NOTICE OF REGULAR MEETING OF BOARD OF DIRECTORS

DATE: **May 19, 2010**

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

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

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

In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available at the Zone 7 Administrative Building lot. If you are a person with a disability and you need disability-related modifications or accommodations to participate in this meeting, please contact the Acting Zone 7 Board Secretary, Judy Rector, at (925) 454-5053 or fax (925) 454-5727. Notification 48 hours prior to the meeting will enable Zone 7 to make reasonable arrangements to ensure accessibility to this meeting. {28 CFR 35.102-35, 104 ADA Title II}

A G E N D A

1. Call Meeting to Order
2. Salute to Flag
3. Citizens Forum

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

4. Minutes of the Regular Meeting of April 21, 2010
5. Consent Calendar

   a) Consulting Contract with DTN Engineers, Inc. for Electrical Engineering Services
   b) Professional Services Contract with Psomas, Inc. for Drafting Services
   c) Quitclaim of Easement to the Surplus Property Authority of Alameda County, Positas Recharge Facilities
   d) Request By Directors Palmer and Figuers For Authorization To Attend Conference On 'Sustainable Groundwater In Agriculture'

   Recommended action: Adopt resolutions approving items as presented.

6. Staffing Updates:

   a. New/Returning Employee Introductions
   b. Employee of the Month Recognition

7. Presentations by Science & Engineering Fair Awardees

   Recommended action: Information; hear presentations.

8. Water Conservation Activities and May Water Awareness Month

   Recommended action: Information: Hear presentation.

9. Annual Review of Sustainable Water Supply for Zone 7 Water Agency

Recommended action: Information; Discussion only.

10. Professional Services Contract with Kier & Wright, Civil Engineers & Surveyors, Inc. for Surveying Support Services

Recommended action: Adopt resolution.

11. Award and Approval of External Auditor Services Agreement

Recommended action: Adopt resolution.

12. Zone 7 Separation from Alameda County

Recommended action: Adopt resolution.

13. Del Valle Branch Pipeline Failure and Repair

Recommended action: Information; Discussion only.

14. Committees

15. Items for Future Agendas—Directors

16. Reports—Directors

a. Written report by Director Quigley
b. Verbal reports

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

a. General Manager's Report
b. Recent & Current Public Outreach Activities
c. Legislative Update
d. Annual Report for the Groundwater Management Program for 2009 Water Year
e. 2009 Water Quality Management Program Annual Report
f. Recent Employee Activities – Staff Report
g. Verbal Reports

18. CLOSED SESSION

a) Conference with Legal Counsel – Significant exposure to litigation pursuant to Subdivision (b) of Government Code Section 54956.9: 2 cases

b) ACFCWCD Zone 7, et al., v. State of California Department of Water Resources, et al.; Sacramento County Superior Court Consolidated Case No. 07AS04901

c) Conference with Labor Negotiators:
Agency Negotiator: G.F Duerig
Employee Organizations: Alameda County Management Employees Association; Alameda County Building and Construction Trades Council, Local 342, AFL-CIO; International Federation of Professional and Technical Engineers, Local 21, AFL-CIO; Local 1021 of the Service Employees International Union, CTW; Unrepresented Management

d) Government Code Section 549547: Public Employee Performance Evaluation
Title: General Manager

19. Open Session and Report Out of Closed Session

20. Upcoming Board Schedule:
(All meeting locations are 100 North Canyons Parkway, Livermore, unless otherwise noted)

a) Regular Board Meeting: June 16, 2010, 7:00 p.m.

21. Adjournment

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.

ORIGINATING SECTION: WATER SUPPLY ENGINEERING
CONTACT: JAIME RIOS

AGENDA DATE: May 19, 2010 ITEM NO.

SUBJECT: Consulting Contract with DTN Engineers, Inc., for Electrical Engineering Services

SUMMARY:

- Zone 7 is responsible for the planning, design, construction and maintenance of a variety of water treatment and conveyance facilities which requires electrical engineering expertise. Zone 7 staff does not possess this expertise and must rely on outside consultant services for the successful completion of this work.
- Proposals were requested of 15 firms to provide electrical engineering support services to Zone 7.
- Proposals were received from 4 firms.
- DTN Engineers, Inc. was found to be best qualified to provide these services to Zone 7.
- The recommended action is to adopt the attached resolution authorizing the General Manager to negotiate and execute this professional services contract with DTN Engineers, Inc., for fiscal year 2010/2011 in an amount not to exceed $167,650.

FUNDING:

Funding is budgeted and available for FY 2010/11 from Fund 52 – Water Enterprise ($25,650) and Fund 72 - Renewal and Replacement / System-Wide Improvements ($142,000).

RECOMMENDED ACTION:

Adopt attached resolution authorizing the General Manager to negotiate and execute a professional services contract with DTN Engineers, Inc., for electrical engineering support services for fiscal year 2010/2011 in an amount not to exceed $167,650.

ATTACHMENTS:

Memo providing additional information
Exhibit A, Scope of Services
Exhibit B, Project Summary List
Exhibit C, Consultant's Fee Schedule
Resolution

Interoffice Memo

Date: May 19, 2010
To: Jill Duerig, General Manager
From: Jaime Rios, Associate Civil Engineer
Subject: Consulting Contract with DTN Engineers, Inc., for Electrical Engineering Support Services

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

BACKGROUND:

As the major water supply and flood control agency in eastern Alameda County, Zone 7 has an ongoing commitment to plan for existing and future needs, implement needed projects, and maintain a reliable water treatment, production and delivery system. To meet this commitment, Zone 7 requires ongoing electrical support services. These services are critical for the planning, design, construction and maintenance of Zone 7 facilities. These facilities include buildings, treatment plants, wells and pump stations.

DISCUSSION:

Zone 7 has compiled a list of projects that are identified in the current Capital Improvement Program, or that are anticipated to support maintenance activities and other planning activities that will require electrical engineering support services in FY 2010/11. Since Zone 7 staff does not have the technical expertise to provide these services, it must rely on outside services to do so.

In March 2010, proposals were requested from 15 firms. Proposals were received from the following four firms:

ArcSine Engineering, Redding CA
DTN Engineers, Inc., Oakland CA
Parson Brinkerhoff Quade & Douglas, San Francisco, CA
Zeiger Engineering, Inc., Oakland, CA

Zone 7 staff reviewed the proposals and DTN Engineers, Inc. was found to be best qualified to provide these services to Zone 7. The criteria used to rank firms included qualifications and experience of personnel, services available, response and travel time, and references. In order to more efficiently obtain these services, selection was based on the concept that services will be provided for the next three years. The original contract will be for one year. With satisfactory performance, and subject to Board approval, staff may amend the original contract to provide services for up to two additional years at the fees identified. It is recommended that the General Manager execute this professional services contract with DTN Engineers, Inc., for fiscal year 2010/2011 in an amount not to exceed $167,250.

The Scope of Services to be performed by the consultant on an as-needed basis is shown on Exhibit A. The Scope of Work identifies the broad range of services and technical expertise the consultant will provide to Zone 7 that will ensure the timely completion of quality projects. The Project Summary List is shown on Exhibit B. The consultant's fee schedule is shown on Exhibit C. Payments will be based on actual time and materials charged. Board approval is requested to execute the contract.

EXHIBIT A

Zone 7 Water Agency

Annual Service Contract for Electrical Engineering Support Services

Scope of Services

The consultant shall perform the following services on an as-needed basis:

1. General electrical engineering assistance to Zone 7 staff
2. Assist Zone 7 staff with specifying electrical systems
3. Electrical systems plan review
4. Work with other Zone 7 consultants and Zone 7 SCADA staff
5. Prepare drawings using AutoCAD and Zone 7 standard titleblock (usually 22 x 34 inches)
6. Site observation visits
7. Clarifications and change orders
8. Submittal review
9. Provide Zone 7 with assistance during start-up and testing of electrical equipment
10. Troubleshooting
11. Prepare punchlists

EXHIBIT B
Zone 7 Water Agency
Service Contract for Electrical Engineering Support Services
Project Summary List
FY 10/11

	PROJECT	SECTION	WORK ORDER NO.	BUDGET	FUND	TASK
1	DVWTP Chemical Improvements Project	Water Supply Engineering	TBD	$15,000	72	Provide Electrical and Instrumentation Design
2	PPWTP Clarifier Rehabilitation Project	Water Supply Engineering	54072	$8,000	72	Construction inspection, record drawings preparation
3	Security Miscellaneous	Water Supply Engineering	58006	$2,500	52	Provide Electrical support for new or updated security systems
4	PPWTP OSG Conversion	Water Supply Engineering	TBD	$5,000	72	Electrical and Instrumentation Design Input including plans and specs
5	DVWTP Improvements - FY 10/11	Water Supply Engineering	53088	$25,000	72	Provide Electrical and Instrumentation Design
6	Miscellaneous Support For O&M Section Small Capital Projects	Operations and Maintenance	96072	$23,000	72	Provide Electrical and Instrumentation Design
7	Miscellaneous Support For Maintenance Section	Maintenance	41000	$9,920	52	Provide Electrical Design for Maintenance as needed

Date: 4/6/10
By: J Rios

EXHIBIT B
Zone 7 Water Agency
Service Contract for Electrical Engineering Support Services
Project Summary List
FY 10/11

8	Miscellaneous Support For Maintenance Section	Maintenance	41001	$8,820	52	Provide Electrical Design for Maintenance as needed
9	Miscellaneous Support For Maintenance Section	Maintenance	41002	$3,410	52	Provide Electrical Design for Maintenance as needed
10	Miscellaneous Support For Maintenance Section	Maintenance	41022	$1,000	52	Provide Electrical Design for Maintenance as needed
11	DSRSD Turnout Expansion	Operations and Maintenance	88310	$11,000	72	Provide Electrical Design for Maintenance as needed
12	PPWTP Sewer Line Project	Water Supply Engineering	53090	$5,000	72	Provide Electrical and Instrumentation Design
13	Miscellaneous Support For Finance & Business Services	Finance & Business Services	96072	$10,000	72	Provide Electrical Support Services for Development of Energy Related Projects
14	Miscellaneous Support For Water Supply Engineering	Water Supply Engineering	96072	$40,000	72	Provide Electrical and Instrumentation Design
	Total			$167,650		

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 a professional services contract with DTN Engineers, Inc., for electrical engineering support services for the period July 1, 2010, through June 30, 2011, for an amount not to exceed $167,650.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

May 19, 2010 ____________________________________

By____
President, Board of Directors

ORIGINATING SECTION: WATER SUPPLY ENGINEERING
CONTACT: JAIME RIOS

AGENDA DATE: May 19, 2010 ITEM NO.

SUBJECT: Professional Services Contract with Psomas, Inc., for Drafting Services

SUMMARY:

- In March 2008, proposals were requested to provide drafting support services to Zone 7 on an annual contract basis. No proposals were received so Zone 7 entered into a General Manager's contract with Psomas to provide these services to Zone 7.
- Performance during fiscal years 2008/2009 and 2009/2010 has been satisfactory. In order to more efficiently obtain these services, it is Zone 7's practice to go through the Request for Proposal process once every three years. With satisfactory performance and subject to the Board's approval, a new annual contract may be executed to provide services for up to three years. This will be the third contract with Psomas.
- The recommended action is to adopt the attached resolution authorizing the General Manager to execute a professional services contract with Psomas for fiscal year 2010/2011 in an amount not to exceed $97,000.

FUNDING:
Funding is budgeted and available for FY 2010/11 from Fund 52 – Water Enterprise ($5,000) and Fund 72 – Renewal and Replacement/System-Wide Improvements ($92,000).

RECOMMENDED ACTION:
Adopt attached resolution authorizing the General Manager to negotiate and execute a professional services contract with Psomas for drafting support services for fiscal year 2010/2011 in an amount not to exceed $97,000.

ATTACHMENTS:
Memo providing additional information
Exhibit A, Scope of Services
Exhibit B, Project Summary List
Exhibit C, Consultant's Fee Schedule
Resolution

Interoffice Memo

Date: May 19, 2010
To: Jill Duerig, General Manager
From: Jaime Rios, Associate Civil Engineer
Subject: Professional Services Contract with Psomas, Inc. for Drafting Support Services

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

BACKGROUND:

As the major water supply and flood control agency in eastern Alameda County, Zone 7 has an ongoing commitment to plan for existing and future needs, implement needed projects, and maintain a reliable water treatment, production and delivery system. To meet this commitment, Zone 7 must meet an ongoing need for drafting support services. Zone 7 does not have in-house staff to provide all the Auto CAD drafting services needed. These services are critical for the planning, design, construction and maintenance of Zone 7 facilities. These facilities include pipelines, buildings, roads and flood control channels.

DISCUSSION:

Zone 7 has compiled a list of projects that are identified in our current Capital Improvement Program, maintenance activities and other planning activities that will require drafting support services in FY 2010/11. Since Zone 7 does not have in-house staff to provide all the AutoCAD drafting services needed, it must rely on an outside consultant to do so. In March 2008, proposals were requested to provide these services to Zone 7 on an annual contract basis. No proposals were received. At that time, Zone 7 had a consulting engineering contract with Dodson Psomas which demonstrated good drafting skills. Zone 7 asked if Psomas would provide drafting services in addition to engineering services. Psomas agreed to also provide drafting services under a General Manager contract. Performance during fiscal years 2008/2009 and 2009/2010 has been more than satisfactory. In order to more efficiently obtain these services, it is Zone 7's practice to go through the Request for Proposal process once every three years. With satisfactory performance and subject to the Board's approval, a new annual contract may be executed to provide services for up to three consecutive years. This will be the third contract with Psomas. It is recommended that the contract be executed for fiscal year 2010/2011 in an amount not to exceed $97,000.

The Scope of Services to be performed by the consultant on an as-needed basis is shown on Exhibit A. The Scope of Work identifies the broad range of services and technical expertise the consultant will provide to Zone 7 that will ensure the timely completion of quality projects. The Project Summary List is shown on Exhibit B. The consultant's fee schedule is shown on Exhibit C. Payments will be based on actual time and materials charged. Board approval is required to execute the contract.

EXHIBIT A

Zone 7 Water Agency

Annual Service Contract for Drafting Support Services

SCOPE OF WORK

The consultant shall perform the following services on an as-needed basis:

A. Drafting and related services required to create design drawings provided to Zone 7 on cd-rom in AutoCAD 2000i format and mylar film, (at least 2 mil thickness) at a size of 11” x 17”, 22” x 34” or other as requested. (Zone 7 will provide sample border including Zone 7 logo). Standard details and other drawings provided to Consultant will need to be drafted rather than scanned.

B. Prepare drawings for various projects that may include but are not limited to the following types of drawings: civil, structural, architectural, mechanical, electrical and instrumentation systems, flood control and standard details with varying degrees of complexity.

C. Work effectively and in a timely manner with a governing Board, top management and all staff levels of Zone 7.

D. Provide base maps that use State Plane Coordinate System NAD 83.

E. Provide plotting and reproduction services as required including but not limited to vellum or minimum 2 mil thick mylar film.

Zone 7 staff will be responsible for the following:

A. Provide sketches, details and markups to be used as a basis for drawings.

B. Provide survey information as it is available to Zone 7, to be used for base maps for drawings when appropriate.

C. Provide sample drawing borders including Zone 7 logo.

EXHIBIT B
Zone 7 Water Agency
Service Contract for Drafting Support Services
Project Summary List
FY 10/11

	PROJECT	SECTION	WORK ORDER NO.	BUDGET	FUND	TASK
1	DVWTP Chemical Improvements Project	Water Supply Engineering	TBD	$15,000	72	Prepare construction drawings
2	Emergency Preparedness	Water Supply Engineering	58000	$5,000	52	Preparation of Maps & exhibits
3	Vulnerability Assessment Review & Update	Water Supply Engineering	TBD	$5,000	72	Prepare maps and site plans
4	PPWTP OSG Conversion	Water Supply Engineering	TBD	$4,000	72	Drafting of construction plans
5	DVWTP Improvements - FY 10/11	Water Supply Engineering	53088	$10,000	72	Prepare construction drawings
6	Water Supply Engineering - Standard Drawings Update	Water Supply Engineering	TBD	$7,000	72	Drafting of updated Water Supply Engineering - Standard Drawings

EXHIBIT B
Zone 7 Water Agency
Service Contract for Drafting Support Services
Project Summary List
FY 10/11

7 PPWTP Sewer Liine Project	Water Supply Engineering	53090	$20,000	72	Prepare maps and construction drawings
8 Miscellaneous Support for Operations & Maintenance	Operations and Maintenance	96072	$11,000	72	Prepare construction drawings
9 Miscellaneous Support for Water Supply Engineering	Water Supply Engineering	96072	$20,000	72	Prepare construction drawings
TOTAL			$97,000		

P:\WSE\Jaime\Drafting Summary List.xls

Date: 4/6/10
By: J Rios

Exhibit C

PSOMAS
STANDARD BILLING RATES

JULY 2010 – JUNE 2011

PROJECT MANAGERS	
KOHNE, ROGER	185.00
OW, GREG	180.00
VALLADAO, JEROME	158.00
ENGINEERS	
KU, NANCY	140.00
MAIRE, KURT	110.00
DRAFTERS	
WAGERMAN, DANIEL*	160.00
ADMINISTRATIVE	
LUEVANOS, MARIA	86.00

Other Direct Costs include $15/hr CAD fee for drafting hours, outside reproduction costs, mileage, five (5) percent markup on subconsultants, and other direct costs.

* $15/hr CAD fee is not assessed.

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 a professional services contract with Psomas, Inc., for drafting support services for the period July 1, 2010, through June 30, 2011, for an amount not to exceed $97,000.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

May 19, 2010

By____
President, Board of Directors

ORIGINATING SECTION: FINANCE & BUSINESS SERVICES
CONTACT: DENNIS GAMBS/JOHN YUE

AGENDA DATE: May 19, 2010 ITEM NO.

SUBJECT: QUITCLAIM OF EASEMENT TO THE SURPLUS PROPERTY AUTHORITY OF ALAMEDA COUNTY, POSITAS RECHARGE FACILITIES

SUMMARY:

- Zone 7 has an easement for a canal, located on the Surplus Property Authority's Staples Ranch land, which was part of the Positas Recharge Facilities used to replenish the groundwater basin with water imported from the State Water Project between May 1962 and June 1974.

- With the extension of the South Bay Aqueduct, Zone 7 developed better options for replenishing the Main Groundwater Basin with stream recharge on the Arroyo Mocho and Arroyo Del Valle becoming available.

- Consequently, Zone 7 determined that the easement was no longer needed for water management purposes and abandoned use of the diversion channel in 1974.

- The Surplus Property Authority has requested a quitclaim of the easement pursuant to a stipulation in the easement which provides for the reversion of rights and execution of a quitclaim if the use of the easement is ever abandoned for a period of five years.

FUNDING:

The quitclaim of the easement will not have any funding impact on Zone 7.

RECOMMENDED ACTION:

Adopt the attached resolution requesting and authorizing the Board of Supervisors of Alameda County Flood Control and Water Conservation District to approve the quitclaim of the canal easement to the Surplus Property Authority of Alameda County.

ATTACHMENTS

Memo
Resolution
Location Map
Quitclaim

INTEROFFICE MEMO

Date: May 12, 2010
To: Jill Duerig/John Yue
From: Dennis Gambs
Subject: Quitclaim of Easement to the Surplus Property Authority of Alameda County Positas Recharge Facilities

BACKGROUND/ DISCUSSION:

In 1962, Zone 7 constructed the Positas Recharge Facilities along El Charro Road near the City of Pleasanton. This project included a diversion canal on lands then owned by the County of Alameda ("Staples Ranch"). The canal connected the Arroyo Las Positas with a percolation pit and provided for diverting imported State Water Project water released from the new, partially-constructed South Bay Aqueduct at Altamont Creek for flow into the Arroyo Las Positas. The Positas Recharge Facilities were not intended for long term use. The facilities were used for groundwater recharge between May 1962 and June 1974. With the extension of the South Bay Aqueduct, Zone 7 developed better options for replenishing the Main Groundwater Basin with stream recharge on the Arroyo Mocho and Arroyo Del Valle. The Positas Recharge Facilities, including the diversion canal, were subsequently abandoned by Zone 7 in 1974.

As part of this project, an easement was acquired from the County of Alameda for the portion of the diversion canal flowing through Staples Ranch. The 1.21 acre easement lies along the easterly boundary of Staples Ranch adjacent to El Charro Road. The easement stipulates that "…should Grantee, its successors or assigns, at any time abandon the use of said property for a continuous period of 5 (five) years, the rights hereby given shall cease, terminate and revert to grantor, its successors or assigns, and upon such termination, Grantee, its successors or assigns, shall execute and deliver to Grantor, its successors or assigns, a good and sufficient quitclaim of said rights."

Zone 7 recently received a letter from the Surplus Property Authority of Alameda County (SPA) requesting Zone 7 to quitclaim its interest in the easement on Staples Ranch pursuant to the termination stipulation in the easement. The SPA, the current owner of the Staples Ranch, is in the process of developing its property and has been advised by its title company to have the easement officially removed from title through a quitclaim deed. The diversion canal has not been used for approximately 36 years. Zone 7 staff has reviewed the request and concur that the proposed quitclaim of easement is appropriate.

The legal title to all real property owned by the Alameda County Flood Control and Water Conservation District, including Zone 7 property, is held in the name of the District. As such, the Board of Supervisors of the Alameda County Flood Control and Water Conservation District needs to approve the grant of easement to the Surplus Property Authority of Alameda County. To that end, the Zone 7 Board of Directors will request and authorize the District Board to approve the proposed conveyance.

ZONE NO. 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

APPROVAL FOR QUITCLAIM OF EASEMENT TO THE COUNTY OF ALAMEDA

WHEREAS, Alameda County Flood Control and Water Conservation District acquired an easement from the County of Alameda for a diversion canal as part of the Positas Recharge Facilities in 1962; and

WHEREAS, said easement stipulates that "…should Grantee, its successors or assigns, at any time abandon the use of said property for a continuous period of five (5) years, the rights hereby given shall cease, terminate and revert to Grantor, its successors or assigns, and upon such termination, Grantee, its successors or assigns, shall execute and deliver to Grantor, its successors or assigns, a good and sufficient quitclaim of said rights"; and

WHEREAS, Alameda County Flood Control and Water Conservation District, Zone 7 determined that the easement was no longer needed for water management purposes and abandoned use of said canal in excess of five years; and

WHEREAS, the Surplus Property Authority of Alameda County has requested Alameda County Flood Control and Water Conservation District to quitclaim said easement rights in accordance with said stipulation; and

WHEREAS, documents have been prepared quitclaiming to the Surplus Property Authority of Alameda County the canal easement for the Positas Recharge Facilities, to which reference is made to said easement, and by said reference is made a part hereof as though fully set forth herein.

NOW, THERFORE, BE IT RESOLVED, that this Board of Directors hereby requests and recommends that the Board of Supervisors of Alameda County Flood Control and Water Conservation District approve said quitclaim of easement and authorize the President of the Board of Supervisors to execute same.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

Positas Recharge Facilities
Map: RF 497

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

May 19, 2010 ______________________________

By:____
President, Board of Directors

LOCATION MAP

QUITCLAIM OF EASEMENT
TO SURPLUS PROPERTY AUTHORITY OF ALAMEDA COUNTY

May 5, 2010

GERALD GATES

RECORDING REQUESTED BY:

Surplus Property Authority of Alameda County

When Recorded Mail Document and Tax Statement To:

Surplus Property Authority of Alameda County
Stuart Cook
224 West Winton Avenue, #110
Hayward, CA 94544

APN: Portion of 946-1128-3-9

SPACE ABOVE THIS LINE FOR RECORDER'S USE

QUITCLAIM DEED

The undersigned grantor(s) declare(s)
Documentary transfer tax: This conveyance is from the grantee is the United States or an agency or instrumentality thereof, a state or territory, or political subdivision thereof, R & T 11922."

[ ] computed on full value of property conveyed, or
[ ] computed on full value less value of liens or encumbrances remaining at time of sale,
[XX] Unincorporated Area

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **Alameda County Flood Control and Water Conservation District**, a body corporate and politic

hereby remises, releases and quitclaims to **Surplus Property Authority of Alameda County**, a public corporation

all of its interest in and to that certain easement created in Grant of Easement dated May 1, 1962 and recorded June 11, 1962 as book 604, page 817, document number 78272, which lies within the following described real property in the County of Alameda, State of California:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

This Quitclaim Deed is given pursuant to the provision in said Grant of Easement that the above grantor shall quitclaim said easement upon abandonment of said easement for a continuous period of 5 years.

