of Livermore

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 Amendment No. 2 and any future amendments for renewal of the License Agreement for the Seasonal Diversion Dam in Arroyo Las Positas with the City of Livermore.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on February 18, 2015.

By: ______________________________
President, Board of Directors

<u>SEASONAL DIVERSION DAM - LICENSE AGREEMENT</u>

THIS LICENSE AGREEMENT (hereinafter "LICENSE"), made and entered into this 16 day of March, 2005, by and between Zone 7 of Alameda County Flood Control and Water Conservation District, a body corporate and politic (hereinafter "ZONE 7") and the City of Livermore, a Municipal Corporation (hereinafter "CITY")

<u>RECITAL</u>

A. ZONE 7 owns a certain flood control channel and real property in the City of Livermore, State of California, east of Springtown Boulevard on Line H and R commonly known as the Arroyo Las Positas and Altamont Creek (APN 99-24-15-2, APN 99-1300-1 and APN 99-1330-07), (hereinafter "SITE");

B. CITY has requested to use the SITE to install, operate and maintain a seasonal dam and appurtenances in Arroyo Las Positas for the purposes of diverting water for irrigation of the Springtown Golf Course;

C. ZONE 7 is agreeable to such use by the CITY on the SITE and hereby grants a non-exclusive LICENSE for said use upon the following terms and conditions.

NOW, THEREFORE, it is mutually agreed as follows:

1. <u>Permitted Use</u>. Subject to the terms of this LICENSE, the CITY is permitted to install, operate and maintain a seasonal dam and associated facilities, (hereinafter "DAM") as approved by Zone 7 under Section 4.d., on the SITE delineated on Exhibit A, which is attached hereto and made a part hereof.

2. <u>License Fee.</u> This LICENSE shall not require payment of any rent or other charges to ZONE 7 by CITY for the use of the SITE for the purposes for which it is permitted.

3. <u>Term of License.</u>

   a. The term of this LICENSE, shall be for five (5) years commencing on the date of execution of this LICENSE with an option to CITY of renewal for additional periods of five (5) years thereafter upon application therefore; either this original LICENSE or any renewal thereof to be subject to termination under the covenants provided herein to govern such termination. Renewals shall be subject to updating the conditions on use of the SITE.

   b. At any time, either CITY or ZONE 7 may terminate this LICENSE, with or without cause by providing 90 days advance written notice to the other party.

   c. CITY's obligations under Section 7 ("Condition of SITE Upon Termination"), Section 10 ("Indemnity") and Section 12 ("Waiver of Claims") shall survive the termination of this LICENSE.

4. Limitations

a. It is understood and agreed by CITY that the primary reason for which ZONE 7 has acquired and owns the SITE is for flood control and water conservation purposes and in furtherance of said purposes shall take precedence over any and all other uses of the subject SITE.

b. ZONE 7 shall have all reasonable and necessary rights of entry to the subject SITE, including the right to alteration or repair and maintenance and operation for flood control and water conservation purposes. Use of the SITE by CITY shall be at all times subject to the primary use of the aforesaid SITE for flood control and water conservation purposes.

c. CITY shall obtain and comply with all required permits, agreements and/or regulatory approvals relating to installation, construction improvement, maintenance or operation of the DAM including all federal, state, or local government requirements. This requirement includes compliance with CEQA as well as any necessary construction, building or use permits including any progress inspections that may be required by any regulatory body. The CITY shall submit a copy of each regulatory agency permit or other approval under which work under this LICENSE is performed.

d. Prior to installation or reinstallation of any DAM facilities, CITY shall submit plans and specifications and any related approvals required in 4.C. to ZONE 7 for review. The DAM installation or construction shall not be initiated by CITY without securing the standard form encroachment permit from ZONE 7 who shall issue said permit at no cost to CITY and the issuance thereof shall not be unreasonably withheld. Said permit shall be issued unless such facilities or construction would interfere with the primary use of said SITE for flood control and water conservation purposes as determined by Zone 7 in its sole discretion.

e. Should ZONE 7, in its sole discretion, reasonably determine that any of CITY's activities or facilities interfere with any ZONE 7 activities or operations, ZONE 7 may require CITY to eliminate said interference, by providing CITY with written notice of ZONE 7's requirement and the reasons therefore. Within 10 days of its receipt of such notice, CITY shall proceed forthwith to remedy the problem, as directed by ZONE 7. In the event CITY fails to remedy or correct the problem within such ten-day period, ZONE 7 may take such action as ZONE 7 deems reasonably necessary to remedy such interference, all at CITY's sole expense.

f. CITY agrees to abide by any future SITE rules and regulations which may be adopted by ZONE 7. Such rules and regulations shall be reasonably developed by ZONE 7 and shall be promptly provided to CITY.

g. CITY agrees to accept this LICENSE to the SITE on an "as-is" basis, and ZONE 7 has no obligation for maintenance or repair of SITE during the term of this LICENSE.

h. CITY shall be solely responsible for any damage or loss to CITY's DAM resulting from theft or vandalism or resulting from any other cause. ZONE 7 shall not provide security for CITY's DAM. ZONE 7 shall not be responsible for any loss or damage suffered by

CITY (including direct or indirect loss or damage, or incidental or consequential loss or damage) resulting from any damage to CITY's DAM or loss of use thereof suffered in connection with this LICENSE.

i. Suspension or Limitation of Use: ZONE 7 shall have the right, without liability to CITY, to suspend any licensed uses temporarily or to limit this LICENSE and the use of the SITE by the CITY during such periods of time as ZONE 7 determines that such suspension or limitation is necessary in the interest of public safety, national security, or the operation or maintenance of its flood or water facilities. Zone 7 will provide notice of its determination to suspend or limit use to CITY pursuant to section 14 of this License Agreement.

5. <u>Maintenance and Operation</u>

a. CITY shall cause the DAM established pursuant to this LICENSE to be maintained and operated in a safe and orderly manner.

b. Work permitted under this LICENCE is limited from April 15 to October 15 of each year. Each year by October 15 the CITY shall completely remove DAM. Any change to these dates must be agreed to in writing by ZONE 7. All areas modified or damaged by installation, maintenance or operation activities shall be restored by CITY to the conditions that existed prior to installation of the DAM.

c. The SITE may be subject to slides, erosion, subsidence, flooding and other damages. In the event that CITY's use of the SITE is impacted by such damages, ZONE 7 will make its best efforts to repair ZONE 7's facilities to Zone 7 standards; however, such repairs will be subject to available funding and other maintenance priorities as determined by ZONE 7 in its sole discretion. Repair of damage to DAM shall be the responsibility of CITY and at CITY's sole cost. CITY shall perform such repair, as CITY may deem necessary for proper and safe operation of the SITE.

d. In the performance of routine and/or emergency repair activities ZONE 7 will exercise reasonable care to avoid removal or damage to existing CITY installed structures and improvements and CITY, at its sole cost, shall be responsible for any reinstallation, repair or reconstruction work.

6. <u>Violations of Permitted Use.</u>

Should CITY, its employees or agents install, operate or maintain the DAM in violation of the terms of this LICENSE, or in violation of any of the approvals granted hereunder, ZONE 7 may direct CITY to remove the DAM from the SITE or to take other remedial action, as ZONE 7 may, in its sole discretion, determines to be appropriate. Except in the case of an emergency, as reasonably determined by ZONE 7, CITY shall be afforded a maximum period of ten (10) days, within which to cure any such violations and comply with ZONE 7's directive.

In the event CITY fails to comply with ZONE 7's directive, in addition to any other remedies available to ZONE 7 at law or in equity, ZONE 7 may immediately terminate this LICENSE and remove DAM, at CITY's sole cost and expense.

7. <u>Condition of SITE Upon Termination</u>. Upon termination of this LICENSE, CITY at its sole cost and expense shall remove the DAM installed on the SITE and, to the extent requested by ZONE

7, restore the SITE as nearly as possible to the condition in which it existed immediately prior to the Commencement Date.

8. Assignment. Neither this License nor any rights there under shall be transferred or assigned by the CITY, nor shall the CITY permit the use of any portion of the SITE by others without the written consent of ZONE 7 having first been obtained.

9. Acknowledgment of Title. It is understood and agreed that CITY, by the acceptance of this LICENSE and by the use or occupancy of said SITE, has not acquired and shall not acquire hereafter any property rights or interest in or to said SITE through this LICENSE, and that CITY may use the SITE only as herein provided.

10. Indemnity

CITY shall indemnify, defend, reimburse and hold harmless Zone 7, its officers, agents, contractors and, employees (collectively, "Indemnitees") from and against any and all demands, claims, legal or administrative proceedings, losses, costs, penalties, fines, liens, judgments, damages and liabilities of any kind (collectively, "Liabilities"), arising in any manner out of: (a) any injury to or death of any person or damage to or destruction of any property occurring in, on or about the SITE, or any part thereof, whether the person or property of CITY, its officers, agents, employees, contractors and subcontractors (collectively, "Agents"), its invitees, guests or business visitors or third persons (collectively, "Invitees"), relating in any manner to any use or activity under the LICENSE and modifications thereto; (b) any failure by CITY to faithfully observe or perform any of the terms, covenants or conditions of this LICENSE or (c) the use of the SITE or any activities conducted thereon by CITY, its Agents or Invitees. This provision applies except to the extent of Liabilities resulting directly from the sole negligence or willful misconduct of ZONE 7 or ZONE 7's authorized representatives.

The foregoing indemnity shall include, without limitation, reasonable attorneys' and consultants' fees, investigation and remediation costs and all other reasonable costs and expenses incurred by the Indemnitees, including, without limitation, damages for decrease in the value of the SITE and claims for damages or decreases in the value of adjoining property. CITY shall have an immediate and independent obligation to defend ZONE 7 from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to CITY by ZONE 7 and continues at all times thereafter. CITY's obligations under this Condition shall survive the expiration or termination of the LICENSE and modifications thereto.

11. Insurance Requirements

CITY shall carry public liability and property damage insurance or monetary coverage in an amount which will adequately protect ZONE 7 from all such liabilities or claims, such amount to be no less than $1,000,000 each person and $1,000,000 each occurrence for bodily injury or death and $1,000,000 on each occurrence for property damage. These amounts shall be reviewed by the parties every five years, and increased by no less than the amount of increase in the Consumer Price Index for the Oakland – San Francisco SMSA. Policies for such insurance shall name ZONE 7 of Alameda County Flood Control and Water Conservation District, Alameda County Flood Control and Water Conservation District, the County of Alameda, their officers, agents and employees as additionally insured and copies thereof, certificates of payment of premiums thereon, or other proof of insurance or monetary coverage acceptable to ZONE 7, shall be furnished ZONE 7 by CITY. It is agreed that such insurance or monetary coverage as is afforded by the policy to ZONE 7 of Alameda County Flood Control and Water Conservation District, et al., shall apply as primary insurance or monetary coverage. No other insurance or monetary coverage effected by ZONE 7 of Alameda County Flood

Control and Water Conservation District, et al., shall be called upon to contribute to a loss covered by the policy.

CITY has the right and option to self-insure the requirements under this Section 12 upon written notice to ZONE 7 that CITY assumes the obligations in the place and stead of any insurance carrier, any reference to failure to coverage notwithstanding. In the event that CITY elects to self-insure, CITY shall provide to ZONE 7 a certificate or other evidence of self-insurance acceptable to ZONE 7.

12. Waiver of Claims

CITY fully releases, waives, and discharges forever any and all claims, demands, rights and cause of action against, and covenants not to sue, Indemnities, under any present or future laws, statutes, or regulations: (a) for any claim or event relating to the condition of the SITE or CITY's use thereof; or (b) in the event that ZONE 7 exercises its right to suspend, revoke or terminate the LICENSE.

13. Duties of ZONE 7. ZONE 7 agrees to furnish CITY reasonable notice of flood control and water conservation operations which would affect the DAM operations of CITY and keep CITY informed of any conditions which might result in such operations. ZONE 7 further agrees to furnish any plans for improvements to the SITE to the CITY for review and comments. ZONE 7 will maintain the SITE for flood control and water conservation purposes. Such ZONE 7 responsibilities shall not relieve the CITY from its Liabilities as described in Section 10.

14. Notice. Any demand or notice which either party shall be required, or may desire to make upon or give to the other shall be in writing and shall be delivered personally upon the other or be sent by prepaid certified mail to the respective parties as follows:

ZONE 7: General Manager
Zone 7, Alameda County Flood Control
And Water Conservation District
100 North Canyons Parkway
Livermore, CA 94551

CITY: Public Services Director
City of Livermore
1052 S. Livermore Avenue
Livermore, CA 94550-4899

Either party may, from time to time, designate any other address for this purpose by written notice to the other party, given with 10 business day notice.

15. Miscellaneous

a. This LICENSE constitutes the entire LICENSE and understanding between the parties, and supersedes all offers, negotiations and other agreements concerning the subject matter contained herein. Any amendments to this LICENSE must be in writing and executed by both parties.

b. If any provision of this LICENSE is invalid or unenforceable with respect to any party, the remainder of this LICENSE or the application of such provision to persons other than those as to whom it is held invalid or unenforceable, shall not be affected and each provision of this LICENSE shall be valid and enforceable to the fullest extents permitted by law.

c. This LICENSE shall be governed by the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have executed this LICENSE on the dates appearing below their respective authorized signatures.

ZONE 7:
Zone 7 of Alameda County Flood Control
and Water Conservation District

By: ____________________
President
Zone 7 Board of Directors

Date: 3/16/05

Approved as to Form RICHARD E. WINNIE County Counsel By:__________

CITY OF LIVERMORE
A Municipal Corporation
"CITY"

DATED: March 14, 2005

BY: ____________________

TITLE: Assistant City Manager

APPROVED AS TO FORM:

____________________ DH
Assistant City Attorney/Deputy City Attorney

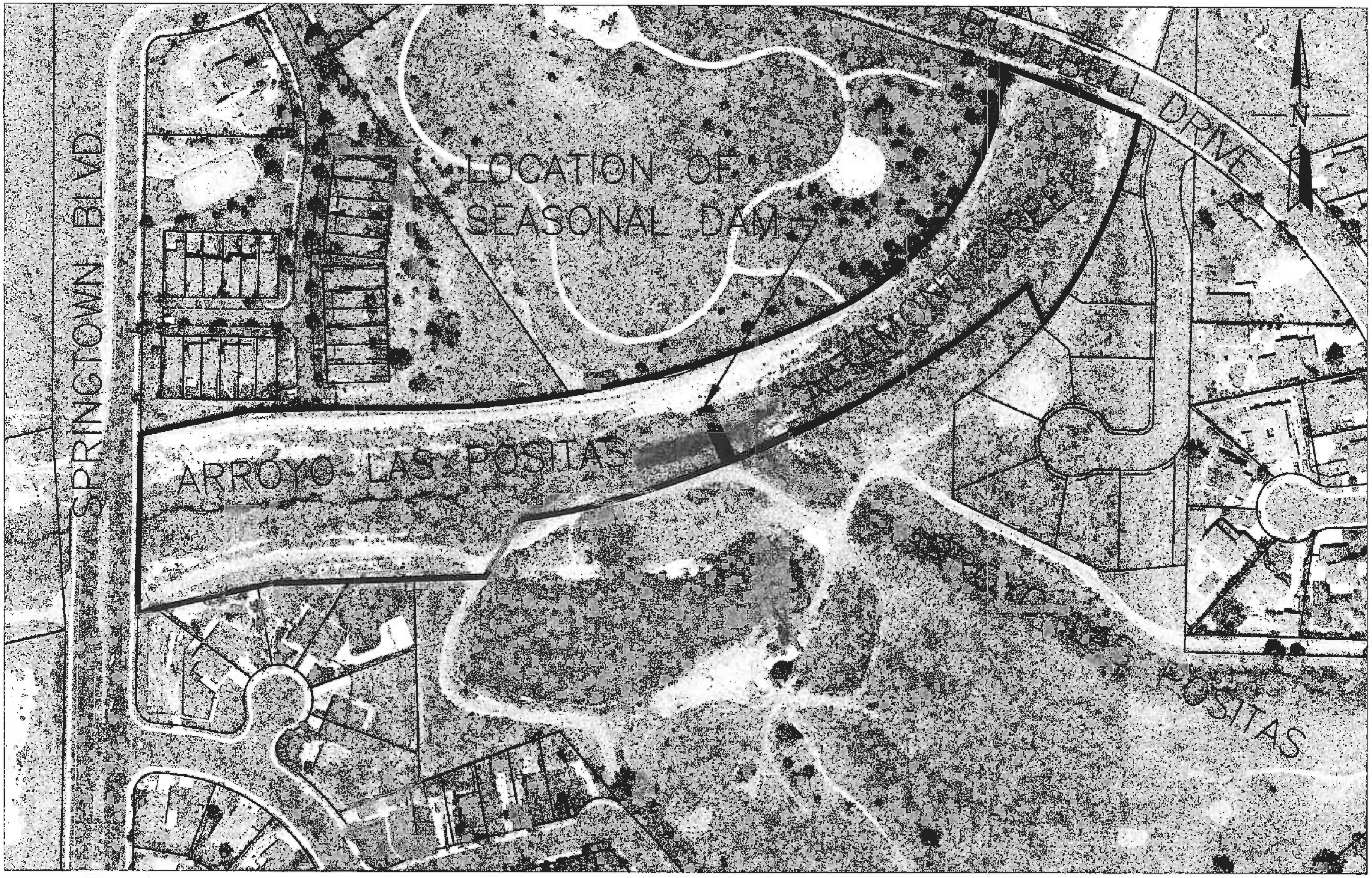

Exhibit "A" Seasonal Diversion Dam License Agreement

CITY OF LIVERMORE COMMUNITY DEVELOPMENT DEPARTMENT ENGINEERING DIVISION

CITY OF LIVERMORE, CALIFORNIA
INCORPORATED 1876
COUNTY OF ALAMEDA

DATE: MARCH 2005
SCALE: 1" = 200'
DWN. BY: DES

ALTAMONT CREEK AND ARROYO LAS POSITAS

A05-36-LIVMI 10-051

FIRST AMENDMENT TO SEASONAL DIVERSION DAM LICENSE AGREEMENT

(Alameda County Flood Control and Water Conservation District, Zone 7, for Installation of a Seasonal Diversion Structure at the Springtown Golf Course and City of Livermore)

This amendment is made and entered into this 22 day of February, 2010, by and between the City of Livermore, a municipal corporation of the State of California ("City") and Zone 7 of Alameda County Flood Control and Water Conservation District, a body corporate and politic (hereinafter "Zone 7").

RECITALS

On March 14, 2005, City entered into a license agreement with Zone 7 to permit the City to install, operate, and maintain a seasonal dam and associated facilities as approved by Zone 7 under Section 4.d., on the site delineated on Exhibit A of the original agreement ("Original Agreement").

The term of the Original Agreement commenced March 16, 2005, and is due to terminate on March 15, 2010. Section 3.a. of the Original Agreement provided an option to City of renewal for additional periods of five (5) years thereafter upon application.

The parties now wish to exercise the first extension of the Original Agreement to extend its terms and conditions for an additional five-year term commencing March 15, 2010 and terminating March 15, 2015.

NOW, THEREFORE, the parties agree as follows:

1. The recitals set forth above are true and correct.

2. Pursuant to section 3.a of the Original Agreement, the parties agree to extend the license for an additional five-year extension.

3. The term of the Original Agreement is hereby amended to allow the City to exercise its option to extend the license agreement for an additional five (5) years commencing March 16, 2010, and terminating March 15, 2015, unless additional extensions are agreed to by the Parties.

4. All other terms, conditions and obligations in the Original Agreement shall otherwise remain in full force and effect.

A05-36-LIV M1 10-051

FIRST AMENDMENT TO SEASONAL DIVERSION DAM LICENSE AGREEMENT

(Alameda County Flood Control and Water Conservation District, Zone 7, for Installation of a Seasonal Diversion Structure at the Springtown Golf Course and City of Livermore)

This amendment is made and entered into this 22 day of February, 2010, by and between the City of Livermore, a municipal corporation of the State of California ("City") and Zone 7 of Alameda County Flood Control and Water Conservation District, a body corporate and politic (hereinafter "Zone 7").

RECITALS

On March 14, 2005, City entered into a license agreement with Zone 7 to permit the City to install, operate, and maintain a seasonal dam and associated facilities as approved by Zone 7 under Section 4.d., on the site delineated on Exhibit A of the original agreement ("Original Agreement").

The term of the Original Agreement commenced March 16, 2005, and is due to terminate on March 15, 2010. Section 3.a. of the Original Agreement provided an option to City of renewal for additional periods of five (5) years thereafter upon application.

The parties now wish to exercise the first extension of the Original Agreement to extend its terms and conditions for an additional five-year term commencing March 15, 2010 and terminating March 15, 2015.

NOW, THEREFORE, the parties agree as follows:

1. The recitals set forth above are true and correct.

2. Pursuant to section 3.a of the Original Agreement, the parties agree to extend the license for an additional five-year extension.

3. The term of the Original Agreement is hereby amended to allow the City to exercise its option to extend the license agreement for an additional five (5) years commencing March 16, 2010, and terminating March 15, 2015, unless additional extensions are agreed to by the Parties.

4. All other terms, conditions and obligations in the Original Agreement shall otherwise remain in full force and effect.

In concurrence and witness whereof, this Agreement has been executed by the parties effective on the date and year first written above.

Dated: 3/17/10

Zone 7

President
Board of Directors

Dated: February 22, 2010

CITY OF LIVERMORE

Linda Barton

Linda Barton
City Manager

APPROVED AS TO FORM:

Assistant/City Attorney

SECOND AMENDMENT TO SEASONAL DIVERSION DAM - LICENSE AGREEMENT

(Alameda County Flood Control and Water Conservation District, Zone 7,
for Installation of a Seasonal Diversion Structure at the
Springtown Golf Course and City of Livermore)

This Second Amendment is made and entered into this ____ day of __________, 2015, by and between the City of Livermore, a Municipal Corporation of the state of California ("City") and Zone 7 of Alameda County Flood Control and Water Conservation District, a body corporate and politic ("Zone 7").

RECITALS

On March 14, 2005, City entered into a license agreement with Zone 7 to permit the City to install, operate, and maintain a seasonal dam and associated facilities as approved by Zone 7 under Section 4.d, on the site delineated on Exhibit A of the original agreement ("Original Agreement").

The term of the Original Agreement commenced March 16, 2005 to terminate on March 15, 2010. Section 3.a of the Original Agreement provided an option to City of renewal for additional periods of five (5) years thereafter upon application.

On February 22, 2010, City and Zone 7 authorized execution of the First Amendment to the License Agreement with Zone 7 to extend the terms and conditions of the Original Agreement for and additional five year term commencing March 16, 2010 and terminating March 15, 2015.

The parties now wish to exercise the second extension of the Original Agreement to extend its terms and conditions for an additional five-year term commencing March 16, 2015 and terminating March 15, 2020.

NOW, THEREFORE, the parties agree as follows:

1. The recitals set forth above are true and correct.

2. Pursuant to section 3.a of the Original Agreement, the Parties agree to extend the license for an additional five-year extension.

3. The term of the Original Agreement is hereby amended to allow the City to exercise its option to extend the license agreement for an additional five (5) years commencing March 16, 2015, and terminating March 15, 2020, unless additional extensions are agreed to by the Parties.

4. All other terms, conditions and obligation in the Original Agreement shall otherwise remain in full force and effect.

In concurrence and witness whereof, this Agreement has been executed by the parties effective on the date and year first written above.

Dated:____________________________ Zone 7

____
G. F. Duerig
General Manager

Dated:____________________________ City of Livermore

____
Marc Roberts
City Manager

APPROVED AS TO FORM:

____
Assistant/City Attorney

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

ORIGINATING DIVISION: Office of the General Manager
CONTACT PERSON: Judy Rector

AGENDA DATE: February 18, 2015 ITEM NO. **5b**

SUBJECT: Document Management Software for Records Retention/Management

SUMMARY:

- Zone 7 is continuing to pursue the implementation of the Records Retention/ Management Policy Framework adopted by the Zone 7 Board of Directors in March 2012.
- In order to achieve the objectives of the Framework, cloud-based document management software is recommended to replace the current Versatile database system for better file management, access, retention and storage.
- Kaizen InfoSource, the company hired by Zone 7 to create the Records Retention Schedule, also assisted with the original search for new software that would better meet Zone 7's needs for a user-friendly system that could start with a pilot program and grow as staff becomes familiar with its capabilities. Kaizen InfoSource wrote a Request for Quotations and Incrementum, Inc., a Laserfiche provider, was selected by the committee as the company best able to meet Zone 7's needs. The Board authorized executing a contract with Incrementum, Inc., in August 2014 but Incrementum withdrew from the process before executing.
- Kaizen InfoSource wrote a second Request for Quotations and sent it to five companies, three of whom responded to the original Request for Quotations. After agreeing to respond, the original three backed away and the two new vendors responded with quotations. Peelle Technologies was selected as the most qualified to provide Laserfiche services to Zone 7. They are offering the same services at almost the same dollar amount quoted by Incrementum except that the price of the hosted windows cloud server was inadvertently misquoted by Incrementum. The new server cost is $24,125 for a three-year contract which is included in the not-to-exceed amount of $127,749.
- Staff recommends executing a contract with Peelle Technologies for the purchase of Laserfiche software, professional services support, a three-year contract for cloud-based hosting and a Fujitsu scanner for a total not-to-exceed amount of $140,524 which includes a 10% contingency.

FUNDING:
Funding is budgeted and available from Fund 100 (90%) and Fund 200 (10%).

RECOMMENDED ACTION:
Adopt resolution authorizing the General Manager to negotiate and execute a contract with Peelle Technologies for $140,524 which includes a 10% contingency.

ATTACHMENTS:
Interoffice Memo
Resolution

Interoffice Memo

Date: February 18, 2015
To: Jill Duerig, General Manager
From: Judy Rector, Executive Assistant
Subject: Purchase of Laserfiche Avante Software from Peelle Technologies

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

BACKGROUND:

In March 2012, the Zone 7 Board of Directors adopted the Records Retention/Management Policy Framework in part to define the requirements for managing Zone 7 records.

Resolution No. 12-4178 states that "staff are to use this Records and Information Policy Framework to ensure that the information is available when and where needed; records are filed to ensure their prompt retrieval, facilitate systematic disposition when no longer current; and that non-current records do not encumber valuable office space and filing equipment; records are destroyed in accordance with authorized records control (retention) schedules which comply with all applicable laws, regulations and policies; and historically valuable records of the Agency shall be preserved."

Kaizen InfoSource LLC was hired under a professional services contract and has consulted with staff to finalize a retention schedule as part of implementing the Framework. The current records management software system, Versatile, was outdated and had to be replaced in order to accomplish the goals of a more user-friendly system, electronic document management and a file retention component. Currently Agency employees avoid Versatile because of the difficulty in searching for records. It is dependent upon file input by one Administrative employee and it does not have a useable file retention management component. Staff has continued to work with Kaizen InfoSource to identify a new file management software system that to replace Versatile, convert data currently stored in Versatile, be easy to learn and acceptable to staff, provide the ability to search for needed files and information, and include a file retention management component that will flag employees when it is time to dispose of old files.

