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, July 15, 2015**

TIME: **5:00 p.m. CLOSED SESSION**

7:00 p.m. OPEN SESSION (time approximate)

LOCATION: **Zone 7 Administration Building**

100 North Canyons Parkway, Livermore, California

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

In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available at the Zone 7 Administrative Building lot. If you are a person with a disability and you need disability-related modifications or accommodations to participate in this meeting, please contact the Acting Zone 7 Board Secretary, Donna Fabian, at (925) 454-5007 or fax (925) 454-5724. Notification 48 hours prior to the meeting will enable Zone 7 to make reasonable arrangements to ensure accessibility to this meeting. {28 CFR 35.102-35, 104 ADA Title II}

AGENDA

1. CLOSED SESSION – OPEN SESSION TO FOLLOW AT APPROXIMATELY 7:00 p.m.

   (a) Government Code Section 549547; Public Employee Performance Evaluation
   Title: General Manager

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

   (c) Conference with Legal Counsel - Potential litigation pursuant to Gov't Code section 54956.9(d) (3): 2 cases

   (d) Conference with Legal Counsel - Existing litigation pursuant to Gov't Code Section 54956.9(d) (1): Alameda County Flood Control and Water Conservation District, Zone 7 v. Pleasanton Gravel Co., Alameda County Case No. HG14724177

   (e) 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.

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. Reorganization of the Board

6. Citizens Forum

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

7. Minutes of the Regular Meeting of June 17, 2015

8. Consent Calendar

    a. Resolution of Support for Director Quigley to Serve on ACWA Region 5 Board
    b. Request by Director Dick Quigley for Authorization to Attend Upcoming CSDA Annual Conference
    c. License Agreement with Dublin Nissan at Line G-1-1 in Dublin
    d. Professional Services Agreement with Raftelis Financial Consultants, Inc. for the Preparation of a Cost of Service Study

9. Staffing Update

    a. Employee of the Month Recognition

10. Committees - Water Policy Roundtable #4 – May 13, 2015 - notes
    Administrative Committee Meeting – July 8, 2015 – notes

11. Reports - Directors

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

12. Items for Future Agenda - Directors

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

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

14. Adjournment

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

    a) Water Policy Roundtable: July 22, 2015, 5:00 p.m., Robert Livermore Community Center, 4444 East Avenue, Livermore, CA
    b) Special Board Meeting (if needed): July 29, 2015, 7:00 p.m.
    c) Regular Board Meeting: August 19, 2015, 7:00 p.m.

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

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

ORIGINATING SECTION: ADMINISTRATION
CONTACT: JILL DUERIG

AGENDA DATE: July 15, 2015 **ITEM NO**: **5**

SUBJECT: Reorganization of the Board

SUMMARY:

- The Board will discuss and select a President and Vice-President to serve for the next year.
- Once the President is selected, s/he immediately assumes the role and may make committee assignments either at this meeting or in the future. A copy of the June 2015 (current) list of committee assignments is attached.

RECOMMENDED ACTION:

Take steps to reorganize the Board, as described above.

Zone 7 Board Committees
June 2015

Administrative Committee - This committee reviews administrative topics, space and major administrative facility needs, as well as ways of achieving improved administrative efficiencies.

Sandy Figuers
Dick Quigley
Angela Ramirez Homes

Liaison Committee - This committee meets to discuss topics of mutual interest to Zone 7, its retail water agencies and/or the cities.

Sarah Palmer
Dick Quigley
Jim McGrail

Finance Committee - This committee reviews budgets, proposed financial plans, proposed rate increases, proposed connection charge increases, project funding and other related topics for the Zone prior to submission to the Board

Sandy Figuers
Sarah Palmer
Angela Ramirez Homes

Water Resources Committee – This committee addresses both water and flood control issues; it has recently focused on integrated use of water resource facilities such as groundwater management, watershed management, multi-benefits of the arroyos and uses for the Chain of Lakes area, as well as Delta improvements and California Water Fix issues and prioritization of water and flood projects.

John Greci
Jim McGrail
Bill Stevens

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

REGULAR MEETING

June 17, 2015

The following were present:

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

Item 1 - Call Meeting to Order

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

Item 2 - Pledge of Allegiance

President Greci led the Pledge of Allegiance.

Item 3 - Citizens Forum

None.

Item 4 - Minutes of the Special Meeting and Regular Meeting of May 20, 2015

A motion to approve the minutes of the Special Meeting was made by Director Palmer and seconded by Director Ramirez Holmes. A motion to approve the minutes of the Regular Meeting was made by Director Stevens and seconded by Director Figuers. Both minutes were approved by a voice vote of 5-2 with Directors McGrail and Quigley abstaining.

Item 5 - Consent Calendar

Director Figuers moved and Director Quigley seconded a motion to approve the following resolutions, which were approved by a roll call vote of 7-0:

Resolution No. 15-66	Authorized the Memorandum of Agreement to participate in the Bay Area Regional Reliability Plan. (Item 5a)
Resolution No. 15-67	Authorized a contract with Bruce Balala Excavating. (Item 5b)
Resolution No. 15-68	Authorized an annual professional services contract with Bluestone Engineering, for as-needed structural engineering support services. (Item 5c)
Resolution No. 15-69	Authorized the Joint Exercise of Powers Agreement for Aquatic Pesticides Permit Monitoring. (Item 5d)
Resolution No. 15-70	Approved the addition of one Water Resources Technician II position. (Item 5e)

Item 6 - Staffing Update

General Manager Jill Duerig announced that the April Employee of the Month was Boni Brewer, Communications Specialist. President Greci commended Ms. Brewer on her work on press releases. Ms. Brewer was present and the board applauded her.

Item 7 - Nutrient Management Plan

Matt Katen, Principal Geologist of the Groundwater Section, presented the revised draft Nutrient Management Plan (NMP). He gave a background on the NMP starting with 2009 when the State Board adopted a new recycled water policy that requires Salt Nutrient Management Plans for groundwater basins in California. He stated that having an adopted NMP is an eligibility requirement for many of the State Water Resources Grants. Mr. Katen said the NMP would be incorporated into Zone 7's Salt Management Plan, which is already in place. He said that during the process of developing the NMP, Zone 7 reached out to several outside agencies and stakeholders to get input. Mr. Katen went through a few slides showing nitrate concentrations in five areas of concern. He showed a new table that was added to the report that shows the percentage of nitrogen loading that comes from each source in the main basin. Mr. Katen said that one of the changes made throughout the NMP was the reference to On-site Wastewater Treatment Systems (OWTS) instead of calling them septic tanks. Mr. Katen went through a few more slides that showed the revisions and edits that were incorporated in the NMP since the draft that was presented to the board in February. Mr. Katen stated that at the Water Resources Committee meeting on June 9, staff were given recommendations from the committee members to accept the revisions and edits that were presented, to approve the schedule for development of technical recommendations, to continue to work with other agencies to implement the NMP, and to bring the NMP to the full Board for consideration.

Director Figuers asked why there is such a disparity between sub-basins on Nitrogen Loading Percentages between the nitrogen source of the main basin recharge for stream and rain, and in the irrigation and fertilizer. Mr. Katen said that those percentages are all relative to the totals in the basin. He said one difference is the amount of acreage irrigated in each of the basins. The quality of water being irrigated is another factor.

Director Quigley asked about the frequency of updating Plans, Goals, Strategies and Implementation. Mr. Katen stated that the updates will be part of the Annual Groundwater Management Plan. Ms. Duerig added that the Water Resources Committee was very clear that if new information arose, staff would not delay boundary adjustments waiting for the annual report.

Director McGrail stated that he was concerned about adopting a resolution requiring special permitting criteria when he was under the assumption Zone 7 would adopt recommendations establishing acceptable wastewater loading limits. Ms. Duerig referred to the slide that said 'permit requirement recommendations' and reiterated that Zone 7 is not a permitting agency. Ms. Duerig said that the NMP is for protecting the groundwater basin that Zone 7 manages, and it would be up to the permitting agencies to impose it as part of their permitting requirements. Christine Boschen, Senior Environmental Scientist for the Regional Water Quality Control Board (RWQCB) was present to assist in answering questions. She said that Zone 7 is doing the RWQCB a favor by providing a permitting tool and assistance in locating where the contaminating plumes are. Ms. Boschen stated that the RWQCB are the ones that issue permits for larger systems or by delegation through the local agency management program to Alameda County which issues permits for the smaller systems, but it is the mandate of the RWQCB to issue the permits. She said they look to Zone 7 as the resource agency to provide them with the help and technology recommendations for what would be an appropriate approach for protecting local groundwater. Ms. Boschen said that without the recommendation by Zone 7, they could be in a situation where they are not able to issue a permit at all.

General Counsel David Aladjem referred to page two of the resolution where it says the NMP recommends, stating that 'recommends' is the key word. He continued that Zone 7 makes the recommendation and then it is acted upon by the County and the RWQCB. Mr. Aladjem said that the Board is being asked to adopt the plan saying these are the recommendations the agency is making to the permitting agencies, and not establishing a separate permitting requirement.

Director Ramirez Holmes stated that Zone 7 is actually part of the permit process because Zone 7 signs off on septic tanks prior to a permit being issued. Mr. Aladjem stated that yes, Zone 7 is part of the permitting process, but what the resolution is stating is here are some of the standards Zone 7 thinks are appropriate, and the RWQCB and the County can then go through their permitting process. Zone 7 has input, but Zone 7 is not a permitting agency.

Director Ramirez Holmes said that she is concerned about the part that was omitted from the NMP that said if there was a failed system and there were no changes on the property, the homeowner would be able to put in the same system, as opposed to upgrading to the expensive system. Ms. Duerig said the County said that when there is a failed system and the County issues a permit, it is just like any other building permit, that it has to be brought up to code. Director Ramirez Holmes said she was concerned that the last notice sent to the affected homeowners was in March and that they didn't receive a notice that the Board was planning to adopt the NMP at tonight's meeting. She also had a concern about data methodology obtained in the Mines Road area from just one well whereby the data collected provides requirements for a large area. Mr. Katen said that some of the items staff has considered is a loading map showing parcel boundaries with a higher density than average of septic tanks in that area which is why they termed it "Areas of Concern." Ms. Duerig added that due to the adoption of the budget, it allowed Zone 7 to bring in two interns this summer to assist the Groundwater Section, and at least one of them will be concentrating on getting more data in those areas. Ms. Ramirez Holmes said she is concerned about recommending stringent requirements when there is still data to be collected. She also asked if Zone 7 had to include everything that was in the plan in order to adopt the plan. Ms. Duerig said that if the RWQCB won't endorse the plan, then it wouldn't count as a Nutrient Management Plan the State would recognize, which is why staff worked so hard with the RWQCB and the County to come up with a plan that all parties are comfortable with. She said if items are pulled out, she isn't sure the RWQCB would support it. Ms. Boschen agreed with Ms. Duerig and advised that with the technical information and guidance received from Zone 7 staff, they will most likely implement their end of it. Director Ramirez Holmes then asked about the inclusion of the Happy Valley area of Pleasanton as an area of concern. She is concerned that the residents weren't properly notified and didn't have an opportunity to comment. Ms. Duerig stated that Happy Valley has always been one of the 10 areas of concern and because Happy Valley currently has a moratorium on any new septic tanks, it is considered low priority. Mr. Aladjem said that anyone who has been interested in the NMP process has been informed to sign up for Zone 7's electronic newsletter, which is more than ample notice under the Brown Act. Director Ramirez Holmes wanted to clarify that while she appreciates Zone 7 making the legally required notification, she is concerned about the economic impact, and wanted to go over and above the legal requirements for notification.

President Greci stated that Ron McNicoll of The Independent newspaper was in the audience, and he will be writing an article on the NMP. He stated that The Independent is another source for people who don't have computers and don't look at email.

Director Stevens commented that Zone 7 will not receive any grants unless the NMP is adopted and in place. Director Quigley agreed with Director Stevens. He also said that staff have given plenty of notice on the NMP. Director Quigley's concern is pulling samples once a year when there are variances in seasons and precipitations. Mr. Katen said that hydrologic conditions change and they would have some bearing on dilution or non-dilution of the contaminant, and there can also be changes in the loading. He said that in the Buena Vista area, there are multiple wells and there have been many years of sampling, and the contaminants are consistently high and always above 45 mg.

Director Figuers asked if a homeowner has a septic system that fails, what are they required to do in terms of studies to replace their well. Mr. Katen said that most likely they would have to replace their system with a nitrate-reducing system if they are in an Area of Concern. Ms. Boschen said that they will have to go to Alameda County for their permit. Director Figuers asked what it would cost the homeowner. Director Ramirez Holmes said that it would cost double what a regular system costs, but what is additional about the new plan is that there will be an annual maintenance fee and a permit requirement. Ms. Duerig stated that the initial installation is where it is most costly which is why the Water Resources Committee came up with the idea of the mini grant to help bridge that gap. Director Ramirez Holmes asked if the board adopted the NMP and a system fails next week, will the homeowner fall under the recommendation that was passed. Ms. Boschen stated that it would come under the current County ordinance. Ms. Duerig said it depends on how the County implements the plan. She said the County might not include these recommendations into a new ordinance until they adopt their LAMP, which probably is at least a year away.

