ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

NOTICE OF REGULAR MEETING OF BOARD OF DIRECTORS

DATE:	**Wednesday, June 15, 2011**
TIME:	**6:30 p.m. CLOSED SESSION**
	7:00 p.m. OPEN SESSION (time approximate)
LOCATION:	**Zone 7 Administration Building**
	100 North Canyons Parkway, Livermore, California

Director Moore will be participating remotely via speakerphone from the Renaissance Washington, D.C. Dupont Circle Hotel, 1143 New Hampshire Avenue NW, Washington, D.C.

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 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. CLOSED SESSION – OPEN SESSION TO FOLLOW AT APPROXIMATELY 7:00 P.M.

    a) Conference with Legal Counsel--Existing Litigation, Government Code Section 54956.9(a): Petition for Extension of Time, Water Right Permit No. 11319 (Application No. 17002), State Water Resources Control Board.

    b) 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.

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

2. Open Session and Report Out of Closed Session (approximate time: 7:00 p.m.)
3. Call Meeting to Order
4. Pledge of Allegiance
5. Citizens Forum

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

6. Minutes of the Regular Meeting of May 18, 2011

7. Consent Calendar

   a. Request for Authorization to Nominate Director Quigley for Another Term as ACWA Region 5 Board Member
   b. Outreach Annual Contracts:
      - Award of Contract to Morrison & Associates for Public Outreach, Schools and Regional/Local Agency Coordination Support Services; and
      - Davis & Associates for Publications/Website Support Services
   c. Request for Out-of-State Travel for Training at the Government Finance Officers Association Accounting Academy, Chicago, Illinois
   d. Consulting Services Contract with Kenneth R. Henneman for SBA Improvement and Enlargement Project for FY 2011/12
   e. Arroyo Mocho Mitigation Project:
      - Request for Mitigation on Zone 7-Owned Property on Arroyo Mocho near Staples Ranch in Pleasanton; and
      - Intent to Grant Deed Restriction over a portion of Arroyo Mocho in favor of Alameda County Surplus Property Authority (710144)

8. Staffing Updates:

   a. Employee of the Month Recognition

9. East Alameda County Conservation Strategy

   Recommended action: Adopt resolution.

10. Findings and Recommendations of Zone 7's Asset Management Program Update

    Recommended action: Adopt resolution.

11. Committees - None

12. Items for Future Agenda – Directors

13. Reports – Directors

    a. Written report by Director Quigley
    b. Verbal reports

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

    a. General Manager's Report
    b. Recent & Upcoming Public Outreach Activities
    c. Legislative Update
    d. Status Report on Separation Efforts
    e. 2010 Water Quality Management Program Annual Report
    f. Annual Report for the Groundwater Management Program for 2010 Water Year
    g. Zone 7's Retirement Plan and Other Post-Employment Benefits
    h. Verbal Reports

15. Adjournment

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

    a) Delta Committee Meeting: June 29, 2011, 4:00 p.m.
    b) Regular Board Meeting: July 20, 2011, 7:00 p.m.

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

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

REGULAR MEETING

May 18, 2011

President Greci called the regular meeting to order at 7:00 p.m. The following were present:

DIRECTORS:	SANDS FIGUERS JOHN GRECI AJ MACHAEVICH CHRISTOPHER MOORE SARAH PALMER RICHARD QUIGLEY BILL STEVENS
DIRECTORS ABSENT:	NONE
ZONE 7 STAFF:	JILL DUERIG, GENERAL MANAGER KURT ARENDS, ASSISTANT GENERAL MANAGER, ENGINEERING JOHN YUE, ASSISTANT GENERAL MANAGER, FINANCE CAROL MAHONEY, ACTING SENIOR GEOLOGIST ROBYN NAVARRA, WATER CONSERVATION COORDINATOR BONI BREWER, COMMUNICATIONS SPECIALIST JOHN KOLTZ, SENIOR ENGINEER GINGER STATON, HUMAN RESOURCES ANALYST II JUDY RECTOR, BOARD SECRETARY
COUNSEL:	REN NOSKY, DOWNEY BRAND

Item 3 - Citizens Forum

None.

President Greci stated that May is Water Awareness Month and the Board tries to focus on water awareness including the Science Fair winners. It is enlightening for the Board and staff to take part and help sponsor this program because our future is in our youth and someday they may be in the water industry.

Item 4 – Minutes of the Regular Meeting of March 16, 2011

On a motion by Director Palmer with a second by Director Quigley, the minutes of the Regular Meeting of April 20, 2011, were approved as presented by a voice vote of 7-0.

Item 5 - Consent Calendar

Director Quigley pulled Consent Item 5a.

Director Moore made a motion approving Consent Items 5b through 5e and Director Palmer seconded the motion. The resolutions were approved by a roll call vote of 7-0.

Resolution 11-4079	Approved an $85,700 contract with Maggiora Brothers Drilling for the Camp Parks and Test Well Destructions Project, Project No. 213-11. (Item 5b)
Resolution 11-4080	Approved a contract amendment to Contract A11-37-LIE with Liebert Cassidy and Whitmore increasing the contract by $120,000 to provide legal support services for employment issues. (Item 5c)
Resolution 11-4081	Approved intent to provide access to Alameda County Surplus Property Authority (ACSPA) for the limited purpose of mitigation and channel restoration over certain real property owned by Zone 7. (Item 5d)
Resolution 11-4084	Authorizing exchange of real property with KB Homes and Eden Housing. (Item 5e)

Director Quigley discussed why he supports Consent Item 5a, Memorandum of Agreement to conduct site-specific analysis of the Bay Area Regional Desalination Project. He feels the project is a good partnership Zone 7 is going to get into with EBMUD, SFPUC, SCVWD, and CCWD. It is a million dollar project for evaluating a 25 MGD desalination project over in CCWD's territory. This project will put Zone 7 on track for Delta reliability and sustainability of water. Director Quigley moved to approve the resolution and Director Machaevich seconded the motion. The resolution was approved by a roll call vote of 7-0.

Resolution 11-4078	Approved a Memorandum of Agreement to Conduct Site-Specific Analysis of the Bay Area Regional Desalination Project (BARDP). (Item 5a)

Item 6 - Staffing Updates

Item 6a –Congratulations to Retiree

General Manager Jill Duerig commented that May, Water Awareness Month, is also a time to celebrate people who dedicated their career to water. The Board congratulated Todd Wendler, Water Resources Technician II who retired from the Agency on May 7, 2011, after over 24 years of service with Zone 7. Todd joined Zone 7 as a Water Plant Operator III in December 1986, moved to a Water Resources Technician I position in October 1987, and was promoted to Water Resources Technician II in March 1989. Todd worked for both the Water Resources and Groundwater Sections during his tenure with Zone 7's engineering department.

On a motion by Director Quigley and seconded by Director Palmer, Resolution 11-4082 congratulating Todd Wendler on his retirement was approved by a voice vote of 7-0.

Item 6b. New Employee Introduction

Mike Wallace joined Zone 7 on Monday, April 25, 2011, as a Staff Analyst working for the Office of the General Manager. Mike will be located at the North Canyons Building reporting directly to Jill Duerig and acting as the Assistant to the General Manager. Mike comes to Zone 7 with over 16 years of management experience including public affairs, sales and marketing, and operational experience. Mike is transferring to Zone 7 from ACERA where he worked as an Administrative Specialist for the past two years. He obtained a Bachelor of Science degree in Business Administration with a minor in Economics from California State University, Hayward.

Item 6c. Employee of the Month Recognition

Mary Lim, Associate Water Resources Planner, was the March 2011 Employee of the Month. Mary currently works in the office of the General Manager reporting to Carol Mahoney at the North Canyons Facility. Mary's work regarding current environmental regulations enables other personnel inside the agency to perform their work accordingly. She was complimented for providing a helpful interface with regulatory agencies when permits were required for projects. Mary assisted project engineers to stay on top of permitting deadlines by providing quick turnaround when questions arose, while also prompting personnel when a deadline approached.

As part of the May celebration of employees' public service, Ms. Duerig directed the Board's attention to the picture boards at the back of the board room for 1) Bring our Children to Work Day and 2) a thank you to those who have met milestones in their career at Zone 7. A slide show that was prepared for the Zone 7 Service Awards was played for the Board.

Item 7. Presentation by Science & Engineering Fair Awardees

After commenting about hoping that students get "hooked on water and become future 40-year service award winners down the road," Ms. Duerig introduced Boni Brewer, Communications Specialist, to present the Science and Engineering Fair Awardees.

Ms. Brewer explained that the Zone 7 awards are to honor students who earned special awards for water-related projects during the Tri-Valley Science and Engineering Fair, sponsored by the Lawrence Livermore National Laboratory. There were a record number of water-related projects at the fair and it was a huge success. This year's judges from Zone 7 staff were Amparo Flores and John Koltz, engineers from the Water Supply Engineering section.

Ms. Brewer also recognized Nick Williams. Mr. Williams is the Special Awards Coordinator who works with agencies like Zone 7 who do the special types of awards as opposed to overall judging. The awards recognize the great work these students did in their research, congratulates them in a public setting, and serves as a way to help recognize May as Water Awareness Month.

Mr. Koltz was present to introduce the students and each gave a brief presentation of their project. As he announced the winners, President Greci issued each a certificate and the cash award. The following students received Zone 7 awards for their projects:

- **Johannes Fischer, Monte Vista High School,** who got a senior (grades 9-12) individual water award for his study, "Effect of Prolonged Shutoff of the Water on Bacterial Growth in Domestic Water Heating Systems." Johannes' parents are from Germany, where households turn off their water heaters at night and turn them back on in the morning to save on energy costs. Johannes wondered why this is not practiced in the United States. In his research, he discovered that regulations restrict this practice due to concerns about a rise in microbial levels in the water heaters when temperatures drop to conditions more favorable to microbial growth. To test whether this is true, Johannes conducted a study in which he shut off the water heater in his home at the same time every night, and then monitored the resulting temperatures and bacterial quality from a hot water tap in the morning. His data, though limited, did not show adverse microbial impacts from the practice. The judges were impressed by Johannes' clear understanding of the problem and its potential implications. His project is novel, and has potential public health and environmental impacts.

Director Figuers commented about people dying of typhoid in the 1860's because of bacteria growing in their pipelines. A lot of the cities would advertise how few people would die from drinking their water. He felt that Johannes's study is one in a long line of interesting studies and he complimented him on a project well done.

- **Stephanie Herbert, Granada High School,** who received an individual senior (grades 9-12) water award for her study, "Testing for Toxins in Shadow Cliffs Lake and Their Effects on Aquatic Development." Spurred by anecdotes she had heard as a Livermore resident about the health dangers of swimming in Shadow Cliffs Lake, Stephanie decided to conduct a scientific investigation of the potential presence of toxins in the lake, and their effects on aquatic life. Daphnia, a planktonic crustacean more commonly called a water flea**,** was used as the aquatic indicator organism. Daphnia populations were exposed to a control water sample (spring water) and to samples of water from Shadow Cliffs. Their heartbeats and reproduction rates were monitored as indicators of potential toxic effects. While the results of the study were inconclusive, the judges were impressed by Stephanie's initiative in using the scientific method to check the veracity of anecdotal evidence, and her hard work in implementing the study. Stephanie also impressed us with her professionalism, eloquence, passion, and understanding of the limitations of her work.

- **Siddharth Kotapati, Rishabh Rao, and Wesley Wang, Windemere Ranch Middle School,** who got a junior (grades 6-8) team water award for their study entitled, "Desalinization Machine." After becoming aware of the use of desalinization plants in coastal cities, this team of middle schoolers became interested in the possibility of an individualized desalinization machine that could be used economically for potable water by rural families living in underdeveloped areas. The team's initial step was to brainstorm various designs on paper, followed by construction of a chosen prototype. After the initial prototype literally went up in flames, the experiment was saved and modified by using non-combustible materials easily available in a home or a hardware store. A teapot, tubing, ice, valves, and appurtenances were purchased. Concentrations of salt were added to a fixed volume of water that went through a boiling and condensation process. Data was gathered for the volume of potable water produced and the concentration of salt removed. Total capital and energy costs were calculated to determine efficiency. The judges were impressed by the students' brainstorming teamwork, their production of a prototype, and their ability to follow the scientific method of controlled parameters and data collection/analysis. Ms. Duerig added her congratulations to parents who allowed the experiment to continue after it had gone up in flames.

<u>Item 8. 2010 Enhancing Conservation Program, Future Conservation Programs, and Recognize Tri-Valley Businesses for their Conservation Efforts</u>

Because May is Water Awareness Month, Robyn Navarra, Water Conservation Coordinator, gave a presentation detailing the components of Zone 7's Water Conservation Program.

The overall objective of the water conservation program is to achieve and maintain a high level of water use efficiency throughout the valley by eliminating wasteful practices in water use, developing information on current and potential water efficiency practices, and implementing these practices.

After a brief summary of funding sources for the Water Conservation Program, Ms. Navarra discussed the Integrated Regional Water Management Plan (IRWMP) Grant Program funded by Proposition 84, The Safe Drinking Water, Water Quality and Supply, Flood Control, River, and Coastal Protection Bond Act of 2006. Thirty-three million dollars is allocated to San Francisco Bay Area Region 1 (nine Bay Area counties). Water conservation was one of five projects submitted in the grant application package to the Department of Water Resources and includes water use efficiency, water conservation, recycling and reuse to help meet future water demands. This grant could bring approximately $14.9 million to the Bay Area and an annual water savings of 1,930 acre-feet annually, beginning in 2012. Zone 7 was lead on this grant application seeking funding for water conservation incentive programs for public education and marketing outreach. Zone 7 is looking to the Department of Water Resources to fund 75 percent and Zone 7 will come up with 25 percent. The grant money will allow Zone 7 to do more than is already being done.

Ms. Navarra summarized the current Zone 7 programs:

- High-Efficiency Washer Program
- High-Efficiency Toilet (1.28 gallons per flush) Program
- Large Landscape Audit Support Services
- Schools Outdoor and Indoor Audit Support Services
- GreenPlumbers Certification Program
- Green Business Certification

In 2010, two businesses in the Tri-Valley Area applied for the Large Landscape Incentive Program and have implemented the recommended changes to their irrigation hardware to reduce their water consumption and energy use. Ms. Navarra recognized the following businesses 1) Shadow Cliffs Regional Recreation Area, part of the East Bay Regional Park District and 2) Oracle America, Inc., in Pleasanton, California. As part of the incentive program, staff will continue to monitor their water consumption use over the next two years.

Businesses involved with the Green Business Program are looking at water, energy, waste, etc., to be a green-certified business. Ms. Navarra announced a recognition award to Rodrigue Molyneaux Estate Winery and Vineyard who passed the Alameda Business Certification.

President Greci asked if there will be a press release on these issues. Ms. Navarra stated that when there are valid results to show the public, it will be presented.

Director Machaevich discussed Leadership in Energy & Environment Design (LEED) certification for new construction to help conservation initiatives become a reality. He encouraged Zone 7 to get involved in the design phase so businesses can see how it benefits them before they are committed to a design.

Director Stevens asked Ms. Navarra if these water conservation measures will help us establish documentation to meet the 2014 goal of 20 percent reduction? Ms. Navarra answered “yes” and further explained that she and Brad Ledesma, Associate Civil Engineer in Water Supply Engineering, will be working on a way to measure demand and supply by retailers and what role conservation plays, not based on assumptions but actual data; they want concrete evidence, not assumptions. Director Stevens encouraged the use of actual data for documentation and not use routine documentation as others do.

Item 9 – Committees – Finance Committee Minutes for May 4, 2011

There was no discussion on the committee meeting but the Asset Management Plan Update, the subject of the Finance Committee, will be brought to the Board June 15 as a board item.

Item 10 - Items for Future Agendas – Directors

No future agenda items were proposed.

Item 11 - Reports - Directors

a. Written report by Director Quigley
b. Verbal reports

Director Machavich reported on the April 29th tour of the Del Valle solar project. In addition to acknowledging a very well done presentation by Dennis Gambs, he said that the project team did a great job putting it together and the project will serve us well. General Manager Jill Duerig added that an Open House, similar to the ribbon cutting for the Demineralization Plant, is scheduled for June 22 for interested parties, Board members, staff, the public, etc. Invitations will be sent out soon.

Director Quigley had passed out copies of his written comments to the Board members regarding his attendance at the ACWA conference. He added that there were great modules and lots of information on the Delta, sustainability, and groundwater management. He brought back printed information to share on recycling, irrigation, SMART techniques and stressors in the Delta along with a booklet detailing all sessions. He added that East Bay Municipal Utility District received the Clair A. Hill Water Agency Award for Excellence for one of their projects.

Director Figuers also attended the conference and gave a verbal report on two breakout meetings he attended:

1. One session was on Sierra Nevada weather monitoring in the Feather River region where they monitored precipitation, groundwater, and soil moisture to understand the full spectrum of water movement through the localized area. They linked surface water and groundwater and how it related to tree growth. Snow pack is extremely difficult to measure. DWR puts core tubes down a hole and measures the water content of snow. Measuring snowfall is measuring the amount of snow that falls and has nothing to do with water content. If snow can be measured, real time reliability based on calculations of the snow pack can be done rather than waiting until the end of the year for statistics.

2. The second session he attended was on the pension debacle facing us, the sustainability of Other Post Employment Benefits (OPEB) and retirement program strategies. Girard Miller, the top person looking at pension throughout country, gave a well-done but scary talk.

Pensions are service-related and funded in some methods, written by law, and not too much you can do as an agency. However, the minute you retire in California, you get full medical, all unfunded. Nationwide medical is fully funded, but in California only 5-10 percent. Director Figuers outlined the history of pensions and how plans such as CalPERS have changed their strategies to meet their obligations by using accounting gimmicks and band-aids. In California, public employee compensation for police and fire is the best and the worst is for teachers.

Director Figuers asked what our arc will peak out as in 2015, 2017, or 2020 and at what level? He would like to hear more about pensions from staff.

President Greci suggested that when board members attend workshops or conferences, they get seven copies of handouts. He also stated that Director Figuers' gave the best description of a meeting that someone has gone to because it was informative, contained information about vital concerns, and brings awareness to protect Zone 7 employees.

Director Quigley referred to his written comments regarding State budget pension reform, Cal Forward, and reserves that were hot topics. He wanted his attendance at the ACWA/JPIA seminar, Outreach Task Force and Groundwater Committee noted for the record.

Director Machaevich reminded Directors to keep in mind that some people choose to pay into pensions and take lower salaries to get that pension. He would hate to see people on board for 15 to 20 years not be able to get the benefit of the pension they worked hard for and planned to get. Think about securing pensions for people.

Director Palmer reported that on April 25th, she and General Manager Jill Duerig met with City of Pleasanton Mayor Jennifer Hosterman and other City of Pleasanton staff regarding separation. The Mayor wants assurances that if Zone 7 separates, water rates will go down or stay the same. This is part of a series of meetings with various local governments regarding the separation of Zone 7 from Alameda County.

Director Quigley noted that San Francisco Public Utilities Commission (SFPUC) will be raising their wholesale water rates by 38 percent. He stated that this is why he pulled the first consent item off the Board agenda (Bay Area Regional Desalination Project) because we need to keep in our sights the inter-tie with the Lab and SFPUC, the San Antonio Reservoir off the South Bay Aqueduct, and also the Bernal wellfields that might be eligible for rehabilitation.

Item 12 – Staff Reports (Information items.)

a. General Manager's Report
b. Recent & Upcoming Public Outreach Activities
c. Legislative Update
d. Status Report on Separation Efforts
e. Recent Employee Activities
f. Annual Review of Sustainable Water Supply for Zone 7 Water Agency
g. Update Related to the Bay-Delta Conservation Plan
h. Verbal Reports

The Board went into closed session at 8:40 p.m.

Item 13 – Closed Session

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

b) Conference with Legal Counsel--Existing Litigation, Government Code Section 54956.9(a): Margaret Chun v. Alameda County Flood Control and Water Conservation District, Zone 7, et al. (Alameda County Superior Court Case No. HG11559731)

Item 14 – Open Session and Report Out of Closed Session

There was nothing to report out of closed session.

The meeting was adjourned at 9:05 p.m.

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

ORIGINATING SECTION: ADMINISTRATION
CONTACT: JILL DUERIG

AGENDA DATE: June 15, 2011 ITEM NO. **7a**

SUBJECT: REQUEST FOR AUTHORIZATION TO NOMINATE DIRECTOR QUIGLEY FOR ANOTHER TERM AS ACWA REGION 5 BOARD MEMBER

SUMMARY:

Director Dick Quigley has been serving on the board of ACWA's Region 5 for almost three years. His term ends at the end of Calendar Year 2011. Director Quigley has expressed an interest in continuing to serve on the Region 5 Board beyond his current term.

Region 5 meets at least three times a year in addition to meetings at both of ACWA's semi-annual conferences. Zone 7's current board policy is to allow directors to attend only one ACWA conference per year without seeking approval from the Board for reimbursement of travel and registration expenses, however the Zone 7 Board has already approved Director Quigley's participation in ACWA's Energy Committee and the associated attendance at both semi-annual conferences. Since ACWA's Region 5 covers a limited area in the state (from Contra Costa down to Santa Barbara Counties), additional meetings will involve only minor additional expenses. Staff recommend approving the attached Resolution to authorize the General Manager to recommend Dick Quigley for another term on ACWA's Region 5 Board and to authorize Director Quigley to attend any additional Region 5 meetings which sitting on the Board may entail.

FINANCIAL:

Travel, accommodations, and registration costs for additional Region 5 meetings are estimated to be less than $1,000 per year. Funds are available from Fund 52-Water Enterprise.

RECOMMEND ACTION:

Adopt attached Resolution.

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

RESOLUTION NO

INTRODUCED BY
SECONDED BY

WHEREAS, Director Dick Quigley has been serving on the board of ACWA's Region 5; and

WHEREAS, Director Quigley's current term expires at the end of this calendar year; and

WHEREAS, Director Quigley already has the Board's authorization to attend both ACWA's semi-annual conferences; and

WHEREAS, additional regional meetings are always held within the region.

NOW, THEREFORE, BE IT RESOLVED, that the General Manager is hereby authorized to recommend Director Quigley for a second term on ACWA's Region 5 Board and, if his application is accepted, be it further resolved that Director Quigley is hereby authorized to attend additional regional meetings as needed and he shall be entitled to reimbursement for travel and registration expenses incurred in connection therewith.

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

June 15, 2011

By ______________________________
President, Board of Directors

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

ORIGINATING SECTION: OFFICE OF THE GENERAL MANAGER
CONTACT: MIKE WALLACE/BONI BREWER

AGENDA DATE: June 15, 2011 ITEM NO. 7b

SUBJECT: Award of Contract to Morrison & Associates for Public Outreach, Schools, and Regional/Local Agency Coordination Support Services; and to Davis & Associates for Publications/Website Support Services

SUMMARY:

- Following a request for proposals to support agency staff activities related to public affairs, the Board in May 2009 authorized the General Manager to negotiate and execute as-needed professional services contracts for FY 2009-10 with:

  1. Morrison & Associates, Inc., for community outreach, water education and regional/local agency coordination support services, in an amount not to exceed $179,000, plus a $5,000 contingency.
  2. Davis & Associates, for publication and website support services, in an amount not to exceed $80,000, plus a $5,000 contingency.

- Due to cost controls, we did not expend any of the contingency amounts and, in June 2010, the Board approved one-year contract renewals without contingencies included.
- The RFPs cited the potential for up to two one-year extensions, at Zone 7's discretion.
- Because these ongoing programs benefit from up-to-date knowledge of Zone 7 issues and familiarity with the community, staff is requesting the second and last one-year extension on these contracts for FY 2011-12 for amounts 1) not to exceed $179,000 for Morrison & Associates; and 2) not to exceed $70,504 for Davis & Associates. Additional contingencies are not requested.
- In the case of Davis & Associates, this reflects a $9,500 decrease from the current fiscal year's contract amount, in part due to plans to perform more of this work in house.
- Despite the Agency's doing more with community outreach overall, costs for these contracts have steadily declined from a high of $376,680 in FY 2003-04 to a proposed $249,504 in FY 2011-12.

RECOMMENDED ACTION:

By resolution, authorize and direct the General Manager to negotiate and execute as-needed professional services contract amendments extending the term of contracts for an additional 12 months (FY 2011-12) with:

- Morrison & Associates, Inc., in an amount not to exceed $179,000.
- Davis & Associates, in an amount not to exceed $70,504.

FUNDING: Funding is available from Fund 50-Flood Control and Fund 52-Water Enterprise.

ATTACHMENTS:

a. Detailed memo
b. Separate scopes of work and budgets for both contracts (Attachments A & B).
c. Separate resolutions authorizing the General Manager to execute the contract amendments on behalf of Zone 7.

Interoffice Memo

Date: June 15, 2011
To: Jill Duerig, General Manager
From: Boni Brewer/Mike Wallace
Subject: Public Outreach/Schools/Communications Support Services

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

BACKGROUND

Zone 7 consultant contracts for public outreach, water education and communications support services aim to leverage subject matter expertise in water issues, knowledge of the local community, and strategic communications and public involvement skills in support of Zone 7 programs and projects.

Contracts awarded in 2009 followed requests for proposals from qualified firms to help meet the agency's communications needs. Zone 7 selected Morrison & Associates to provide Zone 7's schools program and participate in community events, and to provide regional/local agency coordination support services.

Also, the Agency selected Davis & Associates in 2009 after an RFP process to assist in providing ongoing technical web support, both static and interactive web graphics, and support for its overall publications program including design and layout of periodic newsletters, the annual report, the annual consumer confidence report and other publications (i.e., fact sheets) as needed.

Each 2009-10 contract had options to extend for up to two additional years. Both contracts were extended for the 2010-11 fiscal year. Staff remains satisfied with the performance of both consultants under these contracts. Therefore, staff is recommending that we exercise the second and last of the options to extend for 2011-12.

DISCUSSION

In 2010-11, the consultants accomplished the following, respectively:

<u>Morrison & Associates</u>

- This year's Zone 7 Schools Program was again highly successful. The number of classroom presentations totaled 320 (including five creek walks), involving a total 7,980 students, primarily in elementary schools. Numbers were substantially increased both this year and last year due largely to increased administrative efficiencies – including changes in the way that presentations are promoted and scheduled. In addition, schools presentations have been more evenly distributed among all three of our cities based on population. M&A teachers also have been developing a curriculum to introduce during the 2011-12 school year to high school science classes.

- In terms of community outreach, M&A in FY 2010-11: supported Agency participation in the Earth Celebration Festival in Pleasanton, Dublin Pride Week, the Livermore Wine Festival, two Home & Garden Shows at the Alameda County Fairgrounds, the Sunol Spring Wildflower Festival, the summer 2010 Family Film Festival at Regal Hacienda Crossings, and other community events. It assisted with media outreach on Coastal Cleanup events in Pleasanton and Dublin, and provided focused messaging at events and in the schools to mark Water Awareness Month. It helped staff the Clean Water Program booth at last year's Alameda County Fair and this year has stepped up involvement in outreach planning for the upcoming fair. It also has been working with staff on developing a series of new banners for public events.

- In the area of water conservation, of specific note this year, M&A: 1) provided a noontime talk about water-wise plants at a local nursery that was part of the Bay Friendly Gardening Tour, 2) assisted water conservation and outreach staff in developing joint messaging with the Bay Friendly Gardening Program (part of StopWaste.org), 3) continued to develop, in consultation with Zone 7 public affairs staff, new materials for promoting water conservation at local nurseries, and 4) refined conservation giveaways.

- Through government relations work, assisted Zone 7 staff in obtaining conservation funding through the Proposition 84 grant program and otherwise supported Zone 7 interests in the Bay Area Integrated Regional Water Management Planning process and other grant programs.

- Provided liaison support to retailers, regional partners, and state agencies; provided strategic public outreach support; assisted the Management Advisory Team on separation, culture change, internal communications, and other issues; and provided staff information to help with the internal update of the Agency's strategic plan.

- Assisted staff through contacts at various state and federal agencies in addressing the Agency water rights issues.

<u>Davis & Associates</u>

- Designed the 2010 annual report and Consumer Confidence Report, both to be released by staff this month, with an enhanced color scheme and type style aimed at achieving greater consistency in the appearance of major Zone 7 publications produced by public outreach staff.
-
- Using these same design guidelines, developed the first batch of what will be several newly redesigned and updated Zone 7 fact sheets for posting on the website and dissemination at public events.

- Provided ongoing technical web support, including completion of a version upgrade of the Zone 7 website to enhance the site's stability, security, and ease of content management; and provided training to public outreach staff on new content management tools.

- Provided strategic suggestions on different methods to implement an electronic newsletter, ultimately launched in April 2011 with positive feedback from recipients. Two e-newsletters have gone out, to approximately 135 subscribers. Work on an enhanced means of signing up for the e-newsletter via the website is underway. D&A staff also provided training to outreach staff on how to produce these e-newsletters in-house.

- Provided enhanced web graphics.

Planned tasks for FY 2011-12 communication support services and public outreach contracts are:

Morrison & Associates – Public Outreach (EXHIBIT A)

- Schools Program (K-12): Develop and deliver classroom presentations and science displays and booths covering topics ranging from watershed and creek protection to storm drain protection, water quality and water conservation.

- Community Outreach: Plan, coordinate and execute special events, such as the annual Earth Day event jointly sponsored by Zone 7 and the City of Pleasanton, participate in other local community events, including Home and Garden Shows, Dublin Pride Week, the Livermore Wine Festival, creek walks and cleanups.

- Regional/Local Agency Coordination Support Services: Assist Zone 7 management in communications and liaison services with retailers, other Bay Area water resource agencies, other local government entities and water resource regulatory agencies in Sacramento. This may involve serving as a liaison with regional coalitions, such as the Bay Area Integrated Regional Water Management Plan and professional organizations such as the Association of California Water Agencies. It may involve evaluating Zone 7 projects and seeking funding from appropriate bond initiatives, such as Propositions 84 and IE or other grant monies available for Zone 7 projects.

- **Clean Water Program:** Support Zone 7 staff in responding to public outreach requirements and other administrative requirements of the Alameda Countywide Clean Water Program.

Davis & Associates – Communications Support Services (EXHIBIT B)

- **Publications Program**: Assist in communications for a variety of audiences including the lay public, retail water agencies, and interest groups. The publishing program includes the following tasks: periodic newsletters, annual report, annual consumer confidence report, and other publications (fact sheets) as needed.

- **Website Support**: Develop interactive graphic capabilities on the Zone 7 website to increase public interest in and improve user experience with the Zone 7 website. Interactive graphics may include local watershed educational tools and water supply and quality educational tools, and possible GIS-based mapping.

- **Graphic Design**: Provide interactive and static graphics that convey Zone 7 key messages in a visual manner – maps, posters, charts, graphs, photography, interactive GIS-based maps, flash movies depicting engineering and/or environmental plans and activities.

MORRISON
& ASSOCIATES, INC.
Environmental Public & Government Relations
Environmental Planning Project Management

River Village Plaza
5256 S. Mission Rd., Suite 1010
Bonsall, CA 92003

Tel: (760) 724-9580
Fax: (760) 724-9590

on the Web
www.morrisonassociates.com

May 23, 2011

Boni Brewer
Public Information Officer
Zone 7 Water Agency
100 North Canyons Parkway
Livermore, CA 94551

Subj: Contract to Provide Consulting Services for Fiscal Year 2011/2012

Dear Ms. Brewer:

Morrison & Associates, Inc. appreciates the opportunity to continue to serve Zone 7 Water Agency in FY 2011/2012 by providing a variety of consulting services. Below is a discussion of the tasks and costs in each support category. Please note the total costs have not increased over last year.

Schools Program

We continue to reach out to include more schools and classrooms in Zone 7's service area, including Dublin San Ramon Services District that discontinued its schools program several years ago.

The classroom presentations and science day/fair displays and booths will cover topics ranging from watershed and creek protection education to storm drain pollution, drinking water quality, and water conservation. Continued emphasis will be placed on taking Zone 7's Schools Program to high school students.

It is recommended that funding for this task continue to be $75,000.

Community Outreach

Zone 7's Community Outreach has increased significantly over the past year. We will continue to support Zone 7 as it reaches out to the public to convey its messages at special events including Earth Day, Water Awareness Month, Dublin Pride Day, the Livermore Rodeo, etc.

It is recommended that funding for this task continue to be set at $48,200.

Graphics Support for Community Outreach

This is a task to provide graphics support to produce materials used in conjunction with Community Outreach efforts.

It is recommended that funding for this task continue to be set at $5,000.

Clean Water Program Staff Support

This task entails supporting staff with the increasing public outreach requirements and other administrative requirements of the Alameda Countywide Clean Water Program which essentially is designed to meet mandates of the San Francisco Bay Regional Water Quality Control Board.

We suggest that the funding for this task continue to be $5,000.

Regional/Local Agency Coordination Support

This task entails assisting Zone 7 management in its communications and liaison efforts with retailers, other Bay Area water resource agencies and regulatory agencies in Sacramento.

Funding for this task is recommended to continue to be $44,800.

Strategic Assistance

This effort entails providing strategic assistance to Public Information Officer.

Funding for this task is recommended to continue to be $1,000.

Summary of FY 2010/2011 Tasks Cost and Proposed FY 2011/2012 Costs

TASK	Budgeted for FY 2010/2011	Proposed Budget FY 2011/2012
Schools Program	$75,000	$75,000
Community Outreach	48,200	48,200
Outreach Graphics	5,000	5,000
CWP Staff Support	5,000	5,000
Agency Coordination	44,450	44,800
Strategic Support	1,350	1,000
Totals	**$179,000**	**$179,000**

Billing and Rates

All work is billed time and materials. Morrison & Associates, Inc. does not follow the industry practice of marking up printed materials, supplies and work of subcontractors. Also, we do not separately charge for telephone, fax, mileage, postage and other office expenses. They are included in our hourly rates. Hourly rates remain the same as last year and are as follows:

Position	Hourly rate
Principal	$180
Senior associates	$140
Graphic Artist	$130
Associates	$110
Administrative	$60

We have enjoyed representing Zone 7 Water Agency and look very forward to a continued relationship this next year.

Very truly yours,

Carl Morrison
President

enclosure

Morrison & Associates, Inc.
Zone 7 Water Agency
FY 2011/2012 Cost Proposal
Community Outreach, Water Education, and Regional/Local Agency Coordination Support Services

Tasks	Subtasks	FY 2011/2012 Proposed Budget							
		Position	**Skill**	**Rate**	**Hours**	**Total**	**Consulting**	**Mat/Subs**	**Total**
Schools Program	Schools and other	Principal	Supervisor	$ 180	3	$ 540			
(Grades K-12)	presentations	Sen Assoc	Asst Spvsr	$ 140	40	$ 5,600			
		Associate	Teacher	$ 110	550	$ 60,500			
	Schools Program Total					$ 66,640	$ 66,640	$ 8,360	**$ 75,000**
Community Outreach	Earth Day and	Principal	Supervisor	$ 180	4	$ 720			
	other community	Sen Assoc	Technical/Spvsr	$ 140	140	$ 19,600			
	events	Associate	Technical	$ 110	190	$ 20,900			
	Community Outreach Total					$ 41,220	$ 41,220	$ 6,980	**$ 48,200**
Graphics for Comm Outreach		Associate	Graphic Artist	$ 130	36	$ 4,680			
	Graphics for Comm Outreach Total						$ 4,680	$ 320	**$ 5,000**
CWP Staff Support	Clean Water PIP	Principal	Supervisor	$ 180	1	$ 180			
		Sen Assoc	Tech/Regulatory	$ 140	32	$ 4,480			
	CWP Staff Support Total					$ 4,480	$ 4,480	$ 520	**$ 5,000**
Regional/Local Agency	Interagency support,	Principal	Tech/Regulatory	$ 180	240	$ 43,200			
Coordination	grants, regulatory	Sen Assoc	Technical	$ 140	4	$ 560			
	agency work								
	Regional/Local Agency Coordination Total					$ 43,760	$ 43,760	$ 1,040	**$ 44,800**
Strategic Support		Principal	Supervisor	$ 180	5	$ 900			
	Strategic Support Total					$ 900	$ 900	$ 100	**$ 1,000**
GRAND TOTAL							**$ 156,100**	**$ 16,900**	**$ 179,000**

Alameda County Flood Control and Water Conservation District
Zone 7 Water Agency

Davis & Associates Communications

PUBLICATION AND WEBSITE SUPPORT SERVICES
FY 2011-2012 SCOPE OF WORK

Principal: Darolyn Davis, Principal

Project Team: Tina Garcia, Project Manager/Lead Communications Strategist
Jane Millan, Graphic Designer (Lead)
Chris Pizzo, Graphic Designer
Rod Vaughn & Darrel Vaughn, Web Technician(s)
Millie Tolleson, Communications Specialist
TBD, Web 2.0 Specialist
Emily Rodriguez, Graphic, Web/Web 2.0 and Project Support

PM	Newsletters	AR	CCR	Fact Sheets	Web 2.0	Website Support	Other Publications	Graphic Design	Additional Support	TOTAL
$5,021.56	$14,963.44	$7,501.94	$3,528.54	$4,903.72	$7,688.50	$9,944.64	$2,928.60	$11,998.80	$2,024.26	$70,504.00

Client Expectations:

Davis & Associates Communications is committed to upholding our standards of quality and efficiency when performing work and corresponding with Zone 7 throughout the life of the contract. The project team will be readily available to respond to work requests and questions. Zone 7 can expect a response within 24 hours when contacting Davis & Associates. If circumstances arise that prohibit our firm from responding to requests in the allotted time frame, Zone 7 can expect advanced notice. The Davis & Associates Communications Strategist will be the main point-of-contact for the contract; however, Zone 7 may contact any member of the project team with questions or requests.