DISCUSSION:

Key staff from each department participated in a stakeholders committee and provided input in determining the criteria needed for Kaizen InfoSource to write the November 2013 Request for Quotation for Records and Content Management Software. After reviewing the submitted quotes in May 2014, the committee members recommended Incrementum, Inc., to the Board and a contract with Incrementum, Inc. was approved by Resolution 15-04 in August 2014. The owner of Incrementum, Inc. left Incrementum to become Vice President of Sales for the Laserfiche Software Company and had to withdraw the quote before signing the contract. The stakeholders committee asked Kaizen InfoSource to re-issue the RFQ in December 2014.

In January 2015 the stakeholders committee reviewed the responses to the re-issued RFQ. All of the vendors from the original RFQ declined to resubmit but two new vendors did respond:

Name of Firm	Quote Amount
1. NEKO Industries, Inc. (Hyland OnBase)	$126,812 (without hosted services contract)
2. Peelle Technologies (Laserfiche)	$127,749 (with hosted services contract)
3. Tab Products Co.	$0 (declined to respond)
4. Eloquent Solutions	$0 (declined to respond)
5. Feith Software	$0 (declined to respond)

Peelle Technologies, located locally in Campbell, California, was selected by the stakeholders committee because they were able to match Incrementum's pricing for software ($62,068), professional services ($35,000), the Fujitsu Scanner ($5,156) and Scan Care ($1,400) but the dollar amount for the three-year contract for the hosted-cloud server was incorrect in Incrementum's quote. The response from Peelle Technologies includes $24,125 for the three-year-hosted-cloud server contract. The total amount of the contract would be $127,449. Staff is recommending a 10% contingency for a total not-to-exceed amount of $140,524.

Staff recommends that a contract with Peelle Technologies for Laserfiche software and project management be executed in place of the contract approved by the Board with Incrementum, Inc.

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

WHEREAS, Zone 7 Water Agency needs a document management software system as part of implementing the Records Retention/Management Policy Framework adopted by the Board of Directors in March 2012; and

WHEREAS, part of the objective of the Records Retention/Management Policy Framework is to properly govern records and information assets for California Public Records Act Requests; accurately create records and information reflecting the business activities of Zone 7; and properly retain and manage records and information in compliance with regulations using a Records Retention Schedule; and

WHEREAS, Laserfiche's document management software allows for the implementation of the goals and objectives of the framework for the Records Retention/ Management Policy.

NOW THEREFORE BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate and execute a contract with Peelle Technologies for the installation and start-up of this system for $127,749 plus a 10% contingency for a not-to-exceed total of $140,524.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on February 18, 2015.

By__________________________________
President, Board of Directors

Peelle TECHNOLOGIES

Statement of Work

Date	January 13, 2015
Client	Zone 7 Water Agency
Job Name	Laserfiche Enterprise Content Management Solution
Requested by	Scott Murchison
Submitted by	Jim Detrick

Summary

Zone 7 Water Agency will be transitioning from a paper-based filing and working environment to a digital one. The Agency's goal is to provide personnel immediate access to documents and records for everyday decision making while managing the lifecycle of records based on the existing policy and retention schedule.

Project Scope

1. Introduction

This project scope is for the acquisition of licensing and roll-out of the Laserfiche Enterprrise Content Management Solution. Incrementum will provide the requested enterprise content management solution by completing the following tasks:

- Configuration of hosted server hardware for using Laserfiche on the cloud.
- Installation and configuration of Laserfiche Server software, Laserfiche Client software, and associated plug-ins.
- Installation of main scanner (Fujitsu fi-6670) and integration of main scanner with local workstation. Integration of multi-function peripherals (digital copiers) with Laserfiche.
- System testing and system administration training.
- Conversion of Versatile digital documents and associated metadata.
- Records Management Edition workflow design and configuration.
- User training (first round).

2. Specific Task Descriptions

2.1 Task 1: Configuration of Cloud-based Server Hardware

Objective: To provide a hosted/cloud-based server environment where the Laserfiche software environment can be installed, backed-up, and maintained for a 3-year period (based on renewable 3-year contract)

Method: Remote configuration in conjunction with Cambridge Connections – the hosting and server maintenance provider.

Peelle TECHNOLOGIES

Deliverables: Hosting services for 50 Laserfiche users. Includes 64-bit 6.5 EC2 Compute Unit, 15 GB RAM, 150 GB C:\Drive, Windows Server 2012 w/unlimited Windows Server CAL licenses, Microsoft SQL Server Standard w/unlimited CAL licenses, dedicated VPN Tunnel, monitoring, Symantec Endpoint Protection, daily Snapshot back-up, MS security patches, Elastic WAN IP, SSL.

2.2 Task 2: Installation of Laserfiche Avante Software Components
Objective: To provide Zone7 Water Agency personnel with access to the Laserfiche Enterprise Content Management solution for everyday use.
Method: Combination of remote and on-site installation and configuration of Laserfiche Server Software, Web Access, Advanced Audit Trail, and QuickFields capture software (including Zone OCR and Realtime Look-up).
Deliverables: Functional Laserfiche Avante system based on configuration. Accessibility to system based on department, roles, and responsibilities (RME Workflow configuration to be completed as part of a subsequent task).

2.3 Task 3: Installation of Main Scanner and Integration With Scanning Units
Objective: To provide Zone 7 Water Agency power users with the ability to scan into the Laserfiche system from the main scanner installed locally at that workstation, and to provide Agency personnel with the ability to scan through the multi-function peripheral (digital copiers) already installed on the network.
Method: Main scanner will be installed and integrated with Laserfiche using ScanConnect. Digital copier(s) will be integrated with Laserfiche through the installation and configuration of Laserfiche Import Agent.
Deliverables: Agency personnel will be able to scan into the Laserfiche system using the digital copiers and the power user will be able to scan locally from their workstation.

2.4 Task 4: System Testing and System Administrator Training
Objective: To enure the Laserfiche Avante system is fully functional from a technical perspective and an Agency representative is trained on Laserfiche tasks.
Method: All software components and scanner will be fully tested for functionality. Representative will be trained on Laserfiche system administrative tasks.
Deliverables: Fully functional Laserfiche system from a technical perspective. Knowledge of Laserfiche system administration in the event the Agency decides to make changes to the configuration on their own.

Peelle TECHNOLOGIES

2.5 Task 5: Conversion of Versatile Records and Associated Metadata

Objective: Provide access to data and records that were entered into Versatile – but now in Laserfiche.

Method: Kaizen will be providing Incrementum with the template structure for the import of the metadata that will be attached to the records being imported. Incrementum will write the conversion script to import the records and pertaining metadata into Laserfiche.

Deliverables: Digital records and associated metadata converted from Versatile and imported into Laserfiche.

2.6 Task 6: Records Management Edition Workflow Configuration

Objective: Provide the Agency with the ability to manage the records based on the record retention schedule while giving knowledge workers access to a logical folder structure conducive to daily usage.

Method: Configuration of workflows – tying the record series to the logical folder structure and automating the routing of records to their specific locations based on pre-configured rules. Kaizen will be providing the record retention schedule, logical folder structure, templates, and naming conventions.

Deliverables: Transparent Records Management as defined by Laserfiche to manage the Agency's information.

2.7 Task 7: User Training (First Round)

Objective: Introduce users to the functions and operations of the Laserfiche interface, familiarize them with the steps of data capture, template use, search functions, and records management.

Method: Two types of training will be conducted for Agency personnel: 1) power user training (including training for the Records Manager) and 2) knowledge worker training. Training will be provided in small group settings in order for attendees to get the utmost out of the sessions.

Deliverables: 1 day power user training (1 group), 2.5 days knowledge worker training (5 groups – ½ day each), 0.5 day power user refresher training (1 group).

Peelle TECHNOLOGIES

Schedule

Task	Task Complete
Configuration of Hosted Server Hardware	1 Day (3/9/15)
Installation and Configuration of Laserfiche Software	2.5 Days (3/10/15 – 3/12/15)
Installation of Scanner & Integration with Scanning Units	0.5 Days (3/12/15)
System Testing & System Administration Training	1 Day (3/17/15)
Conversion of Versatile Data and Records	1 Project (within 3/10/15 - 3/12/15)
Records Management Edition Workflow Configuration	10 Days (within 3/23/14 – 4/3/15)
User Training (First Round)	4 Days (within 4/6/15 – 4/17/15)
Project Management on Peelle's End	Upon Project Completion

Pricing

Laserfiche Software and Annual Support

Qty	Item	Unit Price	Total Cost
1	MSE35 – Laserfiche Avante Records Management Edition Server for MS SQL with Workflow	$11,000.00	$11,000.00
1	MSE35B – Laserfiche Avante Records Management Edition Server for MS SQL with Workflow Annual Software Assurance Plan	$2,200.00	$2,200.00
50	MNF05 – Named Full User (Email and Snapshot)	$500.00	$25,000.00
50	MNF05B – Named Full User (Email and Snapshot) Annual Software Assurance Plan	$100.00	$5,000.00
1	MWAX – Laserfiche Web Access (for 50 user configuration)	$5,000.00	$5,000.00
1	MWAXB – Laserfiche Web Access Annual Software Assurance Plan	$1,000.00	$1,000.00
1	MATX – Laserfiche Advanced Audit Trail (for 50 user configuration)	$5,000.00	$5,000.00
1	MATXB - Laserfiche Advanced Audit Trail Annual Software Assurance Plan (for 50 user configuration)	$1,000.00	$1,000.00
1	MCQ01 + MCQC3 + MCQC5 – QuickFields/Zone OCR/Realtime Look-up (workstation based)	$3,985.00	$3,985.00
1	MCQ01 + MCQC3 + MCQC5 – QuickFields/Zone OCR/Realtime Look-up (workstation based) Annual Software Assurance Plan	$800.00	$800.00
1	MCA01 – Laserfiche Import Agent	$1,495.00	$1,495.00
1	MCA01B – Laserfiche Import Agent Annual Software Assurance Plan	$390.00	$390.00
1	MCS01 – Laserfiche ScanConnect	$165.00	$165.00
1	MCS01B – Laserfiche ScanConnect Annual Software Assurance Plan	$33.00	$33.00

	Software Licensing Sub-total:		$51,645.00
	Software Assurance Plan (Recurring Annual Maintenance):		$10,423.00
	Total Software Cost and Annual Software Assurance Plan:		**$62,068.00**

Professional Services

Qty.	Item	Unit Price	Total Cost
1	Project Management	$1,500.00	$1,500.00
14 Days	Software Installation, Set-up, Configuration, Scanner Installation (includes configuration of Records Management Edition Software)	$1,500.00	$21,000.00
1 Day	System Testing and System Administration Training	$1,500.00	$1,500.00
1 Day	Power User Training	$1,500.00	$1,500.00
2.5 Days	Knowledge Worker Training	$1,500.00	$3,750.00
0.5 Day	Power User Refresher Training	$1,500.00	$1,500.00
1	Versatile 7.2.0 Data Conversion	$5,000.00	$5,000.00
	Total Professional Services:		**$35,000.00**

Hosted Server, Scanner, Scanner Service Contract

Qty.	Item	Unit Price	Total Cost
3-Year Contract	Hosted Windows Cloud Server for 50 Avante Users:* Windows Server 2012 64-bit Platform, 6.5 EC2 Compute Units (2 Virtual Cores), 15 GB RAM, 150GB C: Drive, Dedicated VPN Tunnel, unlimited Windows Server and SQL Server Standard CAL Licenses, Monitoring, Symantec Endpoint Protection, Daily Snapshot Backup, MS Security Patches, Elastic WAN IP, and SSL	$24,125.00	$24,125.00
1	Fujitsu fi-6670 Scanner	$5,155.70	$5,155.70
1	1st Year ScanCare Next Business Day Service Agreement (Manufacturer Service Agreement)	$1,400.00	$1,400.00
	TOTAL:		**$30,680.70**

*To secure the multi-year contract price, fee for the 3-year contract must be paid up front.
Additional charges for disk space consumption will be billed as incurred. Additional 100GB storage + 100GB Backup Storage: $330.00 per year.

Pertaining sales tax for scanner and ScanCare will be added to total upon purchase. Shipping charges for scanner will be added to total upon shipment.

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

ORIGINATING SECTION: Integrated Planning
CONTACT: Sal Segura/Carol Mahoney

AGENDA DATE: February 18, 2015 ITEM NO. **5c**

SUBJECT: DWR Multi-Year Water Pool Demonstration Program Agreement

SUMMARY:

- In May 2013, DWR offered all State Water Project (SWP) contractors the option of participating in a Multi-Year Water Pool Demonstration Program. In 2015, DWR has offered this program again to SWP contractors.
- The Multi-Year Water Pool Program allows SWP contractors to buy and sell SWP water among themselves, and was provided in an effort to make more water available to contractors who need it while giving a fair market price to contractors wishing to sell Table A water.
- The price for Multi-Year Pool water is based on a sliding scale depending on the June final SWP allocation. Transportation costs will be added the same as any other SWP water delivery.
- Given the low SWP allocation of 15%, any additional purchase of water under this program would augment Zone 7 supplies in 2015-16 in case dry conditions persist.
- DWR, as the Lead Agency, will be filing a Notice of Exemption for this program based on Class 1 and 6 categorical exemptions per CEQA guidelines.
- Staff recommends that the Board authorize the General Manager to negotiate and execute the agreement with DWR and request water as needed under this and similar future programs.

FUNDING:
Water purchased under this program will be funded from Fund 100 –Water Enterprise. Cost will vary depending on 2015 final allocation but Zone 7's request will stay within the anticipated 2015-2016 budget.

RECOMMENDED ACTION:
Adopt the attached resolution authorizing the General Manager to negotiate and execute this and future Multi-Year Water Pool Program agreements with DWR, when offered, and request water as needed and available under this and future programs.

ATTACHMENTS:

1. Interoffice Memo and Resolution
2. Draft DWR Agreement

Interoffice Memo

Date: February 18, 2015
To: Jill Duerig, General Manager
From: Sal Segura, Associate Civil Engineer
Subject: DWR Multi-Year Water Pool Demonstration Program Agreement

BACKGROUND:

In 2013, the idea of a Multi-Year Water Pool Program through which State Water Project (SWP) contractors could buy and sell water at a price that reflects market conditions was proposed to augment the existing Turnback Pool program described in Article 56(d) of the SWP contract. After months of negotiating with the SWCs, DWR's State Water Project Analysis Office (SWPAO) approved the Multi-Year Water Pool Demonstration Program, in which Zone 7 participated in 2013 and 2014. This program was designed to make water available to those contractors who need it at a price that motivates selling contractors, yet is fair and market-driven. The Multi-Year program offers greater opportunity to those contractors who need additional supply in years 2015 and 2016.

DISCUSSION:

In early February 2015, DWR notified Zone 7 that the Multi-Year Water Pool Demonstration Program had again been approved to improve water management strategies for 2015 and 2016. If successful, DWR plans to establish a similar program in future years. In early February 2015, staff were notified that SWPAO's agreement execution deadline was set at February 17, 2015, leaving little time for Board interaction. Staff has requested additional time to allow for Board discussion and approval, but recommends that future program agreements be authorized within typical annual budget amounts.

The program allows SWP contractors to buy and sell SWP water among themselves in 2015 at a rate commensurate with the final SWP allocation. SWP water can also be bought and sold in 2016 but it must be requested together with the water for 2015. The 2016 allocation and pricing of Multi-Year Pool water will depend on seller and buyer requests corresponding to a final SWP allocation in June 2015. In order to follow a market-based pricing structure, lower SWP allocations result in higher prices for Multi-Year Pool water as shown on Attachment A of the Multi-Year Program agreement. As shown, water prices can vary from as low as $25/AF in wet years to $414/AF in extremely dry years. During the 2013-2014 Multi-Year Program, Zone 7 purchased 2,500 acre-feet at $253/AF for a total price of $632k.

Weather conditions have been dry thus far in 2015 and the current 15% SWP allocation will only provide Zone 7 12,100 AF of Table A water. It is anticipated that this amount, combined with other surface water supplies and local groundwater, could be sufficient to satisfy Zone 7's municipal and agricultural demands; however Zone 7 strives to carry over between 10,000 and 20,000 acre-feet each year to provide flexibility during dry years.

SWPAO has requested that interested contractors seek Board authorization to participate as soon as possible. Once SWPAO has received all applications, they will determine pool allocations for 2015 based on amount offered for sale and purchase requests by deadline of February 17, 2015. DWR will also file sale offers and purchase requests for 2016 which will then be used to determine 2016 pool allocations. Once agreements have been executed, all sales and purchases through the Multi-Year Water Pool will be irrevocable.

In compliance with the California Environmental Quality Act (CEQA), DWR as the Lead Agency will file a notice of exemption with the State Office of Planning and Research upon execution of the agreement by all parties.

RECOMMENDATION:

Adopt the attached resolution authorizing the General Manager to negotiate and execute this and future Multi-Year Water Pool Demonstration Program agreements with DWR, when offered, and request water as needed and available under this and future programs.

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

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

DWR Multi-Year Water Pool Demonstration Program Agreement

WHEREAS, DWR has offered all State Water Project contractors the option of participating in a second demonstration program to buy and sell called the Multi-Year Water Pool Demonstration Program, during 2015 and 2016; and

WHEREAS, DWR anticipates offering the Multi-Year Water Pool Program in future years when conditions warrant; and

WHEREAS, in light of the 2014 dry conditions, any additional water purchased from the Multi-Year Water Pool program will augment Zone 7 supplies for 2015 to accelerate recovery of stored supplies or in the event dry conditions persist; and

WHEREAS, a Notice of Exemption per the California Environmental Quality Act (CEQA) guidelines will be prepared and filed by DWR covering Zone 7's participation in the Multi-Year Water Pool Demonstration Program.

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 this and future agreements for Multi-Year Water Pool Programs with the California Department of Water Resources and request appropriate quantities of water available under this and future programs.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on February 18, 2015.

By: ______________________________
President, Board of Directors

State of California
The Resources Agency
DEPARTMENT OF WATER RESOURCES

AGREEMENT BETWEEN
THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF CALIFORNIA
AND
Name of the participating SWP contractor
FOR
2015-2016 MULTI-YEAR WATER POOL DEMONSTRATION PROGRAM

SWPAO #15 - XXX

THIS AGREEMENT is made this __________day of ________________, ________, pursuant to the provisions of the California Water Resources Development Bond Act and other applicable laws of the State of California, between the Department of Water Resources of the State of California, herein referred to as "DWR," and [Name of participating SWP contractor], herein referred to as “Participant,” who can either be a buyer or a seller under the 2015-2016 Multi-Year Water Pool Demonstration Program. Participant is a public agency duly organized, existing and acting pursuant to the laws of the State of California. DWR, Participant may be referred to individually by name, or as “Buyer,” or as “Seller,” or as “Party” or collectively as “Parties.”

RECITALS

A. DWR administered a Multi-Year Water Pool (MYWP) Demonstration Program for 2013 through 2014 to explore the feasibility of a multi-year water purchase program.

B. The 2013-2014 MYWP Demonstration Program resulted in a sale of a total of 95,675 acre-feet of State Water Project (SWP) water among participating SWP contractors, of which 94,925 acre-feet was sold in 2013 and 750 acre-feet was sold in 2014, to augment participating SWP contractors' needs.

C. In anticipation of continuing drought, low carryover storage within the State Water Project and SWP contractors' service area, and the minimal amount of SWP water sold in 2014 under the 2013-2014 MYWP Demonstration Program, the SWP contractors are requesting DWR to administer another 2-year water purchase program for 2015 and 2016 similar to the 2013-2014 MYWP Demonstration Program. This will allow more testing of this Demonstration Program.

D. Participants under the 2015-2016 Multi-Year Water Pool Demonstration Program (hereafter referred to as "Water Pool Program") are limited to SWP contractors only. Participants can be a buying SWP contractor (hereafter referred to as "Buyer") and/or a selling SWP contractor (hereafter referred to as "Seller").

E. DWR and Participant have entered into a Water Supply Contract providing that DWR shall supply a certain quantity of water to Participant, and providing that Participant shall make certain payments to DWR, and setting forth the terms and conditions of such payments.

F. Water made available under the Water Pool Program (hereafter referred to as "Pool Water") will be delivered by DWR to Buyer's service area through SWP facilities, or as otherwise arranged, consistent with Buyer's Water Supply Contract.

G. Buyer has requested DWR to deliver its allocated Pool Water made available from the Water Pool Program to Buyer's service area.

H. In compliance with California Environmental Quality Act (CEQA), DWR, as a Lead Agency, will file an Notice of Exemption (NOE) with the State Office of Planning and Research (OPR) based on CEQA Guidelines Sections 15301 and 15306 (Use of Existing Facilities and Information Collection-Experimental Management) upon execution of this Agreement.

AGREEMENT

1. PURPOSE

The purpose of this Agreement is to set forth terms and conditions for the Water Pool Program, and to set forth provisions governing the delivery of Pool Water made available by Sellers to Buyers under the Water Pool Program to Buyer's service area.

2. TERM OF AGREEMENT

This Agreement shall become effective upon execution by all Parties and shall terminate on December 31, 2016, or upon final payments to DWR of all costs attributable to this Agreement, whichever occurs later. However, the liability, hold harmless, and indemnification obligations in this Agreement shall remain in effect until December 31, 2020, or until any claim or litigation concerning this Agreement asserted to DWR or Participant as of December 31, 2020 is finally resolved, whichever occurs later.

3. NON-PRECEDENTIAL AGREEMENT

This Water Pool Program, this Agreement, and its terms are unique, for the purposes of experimental management, and shall not be considered as a precedent for future programs or DWR activities. The Agreement shall not be used as a basis by the Participants to justify similar terms in any single year or multi-year transfers in the future.

4. GENERAL PROVISIONS FOR WATER POOL PROGRAM

a. A participating SWP contractor must indicate its level of participation in this Water Pool Program for both 2015 and 2016, as a Buyer and/or a Seller. In any particular year, a SWP contractor may elect to be a Buyer and/or Seller. A Buyer or a Seller may also participate in the Turnback Pool Program pursuant to Article 56(d) of Participant's Water Supply Contract in 2015 and 2016.

b. In both 2015 and 2016, a participating SWP contractor may sell its allocated Table A water. Seller may (1) store water outside its service area in 2015 and/or 2016, and (2) elect to carry over its allocated Table A water from 2015 and/or 2016 pursuant to Article 12(e) or Article 56 of Seller's Water Supply Contract.

c. Pool Water allocated to Buyer under the Water Pool Program will be delivered to the Buyer's service area using SWP facilities, or as otherwise arranged, consistent with Buyer's Water Supply Contract.

d. Participants offering to buy and/or sell water in this Water Pool Program must submit to the State Water Project Analysis Office (SWPAO) both a signed copy of this Agreement and the completed Water Pool Program Table in Attachment A.

(i) Participants shall indicate the amount of Pool Water they want to buy and/or sell for all levels of Table A allocation for both 2015 and 2016 using the table provided in Attachment A.

(ii) Participants shall provide, in every box in Attachment A, either a defined quantity of Pool Water that they plan to buy and/or sell, or zero if they choose not to buy and/or sell for both 2015 and 2016.

(iii) Participants shall complete Attachment A as provided. DWR will return as non-responsive an Attachment A submitted without all entries filled in with specific numbers or filled in with qualifying comments.

(iv) DWR must receive both a signed Agreement and completed Attachment A on or before 12:01 p.m., February 17, 2015. It is acceptable to submit a signature page and the Attachment A by e-mail to Tasmin Eusuff at Tasmin.Eusuff@water.ca.gov in order to meet the deadline; however, an original signature must be submitted as soon as possible afterwards.

e. DWR will allow no further adjustments in the quantity of Pool Water that Participants designate to buy and/or sell in the Water Pool Program once Participants submit both the signed copy of the Agreement and the completed Attachment A.

f. DWR will use Attachment A to determine the Participants' designated Pool Water quantities. Pool Water quantities for 2015 shall be based solely on the 2015 Table A Allocation as of June 1, 2015. However, Pool Water quantities for 2016 shall be based on both the final 2015 Table A Allocation and the 2016 Table A Allocation as of June 1, 2016. DWR will adjust between Table A Allocations, if needed, to determine Participants' Pool Water quantities.

g. The allocation of water purchased through this Water Pool Program shall be as follows:

(i) The Water Pool Program consists of two buyers pools. The "69% Pool" consists of two SWP contractors: Metropolitan Water District of Southern California and Kern County Water Agency, which together represent 69.36% of the total SWP Table A Amount. The "31% Pool" consists of the balance of the SWP contractors, which represent

30.64% of the total SWP Table A Amount. SWP contractors within each pool may purchase their designated pool's water based on their Table A percentage relative to the other participants in the designated pool.

(ii) Water supplies not purchased within each pool will be divided proportionate to Table A to the remaining interested buyers within that pool.

(iii) If one pool has water supplies in excess of its Buyers' requests, the excess Pool Water supply will be offered to meet the requests of the other pool's participants, again, proportionate to the Table A percentages of the interested Buyers.

h. By June 15, 2015, and June 15, 2016, DWR will notify all Participants of the amounts of Pool Water that were sold to each Buyer, and the dollar amount each Seller will receive, in those respective years.

i. The price for Pool Water shall be determined by the SWP Table A allocation as of June 1 of 2015 and 2016 respectively.

j. All sales and purchases through this Water Pool Program are irrevocable even if DWR changes Table A allocations after June 1 of 2015 or 2016 respectively.

k. In the event that any Pool Water remains unsold under this Water Pool Program, such water will be returned to Sellers proportionate to the amount they have offered for sale under the Water Pool Program.

5. <u>USE OF CALIFORNIA AQUEDUCT CAPACITY</u>

Delivery of allocated Pool Water in the California Aqueduct to Buyer under this Agreement shall be in accordance with a schedule reviewed and approved by DWR under applicable provisions of each Participant's Water Supply Contract. Article 12(f) of Buyer's Water Supply Contract shall govern the priority for delivery of such water.

6. <u>WATER DELIVERY TO BUYER</u>

a. The delivery of Seller's approved SWP water to Buyer under this Water Pool Program shall be in accordance with a schedule which has been reviewed and approved by DWR. DWR's approval is dependent upon the times and amounts of the delivery and the overall delivery capability of the SWP. DWR shall not be obligated to deliver the water at times when such delivery would adversely impact SWP operations, facilities, or other SWP contractors.

b. In any given year, the sum of deliveries scheduled to Buyer under this Agreement, plus additional scheduled Buyer's Table A deliveries, plus deliveries to Buyer under any other agreement, shall not exceed the quantities on which the Proportionate Use-of-Facilities factors are based under Buyer's Water Supply Contract, unless DWR determines that these deliveries will not adversely impact SWP operations, facilities, or other SWP contractors.

7. DELIVERY PRIORITY

Delivery priority of Pool Water will be the same as for Table A water (Priority 1), as described in Participant's Article 12(f) of its Water Supply Contract so long as the total amount of project water does not exceed Buyer's Table A amount. The delivery priority of Pool Water in excess of Buyer's Table A amount will be Priority 6 under Article 12(f) of Buyer's Water Supply Contract.