President Greci commented that staff needs to understand what is meant by a failed system. He said that as systems get old, grease plugs the leach lines and sometimes all they need is to replace the leach line and it is a simple fix and shouldn't have to meet the requirements. Furthermore, he said that if they are not in an area of concern, they can go with a conventional system. He added that if a resident in a non-concern area is going to add more bedrooms to their house, they could get a conventional permit if their current system is working. Ms. Duerig said that this is in the County ordinance and not something Zone 7 gets involved in.

President Greci asked for public comment. Dan McIntyre, Dublin San Ramon Services District, said that this is an important plan and the district supports adoption.

Since there was no further comment, Director Quigley moved to approve the plan and Director Palmer seconded. The Nutrient Management Plan was approved by a voice vote of 7-0.

Resolution No. 15-71 Adopted the Nutrient Management Plan as an addendum to the existing Groundwater Management Plan. (Item 7)

Item 8 - Solid Waste Disposal Contract with Altamont Landfill and Resource Recovery Facility

Mr. Arends introduced the agenda item regarding the annual contract for landfill services that goes out for proposals every three years. Staff are recommending Altamont Landfill and Resource Recovery Facility, as they quoted the lowest rates. Director Quigley commented that a delta fix for conveyance could significantly reduce Zone 7's sludge piles and the expense of landfill disposal. He also said it would improve water quality coming into the system.

The motion to approve the contract was made by Director Ramirez Holmes, seconded by Director Quigley, and passed by the Board by a roll call vote of 7-0.

Resolution No. 15-72 Authorized a new contract with Altamont Landfill and Resource Recovery Facility for landfill disposal services. (Item 8)

Item 9 - Committee Reports - Administrative Committee Meeting - June 4, 2015 - notes
Water Resources committee Meeting - June 9, 2015 - notes

Director Ramirez Holmes asked for clarification that Zone 7 is giving BBID water this year. Ms. Duerig stated that Zone 7 might be giving up to 3,000 acre-feet of water this year and BBID has agreed to pay Zone 7 back at 1.5 to 1 over the next three years if the transfer is approved. Director Palmer said it is a nice investment on our part and President Greci said it is a good move. Director Stevens said he feels guilty for Zone 7 to profit off BBID because they have been so good to Zone 7 in the past. Ms. Duerig stated that it is not a done deal and approvals are still needed.

Item 10 - Reports - Directors

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

Director Palmer described an article from the August 21, 1950, edition of Life magazine titled, "The West is Outgrowing its Meager Rainfall."

Director Quigley provided an overview of California's water policy from the Public Policy Institute of California. He also attended a webinar on June 16th for ACWA region Chairs and Vice-Chairs.

Item 11 - Items for Future Agendas - Directors

Director Ramirez Holmes asked if the board should discuss the recycled water use that residential users are putting into the ground and was wondering if people are given guidelines or is Zone 7 able to track or include that data in the NMP. Ms. Duerig stated that Zone 7 is not tracking it but the two wastewater agencies who are conducting the recycled water programs are. She said that the City of Livermore issues permits to be able to haul the water so they might know where the water is going. However, she added that the relative amount hauled as part of this program is extremely small and therefore unlikely to have any groundwater impact.

Item 12 - Staff Reports

a. General Manager's Report
b. Monthly Budget Report
c. Legislative Update
d. Outreach Activities
e. Drought Update
f. Capital Projects Status Report
g. Update Related to the Bay Delta Conservation Plan
h. Update on Zone 7 Vehicle Fleet and GPS
i. Ground Movement Study - Livermore Valley
j. Verbal Reports

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

Item 13 - Closed Session

(a) Government Code Section 549547; Public Employee Performance Evaluation
Title: General Manager

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

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

(d) Conference with Legal Counsel - Existing litigation pursuant to Gov't Code Section 54956.9(d) (1):
Alameda County Flood Control and Water Conservation District, Zone 7 v. Pleasanton Gravel Co., Alameda County Case No. HG14724177

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

Item 14 - Open Session and Report Out of Closed Session

The Board came out of Closed Session at 9:00 p.m. and President Greci reported that there were no reportable actions taken in Closed Session.

Item 15 - Adjournment

The meeting was adjourned at 9:02 p.m.

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

ORIGINATING SECTION: ADMINISTRATION
CONTACT: JILL DUERIG

AGENDA DATE: July 15, 2015 **ITEM NO**. **8a**

SUBJECT: RESOLUTION OF SUPPORT FOR DIRECTOR QUIGLEY TO SERVE ON ACWA REGION 5 BOARD

SUMMARY:

Director Dick Quigley began serving on the board of ACWA's Region 5 in 2008, originally as a board member and then as its Vice-Chairman and, most recently, as its Chair. His current term as Chairman ends at the end of Calendar Year 2015. Director Quigley has expressed an interest in continuing to serve on ACWA's Region 5 Board beyond his current term. Director Quigley has also expressed an interest in running for the position of either Chair or Vice-Chair of the Region 5 Board for the 2014-15 term.

ACWA's Bylaws and Policies require that a nomination to serve on a region's board be accompanied by a Resolution of Support from the member agency's governing board which the individual represents.

FINANCIAL:

Funds are available from Fund 100-Water Enterprise.

RECOMMEND ACTION:

Adopt attached Resolution of Support.

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

RESOLUTION NO

INTRODUCED BY
SECONDED BY

Resolution of Support

WHEREAS, Director Dick Quigley has been serving on the Board of ACWA's Region 5 since 2008; and

WHEREAS, Director Quigley's current two-year term as the Region 5 Chair expires at the end of this calendar year; and

WHEREAS, Director Quigley has expressed an interest in continuing to serve on the ACWA Region 5 Board;

NOW, THEREFORE, BE IT RESOLVED, that Zone 7 supports Director Quigley's candidacy for a fourth two-year term on ACWA's Region 5 Board, supports his application to serve as either chair or vice-chair of that board and, if his application is accepted, be it further resolved that Director Quigley is hereby authorized to attend additional ACWA 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 the Alameda County Flood Control and Water Conservation District on July 15, 2015.

By:____
President, Board of Directors

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

ORIGINATING SECTION: ADMINISTRATION
CONTACT: JILL DUERIG

AGENDA DATE: July 15, 2015 **ITEM NO. 8b**

SUBJECT: REQUEST BY DIRECTOR DICK QUIGLEY FOR AUTHORIZATION TO ATTEND UPCOMING CSDA ANNUAL CONFERENCE

SUMMARY:

Director Dick Quigley has expressed an interest in attending the California Special Districts Association (CSDA) Annual Conference & Exhibitor Showcase to be held September 21 through 24, 2015, in Monterey, California. See http://conference.csda.net/#speakers. The CSDA Annual Conference is an educational opportunity designed to provide members with information and to speak to trends in special district management and operations. The Conference also serves as a platform for continuing education and training for directors/trustees, general and assistant managers, financial managers, supervisors, and special district staff members. Reasons for attending the CSDA Annual Conference include: learning and networking opportunities, as well as interaction with industry experts. The annual conferences also allow time to discuss a variety of case studies with special districts that have found resolutions to challenges and created opportunities in the face of adversity. The annual conference also allows participation in training workshops that teach and equip members with the skills to better lead and govern Special Districts.

Zone 7's current board policy is to allow directors to attend one ACWA conference per year without seeking approval from the Board for reimbursement of travel and registration expenses. If directors wish to attend additional conferences, Board authorization must be obtained.

FINANCIAL:

Registration for the annual CSDA conference is $600 plus miscellaneous expenses associated with attendance, i.e., mileage, parking, accommodations and meals, with a total cost for attendance estimated at $1,500. Funds are available from Fund 100-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

Authorization for Director Quigley to Attend the Annual CSDA Conference

WHEREAS, Director Dick Quigley has expressed an interest in attending the California Special District Association (CSDA)'s Annual Conference & Exhibitor Showcase to be held September 21 through 24, 2015, in Monterey, California;

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

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

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on July 15, 2015.

By: ________________________________

President, Board of Directors

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

ORIGINATING SECTION: FLOOD CONTROL
CONTACT: JEFF TANG/JOE SETO

AGENDA DATE: July 15, 2015 **ITEM NO**. **8c**

SUBJECT: License Agreement with Dublin Nissan at Line G-1-1 in Dublin

SUMMARY:
- Zone 7 owns and maintains Line G-1-1, a flood control facility located in Dublin.
- Dublin Nissan, a private corporation, conducts business as a car dealership, located adjacent to Line G-1-1.
- Dublin Nissan would like to utilize an unused portion of Zone 7's Line G-1-1 right-of-way for the purpose of displaying a commercial sign and utilizing the right-of-way to park and display vehicles for sale, as had previously been utilized by Dublin Toyota in the past.
- Zone 7 is open to allowing Dublin Nissan utilize the unused portion of Line G-1-1 right-of-way thru a License Agreement with Zone 7, as this would not have any negative impact to Zone 7 O&M activities.
- An appraisal of the portion of Line G-1-1 was prepared to determine the lease value which resulted in a recommended lease value of $4,560 for the first year.
- Staff has drafted a License Agreement for a five-year term with the ability to renew up to three (3) additional five year terms.
- Staff recommends that the Board authorize the General Manager to negotiate and execute a License Agreement between Dublin Nissan and Zone 7.

FUNDING:
Dublin Nissan will pay a license fee of $4,560 for the first year of the initial 5-year term. For each additional year during the term, the license fee will be increased 3%. Zone 7 will retain the right to reevaluate the fee for each term of the Agreement. Fees collected will be deposited to Fund – 200 Flood Control Operations.

RECOMMENDED ACTION:
Adopt attached resolution authorizing the General Manager to negotiate and execute a License Agreement with Dublin Nissan.

ATTACHMENTS:
- Resolution
- Draft License Agreement
- Exhibit A - Map

INTEROFFICE MEMO

Date: July 15, 2015
To: Jill Duerig, General Manager
From: Jeff Tang, Associate Civil Engineer
Subject: License Agreement with Dublin Nissan at Line G-1-1 in Dublin

This memo provides background and discussion on the License Agreement with Dublin Nissan in Dublin, for use of a portion of Line G-1-1.

BACKGROUND:

Zone 7 owns and maintains Line G-1-1, a flood control facility located in Dublin. Dublin Nissan, a private corporation, conducts business as a car dealership, on a site located adjacent to Line G-1-1.
Dublin Nissan would like to utilize an unused portion of Zone 7's Line G-1-1 right-of-way for the purpose of displaying a commercial sign and utilizing a portion of the right-of-way to park and display vehicles for sale. A similar License Agreement with Dublin Toyota had previously been in place at the site prior to the dealership relocating.

DISCUSSION:

Before a new License Agreement was developed, it was agreed that a formal appraisal was needed to ensure that the License Fee would be a fair representation of the current lease value. Dublin Nissan provided funding, $7,500 for Zone 7 to utilize its right-of-way consultant, Associated Right-of-Way Services, to perform an appraisal of the property. The appraisal report was received on June 19, 2015 and indicated that the fair market value for a lease was $4,560 per year.

Staff has drafted a License Agreement for leasing an unused portion of Zone 7's Line G-1-1 right-of-way for the purpose of displaying a commercial sign and utilizing the right-of-way to park and display vehicles for sale. The initial term of the License Agreement will be for five (5) years, with three (3) renewable five year terms, equating to a total of up to 20 years. The initial License Fee would be $4,560 for the 1st year, with a 3% annual adjustment for each following year. The fee may also adjust at the beginning of each additional term, based either on a new appraisal, or by applying a 4%, 5%, and 6% increase adjustment at the beginning of each new term, respectively, while applying an annual adjustment of 3% for the following years after the initial adjustment of each subsequent term.

FUNDING:

Dublin Nissan will initially pay a license fee of $4,560 for the first year of the initial term. For each additional year during the term, the license fee will be increased 3%. Zone 7 will reserve the right to reevaluate the fee for the additional three terms of the Agreement. Fees collected will be deposited to Fund – 200 Flood Control Operations.

RECOMMENDATION:

Staff recommends authorizing the General Manager to negotiate and execute a License Agreement with Dublin Nissan for leasing an unused portion of Zone 7's Line G-1-1 right-of-way for the purpose of installing and displaying a commercial sign and to park and display vehicles for sale.

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

RESOLUTION NO

INTRODUCED BY
SECONDED BY

LICENSE AGREEMENT WITH DUBLIN NISSAN

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 five-year License Agreement with Dublin Nissan, a private corporation, for leasing an unused portion of Zone 7's Line G-1-1 right-of-way for the purpose of installing and displaying a commercial sign and to park and display vehicles for sale.

BE IT FURTHER RESOLVED that the General Manager is authorized to negotiate and renew the License Agreement for three additional five-year terms.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

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 July 15, 2015.