Description/Understanding of the Project:

Davis & Associates is to provide graphic design support; publication layout and editing; electronic communications support and related training; Joomla! technical support and related training for Zone 7 staff; general website support including security backups and updates; and Web 2.0 services and related support. All work will be in support of Zone 7's activities for the period of July 1, 2011 thru June 30, 2012.

Project Approach:

Davis & Associates Communications will be responsible for the publication and website tasks as described below in this scope of work. The specific requirements for some of the tasks may require further discussion with Zone 7 staff and change according to work requests and priorities.

General Assumptions:

Task correlated assumptions can be found within each task. Overall assumptions include:

- Printing and mailing costs of publications are not included in the contract budget.
- Davis & Associates will produce publication documents in Adobe InDesign, Illustrator, and PDF.
- Zone 7 will provide text content for layout and design of publications. Davis & Associates will review content and make edits/recommendations as requested, but will not be the primary author.
- Once the milestone schedule is developed, a critical component of adhering to the schedule is the receipt of content and revisions from Zone 7. Davis & Associates is not responsible for schedule delays if content or revisions are delayed or have not been received. Turnaround time for all edits received by Zone 7 is not to exceed 3 business days unless otherwise agreed to by Zone 7 and Davis & Associates in advance.
- Davis & Associates will maintain electronic files of all Zone 7 materials and provide piecemeal copies via e-mail to Zone 7 upon completion of each deliverable. Within one month of the end of the 2011-2012 FY, Davis & Associates will provide a complete set of all electronic files in CD form.
- In addition to the press-ready documents that are produced, Davis & Associates will provide a web version of each document that will be a smaller file size and can be posted on the website and emailed readily.
- Davis & Associates has allotted no more than two on-site meetings for the duration of the Fiscal Year. The majority of revisions and communications will be via phone, e-mail, fax – or a combination thereof.
- Upon prior approval from Zone 7, Davis & Associates may shift hours between tasks in alignment with client requests and priorities.
- Zone 7 will reimburse Davis & Associates for reasonable direct costs/expenses per the contract (i.e. courier, long distance calls, special order printing, parking, IRS standard mileage rates) incurred while working on project tasks throughout the contract period.

TASK 1.0: PROJECT MANAGEMENT

Anticipated Staff: Darolyn Davis, Tina Garcia
Budget Allotted: **$5,021.56**

Deliverable: Oversight of publication and website support services for the contract.

Task(s): Davis & Associates will ensure that timeline, budget, and deliverables are in accordance with planned approach. Davis & Associates will prepare a detailed milestone schedule (after the kick-off meeting) and maintain consistent contact with the Zone 7 staff. In lieu of a monthly progress report, Davis & Associates will provide Zone 7 with monthly invoices that detail each task item for which time is billed and list the remaining balance of budgeted amounts for each task. Style standards that have already been developed will be employed for consistency throughout the contract (this includes fonts, colors, image scheme, etc.).

Assumptions:

- Kick-off meeting to take place upon receipt of 2011-2012 Notice-to-Proceed.
- Davis & Associates Principal, Project Manager/Lead Communication Strategist, and one Graphic Designer to attend kick-off meeting.
- Zone 7 to provide timeline of deliverable requests that will be the basis of the detailed milestone schedule.
- Zone 7 to provide Davis & Associates with high-resolution logos, color and font preferences, and previous document files in .indd and .ai format.

TASK 2.0: NEWSLETTERS

Anticipated Staff: Tina Garcia, Jane Millan, Chris Pizzo
*Budget Allotted: $*$\mathbf{14,963.44}$

Deliverable: Three (3) press-ready newsletters (4 pages, 8.5” x 7”)

Task(s): Davis & Associates to develop 3 press-ready newsletters for delivery to Zone 7. This includes design and layout. When requested by Zone 7, Davis & Associates will review content for clarity, consistency and grammatical accuracy.

Assumptions:

- Davis & Associates Project Manager and Graphic Designer to participate in a telephone conference call or webinar meeting with Zone 7 not-to-exceed 90 minutes in total duration prior to commencing work on each newsletter.
- Up to three rounds of revisions for each newsletter.
- Final draft of each newsletter is to be proofed by no more than two Davis & Associates specialists prior to printing to ensure clarity, accuracy and quality. Final edits will be subject to approval by Zone 7 prior to finalization.

TASK 3.0: ANNUAL REPORT

Anticipated Staff: Tina Garcia, Jane Millan
*Budget Allotted: $***7,501.94**

Deliverable: One (1) press-ready Annual Report (total pages and dimensions TBD)

Task(s): Davis & Associates to design and layout press-ready Annual Report. As requested, Davis & Associates to review content for clarity, consistency, and grammatical accuracy as well as coordinate review process.

Assumptions:

- Davis & Associates Project Manager and Graphic Designer to participate in a telephone conference call or webinar meeting with Zone 7 not-to-exceed two hours in total duration prior to commencing work on the Annual Report.
- Up to three rounds of revisions.
- Davis & Associates will work with Zone 7 to develop a “mock-up” sketch prior to design in order to gauge Zone 7’s requirements and preferences for order of information.
- Zone 7 to provide board members pictures and names, financial data, and critical images prior to design & layout.
- Final draft of Annual Report is to be proofed no more than two Davis & Associates specialists prior to printing to ensure clarity, accuracy and quality. Final edits will be subject to approval by Zone 7 prior to finalization.

TASK 4.0: CONSUMER CONFIDENCE REPORT

Anticipated Staff: Tina Garcia, Jane Millan
*Budget Allotted: $***3,528.54**

Deliverable: One (1) press-ready Consumer Confidence Report (assumes a 6-panel design, though redesign to accommodate digital printing may be an option)

Task(s): Davis & Associates to create press-ready Consumer Confidence Report. Davis & Associates to review content for clarity, consistency, and grammatical accuracy as well as coordinate internal/team review.

Assumptions:

- Davis & Associates Project Manager and Graphic Designer to participate in a telephone conference call or webinar meeting with Zone 7 not-to-exceed two hours in total duration prior to commencing work on the Consumer Confidence Report.
- Up to three rounds of revisions.
- Zone 7 to communicate regulatory requirements and data conveyance priorities that will have an impact on design.
- Zone 7 to provide electronic files of water quality data and communicate technical information.
- Final draft of Consumer Confidence Report is to be proofed by no more than two Davis & Associates specialists prior to printing to ensure clarity, accuracy and quality. Final edits will be subject to approval by Zone 7 prior to finalization.

TASK 5.0: FACT SHEETS

Anticipated Staff: Tina Garcia, Jane Millan, Chris Pizzo
*Budget Allotted: $***4,903.72**

Deliverable: Up to eight (8) fact sheets (single page, two-sided, 8.5” x 11”)

Task(s): Davis & Associates to design and layout press-ready fact sheets. Davis & Associates to review content for clarity, consistency, and grammatical accuracy as well as coordinate internal/team review.

Assumptions:

- Davis & Associates to assist Zone 7 with strategies for creating engaging fact sheets.
- Includes no more than 2 rounds of edits; product after second round of edits will be final unless additional editing is expressly requested.
- Due to the fact that the scope of work associated with this task is currently undefined, Davis & Associates will provide support under this task on a per-request basis; however, strategic support and recommendations on behalf of Zone 7 are anticipated.

TASK 6.0: WEB 2.0 SERVICES

Anticipated Staff: Tina Garcia, Millie Tolleson, Emily Rodriguez, TBD
*Budget Allotted: $***7,688.50**

Deliverable/Task(s): Davis & Associates will provide Web 2.0 Services including finalization of specific Web 2.0 plan for Zone 7; refining the Zone 7 e-newsletter process; providing enewsletter support as needed including training to Zone 7 staff; execution of finalized plan including establishment of YouTube at minimum with the possibility of Facebook and Twitter; development of a Zone 7 social media users guide and policy, social media training (not-to-exceed 8hrs total); and monthly maintenance not-to-exceed 1hr/month (unless requested by Zone 7).

Assumptions:

- Davis & Associates will provide support under this task on a per-request basis.

TASK 7.0: OTHER PUBLICATIONS

Anticipated Staff: Tina Garcia, Jane Millan, Millie Tolleson, Emily Rodriguez
*Budget Allotted: $***2,928.60**

Deliverable/Task(s): Davis & Associates to provide “other publication” support to Zone 7.

Assumptions:

- Davis & Associates will provide support under this task on a per-request basis.

TASK 8.0: WEBSITE SUPPORT

Anticipated Staff: Tina Garcia, Darrel Vaughn, Rod Vaughn, Jane Millan
*Budget Allotted: $***9,944.64**

Deliverable/Task(s): Davis & Associates will provide Joomla! Website support including user support; website edits (e.g. automated signup for e-newsletter, integration of e-newsletter with website, interactive graphics, and multimedia); complete security patches, backups and updates (flat rate of four hours a month); and website training for Zone 7 staff, as needed. Davis & Associates will work with Zone 7's staff to convey technical website information and functions in a user-friendly manner to enable streamlined content management.

Website support requests should be made via email (with Tina Garcia cc'd). This will allow for a time/date stamp on the request, reviewable by all parties. Requests will receive a response from either the web team or the Project Manager within 48hrs of receipt. If immediate contact is necessary, the web team or the Davis & Associates Project Manager may be reached via telephone, however, a follow-up email should be circulated regarding the call on the same day in order to keep continuity of workflow and reduce redundancy of efforts and communications.

Assumptions:

- Website was recently re-designed; therefore, a re-design of the website is not included in the contract budget.
- Minor edits to the site will be made by Zone 7 staff; major edits (e.g. new functionalities, etc.) will be made by the Davis & Associates web team on a per-request basis.
- Zone 7 understands that all website work and requests must function within the Content Management System, Joomla!. The Davis & Associates Web Technician will work with Zone 7 to communicate the capabilities and limitations herein.
- Regular backups, security patches and updates will be provided on a monthly basis at the flat rate of 4hrs/month.

TASK 9.0: GRAPHIC DESIGN

Anticipated Staff: Tina Garcia, Jane Millan
*Budget Allotted: $*__**11,998.80**__

Deliverable/Task(s): Davis & Associates to provide interactive and static graphics that convey Zone 7 key messages in a visual manner – maps, posters, graphs, charts, photo manipulation, flash movies depicting engineering or environmental plans and activities, etc.

Assumptions:

- Davis & Associates will provide support under this task on a per-request basis.
- Zone 7 to provide technical and geographic information and data to be conveyed graphically.
- Graphic design work is anticipated to be multi-faceted and will likely be incorporated as elements within other publications and tasks.

TASK 10.0: ADDITIONAL SUPPORT

Anticipated Staff: Tina Garcia, Jane Millan, Millie Tolleson, Emily Rodriguez, Darrel/Rod Vaughn, Chris Pizzo, TBD
*Budget Allotted: $***2,024.26**

Deliverable/Task(s): Davis & Associates to provide "additional support" to Zone 7.

Assumptions:

- This task is for minor requests and graphics services that do not fall under any of the other tasks in the contract.
- Davis & Associates will provide support under this task on a per-request basis.

TOTAL FOR SERVICES FY-2011-2012	$**70,504.00**

Davis Associates Communications

July 1, 2011
thru June 30, 2012

Work Breakdown Structure (WBS)

Task		Principal	Hours	Project Manager/ Lead Communications Strategist	Hours	Graphic Designer/ Communications Specialist	Hours	Web Technician	Hours	Web 2.0 Specialist	Hours	Graphic, Web and Project Support	Hours	Total Labor Hours	Total Labor Amount
1.0 Project Management															
		$ 791	4	$ 4,231	24	$ -		$ -		$ -		$ -		28	
	Subtotal	$ 791	4	$ 4,231	24	$ -	0	$ -	0	$ -	0	$ -	0	28	**5,021.56**
2.0 Newsletters															
(covers 3 newsletters)				$ 4,231	24	$ 10,733	76								
	Subtotal	$ -	0	$ 4,231	24	$ 10,733	76	$ -	0	$ -	0	$ -	0	0	**14,963.44**
3.0 Annual Report				$ 705	4	$ 6,214	44					$ 583	6		
	Subtotal	$ -	0	$ 705	4	$ 6,214	44	$ -	0	$ -	0	$ 583	6	0	**7,501.94**
4.0 Consumer Confidence Report															
		$ -		$ 1,410	8	$ 2,118	15	$ -		$ -		$ -		23	
	Subtotal	$ -	0	$ 1,410	8	$ 2,118	15	$ -	0	$ -	0	$ -	0	23	**3,528.54**
5.0 Fact Sheets															
(covers 8 newsletters)		$ -		$ 2,644	15	$ 2,260	16	$ -		$ -		$ -		31	
	Subtotal	$ -	0	$ 2,644	15	$ 2,260	16	$ -	0	$ -	0	$ -	0	31	**4,903.72**
6.0 Web 2.0 Services															
		$ -		$ 1,410	8	$ 1,977	14	$ -		$ 3,329	24	$ 972	10	32	
	Subtotal	$ -	0	$ 1,410	8	$ 1,977	14	$ -	0	$ 3,329	24	$ 972	10	32	**7,688.50**
7.0 Other Publications															
		$ -		$ 1,234	7	$ 1,695	12	$ -		$ -		$ -		19	
	Subtotal	$ -	0	$ 1,234	7	$ 1,695	12	$ -	0	$ -	0	$ -	0	19	**2,928.60**
8.0 Website Support															
		$ -		$ 1,058	6	$ 1,695	12	$ 6,637	48	$ 555	4	$ -		70	
	Subtotal	$ -	0	$ 1,058	6	$ 1,695	12	$ 6,637	48	$ 555	4	$ -	0	70	**9,944.64**
9.0 Graphic Design															
		$ -	0	$ 3,526	20	$ 8,473	60	$ -		$ -		$ -		80	
		$ -	0	$ 3,526	20	$ 8,473	60	$ -	0	$ -	0	$ -	0	80	**11,998.80**
10.0 Additional Support															
		$ -		$ 705	4	$ 847	6	$ -		$ 277	2	$ 194	2	14	
	Subtotal	$ -	0	$ 705	4	$ 847	6	$ -	0	$ 277	2	$ 194	2	14	**2,024.26**
TOTAL		**$ 791**	**4**	**$ 21,154**	**120**	**$ 36,011**	**255**	**$ 6,637**	**48**	**$ 4,162**	**30**	**$ 1,749**	**18**	**297**	**70,504.00**

Assumptions:

3 newsletter issues
1 annual report
1 consumer confidence report
Up to 8 fact sheets

[1] **Consultant reserves the right to shift hours between tasks in alignment with client requests and priorities**

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO

INTRODUCED BY
SECONDED BY

WHEREAS, Zone 7 has an annual $179,000 public outreach contract with Morrison & Associates, Inc., for FY 2010-11; and

WHEREAS, the contract can be extended for FY 2011-12 subject to the approval of the Board of Directors of Zone 7 and upon written agreement of both parties; and;

WHEREAS, Morrison & Associates, Inc. has indicated to Zone 7 its willingness to extend the contract; and

WHEREAS, Zone 7 finds the Contractor's work performed to date to be satisfactory.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby approve extending the annual service contract with Morrison & Associates, Inc., for FY 2011/12 in an amount not to exceed $179,000.

BE IT FURTHER RESOLVED that the Zone 7 Board authorizes the General Manager to negotiate and execute the contract amendment on behalf of Zone 7.

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

June 15, 2011________________________________

By____
President, Board of Directors

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO

INTRODUCED BY
SECONDED BY

WHEREAS, Zone 7 has an annual $80,000 communications support services contract with Davis & Associates Communications for FY 2010-11; and

WHEREAS, the contract can be extended for FY 2011-12 subject to the approval of the Board of Directors of Zone 7 and upon written agreement of both parties; and

WHEREAS, Davis & Associates Communications has indicated to Zone 7 its willingness to extend the contract; and

WHEREAS, Zone 7 finds the Contractor's work performed to date to be satisfactory.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby approve extending the annual service contract with Davis & Associates Communications in an amount not to exceed $70,504.

BE IT FURTHER RESOLVED that the Zone 7 Board authorizes the General Manager to negotiate and execute the contract on behalf of Zone 7.

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

June 15, 2011________________________________

By____
President, Board of Directors

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

ORIGINATING DIVISION: Administration
CONTACT PERSON: John Yue/Tamara Baptista

AGENDA DATE: June 15, 2011 ITEM NO: **7c**

SUBJECT: Request for Out-of-State Travel for Training at the Government Finance Officers Association Accounting Academy, Chicago, Illinois

SUMMARY:
Out-of-state travel authorization is requested for Tamara Baptista, Financial & Systems Services Manager, to attend the Government Finance Officers Association (GFOA) Accounting Academy in Chicago, Illinois from August 8 through 12, 2011.

DISCUSSION:
With the agency's small and aging work force, it is critical to develop capable managers and enrich their cross-skills to provide for succession and ensure the successful future of the agency. The GFOA Accounting Academy: An Intensive Introduction to Governmental Accounting, Auditing, and Financial Reporting provides to accountants and auditors knowledge to master the highly specialized rules, guidelines and practices applicable to local governments. A copy of the brochure is attached.

Ms. Baptista will acquire valuable skills outside of her historical area of expertise, permitting the agency to build more expertise to manage vital and sensitive functions throughout the agency, and to gain additional depth in the organization structure.

FUNDING:
Registration, travel and accommodations expenses, estimated at approximately $3,500 for are budgeted in Fund 52 Water Enterprise (90%) and Fund 50 Flood Control (10%) as a part of the overall agency training program.

RECOMMENDED ACTION:
Adopt the attached Resolution approving the reimbursement of actual and necessary expenses associated with the attendance by Tamara Baptista at the GFOA Accounting Academy in Chicago, Illinois August 8 through 12, 2011.

ATTACHMENTS:
Resolution
Accounting Academy Brochure

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO

INTRODUCED BY
SECONDED BY

Authorization for Out-of-State Travel Expense Reimbursement to Attend the GFOA Accounting Academy in Chicago, Illinois

BE IT RESOLVED, that out-of-state travel to attend the GFOA Accounting Academy in Chicago, Illinois August 8 through 12, 2011, is hereby approved and reimbursement of actual and necessary expenses associated with the attendance of Tamara Baptista is authorized.

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

June 15, 2011

By ____________________________________
President, Board of Directors

Government Finance Officers Association

Accounting Academy: An Intensive Introduction to Governmental Accounting, Auditing, and Financial Reporting

August 8 – 12

Course Level: Intermediate • Prerequisite: None

40 CPE Credits

Classes will be held at the GFOA offices:
203 North LaSalle Street • Suite 2700 • Chicago, IL 60601-1210

GROUP-LIVE COURSE

WHO WILL BENEFIT: Accountants and auditors new to the public sector.

PROGRAM OVERVIEW: Accountants and auditors new to the public sector must immediately face the daunting challenge of mastering the highly specialized rules, guidelines, and practices applicable to state and local governments. This intensive five-day workshop, intended for those who already possess at least a basic knowledge of private-sector accounting, combines lecture, discussion, and exercises to help newcomers make this difficult, but essential transition.

SEMINAR OBJECTIVES: Those who successfully complete this seminar should be able to:

- Explain the unique aspects of the governmental environment that have led to specialized accounting and financial reporting
- Identify the appropriate generally accepted accounting principles (GAAP)
- Categorize transactions and events as exchange, exchange-like, or nonexchange
- Select the appropriate fund to use to account for a given function or activity
- Categorize the various types of interfund activity
- Apply modified accrual accounting to activities reported in governmental funds
- Apply accrual accounting as modified for use in the public sector
- Identify each of the basic financial statements
- Identify the format and contents of mandated budgetary comparisons
- Identify the basic sections of a comprehensive annual financial report (CAFR) and the essential components of each
- Interpret the basic financial statements
- Identify the essential elements of a comprehensive framework of internal control
- Identify key differences between auditing in the public and private sectors (e.g., single audit and “Yellow Book” audits)

FACULTY: **Lauren Burroughs,** Program Associate, Technical Services Center, Government Finance Officers Association, Chicago, Illinois
Jake W. Lorentz, Assistant Director, Technical Services Center, Government Finance Officers Association, Chicago, Illinois;
Krisztina Dommer, Manager, Technical Services Center, Government Finance Officers Association, Chicago, Illinois;
Stephen Gauthier, Director, Technical Services Center, Government Finance Officers Association, Chicago, Illinois

PROGRAM SCHEDULE: The program will meet Monday through Thursday from 9:00 a.m. – 5:00 p.m. (Central Time). The course will meet from 8:00 a.m. – 3:30 p.m. on Friday. Check-in and distribution of seminar materials will take place from 8:00 a.m. – 9:00 a.m. on the first day of the seminar.

REGISTRATION FEES: GFOA Member $1,360/Nonmember $1,885

HOTEL INFORMATION: See reverse for details.

To learn more and to register for this seminar and other GFOA training events, visit www.gfoa.org.

Government Finance Officers Association

Accounting Academy: An Intensive Introduction to Governmental Accounting, Auditing, and Financial Reporting

August 8 – 12

Course Level: Intermediate • Prerequisite: None

40 CPE Credits

GROUP-LIVE COURSE

Classes will be held at the GFOA offices: 203 North LaSalle Street • Suite 2700 • Chicago, IL 60601-1210

Program Schedule

The program will meet Monday through Thursday from 9:00 a.m.– 5:00 p.m. (Central Time). The course will meet from 8:00 a.m. – 3:30 p.m. on Friday. Check-in and distribution of seminar materials will take place from 8:00 a.m. – 9:00 a.m. on the first day of the seminar.

Program Location

The program will be held at the GFOA offices in Chicago, Illinois, at 203 North LaSalle Street, Suite 2700.

Hotel Information

Hotel Monaco Chicago, 225 North Wabash Avenue, Chicago, Illinois 60601, Phone: 312-960-8500, Fax: 312-960-1883.

- Room Rate: $145. Tax: 15.4%.
- Group rate for the **August** training is until **July 18, 2011.**
- Should the GFOA block fill up or if reservations are made after the valid date, reservations will be accepted on an overall hotel space availability basis and may not qualify for the GFOA discounted rate.
- The Hotel Monaco Chicago is a short walk away from the GFOA Chicago offices. The hotel is accessible via the Chicago Transit Authority (CTA) Blue Line (O'Hare International Airport) or Orange Line (Midway International Airport). Depart the CTA station at State and Lake.

Please Print or Type

❑ Indicate if you are faxing this form. Fax accepted only with credit card payment or purchase orders. **Do Not Mail the Original.**

Name: ______________________________

Title: ______________________________

Employer: ______________________________

Address: ______________________________

City: ______________________________

State/Province: ______________ Zip/Postal Code: ________________

Telephone: ______________________________

Fax: ______________________________

E-mail: (Required) ______________________________

❑ Check box to indicate if you are substituting for an active member.

Active Member #: ______________________________

Active Member Name: ______________________________

Please photocopy this form for additional registrants.

Due to the number of registrations received, the GFOA cannot fax/e-mail confirmations. Confirmations will be sent via U.S. mail.

Cancellation Policy: Cancellations can be faxed to the GFOA at 312-977-4806 or e-mailed to training@gfoa.org.

August Training: Requests for refunds received prior to July 22, 2011, will be levied a $50 administrative service charge. Requests for refunds received between July 22, 2011, and August 5, 2011, will be refunded 50 percent of the registration fees. No refunds will be granted after August 5, 2011.

Substitutions (government entities only): A one-for-one substitution of a non-member for an active member is allowed. If your organization has a current GFOA member on staff who is not participating in these training seminars, a nonmember may attend in his/her place at the member rate. You must provide the member number and/or name of the GFOA member on the registration form.

Inquiries: For information regarding administrative policies such as complaints and refunds, please contact the GFOA at *training@gfoa.org* or at 312-977-9700.

Registration Fees

Fee includes handout materials, continental breakfast, and lunch.
Note: Early, group, and/or student discounts do not apply to this training program.

(Please Check One)

❑ $1,360 GFOA Member ❑ $1,885 Nonmember

Registration Fee	$_________
New Member Fee (Call 312-977-9700 for amount)	$_________
Discount for paid new member	($ -25.00)
REGISTRATION TOTAL	**$_________**

Payment Information (Please Check One)

Fees must be paid in U.S. dollars by check, credit card, or purchase order.

❑ **Payment by Check:**
Payable to "Government Finance Officers Association"
Send to: GFOA • 3076 Eagle Way • Chicago, IL 60678-1030

❑ **Payment by Credit Card, Purchase Order, Mail or Fax: 312-977-4806**
GFOA • 203 North LaSalle Street • Suite 2700 • Chicago, IL 60601-1210

❑ American Express ❑ Diner's Club ❑ Discover Card
❑ MasterCard ❑ VISA

Name on Card: ______________________________

Account Number: ______________________________

Exp. Date: ______ /______ **(Mandatory)**

Signature: ______________________________

❑ **Please Bill Me. Scan (e-mail to training@gfoa.org)**
You must include a purchase order number. Payment must be received for all registrations prior to the event date.

P.O. No: ______________________________

The GFOA is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE sponsors. State boards of accountancy have final authority of the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be addressed to the:

NATIONAL REGISTRY OF CPE SPONSORS

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150 Fourth Avenue North • Suite 700
Nashville, TN 37219-2417
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Government Finance Officers Association
203 North LaSalle Street, Suite 2700
Chicago, Illinois 60601-1210
312-977-9700 *fax:* 312-977-4806 *www.gfoa.org*

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

ORIGINATING SECTION: Water Supply Engineering
CONTACT: Jarnail Chahal

AGENDA DATE: June 15, 2011 ITEM NO. **7d**

SUBJECT: Consulting Services Contract with Kenneth R. Henneman for SBA Improvement and Enlargement Project for FY 2011/12

SUMMARY:

- Zone 7 has an on-going need to contract for specialized water resources engineering services to support Zone 7's interests in the California Department of Water Resources' (DWR's) South Bay Aqueduct Improvement & Enlargement Project. Currently the project is expected to be completed by June 2012.
- For approximately the last eleven years, Zone 7 has retained the services of Mr. Kenneth R. Henneman, a local water resources engineering consultant, to provide such services. Mr. Henneman's contract for the current fiscal year is for $105, 000.
- The services provided under this contract include attending various project and construction meetings, facilitating the most cost-effective design, and design changes during construction implementation.
- Based on his continued satisfactory performance, and Zone 7's continuing need for such services, it is recommended that the General Manager be authorized to negotiate and execute a consulting services contract with Mr. Henneman for a maximum not-to-exceed amount of $88,000, which includes a 10% contingency for FY 2011/12.

FUNDING:

This contract is budgeted for FY 2011/12 and funded from Fund 73 – Expansion.

RECOMMENDED ACTION:

Adopt the attached resolution authorizing the General Manager to negotiate and execute a consulting services contract with Mr. Kenneth R. Henneman for FY 2011/12 for a maximum not-to-exceed amount of $88,000, which includes a 10% contingency.

ATTACHMENTS:

- Memo Providing Additional Background and Discussion on Agenda Item
- Zone 7 Board Resolution

Interoffice Memo

Date: June 15, 2011
To: Jill Duerig, General Manager
From: Jarnail Chahal, Acting Principal Engineer, Water Supply Engineering
Subject: Consulting Services Contract with Kenneth R. Henneman for SBA Improvement and Enlargement Project for FY 2011/12

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

BACKGROUND:

Mr. Henneman's unique experience with the California Department of Water Resources (DWR) and with State Water Project (SWP) practices and policies, his excellent working relationships with DWR staff, and his familiarity with Zone 7's existing and proposed water supply facilities, have enabled him to provide excellent support on a number of engineering, operational, source water quality and policy issues. Over the last ten years, Mr. Henneman has been instrumental in coordinating with DWR on the Water Conveyance Study and the South Bay Aqueduct (SBA) Improvement & Enlargement Project. In addition, he assisted in the development of Amendment No. 21 to Zone 7's Water Supply Contract with DWR (additional 10,000 AFA of SWP Table A water from Belridge Water Storage District).

DISCUSSION:

SBA Improvement & Enlargement Project is expected to be completed by the end of fiscal year 2011/12. Mr. Henneman is the primary day-to-day liaison with DWR staff on this project, and he also coordinates the additional engineering and technical work performed by both Billy Ferguson and Charlie Mathis, two other consultants supporting Zone 7 in working with DWR to optimize the cost-effectiveness and reliability of this key project. In FY 2011/12, there will be roughly $30 million in construction contracts in effect and several of the facilities constructed during the last 10 years will go through the testing and start up process. Mr. Henneman's continued engineering input and facilitation will be critical in maintaining the most appropriate implementation. DWR key staff (e.g., Terry Becker, head of their Civil Engineering Branch) have expressed their appreciation and support for the role that Mr. Henneman plays in the review and input to both the design and construction phases of this project.

Mr. Henneman's estimated workload for fiscal year 2011/12 is estimated at 7 days per month, which is approximately 75% of what he has been working during the current fiscal year. Mr. Henneman's billing rate will remain unchanged from the current year at $95/hour. In addition to Mr. Henneman's staff time, this contract also provides approximately $5,000 for the services of special experts on an as-needed basis, such as Mr. Charles Mathis, who has provided specialty technical advice on the SBA Improvement & Enlargement Project. Based on this estimate, a maximum of $88,000 including a 10% contingency is being requested to fund as-needed water resources engineering support services from Mr. Henneman from July 1, 2011 through June 30, 2012.

ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

Consulting Services Contract with Mr. Kenneth R. Henneman

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 consulting services contract with Mr. Kenneth R. Henneman, Water Resources Consultant, to provide as-needed specialized water resources engineering services to support Zone 7's interests in the California Department of Water Resources' (DWR's) South Bay Aqueduct Improvement & Enlargement Project for fiscal year 2011/12, for a maximum not-to-exceed contract amount of $88,000.

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

June 15, 2011__________________________________

By: ____
President, Board of Directors

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

ORIGINATING SECTION: ENGINEERING
CONTACT: KURT ARENDS/CAROL MAHONEY

AGENDA DATE: June 15, 2011 ITEM NO. **7e**

SUBJECT: Arroyo Mocho Mitigation Project:
- Request for Mitigation on Zone 7-Owned Property on Arroyo Mocho near Staples Ranch in Pleasanton and
- Intent to Grant Deed Restriction over a portion of Arroyo Mocho in favor of Alameda County Surplus Property Authority (710144)

SUMMARY:
- In May 2011, Staff provided the board with information on Alameda County Surplus Property Authority's (ACSPA) request to mitigate on Zone 7-owned land, similar to the request granted to the City of Livermore in July 2010 for their El Charro Specific Plan project.
- ACSPA has mitigation needs for the Stoneridge Bridge project, both on-site and off-site, on the Arroyo Mocho near Staples Ranch and near Stanley Blvd.
- The on-site mitigation will consist of approximately 0.3 to 0.5 acres of riparian planting immediately adjacent to the new Stoneridge Bridge along the Arroyo Mocho.
- A separate partnership agreement or memorandum of understanding between Zone 7 and the ACSPA is being negotiated to address coordination and compensation for the mitigation, monitoring, and long-term maintenance responsibilities.
- In 2004, ACSPA completed the Mocho Widening/Positas Realignment Project and associated on-site mitigation as a part of an SDA 7-1 agreement with Zone 7. A requirement of the Army Corps of Engineers permit was that a deed restriction be placed on the areas of the project where mitigation has taken place but this has not yet been done.
- To facilitate these on-going negotiations and to assist ACSPA in receiving their regulatory permits, staff has prepared two Resolutions to provide evidence of Zone 7's concurrence regarding the intent to allow use of Zone 7 land for on-site mitigation and the granting of a deed restriction for the work already performed.

FUNDING:
The deed restrictions will generate revenues for Fund 50. The final details and cost for the project and deed restrictions are still being negotiated.

RECOMMENDED ACTION:
Adopt the attached Resolutions affirming the Board's intent to allow the use of Zone 7 land for mitigation purposes and to recommend approval of a covenant and deed restriction on property owned in fee by Zone 7, once details and associated consideration are negotiated.

Interoffice Memo

Date: June 9, 2011
To: Jill Duerig, General Manager
From: Carol Mahoney, Acting Senior Geologist
Subject: Arroyo Mocho Mitigation Project:

- Request for Mitigation on Zone 7-Owned Property on Arroyo Mocho near Staples Ranch in Pleasanton and
- Intent to Grant Deed Restriction over a portion of Arroyo Mocho in favor of Alameda County Surplus Property Authority (710144)

BACKGROUND:

The Staples Ranch development and the Stoneridge Drive extension and bridge project being facilitated by Alameda County Surplus Property Authority (ACSPA) and the City of Pleasanton have required extensive work in and around the Arroyo Mocho and the Arroyo Las Positas near I-580 and El Charro Road. In April 2003, Zone 7 and ACSPA entered into a Memorandum of Understanding regarding channel improvements along both stream corridors for the Arroyo Mocho Widening/Arroyo Las Positas Realignment Project (Mocho/Positas Project). An SDA 7-1 agreement was executed to facilitate the construction of this project by Hanson Aggregates, the adjacent property owner and owner of one of the bridges to be replaced as a part of the project.

As a result of this project, the Staples Ranch property became available for land development, but requires the extension of Stoneridge Drive through a bridge crossing over the Arroyo Mocho to allow adequate emergency vehicle access and traffic flow. The development plan has resulted in various on-site and off-site mitigation needs. During the Mocho/Positas Project, approximately 7.59 acres of land along both sides of the Arroyo Mocho and Arroyo Las Positas was used for mitigation through riparian plantings. During the upcoming Stoneridge Bridge project, additional environmental impacts to the Arroyo Mocho will result in the need for roughly 0.3 to 0.5 acres of additional on-site mitigation near the proposed bridge and two acres of off-site mitigation being proposed on the Arroyo Mocho near Stanley Boulevard. The discussion of mitigation at Stanley Boulevard was discussed with the Board in April and May 2011. This item will focus on ACSPA's need to:

1.) Provide on-site mitigation in the Arroyo Mocho near the proposed Stoneridge Bridge to mitigate the proposed development at Staples Ranch (PART A), and

2.) Provide the required deed restriction over the existing planted area that served as mitigation for the Mocho/Positas Project completed in 2004 (PART B).

DISCUSSION:

<u>PART A:</u>

As part of ACSPA's and the City of Pleasanton's plans to extend Stoneridge Drive over the Arroyo Mocho to connect to the Staples Ranch development, bridge improvements are necessary and result in both temporary and permanent impacts to the arroyo and the associated habitat. Those impacts to riparian habitat have resulted in a need for both on-site and off-site mitigation. ACSPA has requested that approximately 0.3 to 0.5 acres of stream-side riparian cover be allowed to be planted along the arroyo's banks on both sides of the arroyo in the area immediately adjacent to the bridge to address the on-site mitigation needs.

In May 2011, staff brought a similar resolution before the Board to address the off-site mitigation needs of Caltrans and other potential partners, including ACSPA, proposing a pilot project on the Arroyo Mocho near Stanley Boulevard. The Stanley project will satisfy the off-site mitigation requirements of the Stoneridge Drive extension project.

Similar to the process sought by the City of Livermore during the El Charro Specific Plan, ACSPA has requested that the Zone 7 Board acknowledge its intent to grant access to ACSPA and allow the use of the land for mitigation to allow the Regional Board to finalize and issue the 401 Permit. Zone 7 and ACSPA staff are currently negotiating and preparing the final agreements and legal property description. Therefore, to facilitate the issuance of the 401 Permit, Board action stating its intent to grant approval to access that portion of the property impacted by the mitigation plantings is necessary. The attached document (Exhibit B) is an example of the agreement that will provide access permissions to the site. This example is the same as the one being finalized for the City of Livermore's El Charro Specific Plan mitigation/restoration project on the Arroyo las Positas. The final document being prepared for the Stoneridge Bridge mitigation site will be substantially in the form of this exhibit, but will not be executed until negotiations are complete and a separate agreement or memorandum of understanding has been executed.

Staff is working to draft the aforementioned partnership agreement or memorandum of understanding which will identify the financial commitment of ACSPA for the requested mitigation, respective maintenance responsibilities, right-of-way considerations, and other conditions of the agreement. While there are still conditions of the agreements which need to be resolved, Zone 7 Staff recommends that the Board indicate its intent to grant access to ACSPA for the purpose of constructing, monitoring and maintaining the mitigation area. Staff will continue to work to revise and refine the agreement and will return to the Board for further action once these items have been negotiated by Zone 7 and ACSPA staff.

PART B:

Likewise, the Mocho/Positas Project facilitated by ACSPA through the SDA 7-1 program, had a permit requirement for a deed restriction to be placed over the mitigated areas but the deed restriction was never placed. This project covered the area just upstream of the proposed Stoneridge Bridge. During the 2003-2004 Mocho/Positas Project, approximately 7.59 acres of Zone 7 owned land adjacent to the Arroyo Mocho and Arroyo Las Positas was used for on-site mitigation which included riparian plantings. As part of the permit conditions related to this mitigation, a deed restriction was required to ensure that the area remain as riparian cover. Exhibit C, attached, represents the deed restriction agreement. Exhibit A shows the plat and legal description for the area covered by the mitigation plantings for the Mocho/Positas Project. This area includes only the planted portions of the project and excludes the centerline of the channels. It is Staff's recommendation that the Board recommend approval of this deed restriction over the Mocho/Positas Project's mitigation area to the Alameda County Board of Supervisors.