8. WATER DELIVERY SCHEDULE:

a. Seller shall submit a revised water delivery schedule to DWR reflecting changes due to the sale of its Pool Water. Likewise, Buyer shall submit a revised delivery request to DWR as soon as possible after being allocated Pool Water.

b. All water schedules and revisions shall be prepared in accordance with Article 12 of Buyer's Water Supply Contract.

c. Buyer shall be responsible for coordinating and scheduling Pool Water delivery with DWR. After all approvals have been obtained and before Pool Water is delivered, Buyer shall submit for DWR's approval a revised water delivery schedule showing the anticipated change to the monthly delivery pattern to accommodate the water delivery under this Agreement.

d. Buyer shall submit revised monthly water delivery schedules for approval to the State Water Project Water Analysis Office (SWPAO), Water Deliveries Section, indicating timing and point of delivery requested under this Agreement with reference to SWPAO #XXXXX. Revised schedules shall be sent by electronic mail to SWPDeliveries@water.ca.gov or by FAX to (916) 653-9628, Attention: Chief, Water Deliveries Section.

e. Buyer shall submit weekly water schedules for the delivery of water, either by electronic mail or by FAX, to the appropriate DWR field division Water Operations Section, indication timing and point of delivery requested with reference to SWPAO #XXXXX.

f. All weekly water delivery schedules described above shall be submitted by 10:00 a.m. Wednesday for the following week, Monday through Sunday, to the appropriate field division Water Operations Section for the SWP contractors.

g. Weekly water delivery schedules shall also be concurrently sent by electronic mail or faxed to the State Water Project Operations Control Office:

(i) Water Management Branch
Water_deliv_sched@water.ca.gov
FAX (916) 574-2785
Attention: Chief, Water Management Branch

(ii) Power Management and Optimization Branch
POCOptimization@water.ca.gov
FAX (916) 574-2785
Attention: Chief, Power Management and Optimization Branch

(iii) Pre-Scheduling Section
Presched@water.ca.gov
FAX (916) 574-2782
Attention: Chief, Pre-Scheduling Section

9. STORAGE OF POOL WATER OUTSIDE BUYER'S SERVICE AREA

Pool Water may be stored outside of Buyer's service area for later use inside of Buyer's service area consistent with Article 56 of Buyer's Water Supply Contract.

10. USE OF POOL WATER

Pool Water delivered by DWR to Buyer under this Agreement shall not be sold, used, or otherwise disposed of outside of Buyer's service area. If any such water is sold, used, or otherwise disposed of outside of Buyer's service area, upon notification from DWR, DWR or Seller may seek an injunction or other appropriate remedy to halt any such deliveries. In addition, DWR may reclassify deliveries of Buyer's Table A water up to the amount that was delivered outside of Buyer's service area.

11. PAYMENT

Within 30 days of June 15, 2015, DWR will invoice each Buyer for the purchase price of the Pool Water allocated in 2015. DWR will also invoice each Buyer for the purchase price of the Pool Water allocated in 2016 within 30 days of June 15, 2016. Payment shall be due 45 days from the date of the invoice. Likewise, DWR will pay each Seller for the Pool Water sold each year within 30 days after DWR has received payment from all Buyers.

12. CHARGES

Buyer shall pay to DWR the following charges for water delivered under this Agreement, including all future adjustments, which shall be calculated in the same manner as charges are calculated for SWP Table A deliveries, and shall be in accordance with the provisions of Buyer's Water Supply Contract. Charges shall be determined for the year the Pool Water is delivered to Buyer.

a. When Buyer's allocated portion of Pool Water is delivered to Buyer's turnout, Buyer shall pay to DWR the charges associated with the delivery of the Pool Water to its designated delivery points. Buyer shall pay the Variable Operation, Maintenance, Power, and Replacement Components of the Transportation Charge and the Off-Aqueduct Power Facilities cost for each acre-foot of Pool Water delivered.

b. In addition to the charges identified above, Buyer agrees to pay to DWR any additional identified demonstrable increase in costs that would otherwise be borne by the SWP contractors not signatory to this Agreement or by DWR, as a result of activities under this Agreement.

c. Payment terms in this Agreement shall be in accordance with Buyer's Water Supply Contract.

13. APPROVAL

The delivery of Pool Water under this Agreement shall be contingent on, and subject to, any necessary approvals, including any Buyer's and Seller's board approvals, and shall be governed by the terms and conditions of such approval(s) and any other applicable regulation in effect at the time of delivery. Buyers and Sellers shall be responsible for complying with all applicable laws and regulations and for securing any required consent, permit, or order. Buyer and Seller shall furnish to DWR copies of all approvals and agreements required for the delivery of Pool Water under this Agreement.

14. NO IMPACTS

This Water Pool Program shall not be administered or interpreted in any way that would cause adverse impacts to SWP approved Table A water or to any other SWP approved water allocations, water deliveries, or SWP operations or facilities. Each Participant in the Water Pool Program shall be responsible, as determined by DWR, for any adverse impacts that may result from the delivery of water under this Agreement.

15. WATER DELIVERY RECORDS

DWR will maintain records documenting the delivery of Pool Water under this Agreement to Buyer. Participant shall certify to the State Water Project Analysis Office (Attn: Chief, Water Contracts Branch, Fax (916) 653-9628) by January 31 of each year the amount of Pool Water that is delivered under this Water Pool Program for the previous calendar year.

16. ARTICLE 56(D)

Participants release DWR from any obligations it may have under Article 56(d) and shall not file any protest under Article 29 of the Water Supply Contract or make any other claims against DWR arising from DWR's implementation of this Agreement, the Water Pool Program and requirements of Article 56(d) during 2015 and 2016. DWR will continue to administer a Turnback Pool Program under Article 56(d).

17. LIABILITY

a. Responsibility for water delivered under this Agreement shall be governed by Article 13 of Buyer's Water Supply Contract, with responsibilities for liabilities under the terms of that article shifting from DWR to Buyer when the water passes through Buyer's designated delivery points.

b. Each Participant in this Water Pool Program agrees to indemnify, defend and hold DWR, its officers, employees and agents, harmless from any direct or indirect loss, liability, lawsuit, cause of action, judgment or claim, and shall indemnify DWR, its officers, employees and agents for all protests, administrative actions, lawsuits, costs, damages, judgments, attorneys' fees, and liabilities that DWR, its officers, employees and agents incur as a result of DWR providing services under this Agreement, except to the extent resulting from the sole negligence or willful misconduct of DWR, its officers, employees, and agents.

c. If uncontrollable forces preclude DWR from delivering water under this Agreement, either partially or completely, then DWR is relieved from the obligation to deliver the water under this Agreement to the extent that DWR is reasonably unable to complete the obligation due to the uncontrollable force. Uncontrollable forces shall include, but are not limited to earthquakes, fires, tornadoes, floods, and other natural or human caused disasters. Buyers and Sellers under this program shall not be entitled to recover any administrative costs or other costs incurred under this Agreement if uncontrollable forces preclude DWR from delivering the Pool Water.

18. NO MODIFICATION OF WATER SUPPLY CONTRACTS

This Agreement shall not be interpreted to modify the terms or conditions of Buyer's or Seller's Water Supply Contract.

19. DISPUTE RESOLUTION

In the event of any dispute regarding interpretation or implementation of this Agreement, the Director of DWR or the authorized representatives from Buyers or Sellers shall endeavor to resolve the dispute by meeting within 30 days after the request of a Party. If the dispute is unresolved, the Parties shall use the services of a mutually acceptable consultant in an effort to resolve the dispute. Parties involved in the dispute shall share the fees and expenses of the consultant equally. If a consultant cannot be agreed upon, or if the consultant's recommendations are not acceptable to the Parties, and unless the Parties otherwise agree, the matter may be resolved by litigation and any Party may, at its option, pursue any available legal remedy including, but not limited to, injunctive and other equitable relief.

20. MODIFICATION OF AGREEMENT

No modification of the terms and conditions of this Agreement shall be valid unless made in writing and signed by the Parties to this Agreement.

21. PARAGRAPH HEADINGS

The paragraph headings of this Agreement are for the convenience of the Parties and shall not be considered to limit, expand, or define the contents of the respective paragraphs.

22. TERMS TO BE REASONABLE

Where the terms of this Agreement provide for actions to be based upon the opinion, judgment, approval, review, or determination of any party, such terms are to be construed as providing that such opinion, judgment, approval, review, or determination be reasonable.

23. SIGNATURE CLAUSE

The signatories represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for whom they sign. A copy of the resolution or other documentation authorizing Participant to enter into this Agreement shall be delivered to DWR.

24. EXECUTION BY COUNTERPARTS

This Agreement may be executed in counterpart. The parties agree to accept facsimile or electronically scanned signatures as original signatures. The Agreement shall take effect as soon as all parties have signed. Immediately after execution, Participant shall transmit a copy of the executed Agreement by facsimile or electronic file to Robert B. Cooke, Chief, State Water Project Analysis Office at (916) 653-9628 or swpao-chief@water.ca.gov.

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement.

Approved as to Legal Form and Sufficiency	STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES
_________________________ Chief Counsel Department of Water Resources	_________________________ Robert B. Cooke Division Chief, SWPAO
Date______________________	Date______________________

____
Agency Name

____
Name

____
Title

Date______________________

ATTACHMENT A

AGREEMENTO SELL/PURCHASE WATER IN
THE 2015-2016 MULTI-YEAR WATER POOL PROGRAM

Agency Name: Zone 7 Water Agency

POOL WATER QUANTITIES

2015 Final SWP Allocations

2016 (Request based on final 2015 SWP Allocations)

June 1st Allocation	2015			10%			15%			20%			25%			30%			35%			40%			45%			50%			55%			60%			65%			≥70%			$/AF
	S*	B*	Amount (AF)	S*	B*	Amount (AF)	S*	B*	Amount (AF)	S*	B*	Amount (AF)	S*	B*	Amount (AF)	S*	B*	Amount (AF)	S*	B*	Amount (AF)	S*	B*	Amount (AF)	S*	B*	Amount (AF)	S*	B*	Amount (AF)	S*	B*	Amount (AF)	S*	B*	Amount (AF)	S*	B*	Amount (AF)	S*	B*	Amount (AF)	
96-100 %			0			2000												2000															1000										25
91-95%																																											25
86-90%																																											25
81-85%																																											35
76-80%																																											46
71-75%																																											46
66-70%			0																																								100
61-65%			500																																								115
56-60%																																											138
51-55%																																											161
46-50%																																											184
41-45%																																											207
36-40%																																											230
31-35%																																											253
26-30%			2000																																								276
21-25%																																											299
16-20%																																											322
11-15%																																											345
6-10%																																											368
1-5%																																											391
0%																																											414

Note: S* = Sell; B* = Buy

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

ORIGINATING SECTION: Administration
CONTACT: Jill Duerig

AGENDA DATE: February 18, 2015 ITEM NO. **5d**

SUBJECT: Amending Guiding Principles for Board Members

SUMMARY:

- On August 19, 2013, the Board had one of its annual retreats and developed a summary set of Guiding Principles that would highlight key portions of "Zone 7 Water Agency's Board Policy on Conducting Business" and the previously-established "Gentleperson's Agreement."
- The result of that retreat discussion was that, on September 28, 2013, the board adopted the "Guiding Principles for Board Members" consistent with those discussed at the retreat.
- Subsequent to that adoption, President Stevens asked the Administrative Committee of the Board to consider additional bullet items to be added to the Guiding Principles. The Administrative Committee discussed the additions proposed by President Stevens.
- The resulting amended Guiding Principles were adopted by the Board on October 16, 2013.
- At the retreat on February 4, 2015, the board discussed adding another new section on the Board President's role to better reflect the spirit of the Gentleperson's Agreement. That proposed amendment is shown as a redline in the attachment.
- At this time, staff recommend the board adopt the attached resolution, adopting the amended Guiding Principles for Board Members as discussed at the retreat on February 4, 2015.

FUNDING:

No funding requested at this time.

RECOMMENDED ACTIONS:

Adopt the attached resolution which amends the "Guiding Principles for Board Members."

ATTACHMENTS:

Resolution
Redline of "Guiding Principles for Board Members" showing proposed changes

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

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

Amending Guiding Principles for Board Members

WHEREAS, the Board has adopted the "Gentleperson's Agreement" and "Zone 7 Water Agency's Board Policy on Conducting Business"; and

WHEREAS, the Board adopted a summary of those policies as the "Guiding Principles for Board Members" on September 18, 2013; and

WHEREAS, the Board adopted an amendment to those Guiding Principles on October 16, 2013; and

WHEREAS, the Board discussed further amending those Guiding Principles at its Special Board Meeting of February 4, 2015:

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control & Water Conservation District hereby accepts the newly-proposed changes to the "Guiding Principles for Board Members," adopting the amended Guiding Principles as Zone 7 Policy, as shown in the attachment.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on February 18, 2015.

By: ______________________________________
President, Board of Directors

Guiding Principles for Board Members

Role of the Board:

- Promote the best interest of the public by establishing policies that support the mission, vision and core values of the organization and by ensuring the implementation of those policies.
- Assure the fiscal health for the organization and provide the resources necessary to meet the agency's goals.
- Provide policy direction to the General Manager, who will, in turn, manage the day-to-day operations of the organization.
- Understand your role and relationship to other board members, the staff, the General Manager and the public.
- Recognize and respect the distinction between the policy-setting role and the day-to-day implementation of policy by staff.

Principles of the Board of Directors - The Board:

- Functions as a team.
- Respects and supports each other.
- Values open and honest communication.
- Is prepared for meetings.
- Practices continued professional development in their role as directors.
- Are respectful and considerate of staff.
- Acts with decorum at and outside board meetings so as to reflect well on Zone 7.
- Cannot represent a position of the full board or commit Zone 7 without action by the full board.
- Contacts the General Manager or the Clerk of the Board with requests rather than going directly to staff.

Role of the Board President:

- If the Board President determines that a director is in violation of one or more of these principles, the President can take action up to and including discussion with an Ad Hoc Committee and, if appropriate, introduction of a board action for censure of that director.

*For more complete information, refer to Zone 7 Water Agency's "Board Policy on Conducting Business," posted on the website at http://www.zone7water.com/images/pdf_docs/board-of-directors/9-19-12_bd-plcy-cndctng-business.pdf.

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7
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ORIGINATING SECTION: ADMINISTRATIVE SERVICES
CONTACT: TOM PICO/ELENA SCHARNHORST

AGENDA DATE: February 18, 2015 ITEM NO. **6a**

SUBJECT: New Employee Introduction

SUMMARY:

We are introducing one new employee to the Board of Directors who joined the Zone 7 team since our last Board meeting.

Ashley Lyons, Office Assistant

Ashley Lyons was appointed to the Office Assistant position on February 1, 2015 working in the Employee Services section, reporting to Tom Pico, Employee Services Manager. Ashley joined Zone 7 provisionally in June 2013 with almost 10 years of office experience. Her previous work experience includes Customer Service Representative for The Wine Group in Tracy as well as office management positions for Connell Technologies and Benefit Street.

Please join me in welcoming Ashley to the Zone 7 team!

RECOMMENDED ACTION:

Information only.

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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ORIGINATING SECTION: ADMINISTRATIVE SERVICES
CONTACT: GINGER STATON

AGENDA DATE: February 18, 2015 ITEM NO. **6b**

SUBJECT: December Employee of the Month Recognition

SUMMARY:

The Employee Recognition Program Nomination Committee met in January and selected the Employee of the Month for December 2014 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.

Ralph Rodriguez, Water Plant Operator III, has been chosen from among those nominated as the December 2014 Employee of the Month. Ralph works in the Operations section at the Patterson Pass Treatment Plant. Ralph joined Zone 7 in July of 1984 and has over 30 years of service with the agency.

As noted in his recommendation, Ralph is a reliable resource at the treatment plant. He goes about his daily work with a great attitude and treats everyone with respect. One example that differentiates Ralph is his ability to brainstorm and solve operational problems with a positive attitude. He has worked in water treatment a long time and he says that challenging operational conditions make the job more interesting.

It was also pointed out that Ralph demonstrates true team spirit. He displays leadership through his work and participation in agency events – including working as an acting Water Facilities Supervisor, gathering plant data for a report, helping set up for social events and contributing special dishes at the barbecue and summer pool party. Ralph participates with a smile.

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

RECOMMENDED ACTION:

It is recommended that the Zone 7 Board of Directors recognize and congratulate Ralph as December 2014 Employee of the Month.

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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ORIGINATING SECTION: GROUNDWATER SECTION
CONTACT: MATT KATEN

AGENDA DATE: February 18, 2015 ITEM NO. 7

SUBJECT: Proposed Well Ordinance and Well Permitting Fee Schedule

SUMMARY:

- Staff developed a Zone 7-specific well ordinance (Ordinance) to replace the County's Ordinance within Zone 7's jurisdiction that will enhance Zone 7's ability to regulate well and soil boring construction and destruction in East Alameda County.
- The Ordinance and proposed permit fee schedule were introduced and publically reviewed at the Zone 7 Board Meeting held on October 15, 2014.
- At the October 15, 2014 Board Meeting, the Board received a letter from Alameda County Public Works Agency (ACPWA) that alluded to a potential conflict with the existing County Well Ordinance because of an apparent jurisdictional area overlap of the two ordinances.
- Further discussion and a "First Reading" of the proposed Zone 7 ordinance was conducted at the January 21, 2015 Board Meeting with hope that ACPWA's concern would be resolved before the February Board Meeting so the Board could continue with its ordinance adoption process.
- Staff is continuing to work with ACPWA staff on resolving the differences and creating a solution that works for both Departments.
- Staff recommends continuing the adoption of a Zone 7 Well Ordinance to April 2015 to allow staff to finish this collaboration process.

FUNDING:

No funding is necessary.

RECOMMENDED ACTION:

Continue the Item to April 15, 2015

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7
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ORIGINATING SECTION: Facilities Engineering
CONTACT: Emily Moshier/Rhett Alzona

AGENDA DATE: February 18, 2015 ITEM NO. **8**

SUBJECT: Contract for Phase 1 of the Busch Valley Well No. 1 Project

SUMMARY:

- At its January 29, 2014 Board meeting, Zone 7 authorized its General Manager to enter into a Design-Build contract with a qualified firm in an amount not to exceed $1.4 million for the Busch Valley Well No.1 (BV1) project as part of the District's Drought Emergency Response Plan.
- Zone 7 entered into a Design-Build contract with Conco-West Inc. to prepare the basis of design for the well facility for a not-to-exceed amount of $204,000. The draft basis of design report has been completed.
- Although the completion of the BV1 project has been reprioritized and deferred to a future year in the Capital Improvement Program (CIP), staff recommends proceeding with Phase 1 of the BV1 project. Phase 1 scope of work includes completing the pipeline connection from the BV1 site to the existing Zone 7 transmission system (Vineyard Pipeline) and associated site and electrical work for PG&E service.
- In addition to preparing the site for the future BV1 Well, the Phase 1 scope of work will allow a temporary (rental) booster pump station hookup, if needed in the event there is limited surface water and well water needs to be delivered from the west to the east side of the system.
- CEQA for the BV1 Well Project was included in the Well Master Plan EIR.
- To complete Phase 1 of the BV1 project, an additional $752,000 needs to be appropriated to increase the total authorized amount from $1.4 million to a total project budget to $2,152,000.

FUNDING:
Funding for the project is available from reserves in Fund 120 – Renewal Replacement and System-Wide Improvements and Fund 130 – Expansion. Additional appropriation of $752,000 is needed in FY 2014/15 to complete Phase 1 of the Busch Valley Well No. 1 project.

RECOMMENDED ACTION:
Staff recommends approval of the attached resolution: 1) Authorizing the General Manager to negotiate and execute a Design-Build contract with Conco West, Inc., or other qualified firm for Phase 1 of the Busch Valley Well No. 1 project in an amount not-to-exceed $1,400,000; 2) Authorizing the General Manager to negotiate and execute change orders, if necessary, up to a total of $140,000; and 3) Appropriating $752,000 to the project from Fund 120 – Renewal Replacement and System-wide Improvements ($376,000) and Fund 130 - Expansion ($376,000).

ATTACHMENTS:

- Interoffice memo providing additional background and discussion
- Resolution

Interoffice Memo

Date: February 18, 2015
To: Jill Duerig, General Manager
From: Rhett Alzona, Senior Civil Engineer
Emily Moshier, Junior Civil Engineer
Subject: Contract for Phase 1 of the Busch Valley Well No. 1 Project

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

BACKGROUND:

In January 2014, Governor Jerry Brown declared a drought emergency for the State of California. The Department of Water Resources informed Zone 7 that the current dry conditions far exceeded any previously recorded and subsequently reduced the allocation of water supply from 5% to zero, which also potentially could prevent any water from being moved through the South Bay Pumping Plant to contractors south of the Delta, including Zone 7.

At the January 29, 2014 special board meeting, Zone 7's Board of Directors adopted a resolution declaring a State of Emergency due to drought conditions and accepting the Drought Emergency Response Plan. Among the actions identified in the Drought Emergency Response Plan, the General Manager was directed to identify and pursue emergency projects that will minimize impacts on water deliveries in the Livermore-Amador Valley. A series of projects were identified aimed at enhancing local water supplies. The identified projects help to optimize groundwater use for meeting water demands in the event that Zone 7 received little to no surface water from DWR. Two projects that were immediately moved forward were installation of Chain of Lakes (COL) Well No. 5, which expanded well production capacity, and the construction of a conduit connecting Cope Lake to Lake I for recharging captured pumped water from mining operations that would otherwise flow out of the valley.

Another project identified in the Response Plan was the Busch Valley Well No. 1 (BV1) facility. The Board authorized the General Manager to negotiate and execute a Design-Build contract with a qualified firm in an amount not to exceed $1.4 million for field exploration and design of the BV1 Well. Subsequently, as an initial step, Zone 7 contracted with Conco West Inc. to prepare a basis of design report for a not-to-exceed amount of $204,000.

During the FY15/16 10-Year Capital Improvement Program (CIP) prioritization and adoption process, the overall implementation of the BV 1 Well facility was re-prioritized and deferred to a future year in CIP (2024\25) based on the implementation schedule and anticipated need for the project.

Also identified in the Drought Emergency Response Plan was a booster pump station to maintain well production capacity from existing wells by moving water from west to east and avoiding excessive system pressures in the west end of the distribution system. An approximate $5 million booster pump station project is scheduled in the October 2014 FY 15/16 CIP for implementation in FY 15/16. The Transmission System Master Plan study currently underway is anticipated to recommend the most suitable size and location of a permanent booster pump station.

DISCUSSION:

While in the long term the completion of the BV1 Well Project is still important, over the course of the last year, other projects have been identified as more important in the near term in case of an ongoing drought. Based on staff's initial evaluation, the BV1 site represents a feasible possible location for a temporary (rental) booster pump station that could provide benefits similar to the proposed permanent booster pump station in the CIP.

Zone 7 wells which are on the western side of the Zone 7 distribution system lose production capacity when required to pump water to the east during periods of limited surface water because of the pressure the wells are pumping against. A booster pump station along the Vineyard Pipeline will maintain well production capacity from existing wells, when Zone 7 is relying on groundwater to meet demands, by aiding in moving water from west to east and avoiding excessive system pressures in the west. In a wells-only scenario without any surface water or with limited treatment plant production, which could occur in an ongoing drought, the capacity of the existing Zone 7 wells is reduced. Currently the expected peak production capacity of the wells is approximately 27 to 30 million gallons per day (mgd) to meet all demands. With a booster pump station, the existing wells' peak capacity is anticipated to be approximately 37 to 40 mgd under a limited surface water scenario.

Although the completion of the BV1 Well Project has been reprioritized and deferred to a future year in the CIP, staff recommends proceeding with Phase 1 of the BV1 project. The Phase 1 scope of work includes completion of a pipeline connection from the BV1 site to the existing Zone 7 transmission system (Vineyard Pipeline) and associated site and electrical work for PG&E service. In addition to preparing the site for the future BV1 Well, the Phase 1 scope of work will allow a temporary (rental) booster pump station to be connected, if needed.

Construction of the Phase 1 BV Well Project would be targeted for completion by June 15, 2015, contingent on procurement of electrical and mechanical components.

The Phase 1 scope of work does not include procurement of a rental booster pump station. A decision to move forward with the rental of a temporary booster pump station is not needed until Zone 7 is able to determine the extent of the ongoing drought and its effect on surface water supplies. Since the PG&E service is estimated to take 6 to 12 months, the temporary booster pump, if needed, may also need to be operated initially with a portable generator. Should the need for a temporary booster pump station arise, staff will bring a recommendation to the Board for approval.

FUNDING:

Under a separate Zone 7 Board approval, property for the Busch Valley No. 1 Well facility was purchased in FY 13/14 for approximately $1.113 million.

The following table provides actual and projected expenditure and budget summary for Phase 1 of Busch Valley Well No.1 project:

		Amount	Comments
A	Currently approved budget for BV1 design and construction	$1,400,000	
B	Conco West, Inc., Contract for basis of design	$204,000	Covers Basis of Design, Well Construction Plans and Specifications.
C1	Project management and project related staff costs to date	$142,000	Staff time for R/W acquisition and technical analysis of project alternatives.
C2	Miscellaneous Services	$26,000	Includes $22,000 for PMA (consultant) Services and $4,000 for K&W surveys.
D	**Remaining Un-spent Budget**	**$1,028,000**	A-B-C1-C2
E	Design/Build effort for BV1 tie-in to Vineyard Pipeline associated site and mechanical work	$970,000	To be included in D/B Contract or D/B contract amendment with Conco West or qualified firm.
F	Design/Build effort for BV1 tie-in for electrical work	$400,000	To be included in D/B Contract or D/B contract amendment with Conco West or qualified firm
G	PG&E Service Fee	$100,000	Estimated, Waiting on PG&E design and final cost.
H	Electrical Pre-Design	$30,000	Necessary to process PG&E service application.
I	City of Pleasanton costs	$10,000	For encroachment permit inspection, traffic control plan review, sewer discharges if needed.
J	Project management and project related staff costs	$130,000	Staff time and other miscellaneous costs.
K	Contingency	$140,000	Site, mechanical and electrical work (10% of E, F, H)
L	Phase 1 Total Estimated Project	$2,152,000	B+C1+C2+E+F+G+H+I+J+K
M	Additional Appropriation needed for the project	**$752,000**	L-A

Staff recommends appropriating an additional $752,000 in FY 14/15 to complete Phase 1 construction of the Busch Valley Well No. 1 Project from Fund 120 – Renewal and Replacement/System-Wide Improvements ($376,000) and Fund 130 – Expansion ($376,000).

SCHEDULE:
Substantial completion of the project is anticipated by June 2015.

RECOMMENDATION:
Staff recommends approval of the attached resolution: 1) Authorizing the General Manager to negotiate and execute a Design-Build contract or contract amendment with Conco West, Inc. or other qualified firm for Phase 1 of the Busch Valley Well No. 1 project in an amount not-to-exceed $1,400,000; 2) Authorizing the General Manager to negotiate change orders, if necessary up to a total of $140,000; and 3) Appropriating an additional $752,000 to the project from Fund 120 – Renewal Replacement/System-wide Improvements ($376,000) and Fund 130 - Expansion ($376,000).