DATED: March 4, 2010

State of California)
County of ______________________________)

On ______________________________ before me,
______________________________, Notary Public
(here insert name and title of the officer), personally appeared
____
______________________________,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ______________________________ (Seal)

Alameda County Flood Control and Water Conservation District, a body corporate and politic

____
By:
Its:

MAIL TAX STATEMENTS AS DIRECTED ABOVE

EXHIBIT "A"

All that certain 200 acre tract of land lying in the County of Alameda, State of California conveyed by William Whalen, et al., to Asa V. Mendenhall, by deed dated September 15, 1921, and recorded September 19, 1921, in the office of the County Recorder of Alameda County, State of California, in Book 65 of Official Records, page 275, described as follows:

Beginning at a point in the center of the county road leading from Hayward to Stockton, said point being the northwestern corner of a tract of land sold to John Galway by Samuel B. Martin; thence running (variation of magnetic needle 16°34' east) along the western line of Galway's tract of land south, 40 chains (2640 feet); thence west, 50 chains (3300 feet); thence north, 40 chains (2640 feet) to the center of Stockton Road; and thence along the center of said road east, 50 chains (3300 feet) to the point of beginning.

Excepting therefrom that portion described in the deed to Svan Christensen recorded April 5, 1924, Book 630, page 479, Series No. T-110385, Official Records.

Also excepting therefrom that portion described in the deed to the State of California recorded June 15, 1951, Book 6462, page 461, Series No. AF-50619, Official Records.

Also excepting therefrom that portion described in the deed to the State of California recorded August 22, 1969, Reel 2464, Image 460, Series No. 69-94807, Official Records.

Also excepting therefrom that portion described in the deed to the State of California recorded December 16, 1969, Reel 2533, Image 530, Series No. 69-141422, Official Records.

Also excepting therefrom that portion described in the deed to Alameda County Flood Control and Water Conservation District recorded March 25, 1975, Reel 3912, Image 53, Series No. 75-36403, Official Records.

Also excepting therefrom that portion designated as Parcel 1, Parcel Map 6319, filed November 20, 1990, Book 194 of Parcel Maps, page 49, Alameda County Records.

Also excepting therefrom that portion described in the deed to the Alameda County Flood Control and Water Conservation District recorded June 17, 2004, Series No. 2004272272, Official Records.

Also excepting therefrom that portion described in the deed to the Alameda County Flood Control and Water Conservation District recorded June 17, 2004, Series No. 2004272277, Official Records.

APN: 946-1128-003-09

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

ORIGINATING SECTION: ADMINISTRATION
CONTACT: JILL DUERIG

AGENDA DATE: May 19, 2010 ITEM NO. 5d

SUBJECT: Request By Directors Palmer and Figuers For Authorization To Attend Conference On 'Sustainable Groundwater In Agriculture'

SUMMARY:

- Directors Sarah Palmer and Sandy Figuers have expressed an interest in attending the three-day conference entitled, "Toward Sustainable Groundwater in Agriculture: An International Conference Linking Science and Policy," to be held in Burlingame from June 15^{th} through the 17^{th}.
- This conference was organized by the Water Education Foundation (WEF) and UC-Davis. Sponsors and Co-Sponsors include the USGS, the Groundwater Resources Association of California (GRAC), the International Water Management Institute (IWMI), the International Association of Hydrogeologists (IAH) and the Kings River Conservation District.
- Topics include conjunctive use; agricultural water use; agricultural groundwater quality & contamination; socioeconomic aspects of agricultural groundwater; groundwater at the agriculture-urban interface; groundwater linkages to surface water & estuaries; and groundwater management, policy & regulation. Further conference information is available on the conference website, http://www.ag-groundwater.org/ .
- Zone 7's current board policy is to allow directors to attend one ACWA conference per year without seeking authorization from the Board for reimbursement of travel and registration expenses. If directors wish to attend additional seminars or conferences, Board authorization must be obtained.

FINANCIAL:

Registration cost for the annual conference is $595 per person. There will also be miscellaneous expenses associated with attendance, i.e., mileage, parking and meals. Total miscellaneous expenditures are estimated at an additional $150 per person. Funds are available from Fund 52-Water Enterprise.

RECOMMENDED ACTION:

Adopt attached resolution.

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

RESOLUTION NO

INTRODUCED BY
SECONDED BY

WHEREAS, Directors Sarah Palmer and Sandy Figuers have expressed an interest in attending the conference entitled, "Toward Sustainable Groundwater in Agriculture: An International Conference Linking Science and Policy," to be held in Burlingame from June 15th through the 17th;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of Alameda County Flood Control & Water Conservation District does hereby authorize Directors Sarah Palmer and Sandy Figuers' attendance at said conference;

BE IT FURTHER RESOLVED that Directors Palmer and Figuers be reimbursed for actual and necessary expenses associated with their attendance at this event.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

May 19, 2010

By____________________
President, Board of Directors

ORIGINATING SECTION: HUMAN RESOURCES
CONTACT PERSON: TOM HUGHES / GINGER STATON

AGENDA DATE: May 19, 2010 ITEM NO.

SUBJECT: New/Returning Employee Introductions

SUMMARY:

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

Linda Van Buskirk, Secretary

Linda Van Buskirk joined Zone 7 on Monday, April 19, 2010 as a Secretary at the Del Valle Water Treatment Plant, reporting to Judy Rector. Linda comes to Zone 7 with over 20 years of experience in the legal and real estate fields, most recently with Zenith Insurance Company. She is a California Certified Legal Secretary and holds a California Paralegal Certificate from UC Santa Cruz.

Amparo Flores, Associate Civil Engineer/Professional Geologist

Amparo Flores re-joined Zone 7 April 19 as an Associate Civil Engineer/Professional Geologist in the Water Supply Engineering Section at North Canyons, reporting to Jarnail Chahal. Amparo is a registered Engineer and comes to us with several years of engineering experience, including 5 years with Malcolm Pirnie, Inc. and 2 years from 2004 to 2006 as an Assistant Engineer at Zone 7. She received her Bachelor's in Environmental Engineering Science from UC Berkeley and her Master's in Civil and Environmental Engineering from Massachusetts Institute of Technology. This fall she is expected to graduate with a PhD in Engineering for Sustainable Development from Cambridge University in England.

Please join us in welcoming Linda and Amparo to the Zone 7 team!

RECOMMENDED ACTION:

Information only.

ORIGINATING SECTION: HUMAN RESOURCES
CONTACT PERSON: TOM HUGHES

AGENDA DATE: May 19, 2010 ITEM NO:

SUBJECT: Employee of the Month Recognition

SUMMARY:

The Employee Recognition Program Nomination Committee met in April and selected the Employee of the Month for March 2010 according to the established Program Guidelines. The individual chosen out of the submitted nominations is recommended to Management for approval and subsequent announcement to all Agency employees.

Carol Mahoney, Associate Civil Engineer/Professional Geologist, has been chosen from among those nominated as the March 2010 Employee of the Month. Carol joined Zone 7 in March 2000 and works in the Engineering Section at our North Canyons Office. She has been handling many tasks with the Chain of Lakes property and is doing an outstanding job. For several years, in addition to her normal duties, Carol has been the coordinator of our Annual Holiday Party and has consistently made that gathering a success. Carol is always promoting morale around the Agency and her co-workers appreciate that.

RECOMMENDED ACTION:

It is recommended that the Zone 7 Board of Directors recognize and congratulate Carol Mahoney as March 2010 Employee of the Month.

ORIGINATING SECTION: PUBLIC AFFAIRS
CONTACT: BONI BREWER/DIANA GAINES/ELKE RANK

AGENDA DATE: May 19, 2010 ITEM NO.

SUBJECT: Presentation by Science & Engineering Fair Awardees

SUMMARY:

- On March 31, as in past years, Zone 7 staff members volunteered to serve as judges of water-related projects in the Tri-Valley Science & Engineering Fair sponsored by the Lawrence Livermore National Laboratory.
- The fair, with dozens of entries on everything from environmental science to medicine to computer science, is held in Livermore and is geared to high school and middle school students from throughout the Tri-Valley region.
- The students selected for their water-related projects by Zone 7's *Special Awards* judges have been invited to make short presentations about their projects.
- This recognizes the great work these students did in their research, congratulates them in a public setting, and helps us recognize May as Water Awareness Month.

The following six students received Zone 7 awards involving four water-related projects:

- **Bianca De, Windemere Ranch Middle School,** who got a junior (grades 6-8) individual award for her study entitled, "Can the Sun Make Seawater Drinkable?"

- **Dibya Jyoti Ghosh and Vishal Manickam, Iron Horse Middle School,** who got a junior (grades 6-8) team award for their study, "Desalination."

- **Paul Epperson and Steven Wang, Livermore Valley Charter School,** who received a junior (grades 6-8) team award for their study, "Creating an Energy-Efficient Solar-Powered Water Desalination Apparatus."

- **Alina Sinclair, San Ramon Valley High School,** who got a senior (grades 9-12) individual award for her study entitled, "The Effect of Artificial Turf Athletic Field Runoff on Planaria Dugesia."

FUNDING:
As in past years, these students received small cash prizes from Zone 7, funded by Fund 52 – Water Enterprise

RECOMMENDED ACTION: Information item only.

ATTACHMENTS: Staff Memorandum

Interoffice Memo

Date: May 19, 2010
To: Jill Duerig, General Manager
From: Boni Brewer
Subject: Science Fair - Winners of Zone 7 Special Award for Water Projects.

BACKGROUND:

Each year, Zone 7 staff members volunteer to serve as S*pecial Award* judges of water-related projects at the Tri-Valley Science & Engineering Fair, which is geared to high school and middle school students and is sponsored by the Lawrence Livermore National Laboratory. Overall, this year's event drew 304 students representing 197 projects ranging from environmental science to medicine to computer science. The goal of the Fair is to "stimulate interest and enthusiasm in science and engineering, while having fun at the same time."

Projects specifically judged by Zone 7 have relevance to water quality, water treatment, groundwater, hydraulics, hydrology and/or water resources. This year's *Special Awards* judges from Zone 7 were Elke Rank and Diana Gaines. We want thank them for their time and generosity in judging these projects.

Elke and Diana reviewed approximately a dozen water-related project displays and spoke with the students about their experiments and conclusions. They selected four projects, involving a total of six students, as *Special Award* winners.

The following students received Zone 7 awards for their projects:

- **Bianca De, Windemere Ranch Middle School --** "**Can the Sun Make Seawater Drinkable?" – Junior (Grades 6-8) Individual Award**

  Bianca, an eighth-grader, coupled distillation with SODIS (solar disinfection). She developed her own design for the distillation apparatus and found that 6 hours of SODIS did make an improvement in water quality over distillation alone.

- **Dibya Jyoti Ghosh and Vishal Manickam, Iron Horse Middle School – "Desalination" – Junior (Grades 6-8) Team Award**

  These two seventh-graders used a combination of distillation and electrodialysis to desalinate seawater. While they did not achieve drinking-quality water, they did produce water suitable for agricultural uses.

- **Paul Epperson and Steven Wang, Livermore Valley Charter School – "Creating an Energy-Efficient Solar-Powered Water Desalination Apparatus" – Junior (Grades 6-8) Team Award**

  Paul and Steven, both in eighth grade, used solar cells to power a dual desalination process. They spent two months just creating the solar panel, which they soldered themselves. They also tested four coatings on the resisters to reduce electrolysis of the water.

- **Alina Sinclair, San Ramon Valley High School -- "The Effect of Artificial Turf Athletic Field Runoff on Planaria Dugesia" – Senior (Grades 9-12) Individual Award**

  Alina, a high school freshman and avid soccer player, studied the impact of artificial turf runoff into creeks. Her results showed that artificial turf generates harmful impacts on certain freshwater flatworms that are commonly found in creeks.

We want to congratulate the winners of this year's contest!

FUNDING:

As in past years, winners received small cash awards ($40 each) from Zone 7, funded by Fund 52 – Water Enterprise.

ORIGINATING SECTION: OFFICE OF THE GENERAL MANAGER
CONTACT: ROBYN NAVARRA

AGENDA DATE: May 19, 2010 ITEM NO.

SUBJECT: Water Conservation Activities and May Water Awareness Month

SUMMARY:

- Based on the board's declaration of support for ACWA's water conservation principles, which include support for the governor's target of reducing water use 20% by the year 2020, an expanded conservation plan was prepared for this year as a pilot for the next decade with the goal of reducing average daily per capita demands (see detailed memo, attached as Exhibit One).
- These conservation efforts take into account a study completed by Kennedy-Jenks which identified the most cost-effective Demand Management Measures (DMMs), also called Best Management Practices (BMPs). The recommended BMPs were to seek to reduce large landscape use by conducting surveys and providing irrigation enhancement advice. In 2009 Zone 7 implemented the Large Landscape Audit Support Services Program.
- With the November adoption of SBx7-7 mandating 20% reduction in per capita use by 2020, Zone 7 continues to develop and implement conservation programs to conserve water and energy. Expanding the incentive programs to the Commercial, Industrial and Institutional sector to encourage water and energy conservation is an important component.
- A presentation to Wente Vineyards Event Center and Restaurant as a certified Green Business in Alameda County will be made at the board meeting.
- Another presentation to Ruby Hill Golf Course for their water conservation effort to decrease water consumption by installing new high efficient weather based irrigation controllers and hardware and equipment will be made, awarding Ruby Hill's the first incentive check in the amount of $5,000 for their conservation efforts.

FUNDING:
Funding is available in Fund 72-Renewal & Replacement and Fund 73-Capital Expansion.

RECOMMENDED ACTION:
No action

ATTACHMENTS:

- Memo Providing Additional Background and Discussion of Agenda Item
- Exhibit One: 2010 Conservation Pilot Program Detail

Interoffice Memo

Date: June 17, 2009
To: Jill Duerig, General Manager
From: Robyn Navarra, Conservation Coordinator
Subject: Water Awareness Month and Conservation Efforts

BACKGROUND

Water conservation is a priority in any water resources strategy developed for the Livermore-Amador Valley region. The overall objective of a water conservation program is to achieve and maintain a high level of water use efficiency throughout the region by eliminating wasteful practices in water use, developing information on current and potential water efficient practices and implementing these practices. In addition, based on the board's declaration of support for ACWA's conservation principles, which include support for the governor's target of ultimately reducing water use 20% by the year 2020, a general expanded conservation plan was prepared with a goal of reducing average daily per capita demands starting in 2009.

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

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

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

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

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

- **Reducing Demands on a Less-Reliable Supply.** Zone 7 imports about 80% of its water from the State Water Project. This water is conveyed through the Delta, which is in a state of crisis. In 2009 court and regulatory decisions have reduced the reliability of that water conveyance system. Climate change further stresses the projected availability of imported supplies; regional demand reductions, whether on potable use, groundwater pumping or untreated water use, all contribute to local water supply reliability.

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

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

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

Each conservation plan element includes an outreach component that not only encourages the customer to install or implement a device or activity, but to change their long-term behavior and the current water conservation programs do both.

2010 Zone 7 water conservation programs:

- Wholesale Agency Assistance Programs: Assisting local water retailers in the areas of financial support, technical support, and program management.
- Conservation Coordinator: The position is currently staffed.
- Conservation Outreach: Increasing the public awareness of water conservation opportunities through outreach efforts, such as local community events and the agency web site, and through local schools, with assemblies and curriculum supplements to teachers and students.
- Residential High-Efficiency Clothes Washer Rebate Program: Providing rebates to subsidize the purchase of high-efficiency washing machines (HEW).
- Residential High-Efficiency Toilet Rebate Program: Providing rebates to subsidize the purchase of high-efficiency toilets (HET).
- Commercial High-Efficiency Toilet Rebate Program: Providing rebates to subsidize the purchase of high-efficiency toilets (HET) up to 4 per commercial unit.
- GreenPlumbers Accreditation Program: Provide a sponsorship program to educate plumbers in the Tri-Valley area on water and energy conservation.
- Commercial Large Landscape Audit Program: Providing free audit surveys to the highest 20% water user and to provide incentives on irrigation hardware and new technology.
- School Indoor/Outdoor Audit Survey Program: Provide Tri-Valley schools financial assistance to upgrade the currently high water use hardware with high-efficiency hardware and irrigation systems upgrades.
- New E-Rebate HET Program: CII and Residential customers can now apply for HET rebates electronically. This system is to assist Zone 7 and their retailers with efficiency and BMP reporting.
- Alameda County Master Gardeners Program: The UC Statewide Master Gardener Program is dedicated to facilitating excellence in Master Gardener Programs by increasing the professionalism of Coordinators and volunteers.
- The California Irrigation Management Information System (CIMIS): Installed at the Alameda County Fairgrounds and assisting landscape professionals in determining an appropriate irrigation schedule for the properties they manage.

DISCUSSION

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

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

1. Residential customers –high efficiency washing machine program and high efficiency toilet rebates;
2. Commercial customers – large landscape surveys and irrigation controller rebates for Home Owner Associations, Institutions and Industrial customers; high efficiency toilet rebates.
3. Schools – large landscape surveys and irrigation hardware replacement; indoor/outdoor water use surveys and plumbing fixture replacement.

With this in mind, staff developed the attached program for achieving additional technical conservation during the 2010 fiscal year.

There has been much success in the Zone 7 service area with residential high efficiency toilets, and the HET CII program is anticipated to be a contributing factor for future years. Some of the biggest opportunities for water savings are found in the Commercial, Industrial and Institutional (CII) sectors and this pilot program is providing incentives for up to four HET units per CII customer. In Zone 7’s service area, CII customers account for 19% of total water use. In addition, schools, with their high person/fixture ratio and high frequency of use, can demonstrate a very fast payback on these types of conservation investments.

An educational component is part of the pilot conservation program. Public outreach provides information on the newest technology and behaviors. Green Plumber’s Certification program will provide customers in the Tri-Valley area the expertise and knowledge to assist customers in making the right water and energy saving purchasing choices to conserve. Zone 7 provided the Parkside Facility to hold the weekly classes. This location was centrally located and is an excellent venue. There are a total of 32 participants enrolled in this program. It was previously estimated that the program cost would be $29,650 for one series of five courses and program administration; however the program course curriculum was evaluated and expanded from a 5 week program to a 15 week program. Zone 7’s total cost for the program is now estimated to be less than $9,000. Zone 7’s fee is based on the sponsored participant successfully passing the written exam at $650 per person, providing a venue and catering. Six out of the thirty-two participants are sponsored plumbers and will be taking the accreditation exam on May 25, 2010.

To date a total of 26 CII surveys are done. CII customers received a detailed report of their current irrigation system and a large landscape rebate packet detailing the incentive program. Out of the 26 participants who received the report and packet, only one, Ruby Hill Golf Course is the first to take advantage of the rebate program; however, if all 26 participants applied for the incentive program, it would be a benefit to the Tri-Valley area and contribute to a considerable water savings.

The Schools indoor/outdoor survey and hardware program is marginally cost-effective in strict cost-benefit terms due to the potential full subsidy by Zone 7 but is viewed as an educational and outreach opportunity. Four school audits were completed and currently staff is awaiting responses from the participating schools. This program also provides goodwill for participating agencies.

In October 2007, Zone 7 signed the memorandum of understanding and became a signatory of the California Urban Water Conservation Council. Two of the obligations as a signatory are Best Management Practices (BMP) (1) develop a comprehensive conservation BMP program and (2) consider BMP water conservation on an equal basis with other water management option.

Zone 7 staff continually meets with the water retailers on a monthly basis to develop, implement, and market water conservation programs and are in compliance with the BMP water savings goals. In December 2010, Zone 7 will submit their first BMP wholesale report outlining our conservation efforts for signatory retailers and non-signatory retailers. The agency is required to demonstrate water savings, assist their retailers in their water conservation efforts, and make financial investments and building partnerships to accomplish conservation. Staff is currently providing technical support, program management, support and information, workshops and support advice addressing conservation program planning, design, implementation and evaluation.

SBx7-7, enacted in November of 2009, includes provisions on water conservation, measurement, and reporting activities for urban retail water suppliers. The Department is coordinating with the California Urban Water Conservation Council (CUWCC) and the Urban Stakeholder Committee to develop methodologies that suppliers will use to develop baseline water use, set targets for future water use, and measure progress towards meeting the identified target. The legislation sets an overall goal of reducing per capita urban water use 20% by December 31, 2020. Currently staff is working with and participating in the California Urban Water Agencies (CUWA) Conservation Committee. CUWA staff has been directed to prepare a master schedule of significant activities using all the bills under the Water Package legislation as a starting point. The schedule was to identify key points of engagement for CUWA’s member agencies that identify CUWA priorities.

With regard to Water Conservation, each CUWA member agreed to identify their four to six key priority issues that they believe should be worked on collectively by CUWA members. The goal is to identify those key issues that we can work on collectively to achieve an outcome favorable to CUWA members and that can be used to guide DWR/SWRCB senior staff on water conservation policy implementation. CUWA submitted a letter to DWR addressing concerns regarding the current legislation.

RECOMMENDATION:

Information only.

EXHIBIT ONE: **2010 Conservation Program Detail**

The following plan outlines an expanded conservation program which was implemented during 2009 – 2010 fiscal year.

Wholesale Agency Assistance Programs

Zone 7 continues to meet regularly with all four retailers to develop new programs, marketing, provide technical assistance with program management.

Residential Programs

Expansion of HEW Rebate Program to Include Multi-Family Customers
In January 2010 the Zone 7 high-efficiency washer rebate program was expanded to include multi-family, condominiums, home owner associations, apartments, and common areas. This program runs on calendar years. It is estimated approximately 200 additional rebates will be given out to the CII community; currently we are receiving approximately 16 CII rebates per month.

While an in-home machine averages only six to eight loads per week, common area machines often wash 20 to 50 loads per week per clothes washer. Providing incentives to the CII and residential sector is beneficial in saving water and energy.

High Efficiency Toilet (HET) and High Efficiency Urinal (HEU) Rebate Programs
Zone 7 currently has an HET rebate program for single family residential customers. In 2010 the program was expanded to include non-residential customers (CII) and was to include both HETs and HEUs; however the HEUs program could not be implemented this fiscal year due to lack of tested and approved HEUs.

Education - GreenPlumbers®

Zone 7 already has a substantial education and outreach program. The enhanced program contract with GreenPlumbers® (GP) is an innovative, national training and accreditation program that assists plumbers in understanding their role in the environment and with public health. The organization's goal is to train and deploy a green army of thousands of plumbers to promote the benefits of water conservation and the reduction of GHG emissions. The focus is on changing consumer and plumbing behavior through the use of energy efficiency and water saving technologies.

In February 2010 Zone 7 sponsored six (6) plumbers from the Tri-Valley area to participate in the GP training. The course ends May 18, 2010 and a final exam will be given the following week. This accreditation program requires the completion of the course material and a passing grade on the final exam. Zone 7 also signed a lease agreement with GP to utilize the Parkside facility. A total of 34 students are currently enrolled in the 15 week program paid by their employers, self or through a sponsorship program other than the Zone 7 sponsorship.

It is estimated that a professional plumber may have as many as 600 contacts per year with the general public in the course of providing services. The public outreach portion is important to water and energy conservation because the plumber is the first contact the customer sees.

Providing customers with a plumber who is knowledgeable and certified in the areas of climate care, caring for our water, solar hot water, water efficient technologies, and inspection report services will benefit the Tri-Valley area through outreach, education, and technology.

Master Gardener Program

An additional education component was added to the education and public outreach program. The UC Board of Regents Master Gardener Program promotes environmentally responsible and sustainable horticultural practices, the focus on reducing fertilizer and pesticide pollutants, protecting water quality & quantity, waste management to reduce landfill materials and to improve air quality by reduced burning of pruning waste, soil quality, invasive species detection & management, and wildland fire protection.

The UC research is based on information about home horticulture and pest management. In exchange for the training and materials received from UC, master gardeners perform volunteer services in a myriad of venues.

Zone 7 signed a lease agreement for the Parkside facility with the UC Board of Regents Master Gardener Program to provide training for citizens in the Tri-Valley area with the goal of educating citizens on sustainable horticultural practice. Sixteen participants attended the four month program and took the certification test on May 13, 2010. The Master Gardener Program is an example of an effective partnership between the University and motivated citizens. Because certified master gardeners represent UC Cooperative Extension (UCCE), they broaden UCCE's client base and sphere of influence.

This is a great opportunity for the consumer in the Livermore-Amador Valley to have a group of individuals willing to assist and educate citizens in the community on sustainable gardening practices for healthy home and garden.

Large Landscape Audit Support Services

Zone 7 implemented a Large Landscape program in the fall of 2009. The top highest water users in the Tri-Valley were targeted and placed on a list. Again, this was a Demand Management Measure/BMP considered in the Kennedy-Jenks report. Zone 7 has included this component in the Large Landscape Irrigation Audit Incentive program in which incentives for irrigation hardware replacement and weather based irrigation controllers (WBIC) are available for CII customer surveyed participants. Large landscape surveys and water budgets provide technical assistance to customers to use water more efficiently. These surveys consist of an evaluation of existing irrigation system components, system layout and irrigation practices in relation to the plant material, climate and topography of the site.

Other Irrigation System Hardware Rebates

Zone 7 currently has an Irrigation System Hardware Rebate program for the CII customers who are participating in the Large Landscape Irrigation Audit Support Services Program. Again, this was a Demand Management Measure/BMP identified in the Kennedy-Jenks report.