Arroyo Mocho
County of Alameda

No. 70144
MAP RF-10105

Exhibit "A"
Legal Description
Deed Restriction

Real property situate in the unincorporated area the County of Alameda, State of California, described as follows:

Parcel 1:

Being portions of the parcels described in the deeds to Alameda County Flood Control & Water Conservation District in Reel 3912 Image 53 and Document Number 2004-272272, Official Records of Alameda County, described as follows:

Commencing at an angle point on the northern line of said parcel (2004-272272) being the eastern terminus of the line described as "South 88°18'37"W 1369.29 feet"; thence South 01°20'42"West, 20.00 feet to the **Point of Beginning**; thence South 01°20'42"West, 80.00 feet; thence North 88°18'37"West, 1546.48 feet; thence North 41°11'30"East, 88.95 feet; thence South 88°18'37"East, 100.87 feet; thence North 71°51'53"East, 33.50 feet; thence South 88°18'37"East, 1357.03 feet to the **Point of Beginning**.

Containing: 2.75 Acres ±

Parcel 2:

Being a portion of the "Hanson Transfer Parcel" described in the deed to Alameda County Flood Control & Water Conservation District in Document Number 2004-272278, Official Records of Alameda County, described as follows:

Commencing at the northeast corner of said parcel; thence along the northern line of said parcel, North 88°18'37"West, 262.69 feet; thence South 01°20'42"West, 70.00 feet to the **Point of Beginning**; thence South 01°20'42"West, 66.00 feet; thence North 88°18'37"West, 1708.00 feet; thence North 48°22'34"East, 96.21 feet; thence South 88°18'37"East, 1637.60 feet to the **Point of Beginning**.

Containing: 2.54 Acres ±

Arroyo Mocho
County of Alameda

Exhibit "A"
Legal Description
Deed Restriction

Parcel 3:

Being portions of the parcels described in the deeds to Alameda County Flood Control & Water Conservation District in Document Number 2004-272275 and Document Number 2004-272277, Official Records of Alameda County, described as follows:

Commencing at the southwest corner of Parcel 1 of said deed(2004-272277); thence along the southern line of said parcel, South 89°34'58"East, 15.00 feet; thence North 01°12'34"West, 7.00 feet to the **Point of Beginning**; thence North 01°12'34"East, 82.73 feet; thence South 88°33'49"East, 125.58 feet; thence North 66°36'58"East, 56.28 feet to a non-tangent curve to the left having a radial which bears North 23°24'26" West, a radius of 697.00 feet, a delta of 18°37'56"; thence along said curve an arc length of 226.66 feet to a reverse curve having a radius of 920.50 feet, a delta of 20°37'46"; thence along said curve an arc distance of 331.43 feet; thence North 68°35'24"East, 32.20 feet; thence South 21°24'36"East, 58.00 feet; thence South 68°35'24"West, 32.20 feet to a non-tangent curve to the left having a radial which bears North 21°24'36" West, a radius of 862.50 feet, a delta of 20°11'42"; thence southwesterly along said curve an arc length of 304.00 feet to a reverse curve having a radius of 754.75 feet, a delta of 34°51'36"; thence along said curve an arc distance of 459.21 feet to the **Point of Beginning**.

Containing: 1.06 Acres ±

Arroyo Mocho
County of Alameda

Exhibit "A"
Legal Description
Deed Restriction

Parcel 4:

Being a portion of the parcel described in the deed to Alameda County Flood Control & Water Conservation District in Document Number 2004-272275, Official Records of Alameda County, described as follows:

Commencing at the southwest corner of Parcel 1 of the parcel described in the deed to Alameda County Flood Control & Water Conservation District in Document Number 2004-272277, Official Records of Alameda County; thence along the southern line of said parcel, South 89°34'58"East, 15.00 feet; thence South 01°12'34"East, 63.50 feet to the **Point of Beginning**, said point being on to a non-tangent curve to the left having a radial which bears South 06°09'21" East, a radius of 814.75 feet, a delta of 35°26'57"; thence northeasterly along said curve an arc length of 504.09 feet to a reverse curve having a radius of 802.50 feet, a delta of 20°11'42"; thence along said curve an arc distance of 282.86 feet; thence North 68°35'24"East, 32.20 feet; thence South 21°24'36"East, 65.00 feet; thence South 68°35'24"West, 32.20 feet to a non-tangent curve to the left having a radial which bears North 21°24'36" West, a radius of 737.50 feet, a delta of 20°11'42"; thence southwesterly along said curve an arc length of 259.95 feet to a reverse curve having a radius of 879.75 feet, a delta of 35°59'46"; thence along said curve an arc distance of 552.70 feet; thence North 01°12'34"East, 65.50 feet to the **Point of Beginning**.

Containing: 1.24 Acres ±

LICENSED LAND SURVEYOR
CHARLES SELLMAN
No. 5186
Exp. 06-30-11
STATE OF CALIFORNIA

Charles Sellman L.S. 5186

03-10-2011
Date

Created on 3/8/2011 4:11 PM
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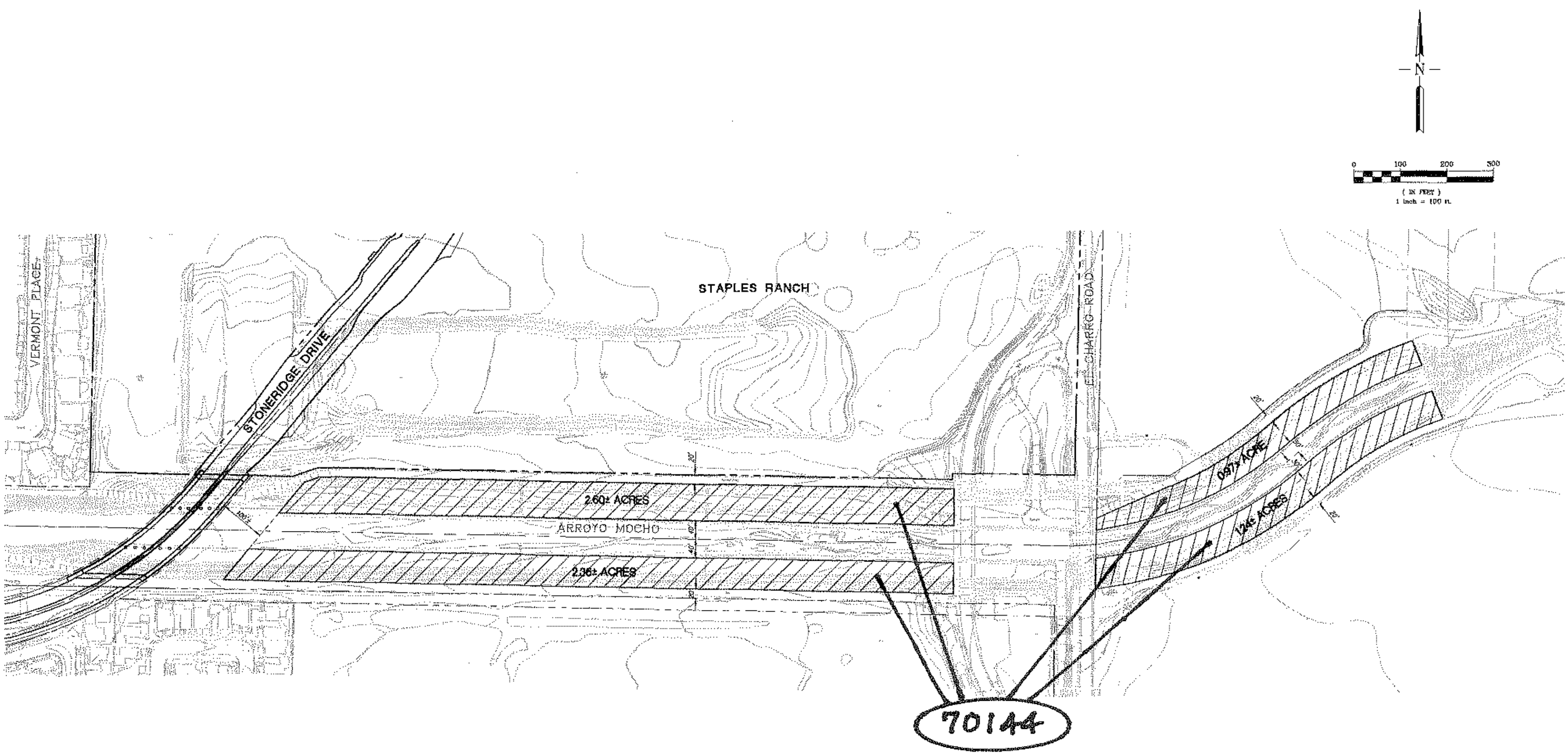

LEGEND:

DEED RESTRICTION AREA

ARROYO MOCHO
DEED RESTRICTION EXHIBIT

CITY OF PLEASANTON, ALAMEDA COUNTY, CALIFORNIA

RJA
RUGGERI-JENSEN-AZAR
ENGINEERS * PLANNERS * SURVEYORS
4690 CHABOT DRIVE, SUITE 200 PLEASANTON, CA 94588
PHONE: (925) 227-9100 FAX: (925) 227-9300

DATE: JANUARY 20, 2011 JOB NO. 011056TM-IP SHEET 1 OF 1

RF-10105

EXHIBIT B

AGREEMENT between CITY OF LIVERMORE AND ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT REGARDING PARCEL NO. 904-0001-003-23

This Agreement is entered into this ______ day of ______________, 2010, between ________________________ Alameda County Flood Control and Water Conservation District, (hereinafter "Zone 7") and the City of Livermore, (hereinafter "City").

RECITALS

A. The City of Livermore applied to the California Regional Water Quality Control Board for the San Francisco Bay Region ("Board") for a water quality certification under Section 401 of the Clean Water Act and coverage under State Water Resources Control Board Order No. 2003 - 0017 - DWQ, "General Waste Discharge Requirements for Dredge and Fill Discharges That Have Received State Water Quality Certification" to authorize the City of Livermore to place fill in waters of the United States and the State of California in connection with a project to construct storm water management infrastructure, roadways and bridges on the Burdened Property and on surrounding properties. Impacts to waters of the U.S. and waters of the State of California are authorized by the CWA Section 401 Certification and coverage under Board Order No. 2003-0017.

B. The Board's Section 401 certification includes Special Conditions and, City is obligated to meet these conditions. The Board requires that City shall obtain the legal right to perform its obligations as required on and over a portion of real property within Assessor's Parcel Number 904-0001-003-23 owned by Zone 7 ("Protected Area"). City is obligated to restore, monitor and maintain a portion of the property consistent with the *Habitat Mitigation, Restoration and Monitoring Plan, El Charro Specific Plan Project* (HMRMP) (ICF Jones & Stokes, November 2009).

C. City desires to obtain the necessary legal rights to meet its obligations under the Board's Section 401 certification and Zone 7 agrees to cooperate with City's request.

NOW, THEREFORE, be it mutually agreed as follows:

AGREEMENT

1. ZONE 7 owns certain real property situated in the City of Livermore, County of Alameda, State of California, more particularly described as APN 904-0001-003-23 ("Property").

2. ZONE 7 agrees to allow the CITY, its officers, officials, employees, and agents at all times the legal right to enter and access on to, over, and upon the Property as delineated on the map attached hereto and made a part hereof (Exhibit A), and to restore, monitor, and maintain the Protected Area consistent with the *Habitat Mitigation, Restoration and Monitoring Plan, El Charro Specific Plan Project* (HMRMP) (ICF Jones & Stokes, November 2009).

3. It is understood and agreed that permission to do the work and perform the acts stated herein and referenced in the HMRMP shall remain in force and effect until the success criteria in the HMRMP, Table 2 Performance Standards and Success Criteria for Wetland Mitigation and Table 3 Performance Standards and Success Criteria for Riparian Zone Plantings, are achieved and for an additional 5 year period thereafter. This provision shall be nonmodifiable and irrevocable for this period of time.

4. The City shall indemnify, defend, protect and save Zone 7 from and against all claims, damages, losses, and expenses, including attorney fees, arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the City, its officers, officials, employees and agents, and anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of the Zone 7.

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

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

CITY: City of Livermore
Attention: City Engineer
1052 S. Livermore Avenue
Livermore, CA 94550
925-960-4500

6. City may be self-insured or shall procure and maintain, at City's sole expense, for the duration of this Agreement, and shall ensure that its agents, consultants, and contractors procure and maintain insurance insuring against claims for injuries to persons or damages to property which may arise from or in connection with the construction, use, restoration, monitoring, maintenance, or repair of the Protected Area or Zone 7's Property by City, or its agents, representatives, employees, contractors, subcontractors, and invitees.

//

//

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

ZONE 7:

By: ______________________________
G.F. Duerig, General Manager

Approved as to Form:

____
General Counsel

CITY OF LIVERMORE:

By: ______________________________
Linda M. Barton, City Manager

Approved as to Form:

____
Senior Assistant City Attorney

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO

Alameda County Surplus Property Authority
224 W. Winton Ave. Room 110 Hayward, CA 94544
Attention: Stuart Cook, Director

Space above line for Recorder's use

ARROYO MOCHO DEED RESTRICTION

THIS DEED RESTRICTION (this **"Deed Restriction"**) is made this ___ day of ____________, 2011, by the Alameda County Flood Control and Water Conservation District, Zone 7 ("**Covenantor**") for the benefit of the Alameda County Surplus Property Authority ("**Covenantee**").

RECITALS:

A. Covenantor is the owner of certain real property in the County of Alameda County, State of California, as more particularly described in Exhibit A attached hereto and incorporated herein (the "Burdened **Property**"). Covenantee is authorized by Civil Code §815.3 to hold this Deed Restriction.

B. This Deed Restriction, as contemplated by California Civil Code §815 *et seq*., is being executed and delivered to satisfy certain requirements under the Department of the Army Permit No. 20564E75 issued to the Alameda County Planning Department (the **"Permit"**), including that certain Wetlands Mitigation and Monitoring Plan for Arroyo Las Positas Realignment/Arroyo Mocho Widening, prepared by RIO Natural Resources Planning & Design, May 1995 (the **"MMP"**).

C. The Permit authorized the construction of the Arroyo Las Positas/Arroyo Mocho Realignment Project (the "Project"), which resulted in the widening and realignment of the Arroyo Las Positas east of El Charro Road and widening of the Arroyo Mocho channel west of El Charro Road to provide flood control for the surrounding area. To compensate for impacts upon wetland habitat, the Permit and MMP required that significant amounts of native riparian vegetation be established within the Burdened Property, while recognizing the need to maintain the capacity to convey flood waters.

D. This Deed Restriction is being executed in order to ensure the Burdened Property is retained in perpetuity in a natural condition as waters of the United States, wetlands and riparian banks as contemplated by the Permit and MMP, while recognizing the need to maintain the Burdened Property's primary use as a flood control and water management facility.

E. Covenantor intends to convey to Covenantee the right to preserve, protect, sustain and enhance the Burdened Property's riparian and wetland habitat values, consistent with retaining the Burdened Property in perpetuity in a natural condition as waters of the United States, wetlands and riparian banks.

COVENANTS, TERMS, CONDITIONS AND RESTRICTIONS

NOW, THEREFORE, in consideration of the above recitals and the mutual covenants, terms, conditions, and restrictions contained herein, and pursuant to California Civil Code §815 *et seq*., Covenantor hereby voluntarily covenants to perpetually restrict the use of the Burdened Property for the benefit of Covenantee in the nature and character hereinafter set forth. Covenantor's obligations and Covenantee's rights hereunder shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to California law and shall be binding upon Covenantor and each successive owner of all or a portion of the Burdened Property during its ownership of such Burdened Property for the benefit of Covenantee.

1. Purpose. The purpose of this Deed Restriction is to ensure the Burdened Property is retained in perpetuity in a natural condition as waters of the United States, wetlands and riparian banks, while recognizing the need to maintain the Burdened Property's primary use as a flood control and water management facility. The purpose of this Deed Restriction does not include restricting the construction, operation, maintenance, repair, removal or reconstruction of any planned or proposed drainage improvements required by "adjacent properties" (as listed in Exhibit B). The purpose of this Deed Restriction also does not include prohibiting or restricting the activities described in section 4 below.

2. Rights of Covenantee. To accomplish the purpose of this Deed Restriction, Covenantor hereby grants and conveys the following rights to Covenantee.

A. To ensure that the Burdened Property is preserved, protected and sustained in accordance with the purpose of this Deed Restriction.

B. To prevent any activity on or use of the Burdened Property that is inconsistent with the purpose of the Deed Restriction and to require the restoration of such areas or features of the Burdened Property that may be damaged by any act, failure to act, or any use or activity that is inconsistent with the purpose of this Deed Restriction.

3. Prohibited Uses. Any activity on or use of the Burdened Property inconsistent with the purpose of this Deed Restriction is prohibited.

4. Covenantor's Reserved Rights. All rights accruing from Covenantor's ownership of the Burdened Property, including the right to engage in, and to permit or invite others to engage in, all uses of the Burdened Property that are not prohibited herein and are not inconsistent with the purpose of this Deed Restriction, are reserved to Covenantor and Covenantor's personal representatives, heirs, successors, and assigns. Covenantor has the right to maintain the Burdened Property consistent with the purpose of this Deed Restriction. These rights include without limitation:

a) Maintenance and repair of the banks and channels of the Arroyo Las Positas and Arroyo Mocho for flood control and water management purposes, in accordance with Federal and State regulations.

b) Operation, maintenance, repair or removal of the sediment basin located at the confluence of the Arroyo Mocho and Arroyo Las Positas, including the removal of sediment from the basin.

c) Operation, maintenance, repair or removal of the fish ladders located in the Arroyo Las Positas and Arroyo Mocho channels.

d) Operation, maintenance, repair or removal of the existing maintenance roads along, and bridges crossing the Arroyo Las Positas and Arroyo Mocho channels, and the construction, operation, maintenance, repair or removal of future bridges (including, without limitation, bridges over the Arroyo Mocho to permit the future widening of El Charro Road and the extension of Stoneridge Drive), including piers, bents, and abutments within, or adjacent to, the Burdened Property.

e) Construction, operation, maintenance, repair or removal of trails for recreational use along the channel.

6. Remedies for Violation and Corrective Action. If Covenantee perceives there is a violation of the terms of this Deed Restriction or that a violation is threatened, written notice of such violation and a demand for corrective action sufficient to cure the violation shall be given to Covenantor. If a violation is determined and not cured within sixty (60) days after receipt of such written notice and demand, or if the cure reasonably requires more than sixty (60) days to complete and there is failure to begin the cure within the sixty (60)-day period or failure to continue diligently to complete the cure within a reasonable period thereafter, Covenantee may bring an action at law or in equity in a court of competent jurisdiction to enforce compliance with the terms of this Deed Restriction, to recover any damages to which Covenantee may be entitled, or for other equitable relief, including, but not limited to, the restoration of the Burdened Property to the condition in which it existed prior to any violation or injury. Without limiting violator's liability therefore, any damages recovered may be applied to the cost of undertaking any corrective action on the Burdened Property.

7. Enforcement Discretion. Enforcement of the terms of this Deed Restriction shall be at the discretion of Covenantee, and any forbearance to exercise rights of enforcement under this Deed Restriction in the event of any breach of any term of this Deed Restriction shall not be deemed or construed to be a waiver of such term or of any subsequent breach of the same or any other term of this Deed Restriction or of any rights under this Deed Restriction. No delay or omission in the exercise of any right or remedy upon any breach shall impair such right or remedy or be construed as a waiver.

8. Acts Beyond Covenantee's or Covenantor's Control. Nothing contained in this Deed Restriction shall be construed to entitle Covenantee to bring any action for any injury to or change in the Burdened Property to the extent that, and for so long as, such injury or change is caused by flood, drought, disease, regional pest infestation, acts of God, fire or other casualty,

excessive adverse weather conditions, strikes or labor disputes, the inability to obtain plant or other materials, or any other such causes beyond Covenantor's control, or from any prudent action taken by Covenantor under emergency conditions to prevent, abate, or mitigate significant injury to the Burdened Property resulting from such causes.

9 Costs and Liabilities. Covenantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Burdened Property, except as otherwise agreed by Covenantor and Covenantee. .

10. Notices. Any notice, demand, request, consent, approval, or other communication that Covenantor or desires or is required to give to the others shall be in writing and either served personally or sent by first-class mail, postage prepaid or by recognized overnight courier that guarantees next-day delivery addressed as follows:

To Covenantor: Alameda County Flood Control and Water Conservation District, Zone 7
____
____
Attention: ____________________
Telephone: ___________________
Facsimile: ___________________

To Covenantee: Alameda County Surplus Property Authority
224 W. Winton Ave., Room 110
Hayward, CA 94544
Attention: _Stuart Cook__________
Telephone: (510) 670-6534_____
Facsimile: (510) 670-6374_____

or to such other address as either party shall designate by written notice to the others. Notice shall be deemed effective upon delivery in the case of personal delivery or delivery by overnight courier or, in the case of delivery by first class mail, five (5) days after deposit into the United States mail.

11. Recordation. Covenantor shall record an original, signed and notarized Deed Restriction to Covenantee official records of the County in which the Burdened Property is located within ten days of the Deed Restriction being executed.

12. Amendment. This Deed Restriction may be amended by Covenantor and Covenantee only by mutual written agreement. Any such amendment shall be consistent with the purpose of this Deed Restriction and shall not affect its perpetual duration, and Covenantor shall promptly record this amended instrument in the official records of the County in which the Burdened Property is located.

13 General Provisions.

13.1 Controlling Law. The interpretation and performance of this Deed Restriction shall be governed by the laws of the State of California and applicable Federal law.

13.2 Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Deed Restriction shall be liberally construed in favor of the deed to effect the purpose of this Deed Restriction and the policy and purpose of Civil Code §815, *et seq*. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purpose of this Deed Restriction that would render the provision valid shall be favored over any interpretation that would render it invalid.

13.3 Severability. If any provision of this Deed Restriction or the application thereof is found to be invalid the remaining provisions of this Deed Restriction or the application of such provisions other than that found to be invalid shall not be affected thereby.

13.4 Entire Agreement. This instrument sets forth the entire agreement of the parties and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Deed Restriction, all of which are merged herein. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment in accordance with the provisions herein.

13.5 Successors. The covenants, terms, conditions, and restrictions of this Deed Restriction Deed shall be binding upon, and inure to the benefit of, the parties hereto and their respective personal representatives, heirs, successors, and assigns and shall constitute a servitude running in perpetuity with the Burdened Property.

13.6 Termination of Rights and Obligations. A party's rights and obligations under this Deed Restriction terminate upon transfer of the party's interest in the Deed Restriction or Burdened Property, except that liability for acts, omissions or breaches occurring prior to transfer shall survive transfer.

13.7 Captions. The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon its construction or interpretation.

IN WITNESS WHEREOF, Covenantor has executed and delivered this Deed Restriction as of the day and year first above written.

COVENANTOR:

ALAMEDA COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT

By:____________________________
Nate Miley, President
The Board of Supervisors

Approved as to Form:

By: ___________________________________
Name: _________________________________
Title: __________________________________

Arroyo Mocho (Line G)
No. 70144
RF – 10105

State of California
County of Alameda

On ______________________________________ before me, ________________________________,
a Notary Public, personally appeared Nate Miley, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and she acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person 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)

____

Name (typed or printed), Notary Public in
and for said County and State.

Alameda County Flood Control District, Zone 7

Exhibit A
to
Deed Restriction

LEGAL DESCRIPTION OF PROPERTY

(Attached)

Exhibit B
to
Deed Restriction

LIST OF ADJACENT PROPERTIES

APN	OWNER NAME
904-0001-003-01	CITY OF LIVERMORE
904-0001-003-23	ALAMEDA COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
904-0001-006-01	ALAMEDA COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
904-0001-006-02	CALMAT COMPANY
904-0001-006-03	CALMAT COMPANY
904-0001-009-01	CITY OF LIVERMORE
904-0001-009-02	CITY OF LIVERMORE
904-0001-009-05	ALAMEDA COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
904-0001-009-07	ROGER L. JOHNSON TRUST
904-0001-010-00	CITY OF LIVERMORE
904-0001-011-01	CITY OF LIVERMORE
904-0001-011-02	CROSSWINDS CHURCH
904-0001-012-00	CITY OF LIVERMORE
904-0001-013-00	ALAMEDA COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
904-0001-014-00	COUNTY OF ALAMEDA
904-0013-001-00	JOHNSON-HMSL PARTNERSHIP
904-0013-002-01	CITY OF LIVERMORE
904-0013-002-03	CITY OF LIVERMORE
904-0013-002-04	JOHNSON-HMSL PARTNERSHIP
904-0013-003-00	JOHNSON-HMSL PARTNERSHIP
904-0013-004-00	JOHNSON-HMSL PARTNERSHIP
946-1128-002-09	COUNTY OF ALAMEDA SURPLUS PROPERTY AUTHORITY
946-1128-003-05	ALAMEDA COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
946-1128-003-08	ALAMEDA COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
946-1128-003-09	COUNTY OF ALAMEDA SURPLUS PROPERTY AUTHORITY
946-1128-004-03	ALAMEDA COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
946-1128-004-04	LEGACY PLEASANTON LAND LLC
946-1128-007-01	ALAMEDA COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
946-1128-008-01	ALAMEDA COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT

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

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

WHEREAS, Zone 7 and Alameda County Surplus Property Authority (ACSPA) staff have been in negotiations regarding the mitigation required for the improvements proposed as part of the Stoneridge Drive extension and bridge project; and

WHEREAS, Zone 7 and ACSPA have negotiated the basic elements of a partnership agreement or memorandum of understanding for said on-site mitigation needs along the Arroyo Mocho near Staple's Ranch; and

WHEREAS, off-site mitigation needs for the Stoneridge Drive extension and bridge project have been addressed in a separate resolution (11-4081) on May 18, 2011; and

WHEREAS, an indication of Zone 7's intent to grant access to the mitigation area is necessary for the issuance of the San Francisco Bay Regional Water Quality Control Board's 401 Permit to ACSPA.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District hereby declares that it is the Board's intent to grant access to Alameda County Surplus Property Authority on certain Zone 7 property for the purposes of constructing, monitoring, and maintaining those elements associated with the mitigation measures defined in the Stoneridge Drive Bridge Mitigation and Monitoring Plan, additionally subject to the terms of any final partnership agreement being currently negotiated between Zone 7 and ACSPA, and enter into any other necessary agreements (to be finalized and brought for Board action at a later date) for the purposes of mitigation and creek restoration over certain real property, more specifically defined in Exhibit A.

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

June 15, 2011________________________________

By____
President, Board of Directors

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

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

APPROVAL FOR DEED RESTRICTION FOR ALAMEDA COUNTY SURPLUS PROPERTY AUTHORITY

WHEREAS, Alameda County Flood Control and Water Conservation District is the owner of a certain portion of real property known as Arroyo Mocho (Line G) consisting of fee ownership; and

WHEREAS, a Memorandum of Understanding was entered into on April 16, 2003 between Zone 7 and Alameda County Surplus Property Authority (ACSPA) regarding the Arroyo Mocho Widening/Arroyo Las Positas Realignment Project (Project); and

WHEREAS, a part of the Project involved mitigation in the form of riparian plantings along the widened Arroyo Mocho; and

WHEREAS, a permit requirement of the Project was the placement of a deed restriction on the areas planted as part of the mitigation; and

WHEREAS, the Alameda County Surplus Property Authority has now requested that such a Deed Restriction be placed over the portion of the Arroyo Mocho (Line G) in the City of Pleasanton involving said Project mitigation; and

WHEREAS, a Deed Restriction, in favor of the Alameda County Surplus Property Authority, over a portion of the Arroyo Mocho has been prepared, to which reference is made and containing a description of said property, and by reference is made a part hereof.

NOW, THERFORE, BE IT RESOLVED, that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District hereby finds and determines that the granting of said Deed Restriction is in the public interest and will not substantially conflict nor interfere with the use of said property by Zone 7 for flood control purposes; and

BE IT FURTHER RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District hereby accepts the covenant and deed restriction as referenced, and subject to finalization by the General Manager, over certain real property owned in fee by the Alameda County Flood Control and Water Conservation District ; and

BE IT FURTHER RESOLVED, that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District hereby requests and recommend that the Board of Supervisors of Alameda County Flood Control and Water Conservation District grant said Deed Restriction, and authorize the President of the Board of Supervisors to execute same.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on
June 15, 2011______________________________

By:____
President, Board of Directors

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

ORIGINATING SECTION: HUMAN RESOURCES
CONTACT PERSON: TOM HUGHES

AGENDA DATE: June 15, 2011 ITEM NO: **8a**

SUBJECT: Employee of the Month Recognition

SUMMARY:

The Employee Recognition Program Nomination Committee met in May and selected the Employee of the Month for April 2011 according to the established Program Guidelines. The individual chosen out of the submitted nominations is then recommended to Management for approval and there is a subsequent announcement of the selection to all Agency employees.

Barry Ivy, Facilities Maintenance and Construction Supervisor, has been chosen from among those nominated as the April 2011 Employee of the Month. Barry works in the Maintenance Section based out at the Del Valle Water Treatment Plant site. According to the recommendation the committee received, Barry has been a great help working with other departments within the Zone. He is complimented as being easy to work with and always willing to help other managers and staff with difficult issues. Barry has the welfare of his staff at the top of his priority list and does his best to move Zone 7 forward in any way he can. In short, Barry is recognized as a valuable employee and an asset to Zone 7.

RECOMMENDED ACTION:

It is recommended that the Zone 7 Board of Directors recognize and congratulate Barry Ivy as April 2011 Employee of the Month.

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

ORIGINATING SECTION: INTEGRATED PLANNING
CONTACT: MARY LIM/CAROL MAHONEY

AGENDA DATE: June 15, 2011 ITEM NO. **9**

SUBJECT: East Alameda County Conservation Strategy – Final Draft

SUMMARY:

- Zone 7 projects are subject to a number of Federal and State environmental regulations, such as the Federal and California Endangered Species Acts.
- In the past, conservation resulting from project mitigation in East Alameda County has been on a project-by-project basis with no standardized minimum mitigation requirements, which led to uncertainty in how much mitigation was needed for project impacts. For these reasons, local jurisdictions, like Zone 7, have experienced project delays due to endangered species permitting.
- The East Alameda County Conservation Strategy[1] ("Conservation Strategy") contains standardized avoidance and minimization measures, mitigation ratios, habitat quality scoring sheets, and conservation goals and objectives to measure effectiveness of the strategy. These guidelines for mitigation practices will streamline environmental permitting for future Zone 7 projects and information in the Conservation Strategy can also be incorporated in the biological resources section of a project's environmental document.
- The Conservation Strategy provides a regional approach to conservation in East Alameda County, in order to best protect endangered or threatened species; Federal and State wildlife agencies fully support and intend to utilize the Conservation Strategy when permitting projects that follow it.
- At the March 16, 2011 Zone 7 Board of Director's Meeting, staff presented the Conservation Strategy for acceptance. Due to concerns raised by the ranching community, the Zone 7 Board deferred taking action for at least two months in order to review the Conservation Strategy document but approved staff's participation in the Implementation Committee. The two month postponement also gave the Steering Committee an opportunity to respond to the concerns raised.
- The Steering Committee responded with a letter stating that the Implementation Committee will work with the ranching community and other stakeholders to ensure that additional principles and techniques of range management are incorporated into future updates and in management plans for listed species, as necessary and appropriate.

FUNDING:
There are no immediate funding impacts. The financial impact of Zone 7's participation in the Implementation Committee is still unknown, however is likely to be more than offset by savings resulting from streamlining future project permitting.

RECOMMENDED ACTION:
Adopt the attached resolution accepting the East Alameda County Conservation Strategy as guidance for Zone 7's future projects, particularly for CEQA and endangered species permitting.

ATTACHMENTS:
1. Memo providing additional background and discussion on agenda item, with three attached letters
2. Zone 7 Board Resolution

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[1] The EACCS Steering Committee included Zone 7, Alameda County Community Development Agency, Alameda County Congestion Management Agency, Alameda County Conservation Partnership, Alameda County Waste Management Authority, the Cities of Dublin, Livermore and Pleasanton and East Bay Regional Park District, who worked in collaboration with the U.S. Fish and Wildlife Service, California Department of Fish and Game and the San Francisco Bay Regional Water Quality Control Board to develop the EACCS.

Interoffice Memo

Date: 5/31/2011
To: Jill Duerig, General Manager
From: Mary Lim, Associate Water Resources Planner
Subject: East Alameda County Conservation Strategy – Final Draft

BACKGROUND

Local agencies in eastern Alameda County have, until now, primarily pursued threatened and endangered species permitting for urban growth, infrastructure development, and operations and maintenance activities with the Resources Agencies (i.e., the United States Fish & Wildlife Service/USFWS, the California Department of Fish & Game/CDFG and the San Francisco Regional Water Quality Control Board/SFRWQCB) on a project-by-project basis. The historical approach often resulted in project delays, inconsistencies during the review process, and piecemeal mitigation for special-status species and natural communities. Zone 7's Altamont Water Treatment Plant and Pipeline Project and the California Department of Water Resources' South Bay Aqueduct Enlargement and Improvement Project were both examples of huge project delays caused by permitting issues. USFWS and CDFG identified the need for and recommended the development of a comprehensive regional conservation strategy for the area (see subsequent explanatory letter, dated July 11, 2007), suggesting that Zone 7 take the first steps to facilitate such an effort.

Following these initial discussions with USFWS and CDFG, Zone 7 initiated discussions with the local municipalities, Alameda County, and other local infrastructure agencies that have faced project delays as a result of environmental permitting and would benefit from having a regional conservation strategy. Because there are local growth controls in place, the levels of future residential and commercial development on natural lands were expected to be relatively low so that there would not be enough funding to develop a full Habitat Conservation Plan. Therefore, at USFWS's suggestion, Zone 7, Alameda County Community Development Agency, Alameda County Congestion Management Agency, Alameda County Conservation Partnership, Alameda County Waste Management Authority, the Cities of Dublin, Livermore and Pleasanton and East Bay Regional Park District worked in collaboration with the USFWS, CDFG and SFRWQCB (hereinafter "Steering Committee") to develop the East Alameda County Conservation Strategy (hereinafter "Conservation Strategy" or "EACCS"). The Santa Rosa Plain Conservation Strategy was used as the model for the EACCS.

The Steering Committee retained ICF Jones & Stokes to assist with facilitating and organizing the EACCS because of their extensive experience with natural resources in eastern Alameda County and expertise with conservation planning in areas adjacent to eastern Alameda County. The Steering Committee also elected Zone 7 to remain as the EACCS Coordinator and the contract administrator for the ICF Jones & Stokes contract. EACCS was developed in three phases for a total cost of $391,862. Of the total cost, $68,015 was funded from a CALFED Watershed – Proposition 50 Grant with the remaining funded by the local agencies. Zone 7's share of the total cost was $38,125. Phase 1 work tasks included compiling land use and open space data and mapping land cover and focal species. Phase 1 was completed in May 2008. Phases 2 and 3 included the following tasks: conducting conservation gap and corridor analysis; developing conservation goals and priorities; preparing the draft and final conservation strategy report; developing a communication plan; developing and maintaining a standalone website for EACCS; and providing strategic communication counsel. Phases 2 and 3 were completed in December 2010.

The EACCS will be a blueprint for the conservation of area-specific biological resources, particularly those subject to the federal and state Endangered Species Act regulation, for East Alameda County. The strategy will provide Zone 7 and the rest of the partnering agencies with the following benefits:

- Streamlined permitting process by directing individual mitigation actions toward mitigation that regulatory agencies will support;
- Streamlined CEQA process by providing a vehicle for comprehensive mitigation for direct and cumulative impacts to biological resources;
- Up-to-date scientific and biological basis for species conservation efforts;

- Creating partnerships with the regulatory agencies, local landowners, public entities and municipalities that will improve relations among the parties; and
- Creating eligibility for state and federal financial contributions to local conservation efforts.

A Users Advisory Group (UAG) was established by the Steering Committee by soliciting interested members of the public to review and comment on EACCS material and, at critical stages in the process, the UAG made recommendations to the Steering Committee. The Users Advisory Group included technical and non-technical representatives from various interest groups, including the development, environmental and conservation groups, local landowners, and other local agencies.

The Conservation Strategy thus developed can be viewed on the website, http://ww.eastalco-conservation.org/. It provides a baseline inventory of biological resources and conservation priorities that will be utilized by local agencies and resources agencies during project-level planning and environmental permitting. The Conservation Strategy describes how to avoid, minimize, and mitigate impacts on selected focal special-status species and sensitive habitats. By implementing the Conservation Strategy, local agencies can more easily address the legal requirements relevant to these species. Projects and activities that will benefit from this Conservation Strategy include urban and suburban growth and a variety of road, water, and other needed infrastructure construction and maintenance activities. Because this Conservation Strategy will not result in permits, but rather serve as guidance for project-level permits, individual projects may need to implement different or more avoidance, minimization, and mitigation measures than what is outlined in the Conservation Strategy. To avoid this from happening, the Resource Agencies have participated in the development of this Conservation Strategy with the intent that it becomes the blueprint for all mitigation and conservation in the study area.