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

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

Contract for Phase 1 of the Busch Valley Well No. 1 Project

WHEREAS, at its January 29, 2014 Board meeting, the Zone 7 Board declared a local state of drought emergency; and

WHEREAS, the Board authorized its General Manager to enter into a Design-Build contract with Conco West, Inc. (CWI) in an amount not to exceed $1.4 million for the Busch Valley (BV) Well No. 1 project as part of the District's Drought Emergency Response Plan; and

WHEREAS, Zone 7 entered into a Design-Build contract with Conco West Inc. to prepare the basis of design for the well facility for a not-to exceed amount of $204,000; and

WHEREAS, during the recent 10-Year Capital Improvement Program (CIP) prioritization and adoption process, the overall implementation of the BV Well No. 1 facility was re-prioritized and deferred to a future year in October 2014 Capital Improvement Program (CIP); and

WHEREAS, proceeding with Phase 1 of the BV Well No.1 project which includes completion of a pipeline connection from the BV1 site to the Zone 7 transmission system (Vineyard Pipeline) and associated site and electrical work for PG&E service can also be utilized to connect a temporary (rental) booster pump station to feed well water from west to east in the event of a limited surface water scenario such as the ongoing drought; and

WHEREAS, CEQA for the BV1 Well Project was included in the Well Master Plan EIR; and

WHEREAS, in order to complete Phase 1 of the BV Well No.1 project, an additional $752,000 needs to be appropriated to increase the previously authorized $1.4 million budget for the BV Well No. 1 project, increasing the total project budget to $2,152,000.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate and execute a contract or contract amendment for a not-to-exceed amount of $1,400,000 with Conco West, Inc., or other qualified firm for Phase 1 of Busch Valley Well No. 1 project; and

BE IT FUTHER 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 change orders for a not-to-exceed amount of $140,000, if needed for completion of the project; 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 approve Phase 1 of the Busch Valley Well No. 1 Project for a total project budget of $2,152,000 and hereby appropriate an additional $752,000 in the FY 14/15 budget for this project from the following funds:

Fund 120 – Renewal/Replacement and System-Wide Improvements - $376,000
Fund 130 – Expansion - $376,000

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on February 18, 2015.

By: ______________________________________
President, Board of Directors

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

ORIGINATING SECTION: Facilities Engineering
CONTACT: Emily Moshier/Rhett Alzona

AGENDA DATE: February 18, 2015 ITEM NO. 9

SUBJECT: Contract for Stoneridge Cross-Valley Isolation Valve Project

SUMMARY:

- At its January 29, 2014 Board meeting, the Zone 7 Board declared a state of drought emergency and approved a Drought Emergency Response Plan.
- The Drought Emergency Response Plan proposed a booster pump station to not only improve reliability but also to facilitate the blending of groundwater to help meet hexavalent chromium (Cr6) maximum contaminant level (MCL) regulations.
- Stoneridge Well hexavalent chromium levels are near the hexavalent chromium MCL and have the potential of exceeding the MCL at some turnouts under limited surface water conditions when water flows in the easterly direction in the Cross Valley Pipeline.
- A new line valve on the Cross Valley Pipeline just east of the Stoneridge Well is recommended to direct Stoneridge Well water west to blend with lower chromium water sources.
- Installation of a new line valve, vault and ancillary facilities (Stoneridge Cross-Valley Isolation Valve Project) is estimated to cost approximately $566,000, which includes Zone 7 staff time.
- Per CEQA guidelines, Zone 7 staff will prepare a Notice of Exemption for the project and file it with the Alameda County Clerk and Recorder's Office.
- Under the Drought Emergency Resolution, staff recommends authorizing the General Manager to forego the formal bid process and negotiate the project scope, cost and scheduling with Conco West, Inc., or other qualified firm for design and construction of a line valve and vault on the Cross Valley Pipeline.

FUNDING:
Funding for the project is available from reserves in Fund 120 – Renewal Replacement and System-Wide Improvements. An appropriation of $566,000 is needed in FY 2014/15 for the Stoneridge Cross-Valley Isolation Valve Project.

RECOMMENDED ACTION:
Staff recommends adoption of the attached resolution: 1) Authorizing the General Manager to negotiate and execute a Design-Build contract with Conco West, Inc., or other qualified firm for the Stoneridge Cross-Valley Isolation Valve Project in an amount not-to-exceed $460,000; 2) Authorize the General Manager to negotiate and execute change orders, if necessary, up to a total of $46,000 (10% of the contract amount); and 3) Appropriate $566,000 for the project from Fund 120 – Renewal Replacement and System-wide Improvements.

ATTACHMENTS:

- Interoffice memo providing additional background and discussion
- Resolution

Interoffice Memo

Date: February 18, 2015
To: Jill Duerig, General Manager
From: Rhett Alzona, Senior Civil Engineer
Emily Moshier, Junior Civil Engineer
Subject: Contract for Stoneridge Cross-Valley Isolation Valve Project

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

BACKGROUND:

In January 2014, Governor Jerry Brown declared a drought emergency for the State of California. The Department of Water Resources informed Zone 7 that the current dry conditions far exceeded any previously recorded and subsequently reduced the allocation of water supply from 5% to zero, which also potentially could prevent any water from being moved through the South Bay Pumping Plant to contractors south of the Delta, including Zone 7.

At the January 29, 2014 special board meeting, Zone 7's Board of Directors adopted a resolution declaring a Local State of Emergency due to drought conditions and accepting the Drought Emergency Response Plan. Among the actions provided in Zone 7's Drought Emergency Response Plan, the General Manager was directed to identify and pursue emergency projects that will minimize impacts on water deliveries in the Livermore-Amador Valley. A series of projects were identified and aimed at enhancing local water supplies. The identified projects help to optimize groundwater use for meeting water demands in the face of getting little to no surface water from DWR. Two projects that were immediately moved forward were installation of Chain of Lakes (COL) Well No. 5, which expanded well production capacity, and the construction of a conduit connecting Cope Lake to Lake I for recharging captured pumped water from mining operations that would otherwise flow out of the valley.

Another identified project in the Drought Emergency Response Plan was the possible need for hexavalent chromium treatment facilities for the wells. In July 2014, the State of California promulgated a new hexavalent chromium standard (or Maximum Contaminant Level / MCL) for potable water deliveries. Zone 7 surface water deliveries do not contain significant hexavalent chromium levels, but naturally-occurring hexavalent chromium levels in several of Zone 7's groundwater production wells are near the MCL and may require treatment or blending with production from other wells or surface water.

The hexavalent chromium regulation MCL is 10 µg/L based on a running annual average at the water source or at a State-approved location downstream of a blending system if blending is approved as a treatment method.

All of the existing Zone 7 wells are currently in compliance with the new standard. However, Stoneridge Well and the COL Well No. 1 are close to the threshold and initial data taken in November 2014 from the new COL Well No. 5 may exceed the standard. While a potential chromium treatment facility project was identified in the Drought Emergency Response Plan for the Chain of Lakes, the project was not implemented last year based on water quality monitoring results, and to allow for more data to be collected from the new COL Well No. 5.

DISCUSSION:

Staff's current course of action is to continue to monitor hexavalent chromium trends from Zone 7 wells to determine appropriate action. Should the higher chromium level trend continue for COL Well No. 5, staff recommends utilizing blending with COL Well No.1 and 2 for compliance with the regulation for the next few years before installing chromium removal facilities. Since the hexavalent chromium regulation is relatively new, the chromium removal treatment process and technologies have not matured. Ballpark costs for chromium removal systems on a rental basis for the COL Wells is around $3 million the first year (includes facility setup) and $1 million each year after the system is in place.

On the other hand, Stoneridge Well may be difficult to successfully blend with other lower chromium concentration water sources due to its high production capacity and location in the Zone 7 distribution system. Stoneridge Well is Zone 7's highest producing well at approximately 4,800 gpm (6.8 mgd). When surface water is limited, some turnouts on the Cross Valley Pipeline east of Stoneridge Well will predominantly receive Stoneridge Well water as a water source when the well is running.

The proposed Stoneridge Cross-Valley Isolation Valve will help Zone 7 manage Stoneridge Well production so that chromium removal facilities will not be needed or at least the installation of chromium removal facilities can be delayed to allow removal technologies to mature. When Stoneridge Well is in production, the proposed line valve would be closed. This will direct Stoneridge well water west in the system to blend with lower chromium concentration water sources such as water from the Mocho wells and the Mocho Groundwater Demineralization Plant before serving a retailer turnout.

It would be advantageous to install the proposed line valve before summer 2015. With the potential of the ongoing drought continuing, it would be beneficial to ensure Stoneridge Well production is a reliable water source to help meet summer demands and maintain water quality.

The Cross Valley Pipeline runs parallel to the Arroyo Mocho along a gravel/earthen base access road. Work includes excavation of the access road and shoring to cut the new line valve into the Cross Valley Pipeline, which is approximately 14 feet below ground surface. Dewatering the pipeline is needed to install the line valve. Dewatering work includes best management practices including dechlorination and control of water turbidity as well as measures to prevent erosion or sedimentation of the channel or embankment. A concrete vault will be constructed to enclose the line valve. This provides valve maintenance access and space for a motorized electric actuator to open and close the valve remotely. Conduits for power and control wires will be installed from the vault to the Stoneridge Well facility for operation of the electrically actuated valve. After the valve and vault are installed, work includes flushing, disinfection and testing of the pipeline and site cleanup. Work also includes design engineering, construction management, and record drawings.

Per CEQA guidelines, Zone 7 staff will be preparing a Notice of Exemption for the project and filing it with the Alameda County Clerk and Recorder's Office. Zone 7 staff will conduct pre-construction surveys for California Red Legged Frogs and nesting birds.

Based on staff's past experience on similar projects with Conco West, Inc., and under the Drought Emergency Resolution, staff recommends authorizing the General Manager to forego the formal design-bid-build process and negotiate the project scope, cost and scheduling with

Conco West, Inc., or other qualified firm for design and construction of a line valve and vault on the Cross Valley Pipeline.

FUNDING:

The following table provides a summary of anticipated project expenses and budget needed for the proposed Stoneridge Cross-Valley Isolation Valve Project:

		Amount	**Comments**
A	Previously Approved Budget	$0	
B	Contract amendment or new contract with Conco West Inc. or other qualified firm for line valve vault near Stoneridge Well	$460,000	Covers Basis of Design, Construction Plans and Specifications, and installation
C	Contingency	$46,000	10% of Contract
D	Zone 7 staff costs	$50,000	Project management, programing and other miscellaneous costs
E	Permit Fees and other expenses	$10,000	
F	Total Estimated Project Cost	**$566,000**	Items B+C+D+E
	Requested Budget for the Project	**$566,000**	F-A

Staff recommends appropriating $566,000 in FY 14/15 to complete Stoneridge Cross-Valley Isolation Valve Project from Fund 120 – Renewal Replacement and System-Wide Improvements.

SCHEDULE:

Substantial completion of the project is anticipated by May 31, 2015.

RECOMMENDATION:

Staff recommends adoption of the attached resolution: 1) Authorizing the General Manager to negotiate and execute a Design-Build contract or contract amendment with Conco West, Inc. or other qualified firm for Stoneridge Cross-Valley Isolation Valve Project in an amount not-to-exceed $460,000; 2) Authorize the General Manager to negotiate and execute change orders, if necessary up to a total of $46,000 (10% of the contract amount); and 3) Appropriate $566,000 for the project from Fund 120 – Renewal Replacement/System-wide Improvements.

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

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

Contract for Stoneridge Cross-Valley Isolation Valve Project

WHEREAS, at its January 29, 2014 Board meeting, the Zone 7 Board declared a state of drought emergency and approved a Drought Emergency Response Plan; and

WHEREAS, the Board authorized its General Manager to enter into a Design-Build contract with Conco West, Inc. (CWI) for Chain of Lakes Well No. 5 project and Busch Valley Well No. 1 project as part of the District's Drought Emergency Response Plan; and

WHEREAS, chromium treatment facilities were also discussed as projects in the Drought Emergency Response Plan to mitigate water quality concerns from Zone 7 production wells that could exceed the State's hexavalent chromium standard; and

WHEREAS, Stoneridge Well hexavalent chromium levels are near the hexavalent chromium regulation levels and have the potential of exceeding the regulation at some turnouts under limited surface water conditions when water flows in the easterly direction in the Cross Valley Pipeline; and

WHEREAS, installation of a line valve and a vault on the Cross Valley Pipeline just east of the Stoneridge Well will help direct Stoneridge Well water west to blend with lower chromium water from other wells and the Mocho Groundwater Demineralization Plant; and

WHEREAS, installation of a new line valve, vault and ancillary facilities named here as the Stoneridge Cross-Valley Isolation Valve Project cost is estimated to be approximately $566,000; and

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

WHEREAS, under the Drought Emergency Resolution, staff recommends authorizing the General Manager to forego the formal bid process and negotiate the project scope, cost and scheduling with Conco West, Inc., or other qualified firm for design and construction of a line valve and vault on the Cross Valley Pipeline.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate and execute a design-build contract for a not-to-exceed amount of $460,000 with Conco West, Inc., or other qualified firm.

BE IT FURTHER RESOLVED that the General Manager is authorized to negotiate and execute change orders up to $46,000 with Conco West, Inc., or other qualified firm, as necessary for completion of the project.

BE IT FURTHER RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby approve Stoneridge Cross-Valley Isolation Valve Project and hereby appropriate $566,000 in the FY 14/15 budget for this project from Fund 120 – Renewal/Replacement and System-Wide Improvements.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on February 18, 2015.

By: ______________________________________
President, Board of Directors

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

ORIGINATING SECTION: FLOOD CONTROL
CONTACT: JOE SETO

AGENDA DATE: February 18, 2015 ITEM NO. **10**

SUBJECT: MOU with Alameda County Resource Conservation District to support Stonybrook Creek Fish Passage Improvement Project

SUMMARY:

- Stonybrook Creek, near Sunol, is a tributary to Alameda Creek. It lies within the Zone 7 Service Area and is largely under private ownership.
- Due to efforts of the Alameda Creek Fisheries Restoration Workgroup, in which Zone 7 has been serving as Chair for the past four years, and its member agencies, the watershed will be open to anadromous fish migration upon completion of the fish passage improvements to ACWD's inflatable dams and the BART weir planned to occur within the next few years.
- Stonybrook Creek provides viable spawning habitat and rearing habitat for juvenile steelhead during spring migration through late summer and fall and it is the first major tributary to Alameda Creek upstream of the existing barriers.
- The total project cost is approximately $1.9 million for the removal of two road barriers and channel improvements with the primary purpose of improving fish passage and opening up 0.7 stream-miles of aquatic habitat.
- Nearly $1.7 million dollars has been secured for project implementation through federal appropriations, grants, and other money with a remaining funding gap of approximately $225,000.
- Alameda County Public Works Agency is seeking authorization from the Board of Supervisors to fulfill some or all of the funding gap.
- If all funding can be secured by mid-February, the project is scheduled to be implemented in 2015. Otherwise it will be delayed to 2016. However, if 100% of the financing is not secured in 2015, there is risk that the federal appropriation and the grant funding may expire at the end of the year and be lost entirely.
- Zone 7's obligation under the proposed MOU is for a not-to-exceed amount of $225,000.

FUNDING: The funding for the MOU will be provided from Fund 200 –Flood Protection and is available in the 2014/15 budget.

RECOMMENDED ACTION: Authorize the General Manager to negotiate and execute an MOU with the Alameda County Resource Conservation District to provide funding for a not-to-exceed amount of $225,000 in support of the Stonybrook Creek Fish Passage Improvement Project.

ATTACHMENTS:

- Staff Memo providing additional background and discussion
- Draft MOU with Alameda County Resource Conservation District to support Stonybrook Creek Fish Passage Improvement Project

Interoffice Memo

Date: February 18, 2015
To: Jill Duerig, General Manager
From: Joe Seto, Principal Engineer - Flood Control
Subject: MOU with Alameda County Resource Conservation District to support Stonybrook Creek Fish Passage Improvement Project

BACKGROUND

Stonybrook Creek – Steelhead Habitat

Stonybrook Creek is a tributary to Alameda Creek, which drains into San Francisco Bay. The confluence of the two creeks is located near the Town of Sunol. Stonybrook Creek lies within the Zone 7 Service Area and is primarily under private ownership.

Efforts to restore runs of anadromous Central Coast California steelhead trout (Oncorhynchus mykiss) a federally listed threatened species, are ongoing within the Alameda Creek Watershed, and most recently, Stonybrook Creek. The lower 12 miles of Alameda Creek is a flood control channel operated by Alameda County Public Works Agency with little viable habitat for steelhead. Significant barriers preventing steelhead from reaching spawning and rearing habitat are located within the upper section of the flood control channel and consist of concrete drop structure and two inflatable rubber dams owned and operated by Alameda County Water District (ACWD). ACWD, in association with the Alameda Creek Fisheries Restoration Workgroup, of which Zone 7 has been serving as Chair for the past four years, is scheduled to improve these fish barriers, including the planned addition of fish ladders on the BART weir within the next few years, thus increasing the viable use of Stonybrook Creek by migrating steelhead.

As Stonybrook Creek is the first major tributary to Alameda Creek upstream of the flood control channel and existing barriers, it provides critical upstream habitat for steelhead. Historically, this creek supported anadromous fish species. In recent times a pair of Alameda Creek steelhead were captured in the flood control channel, radio-tagged, released in Niles Canyon and spawned in Stonybrook Creek, with the offspring rearing in a nearby pool. In addition, resident rainbow trout are present and documented within the creek.

With viable habitat evident along Stonybrook Creek and with fish barrier improvement projects in the Alameda Creek as mentioned above, the primary purpose of this project is to improve fish passage and to provide access to aquatic habitat. The existing barriers are located within the lower half of Stonybrook Creek. Stream crossings along county-maintained Palomares Road (located at culvert mileposts (MP) 8.60 and 8.75) are under-sized and have intercepted coarse sediment which would naturally have passed through the canyon and exited to Alameda Creek. These barriers and sediment buildup have created a complete barrier for all life stages of fish.

Benefits of the Proposed Project

Addressing the barriers through these two culvert improvement projects will progressively bring Stonybrook Creek closer to restoration of its historic Central Coast California steelhead trout habitat, opening 0.7 stream-miles of aquatic habitat upstream. This tributary is separate from other Valley- based streams and could improve fish restoration efforts without any flow contributions from the dams or turnouts. Additional benefits of retrofitting and removing stream barriers will be improved sediment management and reduced flood-related damages.

The project is being implemented jointly by the Alameda County Resource Conservation District and the National Resources Conservation Service. Participation in this project is consistent with Zone 7's past efforts in improving steelhead passage in the Alameda Creek watershed.

Funding

The total cost of the project is estimated at approximately $1.9 million and is largely being funded by a federal appropriation sponsored by Congressman Stark, as well as grant funding through the Environmental Protection Agency, and other miscellaneous funds from the Regional Water Quality Control Board. Still, a funding gap of approximately $225,000 exists that Alameda County Public Works Agency (ACPWA) and Zone 7 Water Agency are collectively working to fill.

DISCUSSION

Through discussion with ACPWA, staff has identified approximately $123,000 for channel re-grading and monitoring that could be funded by Zone 7. Through this MOU with the RCD, staff would work to negotiate specific project elements and costs to be funded by Zone 7.

The money secured by the RCD to date may only be used for specific purposes such as planning or construction of the project and cannot be used for items such as post construction monitoring which is required by the regulatory agencies.

However, should ACPWA be unable to secure funding quickly, staff recommends that staff be authorized to fund up to $225,000 to ensure that the project is able to move forward and the grant money is not lost making the project infeasible.

The RCD requires full funding of the project by mid-February in order to proceed with implementation in 2015. Should financing not come through, there is risk that the federal appropriation, as well as grant funding through the Environmental Protection Agency, may expire at the end of the year and be lost entirely.

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 Manager to negotiate and execute the Memorandum of Understanding with the Alameda County Resource Conservation District to provide funding in a not-to-exceed amount of $250,000 to support Stonybrook Creek Fish Passage Improvement Project.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on February 18, 2015.

By: ______________________________
President, Board of Directors

MEMORANDUM OF UNDERSTANDING BETWEEN ALAMEDA COUNTY RESOURCE CONSERVATION DISTRICT AND ZONE 7 OF ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT FOR THE STONYBROOK CREEK FISH PASSAGE IMPROVEMENT PROJECT

This Memorandum of Understanding ("MOU") between Zone 7 of Alameda County Flood Control and Water Conservation District, Zone 7 ("Zone 7") and the Board of Directors of the Alameda County Resource Conservation District ("RCD") is specifically for the purposes of completing certain elements of the Stonybrook Creek Fish Passage Improvement Project, and is made with the reference to the following facts:

RECITALS

Whereas, the Alameda County Resource Conservation District ("RCD") is the local entity responsible for implementing the Stonybrook Creek Fish Passage Improvement Project ("Project"), a collaborative effort with the Natural Resources Conservation Service and Alameda County Public Works Agency; and

Whereas, Zone 7's Service Area includes Stonybrook Creek, a tributary to Alameda Creek; and

Whereas, Stonybrook Creek is the first major tributary to Alameda Creek upstream from the Fremont flood control channel, and it is known to provide viable upstream habitat for steelhead; and

Whereas, addressing these two culvert and channel improvements will progressively bring Stonybrook Creek closer to restoration of its historic Central Coast California steelhead trout habitat; and

Whereas, the RCD has successfully acquired the overwhelming majority of the funds needed to implement the project, but lacks funds for certain construction and required environmental monitoring tasks.

NOW, THEREFORE, Zone 7 of Alameda County Flood Control and Water Conservation District and the Alameda County Resource Conservation District agree as follows:

<u>Zone 7 responsibility:</u>

1. Zone 7 agrees to contribute, within 60 days of signing this MOU, a one-time payment of exactly $123,000 to the RCD to be applied to the Project or a smaller amount as agreed to in writing. Additional payments, for an overall total not-to-exceed of $225,000 may be requested by the RCD, to be applied to the Project, should Alameda County Public Works not be successful in securing funds to fully cover their share or for other funding needs as agreed to by the parties.

<u>RCD responsibility:</u>

2. RCD agrees to apply all funds received from Zone 7 solely towards construction or required environmental monitoring of the Project, and shall return any unused funds.

3. RCD shall procure and manage all services necessary to design and implement the project, including overall project management and compliance with environmental regulations, for all phases of the Project.

<u>It is Mutually Agreed by Zone 7 and the ACRCD that</u>:

1. Zone 7 will not be responsible for conducting any construction, maintenance, operation, and/or repair of the Project.

2. Nothing in this agreement shall be construed as obligating either RCD or Zone 7 to the expenditure of funds, or for the future payment of money, in excess of that stated herein.

3. This MOU shall become effective when signed by the designated representatives of the parties and shall remain in force until fully implemented by both parties unless earlier terminated in accordance with the following sentence. At any time prior to the completion of the Project, this MOU may be terminated by mutual agreement, or by either party upon thirty (30) days notice in writing to the other of its intention to terminate upon the date indicated.

4. The parties to this contract act in an independent capacity in the performance of their respective functions under this MOU.

5. Amendments to this MOU may be proposed by either party and shall become effective upon approval in writing signed by each party or each party's successor in interest.

6. Nothing in this MOU, whether expressed or implied, is intended to confer any rights or remedies under this MOU to any persons other than the parties to it and their respective successors and assigns, nor is anything in this MOU intended to relieve or discharge the obligation or liability of any third persons to any party to this MOU, nor shall any provision give any third persons any right of subrogation or action over or against any party to this MOU.

7. RCD shall indemnify, defend, save, protect and hold harmless Zone 7, its governing body, officers, employees, representatives and agents ("Indemnitees") from any and all demands, losses, claims, costs, suits, administrative proceedings, liabilities, fines, penalties, judgments and expenses for any damage, injury or death (collectively "Liability") arising directly or indirectly from or in connection with the Project or its implementation and the performance of its obligations under the MOU which is caused, or claimed or alleged to be caused, in whole or in part, by the negligence or willful misconduct of RCD, its officers, employees, agents, contractors, subcontractors, consultants, subconsultants, or any person under its direction or control, to the extent that activity has caused the harm.

8. The foregoing indemnity shall include, without limitation, reasonable attorneys' and consultants' fees, investigation and remediation costs and all other reasonable costs and expenses incurred by the Indemnitee. RCD shall have an immediate and independent obligation to defend Zone 7

from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time Zone 7 tenders its defense thereto, to RCD and continues at all times thereafter. RCD's obligations under this provision shall survive the expiration or termination of the MOU and modifications thereto.

9. Zone 7 shall indemnify, defend, save, protect and hold harmless RCD, its governing body, officers, employees, representatives and agents ("Indemnitees") from any and all demands, losses, claims, costs, suits, administrative proceedings, liabilities, fines, penalties, judgments and expenses for any damage, injury or death (collectively "Liability") arising directly or indirectly from or in connection with the Project or its implementation and the performance of its obligations under the MOU which is caused, or claimed or alleged to be caused, in whole or in part, by the negligence or willful misconduct of Zone 7, its officers, employees, agents, contractors, subcontractors, consultants, subconsultants, or any person under its direction or control, to the extent that activity has caused the harm.

10. The foregoing indemnity shall include, without limitation, reasonable attorneys' and consultants' fees, investigation and remediation costs and all other reasonable costs and expenses incurred by the Indemnitee. Zone 7 shall have an immediate and independent obligation to defend RCD from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time RCD tenders its defense thereto, to Zone 7 and continues at all times thereafter. Zone 7's obligations under this provision shall survive the expiration or termination of the MOU and modifications thereto.

11. RCD shall carry public liability and property damage insurance or monetary coverage in an amount which will adequately protect Zone 7 from all such liabilities or claims, such amount to be no less than $1,000,000 for each person and $1,000,000 for each occurrence for bodily injury or death and $1,000,000 on each occurrence for property damage. Policies for such insurance shall name Zone 7 of Alameda County Flood Control and Water Conservation District, Alameda County Flood Control and Water Conservation District, the County of Alameda, their officers, agents and employees as additionally insured and copies thereof, certificates of payment of premiums thereon, or other proof of insurance or monetary coverage acceptable to Zone 7, shall be furnished to Zone 7 by RCD. It is agreed that such insurance or monetary coverage as is afforded by the policy to Zone 7 of Alameda County Flood Control and Water Conservation District, et al., shall apply as primary insurance or monetary coverage. No other insurance or monetary coverage effected by Zone 7 of Alameda County Flood Control and Water Conservation District, et al., shall be called upon to contribute to a loss covered by the policy.

12. RCD has the right and option to self-insure the requirements under this Section upon written notice to Zone 7 that RCD assumes the obligations in the place and stead of any insurance carrier, any reference to failure to coverage notwithstanding. In the event that RCD elects to self-insure, RCD shall provide to Zone 7 a certificate or other evidence of self-insurance acceptable to Zone 7.

13. This MOU may be executed simultaneously in one or more counterparts, each of which shall be an original, but all of which together shall constitute one and the same document.

14. Each signatory warrants that he or she is fully authorized and competent to enter into this MOU in the capacity indicated by his or her signature and each party therefore agrees to be bound by this MOU upon the execution thereof by its respective signatory.

IN WITNESS THEREOF, the parties hereto have made and execute this MOU as of the date and year first written below.