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

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

Commercial, Industrial and Institutional (CII) Programs - (Schools Only)

Each retailer provided the name and water consumption history for the schools in their area considered to be in the highest 20% user bracket. This CII program is a comprehensive program for schools to provide additional financial support to achieve potential indoor and outdoor water savings through services and limited hardware replacement. Potential indoor and outdoor water savings for schools range from 20 percent to 38 percent.

Indoor Water Use Surveys and Plumbing Device Replacement *(Schools Only)*

Faucet aerators and low-flow showerheads are proven, inexpensive water saving devices. The program offers water saving technology for hardware replacements for indoor and outdoor irrigation to schools in conjunction with site audits.

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
100 NORTH CANYONS PARKWAY LIVERMORE, CA 94551 PHONE (925) 454-5000 FAX (925) 454-5723

ORIGINATING SECTION: Engineering
CONTACT: Brad Ledesma, Jarnail Chahal, Kurt Arends

AGENDA DATE: May 19, 2010 ITEM NO.

SUBJECT: Annual Review of Sustainable Water Supply for Zone 7 Water Agency

SUMMARY:

- Water demands over the next five years are projected to increase from 50,800 acre-feet in 2010 to 52,700 acre-feet by 2014 (a 3.7 percent increase) without water conservation, and remain relatively constant with potential water conservation savings associated with Senate Bill SBX 7-7 (20 percent by 2020).
- Water supply yield in 2010 from existing water supply contracts and the Arroyo del Valle water right permit is approximately 44,800 acre-feet, based on Department of Water Resources (DWR) current allocation of State Water Project (SWP) Table A amounts (40 percent). Final allocation is expected to be between 40 and 45 percent.
- Long-term average water supply available from existing water supply contracts has declined from 64,500 acre-feet to approximately 57,950 acre-feet due to preliminary estimates from DWR that the long-term average yield from the SWP is now 60 percent. Long-term yield from Arroyo Valle has also decreased to 7,300 acre-feet.
- Approximately 182,500 acre-feet of storage is available to Zone 7, of which, approximately 60,600 acre-feet is available in 2010 through existing pump back and conveyance facilities. At a minimum, Zone 7 can count on approximately 33,100 acre-feet annually of storage between 2011 and 2014.
- Zone 7 has sufficient water supplies to meet projected water demands over the next five years with or without water conservation. However, Zone 7's long-term water supply is at risk and subject to a very uncertain future due to recent court rulings, biological opinions associated with the Sacramento-San Joaquin Delta, and climate change.
- Zone 7 staff is developing a Water System Master Plan update and revising the Urban Water Management Plan to address long-term water supply programs and projects necessary to meet projected water demands through buildout of adopted general plans.

FUNDING: No funding impact.

RECOMMENDED ACTION: Discussion only.

ATTACHMENTS:

Memo providing additional background and discussion of agenda item

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
100 NORTH CANYONS PARKWAY LIVERMORE, CA 94551 PHONE (925) 454-5000 FAX (925) 454-5723

MEMORANDUM

Date: May 19, 2010

To: Jill Duerig, General Manager

From: Kurt Arends, Assistant General Manager
Jarnail Chahal, Acting Principal Engineer
Brad Ledesma, Associate Engineer

Subject: Annual Review of Sustainable Water Supply for Zone 7 Water Agency

On August 18, 2004, Zone 7 Water Agency (Zone 7) adopted the Reliability Policy for Municipal and Industrial (M&I) Water Supplies (Resolution 04-2662).[1] Resolution 04-2662 requires that Zone 7 staff complete an annual review of sustainable water supplies; the purpose of this memorandum is to comply with this requirement.

The review this year covered the following:

- Projected Water Demands: Next Five Years
- Available Water Supplies to Zone 7 at the Beginning of 2010
- Comparison of Supply and Demand: Next Five Years
- Programs Necessary to Meet Water Demands

The review completed in this memorandum indicates that Zone 7 has sufficient water supplies to meet projected water demands over the next five years with or without additional water conservation.

However, Zone 7's long-term water supply is at risk and subject to a very uncertain future due to recent court rulings, biological opinions associated with the Sacramento-San Joaquin Delta, and climate change. In response, Zone 7 staff is developing a Water System Master Plan update (WSMP) and revising the Urban Water Management Plan (UWMP) to address long-term water supply programs and projects necessary to meet projected water demands through buildout of adopted general plans.

PROJECTED WATER DEMANDS: NEXT FIVE YEARS

Every year Zone 7 obtains water demand projections from all of its customers for the next five years – Table 1 summarizes these projections for 2010 to 2014 without additional water conservation.[2] As shown in Table 1, Zone 7's total water demands are projected to increase by 3.7 percent between 2010 and 2014, while water demands for

[1] A copy of Resolution 04-2662 is provided as Attachment A.
[2] Water conservation associated with Senate Bill SBX7-7 is discussed in subsequent sections.

Zone 7's untreated customers are expected to remain constant.

As a comparison, Zone 7 staff previously projected that water demands would increase by approximately 8 percent between 2009 and 2013.[3] This reduced projected water demand likely reflects recent water conservation efforts in the Livermore-Amador Valley associated with the current drought and the economic slowdown.

Table 1. Projected Zone 7 Water Demands: Next Five Years, acre-feet[(a)]

Type	2010	2011	2012	2013	2014
M&I[(b,c,d)]	46,200	46,600	47,100	47,500	48,100
Untreated	4,600	4,600	4,600	4,600	4,600
Total	50,800	51,200	51,700	52,100	52,700

(a) Demands were rounded to the nearest 100 acre-feet.
(b) M&I = Municipal and Industrial.
(c) Demands include California Water Service Company, Dublin San Ramon Services District, City of Livermore, City of Pleasanton, Zone 7's direct retail customers, and Zone 7's unaccounted-for water.
(d) Includes groundwater-pumping quota for Dublin San Ramon Services District and unaccounted-for water.

Senate Bill SBX7-7 (20 Percent Reduction by 2020)

In November 2009, the California legislature passed Senate Bill SBX7-7 (SB 7). SB 7 created a framework for future planning and actions by water supply retailers and agricultural water suppliers to reduce California's water use. More specifically, SB 7 required water supply retailers to reduce statewide per capita potable water consumption 20 percent by 2020.[4]

Although Zone 7 is not subject to the requirements of SB 7 because it is a wholesale water agency, Zone 7 fully supports the existing and planned efforts of the four water supply retailers within our service area to comply with this new law. Additionally, Zone 7 is working with its own direct and untreated water customers to reduce water demands.

Zone 7 is also working with the water supply retailers to better define existing water conservation tracking methods as part of the Valley Water Conservation Task Force and determine projected water conservation savings to meet SB 7 requirements as part of the UWMP update and the WSMP. Unfortunately, projected water conservation savings associated with SB 7 were not available from each of the water supply retailers for this memorandum.

Consequently, for planning-level purposes in this memorandum, Zone 7 staff developed preliminary estimates of potential water conservation savings using the criteria specified in SB 7 and data collected from each of the water supply retailers as part of the UWMP. These planning-level estimates (see Table 2 below) were shared with the water supply retailers in February and April 2010.

Table 2 also summarizes the total projected water demand after including potential water conservation savings estimated by Zone 7 staff. As shown in Table 2, projected water demands could remain relatively constant between 2010 and 2014 depending on the

[3] Zone 7, 2009. Annual Review of Sustainable Water Supply for Zone 7 Water Agency.
[4] The baseline from which to save 20 percent by 2020 is different for each water supply retailer depending on historical data and use of recycled water.

success of regional conservation efforts.

Table 2. Projected Zone 7 Water Demands with Water Conservation, acre-feet[(a)]

Type	2010	2011	2012	2013	2014
Total Water Demand	50,800	51,200	51,700	52,100	52,700
Additional Water Conservation	(0)	(500)	(1,000)	(1,600)	(2,100)
Revised Water Demand	50,800	50,700	50,700	50,500	50,600

(a) Demands were rounded to the nearest 100 acre-feet.
(b) Water conservation is based on preliminary estimates determined by Zone 7 staff and reviewed by Zone 7's Retailers; these estimates will likely change as the Retailers better refine their own estimates.

For planning purposes in this review, Zone 7 staff compared projected water supplies with projected water demands, with and without water conservation, over the next five years.

AVAILABLE WATER SUPPLIES TO ZONE 7 AT THE BEGINNING OF 2010

Zone 7 has developed a robust water supply system consisting of imported surface water, local runoff, groundwater recharge activities, and non-local storage.[5] This diverse water supply system allows Zone 7 to store excess water during average and wet years, and draw on these reserves during dry years to create a sustainable and reliable water supply for the Livermore-Amador Valley.

The purpose of this section is to review the water supplies, including contracted supply and storage, available to Zone 7 at the beginning of 2010. Attachment B provides a more detailed description of all of Zone 7's water supplies and their status.

Projected Yield from Contracted Water Supplies in 2010

Each year Zone 7 receives water supply from its water rights permit for diversions from Arroyo del Valle, and its contracts with the Department of Water Resources (DWR) for State Water Project (SWP) water, Byron Bethany Irrigation District (BBID), and DWR for Yuba Accord Water. The exact quantity of water supply available through these contracts is unknown at the beginning of the year because the yield depends on many factors, including local precipitation and snowfall in the Sierras.

For planning-level purposes, Zone 7 staff estimates the projected yield from these water supplies at the beginning of the year, along with an estimate of the long-term average yield. Table 3 presents the projected yield in 2010 and the long-term average yield based on a review of actual deliveries, rainfall, DWR projections from January to May 2010, and a review of any new planning-level documents.[6] Table 3 also includes the long-term operational losses associated with artificial recharge in the local groundwater basin and participation in non-local groundwater banking programs.[7]

As shown in Table 3, the projected yield in 2010 from Zone 7's existing contracted water supplies is approximately 44,800 acre-feet,[8] while the long-term average yield is

[5] Additional information on each of Zone 7's water supply and storage components is available in Attachment B.
[6] New planning-level documents include DWR's Draft 2009 Reliability Report.
[7] Operational losses obtained from analysis completed for: Zone 7, 2009. Water System Update. November 18.
[8] Remaining water demand will be met with stored water supply as planned-for during drought conditions.

projected to be approximately 55,050 acre-feet after considering operational losses. Table 3 also indicates that deliveries from DWR through the SWP still makeup a majority of all Zone 7's supplies.

Table 3. Projected Yield from Existing Contracted Water Supplies, acre-feet

Source[a]	Available in 2010		Long-term Average	
	Yield	% of Total	Yield	% of Total
Arroyo del Valle Runoff	6,500	14.5 %	7,300[b]	12.6 %
Byron Bethany Irrigation District	5,000	11.2 %	2,000	3.5 %
State Water Project[c]	32,300	72.1 %	48,400[d]	83.5 %
Yuba Accord (via DWR)	1,000	2.2 %	250	0.4 %
Subtotal	44,800	100.0 %	57,950	100.0 %
Operational Losses[e]	0	0.0 %	(2,900)	5.0%
Total	44,800	100.0 %	55,050	95.0%

(a) Attachment B provides additional detail on each contract.
(b) Long-term average yield from Arroyo Valle was reduced to 7,300 acre-feet from 9,300 acre-feet to better account for required allocations between Zone 7 and Alameda County Water District.
(c) 2010 Yield is based on 40% (current 2010 allocation) of Zone 7's Table A amount of 80,619 acre-feet.
(d) Long-term average yield is based on 60% of Zone 7's Table A amount of 80,619 acre-feet, as presented in DWR's Draft 2009 Reliability Report.
(e) Operational losses include the losses associated with artificial recharge in the groundwater basin, and putting water into either Semitropic or Cawelo. Operational losses obtained from analysis completed for: Zone 7, 2009. Water System Update. November 18.

Available Storage at the Beginning of 2010

Zone 7 currently stores water in various storage facilities or programs to help meet water demands during acute or prolonged droughts. Table 4 summarizes the total accumulated storage available to Zone 7 over the next five years, the maximum storage available in 2010, and minimum storage available between 2011 and 2014.[9] A more detailed description of Zone 7's available storage is provided in Attachment B.

Table 4. Available Storage in 2010, acre-feet

Storage Facility or Program	Total Accumulated Storage[a]	Storage Available in 2010	Minimum Annual Storage between 2011 and 2014
Main Groundwater Basin[b]	74,000	20,200	14,000
Lake Del Valle Carryover	4,900	4,900	10,000
State Water Project Carryover	20,500	20,500	
Semitropic[c]	78,100	10,000	9,100
Cawelo	5,000	5,000	0
Total	182,500	60,600	33,100

(a) Accumulated storage estimate is through April 2010.
(b) As the available storage decreases in the main basin, the amount of groundwater available in any given year also decreases due to well locations and defined historic lows. For 2010, 20,200 acre-feet was used as a conservative estimate for planning-level purposes in this memorandum.
(c) 2010 availability includes pump back of 9,100 acre-feet, and potential exchange water of approximately 900 acre-feet assuming the SWP delivery remains at 40% of Zone 7's Table A amount.

[9] Generally, the minimum annual storage is based on a certain level of management, including artificial recharge of the main groundwater basin and decisions to carry over water in both the SWP and within Lake Del Valle.

COMPARISON OF SUPPLY AND DEMAND: NEXT FIVE YEARS

Table 5 compares available water supplies in 2010 to projected water demands over the next five years. For planning-level purposes in this memorandum, long-term average supplies and minimum storage available over the next five years were used to compare with projected water demands between 2011 and 2014. As shown in Table 5, Zone 7's existing water supply exceeds projected water demands over the next five years, with or without water conservation. Additional analysis also showed that Zone 7 could meet projected water demands during Single Dry and Multiple Dry conditions over the same period.[10]

Table 5. Comparison of Supply and Demand: Next Five Years

Component		2010	2011	2012	2013	2014
Without Conservation	Water Supply	44,800	55,050	55,050	55,050	55,050
	Available Storage	60,600	33,100	33,100	33,100	33,100
	Water Demand[(a)]	(50,800)	(51,200)	(51,700)	(52,100)	(52,700)
	Total	54,600	36,950	36,450	36,050	35,450
With Conservation	Water Supply	44,800	55,050	55,050	55,050	55,050
	Available Storage	60,600	33,100	33,100	33,100	33,100
	Water Demand[(a)]	(50,800)	(50,700)	(50,700)	(50,500)	(50,600)
	Total	54,600	37,450	37,450	37,650	37,550

(a) Includes both M&I and Untreated water demands.

PROGRAMS NECESSARY TO MEET WATER DEMANDS

The review completed as part of this memorandum indicates that Zone 7 has sufficient water supplies to meet projected water demands over the next five years with or without additional water conservation. However, as demonstrated in previous water supply analyses completed by Zone 7 staff, Zone 7's water supply is at risk and subject to a very uncertain future due to recent court rulings, biological opinions associated with the Sacramento-San Joaquin Delta, and climate change.[11]

In response to these findings, Zone 7 staff is updating its Urban Water Management Plan (UWMP) and diligently working with Zone 7's water supply retailers to develop a Water System Master Plan (WSMP) that will provide a flexible roadmap to meet the water supply needs of the Livermore-Amador Valley through buildout of adopted general plans. Some of the possible additional water supplies currently being evaluated as part of the WSMP include, but are not limited to the following:

- Delta habitat, conservation, and conveyance program (i.e., long-term "Delta Fix")
- Winter re-operation of Lake Del Valle
- Increase yield from existing contract with Byron Bethany Irrigation District

[10] Original analysis is from Zone 7, 2009. Water System Update. November 18. Information was augmented with data from the Draft 2009 Reliability Report provided by DWR.
[11] Zone 7, 2009. Water System Update. November 18.

- Purchase additional water from the SWP
- Los Vaqueros Reservoir participation
- Non-SWP purchase or transfer
- Arroyo Mocho water rights
- Arroyo Las Positas water rights
- Increase yield from existing Arroyo del Valle water rights
- Local rainfall capture
- Recycled water
- Desalination
- Additional groundwater demineralization
- Fringe basin development
- Reduce Water Losses (e.g., unaccounted-for water)
- Increased groundwater recharge capacity

Zone 7 Water Agency is committed to providing a reliable supply of high quality water to the Livermore-Amador Valley, and the WSMP, in conjunction with our UWMP update, are key programs necessary to meet this goal in the face of an uncertain future.

ATTACHMENT A: RELIABILITY POLICY

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO 04-2662

INTRODUCED BY DIRECTOR MARCHAND
SECONDED BY DIRECTOR CONCANNON

Reliability Policy for Municipal & Industrial Water Supplies

WHEREAS, the Zone 7 Board of Directors desires to maintain a highly reliable Municipal and Industrial (M&I) water supply system so that existing and future M&I water demands can be met during varying hydrologic conditions; and

WHEREAS, the Board has an obligation to communicate to its M&I customers and municipalities within its service area the ability of the Zone's water supply system to meet projected water demands.

WHEREAS, the Board on May 15, 2002 adopted Resolution No. 02-2382 setting forth its Reliability Policy for Municipal & Industrial Water Supplies; and

WHEREAS, the Zone's current water supply policy includes a provision for a valley-wide groundwater production capability to meet 75% of valley-wide M&I demand in the event of an outage of the South Bay Aqueduct; and

WHEREAS, the Board desires to revise the Reliability Policy to include all Zone 7 water supply facilities and to clarify demand levels for planning purposes;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby rescinds Resolution No. 02-2382 adopting the May 15, 2002 Reliability Policy for Municipal & Industrial Water Supplies; and

BE IT FURTHER RESOLVED that the Board hereby adopts the following policy goals regarding reliability[1] to guide the management of the Zone's M&I water supplies as well as its Capital Improvement Program (CIP)[2]:

GOAL 1. Meet 100% of its treated water customers water supply needs in accordance with Zone 7's most current Contracts for M&I Water Supply, including existing and projected demands for the next 20 years as specified in Zone 7's Urban Water Management Plan, (UWMP), which will be coordinated with Zone 7's M&I water Contractors. Zone 7 will endeavor to meet this goal during an average water year[3], a single dry water year[4], and multiple dry water years[5], and

GOAL 2: Provide sufficient treated water production capacity and infrastructure to meet at least 75% of the maximum daily M&I contractual demands should any one of Zone 7's major supply, production or transmission facilities experience an extended unplanned outage.

BE IT FURTHER RESOLVED that to ensure that this Board policy is carried out effectively, the Zone 7 General Manager will provide a water supply status report to the Board every five years with the Zone 7 Urban Water Management Plan that specifies how these goals can be, or are being, achieved.

If the General Manager finds that the goals might not be met, then the Board will hold a public hearing within two months of the General Manager's finding to consider remedial actions that will bring the Zone into substantial compliance with the stated reliability goals. Remedial actions may include, but are not limited to, voluntary conservation or mandatory rationing to reduce water demands, acquisition of additional water supplies, and/or a moratorium on new water connections. After reviewing staff analyses and information gathered at the public hearing, the Board shall, as expeditiously as is feasible, take any additional actions that are necessary to meet the reliability goals during the following five-year period; and

BE IT FURTHER RESOLVED that the Zone 7 General Manager shall prepare an Annual Review of the Sustainable Water Supply Report which includes the following information:

(1) An estimate of the current annual average water demand for M&I water as well as a five-year projection based on the same information used to prepare the UWMP and CIP;

(2) A summary of available water supplies[6] to Zone 7 at the beginning of the calendar year;

(3) A comparison of current water demands with the available water supplies; and

(4) A discussion of water conservation requirements and other long-term water supply programs needed to meet Zone 7 M&I water demands for a single dry water year and multiple dry years, as specified in the Zone's UWMP.

A summary of this review will be provided to M & I customers.

Definitions

[1]**Reliability**—the ability of a water supply system to provide water during varying hydrologic conditions without the need for reductions in water use.

[2]**Capital Improvement Program (CIP)**—the CIP is the Zone's formal program for developing surface and ground water supplies, along with associated infrastructure, including import water conveyance facilities, surface water treatment plants, groundwater wells, and M&I water transmission system to meet projected water demands.

[3]**Average water year**—the statistical average quantity of water from all of the water supplies available to Zone 7 on a contractual or legal basis (e.g., surface water runoff to Del Valle reservoir), based on the historical hydrologic records available to Zone 7.

[4]**Single dry water year**—for the purposes of meeting the requirements of the UWMP, the Zone 7 staff will identify and justify the selection of a calendar year from the historic record that represents the lowest yield from all normally contracted or legally available supplies.

[5]**Multiple dry water years**—for the purposes of meeting the requirements of the UWMP, the Zone 7 staff will identify and justify the selection of three or more consecutive dry years from the historic record that represent the lowest yields from all normally contracted or legally available supplies.

[6]**Available water supplies** consist solely of (1) water supplies that the Zone 7 has contracted for (e.g., listed under Schedule A of the State Water Contract, dry-year water options, special contracts with other water districts, etc.) and (2) water actually stored in surface and subsurface reservoirs.

ADOPTED BY THE FOLLOWING VOTE:

AYES: DIRECTORS CONCANNON, GRECI, KOHNEN, MARCHAND, QUIGLEY

NOES: NONE

ABSENT: DIRECTORS KALTHOFF, STEVENS

ABSTAIN: NONE

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

August 18, 2004

By

Vice - President, Board of Directors

ATTACHMENT B: ZONE 7'S EXISTING WATER SUPPLY CONTRACTS AND STORAGE

Over the past few decades, Zone 7 Water Agency (Zone 7) has developed a robust water supply system consisting of local water rights, water supply contracts, and local and non-local storage; each is discussed in more detail below.

LOCAL WATER RIGHTS: ARROYO DEL VALLE RUNOFF

Zone 7, along with Alameda County Water District (ACWD), holds a water right permit[12] to divert runoff from Arroyo del Valle, and stores this local runoff in Lake Del Valle under operating agreements with the Department of Water Resources (DWR). All inflow to Lake Del Valle, after accounting for prior rights, is equally divided with ACWD.

A review of historic runoff from Arroyo del Valle from 1913 to 2009 indicates that the total average inflow is approximately 24,000 acre-feet, of which, approximately 11,500 acre-feet is available for Zone 7. However, due to operational limitations associated with Lake Del Valle, Zone 7's current use of this inflow is limited to approximately 7,300 acre-feet. This supply will increase to approximately 7,700 acre-feet as water demands continue to increase within Zone 7's service area.[13] The remaining supply (3,800 acre-feet) is currently lost as flood releases.

However, as discussed in more detail in subsequent sections, existing gravel quarry operations will create a series of gravel quarry pits overlying the main groundwater basin; this will provide Zone 7 with approximately 100,000 acre-feet of storage capacity located over the Main Groundwater Basin between 2010 and 2030. This local storage will provide Zone 7 with the ability to capture these additional flood releases and increase Zone 7's long-term average yield from Arroyo del Valle runoff to 11,500 acre-feet.

WATER SUPPLY CONTRACTS

Zone 7 currently has contracts with the Department of Water Resources (DWR) and Byron Bethany Irrigation District (BBID) to augment existing local runoff with imported surface water supplies. These contracts are discussed below.

Contracts with DWR

Zone 7 currently holds two contracts with DWR. One contract is for State Water Project (SWP) water, while the other is associated with the Yuba Accord; both are discussed below.

<u>State Water Project (SWP)</u>

Zone 7 currently has a long-term contract[14] with DWR for 80,619 acre-feet of Table A amount, which represents Zone 7's maximum annual entitlement through this contract. Each year, DWR only allocates a portion of this annual entitlement depending on

[12] Permit 11319 (Application 17002).
[13] Yield from Arroyo Valle reduced to reflect 50/50 allocation of inflow between Zone 7 and Alameda County Water District.
[14] Zone 7's contract with DWR expires in 2036 with an option to renew for 75 years.

hydrologic conditions, DWR's operation of the State Water Project (SWP), and legal and environmental constraints.

Prior to 2007, DWR indicated that the long-term average yield from the SWP was approximately 76% of Zone 7's Table A amount, or approximately 61,300 acre-feet annually.[15] However, in 2007, DWR downgraded the water delivery reliability of the State Water Project due to federally imposed pumping restrictions – the restrictions were put in place due to concerns over declines in pelagic organisms in the Delta, primarily the decline of the Delta Smelt.

In August 2008, DWR published the final State Water Project Delivery Reliability Report 2007, which officially reduced the projected long-term average yield from the SWP to 66% of Zone 7's Table A amount, or approximately 53,200 acre-feet annually; this action reduced Zone 7's sustainable supply by 8,100 acre-feet (61,300 minus 53,200 acre-feet).

In January 2009, DWR released a Draft of the State Water Project Delivery Reliability Report 2009 to help quantify the impact of new biological opinions for species in the Delta (e.g., Salmon) and new studies completed on climate change. This draft report now indicates that the long-term average yield from the SWP is 60% of Zone 7's Table A amount, or approximately 48,400 acre-feet annually. This new estimate from DWR has reduced Zone 7's sustainable supply by an additional 4,800 acre-feet; consequently, Zone 7 has lost a total of 12,900 acre-feet of sustainable supply over the past three years.