To support the project permitting process, the Conservation Strategy identifies a set of mitigation standards. These standards include avoidance and minimization measures and a compensation program to offset impacts expected from projects in the study area. They also include a set of specific management prescriptions to benefit natural communities and focal species. To address the needs of conservation actions that occur independently of project mitigation (e.g., by nonprofit organizations, land trusts, local agencies, or voluntary actions by private landowners), the Conservation Strategy sets long-range conservation goals for preservation of all natural communities in the study area. The Conservation Strategy is designed to contribute to species recovery to help to delist the listed focal species and prevent the listing of non-listed focal species through the protection, restoration, and enhancement of natural communities and species habitat. By focusing on conservation at the natural community level as well as at the focal species level, the Conservation Strategy will also ensure that common habitats and common species continue to be common in the study area.

The U.S. Fish & Wildlife Service will be writing a programmatic biological opinion using the Conservation Strategy that will cover specified development and infrastructure projects in order to facilitate permitting in the future. In addition, for species both federally and state listed, the California Department of Fish and Game will either create an incidental take permit template that will use the Conservation Strategy to form the framework for mitigation or will work with USFWS to write a programmatic consistency determination. Zone 7 staff has developed a list of future activities that require a permit from USFWS and CDFG. These future activities came from the Stream Management Master Plan for flood protection projects and the latest Ten-Year Capital Improvement Program for water system projects. Some of the activities include, but are not limited to: sediment removal; channel reconfiguration; water diversion structures; fish barrier removal and modification; and low flow crossings. Zone 7's list was provided to USFWS to help develop the list of specified projects. Using and incorporating the mitigation guidance outlined in the Conservation Strategy into these future activities will facilitate permitting by allowing the USFWS to append these projects to the programmatic biological opinion and allow CDFG to use either the Conservation Strategy based incidental take permit template or append to their programmatic consistency determination. This will significantly reduce mitigation negotiation time since mitigation will follow the Conservation Strategy.

At the regularly scheduled March 16, 2011 Zone 7 Board of Director's Meeting, staff presented the Conservation Strategy to the Board for acceptance. Due to concerns raised by the ranching community, the Zone 7 Board approved staff's participation on the Implementation Committee but deferred taking action on the EACCS, itself, to allow staff and board members time to consider comments and review the Conservation Strategy document.

DISCUSSION

The Steering Committee met during this period to discuss the ranching community's concerns then used the remainder of the period as an opportunity to respond to the concerns raised. The Steering Committee developed a cover letter to the Conservation Strategy stating that the Implementation Committee is committed to continuing to work with the ranching community and other stakeholders to ensure that additional principles and techniques of range management are incorporated into future updates to the Conservation Strategy and in management plans for listed species, as necessary and appropriate. This cover letter has been sent via email to the Users Advisory Group and was posted on the Conservation Strategy website. Furthermore, the local jurisdictions have tentatively agreed to sign this letter and signatures have begun arriving. The signature page will be attached to the cover letter once it is complete. In addition to the Steering Committee cover letter, the U.S. Fish & Wildlife Service and the California Department of Fish & Game provided a letter in support of the Conservation Strategy and working with the ranching community and other stakeholders to incorporate any additional, appropriate principles and techniques in range management in listed species management plans in the sections dealing with rangelands. Both letters are attached to this memorandum.

NEXT STEPS

In order to track how the strategy is working and update the strategy over time, an Implementation Committee will be formed. This committee will consist of one representative from each local agency that was a member of the Steering Committee during the planning process. Input from other local stakeholders will come from a public advisory committee. Initially the Implementation Committee will meet monthly but eventually the committee will meet less frequently. The committee will check in with the resource agencies on the effectiveness of the strategy for their respective permitting processes and receive continual feedback from local agencies and permitting participants on implementation. In order to maintain transparency, all Implementation Committee meetings will be open to the public.

The Conservation Strategy outlines the roles of the Implementation Committee in implementing the strategy. However, the financial impact of Zone 7's participation in the Implementation Committee is still unknown. The Implementation Committee will assess its needs in order to implement the Conservation Strategy. Therefore, at this time, participation in the Implementation Committee will involve, at a minimum, staff time to attend meetings and provide staff support on implementation activities, as needed.

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July 11, 2007

To the Mayors and City Councilmembers of the Cities of Livermore, Dublin, and Pleasanton, the Board of Supervisors of Alameda County, and Boards of Zone 7 and Alameda County Congestion Management Association:

The U.S. Fish and Wildlife Service, in coordination with the California Department of Fish and Game, and the Regional Water Quality Control Board, supports the development of a regional conservation strategy for East Alameda County, and encourages the County, local cities, and other pertinent agencies and districts in the Tri-Valley area to participate in this planning process. It is anticipated that the conservation strategy, developed with the participation of Federal, State, and local agencies and stakeholders in the Tri-Valley would serve to coordinate biological preserves appropriate for mitigation of local land use, transportation, and related infrastructure projects. The strategy would also establish a coordinated biological framework upon which future regulatory actions will be based. The conservation strategy would provide the biological basis and framework for a permitting process and establish interim and long-term mitigation requirements and designate Resource Agency approved conservation areas that will satisfy mitigation requirements. The conservation strategy will describe how preserves will be established, managed, and funded to assure they are permanently maintained. The first conservation strategy was developed for the Santa Rosa area and completed in 2005. This would be the second regional conservation strategy in the State and would be formulated over the next 18 months. What follows is a brief overview of the purpose, needs and benefits of the program, activities to date, and resources that participating entities would need to contribute to develop the program.

There is a recognized need for a regional strategy to replace the present incremental, case-by-case processing of environmental permits for infrastructure and other planned development projects in East Alameda County. Public agencies and private developers encounter delays and uncertainty regarding required mitigations that can prevent projects from being completed on time and within budget. The end result is:

- Project mitigation and conservation programs in the area occur piecemeal and are less effective at preserving natural resources;

- The limited capacity of County based mitigation banks leads to some mitigation occurring outside the County providing no local benefit; and

- The permitting process can be time consuming and costly to both the permitting agencies and applicants, in part due to mitigation being developed and analyzed on a case-by-case basis.

In addition, while there are local conservation programs in eastern Alameda County that are preserving endangered species and habitat, they lack the benefit of a coordinated approach and vision that is broadly supported by local stakeholders and regulatory agencies. Some conservation programs have significant funds to contribute to broad regional conservation efforts, but lack adequate direction on where and how to spend these funds to maximize benefits to natural communities.

An approach that would facilitate coordination and expedite many mitigation projects and conservation programs currently underway is to develop a regional conservation strategy. The conservation strategy would coordinate an approach to mitigation for voluntary use by project proponents in the environmental permitting process. As the conservation strategy will be developed by and with the regulatory agencies, the result will be a regional conservation strategy formally approved by those agencies. This will substantially reduce uncertainty in the permitting process, if local agencies and private developers follow the conservation strategy in their permitting process, and will result in negotiations with regulatory agencies that will be expedited and streamlined. It will assist early planning for local agencies and private developers by having pre-designated conservation areas appropriate for mitigation for particular species or habitats, prescribed ratios for mitigation, and generalized cost estimates related to acquisition and management of required mitigation acreage located in the designated conservation areas.

To be successful, the regional conservation strategy must be acceptable to a wide range of stakeholders. We propose a transparent process to formulate the strategy with a wide range of stakeholders, including the agricultural community, landowners, developers, environmental groups, and local agencies. Stakeholders will work with local planning staff, regulatory agencies, and an experienced consultant over an 18-month period to develop the regional conservation strategy for East Alameda County.

The regional approach will save time and money while improving overall benefit to species habitat in East Alameda County and providing connectivity with other important adjacent areas that are in and suitable for conservation preserves. These include areas extending throughout the Tri-Valley and would geographically connect with adjacent natural areas and watersheds in Contra Costa, San Joaquin, and Santa Clara counties.

Another important benefit is that environmental permitting for ongoing projects would not be delayed by the concurrent formulation of the regional conservation strategy. In fact, access to key decision makers at the regulatory agencies would be enhanced during strategy development due to their combined presence at the series of monthly meetings that will be required during plan preparation. In addition, the conservation strategy process would not extend or expand the regulatory authority of any of the participating regulatory agencies, i.e., the strategy would not be used to require mitigation for projects that otherwise would not require mitigation.

Participating cities and other local agencies would receive the following benefits:

1. Streamline the permitting process by directing individual mitigation actions toward mitigation which regulatory agencies will support.

2. Streamline the CEQA and NEPA process by providing a vehicle for comprehensive mitigation for direct and cumulative impacts to biological resources.

3. Create constructive and effective partnerships with regulatory agencies, landowners, public entities, and cities.

4. Provide enhanced opportunities to secure State or Federal funds to help implement the conservation strategy and secure more open space and recreation sites in East Alameda County.

5. Provide local benefit for Tri-Valley residents through the preservation of large open space areas and natural communities in East Alameda County.

The U.S. Fish and Wildlife Service has already engaged Zone 7 to coordinate the proposal to develop a regional conservation strategy for East Alameda County. Zone 7 has hosted four exploratory meetings over the past four months that have included the three Tri-Valley cities, Alameda County, Congestion Management Agency, and several other entities. Zone 7 retained the environmental firm of Jones and Stokes to assist with developing this proposal and potentially serving as the project consultant. There has been a positive response of all participating entities and general consensus that the many mutual benefits gained more than offset the resources required to develop the regional conservation strategy. Based on this positive response, the U.S. Fish and Wildlife Service, California Department of Fish and Game, and the Regional Water Quality Control Board are encouraging the Cities of Livermore, Dublin, and Pleasanton and the County of Alameda to endorse the development of the conservation strategy by co-signing a letter of agreement with Zone 7, authorizing participation in the program and committing to contributing each entity's fair share of the resources required to develop it. We look forward to committing our staff resources to partner with you in this exciting endeavor.

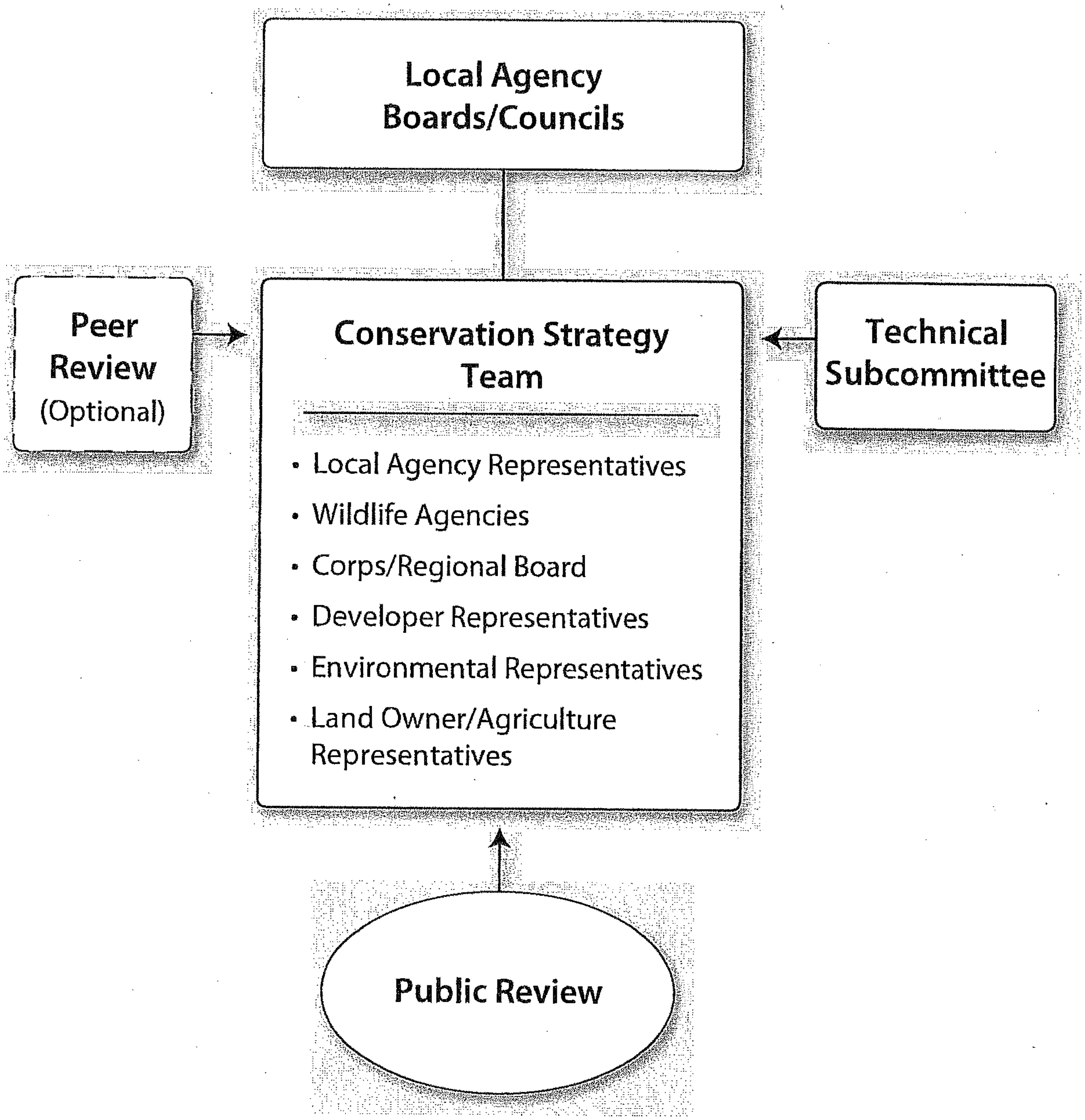
Sincerely,

Cay Goude
Assistant Field Supervisor
Sacramento Fish and Wildlife

Scott Wilson FOR
Charles Armor
Acting Regional Manager
Bay Delta Region
California Department of Fish and Game

Attachments:

1. Organizational Diagram, Option 2
2. Process Diagram
3. Proposed Study Area Map
4. Schedule



DISCUSSION DRAFT

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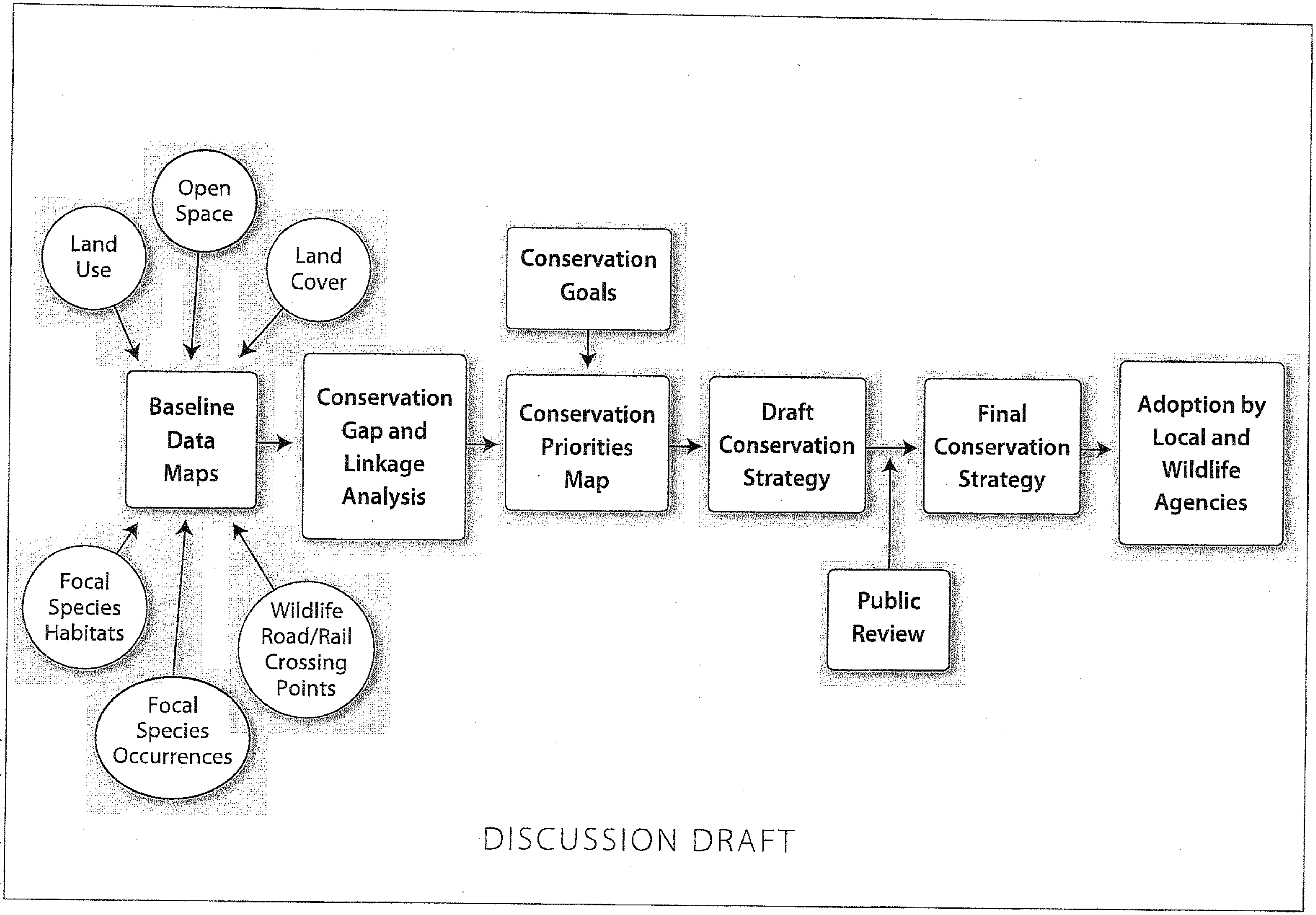
Jones & Stokes

Proposed Organization Diagram for East Alameda County Conservation Strategy



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Jones & Stokes

Proposed Process Diagram for East Alameda County Conservation Strategy

		Phase 1					Phase 2					Phase 3							
		2007					2008												2009
		Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
Task	Task Description	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	Map Land Cover																		
2	Map Focal Species																		
3	Compile Land Use and Open Space Data																		
4	Conduct Conservation Gap and Corridor Analysis																		
5	Develop Conservation Goals																		
6	Develop Conservation Priorities																		
7a	Prepare Draft Conservation Strategy Report															Public Review			
7b	Prepare Final Conservation Strategy Report																		

Zone 7 Water Agency
Eastern Alameda County
Conservation Strategy

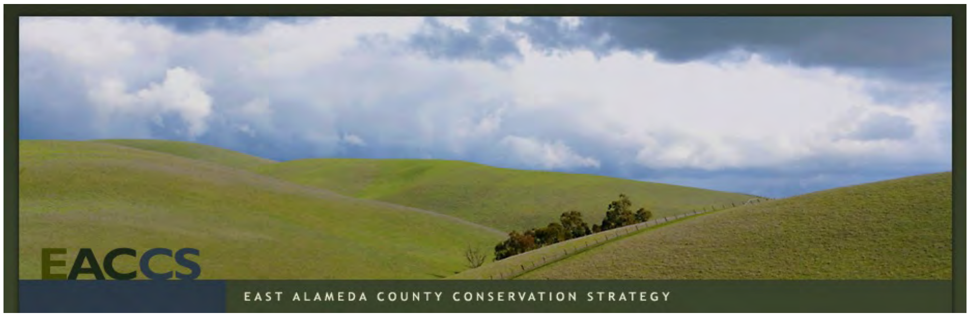
Proposed Study Area

Proposed Study Area Boundary
HCPs and NCCPs in and adjacent to the Study Area
Major Watershed
Sub-Basin
Parks and Protected Areas
County Line
Highways
Lake
Streams

WORKING DRAFT
June 13, 2007

0 1 2 4 6 8
Miles

Jones & Stokes



May 27, 2011

To Interested Parties:

The Steering Committee for the East Alameda County Conservation Strategy (EACCS) is pleased to release this final draft of the document and appreciates and acknowledges the time and effort provided by various stakeholders including local landowners, environmental and conservation groups, developers, and local agencies in providing ongoing feedback during the EACCS document development. We believe the EACCS document will streamline environmental permitting for projects with impacts to listed species, facilitate voluntary land stewardship conservation, as well as coordinate the connection of Tri-Valley open space and habitat in the Alameda Creek watershed with adjacent natural areas and watersheds in Contra Costa, San Joaquin, and Santa Clara Counties. This will improve overall conservation of listed and unlisted species in East Alameda County

The EACCS recognizes the importance that working ranching landscapes have and continue to have on the viability of listed species in East Alameda County. In addition, several agencies on the Steering Committee are signatories to the California Rangeland Resolution. Generally, the EACCS is one of the tools available to support the stated goals of the California Rangeland Resolution to collaboratively work together to protect and enhance the rangeland landscape. With this in mind, the EACCS Implementation Committee, as one of its first tasks, will add language in the EACCS document about historic grazing in the area and the grazing benefits for listed species. Moreover, the Implementation Committee will work with the California Rangeland Coalition and others to ensure that additional principles and techniques of range management are incorporated into future updates to the EACCS document and in management plans for listed species, as necessary and appropriate. The management plans, developed by project proponents as part of project mitigation requirements, often address rangelands that are either under active livestock management or where livestock management will be introduced as a key tool for vegetation management to enhance habitat quality for on-site biological resources.

The Steering Committee began developing the EACCS in 2007. A public draft was available in September 2010 for public review and comment. The final draft Conservation Strategy was completed in December 2010 and is expected to be formally accepted as guidance by the local agencies over the next several months.

As EACCS is implemented, the document will be updated annually, as part of the Adaptive Management process but subject to funding availability, to ensure that the best available science is used and that impacts to listed species are adequately compensated. In addition, the Implementation Committee meetings will be open to the public, which will allow interested stakeholders to provide ongoing input during the EACCS implementation.

We look forward to working with various stakeholders and local jurisdictions in implementing the EACCS. If you have any questions, please contact Mary Lim, of Zone 7 Water Agency, directly at (925) 454-5036 or via email at mlim@zone7water.com.

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April 18, 2011

Ms. Mary Lim
Zone 7 Water Agency
100 North Canyons Parkway
Livermore, CA 94551

Dear Steering Committee:

Subject: East Alameda County Conservation Strategy

The U.S. Fish and Wildlife Service (Service) and the California Department of Fish and Game (DFG) appreciate the Steering Committee's commitment in developing the East Alameda County Conservation Strategy (EACCS) and look forward to its implementation. We applaud the goals of EACCS and believe that EACCS will help to streamline listed species permitting and mitigation implementation for development and infrastructure projects, improve voluntary conservation and improve mitigation and conservation of listed and unlisted species. In addition, we believe that EACCS will help ensure that working ranching landscapes persist within East Alameda County through voluntary conservation, mitigation, and improved planning consistent with the goals of the California Rangeland Resolution.

As you know, the Service and DFG will continue to review mitigation projects as part of our permitting process. As part of that process, we endeavor to assure that mitigation projects use the best available science to adequately compensate for impacts to the listed species they are mitigating for. In that effort we also try to ensure that mitigation banks or individual mitigation projects are addressed consistently with conservation easements, management plans, and adequate endowments to enhance listed species habitat and provide for long-term management.

In addition, the Service and DFG will continue to work with our partners in the California Rangeland Coalition to ensure incorporation of appropriate principles and techniques of range management in listed species management plans in rangelands. These management plans are developed by project proponents as part of their mitigation requirements and address rangelands that are either under active livestock management or where livestock management will be introduced as a key tool for vegetation management to enhance habitat quality for on-site biological resources. The Service and DFG will also continue to work with the Implementation Committee during implementation of EACCS as part of the Adaptive Management Process that is outlined within the EACCS.

We look forward to working with various stakeholders and local jurisdictions in the implementation of EACCS. If you have any questions, please contact Kim Squires, at (916) 414-6654; or Cay Goude, at (916) 414-6648 of the U.S. Fish and Wildlife Service; or Marcia Grefsrud, at (707) 644-2812; or Liam Davis, at (707) 944-5529 of the California Department of Fish and Game.

Sincerely,

Cay C. Goude

Cay C. Goude
Assistant Field Supervisor
Endangered Species Program
Sacramento Fish and Wildlife Office
U.S. Fish and Wildlife Service

Carl Wilcox

Carl Wilcox
Regional Manager
Bay-Delta Region
California Department of Fish and Game

cc: Elizabeth McElligott, Alameda County
Steve Stewart, City of Livermore
Mark Lander, City of Dublin
Janice Stern, City of Pleasanton
Jill Duerig, Zone 7 Water Agency
Brad Olson, East Bay Regional Parks District
Brian Mathews, Alameda County Waste Management Authority
Brian Wines, San Francisco Bay Regional Water Quality Control Board
John Hemiup, Alameda County Congestion Management Agency
Kent Reeves, Alameda County Resource Conservation District
Alyson Aquino, USDA Natural Resources Conservation Service

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

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

EAST ALAMEDA COUNTY CONSERVATION STRATEGY – FINAL DRAFT

WHEREAS, the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District authorized the General Manager to execute a funding agreement with Alameda County Community Development, Alameda County Congestion Management Agency, Alameda County Resource Conservation District, Alameda County Waste Management Authority, the Cities of Dublin, Pleasanton and Livermore, and East Bay Regional Park District for the development of the East Alameda County Conservation Strategy (hereinafter "EACCS" or "Conservation Strategy"); and

WHEREAS, the U.S. Fish and Wildlife Service, California Department of Fish and Game and the San Francisco Bay Regional Water Quality Control Board participated in the development of this Conservation Strategy with the intent that it becomes the blueprint for all conservation and mitigation in the study area; and

WHEREAS, the Conservation Strategy is designed to provide a baseline inventory of biological resources and conservation priorities that will be utilized by local agencies and resource agencies during project-level planning and environmental permitting; and

WHEREAS, the Conservation Strategy identifies a set of mitigation standards, which include avoidance and minimization measures and a compensation program (i.e., mitigation ratios) to offset impacts expected from projects in the study area. It also includes a set of specific management prescriptions to benefit natural communities and focal species; and

WHEREAS, at the regularly scheduled March 16, 2011 Zone 7 Board of Directors meeting, the ranching community expressed concern about the Conservation Strategy and requested that the Zone 7 Board defer taking action; and

WHEREAS, the Zone 7 Board of Directors approved staff's participation in the Implementation Committee; and

WHEREAS, the Zone 7 Board of Directors deferred taking action on the Conservation Strategy in order to review the Conservation Strategy and give the Steering Committee an opportunity to address the concerns raised; and

WHEREAS, the Steering Committee provided a transmittal letter addressing concerns raised by the ranching community and future efforts by the Implementation Committee to work with stakeholders in updating the document with the most current information; and

WHEREAS, the U.S. Fish & Wildlife Service and the California Department of Fish & Game provided a letter in support of the Conservation Strategy and working with the ranching community and other stakeholders to incorporate the appropriate principles and techniques in range management in listed species management plans in rangelands; and

WHEREAS, both letters have been distributed to the stakeholders and posted on the Conservation Strategy website on May 27, 2011.

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby accept the East Alameda County Conservation Strategy as guidance for Zone 7's future projects, particularly in the CEQA and endangered species permitting stages of project implementation.

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on June 15, 2011

By:____
President, Board of Directors

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

ORIGINATING SECTION: Water Supply Engineering
CONTACT: Mona Olmsted/Jarnail Chahal

AGENDA DATE: June 15, 2011 ITEM NO. **10**

SUBJECT: Findings and Recommendations of Zone 7's Asset Management Program Update

SUMMARY:

- In 2004, Carollo Engineers assisted Zone 7 in developing and implementing an Asset Management Program (AMP). The resulting 2004 AMP report recommended ramping up to a funding level of $10 million annually by 2011 to fund the Renewal/Replacement and System-Wide Improvement (R/R and SWI) program. Treated water rate projections presented to the Board during the water rate setting process for the 2011 water rate included a ramp-up to the 2004 AMP set-aside target of $10 million by 2014.
- In February 2010, the Board hired HDR Engineering, Inc., to assist Zone 7 in preparing the update to the AMP. A Technical Review Committee, consisting of Zone 7 staff and Retailer representatives, was involved in the project scoping and the consultant selection process, and has been providing input throughout the project by reviewing technical memorandums and participating in stakeholder workshops.
- Staff provided an AMP Update status report at the March 2011 Board meeting and, on May 4, 2011, the AMP findings and recommendations, and staff's response to Retailer comments on the funding analysis were presented to the Finance Committee. The Committee recommended that the AMP Update be brought to the full Board for acceptance.
- Since 2004, the total asset value for Zone 7's water system has increased by 36 percent, to $423 million, as a result of new assets (MGDP, COL Wells, Altamont Pipeline, DAF, etc.) that have been built since the last update. The total R/R and SWI funding requirement through 2050 is approximately $440 million.
- The current annual funding level of $5 million is insufficient to sustain the R/R and SWI program. Based on Finance Committee input, staff recommends that the incremental increases through FY 2013/2014 that are used in the existing water rate projections be smoothed out over an additional two years such that an annual funding level of $11.4 million (2011 dollars) is reached in FY 2016/2017. This extended ramp-up allows Zone 7 to achieve the recommended funding level within the next six years in order to be able to manage our water system infrastructure over the long term. In response to Retailer comments, the Third Demineralization Facility and the water conservation programs were removed from this funding analysis.
- The annual funding level will be revaluated through future updates of the Asset Management Plan.

FUNDING: This project is funded from Fund 72 – Renewal & Replacement/System-Wide Improvements.

RECOMMENDED ACTION: Adopt attached resolution accepting the Asset Management Plan Update Report and approving the recommended ultimate AMP funding levels as outlined in the resolution.

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

Interoffice Memo

Date: June 15, 2011
To: Jill Duerig, General Manager
From: Mona Olmsted, Associate Engineer, Water Supply Engineering
Subject: Findings and Recommendations of Zone 7's Asset Management Program Update

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

BACKGROUND

In 2004, Zone 7 retained the consulting services of Carollo Engineers to assist in the development and implementation of an Asset Management Program (AMP). Zone 7's asset inventory was updated, detailed asset condition assessments were conducted, and true replacement cost and useful life of these assets were determined. The resulting 2004 AMP report recommended a ramp-up to a funding level of $10 million annually to fund the Renewal/Replacement and System-Wide Improvement (R/R and SWI) program, and to update the program every five years.

In February 2010, the Board authorized a consultant services contract with HDR Engineering, Inc., to assist Zone 7 in preparing the update to the AMP. A Technical Review Committee, consisting of Zone 7 staff and Retailer representatives, was involved in the project scoping and consultant selection process and has been providing input throughout the project by reviewing technical memorandums and participating in stakeholder workshops.

As described in a status report for the March 16, 2011 Board meeting, the following tasks have been completed:

- **Updated asset inventory:** The fixed asset inventory database was modified to provide greater flexibility for data management and updated with new assets that were constructed since the last update.

- **Revised asset renewal methodology:** For near term planning, identification of asset renewal projects is primarily based on condition. For long term planning, the long-term renewal forecast was revised from asset replacement at 50 percent of an asset's original useful life to asset replacement at 100 percent of an asset's original useful life. This revised methodology was subsequently used in developing the recommended annual funding level.

- **Developed decision processes:** To support near term asset renewal decisions, formal decision processes were developed. These processes ensure objective and consistent implementation of renewal practices, as well as provide clear documentation for renewal projects.

- **Conducted pipeline risk assessment:** The transmission pipelines were evaluated to determine relative risk, based on consequence and likelihood of failure, and prioritized for future condition assessments.

- **Developed condition assessment program:** A condition assessment program was developed to provide staff with standardized tools and a systematic process for determining an asset's condition in order to make informed maintenance and renewal decisions. Condition assessments of select assets were conducted, and asset classes and corresponding useful life estimates were determined.

Since the March Board meeting, HDR has completed the draft technical memorandum on the *Near Term Renewal CIP (Capital Improvement Program) and Long Term Funding Plan*, which has been incorporated into the draft *Asset Management Plan Update* report. The Retailers have reviewed and provided comments on the funding analysis. Subsequently, staff presented to the Finance Committee on May 4, 2011, the AMP findings and recommendations and staff's response to Retailer comments. The Committee recommended that the AMP Update be brought to the full Board for acceptance.

DISCUSSION

The development of the recommended funding level includes an update of the total estimated replacement value of the water system assets, identification of renewal capital projects, development of the long term funding forecast, and estimation of the SWI funding level.

- Accounting for the new assets that have been built since the last AMP update (e.g., Altamont Pipeline – Livermore Reach, Mocho Groundwater Demineralization Plant (MGDP), El Charro Pipeline, Chain of Lakes (COL) Wells, and Del Valle Water Treatment Plant 10-MGD Dissolved Air Flotation (DAF) Facility, etc.) increases the total estimated replacement value from $310 million to $423 million.

- The total estimated R/R funding requirement projected through 2050 is estimated to be approximately $310 million.

- The long-term funding forecast includes SWI projects since both R/R and SWI projects are funded from Fund 72. To establish future funding levels for SWI projects beyond the current CIP, a minimum annual funding level of $2.35 million per year for SWI is assumed beyond 2020. This SWI funding level is based on an average of the existing capital SWI funding needs, excluding a large taste and odor project for the treatment plants. This estimate is comparable to the SWI expenditures over the past ten years, which have averaged $2.4 million annually, excluding the Mocho Groundwater Demineralization Facility. The SWI funding level totals approximately $146 million.

The Retailers commented that we should be addressing SWI funding needs beyond the existing CIP as they arise, rather than burden current ratepayers by collecting funds for as-yet unknown projects. However, staff anticipates that there will be some SWI expenditures in the future and this is the best available estimate of the future SWI funding level. SWI projects are not only driven by regulatory requirements, but also environmental compliance, energy efficiency, operational flexibility, and aesthetic water quality goals (e.g., chemical system improvements, and VFDs for wells). Therefore, staff recommends retaining the SWI funding level beyond the CIP in the funding analysis. The SWI funding level will continue to be refined in future AMP updates.

The above funding forecast components plus $31 million in other costs funded from Fund 72 (e.g. administrative building lease and sinking fund, CIP and AMP program management, etc.) results in a total estimated capital cost for the R/R and SWI program projected through FY 2049/2050 of approximately $487 million. After adjusting for the existing Fund 72 balance and the annual fund transfer assumptions used in current water rate planning (through FY 2013/2014), the funding level recommended in the draft funding technical memorandum, beginning in FY 2014/2015 and continuing through FY 2049/2050, is approximately $12.5 million per year. However, in response to comments from the Retailers and Finance Committee, other funding alternatives were developed and evaluated. These alternatives and the corresponding funding levels are summarized below in Table 1.

Table 1. Funding Level Alternatives ($2011 Millions/year)

Funding Scenario	Alternative 1	Alternative 2	Alternative 3
	w/ T&O and w/ 3rd Demin[1]	w/o 3rd Demin	w/o T&O and w/o 3rd Demin[2]
1) Straight jump to funding level in FY11/12	$11.9	$11.2	$10.3
2) Ramping up to funding level in FY14/15 (example[3])	$12.5[4]	$11.7	$10.7
3) No increases until FY14/15 and straight jump to funding level in FY14/15	$12.7	$11.9	$10.9
4) Extend ramp up for 2 years, achieve funding level in FY16/17[5]	$12.9	**$12.0[6]**	$11.0
5) Defer ramp up for 2 years, achieve funding level in FY16/17	$13.0	$12.2	$11.1

[1]DVWTP and PPWTP Taste and Odor Treatment project (T&O project) for water quality improvements, and Third Demineralization Facility (3rd Demin)
[2]The annual funding level under Alternative 3 increases by $2.6M for the period of the loan if T&O is debt-financed
[3]Analysis uses ramp-up values from current water rate planning
[4]Funding level as recommended in draft funding technical memo
[5]Funding scenario developed in response to Finance Committee comments
[6]Revised funding level recommendation ($11.4M, after moving water conservation programs)

Staff evaluated the impact on projected water rates for the different funding ramp up scenarios shown in Table 1. The analysis showed that water rate increases in the range of 13 to 20 percent were necessary in some years in order to achieve the funding level under Scenarios 1, 3, and 5. Under Scenario 2 (ramp-up to funding level in FY 2014/2015), water rate increases were limited to 10 percent for two consecutive years. In response to comments received from the Finance Committee, staff developed Scenario 4, which extends the ramp-up under Scenario 2 by two additional years in order to smooth out the water rate increases, thereby achieving the funding level in FY 2016/2017. Under Scenario 4, water rate increases were limited to 7.5 percent. Note that AMP related water rate increases account for approximately 15 to 20 percent of the total water rate increases, and that the actual water rates depend on other factors, such as volume of water sales and operating expenses.

As shown in the table, the annual funding level would be reduced if the Third Demineralization Facility was excluded from the funding analysis (Alternative 2). The estimated cost for this project is approximately $32 million (in 2011 dollars), of which 90 percent, or $28.4 million, would be funded by the R/R and SWI program. Since this project is not scheduled for completion until around 2030 and the project need and feasibility will be further evaluated as part of the Salt Management Plan update, it would be reasonable at this time to consider excluding this project from the determination of the R/R and SWI program funding requirement. In the next AMP update, the funding level can be adjusted based on the Salt Management Plan evaluation.