ZONE 7 of the ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

By: ___________________________________
G.F. Duerig, General Manager

Date: __________________________________

ALAMEDA COUNTY RESOURCE CONSERVATION DISTRICT

By: ______________________________
Katherine Boxer, Executive Officer

Date: ____________________________

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

ORIGINATING SECTION: GROUNDWATER SECTION
CONTACT: Tom Rooze/Matt Katen

AGENDA DATE: February 18, 2015 ITEM NO. **11**

SUBJECT: Nutrient Management Plan

SUMMARY:

- Staff has completed a draft Nutrient Management Plan for the Livermore Valley Groundwater Basin documenting Zone 7's plan to address high nutrient concentrations in groundwater. The Executive Summary is attached and the full report is available on the Zone 7 website: www.zone7water.com.
- Nitrate-nitrogen is the main nutrient of concern in the Basin. The Regional Water Quality Control Board's Basin Objective (maximum concentration) for nitrate is 45 mg/L as NO_3.
- Although average nitrate concentrations are below the Basin Objective and are not expected to increase significantly during or following the buildout of the Valley's population, the NMP recommends the continued use of existing "best management practices" for fertilizer application, recycled water irrigation, livestock manure management and winery wastewater disposal as protective measures.
- The NMP also recommends new permit approval criteria for onsite wastewater treatment systems (OWTS) within the localized Areas of Concern, areas with nitrate concentrations above 45 mg/L, where septic tank use is the main sewage disposal method.
- To lessen the financial burden and encourage homeowners in the Areas of Concern to upgrade their conventional OWTS to one that provides nitrogen removal during replacement, staff recommends providing some financial assistance in the form of a rebate to offset a portion of the incremental cost of installing an advanced system with nitrogen treatment. The cost of providing such a rebate is estimated to be less than $40,000 per year, assuming three systems per year.
- Zone 7, ACEH, and RWQCB cooperated on the development of the criteria for OWTS project approval, and Area of Concern residents and other members of the public were invited to review the recommended criteria and give comment at a succession of public meetings.

FUNDING: The rebate program cost of up to $40,000 per year is available in Fund 100 – Water Enterprise in the approved FY 14/15 budget.

RECOMMENDED ACTION: Adopt the attached resolution approving and adopting the Nutrient Management Plan as an addendum to the existing Groundwater Management Plan for the Livermore Valley Groundwater Basin.

ATTACHMENTS:

- Staff Memo providing additional background and discussion
- Executive Summary of the Nutrient Management Plan
- Resolution

Interoffice Memo

Date: February 18, 2015
To: Jill Duerig, General Manager
From: Matt Katen, Principal Geologist, Groundwater Section
Subject: Nutrient Management Plan

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

BACKGROUND:

In 2009 the State Water Resources Control Board adopted a Recycled Water Policy that requires Salt/Nutrient Management Plans (SNMPs) be completed for all groundwater basins using recycled water in California. Zone 7 completed a Salt Management Plan (SMP) for the Livermore Valley Groundwater Basin in 2004 so this requirement did not apply to Zone 7. However, in the interest of improving its groundwater management program, Staff has been working on a Nutrient Management Plan (NMP) for the Livermore Valley Groundwater Basin that together with the existing SMP better addresses nutrients. Staff has now completed the draft plan. The executive Summary is attached and the full report can be viewed at www.zone7water.com.

Nitrate is the main nutrient of concern in the Groundwater Basin. The basin objective (BO) for nitrate is 45 mg/L as NO_3, the same concentration as the maximum contamination limit (MCL) set by the State for public drinking water supplies. The NMP documents Zone 7's plan for addressing nutrient loading to the Basin and for addressing the localized high nitrate concentrations found in certain parts of the groundwater basin.

The NMP was developed by Zone 7 staff between 2013 and 2014 with input from the San Francisco Bay Regional Water Quality Control Board (RWQCB), Alameda County Environmental Health (ACEH), Alameda County Community Development Agency (Alameda CDA), Zone 7's Retailers (City of Livermore, Dublin San Ramon Services District, City of Pleasanton, California Water Service), local septic tank owners and other interested parties.

DISCUSSION:

Average nitrate concentrations in the various monitored sub-basins are generally below the BO. However, the NMP identifies ten local "Areas of Concern" where nitrate concentrations are currently above 45 mg/L. The Plan identifies ongoing nitrogen sources and attempts to quantify their contributions to the observed nitrate concentrations and concentration trends. The results suggest that on average, nitrate concentrations will generally decrease in the Main Basin while only slightly increasing in the fringe sub-basins in spite of the increased recycled water use planned by the retailers. Nonetheless, the Plan strongly recommends continuing the use of existing "best management practices" (BMPs), such as irrigating and fertilizing at agronomic rates, managing manure at concentrated animal facilities, and following RWQCB Waste Discharge Requirements (WDR) at wine production facilities to ensure that nutrient loading stays relatively low.

In five of the ten high nitrate Areas of Concern, onsite wastewater treatment systems (OWTS), such as septic tank and leachfield systems, are the prevalent method of sewage disposal. Although onsite disposal of residential and commercial wastewater represents only a portion of the current nutrient loading in these areas, the nutrient loading from these sources can be easily reduced with the addition of nitrogen removing treatment modules, which are commercially available. These treatment modules can typically remove 50% to 70% of the nitrogen from the septic tank influent before discharging to the leachfield. The NMP recommends that through the permitting process, all new and replacement OWTS within the Areas of Concern be required to be equipped with the treatment modules. Zone 7, ACEH, and RWQCB cooperated on the development of acceptable criteria for granting approval for new OWTS permits within the Areas of Concern.

To lessen the financial burden and encourage existing homeowners in the Areas of Concern to upgrade their conventional OWTS to one that provides nitrogen removal when they are not increasing the system's capacity, staff recommends providing some financial assistance in the form of a rebate to offset a portion of the incremental cost of installing an advanced system with treatment. The incremental cost to add a treatment module to an existing or replacement septic tank system is estimated to be approximately $13,000 to $16,000 for a three bedroom home. Assuming about three systems within the Areas of Concern fail each year, and a rebate of $13,000, the program would cost Zone 7 less than $40,000 per year and would result in a reduction by 150 to 200 pounds of nitrogen per year after three years. One pound of nitrogen is enough to contaminate nearly 12,000 gallons of fresh water to the MCL. There is money available in Fund 100 in the adopted FY14/15 budget for this program.

Throughout the NMP development process, staff met with RWQCB, ACEH and Zone 7 Retailer staff and discussed NMP plans, progress and results. A NMP webpage was created and a link was posted to it on the Zone 7 main website to provide project information to the public. On April 15, 2014, a "stakeholders meeting" was held for owners of property within the five unsewered Areas of Concern to hear a presentation on nitrate occurrences in the Livermore Basin and what OWTS permitting recommendations Zone 7 was planning to include in the NMP. Staff answered questions and took input from the audience at the end of the presentation. ACEH and Alameda CDA were also present and spoke favorably about the Plan to the audience.

NMP progress and analysis results were reviewed publically at three different Water Resource Committee meetings: October 21, 2013; January 13, 2014; and November 5, 2014. A draft of the NMP was presented and reviewed with the Water Resources Committee during the November 5, 2014 meeting and made available to the public as part of the agenda package posted on the Zone 7 website. The comments received only resulted in a few minor changes to the NMP document. The Executive Summary for the NMP is attached, whereas the complete NMP can be downloaded from the Zone 7 website. It is staff's recommendation that this NMP be adopted by the Zone 7 Board and the Groundwater Management Plan for the Livermore Valley Groundwater Basin be amended to include the NMP. The NMP would then be forwarded to the RWQCB for inclusion with the next round of Basin Plan Amendments.

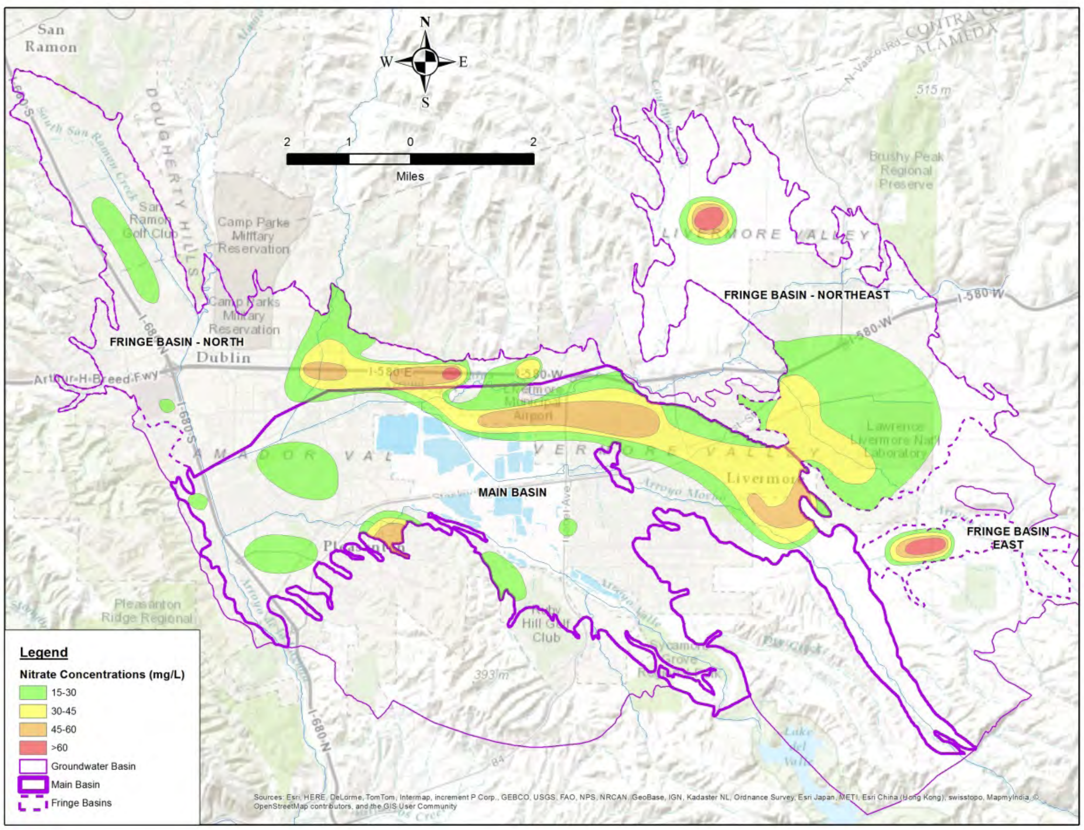
Staff will prepare a Notice of Exemption for the project and file it with the Alameda County Clerk and Recorder's Office.

DRAFT

Nutrient Management Plan

Livermore Valley Groundwater Basin

February 2015



PREPARED BY:

ZONE 7 WATER AGENCY
100 North Canyons Parkway
Livermore, CA 94551
(925) 454-5000

PREPARED BY:

ZONE 7 WATER AGENCY STAFF

Matt Katen, P.G. – *Principal Geologist*
Tom Rooze, P.G. – *Associate Geologist*

Contributors:

Jill Duerig, P.E. – *General Manager*
Kurt Arends, P.E. – *Assistant General Manager*
Jarnail Chahal, P.E. – *Engineering Manager*
Colleen Winey, P.G. – *Assistant Geologist*

ES Executive Summary

ES 1 Background

This Nutrient Management Plan (NMP) was developed for the Livermore Valley Groundwater Basin (California Department of Water Resources [DWR] Basin No. 2-10) by the Zone 7 Water Agency (Zone 7), and was adopted by its directors during the Board of Directors' Meeting on ____________________.

The NMP provides an assessment of the existing and future groundwater nutrient concentrations relative to the current and planned expansion of recycled water projects and future development in the Livermore Valley. The NMP also presents planned actions for addressing positive nutrient loads and high groundwater nitrate concentrations in localized Areas of Concern where the use of onsite wastewater treatment systems (OWTS) (i.e., septic tank systems) is the predominant method for sewage disposal.

The NMP was prepared as an addendum to Zone 7's Salt Management Plan (SMP) which was adopted by the Zone 7 Board of Directors in 2004 to address salt loading in the groundwater basin and to fulfill the requirements of the joint Master Water Recycling Permit (Order No. 93-159) and General Water Reuse Order (General Order No. 96-011). Because the SMP was incorporated into Zone 7's Groundwater Management Plan (GWMP) for the Basin in 2005, the NMP is now also incorporated into Zone 7's GWMP. This NMP is exempt from CEQA under Section 15061.b.30; consequently, a notice of exemption has been filed with the Alameda County Clerk-Recorder.

The State Water Resources Control Board (SWRCB) adopted a Recycled Water Policy in 2009 (SWRCB, Resolution No. 2009-0011) and an amendment to the policy in 2013 (SWRCB, Resolution No. 2013-0003) to encourage and facilitate the increased use of recycled water statewide. The policy requires among other things, that Salt/Nutrient Management Plans (SNMP) be completed for all groundwater basins using recycled water in California. With the addition of this NMP, Zone 7's SMP is akin to the SNMP required by the State's Recycled Water Policy.

The NMP was developed with support and input from the San Francisco Bay Regional Water Quality Control Board (RWQCB), Alameda County Environmental Health Department (ACEH), Alameda County Community Development Agency (Alameda CDA), Zone 7's Retailers (City of Livermore, City of Pleasanton, Dublin San Ramon Services District [DSRSD], and California Water Service), and other stakeholders and interested public. For this purpose, several meetings were held with these stakeholders between June 2013 and November 2014.

ES 2 Groundwater Basin Characteristics and Nitrate Concentrations

The Livermore Valley Groundwater Basin is an inland alluvial basin underlying the east-west trending Livermore-Amador Valley (Valley) and Livermore Uplands in northeastern Alameda County. For this NMP, the groundwater basin has been divided into four basin areas:

- Main Basin
- Fringe Basin North
- Fringe Basin Northeast
- Fringe Basin East

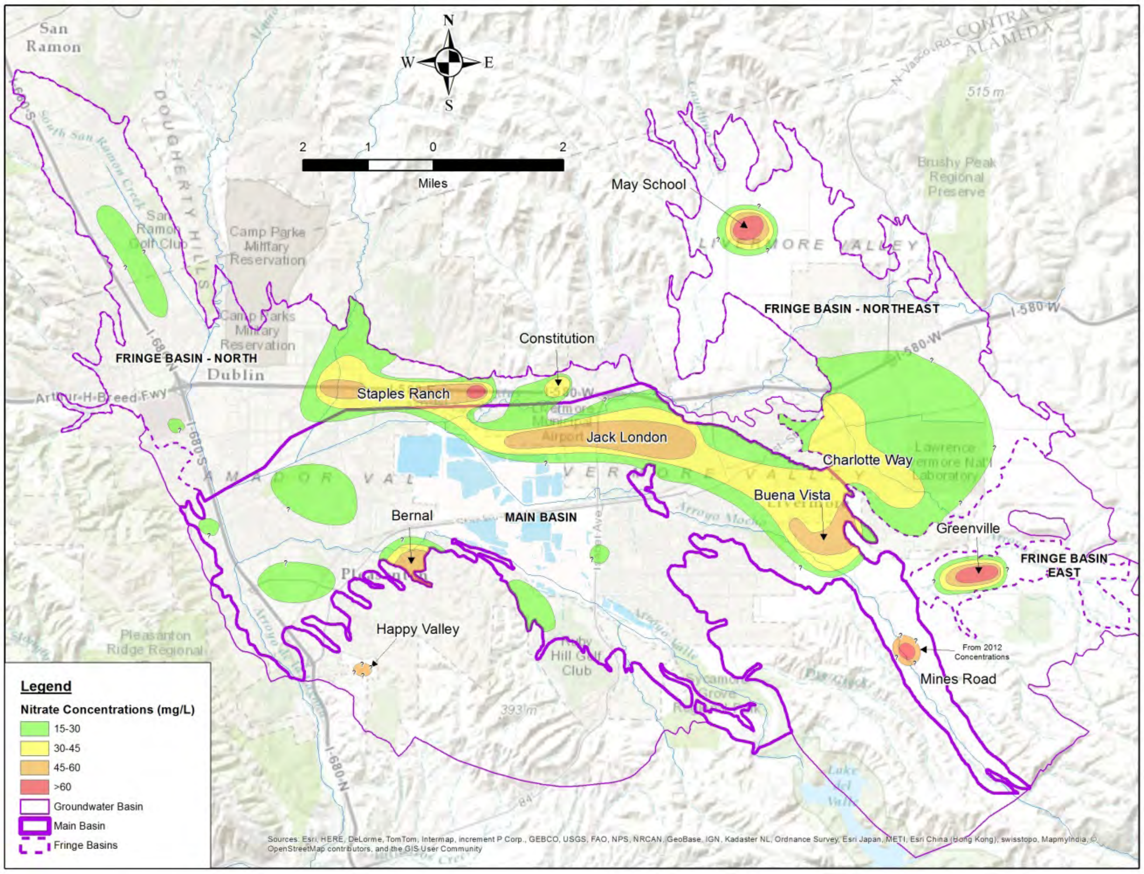
The Main Basin has been further divided into an upper and lower aquifer. The Main Basin is a portion of the groundwater basin that contains the highest yielding aquifers and generally the best quality groundwater. It is an important source of drinking water for the communities that overly it. The fringe basins contain slightly higher salinity water and generally yield low quantities of water to wells. Some groundwater flows from the Fringe Basin North into the Main Basin aquifer where it comingles with Main Basin groundwater, but it is believed that very little of the groundwater in the two eastern fringe basins comingles with Main Basin groundwater. The aquifers beneath the Livermore upland areas south of Livermore and Pleasanton typically only yield small amounts of groundwater to wells, and are not expected to be impacted by existing or planned recycled water projects, therefore, with the exception of the high septic tank use area of unincorporated Happy Valley, the upland portion of the groundwater basin is not addressed in this plan. The locations of the groundwater basin areas and Happy Valley are shown below in Figure ES-1

Zone 7's GWMP program monitors groundwater quality throughout the basin areas. Of the two main groundwater quality parameters being monitored as nutrient contamination indicators (nitrate and phosphate), only nitrate has been detected at significant concentrations in the basin areas. The Basin Objective (BO) for nitrate in groundwater is 45 mg/L (measured as NO_3) or less for all of the NMP basin areas (*California RWQCB, 2011*). This is the same value adopted by the California Department of Health as the maximum contamination limit (MCL) for drinking water.

Average nitrate concentrations (as NO_3) in the Main and Fringe Basins range from 11 mg/L to 15 mg/L. Assimilative capacity, which represents the capacity of a groundwater basin to absorb pollutants, is calculated by subtracting the average concentration from the BO. The assimilative capacities of the basins range from 30 to 34 mg/L. While average nitrate concentrations in the basin areas are below the BO, and ample assimilative capacity exists in each basin area for nitrate, there are ten localized Areas of Concern within the groundwater basin that have nitrate concentrations above the BO (see *Figure ES-1* below). These ten "hot spots" are believed to be vestiges of past agricultural land uses and processes, and former municipal wastewater and sludge disposal practices; however, five of the areas are outside of municipal Urban Growth Boundaries where sewage disposal continues to be by OWTS. They are:

- Happy Valley
- Buena Vista
- Mines Road
- May School
- Greenville

Figure ES-1: Nitrate Concentrations (Upper Aquifer) and Areas of Concern



ES 3 Nutrient Loading Evaluation

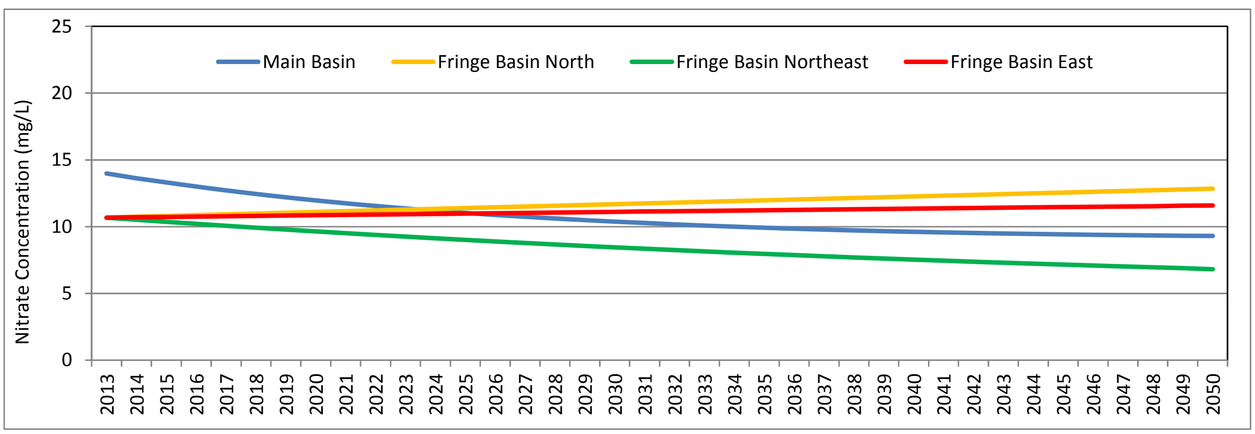
Nitrate contamination in groundwater supplies is typically the result of nitrogen-containing compounds being leached from the surface or soil column and mixing with the ambient groundwater. Nitrogen exists in the environment in many forms and can change forms as it moves through the soil. Sources of nitrogen loading include: fertilizers used on croplands, parks, golf courses, lawns, and gardens; sewage and other wastewaters disposed of onsite; decaying vegetation and other organic materials; animal manure and urine from pastures, animal enclosures, and other livestock boarding facilities; and nitrogen-fixing crops such as alfalfa, clover and vetch.

Within the soil zone, nitrogen compounds readily convert to ammonium and nitrate and/or are lost to volatilization, plant uptake and denitrification processes. Because nitrate is highly leachable and readily moves with water through the soil profile, excessive rainfall or over-irrigation will cause nitrate to leach below the plant's root zone and may eventually mix with groundwater.

Groundwater nitrate concentrations are good indicators of nutrient contamination, and graphing concentrations versus time can indicate whether nitrate conditions are changing or stable, however this NMP uses estimates of nitrogen loading from various identified sources to help evaluate whether nitrate concentrations will rise or decrease in the long-term. For this effort, annual nitrogen loading from each known source was estimated and summed spatially using geographic information systems (GIS) software. The results were then applied to a Zone 7-developed spreadsheet model to predict future nitrate concentrations for each basin area, taking into account planned land use changes and expansions of recycled water use.

The model results conservatively predict that average nitrate concentrations will decrease over time in the Main and Northeast Fringe basin areas, and will increase only slightly in the North and East fringe basin areas. The incremental increases in predicted nitrate concentrations due to the planned recycled water use expansions in the Main and Northeast Fringe basin areas are less than 1 mg/L over the 37 year model period, or about 3% of the assimilative capacity for these two areas. The future average total nitrate concentrations as predicted by the Zone 7 model are summarized by basin area in *Figure ES-2* below:

Figure ES-2: Projected Nitrate Concentrations by Basin



ES 4 Antidegradation Analysis

The SWRCB's Recycled Water Policy requires SNMPs to include an antidegradation analysis demonstrating that the recycled water projects included within the plan will, collectively, satisfy the requirements of SWRCB's "Antidegradation Policy" (Resolution No. 68-16). The antidegredation analysis for the Livermore Valley Groundwater Basin is summarized below in *Figure ES-3*:

Figure ES-3: Antidegradation Assessment

SWRCB Resolution No. 68-16 Component	Antidegradation Assessment
Water quality changes associated with proposed recycled water project(s) are consistent with the maximum benefit of the people of the State.	The irrigation projects will: • contribute only a minimal increase (< 1 mg/L) in groundwater nitrate concentrations at urban buildout.
The water quality changes associated with proposed recycled water project(s) will not unreasonably affect present and anticipated beneficial uses.	• will not use more than 20% of the available Assimilative Capacity
The water quality changes will not result in water quality less than prescribed in the Basin Plan.	• will not cause groundwater quality to exceed Basin Plan Objectives
The projects are consistent with the use of best practicable treatment or control to avoid pollution or nuisance and maintain the highest water quality consistent with maximum benefit to the people of the State.	Because all planned recycled water projects over the groundwater basin are landscape irrigation projects, most of the nitrogen from these projects will be removed by plant uptake and volatilization (and some by bacterial denitrification under certain conditions). Additional nitrogen loading will be avoided with the continued use of recycled water and fertilizer use best management practices (BMPs) (*Section 6.1*)
The proposed project(s) is necessary to accommodate important economic or social development.	The recycled water projects are crucial for continued sustainability of the Valley's water supply and are part of the urban growth plans for Cities of Dublin, Livermore, and Pleasanton.
Implementation measures are being or will be implemented to help achieve Basin Plan Objectives in the future.	Both, the SMP and the NMP contain measures that have been or will be implemented to address current and future salt and nutrient loading of the Groundwater Basin.

ES 5 Nutrient Management Goals and Strategies

Although overall basin groundwater quality is not expected to degrade significantly due to ongoing and anticipated future nutrient loading, there is still a need to further assess, reduce or manage, and monitor nutrient loading to make sure that new high nitrate areas are not created by poor waste management practices or over application of fertilizers and irrigation waters. The goals of the NMP are to minimize the nutrient loading from the various sources throughout the groundwater basin, and to reduce the nutrient loading in those areas where high nitrates exist in groundwater.

The strategies for achieving these goals include continuing the requirements for use of “best management practices” (BMPs) for fertilizer and recycled water applications, livestock manure management, and proper winery process wastewater disposal. In order to address the localized high nitrate conditions in the Areas of Concern, the NMP advocates an adaptive management strategy that begins with:

1) Increasing the understanding of the extent and source(s) of the high nitrate concentrations in the Areas of Concern, and adjusting Area of Concern boundaries as appropriate;

2) Requiring new development projects within the Areas of Concern that plan to install additional onsite wastewater disposal systems to minimize or reduce the overall nitrogen loading on the parcel; and

3) Continuing the monitoring of the nitrate concentrations and the success of these actions to reduce them.

Figure ES-4, below, provides a summary of the nutrient loading-specific goals for the active sources and the strategies developed to achieve the specific goals.