By____
President, Board of Directors

LICENSE AGREEMENT BETWEEN
ZONE 7 OF ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICTAND DUBLIN NISSAN

THIS LICENSE AGREEMENT (hereinafter "Agreement") made and entered into this day of ___ and _____________, 2015, by and between Zone 7 of the Alameda County Flood Control and Water Conservation District (hereinafter "Licensor"), and DUBLIN NISSAN (hereinafter "Licensee").

<u>RECITALS</u>

WHEREAS, Licensor owns certain real property in connection with Line G-1-1, located within the City of Dublin, which is necessary for the construction, operation, and/or maintenance of flood control, water conservation or related projects ("Municipal Purposes") ; and

WHEREAS, it is to the Licensor's benefit that said real property be occupied so far as possible, by compatible uses, if said uses do not interfere with Licensor's use of the said property for public purposes; and

WHEREAS, it is not necessary for Licensor to use immediately that certain real property described as follows:

> ALL THAT REAL PROPERTY situated in the City of Dublin, County of Alameda, State of California, described as follows: that portion of APN 941-1400-6-2 located on the south side of Dublin Court at Dublin Boulevard and east of Line G-1-1 fence-line, more particularly shown outlined on Exhibit "A" attached hereto and made a part hereof (hereinafter "Site"); and

WHEREAS, Licensee desires to utilize Site for commercial purposes, subject to Licensor's superior rights of possession; and

WHEREAS, Licensor is agreeable to such use by Licensee on Site and hereby grants a non-exclusive license for said use upon the following terms and conditions.

NOW, THEREFORE, BE IT MUTUALLY AGREED, that for and in consideration of the mutual covenants herein set forth and the mutual benefits to be derived by the parties hereto, Licensor hereby confers to Licensee, a non-exclusive and non-possessory license to enter upon and use Site owned by Licensor, as shown in Exhibit A attached hereto, for the purposes and subject to the terms, conditions and restrictions set forth below.

1. **PERMITTED USE:**
    a. Subject to the TERMS OF AGREEMENT and limited solely to the following activities, Licensee may enter and use Site for parking of motor vehicles for display and sale and incidental uses thereto, including placing and maintaining an advertising sign with appurtenant electrical connections, advertising Licensee's business only.
    b. Licensee shall make no alterations to the Site during the License Term without the express knowledge and written consent of Licensor.
    c. Licensee shall not create nor suffer to be created any lien or other encumbrance against said Property in connection with Licensee's rights or obligations under this Agreement, and if any such lien should be created, Licensee shall immediately discharge the same or provide Licensor with other assurance satisfactory to Licensor that the claim of lien will be paid or discharged and hold Licensor free and harmless therefrom.

2. **LICENSE FEE:**
    a. For the rights granted under this Agreement, Licensee, shall pay Licensor for the use of said Site, a License Fee of $4,560 for the initial license period of August 1, 2015, to July 31, 2016. Fee shall be paid immediately by Licensee and submitted along with the signed and dated Agreement (hereinafter "Commencement Date"), to Licensor, at the following address:

        Zone 7 Water Agency
        Flood Control Section
        100 North Canyons Parkway
        Livermore, CA 94551

    b. The License Fee for all subsequent years during the initial term of this Agreement shall incur an annual increase of 3%, due and payable on each anniversary of this Agreement.

3. **TERMS OF AGREEMENT:**
    a. The term of this Agreement shall be for five (5) years commencing on the aforestated Commencement Date. Subject to provisions elsewhere in this Agreement, Licensee shall be granted three (3) additional five-year terms upon mutually agreed terms. Licensee shall provide written notice to Licensor of its intent to renew the Agreement for an additional five-year term, ninety (90) days prior to the expiration of the current term of the Agreement.
    b. At least one hundred twenty (120) days prior to expiration of the initial term, and each subsequent term, Licensor or Licensee, shall notify each other of their desire to have the Site re-appraised and adjust the License Fee based on the Site's then current appraised value. The cost to re-appraise the property shall be borne by the party requesting the re-appraisal, utilizing Licensor's contracted appraisal service. Should Licensor or Licensee forego re-appraisal at the end of any five-year term, the License Fee at the beginning of the new term shall be increased based on the following schedule:

i. Term 1, Year 2020 – 4% adjustment of 2019 License Fee
ii. Term 2, Year 2025 – 5% adjustment of 2024 License Fee
iii. Term 3, Year 2030 – 6% adjustment of 2029 License Fee

c. The License Fee shall be annually increased by 3% for all subsequent years after the initial adjustment for additional Terms, unless otherwise negotiated at the beginning of the additional Term.
d. After the beginning of the fifth year of the third additional term, and no later than 180 days prior to expiration of the Agreement, Licensee shall provide written notice to Licensor of its intent to renegotiate Agreement with Licensor. Failure to initiate negotiations prior to 180 days before expiration will result in termination of Agreement pursuant to the terms therein.
e. At any time, either Licensee or Licensor may terminate this Agreement, with or without cause, by providing written notice to the other party. Licensee shall have 90 days from receipt of written termination notice from Licensor, to comply with Section 11 ("Condition of Site upon Termination") below.
f. Licensee's obligations under Section 5 ("Liability for Damages and Indemnification") and Section 10 ("Right of Termination") shall survive the termination of this Agreement.

4. **CONDITIONS:**
a. It is fully understood and agreed that this Agreement does not grant any interest in the subject Site to Licensee, that it is temporary only, non-assignable, non-transferable, and cannot be sub-let or sub-leased by Licensee.
b. Notwithstanding anything to the contrary in this Agreement, Licensee's rights to use the Site hereunder shall be subject and subordinate to Licensor's necessary uses for Municipal Purposes. Licensor retains the right to use the Site in a manner that does not unreasonably interfere with Licensee's activities hereunder.
c. Licensee agrees not to commit or permit the commission of any kind of nuisance on or to the subject Site, and to comply with all Federal, State and local laws, as well as all rules, regulations and management policies now or hereafter established by the Licensor. Licensee shall repair any damage it may cause to Licensor's real or personal property in or about the Site including but not limited to Licensor's access roads, fences, gates or embankments
d. Licensor agrees that its agents or employees shall not enter upon the Site except under emergency circumstances or at reasonable hours to inspect, make repairs or conduct lawful business. Licensee shall not obstruct Licensor's access to the gate from Dublin boulevard/Dublin Court for maintenance access to the adjacent Flood Control channel. In addition, if Licensor requires the Site for maintenance, repair or improving the adjacent flood control channel, Licensee shall move all vehicles off the Site upon 48-hours' notice. Upon the completion of the aforesaid work, Licensor shall so notify Licensee who can then reoccupy and continue the use of the Site during the remaining term of this Agreement or any extension thereof.
e. No structures of a permanent nature shall be constructed or placed upon the Site. Licensee shall not make or suffer any alteration to be made in or on the Site without

the written consent of the Licensor, except for the installation of light standards, bollards and the aforementioned sign to advertise Licensee's business. Said sign shall meet all requirements of the City of Dublin Zoning Ordinances. Upon expiration or termination of this Agreement or any extension thereof, Licensee shall be responsible for restoring Site to its condition prior to Licensee's occupancy, or other condition acceptable to Licensor. If the improvements are not removed, the improvements shall become the property of the Licensor to dispose of as it sees fit and Licensee shall be responsible to reimburse any and all costs Licensor incurs in removing said improvements. Any hazardous material contamination resulting from Licensee's use of the site shall be completely removed as soon as feasible at the sole expense of the Licensee.

5. **LIABILITY FOR DAMAGES AND INDEMNIFICATION:** Licensee shall indemnify, defend, reimburse and hold harmless Licensor, its officers, agents and employees (collectively, "Indeminitees") from and against any and all demands, claims, legal or administrative proceedings, losses, costs, penalties, fines, liens, judgments, damages and liabilities of any kind (collectively, "Liabilities"), arising in any manner out of:

    a. Any injury to or death of any person or damage to or destruction of any property occurring in, on or about the Site, or any part thereof, whether the person or property of Licensee, its officers, agents, employees, contractors and subcontractors (collectively, "Agents"), its invitees, guests or business visitors or third persons (collectively, "Invitees"), relating in any manner to any use or activity under this License and modifications thereto;
    b. Any failure by Licensee to faithfully observe or perform any of the terms, covenants or conditions of this License;
    c. The use and occupancy of the Site or any activities conducted thereon by Licensee, its Agents or Invitees. The foregoing indemnity shall include, without limitation, reasonable attorneys' and consultants' fees, investigation and remediation costs and all other reasonable costs and expenses incurred by the Indemnitees. Licensee shall have an immediate and independent obligation to defend Licensor from any claim which actually or potentially falls within this indemnity provision, even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Licensee by Licensor and continues at all times thereafter. Licensee's obligations under this Condition shall survive the expiration or termination of Agreement and modifications thereto.
    d. Licensee shall defend, indemnify and hold Licensor harmless from any liability, including personal injury to any person and damage to the Site resulting solely from Licensee, its Agents or Invitee's use and occupancy of said Site under this Agreement. This indemnity shall not apply to any claim arising from a pre-existing condition on the Site or to the extent caused by Licensor's negligence or willful misconduct. The agreement to indemnify Licensor shall continue in full force for a period of 60 days after the end of the TERMS OF AGREEMENT as herein provided.

e. With respect to third-party claims against the Licensee, the Licensee waives any and all rights to any type of express or implied indemnity against the Licensor, its officers or employees, except as provided above.

6. **POLICY OF INSURANCE:**
   a. Licensee may be self-insured or shall procure and maintain at Licensee's sole expense, for the duration of this Agreement, and shall ensure that its Agents procure and maintain for the duration of entry upon Zone 7's real property, insurance insuring against claims for injuries to persons or damages to property which may arise from or in connection with the construction, maintenance, or repair at Site, the use of Zone 7's property, or the use of the temporary access by Licensee or its Agents, and Invitees.
   b. The policy of insurance or self-insurance coverage maintained by Licensee shall include the equivalent of the following, and the insurance maintained by its Agents shall include the following: (i) Commercial General Liability coverage: $2,000,000 combined single limit per occurrence for injury to or death of one or more persons in an occurrence, and for damage to property (including loss of use), $2,000,000 general aggregate; $2,000,000 products and completed operation aggregate; coverage is to be provided on an "occurrence" basis; (ii) Automobile Liability: $2,000,000 per accident; (iii) Excess Liability coverage: $5,000,000 per occurrence; (iv) Workers' Compensation: $2,000,000 per accident. Insurance shall also contain, or be endorsed to contain, the following provisions: (i) name Licensor and their successors as additional insured without limitations; (ii) shall insure against contingent liabilities, if any, of the Indemnitees;, (iii) provide that the insurance shall be primary, excess, and non-contributing with any other insurance available to Licensor. Licensee's Agents' policies shall provide that coverage shall not be cancelled, except for non-payment of premium, except after thirty (30) days prior written notice to Licensor, and ten (10) days prior written notice for cancellation for non-payment of premium.
   c. Prior to execution of this Agreement, Licensee shall furnish Licensor with certificates of insurance and with original endorsements affecting the coverage required herein; if self-insured, Licensee shall furnish Licensor with letter effectuating the self-insurance requirement. All certificates and endorsements, and, in addition, for Licensee's Agent's, evidence of Worker's Compensation coverage must be received. Licensee agrees that if Licensee does not keep such insurance in full force and effect, Licensor shall have the right to immediately terminate this lease.

7. **COMPLIANCE WITH LAWS; REGULATORY APPROVALS:** Licensee shall, at its sole expense, conduct and cause to be conducted all activities on the in compliance with all laws, regulations, codes, ordinances and orders of any governmental or other regulatory entity, whether presently in effect or subsequently adopted, and whether or not in the contemplation of the parties. Licensee shall, at its sole expense, procure and maintain in force at all times during its use of the Site any and all business and other licenses or approvals necessary to conduct the activities allowed hereunder. Licensee understands and agrees that Licensor is entering into this Agreement in its capacity as a property owner with a proprietary interest in the Site and not as a regulatory agency with police powers. Nothing herein shall limit in any way Licensee's obligation to obtain any required regulatory

approvals from County or City departments, boards or commissions or other governmental regulatory authorities. Licensee agrees to conduct its activities at all times in a safe and prudent manner with full regard to public safety, the environment and to observe all applicable regulations and requests of the Licensor and other government agencies.

8. **AS IS CONDITION OF SITE; DISCLAIMER OF REPRESENTATIONS:** Licensee accepts the Site in its "AS IS" condition, without representation or warranty of any kind by Licensor, its officers, agents or employees, including, without limitation, the suitability or safety of the Site or any facilities on the Site, for Licensee's use. Licensee, at its own expense, shall obtain such permission or other approvals from any third parties with existing rights as may be necessary for Licensee to make use of the Site in the manner contemplated hereby.

9. **UTILITIES:** Licensee shall pay all charges for installation of and monthly charges for gas, electricity, sewer, water, garbage and telephone services if said utilities are required for Licensee's use of the Site.