In 2009, Water Quality Technical Solutions (WQTS) completed a study that was developed with our Retailers, which evaluated the effectiveness of ozone treatment for taste and odor control. The report recommended ozone treatment for the existing capacity at Del Valle and Patterson Pass water treatment plants in order to help meet our taste and odor treatment goals per the Water Quality Management Program and the Joint Water Quality Resolution. The DVWTP and PPWTP Taste and Odor Treatment project is estimated to cost $36 million and is scheduled to begin design in 2017, with construction completed in 2021. The Retailers recommend that we consider debt-financing, specifically for the large system-wide improvement projects, such as this project. Based on in-house staff calculations, debt-financing the taste and odor project could increase the funding level by $2.6 million (2011 dollars) in annual payments beginning around 2018 and for the duration of the loan, assuming a six percent interest rate on a 30-year loan. Staff recommends retaining the taste and odor project in the funding analysis, and funding it with pay-as-you-go, which is current Board policy.

Additionally, the Retailers commented on the appropriateness of including water conservation programs in the R/R and SWI program since the conservation program funding level may fluctuate year to year. Excluding water conservation programs from this funding analysis reduces the annual funding level by approximately $500,000. However, it should be noted that moving the water conservation programs to the operating budget would have an equivalent impact on water rates since those programs would still be funded from the Water Enterprise Fund (Fund 52).

Currently, the program is being funded at an amount of approximately $5 million per year. This level is insufficient to sustain the R/R and SWI program and the fund balance has been dropping over the past several years. Existing treated water rate projections, as previously presented to the Board during the water rate setting process for the 2011 water rate, include incremental increases up to $10 million by FY 2013/1014 in order to fund the program. Based on Finance Committee input, it is staff's recommendation to extend the ramp-up by two years, which will enable Zone 7 to reach $11.4 million (in 2011 dollars; Alternative 2 / Scenario 4, after removing water conservation program funding) in annual R/R and SWI funding in FY 2016/2017. The funding amount will be adjusted for other sources of revenue (e.g., actual interest income and Dougherty Valley Service Area facility use fees), and increased for inflation based upon the change in the ENR San Francisco Construction Cost Index using January 2011 as the denominator value (10,116.29). This extended ramp-up allows Zone 7 to achieve the funding level within the next six years in order to be able to manage our water system infrastructure over the long term. In response to Retailer comments, the Third Demineralization Facility and the water conservation programs were not included in the determination of this funding level. It is recommended that the Board accept the AMP report with this revised annual funding level recommendation. The annual funding level will be revaluated through future updates of the Asset Management Plan, approximately every five years.

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

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

Resolution for Acceptance of Asset Management Plan Update

WHEREAS, the Asset Management Program was originally developed in 2004 and those efforts were summarized in the October 2004 Asset Management Program Summary Report; and

WHEREAS, Zone 7 has recently updated the Asset Management Program through the Asset Management Program Update Project, which included an update of Zone 7's asset inventory, a revised asset renewal methodology, formalized decision processes, an asset condition assessment and pipeline risk assessment, modified asset classes and corresponding useful life estimates, and a recommendation of an annual funding level to adequately fund this program; and

WHEREAS, Zone 7 has summarized its efforts in updating this program in the 2011 Asset Management Plan Update Report.

NOW, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby accept the Asset Management Plan Update Report with the revised funding recommendations incorporated; and

BE IT FURTHER RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby adopt the recommended funding transfer targets from the Water Enterprise Fund (Fund 52) into the Renewal\Replacement and System-wide Improvements Fund (Fund 72) for the future as follows:

$6,600,000 in Fiscal Year 2012/2013;
$8,500,000 in Fiscal Year 2013/2014;
$9,500,000 in Fiscal Year 2014/2015;
$10,500,000 in Fiscal Year 2015/2016; and

the total annual funding requirement beginning in Fiscal Year 2016/2017 and beyond, is $11,400,000 in 2011 dollars, which will be adjusted for other sources of revenue (e.g., actual interest income and Dougherty Valley Service Area facility use fees), increased for inflation based upon the ENR San Francisco Construction Cost Index and adjusted based on future AMP Updates.

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

June 15, 2011 ______________________

By ______________________
President, Board of Directors

ITEM NO. 13a

June 15, 2011 Board written/narrative comments By Dick Quigley:

<u>Sunday, May 22 & Monday, May 23</u>: Attended ACWA Region 5 Freeport, (EBMUD) tour and program in Sacramento. I took pictures on the tour that are available to anyone interested. I also have a PowerPoint and brochure of the Freeport Intake and the Sac Municipal. Great event.

Also noted that I received my Sunset Magazine June issue and shared the Save Our Water insert. It is in the magazine between pages 22 & 24. It is an ACWA project roll out. Nice work!

I learned from the great speakers and PowerPoint presentation that:

- Freeport involved a 40-year (since 1970) partnership (JPA) between EBMUD and City of Sacramento for wet/ dry year sustainability.
- 185 MGD Intake, 922 million cost shared between Sac County and EBMUD and use of Folsom Canal (Fed Facility) for conveyance.
- Big at Freeport is deceiving as Sac Municipal intake and old intake are much smaller. Big public structures with art, trails, interpretative kiosks, for state-of-the-art fish screens are a public need (in my opinion) to sell big projects.
- Was delighted to hear Zone 7 is talking to EBMUD about diversified water portfolio strategies and potential opportunities.

Again thanks for your attention to detail making this a successful Region 5 event. Was also great having participation from at least two other regions. The networking was superb!

This was a Quality A+ event.

FYI - "Thank you" received to share:

Subject: **Re: CONNECTION TO WENTE**
Date: May 27, 2011 4:05:20 PM PDT
To: pmacdonald@macdonaldlaw.net
cc: ogutierrez@gseconstruction.com, karends@zone7water.com, jduerig@zone7water.com, jrector@zone7water.com

Peter:
I like a happy water client!
Thanks for sharing this great news!
Have a wonderful memorial weekend!
Thanks again
DQ

On May 27, 2011, at 3:24 PM, Peter MacDonald wrote:

Good afternoon Richard Quigley,

I just got this note from a very happy client today – Orlando Gutierrez's water line connection from Greenville Road is now in operation. Your help was critical to making that happen. Thank you very much from both Orlando and myself.

If you see Kurt Arends please convey our pleasure and thanks for his benevolent oversight in allowing this critical water connection to occur.

Take care,

Peter MacDonald
Law Office of Peter MacDonald
400 Main Street, Suite 210
Pleasanton, CA 94566
Phone: (925) 462-0191
Fax: (925) 462-0404

From: Orlando Gutierrez [mailto:ogutierrez@gseconstruction.com] Sent: Friday, May 27, 2011 1:46 PM To: mitchi Subject: CONNECTION TO WENTE

Mitch,

I wanted to let you know that we just finished the connection to the Wente Irrigation system across
Greenville Road.

Our house irrigation system is now fully fed through the Wente system and we have our own irrigation meter.

Sincerely,

Orlando Gutierrez
President
Direct: (925) 447-0292 x. 2601
Mobile: (925) 525-2295
ogutierrez@gseconstruction.com

- Hand out materials are available.

Let me know if you have any questions.

Thanks!

Dick Quigley

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

ORIGINATING SECTION: ADMINISTRATION
CONTACT: Jill Duerig

AGENDA DATE: June 15, 2011 ITEM NO. **14a**

SUBJECT: GENERAL MANAGER'S REPORT

SUMMARY: The following highlights a few of the key activities that occurred during May. Also attached is a list of the General Manager (GM) contracts executed during the month.

Operations and Maintenance:

- Patterson Pass Conventional Water Treatment Plant (PPWTP) was brought back on line in May, although some glitches in the PPWTP electrical upgrade project were noted. The centrifuge is also operating and the contractor has agreed to set up maximum feed rates to minimize chances for overdosing. The Patterson Pass Ultrafiltration (PPUF) remained off line.

- At Del Valle Water Treatment Plant (DVWTP), all pulsators were placed on line during May, with production rates between 30 and 40 million gallons per day (MGD); the Dissolved Air Flotation (DAF) system remained offline. In addition, staff are working to prepare DVWTP for the solar open house event, painting a few offices and generally catching up on housekeeping.

- Tank cleanings and inspections continued throughout the month. For instance, the PPWTP washwater tank was cleaned; an average of about 0.5 inches of sediment (with some pockets up to 8 inches) were removed. In addition, some localized rust nodules were identified in the same area as exterior welds of support plates for a ladder on this same tank.

Environmental & External Affairs:

- The National Research Council released its review of the incomplete Bay Delta Conservation Plan on Thursday. The review was rather critical of the plan; the State Department of Water Resources (DWR) and the State Water Contractors issued statements that pointed out the very difficult task of reviewing an incomplete document but committing to the completion of the Plan.

- Staff ran the Alameda Creek Watershed Council meeting at the Pleasanton Library, which included a tour of biotechnical bank stabilization measures installed in 2005-06 on the Arroyo de la Laguna. This project had been funded by multiple partners, including Zone 7. A new, similar project just downstream of Verona Bridge, is being developed by the Alameda County Resource Conservation District (RCD) and the Natural Resources Conservation Service (NRCS). Cost sharing among the partners is still under discussion. Construction is anticipated this summer.

- Hazardous Materials Business Plans for Del Valle Water Treatment Plant (DVWTP), Patterson Pass Water Treatment Plant (PPWTP) and the Chain of Lakes treatment facility were updated and submitted to the Alameda County Department of Environmental Health. The 5-year Risk Management Plan (RMP) updates for DVWTP's and PPWTP's respective anhydrous ammonia systems were also submitted this month.

Engineering and Flood Control:

- The California Department of Water Resources (DWR) is replacing two meters, two valves (at the Del Valle Pumping Plant) and, assuming the inspection warrants it, installing seals on the Del Valle Branch Pipeline (DVBP) under Arroyo Valle during the three week DVBP shutdown which began May 9th.

- Prior to the DVBP shutdown, releases in the Arroyo Valle were increased. During the outage, DWR can release only a small flow into the Arroyo which may cause it to start to dry up downstream of Shadow Cliffs

- The Livermore-Arroyo Las Positas gaging station was vandalized and the solar panel was stolen. To minimize vulnerability to similar vandalism, staff disassembled the Hagemann sediment sampling station along the Arroyo Mocho; it will be reassembled this fall prior to the next storm season.

- District-wide mowing work by Zone 7's contractor along Zone 7-owned flood control channels is continuing in response to requirements of local fire marshals. Fanfa is scheduled to mobilize for the Pleasanton Canal slide repair projects in early June.

- Each year the Livermore Lions Club requests good, steady flow on the Arroyo Mocho at Robertson Park for their Duck Races. This year, Zone 7's recharge release overlapped with their need for flow allowing for a successful fundraiser. Zone 7 will be acknowledged in letters to the winning "ducks."

Finance & Administration

- The 2011/12 blanket purchase order (BPO) process is underway. BPOs set up accounts for generic material purchases (such as from a hardware store for miscellaneous small purchases like tools, parts and pieces that are routinely needed). So far, Zone 7 staff have submitted 68 BPOs to the County for processing and another 30 are in preparation.

- Staff hosted the Alameda County Special Districts Association breakfast meeting held at North Canyons on Wednesday, May 11th. A short presentation on Zone 7's background and history along with its separation plans was received favorably by the special districts represented at the meeting.

Monthly List of GM Contracts

May 2011

<u>Contracts:</u>

ICF/Jones & Stokes	$24,795	Biological Assessment for Cope Lake Stabilization
Total May 2011	**$24,795**	

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7
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ORIGINATING SECTION: OFFICE OF THE GENERAL MANAGER
CONTACT: BONI BREWER/MIKE WALLACE

AGENDA DATE: June 15, 2011 ITEM NO. **14b**

SUBJECT: Recent & Upcoming Public Outreach Activities

Valley Children's Museum Promotion

Beginning June 2 and continuing monthly through October, Zone 7 and Dublin San Ramon Services District started providing fun and informative water-related activities for children at Emerald Glen Park to help promote the Valley Children's Museum's (VCM) "Moving Mission" mobile unit. The mobile museum is on display at the park near the site of the new Dublin Farmer's Market, held Thursdays from 4 to 8 p.m. Each Thursday through October, VCM plans to have rotating themes at the Mobile Museum site. The third Thursday of each month has been designated for Zone 7 and DSRSD water-themed activities. The idea is to incorporate some fun activities relating to the role of water in our region's history, while also making the activity relevant to key issues today – including water conservation and flood protection.

Solar Power Installation Opening Celebration and Tour, June 22, 4-6 p.m.

Zone 7 and Borrego Solar Systems, Inc. have invited the public to attend an opening celebration and tour of the new 348-kilowatt photovoltaic energy-generation system at the Del Valle Water Treatment Plant. Borrego designed and built, and now operates and maintains, the system at its own expense, and Zone 7 will buy all of the electricity the system produces. The solar panels will produce about a third of all energy Zone 7 uses at the Del Valle site for water treatment, lab operations and maintenance activities. Zone 7's estimated reduction in energy costs is expected to exceed $800,000 for the 20-year term of the agreement. In addition, by reducing reliance on conventional power plants that burn fossil fuels, the project will cut annual greenhouse gas emissions that contribute to global climate change.

Alameda County Fair, June 22 – July 10

As in past years, Zone 7 will partner with several other local agencies in helping to staff an Alameda County Clean Water Program booth during the County Fair. Specifically, Zone 7 will staff the booth 2:30 to 6:30 p.m. on June 26, playing a watershed game with kids in addition to providing general messaging about the Clean Water Program and pollution prevention. Our shift happens to be the same day as the fair's Big Green Race, where teens and young kids complete challenges and learn about the environment at the same time.

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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ORIGINATING SECTION: Administration
CONTACT: Mike Wallace/Tim Hunt

AGENDA DATE: June 15, 2011 ITEM NO. **14c**

SUBJECT: Legislative Update

SUMMARY:

- Zone 7 staff, with the support of the agency's lobbying firm, The Gualco Group, Inc., and the agency's legislative support consultant, Tim Hunt, monitors legislation that is being considered in Sacramento.
- Staff, with recommendations of the agency's lobbying firm, determine a number of bills of interest to Zone 7 for the legislative session, such as those related to the Delta. Bills being monitored are summarized in the attached Executive Summary.
- Governor Brown's May revised budget was released and showed better revenue than expected. The budget is due by June 15 and the controller has stated he will not pay legislators if a balanced budget is not passed and signed by the deadline. Lobbyists are still monitoring the additional positions for DWR to operate the State Water Project, which won committee approval.
- **AB 359** (Huffman) would require agencies utilizing ground water provide land planning agencies and other potentially interested organizations or individuals with notice of hearings on groundwater management plans. These plans would be required to include a map of both the basin boundaries and recharge areas. In Zone 7's case, this will be the Chain of Lakes and potentially land north of I-580 near the Dublin-Livermore border. It is pending before a Senate committee.
- **SB 607** (Walters) passed the Senate unanimously and would require the State Water Resources Control Board to adopt statewide standards (as opposed to the current practice of regional board approvals) for effluent (brine) and water quality objectives relating to brackish groundwater treatment systems. How and if this would effect Zone 7's demineralization facility is unsure. Bill is pending before Assembly committee.
- Two bills of concern to Zone 7 died: **AB 550** (Huber) would have required legislative approval for any new Delta conveyance and **AB 627** (B. Berryhill) would have required DWR to study a through-Delta conveyance alternative.
- **SB 224** to give DWR greater flexibility in contracting related to operating the State Water Project passed the Senate unanimously and is pending in the Assembly.
- Sen. Simitian's **SB 34** is dead for the year. It would have set up a public trust water fee similar to that used for electrical power. Proceeds would pay for water infrastructure.
- Staff sent a letter of support for **SB 215**, extending the quagga mussel prevention program for another five years. It passed the Senate and is pending in the Assembly.

RECOMMENDED ACTION: Information only.

ATTACHMENT: Executive Summary.

The Gualco Group, Inc.

EXECUTIVE SUMMARY
State Legislation

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

June 8, 2011

BILL	TOPIC	SYNOPSIS	ZONE 7 STAFF'S RECOMMENDED POSITION	STATUS OF THE BILL/COMMENTS
Delta Stewardship Council				
AB 576 (Dickinson)	Fees	This bill was "gutted" and rewritten on March 31. As amended on March 31, AB 576 would, by January 1, 2013, require the Delta Stewardship Council to develop a long-term plan to pay for the costs of implementing the Delta Plan; would authorize the council, before adopting and collecting long-term revenues, to seek to obtain early funding contributions from entities that may benefit from implementation of the Delta Plan and to track those contributions to provide credit against future funding requirements	Watch	"DEAD" for 2011
Groundwater				
AB 359 (Huffman)	Groundwater Management Plans	As amended on May 27, 2011 this bill requires a local agency that develops a groundwater management plan and drafts a resolution to adopt a plan to provide a copy of a resolution of intention to the Department of Water Resources (DWR) within 30 days of the date of adoption; Requires the local agency to provide a copy of the proposed groundwater management plan to anyone who makes a request for one, and would require these "interested persons" to receive notice of the date, time and place at least 30 calendar days prior to the commencement of the second hearing to determine whether to adopt the plan; Requires DWR to post on its Internet Web site the information DWR possesses regarding the local agencies that have jurisdiction to develop groundwater management plans and maps, including agencies who have submitted resolutions of intention to adopt groundwater management plans or agencies that have opted to assume groundwater basin level monitoring functions; Requires, commencing January 1, 2013, that a groundwater management plan include a map identifying recharge areas, as defined, for the groundwater basin; Requires, after adoption of the groundwater management plan that the map of recharge area be provided to local planning agencies and landowner and agricultural organizations; Allows a local agency to request state funds to map groundwater recharge areas if eligible funding is available.	Watch	Pending in the Senate. The May 27 version of AB 359 passed the Assembly on June 1 by a vote of 74-1. The CA. Groundwater Coalition and the Groundwater Resources Association are the co-sponsors of this bill.
Peripheral Canal				
AB 550 (Huber)	Peripheral Canal	The introduced version of AB 550 is identical to the bill (AB 1594) Ms. Huber introduced last year, and which was "held" in the first policy committee. The bill would prohibit the construction of a peripheral canal, as defined, unless expressly authorized by the Legislature; would require the LAO to complete an economic feasibility analysis prior to enactment; would require that the canal's construction and operation not diminish or negatively affect the water rights, supplies, or quality of water within the Delta.	OPPOSE. Zone 7 was one of 44 signatories to a 3-18 letter to Assembly Member Alyson Huber in	"DEAD" for 2011
AB 565 (Monning)	Coastal Conservancy	Authorizes the State Coastal Conservancy (Conservancy) to award a grant to a for-profit entity to accomplish removal or alteration of the San Clemente Dam if the Conservancy finds that the project is of regional or statewide significance and that a grant to a public agency or nonprofit organization would not achieve removal or alteration of the dam. According to the Assembly Appropriations Committee, expands, in a limited instance, the Conservancy's grant-making authority, which may result in grants to California American Water (CAW), a for-profit company, totaling in the millions of dollars. (Special fund or bond funds.)	Watch	Pending in the Senate. First read in Senate June 1, 2011. Passed the Assembley by a vote of 58-19.
AB 627 (B. Berryhill)	"Delta Corridors Plan"	As amended on March 31, AB 627 directs the Department of Water Resources to expedite their evaluation of the feasibility for a through-Delta conveyance plan known as the "Delta Corridors Plan". This study must include an evaluation of ways the Delta Corridors Plan could incorporate the Two-Gates Fish Protection Demonstration Project and shall assess the potential impacts and benefits of operating that project in conjunction with the Delta Corridors Plan. If DWR determines the plan is "feasible", AB 627 requires that DWR included recommendations regarding specific facilities to be constructed and identify potential funding sources for implementation of the plan. Finally, the bill states "it is the intent of the Legislature to appropriate money to DWR to pay the costs of the feasibility study…"	OPPOSE. Zone 7 was one of the signatories to a letter to Assembly Member Berryhill in opposition to his bill	"DEAD" for 2011
SB 200 (Wolk)	Delta Conveyance Facility	As amended on March 24, SB 200 would add numerous new conditions that each state agency must meet before it can take or authorize any action to implement a conservation measure with the Bay Delta Conservation Plan (e.g. the action shall not result in significant unmitigated negative impacts to another entity or region; funding for the action shall be consistent with the beneficiary pays principle) would require "full mitigation" absent any definition and would require multiple state agencies to exercise their authority "consistent with protecting and maintaining public trust resources" BACKGROUND: According to the author's "Fact Sheet" on her measure, "SB 200 establishes specific criteria and assurances to meet the statutory co-equal goals of a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem." And, "These assurances are based on the same provisions negotiated by Governor Jerry Brown in 1980"	OPPOSE. Zone 7 was one of 45 signatories to two letters to Senator Lois Wolk in opposition to SB 200	"DEAD" for 2011

BILL	TOPIC	SYNOPSIS	ZONE 7 STAFF'S RECOMMENDED POSITION	STATUS OF THE BILL/COMMENTS
Water Conservation, Supply & Delivery				
SB 215 (Huff)	Mussels	SB 215, as amended on April 26 would extend the existing repeal date from January 1, 2012 to January 1, 2017 of provisions which exempt suppliers from civil or criminal liability IF the supplier is in full compliance with a plan to control and eradicate Quagga Mussels. ACWA - sponsored bill.	SUPPORT.	Passed the Senate pending in the Assembly.
SB 224 (Pavley)	Public Contracts: DWR	As amended on April 14, SB 224 would exempt the following contracts from the review of approval by the Department of General Services: "Any contract of a type specifically mentioned and authorized to be entered into by the Department of Water Resources under the Water Code" "Any contract entered into by the Department of Water Resources that is not funded by money derived from state tax sources, but rather, is funded by money derived from federal and local sources"	SUPPORT. Zone 7 is one of the signatories to a letter to Senator Pavley in support of the April 14 version of her bill	Pending a hearing by the Assembly Business, Professions and Consumer Protection Committee. Passed the Senate by a vote of 37-0.
SB 571 (Wolk)	Master Plan for Financing/ Developing Water Resources	As amended on April 13, SB 571 would establish the California Water Commission as an independent agency, revise the requirements of the California Water Plan, and create a new division in the Water Code titled " Water Resources Investment Planning". The bill would establish the process for the Commission to develop and adopt the "California Water Investment Plan," similar to the State Transportation Improvement Plan by establishing the process for the Commission to make the fund allocations for specific projects and programs, establish the process for the state agencies to develop and implement the "State Water Investment Plan" consistent with the most recently adopted update to the California Water Plan; establish "regional water planning agencies"; establish the process for the regional water planning agencies to develop and implement the "regional water investment plan"introduced on February 17, SB 571 would require the California Water Commission to, on or before January 1, 2013, develop a master plan for financing and developing water resources in the state, including specified assessments, and would require the commission to update the plan every five years; would require the commission to annually review and audit the award of state funds for water resources projects and programs; to develop, consistent with the master plan, a prioritized list of projects and programs relating to water supply, water quality, water conservation, water use efficiency, ecosystem and watershed restoration, and integrated regional water management planning and implementation for purposes of awarding state financial assistance for those projects and programs and to establish guidelines for the award of state financial assistance allocated for integrated regional water management plans. The bill would also declare legislative intent that the commission be given authority to allocate specified state funds for water resources projects and programs.	Watch	"DEAD" for 2011
SB 710 (La Malfa)	Project: County Services State Water Project	As amended on March 25, would authorize a county, in accordance with prescribed procedures, to prepare and adopt a county services impact report containing, among other things, a description of the costs of county services, as defined, related to the operation of specified dams and reservoirs as State Water Project facilities within the county.	Watch	"DEAD" for 2011
SB 834 (Wolk)	IRWM Plans	As amended on May 4, SB 834 requires an integrated regional water management planning for any region that receives water from the Delta watershed to demonstrate how the IRWMP complies with the new state policy to reduce dependence on the Delta.	Watch	Passed the Senate pending a hearing by the Assembly Water, Parks and Wildlife Committee.
California Regional Water Quality Control Boards				
SB 607 (Walters)	Water Quality: Brackish Groundwater Treatment	As amended on April 27, SB 607 requires the State Water Resources Control Board ("SWRCB"), on or before January 1, 2012, to either amend the California Ocean Plan, or adopt separate standards, to address water quality objectives and effluent limitations that are specifically appropriate for brackish groundwater treatment system facilities that produce municipal water supplies for local use	Watch	Pending a hearing by the Assembly Committee on Environmental Safety and Toxic Materials. Passed the Senate by a vote of 39-0 on May 23
SB 900 (Steinberg)	Regional Water Quality Control Boards	As amended on May 9 SB 900 would, with regard to a regional water quality control boards, provide that a person would not be disqualified from being a member of that board because that person receives, or has received during the previous two years, a significant portion of his/her income directly or indirectly from a person subject to waste discharge requirements, or an applicant for waste discharge requirements, provides that this revised eligibility provision relating to members of a regional board shall be implemented only if certain requirements are met.	Watch	Pending in the State Assembly. Passed the Senate by a vote of 34-0 on May 19

BILL	TOPIC	SYNOPSIS	ZONE 7 STAFF'S RECOMMENDED POSITION	STATUS OF THE BILL/COMMENTS
Special Districts				
AB 54 (Solorio)	Drinking water	As amended on May 31, AB 54 would specify in statute that a corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for domestic use shall be known as a mutual water company; Requires, no later than December 31, 2012, each mutual water company operating as a public water system to submit to the LAFCO a map depicting the approximate boundaries of the property that the company serves; States that if the LAFCO requests information, in connection with the preparation of a municipal service review or spheres of influence, from a mutual water comapny, the corporation shall, within 45 days of the request, provide all reasonably available information and explain, in writing, why any requested information is not reasonably available; Requires a mutual water company that operates a public water system to maintain a financial reserve fund for repairs and replacements to its water production, transmission, and distribution facilities equal to the reserve fund for these purposes required for a public water system or equal size; Requires each board member of a mutual water company operated as a public water system to, within six months of taking office, complete a two-hour course offered by a qualified trainer regarding the duties of board members of a mutual water company, duties of a corporate director to avoid financial conflicts of interest in contracts, and the duties of public water systems to provide clean drinking water that complies with the federal and state Safe Drinking Water Acts; Defines the qualification requirements of a qualified trainer; Requires a mutual water company to be liable for the payment of any fines, penalties, expenses, and other amounts that may be imposed; Authorizes a mutual water company to levy an assessment in order to pay the fines, penalties, expenses, and other amounts so imposed and specifies that if these exceed 5% of the annual budget of the mutual water company, then the assessment must be imposed; Requires all improvements to public water systems operated by a mutual water company to be designed and constructed to comply with the applicable California Water Works standards; Gives LAFCO the power to review and approve or disapprove, at the LAFCO's discretion, the annexation of territory served by a mutual water company into the jurisdiction of a city, a public utility, or a special district that operates a public water system, with the consent of the respective public agency or public utility and mutual water company; Specifies that any annexation approved shall be subject to the state and federal constitutional prohibitions against the taking of private property without the payment of just compensation; Gives LAFCO the power to request information, as part of a municipal service review, from identified public or private entities that provide wholesale or retail supply of drinking water, including mutual water companies and private utilities; Provides that in conducting a municipal service review, the LAFCO may include a review of whether the agencies under review, including any public water system, are in compliance with the Safe Drinking Water Act; States that a public may satisfy any request for information as to compliance with the Safe Drinking Water Act by the submission of the consumer confidence or water quality report prepared by the public water system; Authorizes the CDPH to issue a "letter of no prejudice" that allows an applicant for Safe Drinking Water Revolving Fund money to start clean drinking water project construction before final approval of funding without prejudicing CDPH's final decision on funding; Allows CDPH to impose an alternative penalty on a small public water system for violation of the Safe Drinking Water Act that would require completion of a project that brings the small public water system into compliance, instead of imposing monetary fines.	Watch	Pending in the State Senate. Passed the Assembly by a vote of 77-0 on June 2
AB 59 (Swanson)	Family and medical leave	Existing law, the Moore-Brown-Roberti Family Rights Act, makes it an unlawful employment practice for an employer, as defined, to refuse to grant a request by an eligible employee to take up to 12 workweeks of unpaid protected leave during any 12-month period (1) to bond with a child who was born to, adopted by, or placed for foster care with, the employee, (2) to care for the employee's parent, spouse, or child who has a serious health condition, as defined, or (3) because the employee is suffering from a serious health condition rendering him or her unable to perform the functions of the job. Under the act, "child" means a biological, adopted, foster, or stepchild, a legal ward, or a child of a person standing in loco parentis, who is either under 18 years of age or an adult dependent child. The act defines "parent" to mean the employee's biological, foster, or adoptive parent, stepparent, legal guardian, or other person who stood in loco parentis to the employee when the employee was a child. This bill would increase the circumstances under which an employee is entitled to protected leave pursuant to the Family Rights Act by (1) eliminating the age and dependency elements from the definition of "child," thereby permitting an employee to take protected leave to care for his or her independent adult child suffering from a serious health condition, (2) expanding the definition of "parent" to include an employee's parent-in-law, and (3) permitting an employee to also take leave to care for a seriously ill grandparent, sibling, grandchild, or domestic partner, as defined.	Watch	"DEAD" for 2011
AB 527 (Hernandez, Roger)	Public Officials: financial interests	Existing law prohibits Members of the legislature, and state, county, district, judicial district, and city officers or employees from being financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. Existing law defines what is a remote interest in a contact that does nor present a prohibited conflict of interest under these provisions. Existing law authorizes a body or board to make a contract that involves a remote interest of a member of the body if, among other things, the remote interest id disclosed to the body or board and noted in its official records, and thereafter the body or board authorizes, approves, or ratifies the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote or votes of the office or member with the remote interest. Violation of these provisions is a crime. This bill would additionally require that the remote interest be disclosed at a public meeting of that body or board and would require a statutory basis for classifying the interest as a remote interest to be identified. By increasing the scope of actions that constitute a crime, this bill would impose a state-mandated local program.	Watch	Pending in the State Senate.
ACA 4 (Blumenfield)	Local government financing: voter approval	This measure would lower to 55% the voter-approval threshold for a city, county, or city and county to incur bonded indebtedness, exceeding in one year the income and revenue provided in that year, that is in the form of general obligation bonds to fund specified public improvements and facilities, or buildings used primarily to provide sheriff, police or fire protection.	Watch	Pending before the Assembly Committee on Local Government
SB 31 (Correa)	Local government: lobbyist registration	The Political Reform Act of 1974 provides for the comprehensive regulation of lobbyists, as defined. As amended on March 23, SB 31 would enact a comprehensive scheme to regulate lobbying entities, as defined, that lobby local government agencies, including requirements to register and make periodic reports regarding certain lobbying activities; would require each local government agency to create a commission to implement and enforce the provisions of the bill.	Watch	"DEAD" for 2011

BILL	TOPIC	SYNOPSIS	ZONE 7 STAFF'S RECOMMENDED POSITION	STATUS OF THE BILL/COMMENTS
Sacramento Regional County Sanitation District				
AB 134 (Dickinson et al.)	Appropriation of water	As amended on April 15, AB 134 would authorize the Sacramento Regional County Sanitation District to file an application with the State Water Resources Control Board for a permit to appropriate "an amount of water up to the amount of treated wastewater that is discharged into the Sacramento River in order to facilitate sale and transfer beyond SRCSD's service area. The bill would authorize, but not require, the board to grant the permit "subject to the terms and conditions as in the board's judgment are necessary for the protection of the rights of any legal user of the water".	Initially Opposed/ Now Neutral as a result of the April 15 amendments. Zone 7 was one of 47 signatories to a letter to Assembly Member Roger Dickinson in opposition to AB 134	Pending a hearing by the Senate Natural Resources and Water Committee. Passed the Assembly
SB 52 (Steinberg)	Sacramento Regional County Sanitation District	As introduced on December 15, 2010, SB 52 would appropriate $50 million dollars from Propositions 1E and 84 to DWR to provide financial assistance to the SRCSD to offset a portion of the costs of capital improvements at the SRCSD wastewater treatment plant to meet the requirements of the SRCSD discharge permit adopted by the Central Valley Regional Water Quality Control Board.	Watch	"DEAD" for 2011
Financing				
AB 157 (Jeffries)	Water Bond	Existing law creates the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, which, if approved by the voters at the November 6, 2012, statewide election, would authorize the issuance of bonds in the amount of $11,140,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program. This bill would reduce by 25% the total amount of bonds authorized to be issued pursuant to the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, and would make conforming reductions to amounts specified to be allocated from these bond funds for certain purposes.	Watch	"DEAD" for 2011
SB 475 (Wright et al.)	Infrastructure Financing	Existing law authorizes a governmental agency, as defined, to solicit proposals and enter into agreements with private entities for the design, construction, or reconstruction by, and lease to, private entities, for specified types of fee-producing infrastructure projects. Existing law permits these agreements to provide for infrastructure facilities owned by a governmental entity, but constructed by a private entity, to be leased to or owned by that private entity for a period of up to 35 years. As amended on May 3, AB 475 would authorize a local governmental agency to enter into an agreement with a private entity for financing for specified types of revenue-generating infrastructure projects. The bill would require an agreement entered into under these provisions to include adequate financial resources to perform the agreement, and would additionally permit the agreements to lease or license to, or provide other permitted uses by, the private entity	Watch	Pending a hearing by the Assembly Committee on Local Government. Passed the Senate by a vote of 26-4 on May 9.
SB 34 (Simitian)	California Water Resources Investment Act of 2011	As amended on April 13, SB 34 would enact the California Water Resources Investment Act of 2011. The Act finds that it is necessary to establish a sustainable revenue source to fund the public benefits of water related projects and programs. A charge would be levied on all retail water suppliers consistent with the "beneficiaries pay" and "polluters pay" principles. There would a charge for "non-agricultural water uses" on a per-acre-foot of use basis and an assessment imposed on "agricultural water uses" on a per-acre of irrigated lands basis. The proceeds of the revenue source would be shared between the state and regions, half allocated to the state to fund statewide and interregional public benefits, half would be allocated among the regions to fund the regional and local public benefits associated with water related projects and programs	Watch	"DEAD" for 2011.
SB 907 (Evans et al.)	Infrastructure Financing	As amended on May 3, this bill would create the 11-member Master Plan for Infrastructure Financing and Development Commission. By December 1, 2013, the Commission must submit a final report to the Governor and the Legislature which contains a long-term plan and strategy for the state's infrastructure needs and a prioritized plan to meet those needs. The Commission must also submit periodic progress reports.	Watch	Pending in the Assembly. Passed the Senate by a vote of 24-14 on June 1.

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

ORIGINATING SECTION: WATER QUALITY
CONTACT PERSON: GURPAL DEOL/BRIAN KEIL

AGENDA DATE: April 20, 2011 ITEM NO. **14e**

SUBJECT: 2010 Water Quality Management Program Annual Report

SUMMARY:

- The attached 2010 Water Quality Management Program Annual Report summarizes water quality data from 2010.
- In 2010, Zone 7 met all primary health-related drinking water targets in the water it provided to its retailers.
- Zone 7 also met 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 resulted in a reduction of TDS and Hardness in customer turnouts that receive water from the Demineralization Plant.

RECOMMENDED ACTION:

Information only.

ATTACHMENT:

2010 Water Quality Management Program Annual Report.

WATER QUALITY MANAGEMENT PROGRAM

2010 WATER QUALITY REPORT

This annual status report shows how Zone 7 Water Agency is meeting the water quality targets established by its Water Quality Management Program (WQMP). 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. The majority of these targets 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, the levels found in our local drinking water supplies, and anticipated changes in regulations.

HOW ARE WE MEETING WQMP WATER QUALITY TARGETS? In 2010, Zone 7 met all of its primary drinking water standards and non-potable water quality targets. However, some of the water quality targets were not met consistently, including those for drinking water hardness, Total Dissolved Solids (TDS), chloride, and free ammonia. 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 a reliable water supply. In addition to ongoing internal agency planning, we also work closely with various organizations to protect source water locally and at the state level. Zone 7 currently applies powdered activated carbon (PAC) seasonally at Del Valle and Patterson Pass conventional treatment plants to assist in reducing levels of odor-causing compounds. The Mocho Groundwater Demineralization Plant was operated throughout 2010 to remove salt from the groundwater basin per the Salt Management Plan (SMP) while improving delivered water quality. TDS were reduced from approximately 600 to 1,150 milligrams per liter (mg/L) in the groundwater, to approximately 300 mg/L after reverse osmosis (RO) permeate was blended with bypassed groundwater. Similarly, water hardness was reduced from approximately 400 to 650 mg/L to approximately 230 mg/L after blending with bypassed groundwater. Two significant future water quality improvement projects are identified in Zone 7’s Capital Improvement Program (CIP). Permanent Taste and Odor Treatment at Del Valle and Patterson Pass Water Treatment Plants will be scheduled based on funding availability; and the next phase of demineralization will be evaluated as part of the upcoming SMP update.