FIGURE ES-4
SUMMARY OF GOALS AND STRATEGIES
NUTRIENT MANAGEMENT PLAN

Goals	Strategies
Fertilizer Application	
Goal 5.2: Minimize nitrogen loading from fertilizer application using BMPs	Strategy 5.2a: Promote the use of fertilizer BMPs (*Section 6.1.2*) to avoid over-application of fertilizers. Using results of soil and irrigation water chemical testing to determine the appropriate amount of additional fertilizer to apply is a good way to lessen excess leachable nitrogen in the soil.
	Strategy 5.2b: Limiting irrigation water application to the crop and landscape plants' agronomic rate will reduce the amount of nutrient-rich leachate that migrates below the vegetation root zone and into the underlying aquifer(s).
Recycled Water Irrigation	
Goal 5.3: Minimize nitrogen loading from recycled water irrigation projects	Strategy 5.3a: Follow Recycled Water Policy guidance for landscape irrigation projects. Minimize recharge of nitrogen by irrigating landscapes to the prescribed agronomic rates. Account for the nitrogen content of the recycled water when determining how much fertilizer to apply.
	Strategy 5.3b: Maintain low levels of nitrogen in the produced recycled water by keeping the nitrogen concentrations in the source water low and/or optimize low nitrogen levels in recycled water production.
Livestock Manure Management	
Goal 5.4: Minimize nitrogen loading from concentrated livestock facilities such as horse boarding, training, and breeding facilities	Strategy 5.4: Promote the use of BMPs (*Section 6.1.4*) such as manure management and controlling site drainage to prevent nutrient contamination of rainfall runoff and irrigation return flows that may percolate to groundwater and/or flow into surface water bodies.
Winery Process Wastewater	
Goal 5.5.1: Minimize nitrogen loading from onsite disposal of winery process wastewater	Strategy 5.5.1a: Require local wine producers and bottlers to apply for and comply with RWQCB WDRs for the proper treatment and disposal of winery process waste streams.
	Strategy 5.5.1b: Develop guidance document(s) to assist both project proponents and RWQCB staff with Report of Waste Discharge (ROWD) and WDR development and evaluations.
Septic Tanks - Outside Areas of Concern	
Goal 5.5.2: Minimize nitrogen loading from new onsite wastewater treatment systems (OWTS), e.g., septic tank systems.	Strategy 5.5.2a: Continue applying Zone 7 policies and County Ordinance and Regulation provisions, e.g., 1 Rural Residential Equivalence (RRE)/5 Ac max.
	Strategy 5.5.2b: Continue to work with ACEH to ensure that: 1) they are aware of groundwater nitrate issues in the Livermore Valley Groundwater Basin; 2) that variance requests are given the appropriate scrutiny; and 3) their OWTS approvals are consistent with adopted NMP goals and objectives.
Septic Tanks - Inside Areas of Concern	
Goal 5.5.3: Reduce nitrogen loading from septic tanks in Areas of Concern	Strategy 5.5.3a: Increase understanding of existing conditions and causes, and set realistic management goals and apply adaptive management as necessary.
	Strategy 5.5.3b: Require new development projects utilizing OWTS in the Areas of Concern to reduce and/or minimize the overall nitrogen loading to the property.
	Strategy 5.5.3c: On at least an annual basis, assess performance of wastewater treatment systems, estimate area-wide nitrogen loading and monitor groundwater quality beneath the Areas of Concern.

ACEH = Alameda County Enviromental Health
BMPs = Best Management Practices
RWQCB = Regional Water Quality Control Board

ES 6 Plan Implementation

The use of best management practices to minimize groundwater impacts from fertilizer and recycled water applications, livestock manure, and winery wastewater has been encouraged, and in many cases, required as policy or permit conditions.

Landscape and agriculture management industries promote careful metering of fertilizers and irrigation water as cost savings measures as well as environmental preservation measures. The State's Recycled Water Policy has built in prohibitions for over application and runoff of recycled water. Permitted livestock facilities, such as commercial equine boarding facilities, typically have requirements for active manure management conditioned in their County-issued Conditional Use Permits (CUP). Likewise, onsite treatment and disposal (or recycling) of industrial wastewater such as that generated by winemaking processes, requires a waste discharge permit from the RWQCB which often times contains provisions for minimizing and monitoring the nutrient loading from the onsite operations. With continued implementation of these BMPs, future nitrate concentrations are projected to remain below 20% of the assimilative capacities calculated for each of the four Livermore Valley Groundwater Basin areas.

Continued application of these BMPs also helps to minimize nutrient loading in the high nitrate Areas of Concern. In the five Areas of Concern that are within sewered areas, fertilizer and recycled water use BMPs are important for keeping nitrogen loading low, whereas fertilizer use and manure management BMPs and Waste Discharge Requirements for wineries help prevent nitrate concentrations from worsening in the five Areas of Concern that are in the unincorporated portions of the Valley. However, because there is potential for onsite disposal of residential and commercial sewage to be a significant nitrogen loading component in the five unincorporated Areas of Concern, the NMP recommends implementing additional OWTS performance measures that will, at a minimum, prevent nitrogen loading from OWTS from increasing, and in the long term, should help decrease the loading in these nitrate "hot spots."

The recommended OWTS design criteria for new development in the five Areas of Concern that are outside municipal urban growth boundaries are summarized below in *Figure ES-5*. These criteria are designed to minimize nitrogen loading from new OWTS use and reduce existing loading in the five Areas of Concern over time by replacing conventional septic tank systems with new treatment systems when the opportunities arise.

The application of the special OWTS permit approval requirements described in *Figure ES-5* are currently being planned by ACEH, Zone 7, and RWQCB. Full implementation of the new requirements will be realized through the adoption of a LAMP, which the three agencies anticipate completing in 2015.

Figure ES-5: Proposed Septic Tank Requirements Inside Areas of Concern

Development Type	Septic Tank Permit Type	Requirement[1]
Residential Dwelling	*Existing dwelling, no remodel or add-on New septic system required to replace failed system. No capacity increase*	*Grandfathered. Allow replacement with with same capacity conventional system, but encourage replacement with nitrogen-reducing system.*
	Remodel/add-on to existing dwelling No new septic system required	*Grandfathered. Continue use of existing septic system.*
	Remodel/add-on to existing dwelling New septic system required	*Must install nitrogen-reducing system so that nitrogen loading will not exceed 0.5 RRE (17 lbs/yr max).*
	New secondary dwelling unit - historic lot-of-record (pre-1982, <5 acres) Existing septic system with new addional septic system required	*Must install nitrogen-reducing system(s) so that total nitrogen loading will not exceed 0.7 RRE (23.8 lbs/yr max).*
	New dwelling on undeveloped historic lot-of-record (pre-1982, <5 acres) New septic system required	*Must install nitrogen-reducing system so that nitrogen loading will not exceed 0.35 RRE (11.9 lbs/yr max).*
	New dwelling on undeveloped lot (>5 Acres) New septic system required	*Must install nitrogen-reducing system so that nitrogen loading will not exceed 0.5 RRE (17 lbs/yr max).*
Retail, Commercial or Industrial Use (including wineries, event centers, restaurants, and B&Bs)[2]	*Self-contained (porta-potties or holding tank)*	*Maintain records of offsite disposal (0 lbs/yr).*
	New development historic lot-of-record (pre-1982) Existing septic system with new OWTS required	*Must demonstrate that the total post-project onsite nitrogen loading will be at least 30% less than the total onsite nitrogen loading existing before the project (typically 23.8 lbs/yr max).*
	New development on undeveloped historic lot-of-record (pre-1982, < 5 acres) New OWTS required	*Must demonstrate that the nitrogen loading will not exceed 0.35 RRE (11.9 lbs/yr max).*
	New development on undeveloped lot-of-record (> 5 acres) New OWTS required	*Must demonstrate that the per-acre nitrogen loading rate will not exceed 0.5 RRE on 5 acres (3.4 lbs/yr per acre max). OR Hydrogeologic study must assess current groundwater nitrate conditions beneath the site and demonstrate that nitrate concentration of total onsite recharge[3] does not exceed 36 mg/L (80% of MCL) or the maximum concentration at the site, whichever is lower, and OWTS nitrogen loading does not exceed 1 RRE on 5 acres (6.8 lbs/yr per acre max).*

[1] Loading rates calculated based on 1 RRE = 34 lbs/yr
[2] Water Board may require Report of Waste Discharge for these new wastewater systems.
[3] Assume that 18% of rainfall naturally recharges to groundwater unless study demonstrates otherwise.

Zone 7 has a comprehensive water resources monitoring program in place as part of its GWMP. Monitoring elements include groundwater level monitoring, groundwater quality sampling, and climatological, surface water, land use, and wastewater and recycled water monitoring. Zone 7 will continue to use the data collected as part of these monitoring program elements to refine the nitrate concentration maps, Area of Concern boundaries, and the extent of the special OWTS permitting areas. Zone 7 will also continue to work with property owners and developers to fully characterize nitrate concentrations and nitrogen loading for projects inside the Areas of Concern. This may require the installation and monitoring of additional monitoring wells up-gradient and down-gradient of the areas with high nitrate concentrations by the owners and developers.

NMP-related monitoring results will be reported along with other groundwater sustainability and management information in Zone 7's annual Groundwater Management Program reports. Minor updates to the SMP/NMP will also be reported in the annual reports. As the assigned Groundwater Sustainability Agency for the groundwater basins located within its service areas, Zone 7 plans to incorporate the then current SMP/NMP into a Sustainable Groundwater Management Plan for the Livermore Valley Groundwater Basin before the due date of January 31, 2022.

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

Approving and Adopting the Nutrient Management Plan

WHEREAS, in 2009 the State Water Resources Control Board adopted a Recycled Water Policy that requires Salt/Nutrient Management Plans (SNMPs) be completed for all groundwater basins in California that did not already have Salt Management Plans but where recycled water is used; and

WHEREAS, Zone 7 completed a Salt Management Plan (SMP) for the Livermore Valley Groundwater Basin in 2004 that was approved by the Regional Water Quality Control Board – San Francisco Region on September 24, 2004; and

WHEREAS, the Livermore Valley Groundwater Basin is currently subject to a Groundwater Management Plan adopted by Zone 7 pursuant to its authority under the California Groundwater Management Planning Act (Water Code Sections 10750, et seq); and

WHEREAS, Water Code section 10753.7 requires the agency implementing a Groundwater Management Plan to include components relating to the monitoring and management of groundwater quality, and directs agencies to work cooperatively to achieve that objective; and

WHEREAS, Zone 7 recently developed a draft Nutrient Management Plan (NMP) to amend its existing SMP thus satisfying the State requirement for a SNMP with the combination of the two management plans; and

WHEREAS, the NMP was developed with input from the San Francisco Bay Regional Water Quality Control Board (RWQCB), Alameda County Environmental Health (ACEH), Alameda County Community Development Agency (Alameda CDA), Zone 7's Retailers (City of Livermore, DSRSD, City of Pleasanton, California Water Service), local septic tank owners, and other interested parties between 2013 and 2014; and

WHEREAS, the NMP estimates that average nitrate concentrations are below the Basin Objective and are not expected to increase significantly during or following the buildout of the Valley's population; and

WHEREAS, the NMP recommends the continued use of existing "best management practices" for fertilizer application, recycled water irrigation, livestock manure management, and winery wastewater disposal as protective measures; and

WHEREAS, the NMP identifies ten (10) localized 'Areas of Concern' where nitrate concentrations in groundwater exceed the Maximum Contamination Limit (MCL) for drinking water in California and the RWQCB's Basin Plan Objective for the Livermore Valley Groundwater Basin; and

WHEREAS, the NMP proposes special onsite wastewater treatment system (OWTS) permit requirements in five (5) of the 'Areas of Concern,' where wastewater disposal continues to be accomplished using septic tank systems, aimed at reducing the current nutrient loading in these areas over time; and

WHEREAS, a stakeholders meeting was held for owners of property within the five (5) unsewered 'Areas of Concern' on April 15, 2014 to hear a presentation on nitrate occurrences in the Livermore Basin and what OWTS permitting recommendations Zone 7 was planning to include in the NMP, and to provide an opportunity for stakeholder input to the plan; and

WHEREAS, Zone 7 also discussed the proposed special OWTS permit requirements for the 'Areas of Concern' at length with the RWQCB, ACEH, Alameda CDA, and Zone 7 Retailers, and publically with the Zone 7 Board of Directors' Water Resources Committee; and

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

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 and adopt the February 2015 Nutrient Management Plan as the basis for Zone 7's nutrient management policy for future activities; and

BE IT FURTHER RESOLVED that the Board amends the existing Groundwater Management Plan for the Livermore Valley Groundwater Basin to incorporate the February 2015 Nutrient Management Plan; and

BE IT FURTHER RESOLVED that the General Manager is authorized to establish a rebate program to offset a portion of the incremental cost of installing an advanced system with nitrogen treatment to encourage homeowners in the Areas of Concern during replacement of existing conventional systems where no capacity is being added that is consistent with approved budgets.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on February 18, 2015.

By: ______________________________

President, Board of Directors

2/21/15 Board written/narrative comments by Dick Quigley

Jan 28 - Attended a Tri Valley Conservancy new officer/board dinner meeting.

Jan 29 & 30 - Participated at ACWA Board meeting and planning workshop in Sacramento:

ACTION/DISCUSSION ITEMS:

A. Executive Department Initiatives –
  1. ACWA 2014-2015 Strategic and Business Plan Review: Areas of Emphasis for 2015
  2. Finance Committee Report –
     a) Third Quarter 2014 Financial Statements
  3. ACWA Water Storage Policy Task Force Update
  4. Sustainable Groundwater Management Act (SGMA)
  5. Implementation Policy Group Update

B. Government Relations Team Initiatives
  1. State Legislative
  2. Federal Legislative
     a) National Water Resources Association (NWRA) Update
  3. Legal Affairs Update Daniel
  4. State Regulatory Issues Update
  5. Federal Regulatory Issues Update
  6. Special Projects Update

C. External Affairs and Operations Team Initiatives
  1. ACWA Drought Efforts –
     a) ACWA Drought Response
     b) 2015 Save Our Water Update
  2. Communications and Outreach Update –
     a) Communications Committee Actions and Activities
     b) Communications Department Activities
     c) ACWA Media Efforts
  3. Member Services and Events

Jan 4 - Attended special board meeting facilitated by Dr Bill Mathis.

Jan 5 - Attended Tri-Valley Water Liaison Committee Meeting: Pleasanton Operations Service Center, Pleasanton What: Water Policy Roundtable. The meeting involved small group discussions on water reliability elements and priorities, and Report outs and discussion on reliability standards. Water agency staff and elected participated with a number of public present. My take away was elected group was looking for clarity and simplicity, i.e.) one portfolio verses three, Stock portfolio approach (Marchand and Woerner). I was in agreement. On reliability standards there seemed to be a feeling that an 85% reliability was about right.

Let me know if you have any questions or suggestions.

Thanks,

DQ

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

ORIGINATING SECTION: ADMINISTRATION
CONTACT: Jill Duerig

AGENDA DATE: February 18, 2015 **ITEM NO. 15a**

SUBJECT: GENERAL MANAGER'S REPORT

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

Environmental & External Affairs:

- With January being so dry, the Department of Water Resources (DWR) is pursuing permits to enable them to place rock barriers later this year, should they be needed from a water quality standpoint. The barriers would be erected across three Delta channels: False River (near Oakley) and at Sutter and Steamboat sloughs (near Courtland, south of Sacramento).

- The level in Lake Del Valle continues to hold at 695.4 feet (34,800 acre feet), which is an increase of nearly 5,000 acre feet/AF from the December rains (Zone 7 and ACWD share the stored water so Zone 7's share is about 2400 AF). Releases to the Arroyo Valle are currently 10 cubic feet per second (about 20 AF/day) to satisfy permit conditions requiring maintenance of a "live stream" through Pleasanton when local runoff is stored in the lake.

- Stream gauges continue to be upgraded to improve surface water monitoring and reporting. Several gauges in Zone 7's service area are now providing 30-minute readings available to the public at https://stormcentral.waterlog.com/public/Zone7.

Engineering and Flood Control:

- All coating work for the Del Valle SuperPulsator rehabilitation project was completed in January, although some touch-ups might follow if inspections indicate they are needed. Equipment installation should be complete by the first week in February, with start-up and testing scheduled the week of February 9th.

- Testing of Stoneridge Well's various screened intervals is planned to determine if chromium is greater at certain elevations. If so, those screens would be sealed off to prevent any higher-chromium water from entering the well, although this likely would reduce overall well production.

Administration:

- The most recent update from DWR's State Water Project Analysis Office (SWPAO) is that the 2014 under-billing might result in slightly over $3 million in additional charges for Zone 7 that will appear on Zone 7's 2015 water invoices. As budget preparation moves forward, staff will prepare a recommendation as to how to pay for this increase.

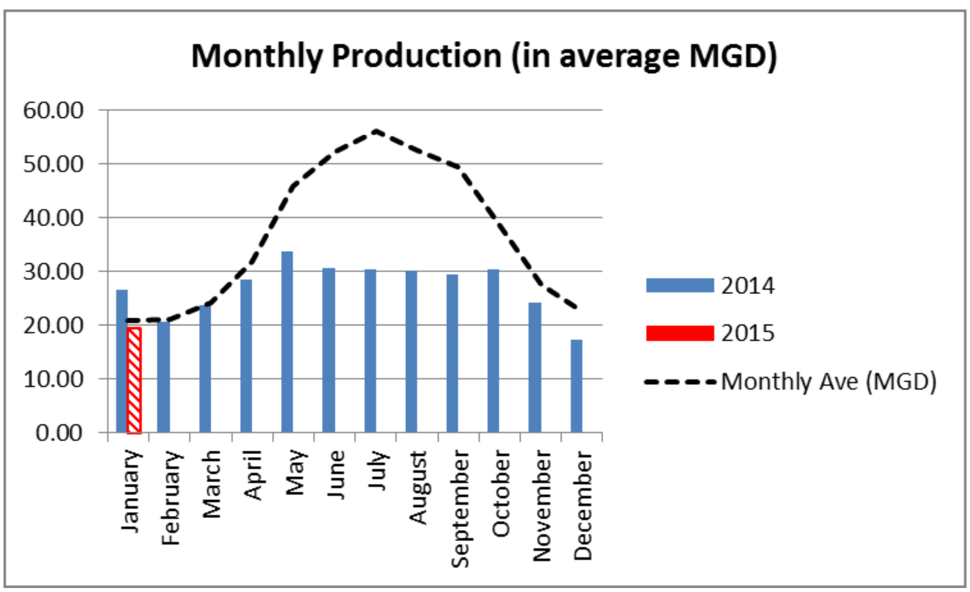
- Printed material is being distributed to 4th and 5th grade teachers throughout the service area regarding a Conservation Poster Contest sponsored by the California Arts Council, DWR and the Save Our Water Program.

Operations and Maintenance:

- Filter-clogging algae have been detected by DWR in the State Project water. So far, no impacts on Zone 7's facilities have been observed, perhaps because of the low production rates.

- The Del Valle Water Treatment Plant (DVWTP) was shut down on January 22nd and stayed offline through the end of the month for annual maintenance (such as replacement of the Motor Control Center in DVWTP's Control Gallery) and staff training. Once DVWTP is back online, Patterson Pass will go offline for its respective maintenance and training.

- Demands in January 2015 (19.4 MGD) were higher than in December 2014 (17.3 MGD), perhaps because of the dry weather and the perceived need to water lawns, but still much lower than last year's dry January (26.7 MGD):



Monthly List of GM Contracts

January 2015

Contracts:

Dew Point Consulting	$36,055	Executive Coaching and Organizational Development Support
Besst, Inc.	18,150	Chromium Interval Testing of Stoneridge Well
Liebert Cassidy Whitmore	2,175	Northern California Employment Relations Consortium
Bay Area Coating Consultants, Inc.	13,000	Coating Inspection Services
Hunt Enterprises	50,000	Delta Public Outreach/Education
Total January 2015	$119,380	

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

ORIGINATING DIVISION: ADMINISTRATIVE SERVICES
CONTACT PERSON: MIKE WALLACE/TAMARA BAPTISTA

AGENDA DATE: February 18, 2015 ITEM NO. **15b**

SUBJECT: **Monthly Budget Report**

SUMMARY:

This report provides a summary of FY 14/15 budget performance and explanations of any major variances for the period July 1, 2014 through January 31, 2015.

The following provides explanations and additional details concerning this report:

The period of July 1, 2014 through January 31, 2015 is reported herein, which is approximately 58% of the fiscal year or seven months. However, Zone 7's revenue and expense cycles do not follow this pattern because of the nature of our business, which is seasonal and as needed. For example, the first installment of property tax revenue is not received until December and capital project expenses vary based on construction schedules. By January, we typically expect somewhere between 40-55% of the budget to have been used. This is because services rendered/goods purchased in January would typically be billed and paid for in February.

The FY 14/15 Budget shown is the amended budget which includes any additional Board-approved appropriations, prior-year encumbrance carryovers and unspent capital project balances carried forward to this fiscal year.

The attached Fund Equity Changes Report details year-to-date changes in fund balance by fund type and category. Note the overall fund balance of the Proprietary Fund Category (Water Enterprise Funds), decreased by $12.4M and the Governmental Fund Category (Flood Control Funds) increased by $2.9M. This is primarily due to the timing differences between the receipt of property tax/connection fee revenue and DWR payments for fixed costs, which are the bulk of Fund 110 and 130 expenses.

The information in the following tables summarizes, by fund, the attached Annual Budget by Account Classification Report:

Water Enterprise Fund – Fund 100 (formerly Fund 52):

Category	FY 14/15 Amended Budget	FY 14/15 YTD Actual	FY 14/15 % Used/Received
Revenue	$ 34,461,062	$ 15,896,188	46%
Expenses	$ 50,157,219	$ 21,141,304	42%

This fund provides financing for the acquisition and conveyance of raw water, treatment and delivery to the Zone 7 service area. The main source of revenue for this fund is water sales. FY 14/15 YTD revenue is primarily from the sale of 14,273 acre-feet of treated water through December 2014. The month of December 2014 treated water sales of $1.5M are approximately 84% of the December 2013 amount of $1.7M. January water sales revenue is not reported because the meter reading data that generates the monthly water billing was not available at the time of this report. Other revenue is from grant proceeds and DWR refunds; both are greater than the budget estimates.

YTD expenses include the first and second quarter transfers to Fund 120, water production costs, maintenance, miscellaneous services/supplies and memberships and dues. While imported water purchases were low due to the low allocation and minimal access to transfers, they have since increased due to the purchase of Semitropic water. Utility and chemical costs remain within the normal range because Zone 7 pumped more groundwater over the summer and used higher dosages of chemicals to mitigate source water quality issues. Rental expenses remain significantly less than budget because the potential use of portable generators for the wells during the drought has not been required to date. Organizational memberships are due and paid at the beginning of the fiscal year, resulting in the 75% as shown in the attached report. Equipment increased 44% from last month due to a server replacement.

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

Category	FY 14/15 Amended Budget	FY 14/15 YTD Actual	FY 14/15 % Used/Received
Revenue	$ 14,060,937	$ 6,839,517	49%
Expenses	$ 14,227,251	$ 12,183,523	86%

This is a pass-through fund for fixed charges associated with the State Water Project, assessed as a property tax override. YTD revenue is from DWR refunds and the first installment of property tax payments, which should represent about half of the projected revenue. YTD expenses reflect payments to DWR for fixed costs through January 2015. DWR charges are both monthly and semi-annual - Transportation Capital charges are paid in January/July and the SBA Improvement and Enlargement debt service payments are paid in March/September, so expenses of about 86% of budget are as expected.

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

Category	FY 14/15 Amended Budget	FY 14/15 YTD Actual	FY 14/15 % Used/Received
Revenue	$ 13,129,324	$ 6,764,090	52%
Expenses	$ 11,751,032	$ 4,358,253	37%

This fund pays for capital projects addressing the replacement and improvement of the current water treatment and delivery system. The primary source of funding is a quarterly transfer from Fund 100 – Water Enterprise; the first and second quarter transfers have been posted. Other revenue is from the sale of plans and specifications, grant proceeds and Dougherty Valley Facility Use Fees.

FY 14/15 YTD expenses reflect capital project expenses such as a portion of the Chain of Lakes Well 5 costs, Cope Lake Slope Repair, Groundwater Model Upgrade, AV Water Right Permit Extension, Busch Valley Well #1 project, DVWTP Sludge Handling Improvements, DVWTP Superpulsator Rehabilitation, the DVWTP Caustic Soda System, Filter 1 Media Replacement projects at DVWTP, PPWTP Ferric Chloride & Caustic Improvement project, Nutrient Management Plan Update and this fund's share of the North Canyons Building Lease. Capital project expenses are tied to construction schedules. Projects related to the existing treatment facilities are typically done during the fall and winter when water demands are lower, and plant flows can be reduced or interrupted to facilitate construction.

Water Expansion – Fund 130 (formerly Fund 73):

Category	FY 14/15 Amended Budget	FY 14/15 YTD Actual	FY 14/15 % Used/Received
Revenue	$ 22,042,020	$ 9,923,646	45%
Expenses	$ 21,433,029	$ 13,527,292	63%

This fund is intended to provide funding for new facilities and supplies to meet the demands of new development, many of them fixed (i.e., bond payment obligations for debt incurred by others). The primary source of revenue is connection fees. YTD revenue is primarily comprised of connection fee revenue from 364 connections. Since July 1, 2014, a total of 145 connection fee credits have been used totaling $3.5M, while 304 credits remain outstanding, valued at $7.5M at the 2015 connection fee level (see Chart 1 attached). FY 14/15 YTD expenses reflect this fund's portion of capital project expenses such as Chain of Lakes Well 5 costs, Nutrient Management Plan Update, Busch Valley Well #1 project, Cope Lake Slope Repair and the SBA Improvement and Enlargement debt service payment ($9.8M). The SBA payment is made twice a year (March and September), with September always being the higher payment per the DWR debt service schedule.

Flood Protection Operations – Fund 200 (formerly Fund 50):

Category	FY 14/15 Amended Budget	FY 14/15 YTD Actual	FY 14/15 % Used/Received
Revenue	$ 6,505,936	$ 3,698,241	57%
Expenses	$ 14,279,561	$ 2,471,490	17%

This fund provides for general administration and the maintenance and improvement of the existing flood protection system. The primary source of revenue is property taxes. YTD revenue represents the first installment of property tax payments and other charges for services.

Expenses include labor, a fraction of the North Canyons lease payment, flood protection maintenance activities and capital project expenses such as the Cope Lake Slope Repair Project, Arroyo Mocho – Stanley Reach R. 3.5, Arroyo Las Positas Reach 1-7 Improvement Project, Living Arroyos Program, Sediment Study – SFE 2010, Flood Control Hydrology Study, and the Stream Management Master Plan Update. Budgeted projects (e.g., Arroyo Las Positas Treatment Wetland and Chabot Canal Regional Stormwater Detention projects) have yet to commence. Note these projects are funded by both Fund 200 and Fund 210.