10. **REPAIRS AND IMPROVEMENTS:** The use of any improvements thereon by Licensee shall, in itself, constitute acknowledgment by Licensee that the improvement and the property upon which it has been constructed are free of defects of any and all kinds; that Licensor has made no warranties or representations in regard thereto. The Licensee shall not require Licensor, nor shall Licensor be obligated, to make any repairs or alterations to said premises during the duration of this agreement. Licensee covenants and agrees, at its sole cost and expense, during the duration of this Agreement, to keep and maintain said real property and any improvements thereon in as good condition and repair as reasonable use will permit. Insofar as Sections 1941 and 1942 of the Civil Code of California pertain to an agreement, Licensee hereby expressly waives the provisions thereof. In the event of partial or complete destruction of the Site by fire, earthquake and/or the elements, Licensor shall have the right to immediately terminate this Agreement without liability therefore.

11. **RIGHT OF TERMINATION:**
    a. Licensor reserves the right to immediately suspend all activities under this Agreement or to cancel or terminate this Agreement upon the happening of any of the following conditions. Upon such cancellation, Licensee shall immediately surrender the Site to Licensor.
        i. The Licensee defaults in the payment of fees/charges or the Licensee is in material breach of any of the other terms, covenants or conditions of this Agreement,
        ii. If any activities or use under this Agreement interfere with or detrimentally affect Licensor's flood control and water management operations or uses, as reasonably determined by the Licensor in its sole discretion.
        iii. The Licensor determines that there is an emergency or lapse of insurance requiring cancellation of the Agreement.
        iv. Appointment of a receiver to take possession of Licensee's assets, Licensee's general assignment for benefit of creditors, or Licensee's insolvency or taking or suffering action under the Bankruptcy Act is a breach of this Agreement.

b. Should Licensor require Licensee to vacate Site, Licensee and Licensor acknowledge and agree that Licensee is not eligible for benefits under the Federal Uniform Relocation Assistance and Land Acquisition Act of 1970, as amended, because Licensee did not occupy the Site on January 1982, the first written offer to purchase by Licensor.
c. Either party hereto shall have the right to terminate this Agreement without stated cause therefore, and without liability therefore, at any time upon giving notice in writing *ninety (90)* days prior to such termination. Such notice, if given to Licensor, shall be directed to the General Manager, or his/her designee, Zone 7 Water Agency, 100 North Canyons Parkway, Livermore, CA 94551. Such notice, if given by the Licensor, shall be directed to the Licensee at 6450 Dublin Court, Dublin CA 94568.
d. Upon termination of this Agreement, Licensor and/or its agents shall have the right, without further demand or notice, to enter or take exclusive possession of the Site. The Licensee hereby waives all notice and demand for possession and agrees that Licensor may immediately enter and remove Licensee and property without legal notice or the institution of any legal proceedings whatever.
e. Licensee covenants that at the termination of this Agreement, Licensee will quit and surrender said subject Site in good state and condition. Licensee is responsible for removing any and all vehicles from Site, as well as any displays and associated electrical appurtenances, and restoring Site to condition prior to Licensee's occupancy.
f. The failure or omission of Licensor to terminate this Agreement for any violation of any of its terms, conditions or covenants, shall in no way bar, stop or prevent Licensor from termination of this Agreement thereafter, either for such violation or for any subsequent violation of any such term, condition or covenant. The acceptance of payments hereunder shall not be, nor shall it be construed to be, a waiver of any breach of any term, covenant or condition of this Agreement.

12. **LICENSOR'S RIGHT TO CURE DEFAULTS BY LICENSEE:** If Licensee defaults in the performance of any of its obligations under this Agreement, Licensor may, at its sole option, remedy such failure for Licensee's account and at Licensee's expense by providing Licensee with three (3) days prior written or oral notice of Licensor's intention to cure such default (except that no such prior notice shall be required in the event of an emergency as determined by Licensor). Such action by Licensor shall not be construed as a waiver of any rights or remedies of Licensor under this Agreement, and nothing herein shall imply any duty of Licensor to do any act that Licensee is obligated to perform. Licensee shall pay to Licensor upon demand, all costs, damages, expenses or liabilities incurred by Licensor, including, without limitation, reasonable attorneys' fees and costs, in remedying or attempting to remedy such default. Licensee's obligations under this Section shall survive the expiration or termination of this Agreement.

13. **HAZARDOUS MATERIALS:** Hazardous materials are those substances listed in California Code of Regulations, Title 22, Section 66261.126, Appendix X, or those which meet the toxicity, reactivity, corrosivity or flammability criteria of Article 11 of the above Code, as well as any other substance which poses a hazard to human health or the environment. Licensee shall not use, create, store or allow any such substances on the Site.

Fuel, oil and other substances normally stored in a motor vehicle for the exclusive use in such vehicle, are the exception. In no case shall Licensee cause or allow the deposit or disposal of any such substance on the Site. However, household products necessary for routine cleaning and maintenance of the property may be temporarily use (but not stored) on the Site in quantities reasonable for current needs. Breach of any of these covenants, terms and conditions shall give Licensor authority to immediately terminate this Agreement. It is the intent of the parties hereto that the Licensee shall be responsible for and bear the entire cost of removal and disposal of hazardous materials or waste introduced to the Site during Licensee's period of use and possession as Licensee of the Site. The Licensee shall also be responsible for any cleanup and decontamination on or off the Site necessitated by such materials or waste. Licensee shall further indemnify, defend and hold the Licensor, and any of its officers and employees, harmless from all responsibility, liability, and claim for damages resulting from the presence or use of hazardous materials on the Site during the Licensee's period of use and possession. This Provision 13 shall survive termination of this Agreement.

14. **NONDISCRIMINATION:**
    a. The Licensee, for himself, his heirs, personal representatives, successors in interest, and assigns as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that the Licensee shall maintain and operate any facilities on the land or services offered thereon in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally assisted programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
    b. That in the event of breach of any of the above nondiscrimination covenants, the Licensor shall have the right, irrespective of Section 3 to terminate the Agreement and to re-enter and repossess said land and the facilities thereon and hold the same as if said Agreement had never been made or issued.

15. **RISK OF LOSS:** Licensee shall be solely responsible for any damage or loss to Licensee's personal property resulting from theft or vandalism or resulting from any other cause. Licensor shall not provide security for Licensee's vehicles, equipment, fixtures or any other tangible property. Licensor shall not be responsible for any loss or damage suffered by Licensee (including direct or indirect loss or damage, or incidental or consequential loss or damage) resulting from any damage to Licensee's property or loss of use thereof suffered in connection with this Agreement.

16. **FIRE INSURANCE:** Licensor will not keep the property insured against fire or any other insurable risk, and Licensee will make no claim of any nature against Licensor by reason of any damage to Licensee's property in the event it is damaged or destroyed by fire or by any other cause.

17. **POSSESSORY INTEREST:** The Licensee's interest may be subject to a possessory interest tax ("TAX") that may be imposed by the County of Alameda. The amount of rent charged

the Licensee may be a factor in determining the cost of this TAX. Payment for such TAX or any other such tax shall be the responsibility of Licensee.

18. **ENCUMBRANCES:** Licensee shall not encumber the Site in any manner whatsoever.

19. **ASSIGNMENT:** The Licensee shall not assign this Agreement without prior written approval of the Licensor.

20. **ASSIGNMENT FOR BENEFIT OF CREDITORS, INSOLVENCY, OR BANKRUPTCY:** Appointment of a receiver to take possession of Licensee's assets, Licensee's general assignment for benefit of creditors, or Licensee's insolvency or taking or suffering action under the Bankruptcy Act is a breach of this Agreement and this Agreement shall terminate.

IN WITNESS WHEREOF, the parties, hereto, thereunto duly authorized have executed this Agreement the day and year first above written.

LICENSEE:
DUBLIN NISSAN

By: ________________________________

Title: ______________________________

Date:___________

Federal Tax ID # ___________________________

Phone: _____________________________________

Fax: _____________________________________

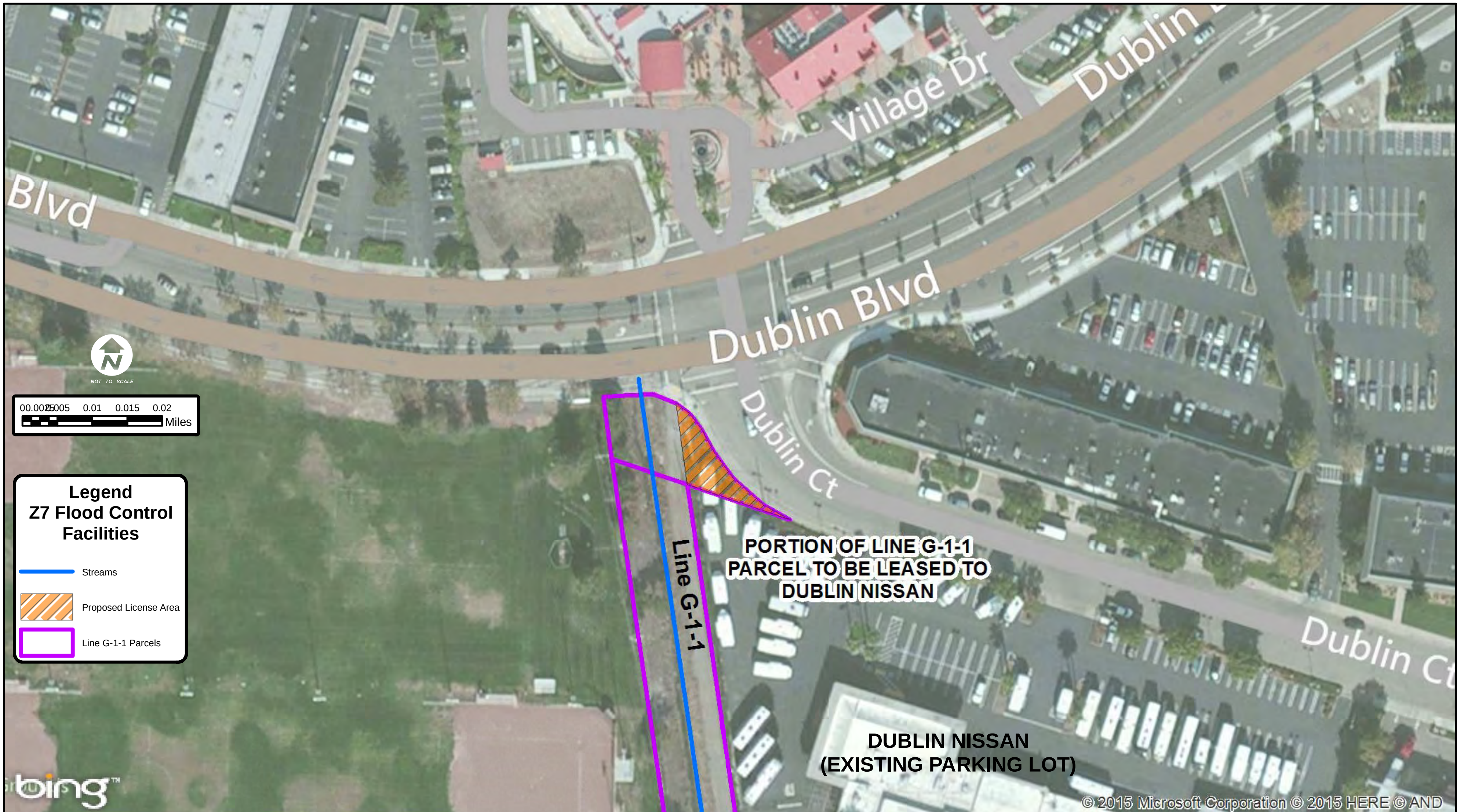
e-mail: _____________________________________

LICENSOR:
Zone 7 Water Agency

By: ___________________
G.F. Duerig

Title: General Manager

Date___________________



ZONE 7 WATER AGENCY 100 North Canyons Parkway Livermore, CA	DRAWN: JT	ZONE 7 LICENSE AGREEMENT WITH DUBLIN NISSAN AT LINE G-1-1 IN DUBLIN	Scale: Not to Scale
	REVIEWED:		Date: 6/30/15
	FILE: E:\Admin\Agreements_and_Contracts\License Agreements\Dublin Nissan\Nissan Exhibit.mxd		**EXHIBIT A**

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/Finance
CONTACT: Jill Duerig/Margaret Chun/JaVia Green

AGENDA DATE: July 15, 2015 **ITEM NO. 8d**

SUBJECT: Professional Services Agreement with Raftelis Financial Consultants, Inc. for the Preparation of a Cost of Service Study

SUMMARY:

- To assure fiscal responsibility, Zone 7 has a need for a review of its water rates to assure financial sustainability while meeting its customers' needs and expectations.
- A Request for Proposals (RFP) was prepared and distributed to 25 consulting firms, in addition to being posted on the Zone 7 website.
- In response, five proposals were received and reviewed by an evaluation committee.
- Based on this process, Raftelis Financial Consultants, Inc. (RFC), was identified as the most qualified firm for preparing a Cost of Service Study.
- RFC's proposed budget is $85,060 based on a limited number of in-person meetings and with two additional optional tasks.
- Staff recommends authorizing expenditures up to $100,000 to provide a contingency that might be used in negotiating for additional in-person meetings and/or performance of one or more of the optional tasks.

FUNDING:
Funds are available in the FY 15/16 budget for this project in Fund 100.