DEFINITIONS

Maximum Contaminant Level (MCL)*: 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 for constituents having no health impacts, such as odor, taste, and appearance of drinking water.*

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

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[2]	✓			Table 2
Arsenic (µg/L)	<5	✓			Figure 1
Chloramines and Nitrification Prevention					
Total Disinfectant 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	✓			Figure 6
Cl_2:NH_3-N	4:1 to 5:1	✓[3]			
Minimize odor	Chloraminate above pH 8.0 for WTPs	✓			
Free Ammonia Residual (mg/L as N)	<0.15 at retailer turnouts	NA[4]	✓		Figure 7
Nitrite (mg/L as N)	<0.02	NA[5]			
Consistency	Provide consistent chloramine residual at all wells and WTPs	✓	✓		Figure 6
Chloride (mg/L)	<100	✓[6]			Figure 3
Chromium VI, Cr^{6+}(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 8a
	Five Haloacetic acids (HAA5) <48 µg/L	✓			Figure 8b
Running Annual Average (RAA) of DBPs	TTHM <40 µg/L	NA[7]			
at Retailer Turnouts	HAA5 <30 µg/L	NA[7]			
N-Nitrosodimethylamine (NDMA) (ng/L)	<10 (pending potential regulations)	✓[8]			
Hardness (mg/L as $CaCO_3$)	<150	✓[9]	✓	✓	Figure 5
pH (Units)	non-corrosive	✓			
	pH leaving WTP at +/- 0.2 units of target	✓			
Radon (pCi/L)	<1000 (pending potential regulations)	✓[10]			
Taste and Odor (earthy/musty)					
Odor Threshold Concentrations					
2-Methylisoborneol (MIB)	9 ng/L	✓	✓	✓	
Geosmin	4 ng/L	✓	✓	✓	
Events[2]	No events	✓	✓	✓	Table 2
Total Dissolved Solids (TDS) (mg/L)	<500	✓[6]	✓	✓	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] An event is defined as when three or more similar complaints are received in a 7-day period. There were no events in 2010.

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

[4] Averages met target at supply sources. Retailer turnout monitoring was discontinued in 2010 because online or more frequent free ammonia monitoring is conducted at supply sources. Minimal change in free ammonia levels are expected during the short residence time to turnouts.

[5] Monitoring discontinued with Retailer consent in 2006 due to historical non-detect nitrite levels.

[6] Averages met target.

[7] No monitoring is conducted at Retailer turnouts because no significant changes are expected from treatment plant effluent levels.

[8] Treated surface water is monitored once a year for supplemental information. In 2010, NDMA was detected at 3 to 5 ng/L at surface WTPs.

[9] Averages met target for Cal Water Service Company-Livermore, City of Livermore, and Pleasanton.

[10] There are currently no regulatory monitoring requirements for radon. Being a new supply source, Chain of Lakes wells were monitored in 2010 and levels were below the target.

Units: Milligrams per liter (mg/L): a unit expressing the concentration of chemical constituent in solution as weight (milligram) of solute per unit volume (liter) of water; equivalent to one part per million.

Micrograms per liter (µg/L): equivalent to one part per billion.

Nanograms per liter (ng/L): equivalent to one part per trillion.

PicoCuries per liter (pCi/L): a measure of radioactivity.

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

Parameter	Dublin San Ramon Services District (DSRSD)	City of Pleasanton	Cal Water Service Company - Livermore	City of Livermore	Totals
Chlorinous Odor					0
Earthy/Musty Taste & Odor	3	1		3	7
Colored/Murky				2	2
Turbidity/Suspended Solids					0
Salty Taste					0
Hardness		11	1	3	15
Cloudy Water					0
Others					0

* The complaints reported to Zone 7 by the end of each month are those 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	0.15	<0.10**	0.24
Chloride	mg/L	<200	<125	63	17	129
Emitter Clogging Potential	mEq/L as Ca+Mg****	3 to 4	3 to 4	2.0	1.2	3.3
Available Nitrogen from Nitrate	mg/L as N	-	<10 during summer	0.4	0.1	1.1
pH	---	-	<8.0	7.7	6.8	8.7
Sodium	mg/L	<200	<100	44	15	75
Total Dissolved Solids	mg/L	-	<650	239	111	371

** Boron's minimum reporting limit (MRL) is 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.

**** mg/L as Ca+Mg = milliequivalents per liter as calcium and magnesium.

Figure 1. Arsenic

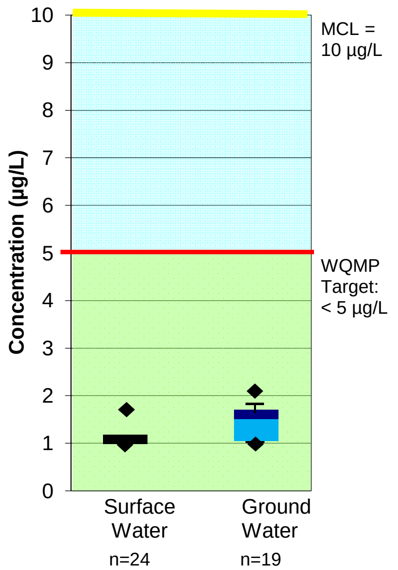


Figure 2. Total Chromium

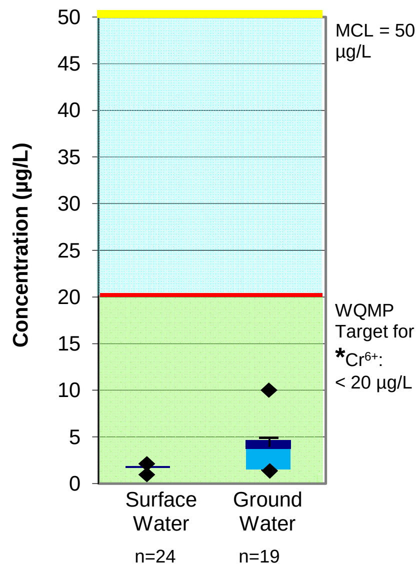


Figure 3. Chloride

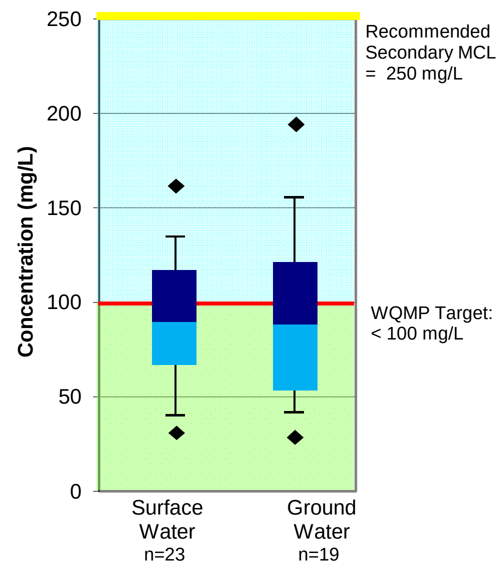


Figure 4. Total Dissolved Solids (TDS), ***
Retailer Turnout Samples**

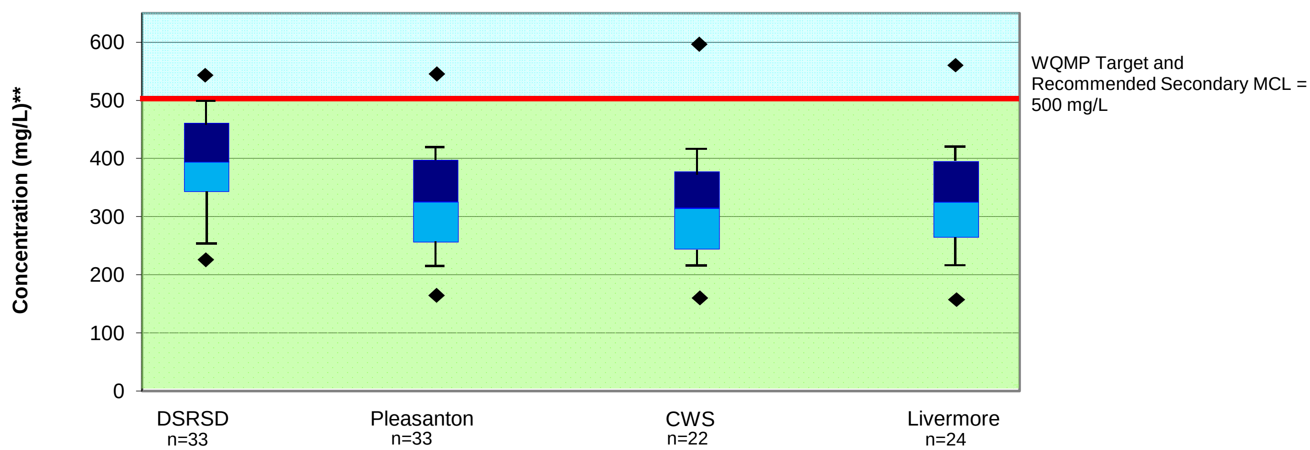
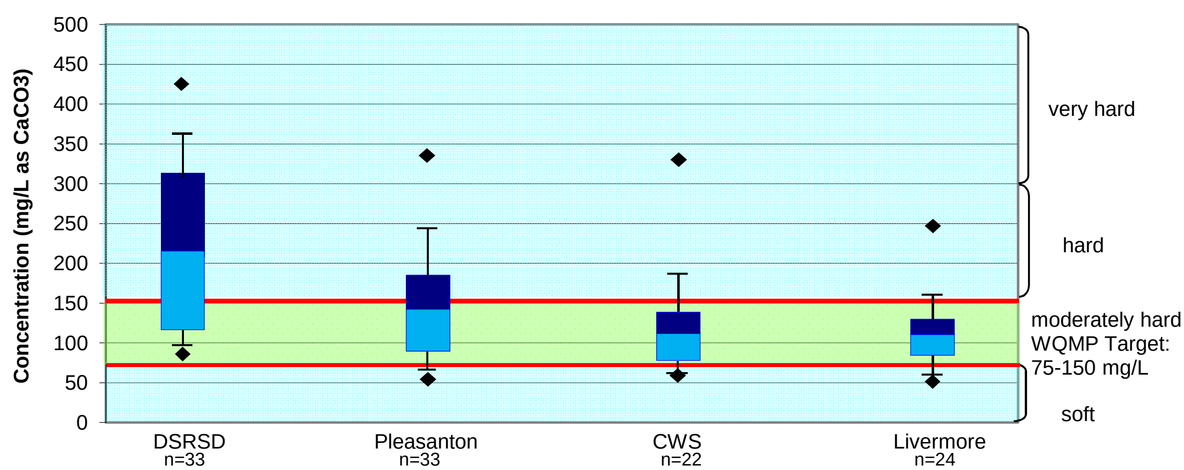


Figure 5. Total Hardness*
Retailer Turnout Samples**



* Most Chromium in Zone 7 groundwater is Cr^{6+}.

** TDS values are estimated from monthly electrical conductivity measurements.

*** Sampling at DSRSD turnout #4 was discontinued in June 2010 due to frequent low flow. The Arroyo Vista turnout and the Vasco Pipeline at UPRR turnout were added to DSRSD and Livermore calculations, respectively, to better reflect the sampling regimen in Zone 7s monthly Delivered Water Quality Report.

HOW TO READ WATER QUALITY TARGET GRAPHS

- Each bar on the chart represents the range of measurements for various constituents monitored during 2010.
- 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 percentile values, and the black diamonds represent the data set outliers.
- WQMP water quality targets or ranges are highlighted in green, with the red line indicating the maximum and/or minimum value.
- 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.

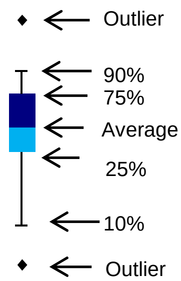


Figure 6. Total Residual Chlorine*
Production Facility Effluent Samples

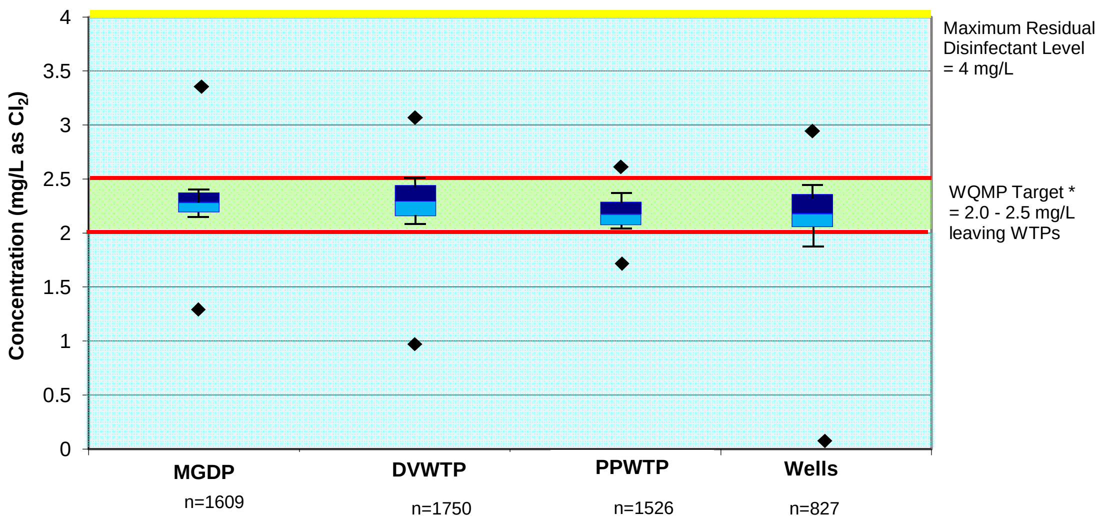
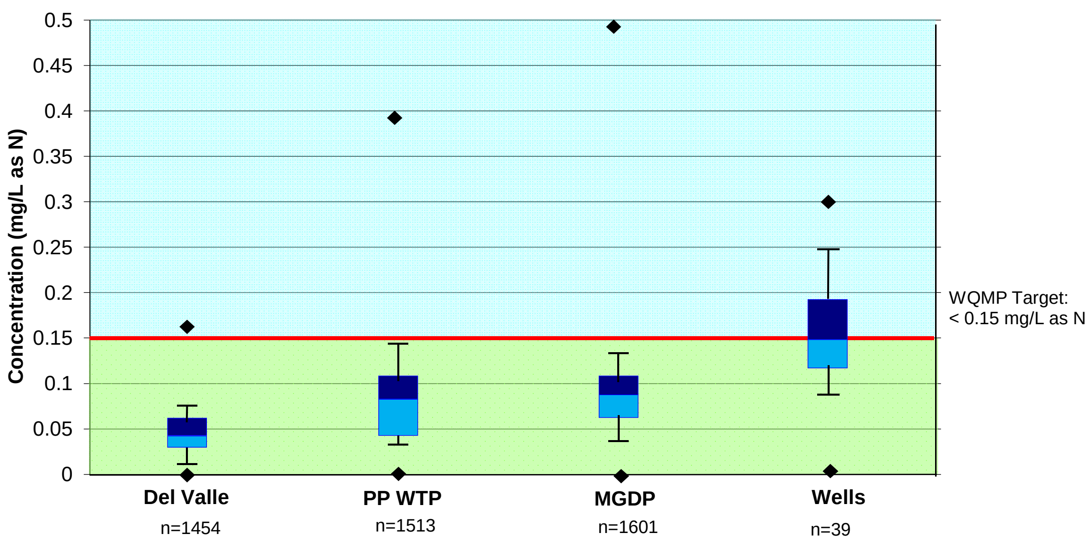


Figure 7. Free Ammonia*,**
Production Facility Effluent Samples



* Unless otherwise stated, data is based on every 4-hour online values.

** Daily free ammonia grab sampling was implemented in October 2010 for any operating wells. Due to system demand driven variables, consistent free ammonia monitoring at wells is a challenge.

Figure 8a. Total Trihalomethanes (TTHMs)*,**
Production Facility Effluent Samples

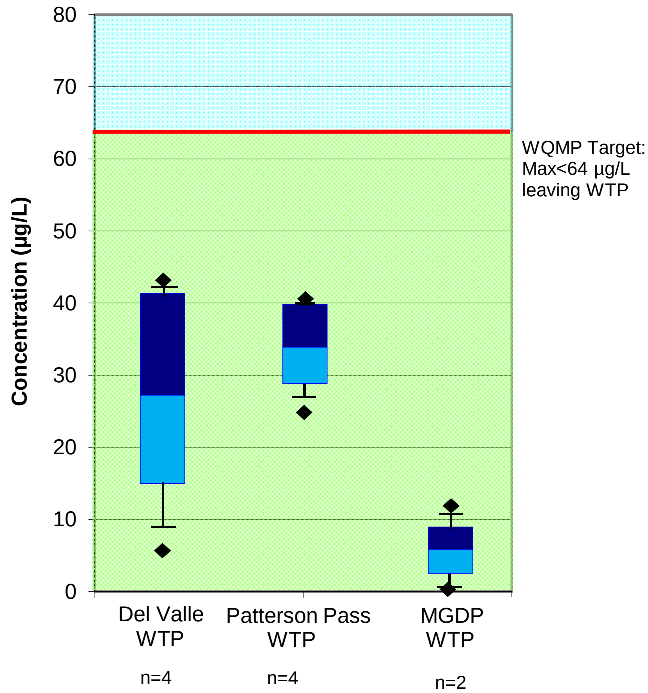


Figure 8b. Five Haloacetic Acids (HAA5)*,**
Production Facility Effluent Samples

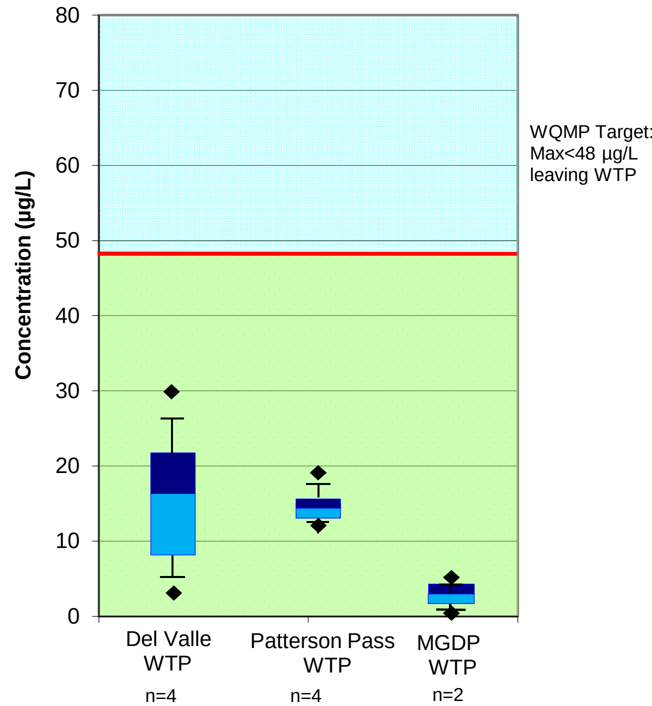


Figure 9a. Retailer Distribution System
Quarterly Running Annual Averages for
Total Trihalomethanes (TTHMs)

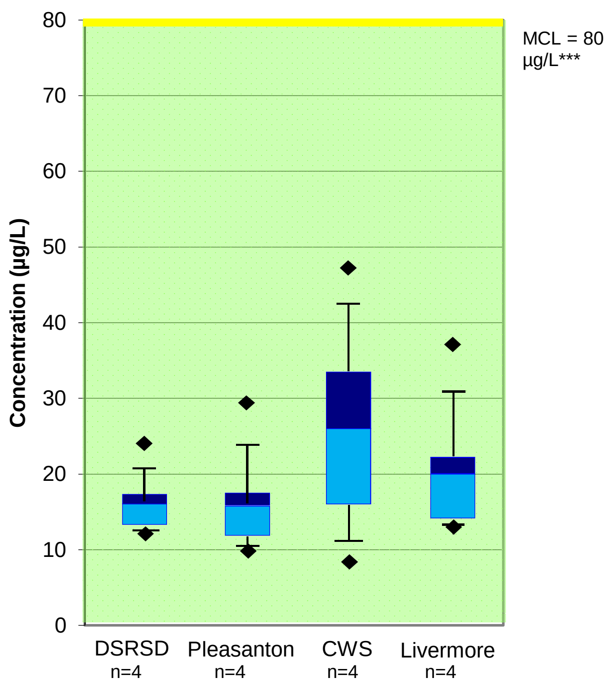
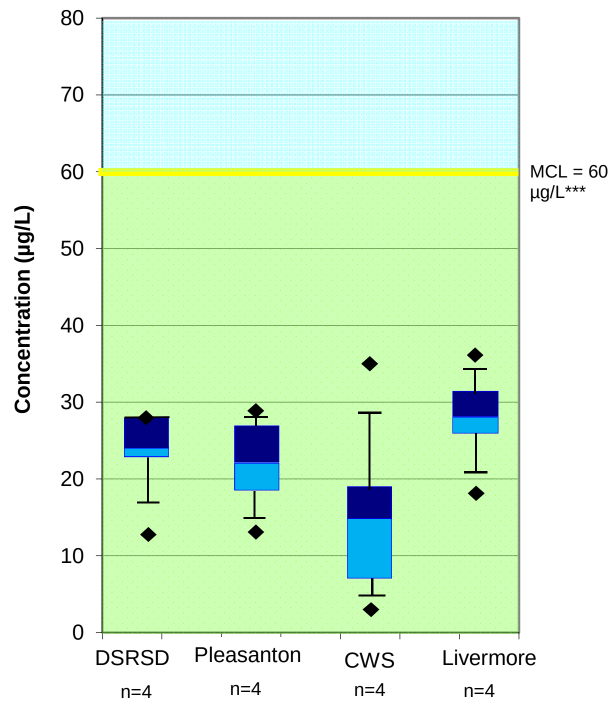


Figure 9b. Retailer Distribution System
Quarterly Running Annual Averages for
Five Haloacetic Acids (HAA5)



* There is no MCL for TTHMs/HAA5 leaving WTP.

** No monitoring is conducted at the wells where minimal TTHMs/HAA5 are expected due to low organic content of the groundwater supply.

*** Retailer MCL compliance for TTHMs/HAA5 is determined by system-wide running annual average of quarterly samples.

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

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

AGENDA DATE: June 15, 2011 ITEM NO. **14f**

SUBJECT: Annual Report for the Groundwater Management Program for 2010 Water Year

SUMMARY:

Staff has completed its 2010 Annual Report for the Zone 7 Groundwater Management Program. The report documents Zone 7's groundwater monitoring and management results for the 2010 Water Year (WY) (October 2009 through September 2010). The Executive Summary is attached, and the full report is available on the Zone 7 website: www.zone7water.com.

The following are highlights contained in this year's report:

- The Livermore Valley received about 110% of its average annual rainfall in WY2010.
- Natural recharge into the Main Basin aquifers was about 15,090 acre-feet (122% of normal), while Zone 7 artificially recharged another 6,773 acre-feet (78% of our annual average).
- A total of 16,220 acre-feet of groundwater was pumped from the Main Basin in WY 2010.
- The year ended with groundwater levels at approximately the same level as they began, keeping the total recoverable water in local operational storage at approximately 84,000 acre-feet. This represents about 67% of the 'Full Basin' mark established in 1983.
- Mocho Groundwater Demineralization Plant operations removed about 2,760 tons of salt during the 2010 Water Year.
- Even with the MGDP operations, there was a net increase of approximately 3,943 tons of salt in the Main Basin in WY 2010, which contributed to a one-year basin-wide average TDS concentration increase of 16 mg/L.
- There were no new commercial septic tank applications in 2010; however, Zone 7 staff approved one application for a second residence on 8.7 acres with the condition that a nitrogen-reducing treatment system be installed on at least one of the residential septic systems.
- Staff ensured that progress was being made on 74 contamination sites within our service area.
- Staff completed its *Hydrostratigraphic Investigation of the Aquifer Recharge Potential for Lakes C and D,* which was funded mostly by a Local Groundwater Assistance grant issued by DWR.

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 2010 is attached.

Annual Report for the

Groundwater Management Program

2010 Water Year

Livermore Valley Groundwater Basin

PREPARED BY:

ZONE 7 WATER AGENCY

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Kurt Arends – *Assistant General Manager*

Data Collection and Report Preparation provided by:

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Tom Rooze – *Associate Geologist*
Cheryl Dizon – *Assistant Engineer*
Colleen Winey – *Assistant Geologist*
Michael Garguilo – *Water Resources Technician*
Wyman Hong – *Water Resources Technician*

WATER SUPPLY ENGINEERING

Sal Segura – *Associate Engineer*

ES Executive Summary

This Annual Report for the Groundwater Management Program summarizes Zone 7's groundwater management and monitoring efforts provided for the Livermore Valley Groundwater Basin for the 2010 Water Year (October 2009 through September 2010). This report includes 2010 Water Year data sets, results, and interpretations for the monitoring, evaluation, and management programs outlined in the Groundwater Management Plan (GWMP) (2005). An update of the GWMP, and its incorporated Salt Nutrient Management Plan, is due for completion by May 2014.

ES 1 Overview

The 2010 Water Year hydrology was shaped by above-normal rainfall (110% of normal) and natural stream recharge (158% of normal). However, due to the limited surplus water available from the Department of Water Resources following three years of drought conditions, artificial recharge provided by Zone 7 was below-average for the year (78% of normal). Combined with the moderate groundwater demands (112% of normal) during the 2010 Water Year, the groundwater basin experienced a slight decrease in groundwater storage (less than 200 acre-feet). The volume of groundwater available above the 'historic lows' was estimated to be 84,000 acre-feet (about 67% of a full basin) at the end of the 2010 Water Year. Main Basin groundwater elevations generally remained the same as those at the end of the 2009 Water Year. There was no evidence that any inelastic subsidence occurred in the valley during the water year.

The Main Basin saw a net salt load of about 3,943 tons after accounting for the 2,760 tons removed by Zone 7's new Mocho Groundwater Demineralization Plant (MGDP) in the 2010 Water Year. The largest salt contributors were 'applied water recharge' and 'natural stream recharge' whereas the largest salt remover was 'municipal pumping.' This year's salt load results in a calculated basin-wide average TDS concentration increase of 16 mg/l; from 395 mg/l in 2009 to 411 mg/l in 2010.

There was no increase in the number of high priority toxic sites (11) that impact or are an immediate threat to potable water supply wells within the valley. None of the project referrals received by Zone 7 and reviewed by staff included unmitigated potentially significant impacts for groundwater supply or quality. During 2010, 130 well activity permits were issued, and a record number of well inspections were conducted due to the addition of a Construction Inspector to the Groundwater staff.

Zone 7 installed one new nested monitoring well-set (four wells total) in the southern portion of the Amador Subbasin during 2010 as part of a hydrostratigraphic investigation conducted in cooperation with the Department of Water Resources' Local Groundwater Assistance Program. The monitoring and sampling of these wells have been incorporated into Zone 7's 2011 Groundwater Monitoring Program.

ES 2 Monitoring Programs

Climatological – The 2010 Water Year rainfall in the valley was above average at 110% of normal (Figure ES-1 shows rainfall at Station 15E, which was 102% of normal). The evaporation for the Valley, represented by the Lake Del Valle Station, ended the year with 97% of normal evaporation.

Groundwater – In general, the 2010 Upper Main Basin groundwater levels mirrored the 2009 Upper levels throughout the water year (+/- 12 feet), and ended the year at approximately the same levels they ended the 2009 Water Year, except for in Mocho II Subbasin where they ended the year slightly higher than in 2009 along the Arroyo Mocho (Figure ES-4). The Lower Main Basin groundwater levels also tracked last year's levels (+/- 14 feet), ending the year with groundwater levels slightly lower than the previous year's in the Bernal and eastern Amador Subbasins and slightly higher in the Mocho II and western Amador Subbasins. The greatest difference was observed in the Mocho II Subbasin where parts of the subbasin experienced 15 to 30 feet of groundwater rise (Figure ES-5).

In the central and western portion of the Main Basin, in the areas around Zone 7's and City of Pleasanton's wellfields, groundwater levels ended the year at 40 to 95 feet above historical lows (Figure ES-6). Further to the southwest, in the central and southern portions of the Bernal Subbasin, water levels remain at greater than 100 feet above historical lows. Only SFPUC is using this part of the basin for municipal supply (supplying Castlewood). In the eastern part of the Main Basin (Mocho II Subbasin), where California Water Service wells are located, the end of year groundwater levels were 80 to 130 feet above their respective historical lows.

Groundwater quality in the Upper Main Basin (Figure ES-7) and Lower Main Basin (Figure ES-8) aquifers remained relatively unchanged from the 2009 Water Year. However, individual municipal supply wells in the Mocho Wellfield are experiencing higher than average increases in hardness and salinity. Staff is investigating whether these increases are due to poorly constructed wells in the area or consequences of natural 'leaky' aquitards between the upper aquifers with poorer water quality and the lowers aquifers which are being pumped. There is also some indication that it may be a function of the three-year drought that the basin experienced the previous three years.

Surface Water - During the 2010 Water Year, watershed runoff total into Lake Del Valle was 12,914 acre-feet, approximately 60% of average. Flood releases from Lake Del Valle totaled 9,354 acre-feet. The total volume of State Water Project (SWP) water released from the South Bay Aqueduct (SBA) to the Arroyo Valle totaled 3,197acre-feet, while the release from the SBA to the Arroyo Mocho totaled 4,765 acre-feet. No artificial recharge water was released to the Arroyo Las Positas this water year, however the arroyo flowed all year due to rising groundwater along its upper reaches and its tributaries.

Subsidence – There was no evidence of inelastic (permanent) subsidence due to groundwater pumping during the 2010 Water Year. Most of Zone 7's survey benchmarks increased slightly in elevation from Fall 2009 to Fall 2010 (up to 0.126 feet). This increase in land surface elevation is within the range of elastic subsidence observed over the life of the monitoring program. Elevation changes from Spring to Fall 2010, which varied from -0.048 to +0.037, were also within the range of elastic movement.

Mining Area - Mining activities continued for Vulcan Materials (formerly Calmat) and Cemex (formerly RMC and Lonestar). Vulcan Materials continued their mining in R28 located south of Stanley Boulevard (future Lake D area) and increased dewatering from various ponds (e.g., R24 – future Lake E). Cemex continued mining in P42, located just north of Arroyo Valle (in the future Lake B area). As a result of these mining operations, about 1,996 acre-feet of the water they discharged to the Arroyo Mocho flowed out of the Valley. Evaporation from the mining ponds accounted for another 3,111 acre-feet of groundwater loss. TDS concentrations in the mining area pits ranged from about 300 mg/L to over 900 mg/L, with the better water quality found in the ponds that are intercepting groundwater and artificially recharged surface water. The higher TDS concentrations are found, for the most part, in the sealed ponds.

Land Use - For the 2010 Water Year, Main Basin land use remained relatively unchanged from the 2009 Water Year. Development continues to be slow due to the poor economy effect on real estate.

Groundwater Production - During the 2010 Water Year, about 16,200 acre-feet of groundwater was pumped from the Main Basin. Zone 7 produced approximately 8,890 acre-feet of the pumped groundwater (about 114% of normal). For the 2010 Calendar Year, California Water Service pumped 3,098 acre-feet of groundwater; 29 acre-feet more than their Groundwater Production Quota (GPQ). Pleasanton, which has a GPQ of 3,500 acre-feet and a 675 acre-feet carryover from 2009, pumped 3,507 acre-feet. Consequently, they will carryover 668 acre-feet into the 2011 Calendar Year. All other groundwater production from the Main Basin fell in the normal range for the individual basin pumpers.

Wastewater and Recycled Water – In 2010, approximately 19,660 acre-feet of wastewater flowed to the two public-owned treatment works (POTWs; Livermore Water Reclamation Plant, and Dublin San Ramon Services District' wastewater plant) as compared to 18,991 acre-feet in 2009. About 24% of the wastewater received by these two POTWs was recycled and used for irrigation projects, however only about 19% of the recycled water produced was applied over the Main Basin. Elevated salinity in the recycled water continues to be Zone 7's primary groundwater quality concern for its use over the Main Basin; however, several constituents-of-emerging-concern (CECs) are being considered for future basin monitoring plans where recycled water is used for irrigation. Nitrate concentrations in the recycled water used by these two entities have consistently been below the MCLs; however, nitrates continue to be a groundwater quality concern for areas of high septic tank use, high livestock densities, and high fertilizer use.

ES 3 Basin Evaluation Programs

Recharge Calculations – For the 2010 Water Year, total natural recharge was about 15,090 acre-feet, approximately (122% of normal). This includes rainfall recharge of about 3,174 acre-feet (96% of normal), natural stream recharge of about 9,177 acre-feet (158% of normal), and applied water recharge at about 1,739 acre-feet (116% of normal). Artificial stream recharge for the 2010 Water Year was limited to only about 6,773 acre-feet (78% of normal) due to the low availability of SWP water during the year.

Groundwater Storage - At the end of the 2010 Water Year, the total groundwater in storage was estimated to be 212 TAF, and the total recoverable groundwater in storage was estimated to be about 84,000 acre-feet, which is about 67% of the basin's capacity based on the 126,000 acre-feet difference in groundwater storage between the 'low' established in early 1960's and the 'high' in 1983. This is roughly the same as that estimated for the 2009 Water Year (Figure ES-10).

Salt Loading Calculations – A net increase of approximately 3,943 tons of salt was calculated for the Main Basin for the 2010 Water Year . This year's main contributors were 'applied water recharge' (8,323 tons), 'natural stream recharge' (6,690 tons), 'basin inflow' (1,997 tons), and 'artificial stream recharge' (1,690 tons). The main desalting components were 'municipal pumping' (13,206 tons including 2,760 tons removed by the Mocho Groundwater Demineralizaton Plant) and 'mining export' (1,428 tons). This year's positive salt load gives rise to a calculated basin-wide average TDS concentration increase of 16 mg/l; from 395 mg/l in 2009 to 411 mg/l in 2010.

ES 4 Basin Management Programs

Most 2010 Basin Management Programs remained unchanged from 2009 except for:

Demineralization Plant – During the 2010 Water Year, 3,142 acre-feet of groundwater from the Mocho Wellfield was run through the Mocho Groundwater Demineralization Plant's (MGDP) reverse osmosis membranes, producing 2,468 acre-feet of demineralized permeate and 675 acre-feet rejected high-salt brine. Permeate was blended with non-demineralized groundwater and pumped into Zone 7's distribution system. The brine was disposed of through the LAVWMA and DERWA export pipelines which discharge to the San Francisco Bay. The 2010 MGDP operation resulted in the direct removal and disposal of about 2,760 tons of salt from the groundwater basin. These results were attained while operating the MGDP at about 49% of its capacity during the 2010 Water Year.

Monitoring Wells – Zone 7 installed one new nested well-set (four wells total) in the southern portion of the Amador Subbasin, west of the future Lake D, during 2010 as part of a hydrostratigraphic investigation performed in cooperation with the Department of Water Resources' Local Groundwater Assistance Program. These wells have been incorporated into Zone 7's Groundwater Monitoring Program.

Well Ordinance Program - Zone 7 issued 130 drilling permits in the 2010 Calendar Year, 30 more than what was issued in 2009.

Septic Tank Management - There were no new commercial septic tank applications in 2010; however, Zone 7 staff approved one application for a second residence on 8.7 acres with the condition that a nitrogen-reducing treatment system be installed on at least one of the residential septic systems to reduce the total onsite wastewater loading density to less than one rural residential equivalence per 5 acres.

Toxic Site Surveillance Program - In 2010, Zone 7 tracked the progress of 74 active sites where contamination has been detected or is threatening groundwater and eight cases were closed. Eleven of the sites are designated as 'High Priority' because they've impacted or are an immediate threat to potable water supply wells. Seven of the high priority sites are fuel leak cases, whereas the other four cases involve solvent contamination (tetrachloroethylene [PCE]). Alameda County Environmental Health (ACEH) is the lead agency overseeing the cleanup of all of the fuel leak sites. Two of the four PCE cases are being overseen by the Regional Water Quality Control Board (RWQCB). The other two are not being overseen by any of the Local Oversight Programs (LOP) agencies; however Zone 7 staff is working with the RWQCB on identifying potential responsible parties so that they can begin their correspondence and require further investigation of the contaminations' extent.