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

Category	FY 14/15 Amended Budget	FY 14/15 YTD Actual	FY 14/15 % Used/Received
Revenue	$ 2,646,500	$ 1,949,821	74%
Expenses	$ 7,022,157	$ 320,101	5%

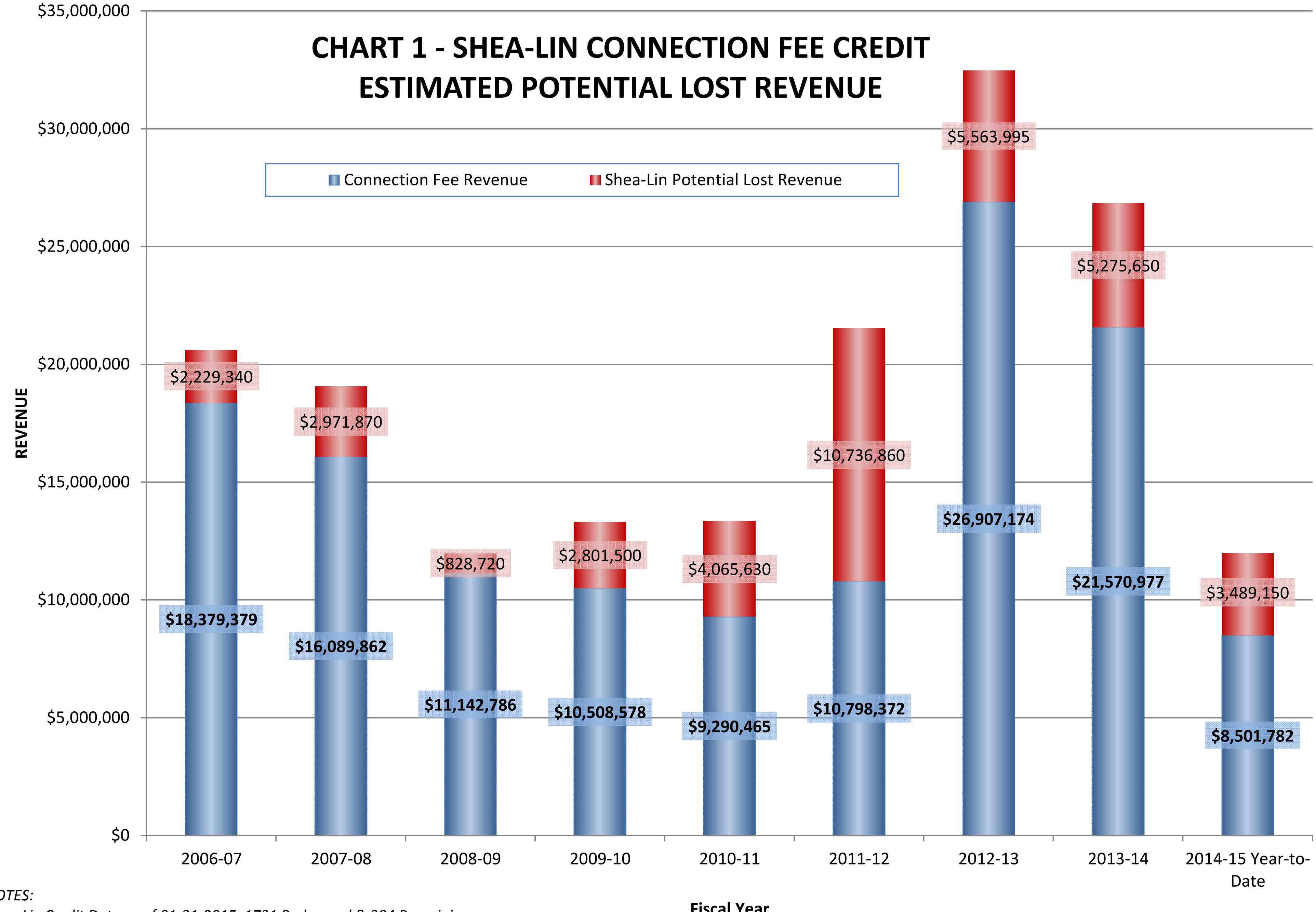
This fund pays for flood protection facilities required for new development. The primary source of revenue is from development impact fees. Zone 7 tends to receive most development impact fee revenue in the spring/early summer. FY 14/15 YTD capital project expenses are for the Cope Lake Slope Repair, Arroyo Mocho – Stanley Reach R. 3.5, Living Arroyos Program, Sediment Study – SFE 2010, Flood Control Hydrology Study, SMMP Update and the Arroyo Las Positas Reach 1-7 Improvement Project. Budgeted projects that are split with Fund 200 (e.g., Arroyo Las Positas Treatment Wetland and Chabot Canal Regional Stormwater Detention projects) have yet to commence.

RECOMMENDED ACTION:

Information only.

ATTACHMENTS:

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



NOTES:
Shea-Lin Credit Data as of 01-31-2015, 1731 Redeemed & 304 Remaining.
Revenue as of 09-30-2014 for Livermore, 11-30-2014 for Pleasanton, 12-31-2014 for DSRSD
Initial Calendar Year 2000 Payment of $10,000,000 in for Credits is Not Reflected in This Graph

ZONE 7 WATER AGENCY

Budget vs Actual by Account Classification Report

For the period 7/1/2014 - 1/31/2015

	FY 14/15 Amended Budget	FY14/15 YTD Actual	% Used/Rec
FUND: 100 Water Enterprise Operations			
Revenue			
411 - Water Sales & Service	$34,246,611.00	$15,386,523.13	45%
441 - Charges for Services	$0.00	$1,450.00	-
452 - Aid from Governmental Agencies - State	$0.00	$154,019.16	-
461 - Investment Earnings	$75,000.00	$21,068.81	28%
462 - Rents and Royalties	$65,263.00	$17,798.09	27%
464 - Fines and Penalties	$0.00	$62.77	-
481 - Other Revenue	$74,188.00	$315,265.97	425%
Revenue Totals	$34,461,062.00	$15,896,187.93	46%
Expenditures			
511 - Personal Services - Salaries and Wages[1]	$13,859,924.00	$6,226,283.90	45%
512 - Personal Services - Overtime[1]	$215,074.00	$67,985.17	32%
513 - Personal Services - Benefits[1]	$7,120,240.00	$3,062,817.30	43%
600 - Labor & Overhead Distributed[2]	($7,961,534.00)	($1,881,087.38)	24%
611 - Purchased Services	$4,456,603.00	$1,231,686.97	28%
621 - Water	$9,014,831.00	$2,783,396.86	31%
631 - Chemicals	$2,250,973.00	$1,030,056.64	46%
641 - Utilities	$1,922,616.00	$959,973.18	50%
643 - Communications	$174,124.00	$63,786.28	37%
651 - Cleaning Services	$50,931.00	$25,480.70	50%
652 - Repairs and Maintenance	$2,833,012.00	$740,536.28	26%
653 - Rental Services	$792,900.00	$39,265.06	5%
661 - General Office Services/ Supplies	$610,897.00	$207,297.00	34%
662 - Organizational Membership/ Participation	$467,783.00	$350,214.12	75%
665 - Other Services/ Supplies	$396,228.00	$162,169.40	41%
667 - Training and Travel	$402,045.00	$57,833.70	14%
669 - Special Departmental Expense	$698,948.00	$157,584.41	23%
671 - Equipment, Furniture and Vehicles	$27,700.00	$12,188.73	44%
691 - Transfers	$12,823,924.00	$6,480,295.34	51%
Expenditure Totals	$50,157,219.00	$21,777,763.66	43%
Revenue Less Expenses Fund 100 Total	($15,696,157.00)	($5,881,575.73)	
FUND: 110 State Water Facilities			
Revenue			
411 - Water Sales & Service	$1,311,950.00	$0.00	0%
421 - Property Taxes	$11,350,000.00	$6,017,563.81	53%
452 - Aid from Governmental Agencies - State	$45,000.00	$0.00	0%
453 - Aid from Governmental Agencies - Local	$610.00	$0.00	0%
461 - Investment Earnings	$15,000.00	$3,181.64	21%
481 - Other Revenue	$1,338,377.00	$818,771.60	61%
Revenue Totals	$14,060,937.00	$6,839,517.05	49%
Expenditures			
621 - Water	$14,227,251.00	$12,183,522.54	86%
Expenditure Totals	$14,227,251.00	$12,183,522.54	86%
Revenue Less Expenses Fund 110 Total	($166,314.00)	($5,344,005.49)	

ZONE 7 WATER AGENCY

Budget vs Actual by Account Classification Report

For the period 7/1/2014 - 1/31/2015

	FY 14/15 Amended Budget	FY14/15 YTD Actual	% Used/Rec
FUND: 120 Water Enterprise Capital IR&R			
Revenue			
431 - Development Fees	$250,000.00	$293,039.40	117%
441 - Charges for Services	$2,500.00	$150.00	6%
452 - Aid from Governmental Agencies - State	$0.00	$45,497.00	-
461 - Investment Earnings	$52,900.00	$13,441.30	25%
499 - Transfers	$12,823,924.00	$6,411,962.00	50%
Revenue Totals	$13,129,324.00	$6,764,089.70	52%
Expenditures			
600 - Labor & Overhead Distributed[1]	$1,177,962.00	$663,291.37	56%
611 - Purchased Services	$2,875,329.00	$252,347.10	9%
643 - Communications	$0.00	$13.50	-
653 - Rental Services	$549,198.00	$324,641.16	59%
661 - General Office Services/ Supplies	$150,000.00	$7,744.36	5%
665 - Other Services/ Supplies	$8,595.00	$13,909.33	162%
669 - Special Departmental Expense	$978,698.00	$0.00	0%
671 - Equipment, Furniture and Vehicles	$120,000.00	$0.00	0%
672 - Land and Facility Improvements	$5,891,250.00	$3,096,305.68	53%
Expenditure Totals	$11,751,032.00	$4,358,252.50	37%
Revenue Less Expenses Fund 120 Total	$1,378,292.00	$2,405,837.20	
FUND: 130 Water Enterprise Cap Expansion			
Revenue			
431 - Development Fees	$19,020,120.00	$8,501,781.70	45%
452 - Aid from Governmental Agencies - State	$0.00	$19,498.71	-
461 - Investment Earnings	$81,100.00	$22,366.76	28%
481 - Other Revenue	$2,940,800.00	$1,379,998.40	47%
Revenue Totals	$22,042,020.00	$9,923,645.57	45%
Expenditures			
600 - Labor & Overhead Distributed[1]	$636,105.00	$188,780.57	30%
611 - Purchased Services	$1,808,744.00	$127,396.62	7%
621 - Water	$16,744,211.00	$11,780,094.41	70%
643 - Communications	$0.00	$13.50	-
653 - Rental Services	$426,376.00	$252,498.69	59%
661 - General Office Services/ Supplies	$0.00	$2,114.92	-
662 - Organizational Membership/ Participation	$694.00	$626.70	90%
669 - Special Departmental Expense[3]	$472,643.00	$24,577.32	5%
672 - Land and Facility Improvements	$1,344,256.00	$1,151,188.80	86%
Expenditure Totals	$21,433,029.00	$13,527,291.53	63%
Revenue Less Expenses Fund 130 Total	$608,991.00	($3,603,645.96)	

ZONE 7 WATER AGENCY

Budget vs Actual by Account Classification Report

For the period 7/1/2014 - 1/31/2015

	FY 14/15 Amended Budget	FY14/15 YTD Actual	% Used/Rec
FUND: 200 Flood Protection Operations			
Revenue			
421 - Property Taxes	$6,307,731.00	$3,494,333.85	55%
441 - Charges for Services	$13,000.00	$104,535.05	804%
452 - Aid from Governmental Agencies - State	$54,000.00	$46,562.67	86%
453 - Aid from Governmental Agencies - Local	$10,700.00	$0.00	0%
461 - Investment Earnings	$25,000.00	$10,747.01	43%
462 - Rents and Royalties	$60,505.00	$42,062.15	70%
481 - Other Revenue	$35,000.00	$0.00	0%
Revenue Totals	$6,505,936.00	$3,698,240.73	57%
Expenditures			
600 - Labor & Overhead Distributed[1]	$2,098,094.00	$921,620.54	44%
611 - Purchased Services	$6,178,344.00	$244,206.11	4%
643 - Communications	$3,000.00	$1,848.54	62%
651 - Cleaning Services	$10,000.00	$1,905.85	19%
652 - Repairs and Maintenance	$2,355,491.00	$1,104,421.16	47%
653 - Rental Services	$159,322.00	$89,439.45	56%
661 - General Office Services/ Supplies	$19,550.00	$6,021.56	31%
662 - Organizational Membership/ Participation	$175,584.00	$13,032.50	7%
665 - Other Services/ Supplies	$516,902.00	$32,702.27	6%
667 - Training and Travel	$31,400.00	$2,325.00	7%
669 - Special Departmental Expense	$13,333.00	$0.00	0%
672 - Land and Facility Improvements	$2,718,541.00	$47,300.00	2%
691 - Transfers	$0.00	$6,666.66	-
Expenditure Totals	$14,279,561.00	$2,471,489.64	17%
Revenue Less Expenses Fund 200 Total	($7,773,625.00)	$1,226,751.09	
FUND: 210 Flood Protection/Drainage DIF			
Revenue			
431 - Development Fees	$2,530,000.00	$1,871,449.06	74%
441 - Charges for Services	$0.00	$17,000.00	-
452 - Aid from Governmental Agencies - State	$0.00	$32,357.11	-
461 - Investment Earnings	$91,500.00	$29,015.07	32%
481 - Other Revenue	$25,000.00	$0.00	0%
Revenue Totals	$2,646,500.00	$1,949,821.24	74%
Expenditures			
600 - Labor & Overhead Distributed[1]	$665,730.00	$112,742.42	17%
611 - Purchased Services	$5,166,799.00	$74,855.60	1%
643 - Communications	$0.00	$5.72	-
653 - Rental Services	$121,822.00	$72,240.66	59%
661 - General Office Services/ Supplies	$0.00	$56.17	-
669 - Special Departmental Expense	$250,000.00	$0.00	0%
672 - Land and Facility Improvements	$817,806.00	$60,200.00	7%
Expenditure Totals	$7,022,157.00	$320,100.57	5%
FUND Total: Flood Protection/Drainage DIF	($4,375,657.00)	$1,629,720.67	-37%
Revenue Grand Totals:	$92,845,779.00	$45,071,502.22	49%
Expenditure Grand Totals:	$118,870,249.00	$54,638,420.44	46%
Net Grand Totals:	($26,024,470.00)	($9,566,918.22)	

Notes:

1. Agency-wide salaries, wages, overtime and benefits are budgeted in Fund 100, then distributed to other funds based on assignments and work demands.
2. This is a credit to Fund 100 for salaries, wages, overtime and benefits charged to other funds.

Fund Balance Changes Report

Through 01/31/15

Summary Listing

FUND	FUND Description	July 1, 2014 Audited Fund Balance	YTD Revenues	YTD Expenses	January 31, 2015 Estimated Fund Balance
Fund Category **Proprietary Funds**					
Fund Type **Enterprise Funds**					
100	Water Enterprise Operations	30,450,709	15,896,188	21,777,764	24,569,133
110	State Water Facilities	8,849,889	6,839,517	12,183,523	3,505,884
120	Water Enterprise Capital IR&R	18,690,974	6,764,090	4,358,253	21,096,811
130	Water Enterprise Cap Expansion	33,346,252	9,923,646	13,527,292	29,742,606
	Fund Type **Enterprise Funds** Totals	91,337,825	39,423,440	51,846,830	78,914,435
	Fund Category **Proprietary Funds** Totals	91,337,825	39,423,440	51,846,830	78,914,435
Fund Category **Governmental Funds**					
Fund Type **Special Revenue Funds**					
200	Flood Protection Operations	15,260,267	3,698,241	2,471,490	16,487,018
210	Flood Protection/Drainage DIF	41,506,429	1,949,821	320,101	43,136,150
	Fund Type **Special Revenue Funds** Totals	56,766,696	5,648,062	2,791,590	59,623,168
	Fund Category **Governmental Funds** Totals	56,766,696	5,648,062	2,791,590	59,623,168
	Grand Totals	148,104,521	45,071,502	54,638,420	138,537,602

Please note:

This report shows the total reserves or fund balance for each fund on a cash basis. Annually after making accruals for revenues and expenses and closing the books, individual reserves are calculated and reported in the audit. Individual reserves are not calculated on a monthly basis because the timing differences in the receipt of revenues and paymet of expenses as well as lack of accruals are likely to produce misleading results.

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

ORIGINATING SECTION: ADMINISTRATIVE SERVICES
CONTACT: TOM PICO

AGENDA DATE: February 18, 2015 ITEM NO. **15c**

SUBJECT: January Legislative Update

SUMMARY:

- Zone 7 staff, with the support of Agency consultants, monitors legislation that is being considered in Sacramento, as well as other political activities of interest to the Agency.
- Governor Jerry Brown set March 17 for the special primary election to serve the remaining two years of Mark DeSaulnier's term representing the 7th Senate District, which includes most of Zone 7's service area. DeSaulnier was elected to Congress and sworn in on January 6. Five candidates filed to run for the Senate seat: Democrats Joan Buchanan, Susan Bonilla, Steve Glazer and Terry Kremin; and Republican Michaela M. Hertle. Although her name will remain on the ballot, Hertle has announced that she is withdrawing and endorsing Glazer. Buchanan was just termed out from the 16th Assembly District seat, while Bonilla was re-elected in November to represent the Assembly's 14th District. Glazer, Orinda's mayor, finished third in the hard-fought 16th Assembly District primary last June. Kremin has run unsuccessfully twice for Concord City Council. If no candidate receives more than 50 percent of the vote, the run-off will be held May 19.
- The governor released his proposed budget on January 9. It proposes $1.7 billion to implement the 2014 California Water Action Plan. It also proposes allocating $532.5 million from the water bond. To implement the groundwater management plan, the budget allocates $6 million to the Department of Water Resources (DWR) for technical assistance to local agencies. The proposal includes $1.4 million for DWR to identify water management operational improvements to deal with the drought. This is in addition to $115 million on a one-time basis to continue emergency drought operations. Budget sub-committees will hold hearings on the proposals over the next few months, but final action will come during budget approvals in May and June.
- The California Water Commission began the two-year process to develop the rules for allocating the $2.7 billion for water storage in the water bond. DWR Director Mark Cowin said there should be an integrated approach to include surface and ground storage as well as re-operation. The two-year timetable was described as "aggressive" by one commissioner.

RECOMMENDED ACTION: Information only.

EXECUTIVE SUMMARY
State Legislation

Prepared for the Zone 7 Water Agency, Eastern Alameda County by The Gualco Group, Inc.

For the February 18, 2015 Board Meeting

Bill	Topic	Synopsis	Staff Recommendation	Status of the Bill/Comments as of 01/31/15
Water Management				
AB 149 (Chavez)	Urban water management plans	This bill, commencing January 1, 2017, would require an urban water supplier to update its plan at least once every five years on or before December 31 in years ending in 6 and 1. The bill would also require the Department of Water Resources to submit its report to the Legislature, on or before December 31, in years ending in 7 and 2.	Watch	Introduced
Groundwater				
SB 13 (Pavley)	Groundwater	This bill would provide a local agency or groundwater sustainability agency 90 or 180 days, as prescribed, to remedy certain deficiencies that caused the State Water Resources Control Board to designate the basin as a probationary basin. This bill would authorize the board to develop an interim plan for certain probationary basins one year after the designation of the basin as a probationary basin.	Watch	Introduced
Well Reports				
SB 20 (Pavley)	Wells: reports: public availability	This bill would require the Department of Water Resources to, upon request, make the report of any person who digs, bores, or drills a water well, cathodic protection well, or a monitoring well, or abandons or destroys a well, or deepens or re-perforates a well, available to the public.	Watch	Introduced

Bill	Topic	Synopsis	Staff Recommendation	Status of the Bill/Comments as of 01/31/15
CEQA				
SB 127 (Vidak)	Environmental quality: Water Quality, Supply, and Infrastructure Improvement Act of 2014	This bill would require the public agency, in certifying the environmental impact report and in granting approvals for projects funded, in whole or in part, by Proposition 1, including the concurrent preparation of the record of proceedings and the certification of the record of proceeding within 5 days of the filing of a specified notice, to comply with specified procedures. The bill would require the Judicial Council, on or before July 1, 2016, to adopt a rule of court to establish procedures applicable to actions or proceedings seeking judicial review of a public agency's action in certifying the environmental impact report and in granting project approval for those projects that require the actions or proceedings, including any appeals therefrom, be resolved, to the extent feasible, within 270 days of the certification of the record of proceedings.	Watch	Introduced

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

ORIGINATING SECTION: ADMINISTRATIVE SERVICES
CONTACT: BONI BREWER/TOM PICO

AGENDA DATE: February 18, 2015 ITEM NO. **15d**

SUBJECT: January Outreach Activities

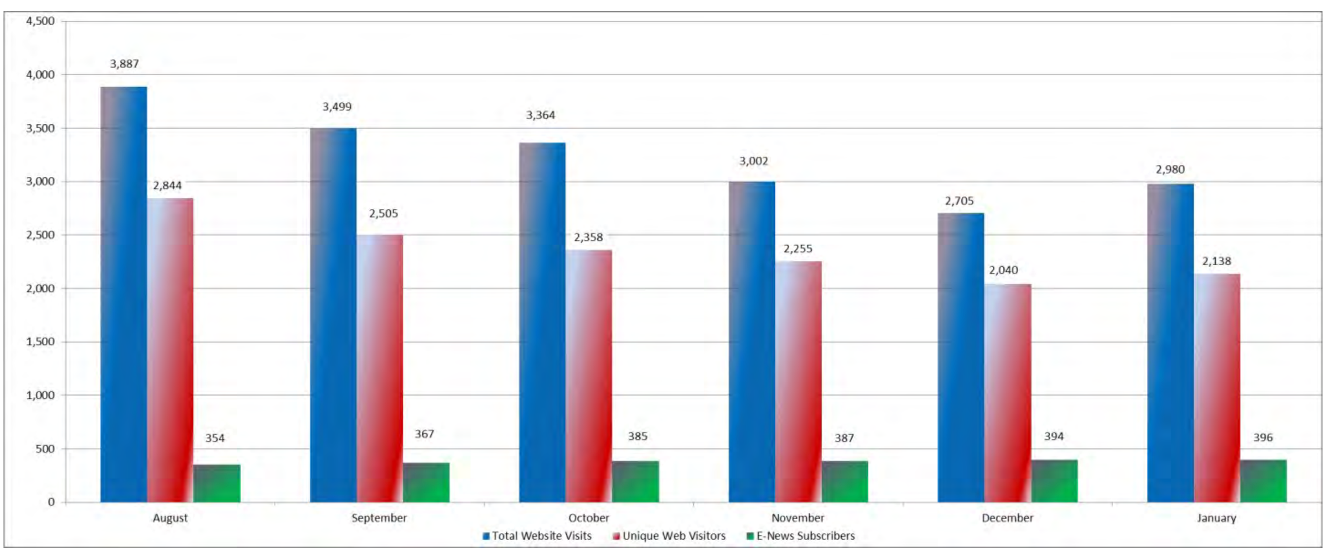
E-Newsletter, January 22nd

The e-newsletter had an article on the continuing drought and the need for residents and businesses to keep automated sprinklers turned off; and another article on the Board's approval of a contract that continues to expand Zone 7's popular water education program offered to schools throughout the Valley.

Conservation Creativity Challenge Poster Contest

Zone 7 notified all fourth- and fifth-grade teachers in its service area that the California Arts Council, in partnership with the state Department of Water Resources and Save Our Water, has invited fourth- and fifth-graders here and throughout the state to participate in this contest, which aims to educate students about the serious matter of California's drought.

Website & E-news Subscription Activity



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

ORIGINATING SECTION: Engineering
CONTACT: Rhett Alzona

AGENDA DATE: February 18, 2015

SUBJECT: Drought Update ITEM NO. **15e**

SUMMARY:

- Lake Del Valle's water level is holding steady, with some releases to the Arroyo Valle continuing at 10 cubic feet per second (cfs) including 2.5 cfs to Shadow Cliffs. The current lake level is 695.8' (34,900 AF).

- Raw water TOC concentrations were observed to be around 5.5 mg/L at the treatment plants in January, similar to last month. As a result, coagulant demand continues to be higher than normal to combat the elevated TOC levels.

- Following is the status of the two remaining emergency projects approved by the board on January 29, 2014:

    1. Chain of Lakes Well No. 5 – Substantial completion was on October 31. The well has been operational and is producing around 1,500 gpm (2.1 MGD). Final Completion was on December 24, 2014. There has been some minor warranty work in January as Zone 7 Operations has started using the well.
    2. Busch Valley Well No. 1 – Zone 7 entered into a Progressive Design-Build contract with Conco West, Inc. (with Stantec as sub-consultant). The final basis of design still needs some minor refinements before completion. In addition, two pipe stubs and associated valving are being designed for construction at the site to allow for installation of a temporary, portable booster pump. The temporary pumping will allow testing to determine impacts of such a station on maximizing well capacity and to confirm whether such pumping could also facilitate blending to meet chromium standards. Along with the basis of design, this will be the final work to be undertaken before the remainder of the Busch Valley Well project is deferred.

During the month of January, Del Valle Water Treatment Plant was taken offline so groundwater use made up 25% of supply. Cawelo Water District continues to recover water for Zone 7. Now that Zone 7 has water in storage at Lake Del Valle, releases are being made to both maintain a live stream and recharge the groundwater basin. The Mocho Groundwater Demineralization Plant (MGDP) operation was limited to minimum reverse osmosis (RO) feed to maintain the membranes. Minimal MGDP use avoids discharge of the concentrate and minimizes water loss (waste stream is approximately 15% of the amount of groundwater pumped).

- On January 15, 2015, DWR announced an increase in the *initial* Table A allocation from 10% to 15% due to the precipitation from the storms in early December 2014. The *final* allocation will be issued in April 2015. DWR may revise allocations if warranted by the year's developing hydrologic and water supply conditions.

- Semitropic completed pumping for 2014 water requests as of early January 2015 and has resumed pumping for 2015 water requests in early February to get a good head start on pumping and to maximize the possibility of meeting full recovery requests from banking partners this year. Cawelo continues to recover banked water to fulfill Zone 7's 2014 delivery request.

- To be conservative, Zone 7 has been preparing for another drought year in 2015. Zone 7 continues to store any excess surface water supply (i.e., surface water that could not be used directly at this time) in San Luis Reservoir.

BACKGROUND:

Calendar Year 2013 was the driest year in recorded state history. 2013 also set a new record as the driest year measured in the Livermore-Amador Valley, with total precipitation of only 4.5 inches out of the average yearly rainfall of 14.47-inches (only 31% of average at Livermore Station 15e). At the beginning of 2014, the snowpack's statewide water content was estimated at about 20% of average for this time of year and January 2015 set a record for being the driest January in recorded history for the State and Bay Area.

On January 17, 2014, Governor Jerry Brown declared a State of Emergency in California due to the current drought conditions and asked all citizens to cut back water use by 20%. On January 29, 2014 at a Special Meeting of the Zone 7 Board, a Local Drought Emergency was declared and a Drought Emergency Response Plan was accepted. In addition, on January 31, 2014, the California Department of Water Resources (DWR) announced they were reducing State Water Project allocations from 5% to zero for the first time in history.

On January 29, 2014 the General Manager was authorized and directed to establish an appropriate level of conservation for the Livermore-Amador Valley, consistent with the governor's proclamation of a drought emergency (20% or greater). The initial conservation level was set at 20%.