RECOMMENDED ACTION:
Staff recommends that the Board adopt the attached resolution authorizing the General Manager to negotiate and execute a Professional Services Agreement with Raftelis Financial Consultants, Inc. (RFC), for the Preparation of a Cost of Service Study in an amount not-to-exceed $100,000. If the General Manager is unable to negotiate an acceptable Professional Services Agreement with RFC, then the General Manager is authorized to negotiate and execute a Professional Services Agreement with the second-most qualified consultant, as identified during the RFP process, in an amount not-to-exceed $100,000.

ATTACHMENTS:
Memorandum providing additional background
Resolution

INTEROFFICE MEMORANDUM

DATE: July 15, 2015

TO: Directors

FROM: Jim Reese, Acting Assistant General Manager
Margaret Chun, Accounting Manager
JaVia Green, Staff Analyst – Finance

SUBJECT: Professional Services Agreement with Raftelis Financial Consultants, Inc., for the Preparation of a Cost of Service Study

INTRODUCTION

The drought has had a significant impact on Zone 7's revenues and reserves over the last few years. The objective of this study is to review Zone 7's finances, including budgets, funding needed for implementing both the Asset Management Plan and the Capital Improvement Plans, Water Supply Evaluation findings and recent audits, to analyze the cost of service and propose a three-year wholesale water rate to be considered by Zone 7's board of directors in September and October, 2015 and to propose a drought wholesale rate that can be incorporated into the 2015 Urban Water Management Plan to be adopted by the Zone 7 Board in Spring 2016.

DISCUSSION

On June 9, 2015, staff issued an RFP for the "Preparation of Cost of Service Study." In addition to posting the RFP on the Zone 7 website, 25 consulting firms were contacted directly. Five consultants (Bartle Wells Associates; Raftelis Financial Consultants, Inc.; Hawksley Consulting (teamed with Fieldman, Rolapp & Associates); Municipal & Financial Services Group; and Oscar Larson & Associates) submitted proposals by the deadline of June 30, 2015. All five proposals were reviewed by an evaluation team and determined to be responsive. The evaluation team found RFC to be most suitable to conduct the study because of their technical experience in performing similar work, general approach and understanding of Zone 7's project goals and quality of their client references. RFC has extensive experience in rate development and adoption, working with Boards and stakeholders, and expertise in water issues unique to California. They offer a Microsoft Excel-based financial model that is user-friendly, allowing for quick decision-making in a Board workshop setting.

RECOMMENDED ACTION:

Staff recommends that the Board adopt the attached resolution authorizing the General Manager to negotiate and execute a Professional Services Agreement with RFC for Preparation of the Cost of Service Study in an amount not-to-exceed $100,000, which includes a contingency. If the General Manager is unable to negotiate an acceptable Professional Services Agreement with RFC, then the General Manager is authorized to negotiate and execute a Professional Services Agreement with the second-most qualified consultant, as identified during the RFP process, in an amount not-to-exceed $100,000.

ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY

SECONDED BY

Professional Services Agreement with
Raftelis Financial Consultants, Inc., for the Preparation of a Cost of Service Study

BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate and execute a Professional Services Agreement with Raftelis Financial Consultants, Inc., for the Preparation of a Cost of Service Study in an amount not-to-exceed $100,000. If the General Manager is unable to negotiate an acceptable Professional Services Agreement with Raftelis Financial Consultants, Inc., then the General Manager is authorized to negotiate and execute a Professional Services Agreement with the second-most qualified consultant, as identified during the RFP process, in an amount not-to-exceed $100,000.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on July 15, 2015.

By ______________________________

President, Board of Directors

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

ORIGINATING SECTION: ADMINISTRATIVE SERVICES
CONTACT: GINGER STATON/TOM PICO

AGENDA DATE: July 15, 2015 ITEM NO: **9a**

SUBJECT: May Employee of the Month Recognition

SUMMARY:

The Employee Recognition Program Nomination Committee met in June and selected the Employee of the Month for May 2015 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.

Kevin Correia, Water Plant Operator, has been chosen from those nominated as the May 2015 Employee of the Month. Kevin works in the well field reporting to Bill Sadler, Water Facilities Supervisor.

Kevin was nominated for his knowledge on the job and his team spirit. Kevin has over 25 years of service with the Agency and has accumulated a vast amount of knowledge about the water treatment plants and well field operations. As part of our distribution system and well field staff, Kevin does not hesitate to help others and is often the "go to" person regarding well field piping configurations or Underground Service Alerts (USAs). Beyond his knowledge of Zone 7's systems, Kevin is very personable and a great team member. He often organizes team recognition events and lifts the morale of well field employees and other staff. He has served on the Employee of the Month committee for the past year and has brought new perspective and ideas with him.

Finally, Kevin is known for his "can do" attitude. He advocates getting things done right away and not putting off jobs that can be done efficiently now. Kevin was nominated to receive Employee of the Month due to his knowledge and service to the Agency and in recognition of his work ethic.

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

RECOMMENDED ACTION:

It is recommended that the Zone 7 Board of Directors recognize and congratulate Kevin Correia as May 2015 Employee of the Month.

Management Partners

Tri-Valley Water Roundtable
Held May 13, 2015
Discussion Notes

On Wednesday, May 13, 2015, the Tri-Valley Water Policy Roundtable met from 5:00 – 7:00 pm at the Dublin San Ramon Services District at 7051 Dublin Blvd., Dublin, CA.

Agencies represented included the Cities of Livermore, Pleasanton, San Ramon and Dublin; Zone 7 Water Agency; Dublin San Ramon Services District (DSRSD); and the California Water Service Company. Pat O'Keeffe and Brittany Gabel of Management Partners served as the facilitator and recorder respectively. The following is a summary of the discussion that was captured on flip charts. Attachment A presents the participants' evaluation of the workshop.

Four objectives were established for the session:
- Deeper understanding of current recycling efforts
- Discussion of potential additional recycling measures
- Understanding elements of structural conservation measures
- Understanding impact of Governor's water conservation proclamation

Participants

Elected/Designated Representatives
- Mayor John Marchand, Livermore
- Council Member Doug Horner, Livermore
- Council Member Karla Brown, Pleasanton
- Council Member Kathy Narum, Pleasanton
- Council Member Harry Sachs, San Ramon
- Director Dawn Benson, DSRSD
- Director Richard Halket, DSRSD
- Vice President Sarah Palmer, Zone 7
- Director Jim McGrail, Zone 7
- Director Dick Quigley, Zone 7
- Frank Vallejo, General Manager Cal Water
- Don Biddle, City of Dublin

<u>Staff</u>

- Brian Bornstein, City Engineer, San Ramon
- Roger Bradley, Assistant to the City Manager, Dublin
- Jill Duerig, General Manager, Zone 7
- Darren Greenwood, Public Works Director, Livermore
- Dan McIntyre, Engineering Services Manager, DSRSD
- Bert Michalczyk, General Manager, DSRSD
- Daniel Smith, Operations Services Director, Pleasanton

Setting the Context for Workshop Discussion

In order to set the context for the workshop presentations and group discussions, facilitator Pat O'Keeffe reviewed the list of six policy issues, summarized below, which the group settled on during a previous session on November 17, 2014.

A. Improved reliability through diversification of supply, storage, and facilities
B. Increased use of recycled water
C. Increased "structural" conservation
D. Planned growth to proceed when reliability criteria are being met
E. Coordinated legislative and regulatory outreach and lobbying to enhance Valley water
F. Governance changes that are needed for implementation of the above policy points

It was noted that the focus of this workshop session was the second policy issue: increased use of recycled water.

Presentation on Water Recycling Efforts and Expansion

On behalf of staff for the Tri-Valley agencies, Dan McIntyre delivered a presentation on the history of recycled water in the Tri-Valley, as well as the primary advantages and challenges associated with "purple pipe" seasonal irrigation, indirect potable reuse, and direct potable reuse. Attachment B includes the slides from this presentation. Workshop participants were invited to provide comments and ask clarifying questions about the presentation. Comments and clarifications included:

- Policy makers need to give direction if staff were to more fully explore indirect potable reuse, if desired.
- Public perception and engagement on indirect potable reuse and reverse osmosis is essential.
- Although the current water recycling facility is functional, indirect potable reuse hasn't been implemented because it is currently not part of the urban water management plan.
- Years ago, plans to integrate indirect potable reuse as a water resource were tabled due to the initial community reaction to the idea.
- Renovations are needed to the water recycling facility, but if the public were ready for indirect potable reuse, it wouldn't take long to prepare the facility for operation.

Discussion of Reliability Elements and Priorities

In order to facilitate workshop discussion, participants were asked to answer the following four questions in small groups:

1. Do we want to explore additional water reuse alternatives to provide water supply reliability even at a greater cost?
2. Do we want to limit water reuse to recycling using "traditional purple pipes"?
3. Is advanced recycling through use of indirect potable reuse something the agencies should commit to studying?
4. Would we like to know more about public engagement for indirect potable reuse?

Each group was also encouraged to discuss their reasons for answering "yes" or "no" to the above questions and provide any qualifying remarks. A summary of the overall discussion that occurred in relation to each individual question is presented below.

Discussion of Question 1: *Do we want to explore additional water reuse alternatives to provide water supply reliability even at a greater cost?*

Responses from participants were as follow:

- We should consider studying both direct and indirect potable reuse alternatives, as well as options like Cope Lake and DeValle for storage.
- It is difficult to determine an upper limit of acceptable costs (1x, 2x or 10x?). It depends on your point of view.
- We should collaborate to explore different options, including interties, indirect potable reuse, and other sources.
- Public education and transparency are important as we look into options, but now is the time to move on this issue.
- We can refocus the conversation around improving the quality of ground water for end users.
- We should consider how much recycled water really helps the overall portfolio (it is about 5-15% of supply), but it brings local control, making the region less impacted by changes in water rates.
- There is a cost threshold that should be identified; what percent of our overall water portfolio we would like to come from water reuse alternatives will likely depend on these cost thresholds.
- Now is the time to explore water reuse alternatives beyond "purple pipes."
- We could improve groundwater quality.
- We should build off of what we have already done.
- This will require constant public communication and transparency.

Discussion of Question 2: *Do we want to limit water reuse to recycling using traditional purple pipes?*

Responses from participants were as follow:

- We should consider various opportunities, including seasonal storage and direct potable (stream recharge/spreading basins; storage facilities like lakes or reservoirs).
- Others are making progress in these areas – why shouldn't we do the same?

- We should keep our options open; expand on indirect or potable reuse and not limit it.
- We could move treated recycled water into the chain of lakes and DeValle.
- One group was only comfortable with using indirect potable reuse water for certain purposes (they supported using recycled water for stream recharge and storage in lakes, but did not support using it for injection).
- We could investigate seasonal storage and enhancements of purple pipes (winter storage).
- We should consider groundwater storage opportunities for indirect potable reuse water.
- We could study or implement a pilot injection project, but be cautious.
- One group felt that the region is not yet ready for direct potable reuse.

***Discussion of Question 3**: Is advanced recycling through use of indirect potable reuse something the agencies should commit to studying?*
Responses from participants were as follow:

- Studying these topics will open our understanding of options; with more resources comes greater confidence.
- Don't expect too much reaction to conducting the study; the public will respond once decisions are made as a result of the study.
- The public expects us to be investigating these alternatives at this point.
- Each agency shouldn't commission studies independently; we should pool resources.
- We could reach out to other water agencies in other regions for guidance; options include Watsonville, Orange County, Santa Clara Valley Water District, and San Diego.
- We should survey the public to better understand their acceptance levels of this idea; afterwards, we could focus a public information campaign on specific issues or concerns. This is a low-cost, high-value activity.
- As we look to the future, we must not rely on a "magic bullet" as the focal point of our water portfolio; we need to look at many different options.
- We should keep in mind that the chain of lakes and Cope Lake are also flood control lakes (not just for storage).
- We should research and implement a groundwater injection pilot program.

***Discussion of Question 4**: Would we like to know more about public engagement for indirect potable reuse?*
Responses from participants were as follow:

- We need to prepare for difficult questions and challenges and educate early and often.
- Be proactive in addressing public concerns.
- Santa Clara Valley Water District is far ahead; they have a great tour of their facility which showcases their impressive technology; they also use before-and-after surveys that show how effective the tour is at bringing people around to the idea of recycled water. Their tour is also very hands-on, functioning as a "teaching lab."
- The DSRSD facility is also a full-scale facility currently producing recycled water that goes into the seasonal irrigation blend; the facility was funded through grants, including both public and private funding.

- We are more likely to be successful if we start early and often with public engagement.
- Keep in mind that diversification of supply is the ultimate goal.

A summary of each group's response to the four questions is presented in Table 1.