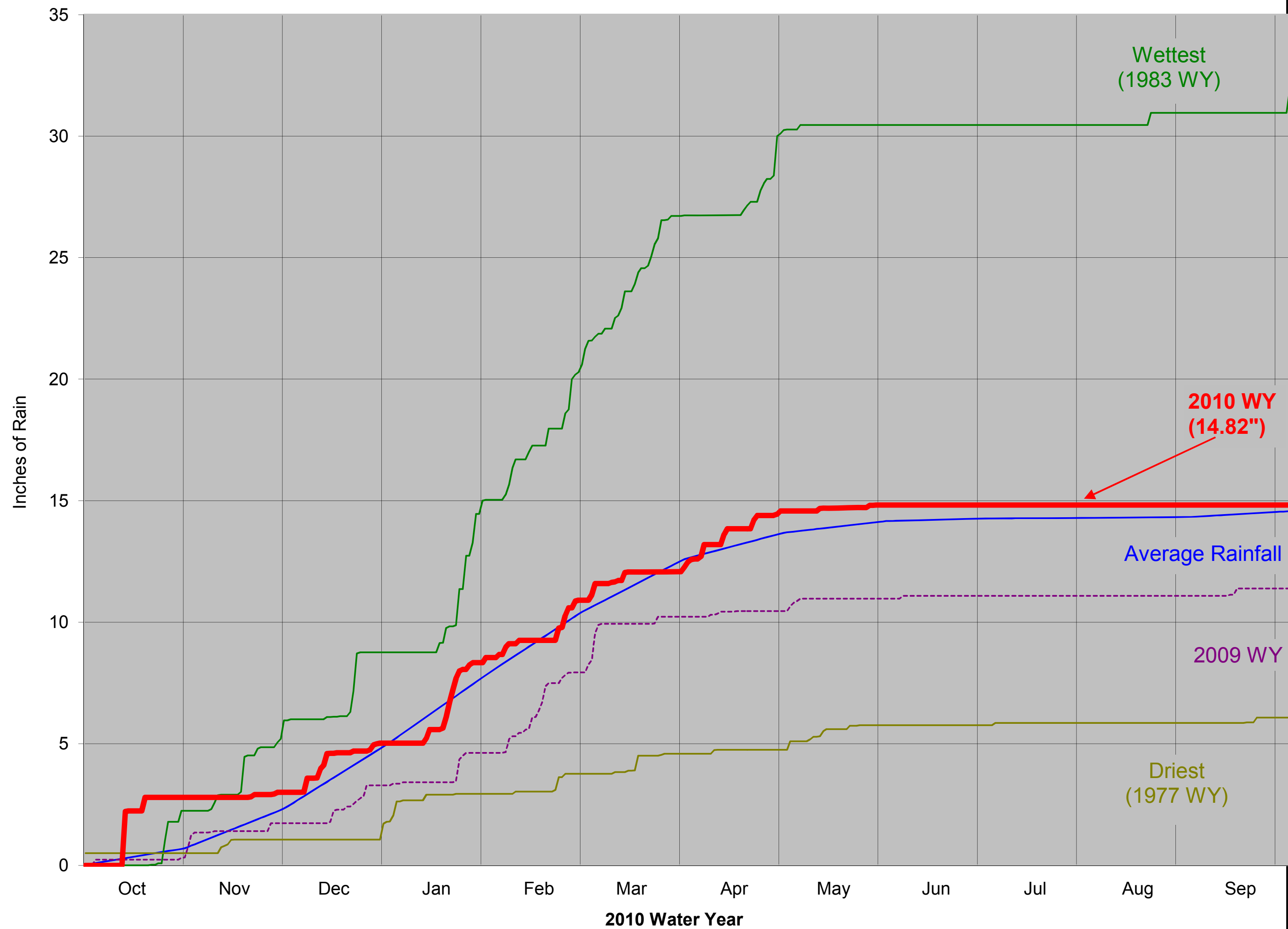
Other Projects – Starting in the 2010 Water Year and continuing into the 2011 Water Year, Zone 7 conducted a *Hydrostatic Investigation of the Aquifer Recharge Potential for Lakes C and D of the Chain of Lakes* (Zone 7, May 2011) in cooperation with the Department of Water Resources' Local Groundwater Assistance Program. The project investigated the potential connectivity between future Lakes C and D and the productive aquifers in the West Amador Subbasin. The scope of work included drilling one exploratory borehole, geophysical logging, the installation of four nested monitoring wells in the borehole, and a pumping test to verify connectivity of hydrostratigraphic units. The results of this study suggest that the future Lakes C and D would be effective aquifer recharge facilities for replenishing the upper portions of the Lower Aquifer, from which several of Zone 7's and City of Pleasanton's municipal supply wells pump groundwater.

Zone 7 continued its efforts on the Arroyo Mocho Diversion Project in 2010. During the year, a spreadsheet model was developed to evaluate the recharge potential and water losses associated with various operational criteria being considered for the pending resource agency permits. In addition to evaluating the differences between Zone 7's and NMFS's proposed dam operations, staff is also evaluating recharge potential and water losses associated with adding a fish ladder to the facility's design, which would reduce the need for frequent dam deflations thus increasing the potential diversion capacity.

Zone 7 is also making progress on a collaborative effort with Vulcan Materials Co. to capture and re-percolate the groundwater they pump from their quarry pits to facilitate mining activities. For the project, Vulcan would pump the extracted groundwater into Lake I where it would percolate through the lake's sidewall and into the western Amador Subbasin aquifers. Completion of this project is anticipated by the end of 2011.

Attached Figures

FIGURE ES-1
ZONE 7 WATER AGENCY
Graph of Livermore Rainfall (Station 15E NOAA)

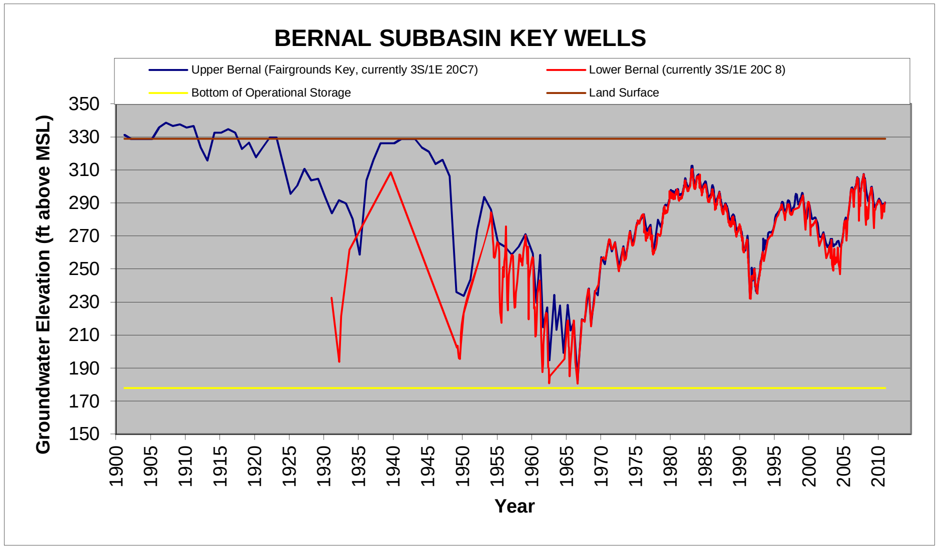


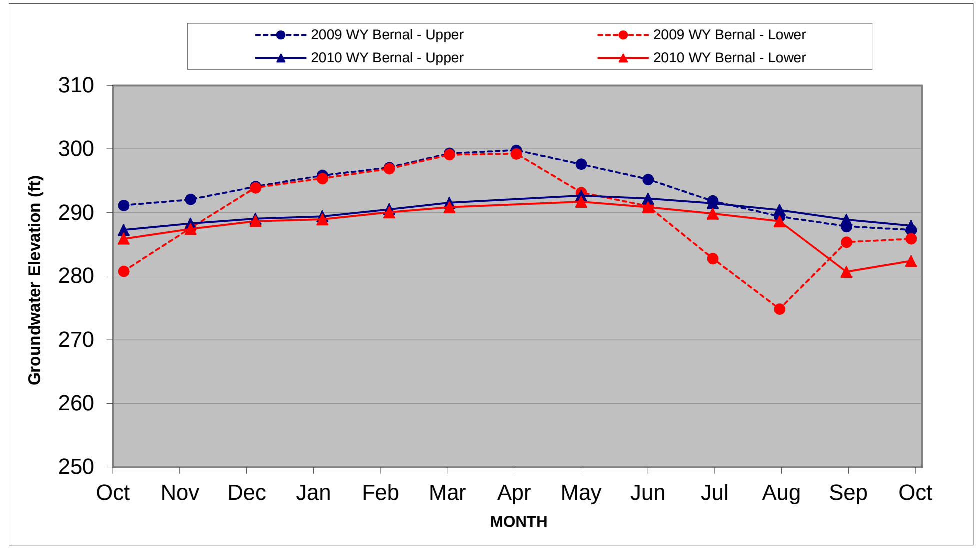
Total Annual Rainfall	% Avg	Probability of Exceedence
31.98"	219%	1%
14.82"	102%	40%
14.57"	100%	41%
11.39"	78%	70%
6.08"	42%	95%

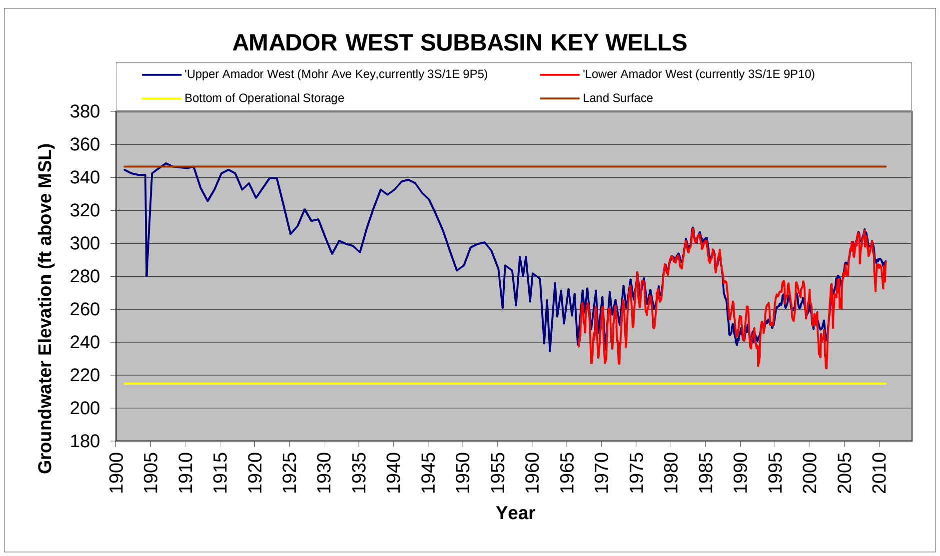
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Monthly inches) (	2.79	0.21	2.02	3.53	2.36	1.57	2.10	0.24	0.00	0.00	0.00	0.00
% Monthly Average	399%	13%	77%	119%	94%	72%	194%	50%	0%	0%	0%	0%
YTD (inches)	2.79	3.00	5.02	8.55	10.91	12.48	14.58	14.82	14.82	14.82	14.82	14.82
% Average YTD	399%	129%	101%	108%	105%	97%	107%	105%	104%	104%	103%	102%
% Annual Average	19%	21%	34%	59%	75%	86%	100%	102%	102%	102%	102%	102%

Figure ES-1
By:M.Garguilo
05/30/2011

FIGURE ES-2
ZONE 7 WATER AGENCY
Key Well Hydrographs - Western Portion of Main Basin
2010 Water Year







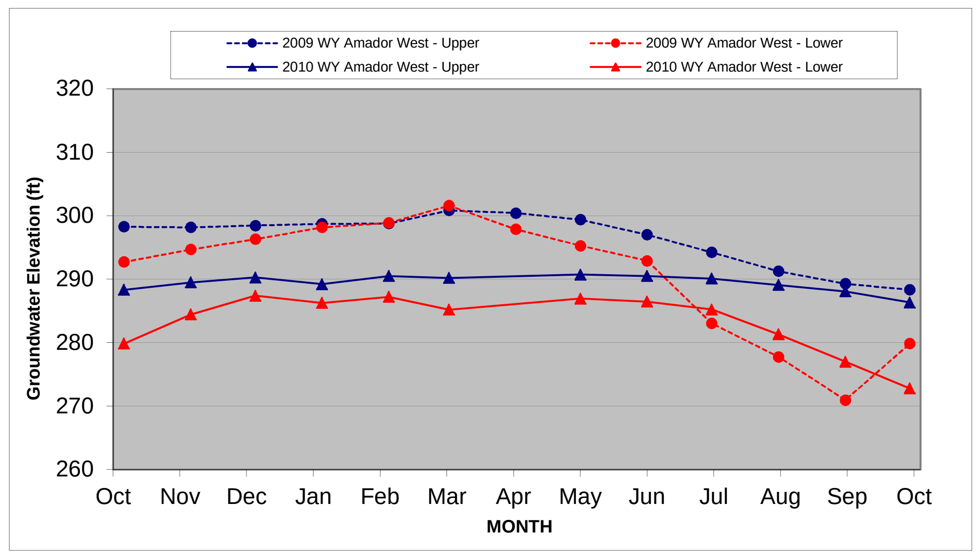
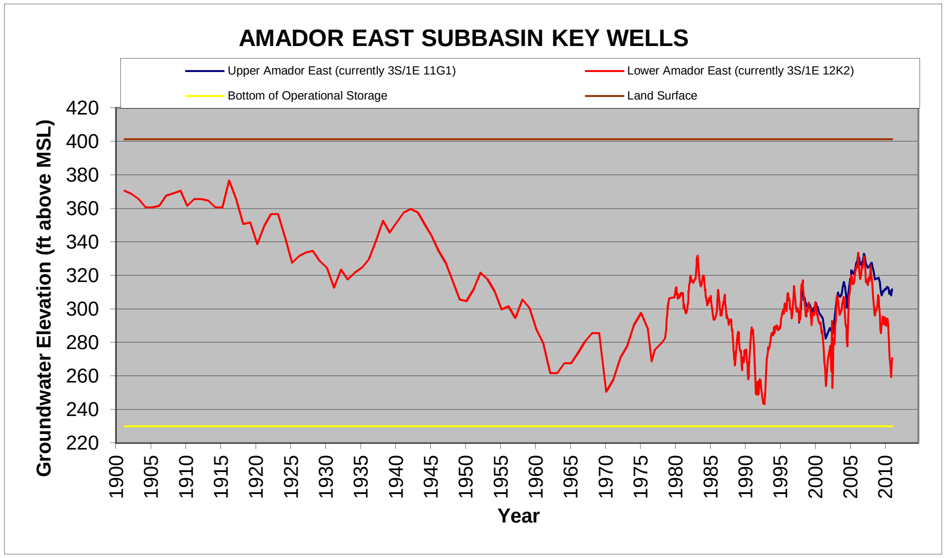
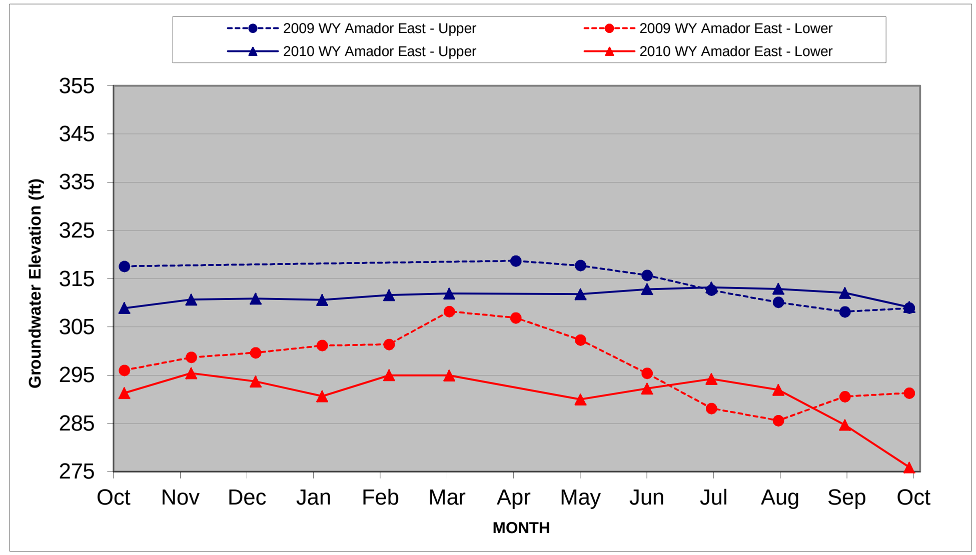
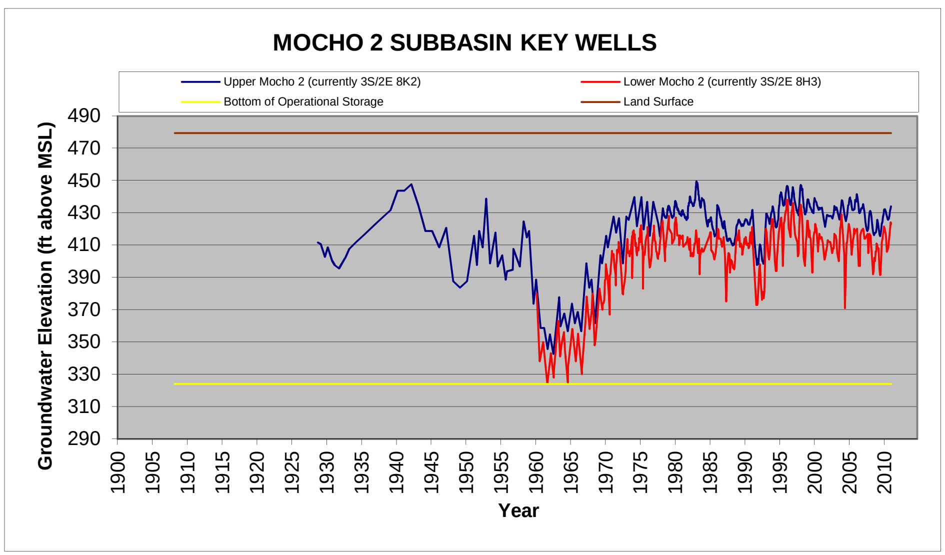
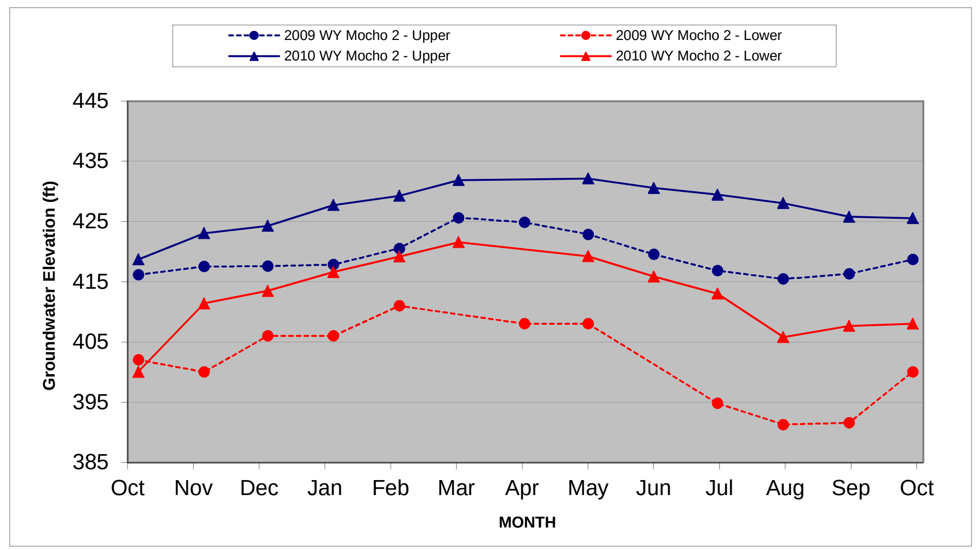


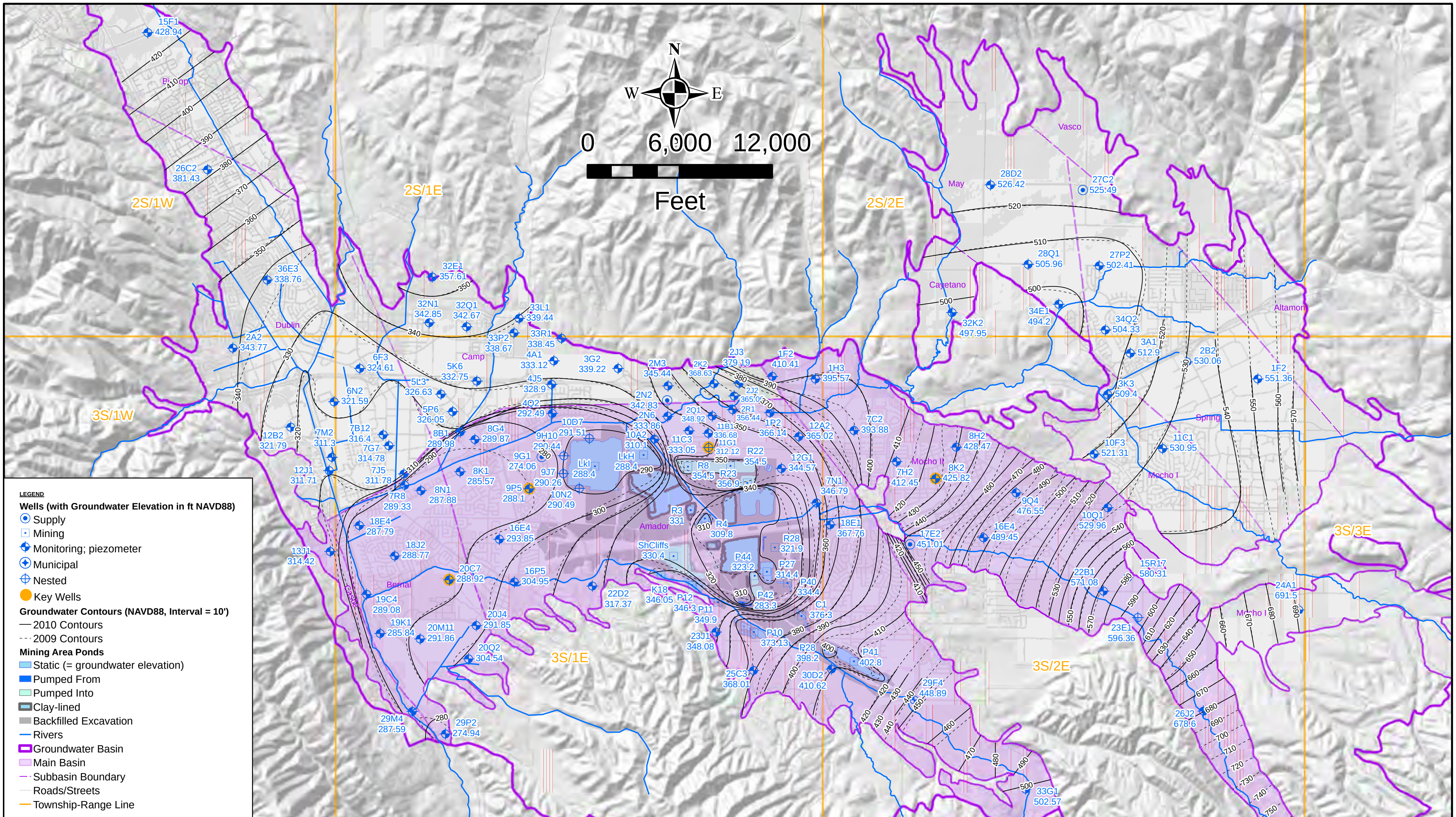
FIGURE ES-3
ZONE 7 WATER AGENCY
Key Well Hydrographs - Eastern Portion of Main Basin
2010 Water Year









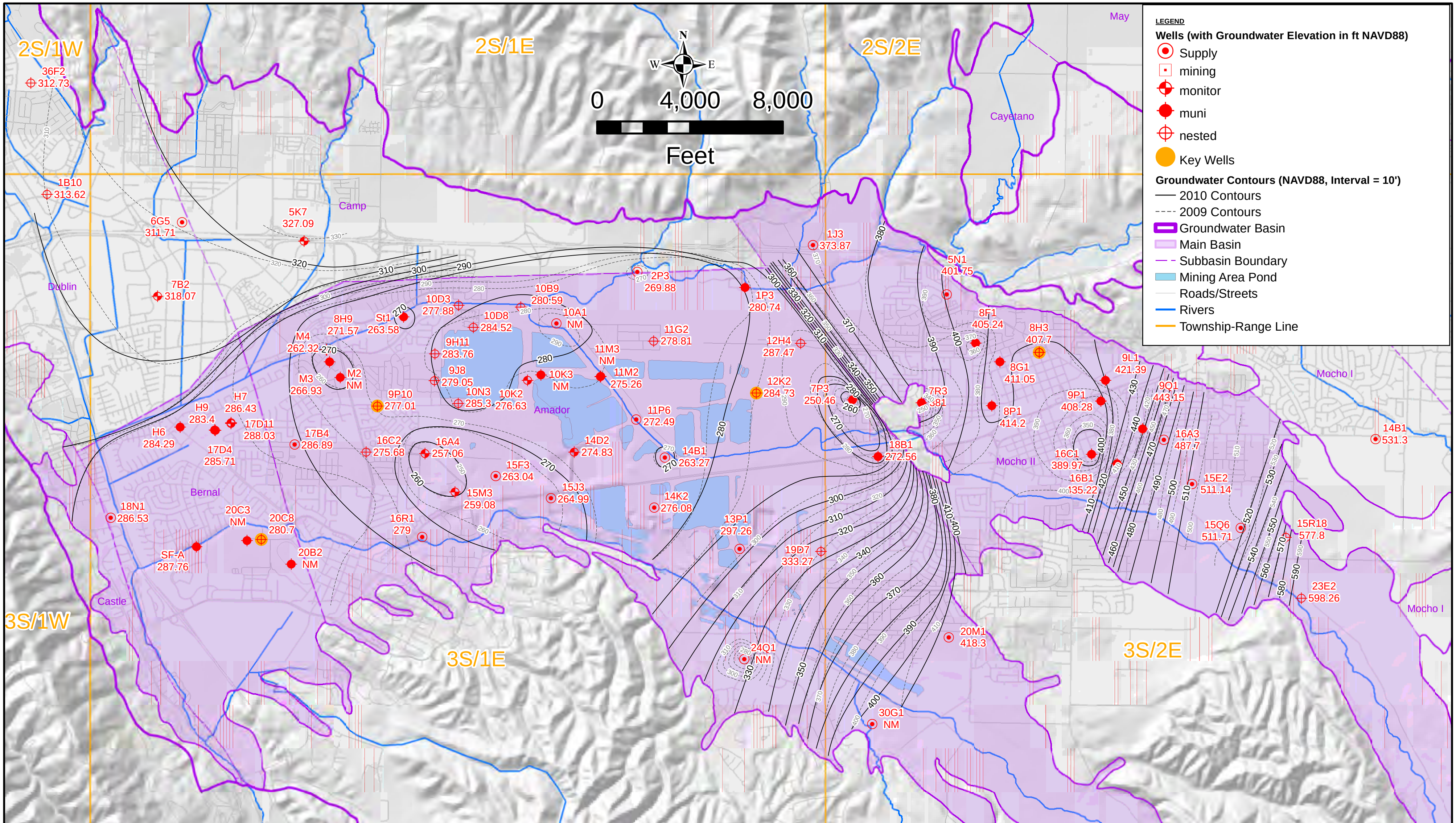


ZONE 7 WATER AGENCY

100 North Canyons Parkway
Livermore, CA

DRAWN: TR	SCALE (orig): 1 in = 6,000 ft
REVIEWED: TR	DATE: June 2, 2011
FILE: E:\MONITOR\GM\2010wy\Annual\Fig3.2-05-SAFallUpper2010.mxd	

Figure ES-4
Groundwater Gradient Map
Upper Aquifer; Fall 2010 (September)
Livermore Valley Groundwater Basin

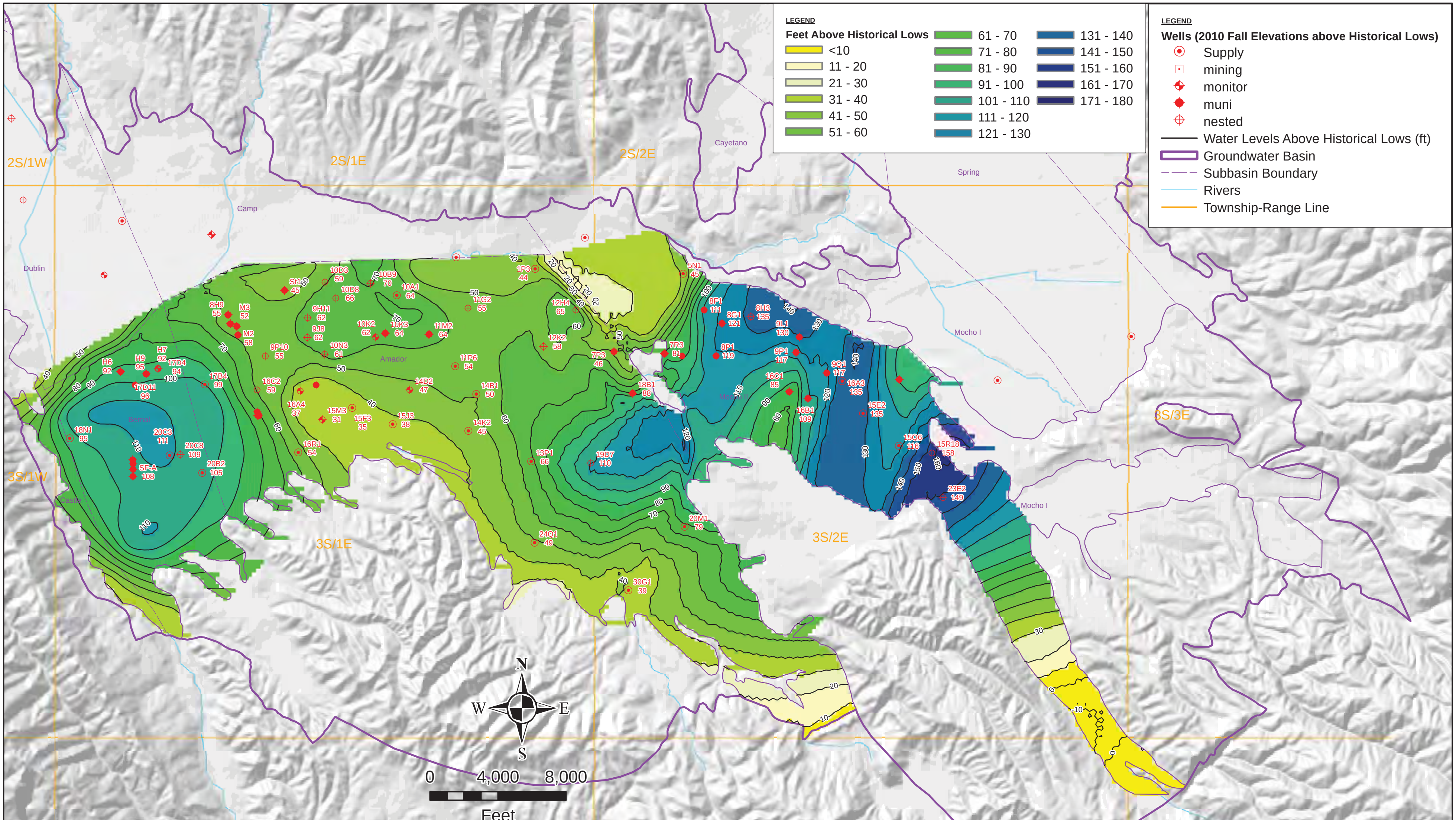


ZONE 7 WATER AGENCY
100 North Canyons Parkway
Livermore, CA

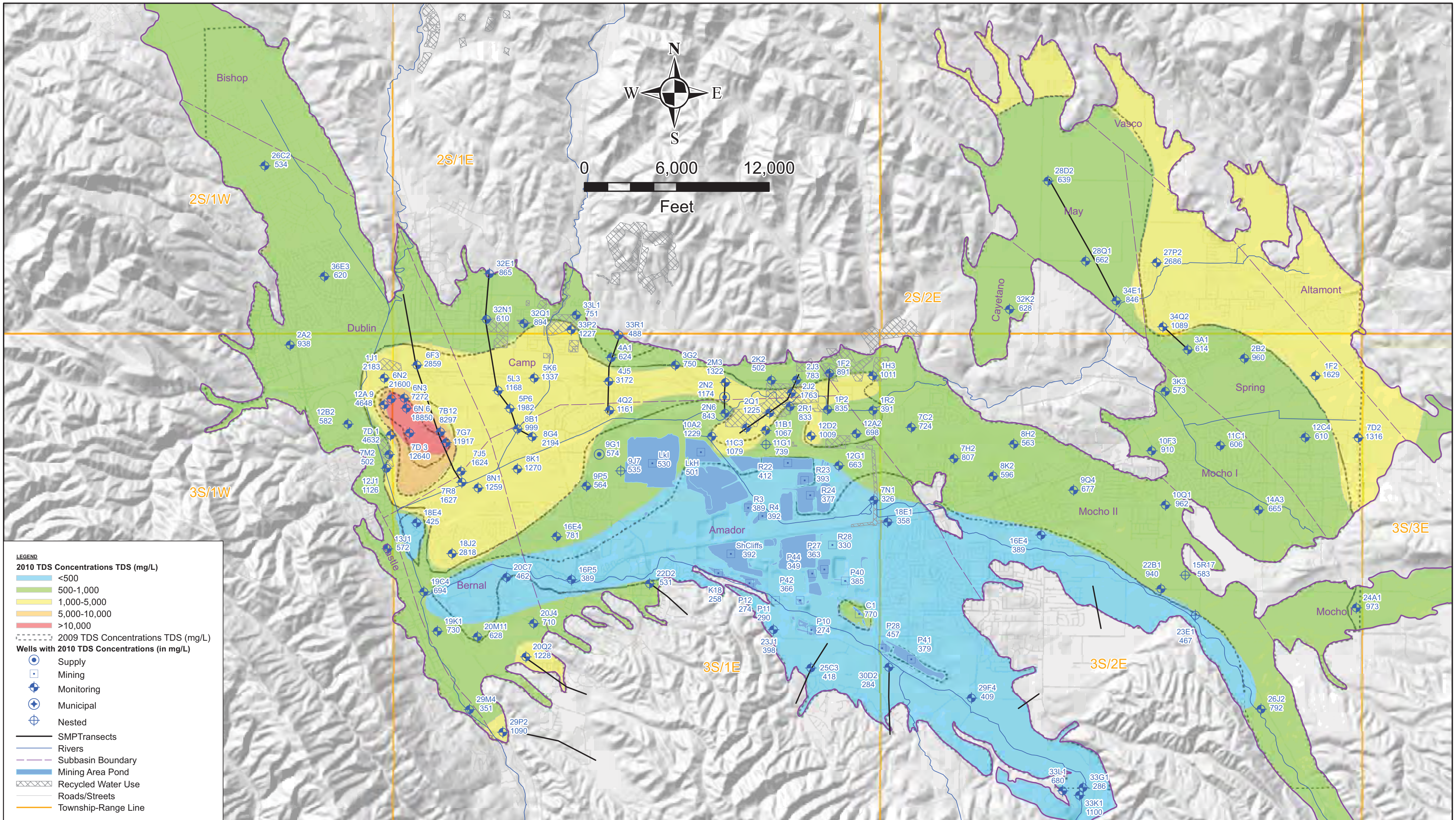
DRAWN: TR
REVIEWED: TR
FILE: E:\MONITOR\GM\2010wy\Annual\Fig3.2-07-SAFallLower2010.mxd

SCALE (orig): 1 in = 4,000 ft
DATE: June 2, 2011

Figure ES-5
Groundwater Gradient Map
Lower Aquifer; Fall 2010 (September)
Livermore Valley Groundwater Basin



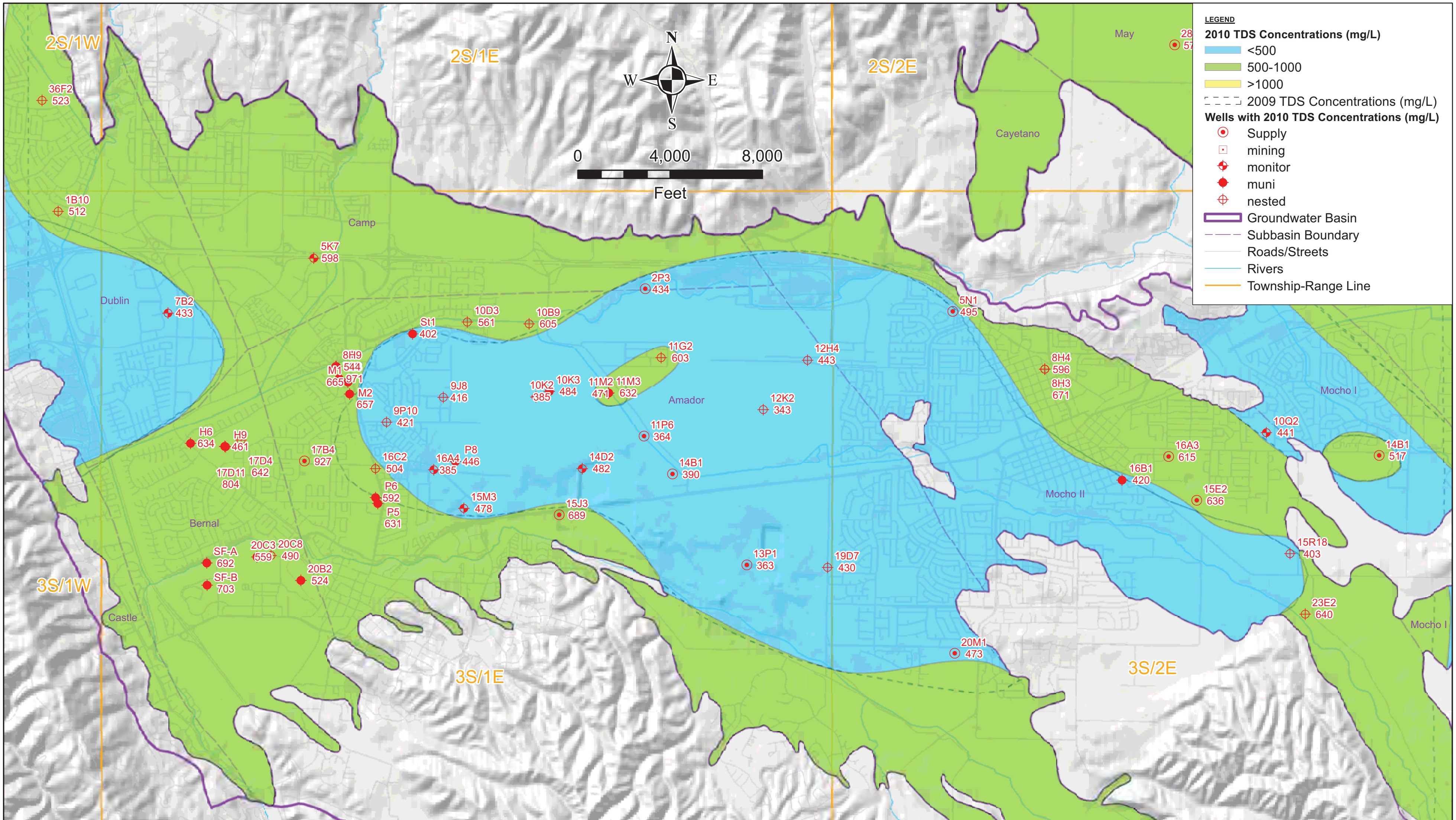
ZONE 7 WATER AGENCY 100 North Canyons Parkway Livermore, CA	DRAWN: TR/CW	SCALE (orig): 1 in = 4,000 ft	**Figure ES-6** **Groundwater Levels Above Historical Lows** **Lower Aquifer; Fall 2010 (September)** **Livermore Valley Groundwater Basin**
	REVIEWED: TR	DATE: June 5, 2011	
	FILE: E:\MONITOR\GM\2010WY\AnnualReport\Fig3.2-08AboveHL10.mxd		