As DWR refines these preliminary results, the projected yield could further decline; however, these results represent the most current projections available to date, and were incorporated into Zone 7 staff's review of sustainable supply.

Article 21 Water and Turn-back Water

As a contractor of the SWP, Zone 7 also has access to Article 21 (formerly called surplus water) and Article 56d water (turn-back water). Zone 7 generally incorporates any Article 21 water into its long-term average supplies; however, the projected yield from Article 21 water is very low due to pumping restrictions in the Delta, and was not included in this year's review.

Article 56d is a provision that allows contractors with excess water to sell their water to contractors that have water needs. Typically, there is very little water available in dry years but more available in wet years. However, Zone 7 staff does not expect a significant amount of Article 56d water to be available in the future until there is a resolution to existing pumping restrictions in the Delta and therefore, Article 56d water was not included in this year's review.

Carryover

As a State Water Contractor, Zone 7 has the ability to carry water from one year to the next in San Luis Reservoir – also called Article 56(c) water. As part of its operating agreement with DWR, Zone 7 also has the ability to carry inflow from Arroyo del Valle from one year to the next. Zone 7 typically tries to carry over 10,000 to 15,000 acre-feet of water to help year-to-year operations and mitigate the potential impacts of acute drought conditions.

[15] DWR, 2005. The State Water Project Delivery Reliability Report 2005.

Yuba Accord Supply

In 2008, Zone 7 entered into an agreement to purchase additional water from DWR as part of the Yuba Accord; the contract expires in 2025. The contract specifies four different conditions (four components) for which Zone 7 can obtain water. The first component is not available to Zone 7, while the second and third components are available during drought conditions. The fourth component is available when Yuba County Water Agency has determined it has water supplies available to sell.

The annual amount of water available in dry years is small - only 159 acre-feet was available in 2009, and only 1,000 are-feet will likely be available in 2010. As Zone 7 gains experience using this new contract and is able to better define potential long-term yields, then Zone 7 may incorporate more of it into our sustainable supply. For planning-level purposes, Zone 7 assumed that the long-term average yield was 250 acre-feet for this year's review.[16]

Byron Bethany Irrigation District (BBID)

BBID diverts water from the Sacramento-San Joaquin Delta (Delta) pursuant to a "Notice of Appropriation of Water" dated May 18, 1914.[17] Zone 7 entered into a long-term[18] contract with BBID for up to 5,000 acre-feet annually of water supply under this appropriation.[19] The current contract expires in 2013; however, Zone 7 is currently renegotiating this contract, and expects to finalize an agreement to extend the term with BBID by the end of this year.

Although Zone 7 could request up to 5,000 acre-feet per year, and did so this year, Zone 7 staff uses 2,000 acre-feet as a conservative estimate of the long-term average yield from this source because additional analysis is required to justify this water is available during all hydrologic conditions.[20] Water purchased from BBID via this contract is delivered to Zone 7 via the South Bay Aqueduct for use in our service area.

LOCAL STORAGE

Zone 7 has local storage available in the Main Groundwater Basin and in two quarry gravel pits (Lake I and Cope Lake) that overlie the Main Groundwater Basin. Both are discussed below.

Main Groundwater Basin

Zone 7's service area overlies the Livermore Valley Groundwater basin (Basin); the Main Basin is a portion of the Livermore Valley Groundwater Basin that contains the highest yielding aquifers and best quality groundwater.[21] For Zone 7, the Basin is considered a storage facility and not a long-term water supply because Zone 7 does not have a groundwater pumping quota, and only pumps groundwater it artificially recharges.

[16] The long-term average is based on varying the maximum yield of 676 acre-feet (only Components 2 and 3) during critically dry years to no water in wet years without considering Component 4 water.
[17] Source: Mountain House Master Plan.
[18] 15-year contract, renewable every five years.
[19] The Zone 7 Board certified the Environmental Impact Report for this water supply in 1999.
[20] Zone 7 is currently reviewing the potential to increase projected long-term average yields from its contract with BBID as part of the Water System Master Plan update.
[21] Zone 7, 2009. Annual Report for the Groundwater Management Program – 2008 Water Year. May.

Consequently, Zone 7 has actively managed the Basin for over 40 years, and administers conjunctive use programs that integrate both surface and groundwater supplies. [22]

As part of its conjunctive use program, Zone 7 maintains groundwater levels above historic lows in the Main Basin through artificial recharge of SWP water to the arroyos for subsequent percolation and replenishment of existing aquifers.[23] Additionally, Zone staff established historic lows based on historical-low groundwater elevations in various wells in the Main Basin.[24] In general, the difference between water surface elevations when the Main Basin is full and water surface elevations when the Main Basin is at historic lows defines Zone 7's operational storage – operational storage is about 126,000 acre-feet based on Zone 7's experience operating the Main Basin.

Based on a review of current well capacities and discussions with Zone 7's Groundwater Protection and Projects section, Zone 7 has the ability to pump approximately 26,200 acre-feet over a one-year period. Additionally, for this planning-level review, Zone 7 staff included limits on annual groundwater pumping to ensure that water surface elevations remain above historic lows during a multiple dry year event.[25] The pumping limit used in the analysis (14,000 acre-feet) was based on preliminary modeling conducted by Zone 7 staff and assuming no artificial recharge activities.[26]

Chain of Lakes – Lake I and Cope Lake

The Chain of Lakes (COL) is an area located between the cities of Pleasanton and Livermore, and refers to a series of ten mined out or active gravel quarry pits that have been or will be converted into surface water storage facilities and/or groundwater recharge basins once mining has been completed. The ten quarry pits or lakes are named Cope Lake, and Lakes A through I.

Although the Chain of Lakes will ultimately cover approximately 2,000 acres and store approximately 100,000 acre-feet of water, Zone 7 currently only owns Cope Lake and Lake I. Zone 7 expects to take ownership of Lake H sometime within the next five years, while the remaining lakes will be transferred to Zone 7 over the next 20 years. No additional storage or recharge capacity from the Chain of Lakes was assumed available to Zone 7 for this year's review.

NON-LOCAL STORAGE

In addition to local storage, Zone 7 also participates in two groundwater-banking programs with Semitropic Water Storage District (Semitropic) and Cawelo Water District (Cawelo). Each is discussed below.

Semitropic Water Storage District

Zone 7 has 78,000 acre-feet of groundwater banking storage available through Semitropic to augment water supplies during drought conditions. During non-drought periods,

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[22] Zone 7, 2009. Annual Report for the Groundwater Management Program – 2008 Water Year. May.
[23] Zone 7, 2009. Annual Report for the Groundwater Management Program – 2008 Water Year. May.
[24] Zone 7, 2009. Annual Report for the Groundwater Management Program – 2008 Water Year. May.
[25] An example multiple dry year event is the 6-year drought that occurred between 1987 and 1992.
[26] Zone 7 conducted a preliminary analysis using the calibrated groundwater model to determine the average annual pumping limit that maximizes the recovery of groundwater basin storage during a 6-year drought, assuming average conditions that existed between 1987 and 1992, and only with existing facilities.

Zone 7 can put up to 5,883 acre-feet annually into the Semitropic groundwater bank. During droughts, Zone 7 has the ability to request 9,100 acre-feet of pumpback and anywhere from 0 to 8,645 acre-feet of exchange water;[27] the availability of exchange water depends on projected SWP deliveries. For conservative planning-level purposes in this year's review, Zone 7 staff assumed that only pumpback capacity would be available between 2011 and 2014.

Cawelo Groundwater Banking Program

Zone 7 has 120,000 acre-feet of groundwater banking storage available with Cawelo to augment water supplies during drought conditions. During non-drought periods, Zone 7 can put 5,000 acre-feet annually into the bank.[28] During droughts, Zone 7 has the ability to request 10,000 acre-feet of pumpback. For conservative planning-level purposes in this year's review, Zone 7 staff assumed that no pumpback would be available from Cawelo between 2011 and 2014.

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[27] The availability of exchange water depends on the allocation from the State Water Project.

[28] Zone 7 only gets storage credit for 50% of the water provided to Cawelo. Per the existing contract, Zone 7 can only send 10,000 acre-feet in any given year to Cawelo; therefore, the maximum contractual credit is 5,000 acre-feet.

ORIGINATING SECTION: WATER SUPPLY ENGINEERING
CONTACT: JAIME RIOS

AGENDA DATE: May 19, 2010 ITEM NO.

SUBJECT: Professional Services Contract with Kier & Wright Civil Engineers & Surveyors, Inc., for Surveying Support Services

SUMMARY:

- In April 2008, proposals were requested to provide surveying support services to Zone 7 on an annual contract basis. Kier & Wright was found to be best able to provide these services to Zone 7 and was awarded a contract for FY 2008/09.
- In May 2009, the Zone 7 Board of Directors approved a resolution authorizing the General Manager to execute a second annual surveying support services contract with Kier & Wright for fiscal year 2009/10 for a not to exceed amount of $155,200. The actual use of this contract for FY 2009\10 is estimated to be about $112,300.
- Performance during fiscal year 2009/2010 has been satisfactory. In order to more efficiently obtain these services, it is Zone 7's practice to go through the Request for Proposal process every three years. With satisfactory performance and subject to the Board's approval, a new annual contract may be executed for up to three consecutive years. This will be the third year for a contract with Kier & Wright Civil Engineers.
- The recommended action is to adopt the attached resolution authorizing the General Manager to execute a professional services contract with Kier & Wright Civil Engineers for fiscal year 2010/2011 in an amount not to exceed $204,200.

FUNDING:
Funding is budgeted and available for FY 2010/11 from Fund 50 – Flood Control/General ($75,000), Fund 52 – Water Enterprise ($38,200), Fund 72 – Renewal and Replacement/System-Wide Improvements ($47,000) and Fund 73 – Expansion ($14,000), and Fund 76 – Flood Protection/Drainage DIF ($30,000).

RECOMMENDED ACTION:
Adopt attached resolution authorizing the General Manager to negotiate and execute a professional services contract with Kier & Wright Civil Engineers for surveying support services for fiscal year 2010/2011 in an amount not to exceed $204,200.

ATTACHMENTS:
Memo providing additional information
Exhibit A, Scope of Services
Exhibit B, Project Summary List
Exhibit C, Consultant's Fee Schedule
Resolution

Interoffice Memo

Date: May 19, 2010
To: Jill Duerig, General Manager
From: Jaime Rios, Associate Civil Engineer
Subject: Consulting Contract with Kier & Wright Civil Engineers & Surveyors, Inc., for Surveying Support Services

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

BACKGROUND:

As the major water supply and flood control agency in eastern Alameda County, Zone 7 has an ongoing commitment to plan for existing and future needs, implement needed projects, and maintain a reliable water treatment, production and delivery system. To meet this commitment, Zone 7 must meet an ongoing need for surveying support services. These services are critical for the planning, design, construction and maintenance of Zone 7 facilities. These facilities include pipelines, buildings, roads and flood control channels.

DISCUSSION:

Zone 7 has compiled a list of projects that are identified in our current Capital Improvement Program, or that are anticipated to support maintenance activities and other planning activities that will require surveying support services in FY 2010/11. Since Zone 7 staff does not have the technical expertise to provide these services, it must rely on an outside consultant to do so. In April 2008, proposals were requested to provide these services to Zone 7 on an annual contract basis. Based on the proposals received, Kier & Wright was found to be best able to provide these services to Zone 7 and a contract was awarded for FY 2008/09. In May 2009, the Zone 7 Board of Directors approved a resolution authorizing the General Manager to execute a second annual surveying support services contract with Kier & Wright for fiscal year 2009/2010. Performance during fiscal year 2009/2010 has been more than satisfactory. In order to more efficiently obtain these services, it is Zone 7's practice to go through the Request for Proposal process once every three years. With satisfactory performance and subject to the Board's approval, a new annual contract may be executed to provide services for up to three consecutive years. This will be the third year for a contract with Kier & Wright. It is recommended that the contract be executed for fiscal year 2010/2011 in an amount not to exceed $204,200.

The Scope of Services to be performed by the consultant on an as-needed basis is shown on Exhibit A. The Scope of Work identifies the broad range of services and technical expertise the consultant will provide to Zone 7 that will ensure the timely completion of quality projects. The Project Summary List is shown on Exhibit B. There is a significant increase over last year's services to provide additional flood control surveying that will be used in the development of a regional hydraulic model. The consultant's fee schedule is shown on Exhibit C. Payments will be based on actual time and materials charged. Board approval is requested to execute the contract.

EXHIBIT A

Zone 7 Water Agency

Annual Service Contract for Surveying Support Services

SCOPE OF SERVICES

The consultant shall perform the following services on an as-needed basis (note that projects may be spread out over time or there may be several within a short-time period):

1. Provide field surveying related services at various locations within the Zone 7 service area including but not limited to topographic surveys, Global Positioning System (GPS), benchmarks, surface and subsurface utility surveys, boundary surveys, cross-sections, aerial photos, aerial surveys, construction baseline surveys and staking, movement monitoring work, and setting permanent monuments.

2. Provide office surveying-related services including downloading field data to and from computer in AutoCAD 2000 to general files including point, digital terrain model (DTM), triangulated irregular network (TIN), contour, plan, profile cross section, calculating traverse, inverse, area, earthwork and plotting results on 22 x 34 inch (or other requested size) mylar film. Provide Zone 7 with an electronic copy of survey drawings and other information collected and compiled in AutoCAD 2000 (or other agreed upon format) on cd-rom. Zone 7 will provide a sample border and logo.

3. Title searches, right-of-way descriptions and plat preparation work.

4. Work effectively and in a timely manner with a governing Board, top management and all staff levels of Zone 7.

EXHIBIT B
Zone 7 Water Agency
Service Contract for Surveying Support Services
Project Summary List
FY 10/11

	PROJECT	SECTION	WORK ORDER NO.	BUDGET	FUND	TASK
1	DVWTP Chemical Improvements Project	Water Supply Engineering	TBD	$7,000	72	Field Surveying
2	Establish permanent control points	Flood Control	65001	$20,000	50	Field surveying and setting permanent controls
3	Annual Mitigation Monitoring Program	Flood Control	65001	$20,000	50	Channel cross-sections
4	StreamWISE Projects	Flood Control	61902	$60,000	76 and 50	Land surveying support
5	Benchmark Monitoring Program	Groundwater Protection and Projects	35005	$26,000	52	Field surveying, data compilation
6	Well Maintenance	Groundwater Protection and Projects	31000	$7,200	52	Wellhead Surveys

EXHIBIT B
Zone 7 Water Agency
Service Contract for Surveying Support Services
Project Summary List
FY 10/11

7	COL Facilities and Improvements	Groundwater Protection and Projects	57102	$8,000	73	Elevation Surveys
8	PPWTP Sewer Line Project	Water Supply Engineering	53090	$20,000	72	Field surveying
9	LGA Grant - Well Head Surveying for Recharge Study	Groundwater Protection and Projects	TBD	$6,000	73	Wellhead Surveys
10	Miscellaneous Support for Real Property Services	Real Property Services	50% 51506 50% 62017	$10,000	52 and 50	Prepare and review property descriptions & plats, property research and obtain record documents.
11	Miscellaneous Support For Water Supply Engineering	Water Supply Engineering	96072	$20,000	72	Field surveying as needed
	TOTAL			$204,200		

Date:4/6/10
By: J Rios

P:\WSE\Jaime\Surveying Summary List.xls

Exhibit C

KIER & WRIGHT
Civil Engineers & Surveyors, Inc.

EXHIBIT C.2
HOURLY RATE SCHEDULE
Zone 7 Water Agency
Annual Service Contract for Surveying Support Services

Effective July 1, 2010 through June 30, 2011

PRINCIPAL	$ 199.00/Hour
PRINCIPAL ENGINEER	$ 179.00/Hour
SENIOR ENGINEER	$ 161.00/Hour
OFFICE ENGINEER	$ 145.00/Hour
SENIOR SURVEYOR	$ 162.00/Hour
SURVEY SUPERVISOR	$ 162.00/Hour
OFFICE SURVEYOR	$ 145.00/Hour
SURVEY COORDINATOR	$ 138.00/Hour
SURVEYING/ENGINEERING TECH	$ 124.00/Hour
RESEARCH ASSISTANT	$ 70.00/Hour
SENIOR DRAFTSMAN	$ 101.00/Hour
DRAFTSMAN	$ 96.00/Hour
2-MAN SURVEY CREW (Includes GPS Survey Crew)	$ 255.00/Hour
3-MAN SURVEY CREW	$ 323.00/Hour
TESTIMONY (TRIAL OR DEPOSITION)	$386.00/Hour
TECHNICAL TYPIST	$ 62.00/Hour
ENGINEERING INTERN	$ 42.00/Hour

All blueprinting and reproduction will be billed at cost plus 10%. Time spent for preparation for testimony will be billed in accordance with the above hourly rates.

W:\MASTER\Office Forms\Rates\Zone 7\2010-2011 ACFCWCD Zone 7 Rates- Letterhead.doc

1233 Quarry Lane, Suite 145 • Pleasanton, California • 94566 • (925) 249-6555 • FAX (925) 249-6563

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 a professional services contract with Kier & Wright Civil Engineers & Surveyors, Inc., for surveying support services for the period July 1, 2010, through June 30, 2011, for an amount not to exceed $204,200.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

May 19, 2010

By____________________________________
President, Board of Directors

ORIGINATING SECTION: FINANCE & BUSINESS SERVICES
CONTACT: JOHN YUE

AGENDA DATE: May 19, 2010 ITEM NO.

SUBJECT: AWARD AND APPROVAL OF EXTERNAL AUDITOR SERVICES AGREEMENT

SUMMARY:

- An external audit provides independent assurance of the full disclosure of the financial condition of the Zone and promotes public confidence in Zone 7. It is also a requirement of the Installment Sale Agreement entered into with Wells Fargo Bank in January 2008.

- The service agreement with the most recent external auditor expired upon completion of the audit for fiscal year ending June 30, 2009.

- On March 25, 2010, staff issued a Request for Proposal for External Auditor services to twenty-five (25) firms with submittals due on April 13, 2010. Eight (8) responses were received.

- Based on the proposed approach, experience and expertise of the firm, ability to meet the scope, quality of and accessibility to firm's personnel and references, Maze & Associates was ranked highest.

- Staff recommends the Board award the external auditor services for fiscal years ending June, 30, 2010 through June 30, 2014 to Maze & Associates.

FUNDING:

Funds for these services have been budgeted in Fund 50 – Flood Control, and Fund 52 – Water Enterprise.

RECOMMENDED ACTION:

Adopt a resolution authorizing the General Manager to negotiate and execute an agreement, not to exceed $119,173, with Maze & Associates to provide external auditor services for three years, and authorize the General Manager to exercise the two one-year optional terms if it meets the needs of the Agency.

ATTACHMENTS:
Zone 7 Board Resolution
Staff Report

INTEROFFICE MEMO

Date: April 14, 2010
To: Jill Duerig
From: John Yue
Subject: External Auditor Services Agreement Award

BACKGROUND

The preparation of general purpose financial statements is the responsibility of Zone 7's management. An external audit provides independent assurance of the full disclosure of the financial condition of the Agency. This promotes public confidence for Zone 7. It is also a requirement of the Installment Sale Agreement entered into with Wells Fargo Bank in January 2008.

The most recent external auditor services were provided by Low Accountancy. Low Accountancy's agreement to perform Zone 7's financial audits and provide financial statement services expired upon completion of the audit for fiscal year ending June 30, 2009. On March 25, 2010, staff issued a Request for Proposal (RFP) for External Auditor services to 25 firms with a deadline for submittals of April 13, 2010.

DISCUSSION

Eight (8) responses were received from the following: Caporicci & Larson; Fechter & Company; James Marta & Company; Low Accountancy; Maze & Associates; Moss, Levy & Hartzeim; Odenberg, Ullakko, Muranishi & Company; and Vavrinek, Trine, Day & Company. A staff review team evaluated the proposals. The responses were evaluated on the soundness of approach, experience and expertise of the firm, ability to meet the scope of services, quality of and accessibility to personnel assigned to the project, and references provided for similar projects completed by the proposer. Based on the rating of these factors, the evaluation team recommends that Maze & Associates be awarded the contract.

All the responses met the minimum requirements; however Maze & Associates proposed the best approach and exhibited the most experience with water districts. Maze & Associates is located in Pleasant Hill and currently serves the auditing needs of the City of Livermore and the Dublin San Ramon Services District.
If approved, this contract will address the financial audit needs for the fiscal years ending June 30, 2010 through June 30, 2012, plus two additional one-year optional terms to extend through June 30, 2014. The proposed not-to-exceed maximum fee schedule is as follows:

Fiscal Year ending:	Amount
June 30, 2010	$23,130
June 30, 2011	$23,478
June 30, 2012	$23,829
June 30, 2013	$24,187
June 30, 2014	$24,549

The not-to-exceed contract amount for external auditor services of the fiscal year ending June 30, 2009 was $23,000. The actual cost incurred was $20,500.

Staff recommends the Board adopt a resolution authorizing the General Manager to negotiate and execute an agreement with Maze & Associates to provide external auditor services. The agreement is not to exceed $119,173 ($70,437 for the three-year base term and $48,736 for the two one-year optional terms). Maze & Associates' proposed engagement segments and budget along with its fee proposal are also attached for your information.

Attachments:
Fee Proposal
Engagement Segments and Staffing Budget

COST PROPOSAL
FOR THE
ZONE 7 WATER AGENCY
FOR
PROFESSIONAL AUDITING SERVICES

Submitted By

MAZE & ASSOCIATES
3478 Buskirk Avenue, Suite 215
Pleasant Hill, CA 94523
(925) 930-0902

Contact Persons

Timothy Krisch – e-mail address – timk@mazeassociates.com
Vikki Rodriguez – e-mail address – vikr@mazeassociates.com

April 13, 2010

April 13, 2010

SEALED DOLLAR COST BID

Name of Firm: Maze & Associates

Address: 3478 Buskirk Avenue #215
City, State, Zip: Pleasant Hill, CA 94523
Contact Name: John Rodriguez
Contact Telephone Number(s): (925) 930-0902
Contact E-mail Address: johnr@mazeassociates.com

I, the undersigned, certify I am duly authorized to represent the above named firm and am empowered to submit this bid. In addition, I certify I am authorized to contract with the Zone 7 Water Agency on behalf of the above named firm.

V.P. 4-13-2010

Signature Title Date

JOHN RODRIGUEZ

Name (print)

Total All-inclusive Maximum Price for:	2009/10	2010/11	2011/12	2012/13	2013/14
Zone 7 Water Agency	$17,780	$18,047	$18,317	$18,592	$18,870
Financial Transaction Report	980	995	1,010	1,026	1,042
Single Audit Report (per tested program)	4,370	4,436	4,502	4,569	4,637
Total All-inclusive Maximum Price	$23,130	$23,478	$23,829	$24,187	$24,549

ZONE 7 WATER AGENCY
SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDITS OF THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30:

	Hours	Hourly Rates	Totals 2010	2011	2012	2013	2014
Zone 7 Water Agency							
Basic Financial Statements & Management Letter:							
Partner	16.00	$300	$4,800	$4,872	$4,945	$5,019	$5,094
Manager	2.00	140	280	284	288	292	296
Supervisor	47.00	115	5,405	5,486	5,568	5,652	5,737
Associates	82.00	85	6,970	7,075	7,181	7,289	7,398
Office	5.00	65	325	330	335	340	345
Total Basic Financial Statements	152.00		17,780	18,047	18,317	18,592	18,870
State Controller's Office Financial Transaction Report:							
Partner	1.00	300	300	305	310	315	320
Associates	8.00	85	680	690	700	711	722
Total State Reporting	9.00		980	995	1,010	1,026	1,042
Single Audit, if needed (per tested program)							
Partner	2.00	300	600	609	618	627	636
Supervisor	8.00	115	920	934	948	962	976
Associates	32.00	85	2,720	2,761	2,802	2,844	2,887
Office	2.00	65	130	132	134	136	138
Total Single Audit	44.00		4,370	4,436	4,502	4,569	4,637
Total all-inclusive maximum price:	205.00		$23,130	$23,478	$23,829	$24,187	$24,549

NOTES:
(1) Out-of-pocket expenses are included in our standard hourly rate.

PRICING PROPOSAL

Certification

Timothy Krisch and Vikki Rodriguez and are authorized to submit this proposal and negotiate and sign a contract with the Zone 7 Water Agency. Our offer is firm and irrevocable for a period of 60 days from the date of this proposal.

Total Cost of Audit

Our Estimated All-Inclusive Maximum Prices for the services specified in the Request for Proposal for the fiscal years ending June 30, 2010 through June 30, 2014, are detailed at the end of this section. Our Total All-inclusive Maximum Prices for the services specified in the RFP are firm fixed fees.