Table 1.Groups Responses to Discussion Questions

	Group 1	Group 2	Group 3
1. Do we want to explore additional water reuse alternatives to provide water supply reliability even at a greater cost?	Yes	Yes	Yes
2. Do we want to limit water reuse to recycling using "traditional purple pipes"?	No	No	No
3. Is advanced recycling through use of indirect potable reuse something the agencies should commit to studying?	Yes	Yes	Yes
4. Would we like to know more about public engagement for indirect potable reuse?	Yes	Yes	Yes

Presentation by the Soquel Creek Water District

A presentation was delivered by Taj Dufour, the Engineering Manager of the Soquel Creek Water District about recent efforts to improve elements of structural conservation, including grey water collection, building code requirements for new developments, water offset program, and "cash for grass" programs. Workshop participants were invited to provide comments and ask clarifying questions about the presentation. Comments and clarifications included:

- The District was able to verify the effectiveness of ongoing water conservation in each unit who participated in their water offset program by surveying the whole house before and after low-flush toilets were installed and other conservation improvements were made. When calculating the "water saved" through conservation measures, they also considered parcel size, the size of the structure and its proposed use (residential or commercial).
- A question was asked about the District's per capita reduction since their water conservation measures have been underway. They responded that the District's per capita usage was already quite low, making large percent reductions challenging. They are now approximately 15% below their 2013 per capita water consumption.
- One of the challenging things about water conservation is the effect that successful water conservation has on water rates. Because the District has fixed costs, as their customers use less water, the District must raise rates to cover fixed costs, which is counterintuitive for the customer.
- The District had a desalination project that never made it to the voters.
- The District's traditional rebate program covers grey water/rain water capture.
- The District doesn't have any direct customers with large landscapes (such as golf courses) and growers. Their community college and local golf course each have their own private wells.

Overview of the Governor's Water Conservation Proclamation

Jill Duerig, the General Manager of Zone 7, gave a brief presentation on the Governor's Water Conservation Proclamation. Attachment C presents the handout which was distributed to each participant for this presentation.

Public Comment

After group discussions and presentations concluded, members of the public were invited to present comments. A number of comments were provided, including:

- Cope Lake is an old silt pond and should not be an option for storing recycled water.
- These discussions focus on the long-term time horizon; there hasn't been enough pressure on people to conserve in the short-term. I would like to see real pressure on people now, because long-term solutions won't cut it.
- We are growing hay, cotton and rice in California. We need to think about the cheapest cost per acre foot of water. Sometimes it is cheaper to buy water than to build expensive facilities.

Wrap Up Discussion

To conclude the roundtable discussions, facilitator Pat O'Keeffe asked participants to identify what they liked about the meeting. Comments included:

- Policy consensus – helps us work towards more specific policy objectives.
- Discussion brought attention to recycled water and its place in our diversified portfolio; this is important due to our high dependence on Lake Oroville and our concerns for fire suppression in the coming months.
- Now that we know there is consensus, we can move forward in looking for options.
- City of Dublin has done some great things in the area of using recycled water for City facilities and parks; there hasn't been any significant complaints from the community.
- Diversification of water portfolio is key, as well as conservation through more efficient water usage (especially in farms).
- Community is frustrated by lack of education.
- Need policy objectives; we should do more than discuss.
- These meetings should result in action items.
- We don't want to miss the opportunity for bond money; we need concrete steps to take advantage of the moment.
- We should work on this as a whole valley; collaboration is important to make our efforts more cost effective.
- Public is engaging more; attitude towards these issues seems to be changing.

Attachments

A. Facilitation Evaluations
B. Presentation on Recycled Water by Dan McIntyre
C. Protecting Water Supplies Handout

Attachment A: Facilitation Evaluations
Wednesday, May 13, 2015
Tri-Valley Water Roundtable

The best thing about this workshop was…

- Love the small tables.
- Darren is a great facilitator and should always facilitate discussion at a table.
- Good exchange of views at tables; nice to see both consensus as well as discussion of differences of various recycled options.
- Enjoyed the group discussion.
- Collaborative input.
- Collaboration of all tables; emphasis on local control.
- Collaboration on projects.
- Agreement to move forward exploring recycled water alternatives.
- That it's obvious the drought is re-opening the recycled water question.
- Policy direction and studying options.
- Found guest presentation very useful.
- We agreed to move forward on recycled as a piece of the community portfolio.
- Open discussion about indirect; having recycled water to ground water/aquafer.
- The discussion on recycled water.
- The extended discussion on how to expand/reuse recycled water.
- The discussion.

Some thing(s) which could have been better…

- Should extend introduction opportunities to audience.
- Hope we got public comments on bike rack.
- Questions could have been tougher; were questions too easy?
- Limit non-relevant public comment (time).
- What is the deliverable?
- Concrete timeline.
- Action items.
- Controlling expectations – roundtables to build relations only please.
- Summary of what changes, modifications or policies have resulted in these round table meetings; lots of education, but no real change.
- Better conservation study; there is much more education we need to do.
- More discussion on how agencies can incentivize residential recapture.
- Conversation seemed to be directed forward.

Overall usefulness of the workshop

1 (Not Useful)	2	3	4	5 (Very Useful)
0	2	1	3	**8**

Overall quality of the workshop

1 (Very Low)	2	3	4	5 (Very High)
0	0	2	**7**	5

Other Comments

- Need to think about the "end game" – what exactly is going to come from this? Maybe some sort of policy statement to be jointly adopted or better yet a couple of "quick winner" projects in the ground – let's not waste the opportunity and lose momentum.
- Important to work as a "whole valley." Share the resources/studies rather than each agency/City reinventing the same study.
- Need to move items forward.
- Looking forward to the next few.
- Very useful – like to see a similar workshop on storage options and a long-term diversified portfolio.
- What is the outcome we are going towards in the Valley? To establish policy. We need to unify as public officials and stand together! Pool resources – grant funding.
- When looking at recycled water options, know the regulatory framework – time is important.

Administrative Committee

Summary Notes

Meeting Date:	July 8, 2015	**Start Time:**	3:00 p.m.
Directors Present:	Dick Quigley Angela Ramirez Holmes Sandy Figuers	**Staff Present:**	Jill Duerig

Director Quigley called the meeting to order at 3:07 p.m.

1. Public Comment on Items Not on the Agenda

None.

2. Proposed One-Year Trial Program to Increase Transparency of Board Meetings

Jill Duerig briefly outlined the staff proposal and discussions with Bert Michalczyk, Dublin San Ramon Service District's General Manager, concerning DSRSD's pilot program over the last couple years. She introduced Nicole Genzale, DSRSD's Executive Services Supervisor, and noted that she was in attendance to answer any questions.

Director Ramirez Holmes said that she'd talked to Sue Stephenson of DSRSD who does not like DSRSD's current system. She asked Ms. Genzale if she agreed with that assessment. Ms. Genzale responded that while there's always room for improvement, the current system was a perfect, inexpensive first step. She said that the current system consisted of a Logitech wide-focus webcam, a laptop (both of which DSRSD already had) and a $50 software investment.

Director Quigley asked about costs of the current system as compared to community benefits. Ms. Genzale responded that they were receiving about 20 hits per board meeting but given the exceptionally low cost of set-up, the current system is definitely providing good value. She added that the current system also helped DSRSD achieve a California Special Districts Association (CSDA) transparency certificate (http://www.sdlf.org/#!transparency/cl0u).

Director Quigley asked about DSRSD staff time. Ms. Genzale said that it probably takes less than a half hour per meeting, which is more than saved by producing shorter minutes. There was some discussion about how long it takes Zone 7 staff to produce the current detailed minutes and an estimate of about 60 hours was provided.

Director Quigley asked if DSRSD had explored Channel 30 as an option. Ms. Genzale responded that DSRSD is currently looking into it. Director Ramirez Holmes added that Ms. Stephenson shared a 2012 quote she had received from TV 30 for DSRSD of only $400/meeting

Director Figuers asked if there was an alternate method for the public to obtain videos if they have older hardware or are unfamiliar with YouTube. Ms. Genzale responded that it would always be possible to burn a CD but that no such requests had been made. Director Quigley added that that was a good question; even webinars can challenge older hardware and software.

Director Ramirez Holmes made a proposal to keep minutes as they are since adding one method of accessibility shouldn't be balanced by reducing another. She also proposed keeping regular board meetings at 7 p.m. unless Closed Session is first and Open Session still were to begin at 7 p.m. She also proposed seriously looking at the TV 30 option since community television is a worthwhile endeavor that should be supported by local public agencies. Finally, she proposed Zone 7 pursuing a CSDA transparency certificate.

Director Quigley said that he could agree not to change or shorten the minutes. He added that all video-recording and televising options should be considered; in fact, he has asked CSDA to conduct a survey of special districts to determine which agencies take various approaches. He then stated that Livermore Area Recreation and Parks District uses TV 30 to broadcast its meetings.

Director Ramirez Holmes said that once an Agency starts broadcasting meetings, it is unlikely to stop. She said that TV 30 has professionals and using them might save Zone 7 staff time which would more than compensate for the small amount of money that they requested in their 2012 bid to DSRSD. She added that, if DSRSD heads in that direction, Zone 7 will be the only public agency in the Valley that does not televise its board meetings using TV 30.

Director Quigley said that he really supports pursuing a CSDA transparency certificate. He agrees that it would be hard to step back from video recording once started.

Ms. Duerig asked the committee if it would be okay to bring to the full board in August to allow staff to do more research as discussed. Both Director Ramirez Holmes and Director Quigley responded that it was better to do things right and allow time for more complete research to be completed.

Director Figuers said that he agrees with Director Ramirez Holmes on most counts except that he feels that minutes could be much shorter, especially if TV 30 indexed the recordings. He noted that minutes keep getting longer and that older minutes were often just a couple pages long.

Director Quigley asked for comments from the public. Leonard Olive, City of Pleasanton, said that he feels that any of these steps would be a wonderful move and that it would quickly become evident to everyone that the move had been a good decision.

Director Figuers added that the future is streaming, remote participation and public meetings that resemble webinars.

Director Quigley adjourned the meeting at 3:50 p.m.

3. Verbal Reports

None.

4. Adjournment

Director Quigley adjourned the meeting at approximately 3:50 p.m.

7/17/15 Board Written/narrative Comments By Dick Quigley 11b

June 29: Participated at ACWA Board meeting conference call meeting

ACTION/DISCUSSION ITEMS

Department Initiatives –

1. Region 5 October meeting hosted by Carpentaria Water Agency, focused on Lake Cachumua

ACWA Region 5 Event

The Lake Cachuma Project

Past, Present, Future

October 25 & 26, 2015 | Buellton, CA

ACWA Region 5 is hosting a program in Buellton that will focus on the Lake Cachuma Project, Santa Barbara County's primary water supply. The program will begin on **Sunday, October 25,** with a visit to Lake Cachuma and a first-hand look at the project operations, followed by a program and networking opportunity. On **Monday, October 26**, attendees will reconvene at the Santa Ynez Valley Marriott for a program that will feature discussions about Santa Barbara County water management, including Lake Cachuma operations, and a regional roundtable discussion about the future of Santa Barbara's water supply.

Sunday, October 25, 2015 = Tour, Program & Networking Reception
Monday, October 26, 2015 = 9:00 a.m. – 2:00 p.m.,
Program at Santa Ynez Valley Marriott

**See preliminary program agenda and itinerary for detailed information.*

Registration is available online August 31 at www.ACWA.com

July 8: Attended Z-7 Administrative Committee meeting discussing proposed one year trial program to increase transparency of board meetings. Transparency certification was also discussed.
DSRSD shared their YOU TUBE experience and cost/benefit experience. Committee wanted more information on other options like public television and projected cost/ benefits. Expected to come back to board in August.

July 8: Also attended a CSDA (California Special Districts Alameda County chapter) meeting at EBRPD headquarters in Oakland.

LAFCO presentation by State CALAFCO Ex Director Pamela Miller following local Alameda County Mona P was very enlightening. Attendees were advised and invited to a Local LAFCO meeting tomorrow 7/9 at DSRSD. I may attend and offer verbal comments. Three local LAFCO appointed commissioners were in attendance. Water and environmental, and quality of life issues were mentioned by a number of presenters and budgetary impacts, and public understanding and or acceptance. Ayn Weiskamp asked me when Zone 7 might invite her board and staff for a tour of Patterson Ranch property.

CSDA seems to be focusing more on water and water agencies.
The CSDA annual conference (Sept 21-24, Monterey) registration package looks very worth attending. see: http://conference.csda.net/
I am interested in attending. Video & Transparency information might also be of value to Zone 7.

Let me know if you have any questions or suggestions.

Thanks DQ

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

ORIGINATING SECTION: ADMINISTRATION
CONTACT: Jill Duerig

AGENDA DATE: July 15, 2015 **ITEM NO. 13a**

SUBJECT: GENERAL MANAGER'S REPORT

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

Engineering and Flood Control:

- Preliminary results of the Water Supply Evaluation Amendment confirm that expanded use of recycled water and desalination might both be needed to reliably provide adequate water supply to the Valley in the future. This is consistent with the Liaison Committee's roundtable discussions. After circulating a draft scope to a Technical Advisory Team (TAT) made up of retailer staff (to assure that key technical items needed for the WSE were addressed), staff executed a General Manager's contract to obtain assistance in developing feasibility and cost analyses and held a kick-off meeting with the TAT late in the month.