ZONE 7 WATER AGENCY
100 North Canyons Parkway
Livermore, CA

DRAWN: TR	SCALE (orig): 1 in = 6,000 ft
REVIEWED: TR	DATE: June 2, 2011
FILE: E:\MONITOR\GM\2010wy\Annual\Fig3.2-09-TDSUpper2010.mxd	

Figure ES-7
TDS Concentrations (mg/L)
Upper Aquifer; 2010 Water Year
Livermore Valley Groundwater Basin



ZONE 7 WATER AGENCY 100 North Canyons Parkway Livermore, CA	DRAWN: TR	SCALE (orig): 1 in = 4,000 ft	**Figure ES-8** **TDS Concentrations (mg/L)** **Lower Aquifer; 2010 Water Year** **Livermore Valley Groundwater Basin**
	REVIEWED: TR	DATE: June 2, 2011	
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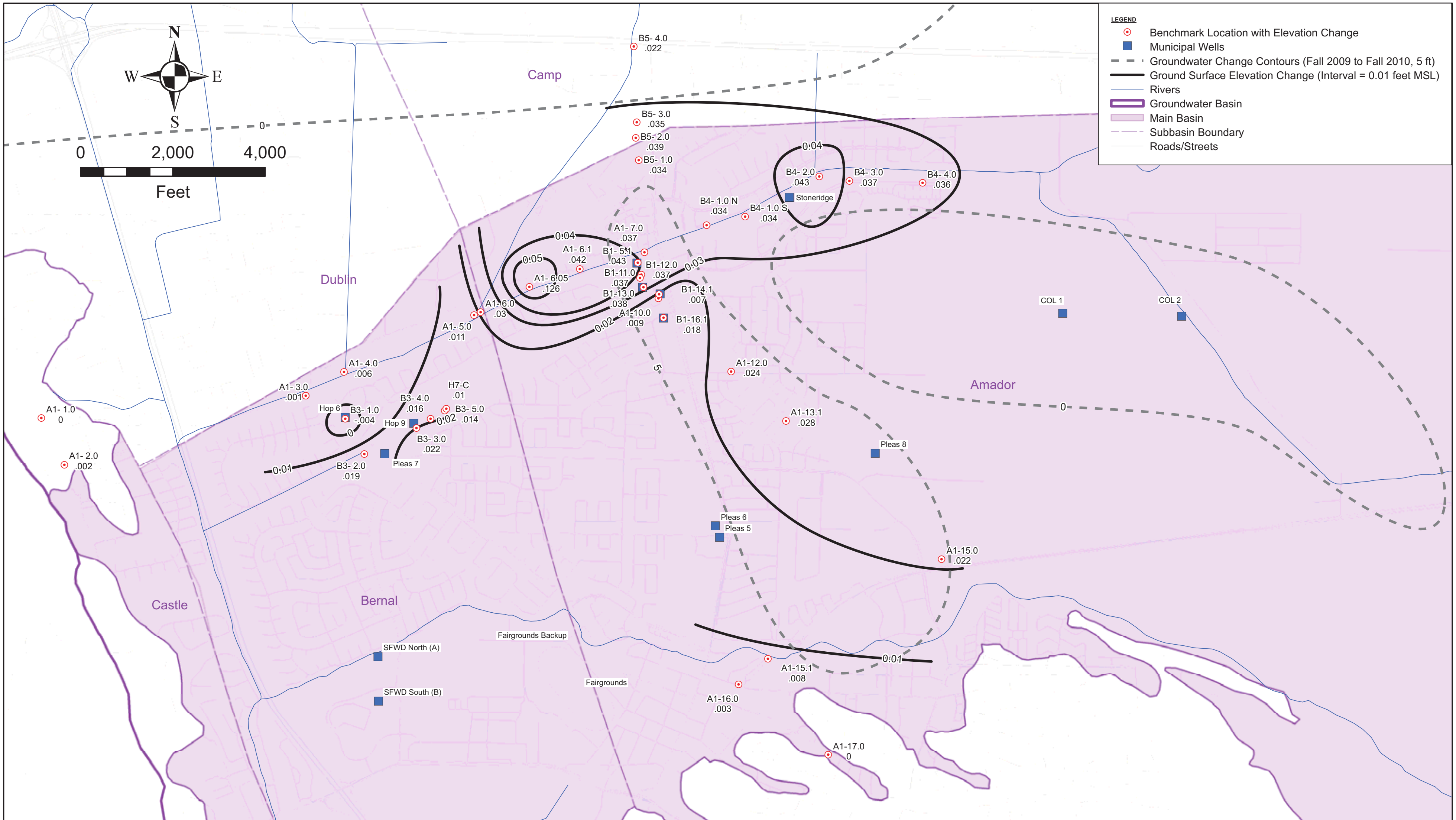


ZONE 7 WATER AGENCY
100 North Canyons Parkway
Livermore, CA

DRAWN: TR/MG/CW

REVIEWED: TR

SCALE (orig): 1 in = 2,000 ft

DATE: June 6, 2011

FILE: E:\MONITOR\EM\2010wy\Annual\Fig3.4-7-EMFall09toFall10.mxd

Figure ES-9
Ground Surface Elevation Change (ft)
Fall 2009 to Fall 2010
Livermore Valley Groundwater Basin

Figure ES-10
Graphs of Historical Main Basin Hydrologic Inventory
1974 to 2010 Water Years

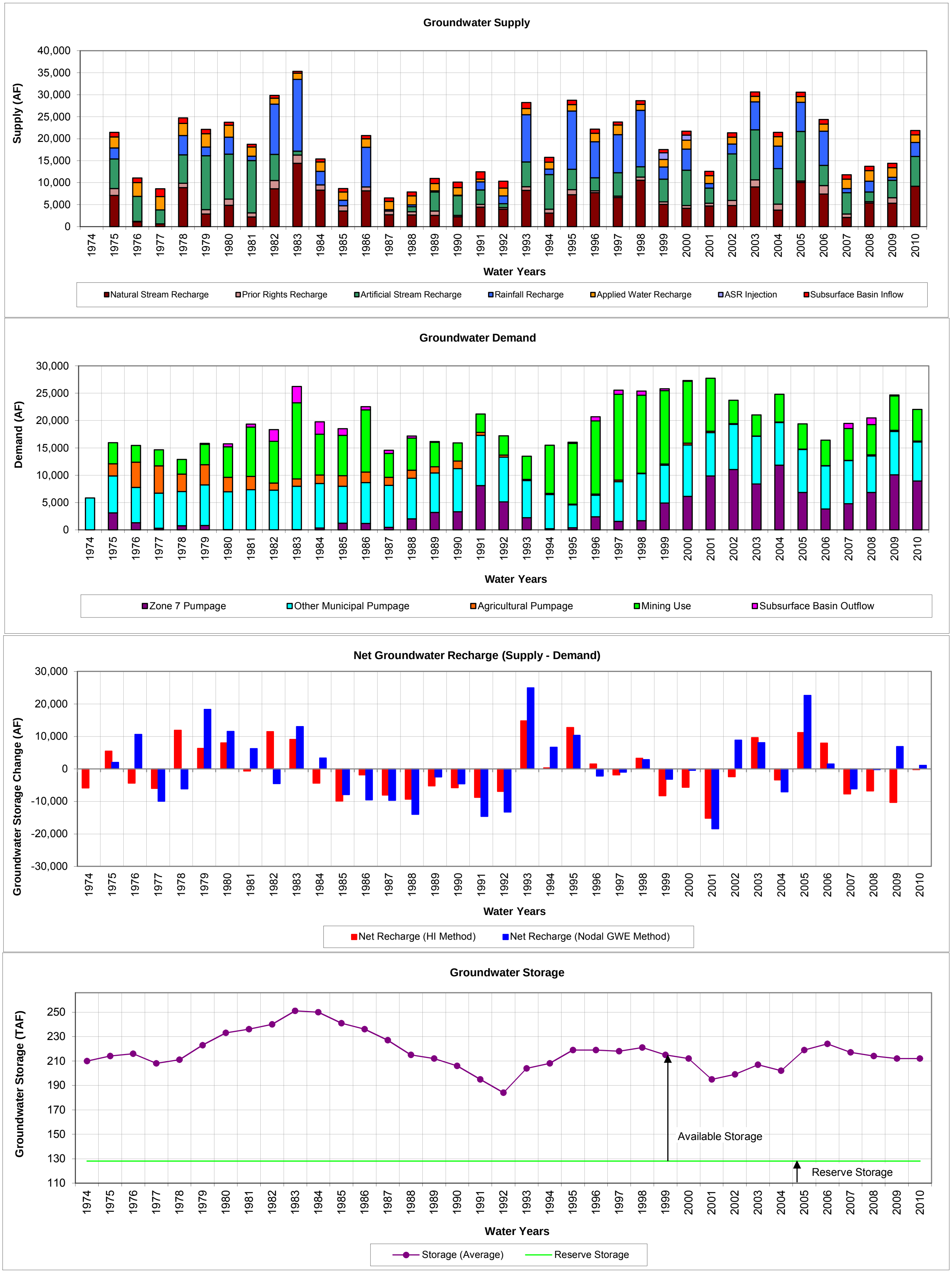
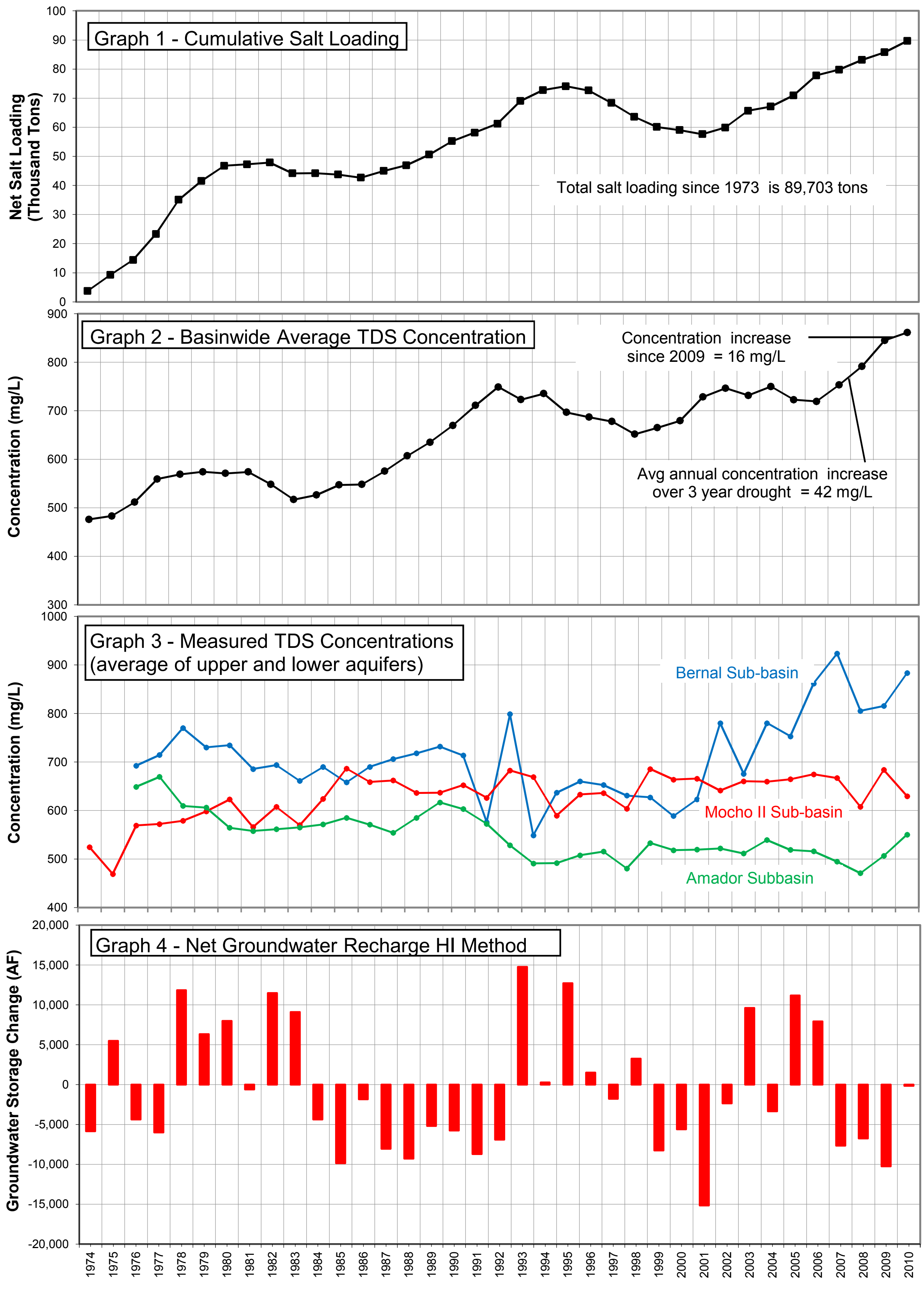


Figure ES-11
Graphs of Salt Loading and Salt Concentrations (1974-2010)



E:\MONITOR\SaltBalance\2010WY\SaltBalaceCalcs2010.xls\Fig1-Graphs

Figure ES-11
06/05/2011

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

ORIGINATING SECTION: ADMINISTRATION
CONTACT: John Yue/Tom Hughes/Mike Wallace

AGENDA DATE: June 15, 2011 **ITEM NO. 14g**

SUBJECT: A Report on Zone 7's Retirement Plan and Other Post-Employment Benefits

SUMMARY:

- Zone 7 employees participate in the Alameda County Employees' Retirement Association (ACERA) retirement plan.
- As of December 31, 2008, ACERA's unfunded actuarial accrued liability was $0.9 billion with a funded ratio of 83.9% as compared to CalPERS' 60.0% for its public agency members.
- Zone 7's Annual Required Contribution for Fiscal Year Ending June 30, 2010 was $2.8 million and 100% paid.
- ACERA's Other Post-Employment Benefits are not guaranteed and funded by the Supplemental Retirement Benefits Reserve (SRBR). The liability for these benefits is capped at the amount of SRBR assets, and the unfunded liability for these benefits is, by definition, zero.
- ACERA benefits are generally more modest when compared to those from other local water and wastewater agencies.

RECOMMENDED ACTION:

Information only.

ATTACHMENT:

Memo providing additional background.

INTEROFFICE MEMO

Date: June 15, 2011

To: Jill Duerig, General Manager

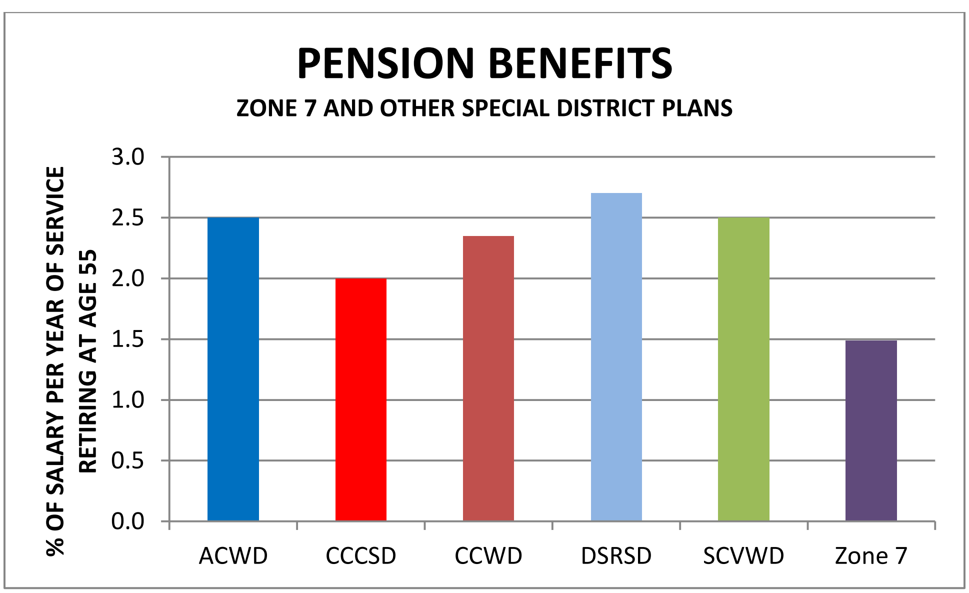
From: John Yue/Tom Hughes/Mike Wallace

Subject: Report on Zone 7's Retirement Plan and Other Post-Employment Benefits

Zone 7 participates in the Alameda County Employees' Retirement Association (ACERA) as a part of the County of Alameda. All Zone 7 employees are members of ACERA. There are two types of ACERA memberships, Safety and General. Zone 7 employees are General members. Within each type of membership, there are multiple tiers. Tier 1 applies to those members with "entry date" (date of hiring) prior to July 1, 1983. Tier 2 applies to members with entry date on or after July 1, 1983. ACERA also has a Tier 3 that applies to the Livermore Area Regional Park District, and Alameda County Safety members hired after July 1, 2010 have a third tier. Over 95% of Zone 7's employees are Tier 2 members.

DEFINED BENEFITS

ACERA is a "defined benefit pension plan" in which members receive a guaranteed, life-time benefit at retirement. The amount of pension benefits is calculated by a set formula based on the employee's member type, age, years of service and salary. For example, a Tier 2 General member, retiring at age 55 after 10 years of service and a three-year average salary of $100,000 will have approximate annual pension benefits of 1.49% X 10 years X $100,000, or $14,900 annually. Another member retiring at 62 after 10 years of service with the same average salary will have annual pension benefits of 2.09% X 10 years X $100,000, or $20,900. A survey entitled Retirement System Contribution Rate was prepared January, 2011 by East Bay Municipal Utility District and is attached as Exhibit A. Following is a graph indicating a Zone 7 General member under ACERA's plan, with Tier 2 pension benefits if retiring at age 55, along with similar information from other local agencies' benefits gathered from an informal survey (please note that the benefits offered under different public agency pension plans vary with many nuances and therefore difficult to compare on a fully-equivalent basis):



Returns from investments of the pension fund, employee contributions and employer contributions fund ACERA's pension benefits. As the amount an employee contributes (varies from 6.2% to 14.8 % of employee's salary, are based on the member's age at the date of entry (date of hire), and the actuarially calculated benefit level) is limited by law, any funding shortfall is made up for by employer contributions.

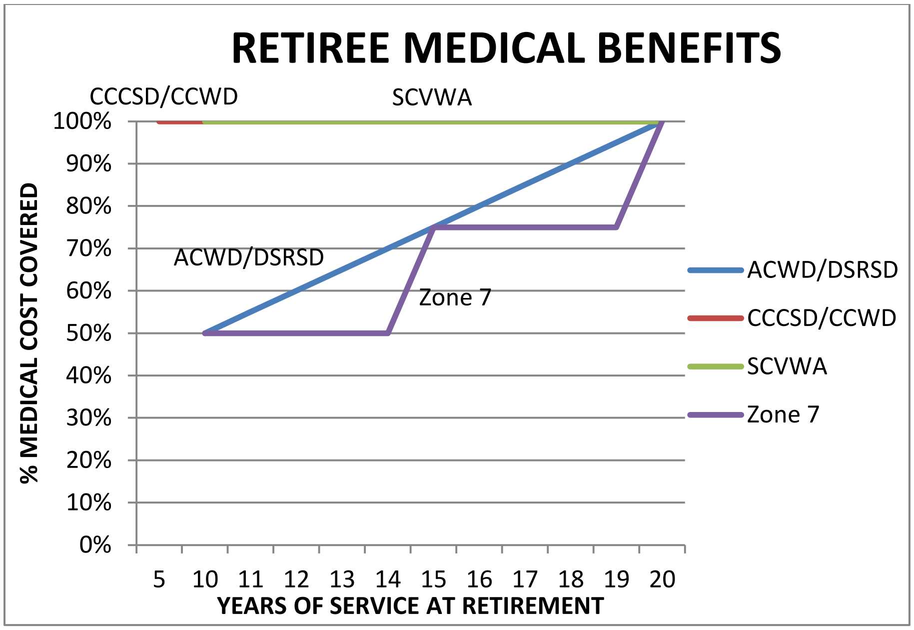
Annually, ACERA evaluates the actuarial funding status from a long-term, on-going plan perspective to determine the progress made in accumulating sufficient assets to pay for benefits when due. The evaluation is performed under its Board adopted asset smoothing method of recognizing the difference between the actual and expected market return over 5 years. As of December 31, 2008 (the latest available actuarial valuation), the overall pension plan's actuarial accrued liability was $5.5 billion. The actuarial value of assets was $4.6 billion. The unfunded actuarial accrued liability was $0.9 billion. The funded ratio was 83.9%. This compares to CalPERS' funded ratio for public agency plans of 60.0% as of June 30, 2009[1]. As part of the annual evaluation, the employer's Annual Required Contribution (ARC) amount is determined. Zone 7's ARC, as indicated under Note 6 – Retirement Plan on page 33 of the Alameda County Flood Control and Water Conservation District – Zone 7 Basic Financial Statements for Fiscal Year Ending June 30, 2010 received by the Zone 7 Board at the December 2010 regular meeting, was $2.8 million and 100% was paid.

OTHER POST-RETIREMENT EMPLOYEE BENEFITS

ACERA also provides non-vested (not guaranteed and subject to modifications and eliminations by the ACERA Board) benefits. Currently, these non-vested benefits include a monthly medical allowance, dental and vision subsidy, Medicare Part B Reimbursement Plan, an Implicit subsidy (cost differential for medical coverage between an active member and a retiree), death benefits, and supplemental COLA. Exhibit B illustrates the costs in 2010 of the non-vested benefits.

The largest cost components of these non-vested benefits are the medical, dental and vision benefits which are generally referred to as Other Post-Retirement Employee Benefits (OPEB). The remainder of non-vested benefits are referred to as non-OPEB benefits. The OPEB benefits are in the form of a monthly medical allowance subsidy that is subject to annual reauthorization by the ACERA Board of Retirement. The actual amount of subsidy for each retiree depends on the retiree's number of years of service, ranging from 50% for retirees with 10+ years of service to 100% for those with 20+ years of service. Following is a graph indicating a Zone 7 member under ACERA's current medical benefits, along with similar information from other local agencies' benefits gathered from an informal survey:

[1] CalPERS FACTS AT A GLANCE: GENERAL, May 2011. Published by the Office of Public Affairs, California Public Employees' Retirement System.



ACERA's OPEB and other non-OPEB benefits are funded by the Supplemental Retirees Benefits Reserve (SRBS). The SRBR was established through one-time contributions from employers in 1983 when the California Legislature added Article 5.5 to the County Employees Retirement Law of 1937 under which ACERA operates. As described in Note 7 – Post Employment Benefits Other Than Retirement, on page 34 of the Alameda County Flood Control and Water Conservation District – Zone 7 Basic Financial Statements for Fiscal Year Ending June 30, 2010, the SRBR is a funded trust that receives 50% of the investment earnings that are in excess of the target investment return of the ACERA pension fund. Zone 7 funds the premiums for current employees during active employment while ACERA funds the premiums for retirees.

As the underlying cost for non-Medicare eligible retirees is higher than the blended average of actives and non-Medicare eligible retirees, there is an implicit subsidy inherent in the cost allocation process. GASB 45 requires employers using a blended rate for active and non-Medicare eligible retirees to recognize the implicit subsidy liability.

The SRBR is used to fund both OPEB and non-OPEB benefits for eligible retirees, including retirees from the County and other employers who contribute to the ACERA pension fund, including Zone 7. Accordingly, Zone 7 believes it has already accounted for the payments to be made from the SRBR indirectly through its pension contributions and therefore Zone 7's only GASB 45 liability is for the implicit subsidy. Furthermore, as the Board of Retirement cannot make payments to retirees after the SRBR is exhausted, the liability for these benefits is capped at the amount of SRBR assets, therefore, the unfunded liability for these benefits is, by definition, zero.

The funding of both OPEB and non-OPEB benefits is limited to investment earnings to a special reserve allocated in accordance with the statute. The Board of Retirement has no authority to demand funding from employers or member participants to fund these benefits. If these reserves were depleted, benefits provided by the program will cease. Under the current actuarial assumptions it is anticipated that the reserves will be sufficient to fund the program though the year 2025 based on the 12/31/2006 valuation. Because of the limitations on the Board of Retirement's ability to provide these benefits, this program is considered to be 100% funded through 2025.

In response to popular comments that public pensioners draw excessively large benefit checks, the Retired Employees of Alameda County (REAC – a group comprising of all Alameda County retirees), reported that as of April 2009, there were 7,183 members comprising of both retirees and surviving beneficiaries receiving pension benefits. This includes all General and Safety members, both Tier 1 and Tier 2, and disability retirees. The average monthly benefit paid to these retirees and beneficiaries is $2,632, or annually $31,584[2]. Note that the $100,000 Club published on the internet (see http://database.californiapensionreform.com/) pertains to CalPERS rather than ACERA; many individuals listed as County retirees actually worked for Alameda County Water District (it was impossible to verify the identity of all).

This report attempts to summarize in brief the complex individualized benefits that are offered under the ACERA retirement plan. It should be noted that because of the complexities, detailed information on the particulars of the ACERA plan are available at the following websites:

http://www.acera.org/downloads/publications/Handbook%2008.pdf
http://www.acera.org/downloads/publications/Participating%20Employers%20Handbook%202009.pdf
http://www.acera.org/downloads/publications/2009%20final%20CAFR.pdf

[2] REAC News, Volume 30, Number 7, July 2009. The Official Monthly Publication of the Retired Employees of Alameda County, Inc.

EXHIBIT A

Retirement System Contribution Rate Survey
Miscellaneous Employees (non-safety)

6/9/2011

Agency	Membership	Retirement % w/o penalty	Retirement Age w/o penalty	Final Average Salary Period	Employee Contribution %	Early/Delayed Retirement Provisions
Water and Wastewater Agencies						
Alameda County Water District	CALPERS	2.50%	55	3	8.0%	Early retirement at age 50. Percentage (2.5%) decreases 0.1% per year for every year less than age 55 down to 2% @50.
BAWSCA	CALPERS	2.00%	55	1	7.0%	Early retirement at age 50. Percentage (2.0%) decreases 6% per year for every year less than age 55 down to 1.092%.
Central Contra Costa Sanitary District	Contra Costa County Employees Retirement System	2.00%	55	3	3.88%	Early retirement at age 50. Percentage (2.0%) decreases 6% per year for every year less than age 55 down to 1.097%. Percentage increases each year by 6% for retirement after age 55 to a maximum of 2.418%.
Contra Costa Water District	Contra Costa Water District Retirement Plan	2.35%	55	1	6.98%	Early retirement at age 55. Percentage (2.35%) decreases per year for every year of age less than age 55 to a minimum of 1.676% at age 50. Percentage multiplier increases for every year of age greater than 55 to a maximum of 2.658% at age 60.
Dublin/San Ramon Services District	CALPERS	2.70%	55	3	10.0%	Early retirement at age 50. Percentage (2.7%) decreases by .14% per year for every year less than age 55 down to 2%.
East Bay Municipal Utility District	EBMUD Employees' Retirement System	2.60%	62	2	6.74%	Early Retirement age 54 but retirement percentage (2.6%) is decreased by 3% per year for every year that is less than age 62 down to a retirement percentage of 1.976%. Reduction based on age and years of service (e.g. no reduction at age 54 with 30 years of service.
Eastern Muni Water District	CALPERS	2.50%	55	3	8.0%	Early retirement at age 50. Percentage (2.5%) decreases 0.1% per year for every year less than age 55 down to 2% @50.
Inland Empire Utilities Agency	CALPERS	2.50%	55	3	8.0%	Same as above
Marin Municipal Water District	CALPERS	2.70%	55	3	5.0%	Early retirement at age 50. Percentage (2.7%) decreases by .14% per year for every year less than age 55 down to 2%.
Metro Water District of Southern Cal	CALPERS	2.00%	55	3	7.0%	Early retirement at age 50. Percentage (2.0%) decreases 6% per year for every year less than age 55 down to 1.092%.
Orange County Sanitation District	Orange Country Employees' Retirement System	2.50%	55	3	7.50%	N/A
Sacramento Municipal Utility District	CALPERS	2.00%	55	3	7.0%	Early retirement at age 50. Percentage (2.0%) decreases 6% per year for every year less than age 55 down to 1.092%.
Santa Clara Valley Water District	CALPERS	2.50%	55	1	8%+2.5% after tax	Early retirement at age 50. Percentage (2.5%) decreases 0.1% per year for every year less than age 55 down to 2% @50.
Union Sanitary District	CALPERS	2.50%	55	3	8.0%	Same as above
Zone 7 Water District	Alameda Country Employees' Retirement System	2.43%	65	3	7.31%	Early retirement at age 50. Percentage (2.4%) decreases each year for every year less than age 65 down to 1.18% at 50.
Water and Wastewater Average		**2.39%**	**56.1**	**3**	**7.17%**	

EXHIBIT A

Retirement System Contribution Rate Survey

Miscellaneous Employees (non-safety)

6/9/2011

Agency	Membership	Retirement % w/o penalty	Retirement Age w/o penalty	Final Average Salary Period	Employee Contribution %	Early/Delayed Retirement Provisions
CalPERS Agencies						
Town of San Anselmo Tier 1	CALPERS	2.70%	55	1	0.0%	Early retirement at age 50. Percentage (2.7%) decreases by .14% per year for every year less than age 55 down to 2%.
Town of San Anselmo Tier 2	CALPERS	2.00%	55	1	0.0%	Early retirement at age 50. Percentage (2.0%) decreases 6% per year for every year less than age 55 down to 1.092%.
Town of Tiburon	CALPERS	2.00%	55	1	7.0%	Same as above
City of Mill Valley	CALPERS	2.50%	55	1	6.0%	Early retirement at age 50. Percentage (2.5%) decreases 0.1% per year for every year less than age 55 down to 2% @50.
City of Novato Tier 1	CALPERS	2.00%	55	1	1.0%	Early retirement at age 50. Percentage (2.0%) decreases 6% per year for every year less than age 55 down to 1.092%.
City of Novato Tier 2	CALPERS	2.00%	55	3	1.0%	Same as above
Town of Belvedere	CALPERS	2.00%	55	1	7.0%	Same as above
Town of Ross	CALPERS	2.00%	55	3	0.0%	Same as above
City of Larkspur	CALPERS	2.50%	55	1	7.0%	Early retirement at age 50. Percentage (2.5%) decreases 0.1% per year for every year less than age 55 down to 2% @50.
City of Corte Madera	CALPERS	2.50%	55	1	$80/mo	Same as above
Town of Fairfax Tier 1	CALPERS	2.50%	55	3	0.0%	Same as above
Town of Fairfax Tier 2	CALPERS	2.00%	55	3	0.0%	Early retirement at age 50. Percentage (2.0%) decreases 6% per year for every year less than age 55 down to 1.092%.
City of Sausalito	CALPERS	2.50%	55	1	0.0%	Early retirement at age 50. Percentage (2.5%) decreases 0.1% per year for every year less than age 55 down to 2% @50.
BART	CALPERS	2.00%	55	3	8.0%	Early retirement at age 50. Percentage (2.0%) decreases 6% per year for every year less than age 55 down to 1.092%.
City of Berkeley	CALPERS	2.70%	55	3	8.0%	Early retirement at age 50. Percentage (2.7%) decreases by .14% per year for every year less than age 55 down to 2%.
City of Concord	CALPERS	2.50%	55	3	8.0%	Early retirement at age 50. Percentage (2.5%) decreases 0.1% per year for every year less than age 55 down to 2% @50.
City of Hayward	CALPERS	2.50%	55	3	8.0%	Same as above
City of Oakland	CALPERS	2.70%	55	3	8.0%	Early retirement at age 50. Percentage (2.7%) decreases by .14% per year for every year less than age 55 down to 2%.
City of Pleasanton	CALPERS	2.70%	55	3	8.0%	Same as above
City of Sunnyvale	CALPERS	2.70%	55	3	8.0%	Same as above
East Bay Regional Park District	CALPERS	2.50%	55	3	8.0%	Early retirement at age 50. Percentage (2.5%) decreases 0.1% per year for every year less than age 55 down to 2% @50.
Port of Oakland	CALPERS	2.70%	55	3	8.0%	Early retirement at age 50. Percentage (2.7%) decreases by .14% per year for every year less than age 55 down to 2%.

EXHIBIT A

Retirement System Contribution Rate Survey
Miscellaneous Employees (non-safety)

6/9/2011

Agency	Membership	Retirement % w/o penalty	Retirement Age w/o penalty	Final Average Salary Period	Employee Contribution %	Early/Delayed Retirement Provisions
Santa Clara County	CALPERS	2.00%	55	3	7.0%	Early retirement at age 50. Percentage (2.0%) decreases 6% per year for every year less than age 55 down to 1.092%.
Solano County	CALPERS	2.70%	55	3	8.0%	Early retirement at age 50. Percentage (2.7%) decreases by .14% per year for every year less than age 55 down to 2%.
State of California	CALPERS	2.00%	60	3	8.0%	Early retirement at age 50. Percentage (2.0%) decreases 6% per year for every year less than age 55 down to 1.092%.
CalPERS Agencies Average		**2.48%**	**55.4**	**3**	**7.9%**	
Other Retirement Plans (Counties, Cities, Transit, University)						
AC Transit	AC Transit District Retirement Plan	2.50%	55	3	0%	
Alameda County	Alameda Country Retirement System	2.43%	65	3	8.17%	
City and County of San Francisco	San Francisco Employees Retirement System	2.30%	62	2	7.50%	Final Average salary Period = 2 years for new hires after 7/1/10; Retirement % ranges from 1% at age 50 to 2.3% at age 62 or older; Maximum percentage of compensation is 75%
City of San Jose	Federated City Employees Retirement System	2.50%	55	3	10.30%	
Contra Costa County	Contra Costa County Employees' Retirement System	2.00%	55	3	10.54%	
Marin County Tier 1	Marin County Employees' Retirement Association	2.00%	55.5	1		
Marin County Tier 2	MCERA	2.00%	61	3		
Marin County Tier 3	MCERA	2.00%	55	3		
City of San Rafael	MCERA	2.70%	55	1	0.00%	
San Mateo County	San Mateo County Employees' Retirement	2.00%	55.5	3	7.33%	
University of California	University of California Retirement System	2.50%	60	3	2.0%	
Other Retirement Plans Average		**2.27%**	**57.6**	**3**	**5.7%**	
Overall Average All Plans		**2.38%**	**56.4**	**2.7**	**6.9%**	

EXHIBIT B

Non-Vested Benefit	Cost to SRBR in 2010	% of Total Cost to SRBR
Active Death Equity Benefit – State Law provides for a lifetime monthly allowance to be paid to an eligible beneficiary upon the death of an actively-employed, vested ACERA member. This monthly allowance is 60% of the allowance payable to the member had they survived. The Active Death Equity Benefit provides for an increase to this allowance based on the Option 2 retirement allowance (Member Handbook, p.43). It is only payable to an eligible spouse or state-registered domestic partner. It is paid from the SRBR.	$ 828,274	2%
Dental Coverage Subsidy – All ACERA retirees are enrolled in the dental plan and their monthly premiums are 100% paid for by ACERA.	$ 2,802,242	7%
Lump Sum Death Benefit – A lump sum amount paid to a beneficiary upon a retired ACERA member's death. Generally, this amount is $5,000 ($4,250 is funded by the SRBR).	$ 810,675	2%
Medicare Part B Reimbursement Plan – A monthly reimbursement of $96.40 offsetting most or all of the cost of Medicare Part B, for qualified retired members.	$ 3,555,575	9%
Monthly Medical Allowance (MMA) – A medical plan subsidy for retirees enrolled in an ACERA-sponsored medical plan. The amount is based on years of service, not to exceed the amount of the premium cost. For 2011, the MMA monthly maximum subsidies to retirees are, $522.16 for over 20 yrs. service, $391.62 for over 15 yrs. service, and $261.08 for over 10 yrs. service. See the next page for more details.	$ 22,947,709	58%
Supplemental Cost of Living Adjustment – Is paid in addition to any basic COLA in order to bring retirees within 15% of the original purchasing power of their retirement allowance.	$ 2,984,499	8%
Vision Coverage Subsidy – All ACERA retirees are enrolled in the vision plan and their monthly premiums are 100% paid for by ACERA.	$ 424,633	1%
Implicit Subsidy – Retirees not yet eligible for Medicare who enroll in ACERA's medical insurance plans are grouped together in the same insurance company contracts with actively working County employees. The health plans charge more for retirees than for active employees. As a result, the monthly premiums go up for both groups. ACERA pays the difference in these costs to the County. This payment is called the "implicit subsidy." This is a stand alone item that the Board treats differently, so you don't need to rank it.	$ 5,287,767	13%