Our policy is to attempt to keep our clients fees constant after inflation. Therefore, the fees for years subsequent to 2010 have been adjusted for the 2009 CPI increase for the Services Sector of the U.S. Department of Labor, Bureau of Labor Statistics for the San Francisco-Oakland Area.

Additional Services

Any additional services will be performed and billed only on the Agency's prior authorization at our standard billing rates.

Fees and Billings

Our fees are firm fixed prices. In determining our fees, we understand that the Agency's records will be in condition to be audited; that is, transactions will be properly recorded in the general ledger and subsidiary records, these accounting records and the original source documents will be readily available to use, we will be furnished with copies of bank reconciliations and other reconciliations and analyses prepared by the Agency and Agency personnel will be reasonably available to explain procedures, prepare audit correspondence and obtain files and records.

We do not post separate rate structures for municipal audit work. We view this work as being every bit as important and valuable as the work we perform for other clients and we put our best people on it. Any consulting work you request will be performed at the same rates as our audit work.

We will bill monthly based on costs incurred.

ZONE 7 WATER AGENCY
Proposed Engagement Segments and Budget

	Budgeted Hours						
	Partners				Staff		
Audit Activities	Engagement	Review	Manager	Supervisor	Associates	Admin.	Total
Planning & budget/Confirm/Checklists	1.00			2.00	2.00		5.00
SAS Fraud Assessment	1.00			2.00	2.00		5.00
Report	1.00			5.00		3.00	9.00
Minutes-resolutions				2.00			2.00
Supervision/review	6.00	2.00		16.00			24.00
Conferences & meetings	2.00			1.00			3.00
Management letter	1.00			2.00		1.00	4.00
MD&A					1.00		1.00
Accounting Issues Memo	1.00			1.00		1.00	3.00
Analytical review	1.00			1.00			2.00
Adjustments				1.00			1.00
Internal Control Evaluation					4.00		4.00
Information Systems Review			2.00				2.00
Cash & Investments				14.00			14.00
Revenue/Receivables					12.00		12.00
Capital Assets					14.00		14.00
Disbursements/Accounts Payable					12.00		12.00
Deferred Revenue					6.00		6.00
Payroll/Accrued liabilities					8.00		8.00
Deposits- Water Facilities Trust					4.00		4.00
Pension Plan- PERS					3.00		3.00
Fund balance & net assets					4.00		4.00
Commitments & Contingencies					6.00		6.00
Risk Management					4.00		4.00
Subtotal - Basic Financial Statements & Management Letter	14.00	2.00	2.00	47.00	82.00	5.00	152.00
State Controller's Office- Financial Transaction Report	1.00				8.00		9.00
Single Audit Report (per tested program)	2.00			8.00	32.00	2.00	44.00
GRAND TOTAL	17.00	2.00	2.00	55.00	122.00	7.00	205.00

ZONE NO. 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

AWARD AND APPROVAL OF EXTERNAL AUDITOR SERVICES AGREEMENT

WHEREAS, an external audit provides independent assurance of the full disclosure of the financial condition of Zone 7, promotes public confidence and is a requirement of the Installment Sale Agreement entered into with Wells Fargo Bank in January 2008; and

WHEREAS, the recent external auditor services agreement expired upon completion of the audit for fiscal year ending June 30, 2009, and staff issued a Request for Proposal for External Auditor services; and

WHEREAS, Maze & Associates was ranked best qualified based on the proposed approach, experience and expertise of the firm, ability to meet the scope, quality of and accessibility to firm's personnel and references;

NOW, THERFORE, BE IT RESOLVED, that this Board of Directors does hereby authorize the General Manager to negotiate and execute an agreement, not to exceed $119,173, with Maze & Associates to provide external auditor services for three years, plus two additional one-year optional terms; and

BE IT FURTHER RESOLVED that the Board of Directors authorizes the General Manager to exercise the two one-year optional terms if it meets the needs of the Agency.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

May 19, 2010 ______________________________

By:______________________________________
President, Board of Directors

ORIGINATING SECTION: MANAGEMENT ADVISORY TEAM
CONTACT: VINCE WONG

AGENDA DATE: May 19, 2010 ITEM NO.

SUBJECT: Zone 7 Separation from Alameda County

SUMMARY:

- On April 1, 2009, Management Partners, Inc. presented its interim report to the Zone 7 Board on its analysis of whether the existing County support services best met the needs of Zone 7. A draft Final Report was presented to the Zone 7 Board on September 16, 2009, identifying certain inefficient use of labor and redundant work processes along with some cost saving potentials.
- Subsequent meetings with County staff reveal that the County is unwilling to separate only the financial and business services functions, although the County is not opposed to allowing Zone 7 to completely separate from the County.
- At the April and September 2009 Zone 7 Board meetings, some Zone employees expressed concerns with Zone 7 completely separating from the County.
- A Management Advisory Team (MAT) was formed in October 2009 to advise the General Manager on how to improve Zone 7's organizational culture. Also, joint Labor Management Team meetings were held to discuss employee concerns with separation.
- In February 2010, a MAT Task Force was created to set a reasonable timeline for the Zone 7 Board to make a decision on whether or not the Zone 7 should aggressively pursue separation from Alameda County. The MAT group developed informational materials on separation and distributed them to all Zone 7 employees and their union representation. From April 19 through April 30, 2010, MAT surveyed the employees to determine their level of support, opposition, or indifference in regards to separation.
- Ninety-two of the105 Zone 7 employees responded to the survey (88% response rate). Fifty-one (55.4% of the respondents) agreed or strongly agreed that separation will be beneficial to Zone 7; 17 (18.5% of the respondents) were neutral; and 24 (26.1% of the respondents) disagreed or strongly disagreed.
- The MAT group recommends continuing to pursue separation and enhancing communication with all employees during the separation process. It is anticipated that it will take approximately six months to complete this next phase of separation, and two to four years to fully implement and complete the separation process.
- The Zone 7 Administrative Committee met on May 12, 2010, and approved staff's recommendation on separation and in forwarding the matter to the full Board for action.

RECOMMENDED ACTION:

Adopt attached resolution affirming intent to pursue separation.

ATTACHMENTS:

Draft resolution affirming intent to pursue separation from Alameda County.
Report memorandum from MAT on separation

M E M O R A N D U M

DATE: May 12, 2010

TO: Jill Duerig, General Manager

FROM: Management Advisory Team

Tamara Baptista	Colter Andersen (alternate)
Jarnail Chahal	Barry Ivy (alternate)
Gerald DeWitt	Kurt Arends
Rich Gould	Tom Hughes
Matt Katen	Vince Wong
Ginger Staton	John Yue
Teri Yasuda	

SUBJECT: Zone 7 Separation from Alameda County

BACKGROUND

In an email transmittal to all Zone 7 employees, the Management Advisory Team stated,

> *"For over a year, the Zone 7 Board and staff have been evaluating the possibility of Zone 7 becoming more autonomous from certain County functions. The County is willing to consider giving Zone 7 more autonomy, but only as part of a complete separation from the County. The Management Advisory Team (MAT) has been asked to determine a timeline for the Zone 7 Board to make a commitment on proceeding with separation or not. Because so much energy and resources need to be spent on separation (not to mention the distraction and uncertainty involved), the MAT group believes the Zone 7 should make a decision to "fish or cut bait" as soon as the May 2010 Board meeting."*

On April 1, 2009, Management Partners, Inc., gave an interim report and presentation to the Zone 7 Board on its study to analyze whether the existing County support services best met the needs of Zone 7. A draft Final Report was completed identifying certain inefficient use of labor and redundant work processes along with some cost saving potentials. Management Partners presented the draft of the Final Report to the Administrative Committee on August 25 and September 10, 2009, where questions and comments were received. The Committee recommended that the full Board consider separation at its next regularly scheduled meeting on September 16, 2009.

At the September 16, 2009, meeting, the Board 1) directed staff to transition financial and business services from County support; 2) authorized staff to continue discussions with County staff to determine the best process to accomplish the separation and timing of the transition for each financial and business service area; and 3) authorized staff to begin discussions with unrepresented staff and labor unions and, to the extent permitted by the unions and the MOUs, directly with represented staff, regarding the report and HR/civil service/ benefit recommendations. Subsequent meetings with County staff reveal that the County is unwilling to separate only the financial and business services functions, although the County is not opposed to allowing Zone 7 to completely separate from the County.

At the April and September 2009 Zone 7 Board meetings, some Zone employees expressed concerns with Zone 7 completely separating from the County.

On January 20, 2010, the Board adopted a resolution declaring the Board's intent to maintain at least current levels of benefits for employees if Zone 7 separates from the County and, to the extent that enhancements are within the agency's financial capabilities, consider those as well.

DISCUSSION

In October 2009, the Management Advisory Team (MAT) was formed to establish a team-based organizational approach to moving Zone 7 into the future. The key purposes of the MAT were to advise the General Manager in four areas:

- Inventing the new Zone 7 Water Agency,
- Improving the Zone culture,
- Promoting positive leadership, and
- Providing for future leadership.

Regular joint Labor Management Team meetings were also held to discuss employee concerns with separation.

On February 24, 2010, a MAT Task Force was created to set a reasonable timeline for the Zone 7 Board to make a decision on whether or not the Agency should aggressively pursue separation from Alameda County. The Task Force recommended, and MAT agreed, that the Zone 7 Board should declare its intent at the May 19, 2010, Board meeting. To inform the Board of the Zone employees' level of acceptance on separation, the Task Force recommended an employee survey to be completed by April 30.

In preparation for the survey, the MAT group generated and distributed two information sheets: <u>County Separation FAQs</u> and <u>Zone 7 Separation from Alameda County - Why Now?</u> (see Exhibits A and B). For the Frequently Asked Questions (FAQ) information sheet, MAT solicited questions from all Zone employees and the union representatives.

MAT surveyed the employees from April 19 through April 30 through an on-line opinion survey (SurveyMonkey.com). Confidentiality of the response was maintained by the on-line survey service provider – even from the MAT/Zone 7 survey requester. The survey itself was a simple two-part survey as follows:

1. *Please rate the following statement:*

   "I believe separation from Alameda County will be beneficial to Zone 7 Water Agency."

   Strongly Agree *Agree* *Neutral* *Disagree* *Strongly Disagree*

2. *Why?*

Ninety-two of the 105 Zone 7 employees responded to the survey, and 55 employees provided comments. The survey results are shown in Exhibit C and are summarized as follows:

Strongly Agree/Agree	51 (55.4% of the respondents)
Neutral	17 (18.5% of the respondents)
Strongly Disagree/Disagree	24 (26.1% of the respondents)

Of the 55 comments, 33 were positive and supportive of separation, 16 were negative or somewhat negative towards separation, and 6 were "neutral". The positive comments echoed many of the benefits provided in the two information sheets. The negative comments generally fell into the categories of unknown/uncertainty, lack of information, loss of benefits, and lack of confidence/trust in agency management. More than half of the negative and neutral comments stated that they felt that there was still a lack of information regarding the type of agency we would become, the benefits the employees would be offered, and the direction of the new agency. A couple of the comments raised the issue of privatization; but, clearly, the Agency would not be able to retain ownership of its principal assets (e.g., physical plants, right-of-way, and State Water Project contract) as a private entity. The MAT group feels that more information will be provided to employees as we pursue separation. The MAT team feels that it is very important to communicate with the employees, and to involve them throughout the entire process.

If the Board affirms its intent to pursue separation from Alameda County, the next steps are as follows:

1) Develop transition plans and timeline;
2) Research employee benefit options and costs;
3) Evaluate options for the type of agency that Zone 7 should become;
4) Develop a template for transitional agreements for employee MOU gaps;
5) Continue involvement/discussions with employee groups;
6) Obtain additional input from County and local governments and from the retailers.

Additional consultant services might be needed to support the above. Staff should prepare a Scope of Work and Request for Proposal for the additional work. The MAT group estimates that it will take approximately six months to complete this next phase of separation, and two to four years to fully implement and complete the separation process.

RECOMMENDED ACTION

The MAT recommends that the Zone 7 Board affirms its intent to pursue separation from Alameda County.

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO

INTRODUCED BY
SECONDED BY

INTENT TO PURSUE SEPARATION

BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby affirm its intent to pursue separation from Alameda County; and

BE IT FURTHER RESOLVED that staff is hereby authorized and directed to:

- Develop transition plans and timeline;
- Research employee benefit options and costs;
- Evaluate options for the type of agency that Zone 7 should become;
- Develop a template for transitional agreements for employee MOU gaps;
- Continue involvement/discussions with employee groups;
- Obtain input from County and local governments and from the retailers; and

BE IT FURTHER RESOLVED that staff is authorized to develop and issue a Request for Proposal for consultant services to provide the additional information on separation in support of the above.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

May 19, 2010______________________________

By______________________________________
President, Board of Directors

County Separation FAQ'S

The following questions were submitted by Zone 7 employees and their union representatives. Many questions were submitted but were similar enough to be consolidated. Other questions were not specifically addressed because they did not pertain to issues relating to separation. Answers to the questions were prepared and reviewed by the Management Advisory Team (MAT). More details to many of the answers may be found in (1) the "Why Now?" document accompanying these FAQs, (2) the Joint Labor Meeting notes that have been emailed to all Zone 7 employees, and/or (3) the Management Partners Report on separation completed last year. Thanks to all who submitted questions!

The MAT members are: Tamara Baptista, Jarnail Chahal, Gerald DeWitt, Rich Gould, Matt Katen, Ginger Staton, Teri Yasuda, Colter Andersen (alternate), Barry Ivy (alternate), Kurt Arends, Tom Hughes, Vince Wong, and John Yue.

Q1: Does management already have a vision of how they want the agency to be if separation does occur?

A: The Zone 7 vision process is taking place through the Strategic Plan and cultural change. Whether or not separation with the County is pursued, the vision will continue to be driven by the Strategic Plan.

Q2: If the Board decides to move forward with separation from the County, how long will the Transition Period be? When will separation be taking place?

A: Based on experience of other agencies, the separation process can be two to five years. The timeline is unknown at this time and is dependent on the Board of Director's direction.

Q3: Will there be any organization change after the separation? Will Flood Control come with Zone 7 or stay with the County?

A: Separation is not related to the Zone's internal organization structure. Organizational change might or might not occur based on the Strategic Plan and cultural change. The County has offered to take Flood Control but is not opposed to us keeping it. The Zone 7 Board has stated they wish to keep Flood Control.

Q4: Will the choice of the new agency that Zone 7 would become have an affect what the new Employee Rules, Regulations and Personnel Commission/Binding Arbitration will be?

A: A decision has not been made on the type of agency Zone 7 would become. However, the specific type of agency that Zone 7 becomes will not matter in relation to the employee rules, regulations and/or civil service or personnel commission in that the new agency will be an open, public agency.

Q5: What happens to the current MOU's and the Civil Service rules when we are separate?

A: Prior to separation, a Transition Agreement could be developed to be effective on day 1 after separation, maintaining similar terms as in the current MOU's and Civil Service rules for a certain period of time, which could be one year, two years or longer, until new MOU's and personnel rules are mutually negotiated and put in place.

EXHIBIT A

Q6: What happens when Zone 7 is separating and the MOU's are negotiated? What will happen to my MOU?

A: Zone 7 will negotiate with Labor Unions and unrepresented managers a Transition Agreement. No changes to the current MOU's will be made until we have gone through the transition and negotiated new agreements. Any proposed changes to the MOU would have to be negotiated with your Labor Union. The Joint Labor Management Team (LMT) discussed using the current MOU agreements as a "starting point" in entering negotiations.

Q7: What protection is there for people to have a job in the new agency, meaning is there any chance an employee would not be included in the new agency or be demoted or promoted?

A: In the Transition Agreement, a key item of agreement is that all employees will be rehired with the "new" Agency in their current classification. Further, no employee demotions or promotions will take place in connection with the separation.

Q8: How can employees provide input to the process, specifically adding to the sample Benefits and Transition Agreement elements given out at the last Joint Labor Meeting?

A: All employees are represented at the Joint Labor Management Team. Please provide input to your representative on the Joint LMT so those issues can be discussed.

Q9: What will take the place of the Civil Service Commission? What is an alternative to a "Personnel Committee"?

A: The answer depends upon the outcome of negotiations with the Unions. The Agency has no set plans and is open to input from the employees' representatives. One option is to set up a different way of handling employee grievances, such as a grievance process within the MOU which culminates in arbitration. Other options would include: (1) the Board of Directors as the final step in the resolution of grievances, disciplines and classification issue; (2) the establishment of a personnel committee comprised of members of the Board of Directors or of individuals appointed by the Board of Directors; or (3) the Board of Directors establishing an elected commission to address personnel issues.

Q10: Who will administer the Personnel Rules internally?

A: There are several options on how to set up oversight of these functions if County Civil Service rules no longer apply; it will depend upon the outcome of negotiations. The Agency has no set plans regarding either rules or their administration and is open to input from the employees' representatives. A protection which would not change is that any complaints of an Unfair Labor Practice would continue to be handled by the Public Employment Relations Board (PERB), which is a state agency.

Q11: Will we still have the same Job Seniority as the existing Civil Service Rules provide?

A: The agency plans to maintain seniority through the Transition Agreement. The protection of seniority would be one of the main components of the Transition Agreement. The definition of seniority would be spelled out and its application defined in the Transition Agreement and the new MOUs.

Q12: Will union representation remain the same?

A: Yes. This is a key item covered in the Transition Agreement and is also noted in the current MOU's Recognition clause.

Q13: What happens to the unrepresented during this transition since they have no MOU?

A: The Agency will develop a Transition Agreement that covers the unrepresented employees. The Transition Agreement establishes the terms and conditions of employment for the employees involved in the transition from one employer to a new employer, which will also include the unrepresented employees. The Transition Agreement will maintain the current rules that apply to the unrepresented managers. The development of the Transition Agreement will involve the unrepresented Managers who are part of the joint Labor Management Team.

Q14: How will Zone 7 benefit after the separation?

A: There were several identified cost-savings identified in the Management Partner's study which equated to approximately $355,000 annually. In addition to the cost savings, efficiencies in work processes would be streamlined to save in labor time. For more in-depth discussion, please see the "Why Now?" fact sheet.

Q15: Throughout Management Partners document, there are claims that staff has told them that using County procedures is disadvantageous and burdensome, yet few if any of our members can recall being interviewed by those doing the study. Where did these claims originate?

A: Supervisors and managers in Administrative Services, Engineering, Operations & Maintenance, and Human Resource were interviewed to document the work flow and procedures in working with the County's accounting, budgeting, purchasing, and human resource services. The workflows indicated redundancy and numerous work-around processes needed in order to meet County requirements.

Q16: Couldn't it hurt our ability to maintain costs and control over what we do have by breaking away from the larger and politically powerful Alameda County? Could we be squeezed in between customer demands and the States limitations without useful or necessary political allies?

A: There were several cost-savings identified in the Management Partner's study which equated to approximately $355,000 annually. The only control currently available to the agency is in the negotiation of wages. All other employee benefits, for example, are under the control of the County. Separation from the County will provide the agency with more self control. In regards to political allies, we will still maintain our affiliations with Association of California Water Agencies (ACWA) and State Water Contractors (SWC) to advocate for rational state-wide water policies.

Q17: What will the hiring and/or layoff processes be like? How will job openings be posted? How will the Agency revise recruitment and selection processes and develop personnel policies to ensure the Agency is in conformance with appropriate laws and mandates? Will provisional employment be a thing of the past?

A. The new Zone 7 hiring and layoff process will depend upon negotiations with the unions. One of the Management Partners recommendations was to streamline the hiring process although we will still be required to follow State Guidelines for the California Classified Service Code. A recruitment plan is developed depending upon the position, but all job announcements, at a minimum, will continue to be posted internally and externally with comparable agencies and on the Internet. The Agency will be reviewing providers such as NeoGov, the same service Alameda County and many of our comparable Agencies use. Adoption of personnel policies would require meet-and-confer sessions with all the unions to develop processes and policies which address Zone 7 employee and agency needs. The shortened timeframe in filling positions will decrease the need to hire provisionally.

Q18: What happens if the management of the new Zone 7 and the unions cannot agree on contract terms?

A: The process will be the same as now. While it is unlikely we will not reach agreement, Zone 7 cannot impose new benefits if there is a Transition Agreement in place. The Transition Agreement would remain in place until such time as new MOU's are negotiated or the Transition Agreement expires. If the Transition Agreement expires without having reached an agreement on new MOU's, the terms and conditions of employment would remain in place until there is an action by the Board of Directors to implement terms and conditions of employment. The implementation of terms and conditions of employment could not be done until (1) one party had declared impasse, (2) the impasse procedure had been fully utilized, and (3) the Board had determined to implement terms and conditions of employment by resolution or vote in open session. The Board could extend the terms of the Transition Agreement to continue until new MOU's are reached.

Q19: Is there more potential that employees will get a 9/80 schedule if we separate?

A: The Agency has been actively considering 9/80 schedules for over a year. We will have a better opportunity in pursuing a 9/80 schedule if we are not tied to the County.

Q20: Will the Job Descriptions stay the same?

A: Zone 7 job descriptions are already separate from the County's. Any changes to job specifications are subject to the meet and confer process, same as is done now for any updates to job specifications.

Q21: What will be the health, dental and other benefit options?

A: The Board has stated to employees that benefits levels will at least stay at the same level. This also appears in Resolution 10-3374, adopted by the full board on January 20, 2010. Any proposed change would be subject to reaching agreement with the Labor Unions. The benefit levels will be either the same or better if we separate from the County. We can maintain the same level of benefits or we can look into better benefits if the Agency's finances can support it.

Q22: Will there be any additions or reductions of other benefits?

A: Any changes would have to be negotiated with the unions. There is potential of getting additional benefits to the extent that Zone 7's finances can support it.

Q23: Will the cost increase to employees for health and dental benefits?

A: At this time the Agency does not intend to raise the contributions from employees. The Agency intends to pursue membership in the ACWA Joint Powers Insurance Authority (JPIA) for insurance coverage. If we stay with the County, the costs will increase. Currently, some employees are paying higher health premiums.

Q24: Will we still use ACERA for retirement?

A: The answer to this question ultimately depends on the outcome of negotiations with the unions. There is no problem maintaining membership in ACERA even if all other ties with the County are severed as other agencies that have separated have maintained ACERA membership. The benefit levels will be either the same or better if we separate from the County. We can maintain the same level of ACERA benefits or we can look into better benefits if the Agency's finances can support it.

Q25: How will separation affect my current ACERA retirement?

A: Separation will not affect your current ACERA benefits.

Q26: Will a new retirement plan allow reciprocity with other public agencies' retirement plans?

A: This ultimately depends upon negotiation with the Unions. If we stay with ACERA, there is reciprocity. A new provider would require negotiation; and depending on who that provider might be, reciprocity might already be established.

Q27: Will Zone 7 still offer the training classes that were provided by AC Learning Center (computer classes, time management classes, etc.)?

A: Yes, AC Learning Center allows external agencies to use their training services.

Q28: Given Zone 7's existing authority, why can't we change benefits now? Why is the Zone 7 Board not proactive to take on the benefits issues now prior to separation? Under the existing District Act, the Board has authority to establish "compensation" for Zone 7 employees. If "compensation" includes benefits and not just salaries, why can't the Board just declare the changes?

A: We can't change benefits as long as we are tied to Alameda County. The County is adamant in not allowing special benefits to county-related departments, including dependent special districts like Zone 7. We have to follow their rules and regulations. "Compensation" only includes salary.

Q29: What are the "options" for the Agency to become?

A: We are waiting for a legal opinion. The options are still being explored. Several possibilities include: Municipal Utility District (MUD), Community Services District (CSD), County Water District (CWD), Conservation District (CD), or even a Joint Powers Agency (JPA) comprised of existing cities and other public entities.

Q30: Under AB1125, our district expanded to meet the needs of customers that are outside of Alameda County and our district's voting area. We supplied water that allowed for housing development in Contra Costa County and supply agricultural water to a golf course in San Joaquin County. Will our district's voting area be expanding to give these and / or other areas expanded to voting rights in the district? How would this impact our operation's facilities and costs? If we separate, are there currently plans in the works expand further outside of our service area?

A: It depends on what type of Agency we become. We are waiting for a legal opinion. The options are still being explored. The decision to expand will not be considered until we determine what type of agency we'll become. Any change in service area will be made to improve operational flexibility and costs.

Q31: The Management Partners study mentioned some cost savings that represent a tiny portion of our overall budget. Could we not save at least as much by remaining with the County and eliminating some administrative services that are already provided by the County? (HR gets singled out a lot.)
The Management Partners study mentions doing all financial functions "in house". It also mentions outsourcing payroll to a commercial provider. Can this apparent contradiction be explained?

A: The Zone 7 Board of Directors has been moving towards more independence from the County. Cost savings is only part of the reason. Autonomy, enhanced benefits for the staff, and operating by a set of policies that meet the needs of our business instead of the much larger County are important part of the reason for separation. As for outsourcing payroll, the Management Partners Study concluded that outsourcing certain functions makes better business sense due to the economics of scale since it is a systems intensive function with frequently changing regulations that can be performed at lower cost by a specialized vendor of that particular service for an agency of our size.