Operations and Maintenance:

- The Department of Water Resources (DWR) repaired a leak in the South Bay Aqueduct (SBA) in June. The cause was a pipe joint that had separated enough to cause the leak but four others were also identified that will need to be repaired in the same vicinity. The SBA pipeline was taken offline first to isolate the leaking section and again to put it back in service, each time for about twelve hours. Zone 7 supplied well water to the system during the shutdown periods when the Del Valle Water Treatment Plant was offline.

Administration:

- With this year's continuing focus on reducing use of potable water for outdoor irrigation, Zone 7's lawn conversion program continues to be the number one rebate request in the valley. Staff are coordinating with retailers to try to handle the additional staff demands by streamlining pre- and post-conversion inspections

- As staff begin to collect data and develop a plan for preparing Zone 7's 2015 Urban Water Management Plan (due in June 2016), there have been discussions with the retailers about alternatively preparing a regional UWMP on behalf of the four public water agencies (Zone 7, Pleasanton, Livermore and DSRSD – Cal Water would still prepare its own). This could be done under the Tri-Valley Utility Coordination Master Agreement and could save a lot of duplication of staff effort and, by extension, conserve public resources for the Valley.

Environmental & External Affairs:

- DWR completed construction of a Delta rock barrier in June (photo below). The barrier now spans approximately 750 feet between Jersey and Bradford Islands and is designed to block salt water that tidal action attempts to push eastward from San Francisco Bay into Franks Tract. While improving water quality, the results have not been quite as effective as DWR's modeling had projected so DWR's model will most likely require recalibration using this summer's data.

- In June, USEPA issued draft health advisories for two cyanotoxins derived from harmful bluegreen algal blooms: microcystins and cylindrospermopsin . DWR monitors for cyanotoxins but the only documented incidents in this region were identified in the East Bay Municipal Utility District's Lake Chabot, where three dog deaths were attributed to the presence of these toxins (http://sanfrancisco.cbslocal.com/2015/01/31/warning-3-dogs-fatally-poisoned-after-drinking-water-algae-bloom-from-oaklands-lake-chabot/). Zone 7 is involved in an ongoing South Bay Aqueduct study to determine treatment alternatives available for cyanotoxin removal.

- Staff attended the Livermore Valley Winegrowers Association meeting on June 9th to provide an update on the drought, construction of the rock barrier in the Delta and associated water quality projections for this summer.

Completing Delta rock barrier (photo by DWR)

Monthly List of GM Contracts

June 2015

Contracts:

Hitmen Termite & Pest Control, Inc.	$50,000	Pest Control Services for both Flood Control and Water Enterprise Facilities
Kenneth R. Henneman	$25,000	Water Resources Consulting Services
Geocon Consultants, Inc.	$33,000	Materials Testing Support Services
Associated Right of Way Services, Inc.	$25,000	Real Property Services
Total June 2015	**$133,000**	

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

ORIGINATING DIVISION: ADMINISTRATIVE SERVICES
CONTACT PERSON: JAVIA GREEN / TAMARA BAPTISTA

AGENDA DATE: July 15, 2015 ITEM NO. **13b**

SUBJECT: **Monthly Budget Report**

SUMMARY:

This report provides a summary of FY 14/15 budget performance and explanations of any major variances for the period July 1, 2014 through June 30, 2015.

The following provides explanations and additional details concerning this report:

The period of July 1, 2014 through June 30, 2015 represents the entire fiscal year. However, by June we typically expect anywhere between 90% - 95% of projected expenses have been spent, representing about eleven months of expenses, and not twelve months. This is because services rendered/goods purchased in June would typically be invoiced and paid for in July.

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

The attached Fund Balance Changes Report details year-to-date changes in fund balance by fund. Note the overall fund balance of the Proprietary Fund Category (Water Enterprise Funds), decreased by $9.1M and the Governmental Fund Category (Flood Control Funds), has increased by $6M. The decreases of the Water Enterprise Funds are due to; higher than budgeted DWR water charges in Fund 110 and 130, conservation-driven reductions in water sales, and Board-approved use of reserves. The increase in Flood Control Funds is primarily due to increased revenue (i.e. higher property tax revenues, and more development activity).

Included is an attachment that depicts historical information covering the past seven years of total revenues, expenses and the ending fund balances for Funds 100, 110, 120, 130, 200, and 210.

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

Water Enterprise Fund – Fund 100:

Category	FY 14/15 Amended Budget	FY 14/15 YTD Actual	FY 14/15 % Used/Received
Revenue	$34,461,062	$24,665,871	72%
Expenses	$50,157,219	$40,532,822	81%

Fund 100 provides financing for the acquisition and conveyance of raw water, treatment and delivery to the Zone 7 service area. The main source of revenue for this fund is water sales. FY 14/15 YTD revenue is primarily from the sale of 24,087 acre-feet of treated water through May 2015. Significantly more conservation was achieved than projected in the budget. During the month of May 2015, treated water sales of $2.4M were approximately 61% of the May 2014 amount of $3.9M, and 58% of the May 2013 amount of $4.2M, reflective of revenue impacts from drought conservation efforts.

June water sales revenue is not reported because the meter reading data that generates the monthly water billing was not available at the time of this report. Other revenue is from grant proceeds and DWR refunds; both are greater than the budget estimates.

YTD expenses include all four quarterly transfers to Fund 120, water production costs (including recovery of Semitropic and Cawelo water), maintenance, miscellaneous services/supplies and memberships and dues. Utility and chemical costs remain within the normal range. Rental expenses remain significantly less than budgeted because portable generators for the wells have not been required to date. Organizational memberships are due and paid at the beginning of the fiscal year, resulting in the 79% budget utilization as shown in the attached report.

State Water Facilities Fund – Fund 110:

Category	FY 14/15 Amended Budget	FY 14/15 YTD Actual	FY 14/15 % Used/Received
Revenue	$14,060,937	$14,711,188	105%
Expenses	$14,227,251	$16,185,438	114%

Fund 110 is a pass-through fund for fixed charges associated with the State Water Project, assessed as a property tax override. YTD revenue is from DWR refunds and the two installments of property tax payments. YTD expenses reflect payments to DWR for fixed costs through June 2015. DWR charges are both monthly and semi-annual. Transportation Capital charges are paid in January/July and the SBA Improvement and Enlargement debt service payments are paid in March/September. Expenses are higher than budget due to the DWR cash flow issues described in last month's budget report. There currently exists enough cash in the fund to cover this fiscal year's unexpected increase; however at the end of this fiscal year, the fund's balance will drop below the Board-approved minimum reserve level, as approved in the FY 15/16 budget.

Water Renewal/Replacement & System-Wide Improvements – Fund 120:

Category	FY 14/15 Amended Budget	FY 14/15 YTD Actual	FY 14/15 % Used/Received
Revenue	$13,129,324	$13,571,766	103%
Expenses	$13,236,048	$7,158,665	54%

Fund 120 pays for capital projects including the renewal, replacement and improvement of the current water treatment and delivery system. The primary source of funding is a quarterly transfer from Fund 100 – Water Enterprise. Other revenue is from the sale of plans and specifications, grant proceeds and Dougherty Valley Facility Use Fees.

FY 14/15 YTD expenses reflect capital project expenses such as:

- Chain of Lakes Well 5 costs (portion),
- Cope Lake Slope Repair (portion),
- Groundwater Model Upgrade,
- Arroyo Valle Water Right Permit Extension,
- Busch Valley Well #1 Phase One project (portion),
- DVWTP Sludge Handling Improvements,
- DVWTP Superpulsator Rehabilitation,
- DVWTP Caustic Soda System,
- Filter 1 Media Replacement projects at DVWTP,
- PPWTP Ferric Chloride & Caustic Improvement project,
- Nutrient Management Plan (portion),
- North Canyons Building Lease (portion),.

Capital project expenses are tied to construction schedules.

Comparing the FY14/15 YTD actuals of $7.1M to the Board Approved Budget of $7.6M, the percent used/received is 93%. Whereas comparing the FY14/15 YTD actuals of $7.1M to the Amended Budget of $13.2M, (which includes $1.9M encumbrance carryovers, $2.2M project carryovers, and $1.6M additional appropriations), the percent used/received is 54% - considerably less than the Amended Budget due to the multi-year nature of capital projects. Unspent project budgets will be carried forward to FY 15/16.

Water Expansion – Fund 130:

Category	FY 14/15 Amended Budget	FY 14/15 YTD Actual	FY 14/15 % Used/Received
Revenue	$22,042,020	$25,085,776	114%
Expenses	$22,352,045	$21,732,709	97%

Fund 130 is intended to provide funding for new facilities and supplies to meet the demands of new development, many of them fixed (i.e., bond payment obligations for debt incurred by others).

The primary source of revenue is connection fees. YTD revenue is primarily comprised of the connection fee revenue from 932 connections. Since July 1, 2014, a total of 155 connection fee credits have been used totaling $3.7M, while 294 credits remain outstanding, valued at $7.3M at the 2015 connection fee level (see Chart 1 attached).

FY 14/15 YTD expenses reflect this fund's portion of capital project expenses such as:

- Chain of Lakes Well 5 costs (portion),
- Nutrient Management Plan Update (portion),
- Busch Valley Well #1 project (portion),
- Cope Lake Slope Repair (portion),
- SBA Improvement and, Enlargement debt service payment (portion).

The SBA payment is made twice a year (March and September), with September always being the higher payment per the DWR debt service schedule. DWR's cash flow issues also impact this fund. Until we receive the reimbursement/credit of $4.8M (80% of the $6M prepay) for this fund, the SBA Enlargement/Improvement project will be over budget. DWR is now projecting that this reimbursement/credit will be processed partially in July 2015 and the remaining balance in calendar year 2016.

Flood Protection Operations – Fund 200:

Category	*FY 14/15 Amended Budget*	*FY 14/15 YTD Actual*	*FY 14/15 % Used/Received*
Revenue	$6,505,936	$7,026,922	108%
Expenses	$14,279,561	$4,060,635	28%

Fund 200 provides for general administration and the maintenance and improvement of the existing flood protection system. The primary source of revenue is property taxes. YTD revenue represents both of the installments of property tax payments and other charges for services, including a reimbursement of $324,945 (this Fund's share) for the Stanley Reach project per Board Resolution 15-50.

Expenses include labor, a fraction of the North Canyons lease payment, flood protection maintenance activities and capital project expenses such as:

- Cope Lake Slope Repair Project (portion),
- Arroyo Mocho – Stanley Reach R. 3.5 (portion),
- Arroyo Las Positas Reach 1-7 Improvement Project (portion),
- Living Arroyos Program (portion),
- Sediment Study – SFE 2010 (portion),
- Flood Control Hydrology Study, and the Stream Management Master Plan Update (portion).

Other budgeted projects (e.g., Arroyo Las Positas Treatment Wetland and Chabot Canal Regional Stormwater Detention projects) have yet to commence. Note these projects are funded by both Fund 200 and Fund 210.

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

Category	FY 14/15 Amended Budget	FY 14/15 YTD Actual	FY 14/15 % Used/Received
Revenue	$2,646,500	$3,639,430	138%
Expenses	$7,022,157	$483,435	7%

Fund 210 pays for flood protection facilities required for new development. The primary source of revenue is from development impact fees. Zone 7 tends to receive most development impact fee revenue in the spring/early summer. YTD development impact fee revenue has far exceeded the budget estimated due to increased development activities. Other charges for services include a reimbursement of $66,555 (this Fund's share) for the Stanley Reach project per Board Resolution 15-50.

FY 14/15 YTD capital project expenses are for:

- Cope Lake Slope Repair (portion),
- Arroyo Mocho – Stanley Reach R. 3.5 (portion),
- Living Arroyos Program (portion),
- Sediment Study – SFE 2010 (portion),
- Flood Control Hydrology Study (portion),
- SMMP Update and the Arroyo Las Positas Reach 1-7 Improvement Project (portion).

Other budgeted projects that are split with Fund 200 (e.g., Arroyo Las Positas Treatment Wetland and Chabot Canal Regional Stormwater Detention projects) have yet to commence, but are planned for FY 15/16. The low expense level to date reflects over $3.2M apportioned to not-yet-commenced projects as mentioned above.