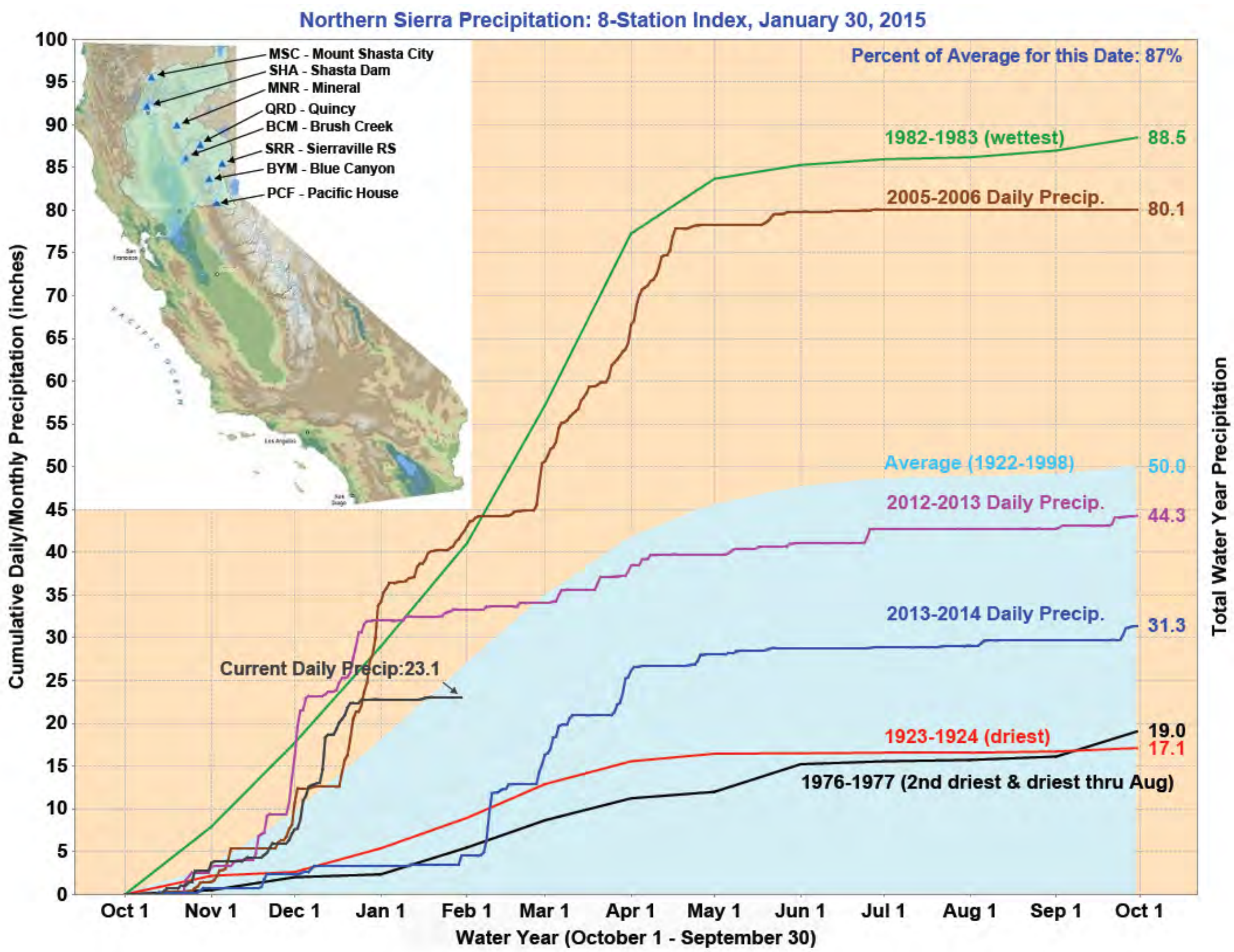
On April 16th, the Zone 7 Board received the annual Sustainability Report and authorized the General Manager to implement Stage Two Actions under the 2010 Urban Water Management Plan to achieve 25% demand reductions. On April 25th, Governor Jerry Brown issued a second drought proclamation.

On July 29th, a State Water Resources Control Board emergency regulation to increase mandatory conservation practices for all Californians went into effect. The new conservation regulation targets outdoor urban water use and mandates conservation reporting by retail water agencies.

On August 14th, the California Public Utilities Commission ordered the water companies under its jurisdiction to provide notice to their customers of the July 29th emergency regulation.

DISCUSSION:

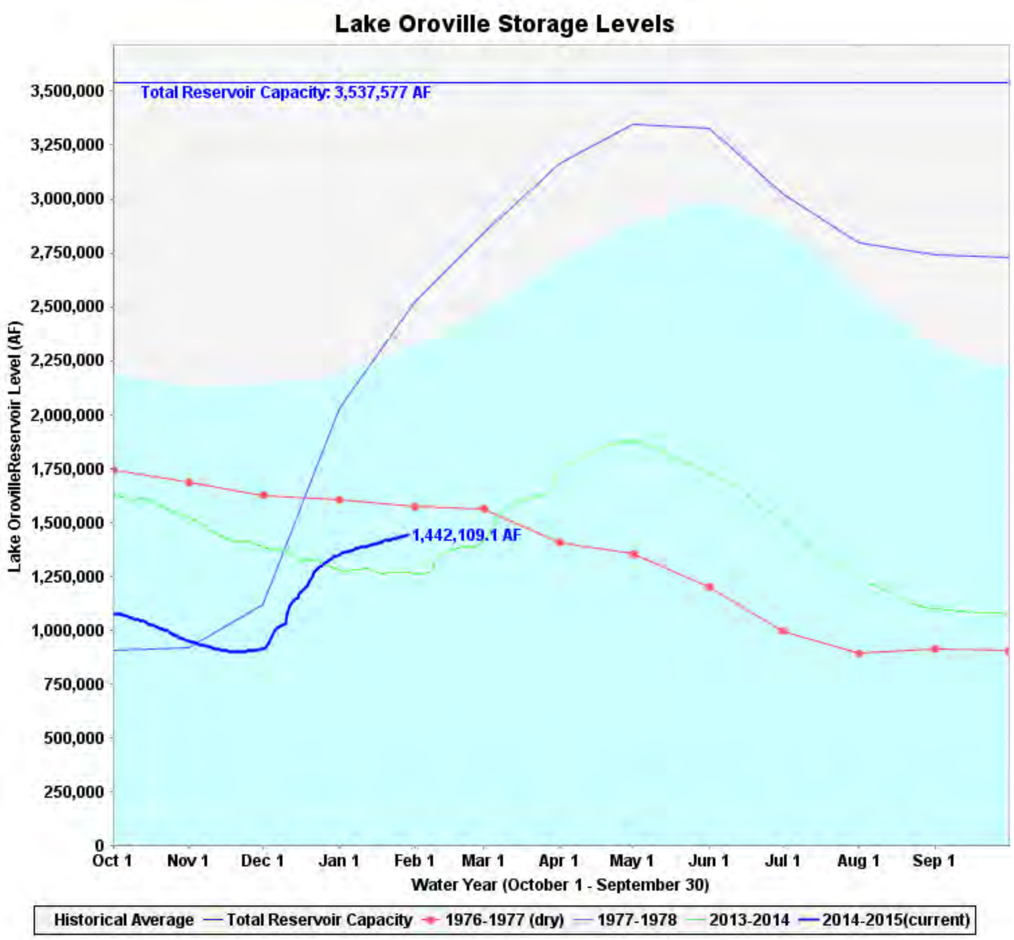
As of January 30, 2015, due to lack of precipitation, Northern Sierra hydrology is now below average at 23.1 inches compared to an average of 27 inches for this time of year (see graph; or for updates see http://cdec.water.ca.gov/cgi-progs/products/PLOT_ESI.pdf). This is critical because the Northern Sierra precipitation determines DWR's ability to refill Lake Oroville, which is the primary source of water for Zone 7 (water is released from Lake Oroville into the Feather and then the Sacramento River and from there it is conveyed through the Delta by a series of levees that direct the Oroville releases to the South Delta pumps which bring water to the Livermore-Valley and to other State Water Contractors).



Locally, the extremely dry January has reduced the gains made in December. The local hydrology for the current Water Year (October 1, 2014-January 31, 2015) is currently at 122% of average conditions at 9.59 inches.   This is still 34% below the annual average so more rain is needed.

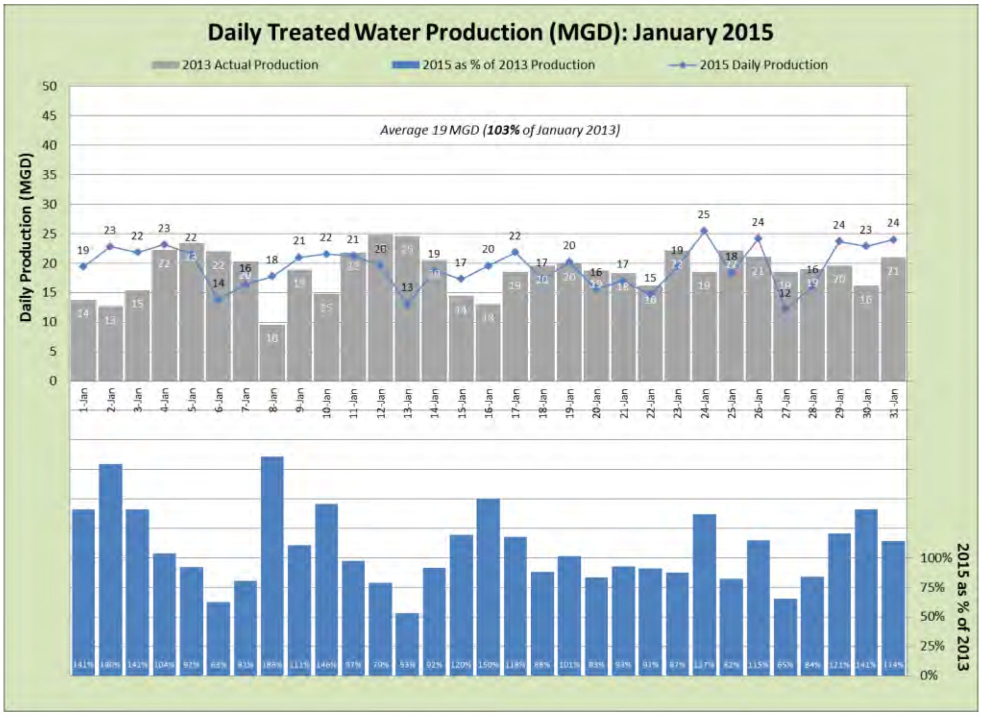
Lake Oroville levels are currently higher than at this time last year. However, Lake Oroville storage levels are still low and leveling off due to a dry January at approximately 62% of the historic average and below the 1976-1977 critical dry year conditions (see Oroville graph, below). The current 1,442,109 AF of storage represents 41% of Lake Oroville's total capacity. The water level histories of the 2013-14 drought year and the 1977-78 recovery year after the 1976-77 drought year have been added in the graph below.

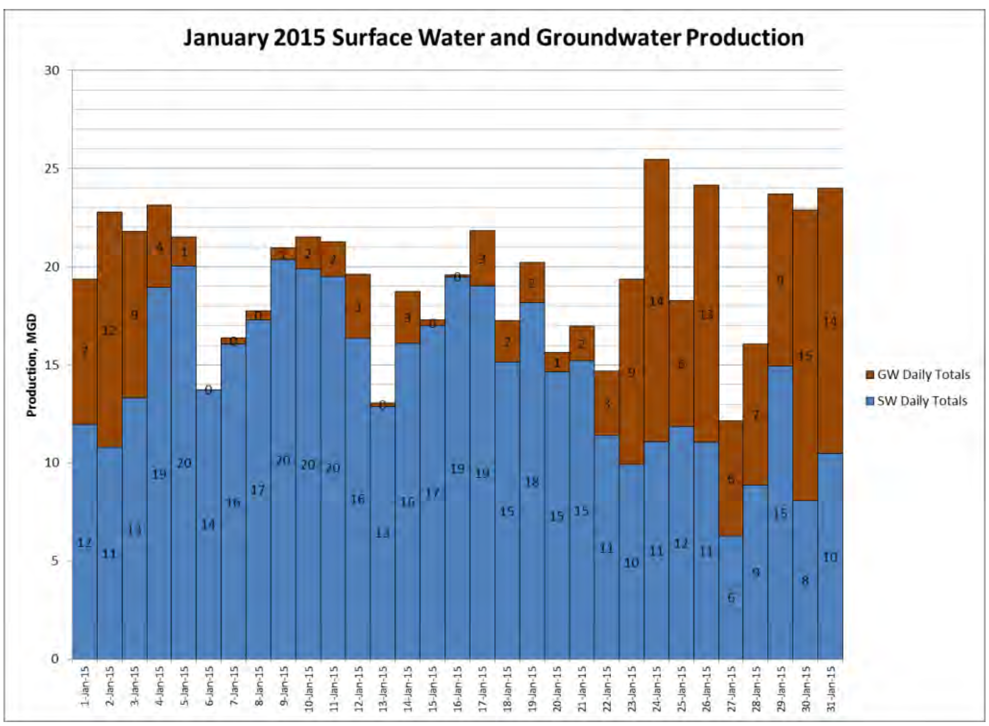
This can be tracked on the DWR data website at
http://cdec.water.ca.gov/cdecapp/resapp/resDetailOrig.action?resid=ORO



The California Department of Water Resources (DWR) conducted a manual snow survey on Jaunary 29th, showing snow levels have decreased in the month of January. Statewide, 105 electronic sensors in the Sierras detected 25% of the multi-year average for January 29th.

The extremely dry January this year —the driest on record in California—resulted in higher water demands in the Tri-Valley area relative to December 2014, with average treated water production increasing from 17 MGD to 19 MGD. This is still below the demands in January 2014. Surface water made up about 75% of the water supply in January, consisting primarily of banked water from Semitropic Water Storage District (Semitropic) and Cawelo Water District (Cawelo). Del Valle Water Treatment Plant and the Patterson Pass Treatment Plant produced an average of 14 million gallons per day (MGD) with wells supplying 5 MGD. There was increased groundwater production in January due to maintenance activities at the treatment plants, with the Del Valle Plant offline the latter part of the month.



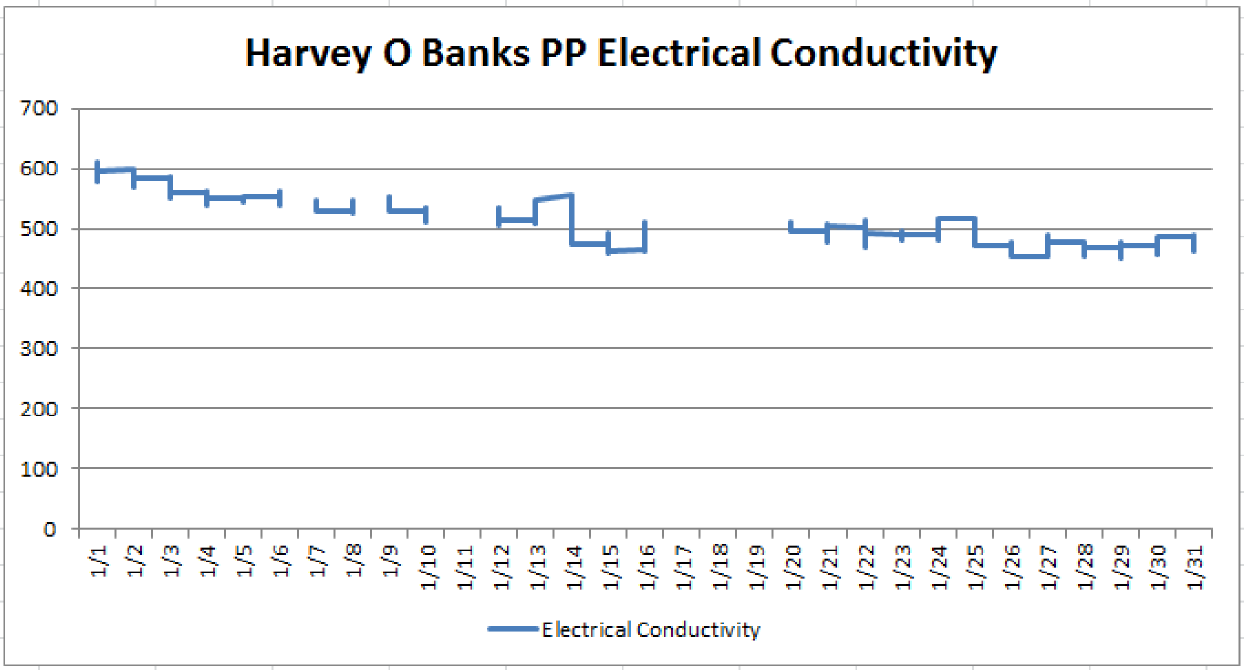


On January 15, 2015, DWR announced an increase in the *initial* Table A allocation from 10% to 15% due to the precipitation from the storms in early December 2014. The *final* allocation will be issued in April 2015. DWR may revise allocations if warranted by the year's developing hydrologic and water supply conditions. The higher Table A allocation facilitates the delivery of banked water supplies.

Semitropic completed pumping for 2014 water requests as of early January 2015 and has resumed pumping for 2015 water requests in early February to get a good head start on pumping and to maximize the possibility of meeting full recovery requests from banking partners this year. Cawelo continues to recover banked water to fulfill Zone 7's 2014 delivery request.

To be conservative, Zone 7 has been preparing for another drought year in 2015. Zone 7 continues to store any excess surface water supply (i.e., surface water that could not be used directly at this time) in San Luis Reservoir.

Electrical conductivity (µS/cm) is measured as a surrogate for TDS (TDS is approximately equal to 0.58 times EC):



Based on the above data, in the month of January raw water to the treatment plants has total dissolved solids (TDS) ranging around 270 to 350 mg/L. Typical TDS levels around this time of year are between 250 mg/L and 300 mg/L.

Higher TOC levels continue to impact treatment at the plants requiring higher ferric chloride dosages and more pH adjustments. Ferric chloride dosages have been around 50 to 60 mg/L in January. In the past, Zone 7 treatment plants have operated with ferric chloride dosages in the neighborhood of 25 mg/L.

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7
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ORIGINATING SECTION: Facilities Engineering
CONTACT: Rhett Alzona

AGENDA DATE: February 18, 2015 ITEM NO. **15f**

SUBJECT: Capital Projects Status Report

The Facilities Engineering Section plans, designs and manages the construction for the majority of the water supply conveyance, production, and delivery projects contained in the Zone 7 Capital Improvement Program. The Facilities Engineering Section also designs and manages the construction of flood control channel improvement projects identified in the CIP.

Attached is a table showing the current status of key capital projects.

Facilities Engineering Project Status Report – February 18, 2015

Project	Objective	Project Benefits	Budget	Current Phase	Current Activities	Funding Source
Arroyo Las Positas R.1-7 Improvements Project	Provide effective flood control system to Livermore-Amador Valley.	Increase channel capacity in this reach to be able to handle 100- year storm event	**Budget:** $3.2 million **Spent =** $362,000 Completion = 15%	In Design Phase Project Completion - November 2015 subject to timely review by RWQCB, CDFW	Design is approximately 80% complete. Current hydrology and hydraulic modeling efforts suggest the existing channel may be adequate to carry design flows or a much smaller project to raise south embankment might be needed instead of widening the whole channel in this reach – under evaluation.	Fund 200 – Flood Protection Operations – 83% Fund 210 – Flood Protection Stormwater Drainage - 17%
Busch Valley Well 1 (BV1)	Construct a new 2 to 3 mgd production well	Increases Well Production Capacity, especially valuable during drought emergency	**Board Authorized Budget:** Property Purchase =$1.152 million Phase 1 of the project=$1.4 million (Design-Build) **Spent to date:** Property Purchase ~$1.113 million (100%) Phase 1 of the project= $372,000 (27%) **Total BV 1 Project Budget in current CIP=$13 million (FY2024\25)**	Design/Build Contract, Basis of design (including well drilling plans and specifications) Phase 1 Project Completion – June 2015.	Property has been purchased. Current contract is with Design-Builder for $203,550 and includes a Basis of Design report and completed well drilling plans/specifications as deliverables. The Basis of Design is being completed with the addition of two pipe stubs and associated valves to allow for well connection to the system and for connecting a temporary booster pump at the well site. Depending on current year's water supply conditions, construction of connection piping and PG&E service related work should proceed even if the Busch Valley Well and treatment building construction is deferred.	Fund 120 – 50% Fund 130 – 50%

Project	Objective	Project Benefits	Budget	Current Phase	Current Activities	Funding Source
Chain of Lakes Well 5	Construct a new 1 to 2 mgd production well	Increases Well Production Capacity, especially valuable during drought emergency	**Board authorized project budget:** $4,215,000 **Spent Budget** – 99% **Project Budget in FY12/13 CIP document=** $8.4 million	Design/Build Contract, Production Well Construction **Project Construction) 100% complete as of October 2014**	Property acquisition related activities	Fund 120 – 50% Fund 130 – 50%
DVWTP Caustic Soda Tank Rehabilitation Project	Prolong the useful life of the tanks. Increases operational flexibility and reliability of the plant.	Structurally enhance existing 25 year old tanks followed by re-lining of the interior for corrosion protection for another 20 years of service.	**Budget:** $2,100,000 (Caustic Soda and Ferric Chloride system) **Spent:** 37% of budget (see next)	Caustic soda system work 100% complete as of October 2014	All work has been completed per the contract documents and contractor has vacated site. All systems are functioning as designed. Ferric Chloride Tank's related work deferred based on condition assessment (see next item)	Fund 120 - Water Rates – 100%
DVWTP Ferric Chloride Tank Improvements Project	Increase production reliability and operational flexibility.	The existing Ferric Chloride tanks are showing wear and tear and per AMP are near the end of their useful life. The new tanks would also be upgraded in volume to better keep up with the expanded plant production in recent years.	Shared budget with Caustic Soda system. Remaining project funds will be returned to Fund 120 and this work has been rescheduled in the CIP based on condition assessment.	Project deferred due to condition assessment and change in funding priority to fund higher priority projects	This project also includes parking lot rehabilitation and expanding the chemical fill line alleyway for truck filling and through traffic. While showing wear and tear, a condition assessment shows the Ferric Chloride tanks appear to still be in reasonable shape to last another few years. Ferric chloride tank improvements and parking lot/alleyway improvements are now in the CIP in FY 17/18.	Fund 120 - Water Rates – 100%

Project	Objective	Project Benefits	Budget	Current Phase	Current Activities	Funding Source
DVWTP Sludge Handling Project (Centrifuge Purchase and Z7 Operation)	Increase reliability of sludge handling (currently sludge beds).	By providing mechanical dewatering, sludge handling capacity and reliability are increased, significantly reducing the probability of having negative impacts upon WTP capacity.	**Budget:**$1.70 million **Spent:** 83% of budget **Project Complete:** 99%	In construction phase Centrifuge is installed and is in operation.	Installing walkway to improve centrifuge access and safety for Operations staff before closing out project.	Fund 120 - Water Rates – 100%
DVWTP Sludge Underdrain Overflow Improvements	Increase operational flexibility to better guard against potential overflows to the creek from breakdowns of the sludge underdrain pumps or overload to the underdrain wetwell and subsequent discharge violations from RWQCB.	This project is intended to raise the hydraulic grade line of the sludge underdrain system so that sludge bed #4 is the low point and would fill up before any discharge to the creek.	**Budget:** $80,000 **Spent:** –0% (Project not started)	Design	Project was delayed last fiscal year as resources were shifted to other projects. Project funds carried over to implement this fiscal year. Project design has just started.	Fund 120 - Water Rates – 100%
DVWTP Superpulsator Rehab Project Phase 1 and 2	Per AMP, existing superpulsators are beyond their useful life and to be rehabilitated.	Phase 1 replaced equipment, upgraded safety protections and operational efficiency, and coated concrete basin for two of the four superpulsator basins. Phase 2 is scheduled for this winter FY 14-15.	**Budget:** $ 5.0 million **Spent**: 83% **Project Complete:** 85%	Closeout Phase 1 Construction May 2014 Phase 2 construction started Oct 2014 w/ Substantial Completion Date of March 21, 2015.	Startup and testing of Superpulsator #1 was successfully completed. Superpulsator 2 was also successfully tested. Both Superpulsators are functioning properly and are back in service. Phase 2 began Oct 2014 with construction approx. 85% complete. Project on schedule to be substantially complete by March 21, 2015.	Fund 120 - Water Rates – 100%

Project	Objective	Project Benefits	Budget	Current Phase	Current Activities	Funding Source
MGDP RO concentrate sump pump replacement	Replace existing pumps with new submersible pumps connected to VFDs	Allows Operations to more closely match the output of the concentrate sump pumps with the flow coming into the sump and keep the pumps on their pump curves, avoiding premature pump failure	**Budget**:$187,000 **Spent** = 78% **Project Complete** = 50%	Scheduling time to perform installation, all materials have been delivered	VFDs were delivered in December. Two of the new pumps (four ordered) were sent back to manufacturer's rep for repair due to failed o-rings/seals prior to installing. Waiting for available window for Zone 7 O&M to install.	Fund 120 – 50% Fund 130 – 50%
Mocho Well 3, 4, and Stoneridge Well Repair Project	Increase production reliability and well production rate.	Remove and replace poor performing pump(s). With pumps removed, perform downhole well maintenance.	**Budget:** $557,000 **Spent:** 83% of budget spent **Project complete**: 90%	Pump Installation Complete. Project in close out Construction	Remaining work 1) spare pump order that could be used for Mocho 3 and 4 and 2) Conducting some chromium level investigation at discrete depths in Stoneridge Well.	Fund 120 - Water Rates – 100%
PPWTP Ferric Chloride – Caustic Soda System Separation	Improved safety, compliance with ACDEH	Separate acid (Ferric) and base (Caustic) chemicals from sharing the same containment areas to prevent potentially unsafe chemical reaction in case both chemicals are spilled.	**Budget:** $517,737 **Spent**: 114% **Project Complete**: 100% Budget exceeded due to unforeseen issues with existing conduits embedded in walls and slabs, a handrail issue which came up during construction, and additional labor for coordination with ACDEH	Project is complete	Project is complete.	Fund 120 - Water Rates – 100%

Project	Objective	Project Benefits	Budget	Current Phase	Current Activities	Funding Source
PPWTP UF Clarifier Corrosion Control Upgrades Project	Increase plant reliability and prolong facility service life	Upgrade existing sacrificial cathodic protection system for the ultrafiltration plant clarifier at PPWTP, and abrasive blast and recoat entire steel clarifier mechanism	**Budget:** $405,000 **Spent:** 100% **Project Complete:** 100%	Project completed – July 2014	Project closed out.	Fund 120 - Water Rates – 100%
PWRPA Facilities at Mocho Groundwater Demineralization Plant, Mocho 3 and 4 (Mocho Complex)	Build alternative power and renewable energy use portfolio to save money, be an environmental steward, and keep up with environmental regulations.	PWRPA power is less expensive than PG&E power. Part of PWRPA energy is derived from renewable energy. The PPWTP and Mocho facilities are expected to have reduced energy costs from the lower PWRPA rate relative to PG&E.	**Budget:** $1,442,000 (for PPWTP and Mocho Complex) **Spent:** 100% of PPWTP portion. 2% for Mocho Complex. 34% of total budget.	PPWTP potion of the project is 100% complete. Mocho Complex Project completion – April 2015	Submittals completed. PG&E approval is needed for the proposed equipment. This is taking longer than expected. Staff is monitoring closely as schedule may slip due to delayed PG&E approvals.	Fund 120 - Water Rates – 100%
PPWTP UF Clarifier Handrail Installation Project	Increase safety for plant personnel	Operations personnel requested a handrail be installed on the inner side (along the clarifier wall) for increased safety	**Budget:** $27,000 **Spent:** 60% of budget **Project complete:** 60%	Construction Project Completion – February 2015	Submittals being reviewed prior to fabrication.	Fund 120 - Water Rates – 100%