Zone 7 Separation from Alameda County – Why Now?

Separation History

Actually, Zone 7 has been contemplating and working toward independence or "separation" from the County since its inception in 1957, when the Tri-Valley voters approved its creation and elected its first Board of Directors. This initial act gave Zone 7 more autonomy than all other nine Alameda County Flood Control and Water Conservation District zones. Our independence grew gradually over the next 20 years with the Zone 7 Board pioneering the way with their innovative project financing to reduce our reliance on property taxes for revenue. In the mid-1970's, Zone 7 successfully acquired the authority to sign amendments to the State Water Project (SWP) contract from the Board of Supervisors. Then between 1976 and 1978, the Zone Board of Directors and the District (County) Board of Supervisors hammered out a Memorandum of Understanding (MOU) "...for the purpose of accommodating the desires of Zone Board to increase Zone Board's autonomy...". This MOU clarified the roles of each agency, reassigned certain District staff to Zone 7, and approved the establishment of a Zone 7 General Manager position. Zone 7 moved out of the Alameda County Public Works Agency building in Hayward and into their new office space in Livermore in 1978. The Alameda County Flood Control and Water Conservation District is a dependent special district of Alameda County. Except for Zone 7 employees, the Flood Control District no longer has its own dedicated staff; such staff was merged with the Alameda County Public Works Agency staff in the 1980s.

Zone 7 continued to grow its independence over time with the creation of its own flood control, accounting, H.R., and safety departments. In 1994, our Zone 7 Board initiated Amendment #1 to the MOU, which gave the Board of Directors the authority to set Zone 7 employee salaries independent of the County Public Works salaries and to execute contracts up to $500,000 which was later increased to $2M through additional actions taken by our Zone 7 Board and staff. Most recently, in 2004, our Board of Directors and staff and the County Board and staff backed Assembly Bill (AB) 1125, an amendment to the 'District Act' which gave our Board the near-complete autonomy that we enjoy today; that is, the authority to govern and control in accordance with the District Act without further action by the District (County) Board on all matters that relate only to the residents of Zone 7.

If these steps had not been taken by the previous Zone 7 Boards and staffs, you can imagine how slow the process would be to get approvals to sign or to amend a simple agreement, and you can imagine where our salaries would have been without Amendment #1 to our MOU.

All that remains under the County/District's authority in Zone 7's day-to-day business are certain Human Resources (HR), Auditor-Controller Agency, and purchasing functions. Logically, the next step would involve "full separation" from the County's control. In fact, the County Administrator has indicated that she would not support any more "partial separation" steps, but would not oppose complete separation.

Why Now?

So why take the final step in separation now? There are multiple rational and compelling reasons for taking this last step now. First, Zone 7 is in the midst of major changes internally due to external circumstances such as economic slowdown of extraordinary nature and water supply challenges. We are trying to change our culture to one of a "high performance" enterprise. Distancing us from the County's "reactive" governmental culture would be a great initial step toward this goal. The increases in efficiencies alone, which were identified in the Management Partners analytical report, will boost our performance significantly and help us deal with these external challenges.

Taking action now rather than later make sense from the standpoint of timing and momentum. The total separation process is estimated to take two or more years to complete; however, the progress made thus far is not trivial. During the nine months that we've spent on this current effort: 1) we have heard the desires

EXHIBIT B

of our Board for separation from the County; 2) our consultant has completed a feasibility analysis of the separation; 3) our labor groups have met and discussed the advantages and disadvantages of separation and the employee concerns; 4) we have learned about the separation process from an experienced labor relations consultant; 5) the County is not opposed to us separating as long as it's not just another partial effort; and 6) we have received a commitment from our Board that their intent is to maintain or improve our employee benefits if Zone 7 separates from the County. Halting or delaying the process at this point would be a step backwards. and much of the effort expended thus far would have to be repeated the next time we made a push for separation. The sooner we eliminate the redundancies and become more efficient through separation, the sooner we will become "high performing" and better in dealing with external challenges.

Financially, the timing makes sense too. The weak economy has taken a huge toll on the County's revenue sources, i.e., taxes, grants, State and Federal subsidies. The County serves a government function and has limited ability to increase its revenue stream; so it must cut expenses to cover the gap between its revenue and its expenditures in order to produce a balanced budget as mandated by its charter. Last year, the County had to close a $176 million gap to balance its budget. This year the gap is expected to be even more difficult to close as revenues continue to decline and demand for County safety net services increase in response to the weak economy and high unemployment. As a consequence, the County will be under tremendous pressure to trim expenses, possibly conduct furloughs, layoffs, hand out pay cuts, and reduce benefits and/or benefit contributions to close this year's gap. It will take the County many years to recover from this recession. If the County implements furloughs and/or other benefit reductions, we may not have a choice to avoid at Zone 7 - just like DWR couldn't avoid State furloughs - unless we are separate or in the process of separation.

On the other hand, as a predominantly "enterprise fund" agency, Zone 7 is in a much better position to weather the hard times and to recover from them when conditions improve. We have the ability to adjust water rates. connection fees, and development impact fees as necessary, as long as it's done in a fiscally responsible manner, to cover our expenses. Also, a poor economy tends to slow the demand for new water and flood control services, thus we can save on our planned expenses by deferring expansion projects. Then, when the economy turns around and new development resumes in our valley, our associated fee revenues will automatically increase. However, if at that time we are still tied to the County's HR and benefit programs, we will be stuck with whatever the County decides to do for their situation as a whole, and not just what they could do for the "high performing" Zone 7 staff.

We've made substantial progress over the last 53 years toward becoming fully independent of the County, and we are enjoying the benefits of these efforts as compared to other Alameda County Flood Control Zones. We have done well to acquire the authority to "govern and control" <u>all</u> matters relating solely to Zone 7, including staffing and staff salaries. It is now time to take control over the last few elements that remain under County's charge - the Auditor-Controller, purchasing, and remaining HR functions. Without separation, it is likely that the impacts of the County's budget cuts, limitations and inefficiencies will hinder our ability to become the "platinum standard" of the industry that we desire. Now is the time to pursue our full autonomy from the County - not only for the agency, but also for the good of the community.

Prepared by the Management Advisory Team, April 8, 2010

Tamara Baptista	Colter Andersen (alternate)
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Ginger Staton	John Yue
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Employee Opinion Survey

Please rate the following statement:

Answer Options	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Rating Average	Response Count
I believe separation from Alameda County will be beneficial to Zone 7 Water Agency.	32	19	17	11	13	3.50	92
						answered question	92
						skipped question	0

Please rate the following statement:

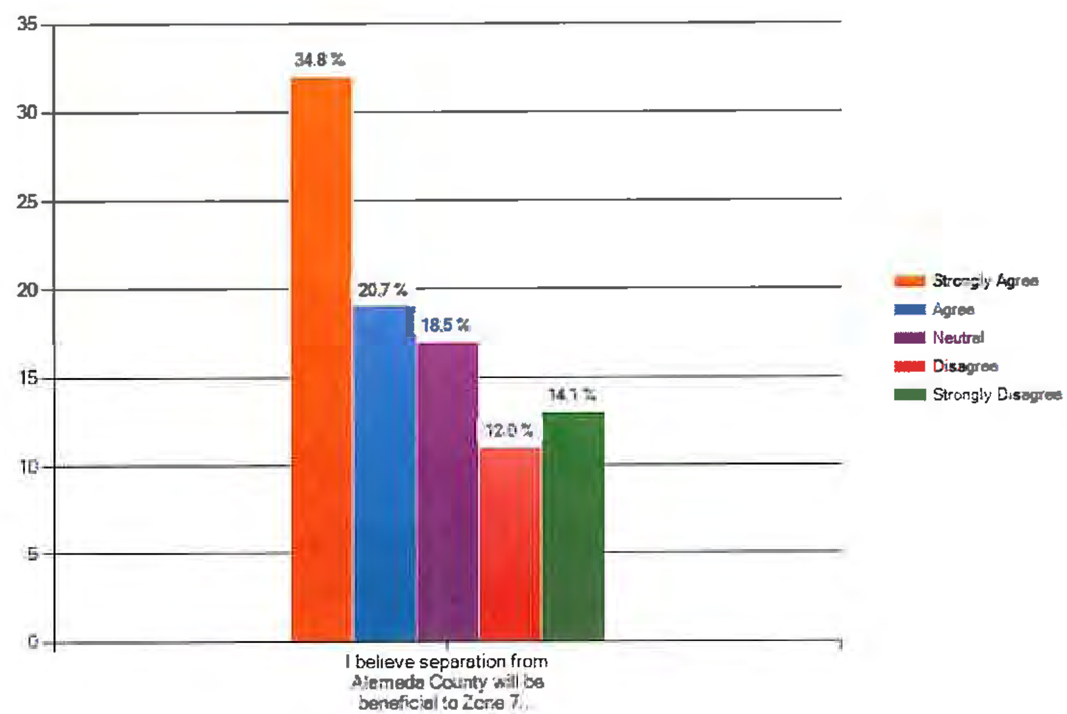


EXHIBIT C

Employee Opinion Survey

Why?

Answer Options		Response Count
		55
	answered question	55
	skipped question	37

Number	Response Text
1	More efficient and economical; able to streamline processes.
2	More streamlined processes, less red tape and potentially better benefits for all employees.
3	Improve efficiency by enhancing local control. Zone 7 performs specilized services that don't get any benefit from wide services of Alameda County.
4	Without separation from the County, we will continue to be stuck with their mediocrity.
5	efficiency, enhanced retirement, streamlining processes,
6	more agile; less bureaucratic
7	The County hinders productivity, ties us to protocols that aren't optimized for our function, and limits the Agency's ability to offer benefit packages commensurate with other water districts.
8	Improved efficeny and County boudget problems wouldn't impact Zone 7 in future.
9	This will save the Agency time, money and following outdated county policies and rules that do not relate to our agency.
10	I see some benifits with purchasing and accounting but not certain of the overall benefits.
11	About time

12 Other than some financial issues which might be solved by giving Zone 7 more autonamy, I do not see the overall benefit by separation. There are a lot of unknowns that maybe cannot be addressed before hand, but are uncertainties never the less. Am not sure a whole separate agency would be cost effective during these econemic times. Projected cost savings do not appear to be large enough for all of the work that it will entail. Numbers used to show the economic viability of an option are often times over-stated to make the alternative appear more attractive, but the resultant savings wil likely not be as large as projected.

13 Because of purchasing and hiring efficienies plus since we generate revenue with water sales, I don't believe we should be held to the same fiscal policies as the County with on ad valem tax revenues.

14 I believe we can streamline our processes and functions and that Zone7 is able to keep itself afloat with the aid of the county.

15 yes, yes, yes

16 Insufficient information.

17 I believe that the more resourses ($$) we can save by doing thing in house can make those saving available for other needs within Zone 7. There are any number of places those funds could be used. In addition I would like to see us speed up some processes, purchasing and hiring are two that come to mind. I do have some reservations as there are so many details that cannot be known beforehand. The one that concerns me most is how my retirement will be affected.

18 While there are positive aspects, I don't know if our management the way it is now is capable of a successful separation.

19 Mostly for Zone 7, but not for Employees

20 Greater efficiencies

21 Do not have enough information to decide.

22 Potential to reduce cost and accomplish purchasing and HR matter in a more timely manner. Also an opportunity to get a real name for the Agency.

23 no clear path and open the door to being bought out by cal water or other private companys

24 We will essentially become a "private company". The feeling is that job security will become a more "at will" agreement

25 Z7 management has not provided any clear direction or plan as to what the Agency's goals are. It is not clear why separation benefits the employee, especially in times of economic unrest.

26 We can eliminate excess expense and manage it better with better benefits to employee.

27 greater efficiency

28 More efficient procedures should develop.

29 Less duplication, plus Alameda County is going broke. I also believe the separation will weaken the unions.

30 Both Sides of the Argument lack Facts but are not lacking on Opinion

31 Frankly, I do not trust Zone 7 management to competently run this agency without oversight by Alameda County. The general lack of accountability for past failures and poor decisions sets bad precedent for the way this agency would operate on it's own. Only recently, with the downturn in the economy, did we attempt to finally make ourselves more effecient after years of redundancy.

32 I think it would be beneficial for everyone in particular benefits and retirement. When upon separation from the county every detail should be conclusive on where the zone would like to be as a business. Also the zone may want to try and become more empathetic and compassionate toward individuals with concerns about separation. The zone should try to bring up the moral among everyone to become one unit. If the zone succeeds in doing this I think productivity and innovation will improve for the future for the zone. People need to want to come to work to make a positive difference for the company. People I think need to be happier thus you would have a great company to work for.

33 Don't have a clear picture of the autonomous Zone 7 future.

34 Streamline the purchasing process, the hiring process, allow for more Zone 7 internal accountability (will no longer be able to blame the county for our problems) I believe the a better benefit package can be negotiated more easily and that Zone 7 independence will make us more able to adapt to our changing economy.

35 Provides more flexibility for the agency

36 We should run our own buisness.

37 More autonomy

38 There seems to be a lack of direction and leadership in making this move. As bad as the state of the County may be, there has been little to convince me that pulling away would result in something better. The lack of a plan could relult in something much worse. There is hope. We do have some on staff who, if given the ability, could move us in a more defined direction that could gain broad support.

39 Streamline decision process

40 to make a better retirement

41 We Waste enough money as it is. Save the Tax Payers

42 County government is struggling. Their ability to raise revenue is more limited than that of Zone 7. Our benefits and salaries can only improve from separation. We will have more flexibility within our own jurisdiction and not be tied by what Oakland or Hayward are doing.

43 The BOD need to let the GM and managers manage the agency

44 I definitely see the benefits from an accounting/finance standpoint but from a HR perspective it seems it could go either better or worse which is why my response is neutral. I understand that many of the HR concerns cannot be alleviated because of the need for negotiations but the strategic plan is still too vague to form a strong opinion.

45 I am afraid of retailiation and therefore cannot provide an answer as to why I think that this Agency should not separate. Even though it has been stated that our answers are anonomous, I know (and everyone should know) that once something is on the computer it is never truly anonomous if someone with the right know-how wants to find out what was said.

46 It will make the agency more fiscally responsible and a better steward of public funds. However, staff needs to feel confident that management will also be held accountable for following thru on their promise to make this a better place.

47 distrust of upper management's motives and methods

48 The current lack of information/communication and the current personnel issues at Zone 7 lead me to believe that it would be very damaging to agency and staff. Under different circumstances I would support it.

49 double standards in budget, finance, and waste of time in justifications

50 Get rid of finance hurdles

51 Lack of trust and oversight.

52 reduce overall operating costs and doing business; allow work to be done by zone 7 staff; Zone 7 agency is in better finacial situation than overall county; help retain curent persoonel; like to be part of an independent organization;

53 The employee will lose the county benefits

54 increase efficiency, reduce bureacracy/paper work

55 I can see the benefit of separation from the county being benefical from a financial standpoint however there serious concerns with the Human Resource and Benefit side that we need more information. The Manangement Partners Study discussed a potential savings in operational cost that does not take into account the additional staff and outside contracts that would be needed that would eat up any potential savings. Agency moral is a major issue with staff that has been ignored during this process, does that matter to upper management and the board? Please let us know.

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

AGENDA DATE: May 19, 2010 ITEM NO.

SUBJECT: Del Valle Branch Pipeline Failure and Repair

SUMMARY:

- Last November, the Department of Water Resources (DWR) began an eight-week planned outage on the South Bay Aqueduct (SBA) to accommodate work related to the SBA Enlargement & Improvement Project. During this planned SBA outage the only source of surface water supply for the three SBA contractors was from Lake Del Valle via the Del Valle Branch Pipeline (DVBP).
- On December 22, 2009, a landslide occurred on Wente property due to a leak from the DVBP adjacent to the surge tank and about 370 feet of the 60" pipeline was damaged. The landslide also caused damage to Wente property.
- During the 20-day period from December 22, 2009 to January 11, 2010, Zone 7 relied on groundwater wells to meet M&I demands before DWR started surface water deliveries from South Bay Pumping Plant
- DWR mobilized immediately to begin clean-up and repair work.
- Repair work included: excavation and remediation of slide area, removal and relocation of existing surge tank, raising surge tank by 10 feet, replacing of 373 feet of Pre-stressed Concrete Cylinder Pipe (PCCP) with 60-inch steel pipe, reinforced concrete encasement of 468 feet of new and existing pipe on the northern side of the surge tank and encasement of 290 feet of existing pipe on the southern side of the surge tank, and repair damaged utilities
- DWR completed the installation and encasement of the existing and new steel pipe on April 29, 2010 to facilitate deliveries from Lake Del Valle via gravity flow.
- The pipeline was watered up on April 29 and releases from the lake began on May 10, 2010.
- Completion of the slide repair and surge tank relocation is anticipated by late June 2010 and re-vegetation, paving and clean-up is scheduled for completion by early August 2010.
- The total cost for repairs and damages is estimated to be around $12M.
- Zone 7's share of this total cost is about 53%. Since DWR will be capitalizing this cost, Zone 7 will be paying as part of our annual SWP charges through 2035.
- DWR has also identified additional sections of the 60-inch PCCP pipeline near the Del Valle Pumping Plant for encasement during January 2011.
- Staff will present a slide show of the repair work performed.

RECOMMENDED ACTION:

Information only.

5/19/10 Board Written/narrative Comments By Dick Quigley

<u>Recent Activity and Involvement Worth Sharing</u>

<u>Thursday 4 /22</u> Attended the Alameda Creek Watershed Council meeting which included a tour in Pleasanton and Livermore (Shadow Cliffs Regional Recreation Area (EBRPD) on Stanley Blvd, and Granada Native Gardens to hear Carol Mahoney from Zone 7. The focus is on water resources in this part of the Alameda Creek watershed, as well as concerns about fisheries, and ongoing/potential enhancement of riparian areas along Arroyo del Valle and Arroyo Mocho. Elke Rank of Zone 7 is co-chair. Education and outreach need stressed. Land use options discussed. See: http://www.acrcd.org/WatershedCouncil/MeetingsandEvents.aspx

<u>Monday 4 /26</u> Participated in Bay Area Water Forum in Oakland. See: http://www.baywaterforum.org/docs/reports/bawf_2008_04_14_charter_final.pdf
The Bay Area Water Forum provides a venue for all stakeholders in the Bay region, including water, wastewater, flood control and storm water agencies, local governments, environmental and business groups, community and civic organizations and the general public, to identify, educate one another, and work cooperatively on key water resource issues for the Bay region. Three co-chairs representing local government, local water agencies and the local environmental community, chair the Forum. Current Co-chairs are Cynthia Murray, North Bay Leadership Council and former Marin County Supervisor, Greg Zlotnick, staff and former Board member of the Santa Clara Valley Water District, and David Nesmith, Environmental Water Caucus.

Bay Delta issues were the key topic. Board members from EBMUD, Santa Clara, ACWD, CCWD and many environmentalists as well as DWR representatives were in attendance.

BAWF is designed to be a resource and advocate for the Bay region cooperation, it serves as a vehicle to gain greater leverage for new policy and funding initiatives without usurping the responsibilities and authorities of any participating agency or organization.

<u>Wed 4/27-</u> Participated in Zone 7 staff (HR called) succession planning meeting, which changed to a “Focus Group Dr Bill Project”- implementing culture change within the organization meeting. Participants included Greci, Quigley, Yue, Hughes, Wong, Arends, Scharnhorst. Focus Groups and timing of Strategic plan deliverables were the meeting thrust. A similar meeting with Palmer and Quigley occurred 4/26, however Quigley arrived late. Attended a Delta Committee immediately following (as a public audience participant). Topics: Quarry Area Chain of Lakes overview by Carol Mahoney; Water System Master Plan and Supply Options, Brad Ledesma.

<u>Tuesday 5/4-Friday 5/7 ACWA Spring Conference in Monterey</u>

With its diverse membership and long track record, ACWA occupies a unique niche in California water policy. ACWA engages in an array of legislative and regulatory issues to promote a more reliable and sustainable water system.

It also works hard to assist its members as they implement local resource programs and respond to challenges such as climate change. In addition, ACWA undertakes focused policy initiatives aimed at protecting members' pocketbooks, promoting local management of groundwater basins, protecting water rights and promoting regulatory decisions that facilitate member interests. ACWA is actively working to advance the following policy goals:

- A comprehensive water solution that includes improved Delta conveyance as well as additional water storage, both above ground and below ground.
- Delta solutions that improve the sustainability of our water system, address potential local impacts, increase water supply reliability, enhance water quality and address other Delta stressors.
- Investments in local resource development programs such as water use efficiency, water recycling, groundwater storage and management, and technologies such as desalination.
- Strategies to help ACWA members adapt to climate change and reduce carbon emissions and save ratepayer dollars.
- Protection of member agencies' funding sources.

I attended many break out sessions and a number of committee meetings, and serve on Local Government, Outreach, and Energy committees.

The Association of California Water Agencies today presented the prestigious Clair A. Hill Award to Alameda County Water District for its innovative "Stop that Running Toilet" school outreach program. **<u>All of ACWD's Board members attended the conference</u>** with several senior staff. Two board members from Santa Clara, three or four from EBMUD, four from CCWD, and a PUC commissioner and several senior staff from SFPUC.

<u>Take away</u> We must as directors and community trustees stay engaged in the education and outreach element of our mission. ACWA conferences and attendance are recognized by most California Water agencies as the core educational and networking capability. More of Zone 7 Directors and staff could benefit through attending.

ACWA Region 5 will have an event at BBID Aug 8 & 9. John Garemendi has accepted an invitation to speak and state and federal pumps will be a tour focus.

If there are any questions on this report please give me a call.

Thanks!
Dick Quigley

ORIGINATING SECTION: ADMINISTRATION
CONTACT: Jill Duerig

AGENDA DATE: May 19, 2010 **ITEM NO.**

SUBJECT: GENERAL MANAGER'S REPORT

SUMMARY: The following highlights a few of the key activities which occurred during the month of April. Also attached is a list of the GM contracts executed during the month.

Operations and Maintenance:

- South Bay Aqueduct (SBA) deliveries continue to be questionable. While the repair to the Del Valle Branch Pipeline was completed by the end of the month (allowing blending from Lake Del Valle using gravity feed), another leak was discovered in Milpitas which has temporarily taken SCVWD completely off the SBA. Various actions on the pipeline continue to have an impact on Zone 7's untreated customers, as well.

- Challenging raw water conditions required high chemical doses at both Patterson Pass Water Treatment Plant and Del Valle Water Treatment Plant for the first half of the month. Later in the month, the raw water quality began to improve, which allowed the coagulant dose (ferric chloride) to be progressively reduced at both plants. This has a domino effect, reducing the need for caustic and reducing the amount of sludge produced, as well. Overall, this means that the cost of treatment per acre foot of water produced, declines.

- On April 23rd, Del Valle's chlorine residual alarm failed to provide notice of problems with the combined filter effluent (several activities including generator test were happening at the plant). Combined filter effluent online chlorine trend chart recorded 0.49 mg/L value at 2:44 p.m. and the plant was shut down briefly around 3:30 p.m. The clearwell effluent residual was at a normal level (around 2.4 mg/L) during the entire incident. California Department of Public Health was notified. The retailers were also notified.

Environmental & External Affairs:

- Interior Deputy Secretary David J. Hayes and California Natural Resources Secretary Lester Snow jointly announced the commitment of federal and state agencies to complete a draft of the Bay Delta Conservation Plan in November 2010. This federal-state commitment is extremely important in keeping the BDCP and DHCCP on schedule.

- At its April board meeting, the State Water Contractors took a position of support for the passage of the Safe, Clean and Reliable Drinking Water Supply Act of 2010, a bond measure on California's November 2010 ballot. SWC is also supporting AB 2336, the bill Zone 7 is co-sponsoring mandating the Delta Stewardship Council to consider the scientific evidence of other stressors in developing a Delta Plan.

- April rainfall was significantly above average, locally. The April storms have also been helping storage at Oroville (although at the end of April storage remained just shy of 60% for that time of the year), which resulted in DWR increasing allocations to 40%. This is the third consecutive year with allocations well below 50% from the State Water Project (we received a 60% allocation in 2006, which was lower than the 76% “normal” we’d been anticipating so we began requesting conservation at that time), despite this being a wet hydrologic year.

Engineering and Flood Control:

- The seven-day commissioning test of the new Chain of Lakes wells and treatment facility was completed in April. All equipment worked as designed with various chemical dosages, flow rates and several distribution scenarios. To factor this 8 mgd of production into Zone 7’s overall operations, the flow rate at Del Valle was significantly reduced during the test period.

- The DAF saturation tank corrosion damage has now been repaired and the tanks have been acid-washed. Hydro testing was completed on April 28, 2010. An Authorized Inspector from the National Board will issue the required certificate that both tanks passed the test.

Finance & Administration

- The Del Valle solar provider, RTI, say that they are working with a bank to obtain a loan to pay vendors and complete the project. Steel fabrication for the framework (to support the solar panels) is the critical path for finishing the project. Assuming RTI receives a letter of commitment from the bank, they might be able to finish the project by the end of June.

Monthly List of GM Contracts

April 2010

Contracts:

Green Plumbers USA	$4,200
Total April 2010	$4,200

ORIGINATING SECTION: OFFICE OF THE GENERAL MANAGER
CONTACT: BONI BREWER

AGENDA DATE: May 19, 2010 ITEM NO.

SUBJECT: Recent & Current Public Outreach Activities

Dublin Water-Wise Gardening Workshop, April 24
We teamed up with Dublin San Ramon Services District in co-hosting this event, the last of three Saturday workshops on water-wise gardening held this Spring at local libraries in cooperation with water retailers in Zone 7's service area. In all, some 120 people attended these three workshops, which also generated media coverage. Guest speakers were experts in the areas of water-wise plant types and irrigation practices. Zone 7 provided demonstrations of how to access and use the new Tri-Valley Water-Wise Gardening website, and provided both indoor and outdoor water-saving tips and information on rebates for high-efficiency washing machines and toilets.

Livermore Wine Country Festival, May 1 & 2
Zone 7 again shared an informational-activities table with the California Water Services Company at the 19th annual Wine Country Festival, held in downtown Livermore. This year's event was very well attended!

Bringing Back the Natives Garden Tour, May 2
Zone 7 was among several co-sponsors of this free, self-guided garden tour, which showcased native and drought-tolerant plants throughout the East Bay, including several Livermore homes.

Drinking Water Week, May 2-8
Copies of American Water Works Association materials commemorating Drinking Water Week were made available at our Livermore Wine Country Festival booth and in classrooms visited by our schools program teachers during the first week of May. These materials carried an "Only Tap Water Delivers" theme, and drew special attention to drinking water quality, water safety and conservation, and the importance of water infrastructure.

ORIGINATING SECTION: Administration
CONTACT: Jill Duerig/Tim Hunt

AGENDA DATE: May 19, 2010. ITEM NO.

SUBJECT: Legislative Update

SUMMARY:

- Zone 7 staff, with the support of the agency's lobbying firm, The Gualco Group, Inc., and the agency's legislative support consultant, Tim Hunt, monitors legislation that is being considered in Sacramento.

- Staff, with recommendations of the agency's lobbying firm, determines a number of bills of interest to Zone 7 for the legislative session. Of particular interest to Zone 7 are bills regarding specific water issues, such as those related to the Delta.

- AB 2336 (Fuller), which this board passed a resolution to "co-sponsor" at its April meeting, continues to progress through the legislative process. It passed the Assembly Appropriations Committee on a unanimous vote. During that hearing, a Gualco Group representative testified on behalf of Zone 7 and its co-sponsorship. The bill requires the Delta Stewardship Council to direct the Delta Independent Science Board to undertake a scientific, peer-reviewed study of other stressors affecting the Delta ecosystem. The bill had been amended in committee to broaden its focus from just non-native striped bass to include the study of all stressors.

- AB 1594 (Huber) failed in the Assembly Water, Parks and Wildlife Committee when a motion to approve did not receive a second. The bill would have required a study by the Legislative Analyst of any Delta conveyance and an approval by the Legislature.

- Delta Stewardship Council, at its April meeting, selected CH2MHill as the lead consultant to develop the Delta Plan.

- Zone 7 staff recommends supporting AB 1929 providing a "safe harbor" for agencies that have taken all appropriate procedures to control Quagga Mussels and the mussels show up in a water system. There has been no opposition and bill has unanimously passed two Assembly committees and the entire Assembly. Pending in the Senate.

- Zone 7 staff recommends opposing AB 2049 (Arambula) would add a new section to the Water Code forbidding the transfer of State Water Project contracted rights from an agricultural user to a municipal contractor for more than 10 years. A hearing is pending in the Assembly Appropriations committee.

FUNDING: No funding necessary.

RECOMMENDED ACTION: Information only.

ATTACHMENT: Executive Summary of tracked bills

EXECUTIVE SUMMARY
State Legislation

1-May-10
Prepared for the Zone 7 Water Agency, Eastern Alameda County, Board of Directors
by The Gualco Group, Inc.

Bill	TOPIC	SYNOPSIS	Staff-Recommended Position	STATUS OF THE BILL/COMMENTS
Delta Stewardship Council				
AB 2092	Fees: Delta Stewardship Council	As amended on April 20, AB 2092 would require the Delta Stewardship Council to, by January 1, 2013, develop a plan to finance the long-term costs of implementing the Delta Plan and for the "ongoing administration of the council". This plan must "identify and evaluate the benefits to all groups resulting from the implementation of the Delta Plan", including the "potential benefits" to urban and agricultural water users diverting water in the Delta, Bay-Delta tributaries and watershed, and dischargers into the Delta or its tributaries, including wastewater dischargers; requires the financing plan to allocate costs based on the "identified benefits", and must include "proposals to create revenues to pay for the private benefits associated with implementation of the Delta Plan." Finally, the bill prevents the council from adopting this fee unless and until the Legislature enacts a statute that authorizes the council to do so	Watch	Passed the Assembly Committee on Water, Parks and Wildlife on a bipartisan vote of 8-3; Referred to the Assembly Committee on Appropriations
AB 2336	Striped Bass	The bill was "gutted" and rewritten on April 13. As amended on April 13, AB 2336 (Fuller) would declare it is the intent of the Legislature that the Delta Stewardship Council consider for inclusion in its final Delta Plan identification of effective and scientifically justified measures to reduce or eliminate the impact of other significant stressors on California's native fish population. The bill requires the Delta Stewardship Council to direct the Delta Independent Science Board to conduct an assessment of other stressors, including impacts of invasive species and non-native species, water quality impairments, and predation on native species	CO-SPONSOR and SUPPORT: Signatory to a coalition letter in support of the bill	Passed the Assembly Appropriations Committee on May 5 by a unanimous vote ("A Roll Call"). Referred to the Assembly Floor
SB 1450	Delta Stewardship Council: Contracts	This bill was "gutted" and rewritten on March 23. SB 1450 would add Section 85035 to the Water Code to provide that any contract made or entered into by DWR is not binding on the Delta Stewardship Council unless the contract is approved by the council	Watch	Passed the Senate; Referred to the California State Assembly. Staff to the author informed us SB 1450 is a placeholder ("Spot") bill intended to address issues, if any, related to last year's SBx 7 1
Water Conservation, Supply & Delivery				
SB 991	Water Supply	As amended on April 7, SB 991 would, pursuant to Public Resources Code section 5096.821, appropriate $30,000,000 million dollars from Proposition 1E to DWR for "flood protection projects that improve the sustainability of the Delta." The bill also requires DWR to "expedite the evaluation of nonurban levees on the west bank of the Sacramento River that protect unincorporated communities and consider a joint project with local government agencies for improving flood bypass facilities as multibenefit flood control facilities."	Watch	Passed the Senate Natural Resources and Water Committee; Placed on the Senate Appropriations Committee's Suspense File on April 26. The Department of Finance is opposed to the measure on the basis that the appropriations from Propositions 1E and 84 made via SBx7 8 in 2009 are sufficient
AB 1886	Delta	As amended on March 17, AB 1886 requires DWR, as part of its next update of the California Water Plan, to include a report on progress towards meeting the state's goal of reducing reliance on the Delta	Watch	Pending on the Assembly Appropriations Committee's Suspense File

Bill	TOPIC	SYNOPSIS	Staff-Recommended Position	STATUS OF THE BILL/COMMENTS
AB 1929	Quagga Mussels	As introduced on February 17, and after finding that up to forty thousand quagga mussels can colonize within one square meter, but "that implementation of the available measures to control mussel infestations and prevent the spread of the mussels to new water bodies is the most that can reasonably be required of water supply agencies", AB 1929 would amend existing law to permit Fish and Game to inspect their water supply systems and would not subject suppliers to liability IF the supplier is in full compliance with a plan to control and eradicate mussels	SUPPORT: Zone 7 letter dated March 10 was sent to the author	Passed the Assembly by a vote of 74-0; Referred to the State Senate
AB 2049	Water Delivery	As amended on April 19, AB 2049 would amend Water Code Section 1745.10 to prohibit water users who transfer water "pursuant to a contractual change in an entitlement" from the SWP from replacing that water with groundwater unless one of two criterion in existing law are met; would prohibit a transfer of any contractual entitlement to water supply from the State Water Resources Development System from agricultural use to municipal use unless two specified criteria are met, including "the department receives a written evaluation of the economic, social, and environmental effects of the transfer upon the service area from which the water is to be transferred; would prohibit a water user that transfers surface water from agricultural use to municipal use for a period of 10 or more years from using groundwater on the land previously served by that surface water supply, unless that groundwater use is systematically and continuously monitored and reported to DWR; provides authority to impose reasonable fees on water users for purposes of this bill	OPPOSE	Passed the Assembly Committee on Water Parks and Wildlife on a bipartisan vote of 8-4; Referred to the Assembly Committee on Appropriations
SB 1469	State Water Project	SB 1469 was amended for the second time on April 14. As amended, this bill would add Section 189 to the Water Code to require the SWRCB, by January 1, 2012, to: (1) Identify all parties that both benefit from waters originating in the Delta watershed, and whose activities impact it; (2) Develop a process for determining the degree of responsibility attributable to the identified parties for physical and environmental impacts on the Delta; would add Section 10014 to the Water Code to require DWR, as a part of their next update of the CA. Water Plan (December 31, 2013), and every five years thereafter, to identify the infrastructure needs for the state, by hydrologic region over the next 30years, estimate the expected costs for that period of time of environmental mitigation and restoration projects associated with the identified infrastructure needs, propose a beneficiary pays policy, propose a "financing strategy for funding responsibilities proposed to be assigned to the state", and "identify all relevant assumptions" associated with the mandates of this section.	Watch	Pending on the Senate Appropriations Committee's "Suspense File" The SWRCB estimates the need for four full-time employees and $513,000 dollars per year General Fund to implement the bill; The Department of Water Resources estimates they will need three part-time employees and $400,000 in start-up General Fund funding, and $200,000 per year thereafter to implement the bill.
AB 2776	Urban Water Management Plans	As introduced on March 1 by the Committee on Water, Parks and Wildlife, AB 2776 would grant an extension to July 1, 2011 for an "urban wholesale water supplier whose urban water management plan prepared pursuant to Part 2.6 was due and not submitted in 2010" and for an urban retail water supplier that supplies water to a DOD military installation, the urban retail water supplier's implementation plan for complying with this part shall consider the "prior water conservation of that military installation under federal Executive Order 13514 and any subsequent presidential executive order governing water conservation by federal agencies"	Watch	Passed the Assembly Water, Parks and Wildlife Committee; Referred to the Assembly Appropriations Committee

Bill	TOPIC	SYNOPSIS	Staff-Recommended Position	STATUS OF THE BILL/COMMENTS
Water Diversion and Use				
SB 565	Water resources	As amended on February 1, 2010, SB 565 would authorize the SWRCB, in fulfilling their statutory responsibilities, to order any users of water to submit “any technical or monitoring report related to the diversion or use of water” and conduct inspections to ascertain compliance, would increase the penalties for trespass, and a violation of a cease and desist order, but the increase in the amount of penalties would “not apply to violations that occurred prior to January 1, 2011	Watch	Pending before the Assembly Committee on Water, Parks and Wildlife
SB 1234	Water Use	As introduced on February 19, AB 1234 would new Section 188.7 to the Water Code to require the SWRCB, by January 1, 2012, to adopt regulations to identify unreasonable uses of water during shortages in water supply amounting to 10, 20 and 30 percent	Watch	The first hearing on this bill was set, and Senator Kehoe canceled it
Groundwater				
AB 2304	Groundwater	As amended on May 3, AB 2304 would add a description of prime recharge areas, as defined in the bill, and “potential threats to those areas that have been identified in a local agency's groundwater management plan or identified by a watermaster pursuant to a court order, judgment or decree" to the list of information a public water system, as defined, with 3,000 or more service connections, must provide to the planning agency upon receiving proper notification of a city's or county's proposed action to adopt or substantially amend a General Plan. In addition, the bill would amend Section 10753.7 of the Water Code to require the groundwater management plan be updated “at least once every five years on or before December 31, in years ending in zero and five and requires the plan to contain “an identification and map of the prime recharge areas for the groundwater basin and identification of any potential threats to the capability of the prime recharge areas" and defines “map of the prime recharge areas” to mean a surface map of prime recharge areas that identifies topography, surface water features, vegetation, and overlying land uses"	Watch	Passed the Assembly Local Government Committee on May 5 by a vote of 6-3

Bill	TOPIC	SYNOPSIS	Staff-Recommended Position	STATUS OF THE BILL/COMMENTS
Water Recycling				
SB 918	Water recycling	This bill was amended for the third time on April 26. As amended on April 26, SB 918 would require the State Department of Public Health to develop and adopt uniform water recycling criteria for indirect potable water reuse for groundwater recharge and through surface water augmentation, investigate and report to the Legislature on the feasibility for uniform criteria for direct potable water reuse, and would require funds generated by the imposition of liabilities pursuant to current law be made available to the State Department of Public Health upon appropriation by the Legislature, for the purposes of Chapter 7.3 in specified amounts.	Watch	Passed the Senate Environmental Quality Committee on April 19 by a vote of 6-0; Referred to the Senate Committee on Appropriations
SB 1173	Recycled Water	As amended on March 24, SB 1173 would prohibit a person or public entity from using raw or potable domestic water for nonpotable municipal or industrial uses if suitable recycled water is available, as determined by the SWRCB. Under current law, the use of potable domestic water for non-potable purposes is a waste or unreasonable use within the meaning of Article X, Section 2 of the California Constitution, if recycled water is available that is of adequate quality, reasonably priced, meets public health requirements, will not adversely affect downstream water rights, and will not degrade the environment	Watch	Passed the Senate Committee on Appropriations on May 3 by a vote of 6-3; Referred to the Senate Floor
Water Quality				
AB 2583	Water Quality	As introduced on February 19, AB 2583 would add a new Section 13003 to the Water Code to require water agencies, and their direct suppliers, “utilize raw material chemical products derived from Inherently Safer Technology or inherently safer production measures where the products derived from safer measures or technology are appropriate given the disinfection methodology used by the water agency, and are commercially available without being materially cost prohibitive to the water utilities or rate payers”	Watch	Passed the Assembly Environmental Safety and Toxic Materials Committee; Referred to the Assembly Committee on Appropriations
Two-Gates Protection Demonstration Project				
AJR 35	Two-Gates Protection Demonstration Project	As introduced on February 19, AJR 35 would respectfully request every Member of the California congressional delegation, House Speaker Nancy Pelosi, and the U.S. Department of the Interior to restart the implementation of the Two-Gates Fish Protection Demonstration Program Project with the goal of completing the necessary environmental review and engineering design to construct the project in 2010	SUPPORT	Pending before the Assembly Committee on Water, Parks and Wildlife

Bill	TOPIC	SYNOPSIS	Staff-Recommended Position	STATUS OF THE BILL/COMMENTS
CESA				
AB 2420	CESA	As amended on March 24, would amend Fish and Game Code section 2080.1 to require a biological opinion be obtained along with the currently required incidental take statement, OR the obtaining of a conservation plan along with the currently required incidental take permit to take an endangered, threatened, or candidate species after doing, among other things, the following: (1) notifying the director in writing that the person has received a biological opinion and an incidental take statement or a conservation plan and an incidental take permit which includes references that "meet the minimization, full mitigation, funding, and compliance monitoring requirements of subdivision (b) of Section 2081 and the director determines based upon substantial evidence, makes a consistency determination with this chapter	Watch	On April 5, the author announced through staff that this bill would not be moving forward in 2010
Delta Levee Maintenance				
SB 808	Delta levee maintenance	As amended on January 25, 2010 SB 808 would declare the intent of the Legislature to reimburse local agencies for costs incurred to maintain and/or improve project or non-project levees in the Delta until July 1, 2013 in an amount not to exceed 75% of the costs in excess of one thousand dollars per levee mile and, thereafter, in an amount not to exceed 50% of those costs. Reimbursements made pursuant to this law must be consistent with the priorities of the Delta Plan	Watch	Passed the Assembly Committee on Water, Parks and Wildlife on April 27 by a unanimous vote; Referred to the Assembly Committee on Appropriations
Peripheral Canal				
AB 1594	Sacramento-San Joaquin Delta: peripheral canal	As amended on April 15, AB 1594 would prohibit the construction of a peripheral canal, as defined, unless expressly authorized by the Legislature, would condition the Legislature's "enactment" of a bill on the Office of Legislative Analyst's completion of an economic feasibility analysis that must include (1) the total cost of the project and the methods for paying those costs (2) the expected impacts of the project on "taxpayers, water ratepayers, and the General Fund" (3) the "expected environmental and economic impacts of the project on existing public infrastructure in and around the Delta and the Delta watershed". Finally, the bill requires "the construction and operation of a peripheral canal shall not diminish or negatively affect the water supplies, water rights, or quality of water for water users within the Delta watershed, or impose any new burdens on infrastructure within, or financial burdens on persons residing in, the Delta or the Delta watershed."	OPPOSE: Zone 7 letter dated February 7 was sent to the author	"Died" in the Assembly Committee on Water, Parks and Wildlife on April 27. Senators DeSaulnier and Wolk and Assembly Members Chesbro, Fong, Gaines, Torlakson and Yamada are coauthors of the April 15 version of AB 1594
AB 1797	Delta Corridors Plan	As amended on April 7, AB 1797 would add a new Section 148 to the Water Code to require DWR to fast-track a study of “a through-Delta conveyance plan referred to as the Delta Corridors Plan” as that plan is “described in [the] Proposal to Reconnect the San Joaquin River to the Estuary, dated March 23, 2007”. As a part of this study, the April 7 amendments require DWR to "consult" with Fish and Game "to study the potential environmental and ecological impacts and benefits of the Delta Corridors Plan, including issues of water quality and include an evaluation of ways the Two-Gates Project can be incorporated into the Plan"; Requires this report to be submitted to the Legislature on or before January 1, 2012	Watch	Pending on the Assembly Appropriations Committee's Suspense File
SB 1334	Natural Community Conservation Plans	As introduced on February 19, SB 1334 would expand the cooperation requirement to require the department to cooperate with all local agencies that have land use permit authority over the activities proposed to be addressed in the plan	Watch	Passed the Senate Natural Resources and Water Committee; Referred to the Senate Committee on Appropriations

ORIGINATING SECTION: GROUNDWATER PROTECTION AND PROJECTS
CONTACT: Matt Katen/ Tom Rooze

AGENDA DATE: May 19, 2010 ITEM NO.

SUBJECT: Annual Report for the Groundwater Management Program for 2009 Water Year

SUMMARY:

Staff has completed its 2009 Annual Report for the Zone 7 Groundwater Management Program. The report documents Zone 7's groundwater monitoring and management results for the 2009 Water Year (October 2008 through September 2009). The Executive Summary is attached, and the full report is available on the Zone 7 website; www.zone7water.com. The report includes the following highlights:

- The 2009 Water Year was the third dry year in a row with the Valley receiving about 83% of average rainfall. Natural recharge of the Main Basin aquifer was 74% of normal.
- Due to low State Water Project allocations, Zone 7's artificial recharge was limited to about 2,229 acre-feet or approximately 46% of normal.
- The volume of groundwater in storage in the Main Basin decreased approximately 13,000 acre-feet since the 2008 Water Year, leaving approximately 76,000 acre-feet of recoverable water in local storage at year end (this equates to about 60% of the1983 'full basin' mark).
- Approximately 2,608 tons of salts were added to the Main Basin in 2009. Over the last three years, the calculated average basin-wide salt concentration has increased by an average of 42 mg/L.
- Zone 7 issued 100 well and soil boring permits.
- There were no new commercial septic tank applications in 2009; however Zone 7 issued one special septic tank approval for a new onsite sewage treatment system to serve two residences.
- Staff tracked the progress of 81 active contamination sites within our service area.
- Zone 7 installed one nested monitoring well set (two wells total), one of which will be the future key well for the lower aquifer in the Mocho II subbasin.
- The Groundwater Demineralization Plant was completed in July 2009 and removed approximately 800 tons of salt for the 2009 Water Year.
- Two new productions wells (COL #1 and COL #2) were constructed in the Chain of Lakes Wellfield.

FUNDING:

Funding from Fund 52 - Water Enterprise

RECOMMENDED ACTION:

Information only.

ATTACHMENTS:

The Executive Summary of the Annual Report of the Groundwater Management Program for Water Year 2009 is attached.

ORIGINATING SECTION: WATER QUALITY
CONTACT PERSON: GURPAL DEOL

AGENDA DATE: May 19, 2010 ITEM NO.

SUBJECT: 2009 Water Quality Management Program Annual Report

SUMMARY:

- The attached 2009 Water Quality Management Program Annual Report summarizes water quality data from 2009.
- Zone 7 met all primary health-related drinking water targets in the water it provided to its retailers, and all non-potable water quality targets in the water it provided to its untreated water customers. Some secondary (non health-related, often called aesthetic) and operational targets were not met.
- Operation of the Mocho Groundwater Demineralization Plant (beginning in July 2009) resulted in a reduction of TDS and Hardness in customer turnouts that receive water from the Demineralization Plant.

RECOMMENDED ACTION:

Information Only

ATTACHMENT:

2009 Water Quality Management Program Report

Zone 7 Water Agency
Serving the Livermore-Amador Valley

WATER QUALITY MANAGEMENT PROGRAM
2009 PROGRAM REPORT

This annual report summarizes 2009 water quality monitoring data and provides an update on Zone 7 Water Agency's Water Quality Management Program (WQMP), which the agency established with its Retailers and interested contractors in 2003. The WQMP provides the basis for identifying ways to meet anticipated future regulations, reduce public health risks, and improve the delivered water quality - especially its taste, odor and hardness, by effectively managing water quality issues, guiding operations, upgrading or improving facilities, and providing new facilities when necessary.

WQMP WATER QUALITY TARGETS are internal goals that Zone 7 applies to specific constituents that affect potable and non-potable water quality. These targets set goals that are significantly more stringent than existing regulations. Some of these constituents have been identified as "key parameters of concern" based upon the concerns expressed by our customers and the levels found in our local drinking water supplies, and anticipated changes in regulations. In 2009, Zone 7 met all of its primary drinking water standards (PDWS) and non-potable water quality targets. However, some of our operational and secondary (non health-related, often called aesthetic) water quality targets were not met consistently, including those for drinking water hardness, total dissolved solids, chloride, chloramine residuals, free ammonia residuals, and total trihalomethanes.

HOW ARE WE MEETING WQMP WATER QUALITY TARGETS? Zone 7 continued to work on and support operational and planning activities that help meet our water quality targets and ensure that the service area has enough water. In addition to ongoing internal agency planning, we also work closely with various organizations to protect source water at the State level. Water quality improvement projects were identified in Zone 7's Capital Improvement Program (CIP). The Mocho Groundwater Demineralization Plant, was started up in July 2009 and is planned to be operated approximately nine months per year (except during drought periods) to meet the salt removal goal from the groundwater basin per the Salt Management Plan and to facilitate achieving the WQMP's target hardness and TDS (less than 150 mg/L and 500 mg/L respectively) in delivered water supply. Other key improvement projects are anticipated for later completion (permanent Taste and Odor Treatment at Del Valle and Patterson Pass Water Treatment Plants which will be scheduled based on estimated costs and funding availability; and the next phase of demineralization currently planned for 2018). In the interim, Zone 7 will continue seasonal powdered activated carbon (PAC) feed at Del Valle and Patterson Pass treatment plants to assist in reducing levels of odor-causing compounds.

DEFINITIONS

Primary Drinking Water Standard (PDWS): *MCLs and MRDLs (Maximum Residual Disinfectant Levels) for contaminants that affect health along with their monitoring and reporting requirements, and water treatment requirements.*

MCL: *Maximum Contaminant Level, the highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (Public Health Goals) or MCLGs (Maximum Contaminant Level Goals) as is economically and technologically feasible. Secondary MCLs are set to protect the non health-related or aesthetic characteristics of water such as odor, taste, and appearance of drinking water.*

mg/L: *milligrams per liter, a unit expressing the concentration of chemical constituents in solution as weight (milligram) of solute per unit volume (liter) of water; equivalent to one part per million;*

Table 1. Status of Potable Water Quality Targets

Key Parameters of Concern	Water Quality Targets[1]	Target Currently Met	Requires Optimization	Requires Capital Investment	Supplemental Table/Figure
Appearance	Minimize air bubbles/cloudiness events[4]	✓			Table 2b
Arsenic (µg/L)	<5	✓			Figure 1
Chloramines					
Total Residual (mg/L as Cl_2)	2.0 - 2.5 from water treatment plants (WTPs), wells will be operated to be as close to this target range as feasible	✓[2]			Figure 6
Cl_2:NH_3-N	4:1 to 5:1	✓[3]			
Minimize odor	Chloraminate above pH 8.0 for WTPs	✓			
Prevent Nitrification:					
Free Ammonia Residual (mg/L as N)	<0.15 at retailer turnouts	✓			Figure 7
Nitrite (mg/L as N)[7]	<0.02	NA			
Consistency	Provide consistent chloramine residual at all wells and WTPs	✓[2]			Figure 6
Chloride (mg/L)	<100	✓[2]			Figure 3
Chromium VI $^{Cr6+}$(µg/L)	<20 (pending potential regulations)	✓			Figure 2
Cryptosporidium	4-log removal, including multi-barrier control	✓			
Disinfection By-Products (DBPs)					
Maximum leaving WTP	Total Trihalomethanes (TTHMs) <64 µg/L	✓			Figure 9a
	Five Haloacetic acids (HAA5) <48 µg/L	✓			Figure 9b
Running Annual Average (RAA) DBPs	TTHM <40 µg/L	✓[8]	✓		Figure 8a
at Retailer Turnouts	HAA5 <30 µg/L	✓			Figure 8b
N-Nitrosodimethylamine (NDMA) (ng/L)	<10 (pending potential regulations)	NA[6]			
Hardness (mg/L as $CaCO_3$)	<150	✓[5]	✓		Figure 5
pH (Units)	non-corrosive	✓			
	pH leaving WTP at +/- 0.2 units of target	✓			
Radon (pCi/L)	<1000 (pending potential regulations)	NA			
Taste and Odor (earthy/musty)					
Odor Threshold Concentrations					
2-Methylisoborneol (MIB)	9 ng/L	✓	✓	✓	
Geosmin	4 ng/L	✓	✓	✓	
Events[4]	No events	✓	✓	✓	Table 2a
Total Dissolved Solids (TDS) (mg/L)	<500	✓[2]		✓	Figure 4

[1]Targets are either at the secondary MCLs or 80% of the primary MCLs except for the key parameters of concern in the table above.

[2] Averages met target.

[3] Ratio is adjusted to meet target free ammonia residual.

[4] An event is defined as when three or more similiar complaints are received in a 7-day period. There were no events in 2009.

[5] Averages met target for CWS and Livermore only.

[6] Latest NDMA monitoring conducted in 2008.

[7] Monitoring discontinued with retailer consent in 2006 due to lack of any nitrite detections. Future monitoring to be conducted as requested by retailers.

[8] Averages were met except for City of Livermore. City of Livermore RAA was 43 ug/L.

Figure 1. Arsenic

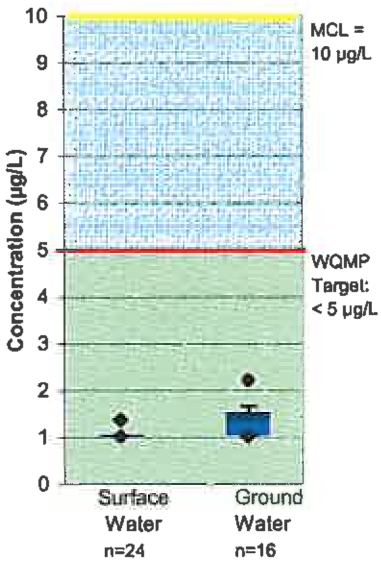


Figure 2. Total Chromium

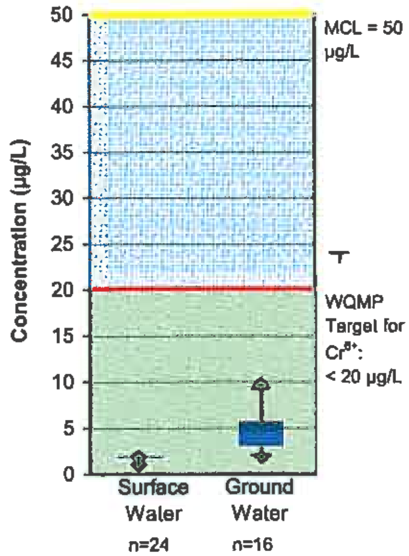


Figure 3. Chloride

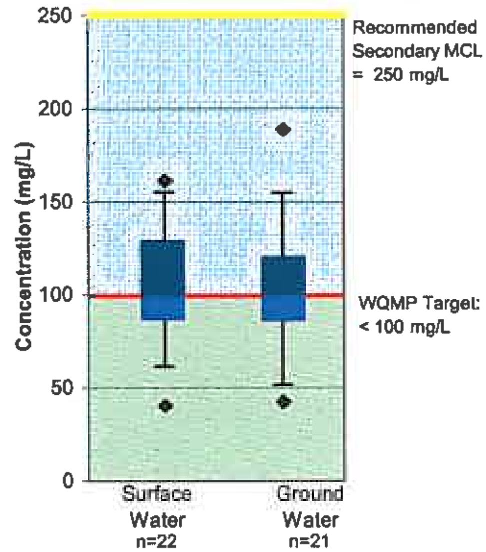


Figure 4. Total Dissolved Solids (TDS)*
Retailer Turnout Samples

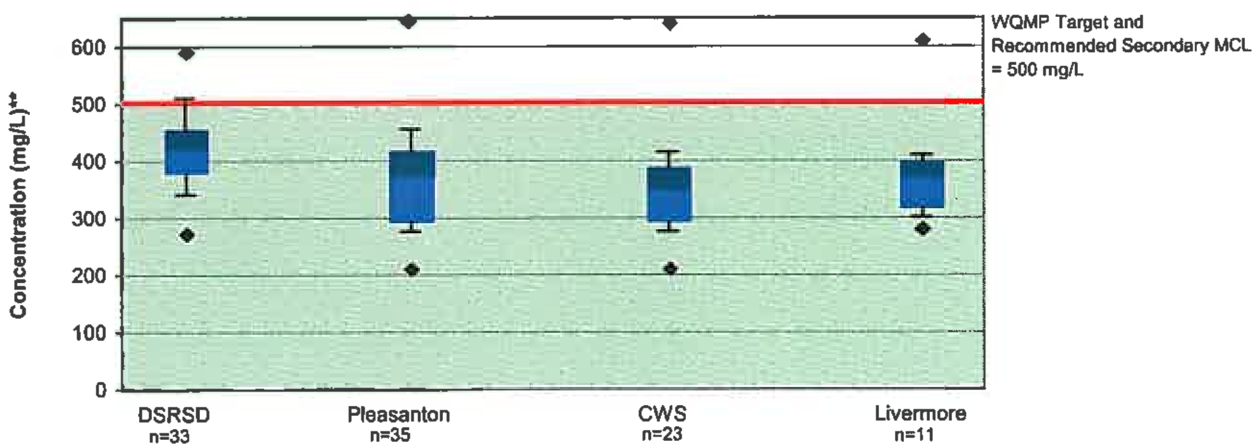
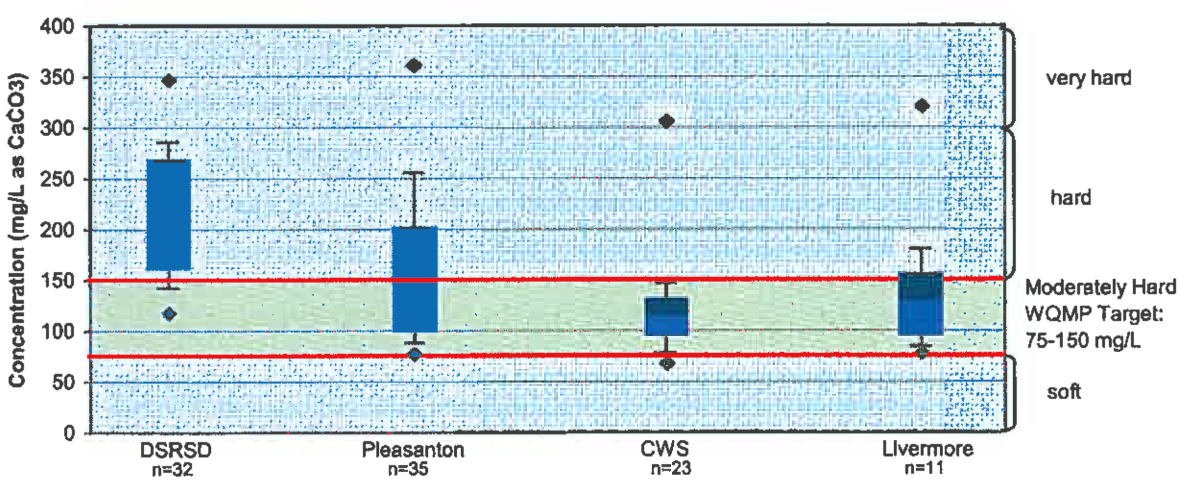


Figure 5. Total Hardness
Retailer Turnout Samples



*TDS is estimated from electrical conductivity

Table 2a. Retail Customer Water Quality Complaints reported to Zone 7*

Parameter	Dublin San Ramon Services District (DSRSD)	City of Pleasanton	Cal Water Service	City of Livermore	Totals
Odor					
chlorinous		4			4
earthy/musty					
unspecified/other					
Colored/Murky					
Turbidity/Suspended Solids					
Salty Taste					
Hardness		34			34
Others					

Table 2b. Cloudy Water Complaints*

Retailer	Cloudy/Air
DSRSD	
Pleasanton	1
CWS	
Livermore	

*The complaints are reported to Zone 7 by the end of each month and are deemed to be directly related to the Zone 7 water supply.

Table 3. Status of Non-Potable Water Quality Targets

Key Parameters of Concern	Units	Maximum Applied Level/Targets	Average Targets	SBA***		
		Vineyards		Avg	Min	Max
Boron**	mg/L	<1	<0.5	0.16	<0.1	0.31
Chloride	mg/L	<200	<125	75	20	127
Emitter Clogging Potential Ca+Mg+	mEq/L	3 to 4	3 to 4	2.1	1.4	3.3
Available Nitrogen from Nitrate	mg/L as N	-	<10 during summer	0.5	0.1	1.2
pH	---	-	<8.0	7.8	7.4	8.1
Sodium	mg/L	<200	<100	55	23	85
Total Dissolved Solids	mg/L	-	<650	278	162	401

**Boron minimum reporting limit (MRL) is at 0.10 mg/L.

***SBA data is an average of monthly untreated water samples taken from the Del Valle WTP and the Patterson Pass WTP.

HOW TO READ WATER QUALITY TARGET GRAPHS Each bar on the chart represents the range of measurements for various constituents monitored during 2009. The junction of the light blue and dark blue bars represent the average values over the year. The span of the light and dark blue bars represents the 75th and 25th percentile values of the data set. The error bars represent the 90th and 10th percentiles values, and the black diamonds represent the data set outliers. WQMP water quality targets or ranges are highlighted in green. Any applicable maximum contaminant level (MCL) set by state and federal water quality regulations are highlighted by the yellow bar at the top of each chart. "n" represents the number of samples analyzed.

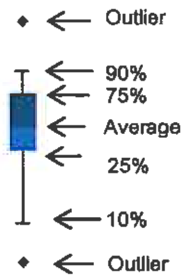


Figure 6. Total Residual Chlorine*, **
Retailer Turnout Samples

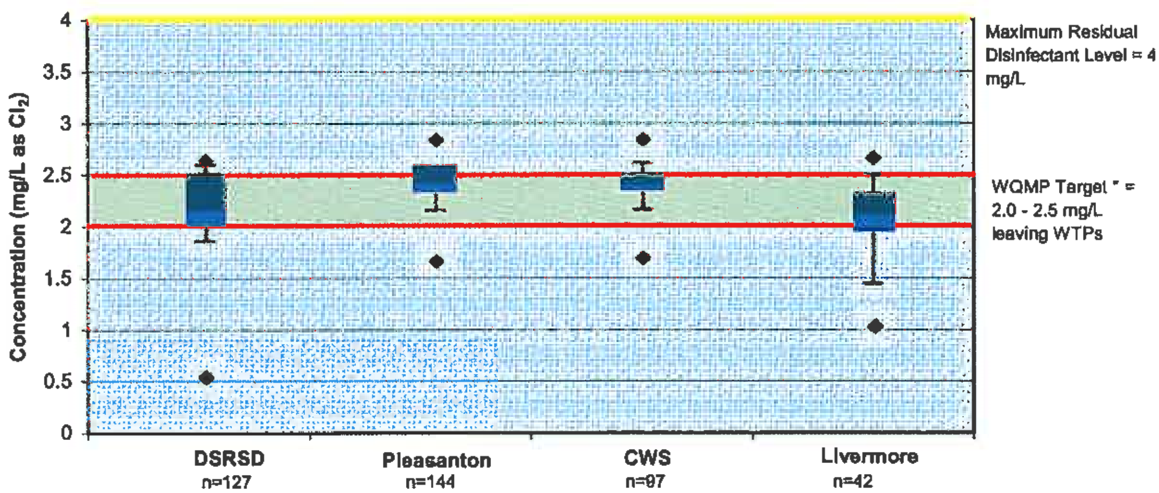
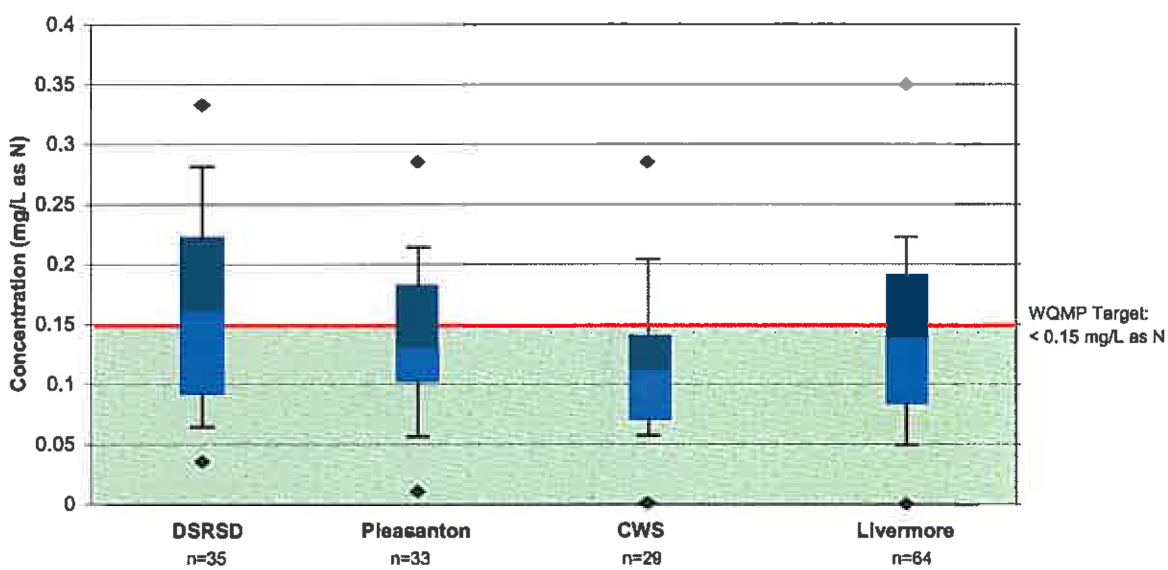


Figure 7. Free Ammonia*, ***
Retailer Turnout Samples



* Data represents weekly monitoring for each retailer.

** Lower residuals are mostly from groundwater sources. Residuals leaving WTPs are mostly within the target range except for a few brief incidents during a plant startup.

*** There is no established MCL for Free Ammonia

Figure 8a. Total Trihalomethanes (TTHMs)*, ** Retailer Turnout Samples

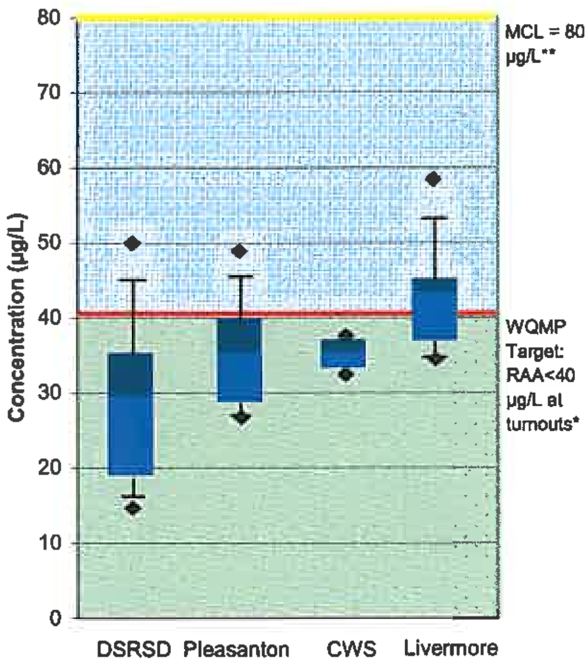


Figure 8b. Five Haloacetic Acids (HAA5)*, ** Retailer Turnout Samples

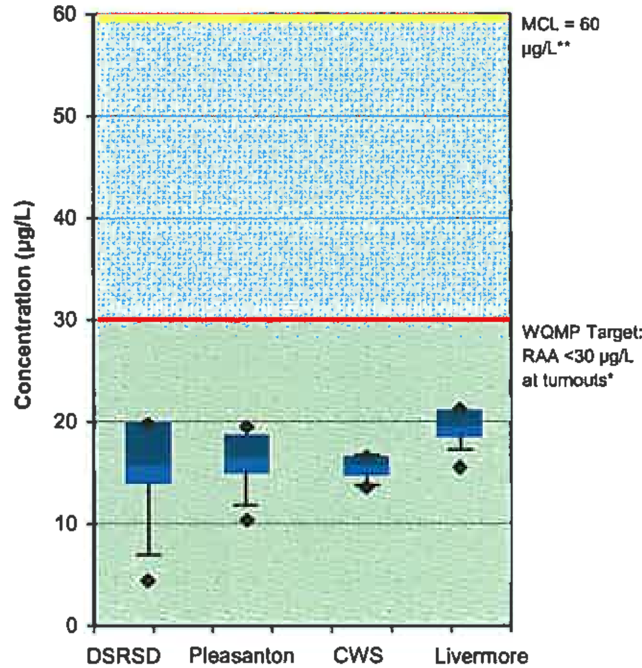


Figure 9a. Total Trihalomethanes (TTHMs)* WTP Effluent Samples**

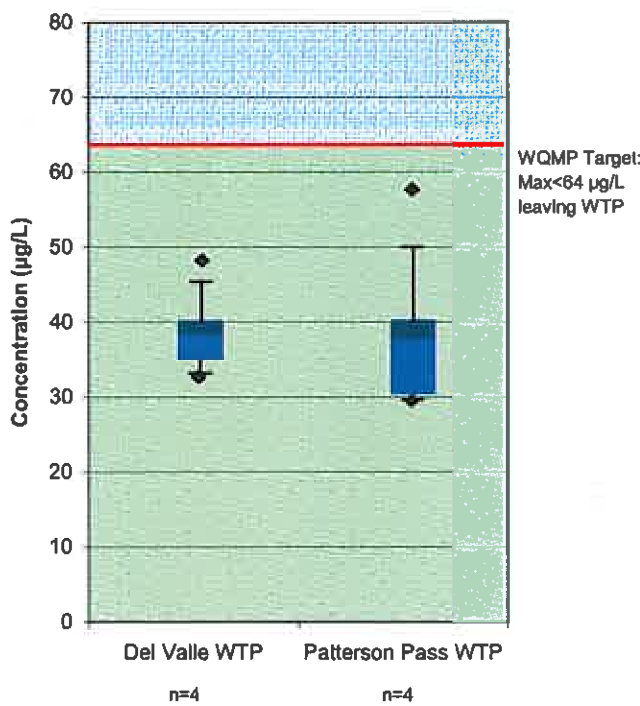
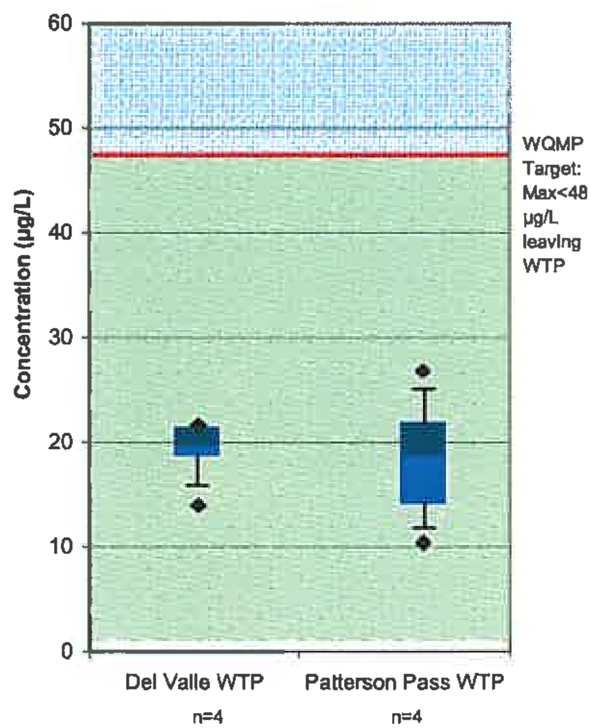


Figure 9b. Five Haloacetic Acids (HAA5s)* WTP Effluent Samples**



* Quarterly running annual average (RAA) DBPs at Retailer's turnouts.

** Retailer MCL compliance for TTHMs/HAA5s is determined by system-wide RAA of quarterly samples.

*** There is no MCL for TTHMs/HAA5s leaving WTP.

ORIGINATING SECTION: Human Resources
CONTACT PERSON: Tom Hughes

AGENDA DATE: May 19, 2010 ITEM NO:

SUBJECT: **Recent Employee Activities – Staff Report**

Take Our Children to Work Day, April 22, 2010

Zone 7 participated in the County's Take Our Children to Work Day on Thursday, April 22, 2010 in commemoration of the National Take our Daughters and Sons to Work Day which was created to encourage self-esteem, respect for work, and interest in career development among young people. Staff provided numerous activities for 11 children, and their sponsoring adult (parents, uncle, grandparent).

The Agenda included the following:

1. Jill Duerig, General Manager, welcomed the children and their parents to the event.
2. The use of Safety and Emergency gear, such as personal protective equipment, that Zone 7 employees use in the course of work was presented by Dan Moy, Safety Technician I.
3. Liz Wilkins from Morrison & Associates guided the children through a coloring map showing the components of our local water system and the kids and parents had fun watching water travel through a water model.
4. A tour of Patterson Pass Water Treatment Plant was conducted by Allan Dahlquist, Water Plant Operator III including a hike up to where the water enters the treatment plant processes.
5. Colter Andersen, Water Facilities Supervisor, demonstrated the start up of the Mocho 4 Well and gave a tour of the new Mocho Demineralization Plant where he explained the equipment and operation to the participants.
6. The children traveled to the Arroyo Mocho in Livermore for a demonstration on groundwater and stream gauging led by Matt Katen, Principal Engineer, and Mike Garguilo, Water Resources Technician II.
7. In the Board Room, Jill Duerig presented certificates of participation to the children and thanked them for their participation.

A display board with photos from Zone 7's 2010 Take Our Children to Work Day is on display for your review.

Service Recognition Awards, May 7, 2010

Service Recognition Awards are presented annually to employees reaching 5 year increment milestone anniversaries with Alameda County. The Service Awards Ceremony for Zone 7 employees includes celebrating Public Service Recognition Week which was proclaimed to show appreciation for public service employees at the federal, state, and local levels.

Zone 7's Service Awards ceremony was held on Friday, May 7, 2010 in the Board Room. All Zone 7 Employees were honored with a continental breakfast at which time Jill Duerig, General Manager, expressed the Agency's appreciation to employees for their dedicated service. The following employees who reached milestones received awards and were recognized during the ceremony:

30 Years	25 Years	20 Years
Rich Gould	Jack Fong	Larry Akinsiku
Keith Jackson	Ralph Rodriguez	Karen Bartels

15 Years	10 Years	5 Years
Rhett Alzona	Matt Katen	Jesse Sanchez
		Michael Square

In addition, Rich Gould and Keith Jackson who are celebrating their 30-year anniversaries will be recognized by the Board of Supervisors later this month.

This year the 2010 Service Awards Ceremony also included the first annual Zone 7 Hall of Fame Awards, a new, informal and fun way for employees to recognize their peers for what they do best. This year's categories and winners are as follows:

"Unsung Hero"	Tom Rooze, Associate Civil Engineer/Professional Geologist
"Leading the Way"	Matt Katen, Principal Engineer
"Cool Under Fire"	Jill Duerig, General Manager
"Optimist"	Carol Mahoney, Associate Civil Engineer/Professional Geologist

The winners were announced at the conclusion of the regular Service Awards ceremony. Each individual was presented with a framed certificate in honor of their recognition. Photos of Zone 7's 2010 Service Awards and Hall of Fame Awards Ceremony are on display for your review.

RECOMMENDED ACTION: Information Only