Total All Funds – Fund 100, 110, 120, 130, 200, & 210:

Category	FY 14/15 Amended Budget	FY 14/15 YTD Actual	FY 14/15 % Used/Received
Revenue	$92,845,779	$88,700,954	96%
Expenses	$121,274,281	$90,153,704	74%

Reconciliation of FY 2014/15 Amended Budget to June Adopted Budget

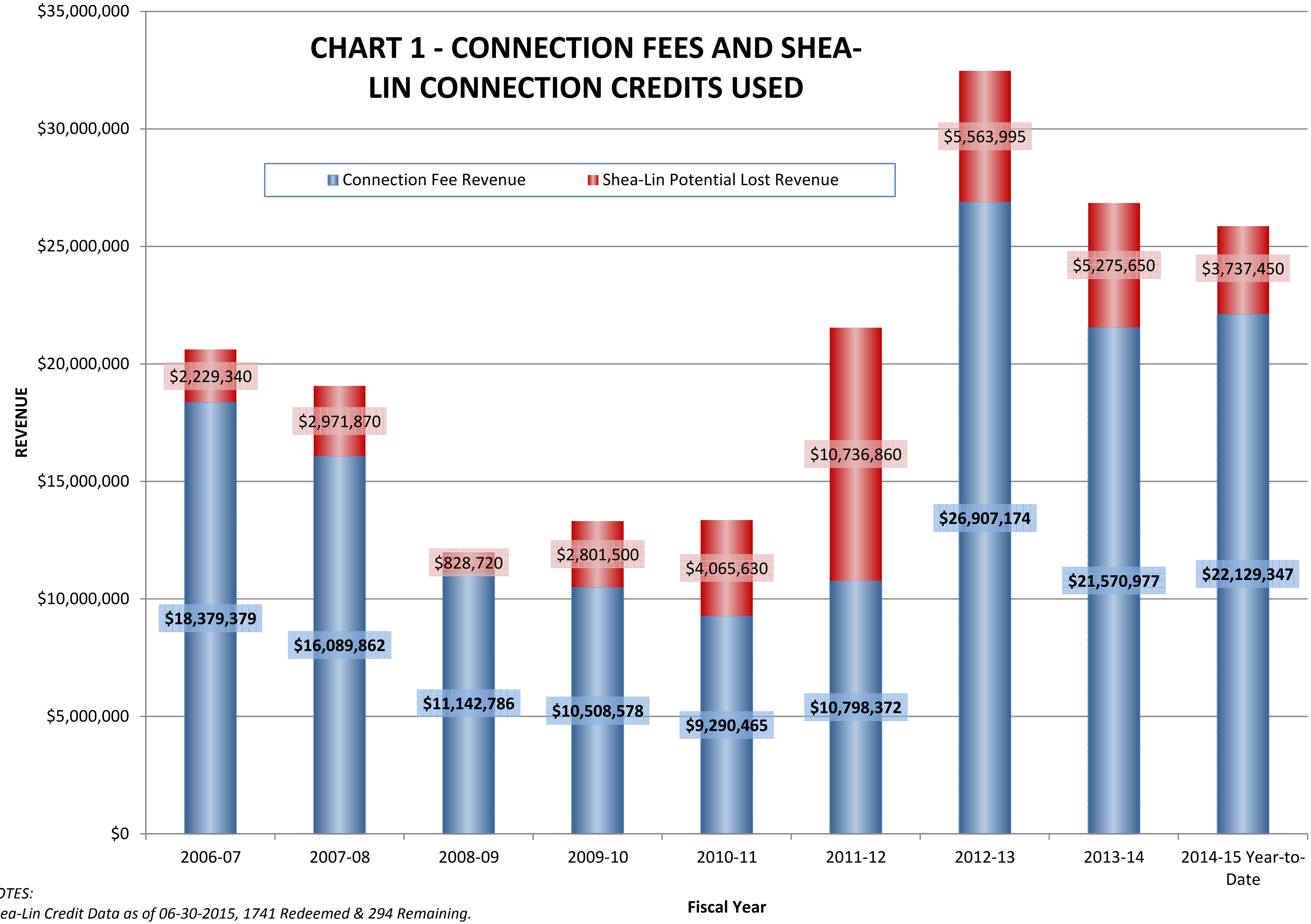
	June Approved Budget	Encumbrance Carryovers	Project Carryovers	Additional Appropriation	Total
Fund 100	$49,680,609	$383,443	$93,167	$0	**$50,157,219**
Fund 110	$14,227,251	$0	$0	$0	**$14,227,251**
Fund 120	$7,578,891	$1,862,087	$2,238,570	$1,556,500	**$13,236,048**
Fund 130	$19,485,138	$1,291,111	$892,296	$683,500	**$22,352,045**
Fund 200	$10,416,092	$649,476	$3,213,993	$0	**$14,279,561**
Fund 210	$5,755,275	$472,354	$794,528	$0	**$7,022,157**
Total	**$107,143,256**	**$4,658,471**	**$7,232,554**	**$2,240,000**	**$121,274,281**

RECOMMENDED ACTION:

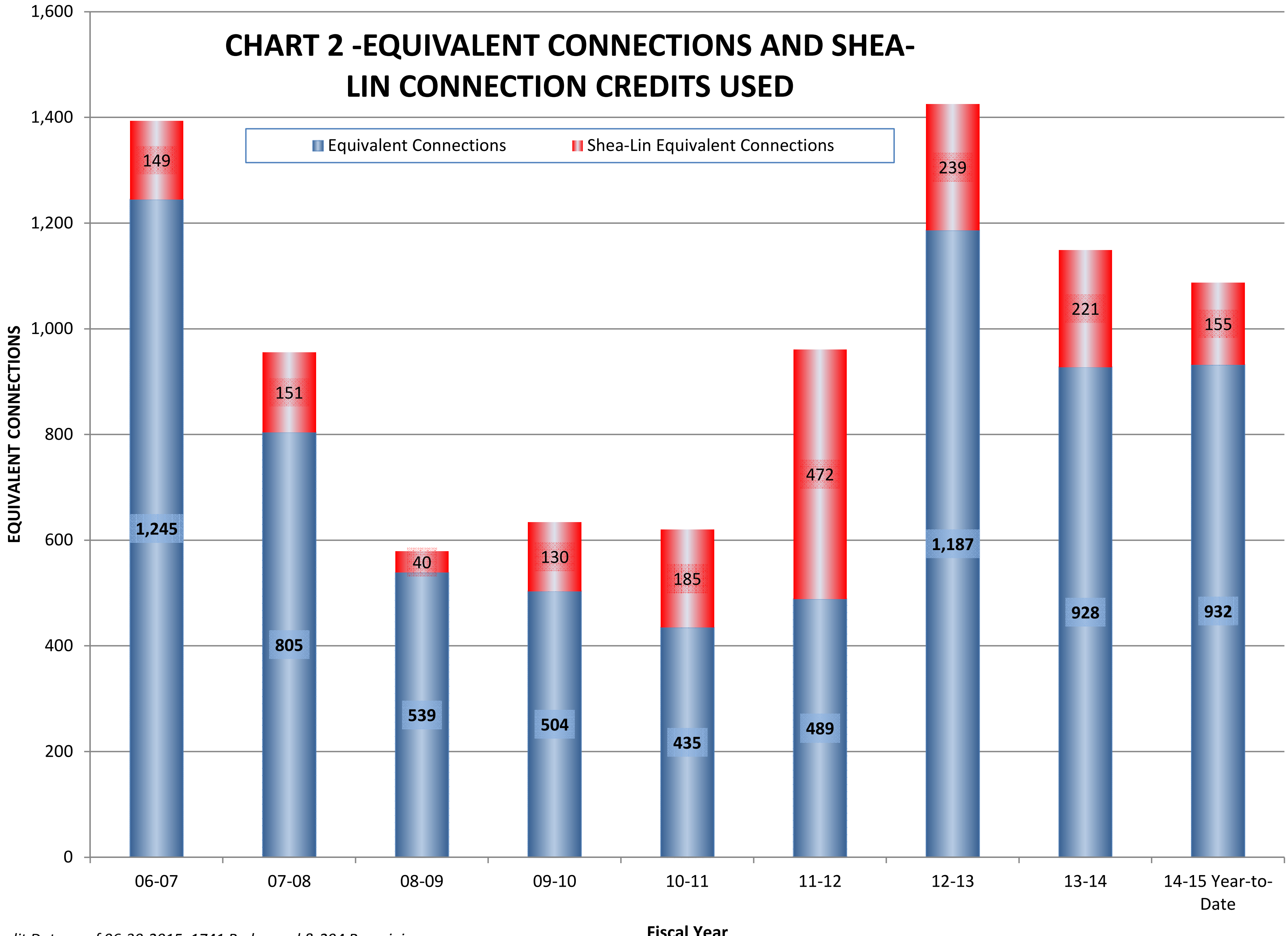
Information only.

ATTACHMENTS:

- CHART 1 – Connection fees and Shea-Lin Connection Credits used
- Zone 7 Water Agency Annual Budget by Account Classification Report
- Zone 7 Water Agency Fund Balance Changes Report
- Historical Revenue, Expense and Fund Balances



NOTES:
Shea-Lin Credit Data as of 06-30-2015, 1741 Redeemed & 294 Remaining.
Revenue as of 02-28-2015 for Livermore, 05-31-2015 for Pleasanton and DSRSD
Initial Calendar Year 2000 Payment of $10,000,000 for Credits is Not Reflected in This Graph



NOTES:
Shea-Lin Credit Data as of 06-30-2015, 1741 Redeemed & 294 Remaining.
Revenue as of 02-28-2015 for Livermore, 05-31-2015 for Pleasanton and DSRSD
Initial Calendar Year 2000 Payment of $10,000,000 for Credits is Not Reflected in This Graph

ZONE 7 WATER AGENCY

Budget vs Actual by Account Classification Report

For the period 7/1/2014 - 6/30/2015

	FY 14/15 Amended Budget	FY14/15 YTD Actual	% Used/Rec
FUND: 100 Water Enterprise Operations			
Revenue			
411 - Water Sales & Service	$34,246,611.00	$23,937,903.18	70%
441 - Charges for Services	$0.00	$4,888.87	-
452 - Aid from Governmental Agencies - State	$0.00	$220,575.49	-
461 - Investment Earnings	$75,000.00	$61,861.98	82%
462 - Rents and Royalties	$65,263.00	$60,520.32	93%
464 - Fines and Penalties	$0.00	$62.77	-
481 - Other Revenue	$74,188.00	$380,058.59	512%
Revenue Totals	$34,461,062.00	$24,665,871.20	72%
Expenditures			
511 - Personal Services - Salaries and Wages [1]	$13,859,924.00	$10,788,851.05	78%
512 - Personal Services - Overtime [1]	$215,074.00	$136,003.64	63%
513 - Personal Services - Benefits [1]	$7,120,240.00	$5,847,409.53	82%
600 - Labor & Overhead Distributed [2]	($7,961,534.00)	($3,153,734.70)	40%
611 - Purchased Services	$4,456,603.00	$2,525,530.38	57%
621 - Water	$9,014,831.00	$5,011,586.47	56%
631 - Chemicals	$2,250,973.00	$1,900,339.04	84%
641 - Utilities	$1,922,616.00	$1,494,074.87	78%
643 - Communications	$174,124.00	$135,759.50	78%
651 - Cleaning Services	$50,931.00	$43,921.27	86%
652 - Repairs and Maintenance	$2,833,012.00	$1,442,621.44	51%
653 - Rental Services	$792,900.00	$121,155.86	15%
661 - General Office Services/ Supplies	$610,897.00	$312,407.27	51%
662 - Organizational Membership/ Participation	$467,783.00	$373,977.35	80%
665 - Other Services/ Supplies	$399,078.00	$152,722.55	38%
667 - Training and Travel	$399,195.00	$106,328.68	27%
669 - Special Departmental Expense	$698,948.00	$296,375.02	42%
671 - Equipment, Furniture and Vehicles	$27,700.00	$36,901.93	133%
691 - Transfers	$12,823,924.00	$12,960,590.68	101%
Expenditure Totals	$50,157,219.00	$40,532,821.83	81%
Revenue Less Expenses Fund 100 Total	($15,696,157.00)	($15,866,950.63)	

	FY 14/15 Amended Budget	FY14/15 YTD Actual	% Used/Rec
FUND: 110 State Water Facilities			
Revenue			
411 - Dougherty Valley Surcharge	$1,311,950.00	$1,648,304.77	126%
421 - Property Taxes	$11,350,000.00	$11,239,011.38	99%
452 - Aid from Governmental Agencies - State	$45,000.00	$37,489.96	83%
453 - Aid from Governmental Agencies - Local	$610.00	$0.00	0%
461 - Investment Earnings	$15,000.00	$22,266.89	148%
481 - Other Revenue	$1,338,377.00	$1,764,115.40	132%
Revenue Totals	$14,060,937.00	$14,711,188.40	105%
Expenditures			
621 - Water	$14,227,251.00	$16,185,437.80	114%
Expenditure Totals	$14,227,251.00	$16,185,437.80	114%
Revenue Less Expenses Fund 110 Total	($166,314.00)	($1,474,249.40)	

ZONE 7 WATER AGENCY

Budget vs Actual by Account Classification Report

For the period 7/1/2014 - 6/30/2015

	FY 14/15 Amended Budget	FY14/15 YTD Actual	% Used/Rec
FUND: 120 Water Enterprise Capital IR&R			
Revenue			
431 - Facility Use Fees	$250,000.00	$631,169.40	252%
441 - Charges for Services	$2,500.00	$150.00	6%
452 - Aid from Governmental Agencies - State	$0.00	$70,269.59	-
461 - Investment Earnings	$52,900.00	$46,253.04	87%
499 - Transfers	$12,823,924.00	$12,823,924.00	100%
Revenue Totals	$13,129,324.00	$13,571,766.03	103%
Expenditures			
600 - Labor & Overhead Distributed [1]	$1,177,962.00	$939,709.96	80%
611 - Purchased Services	$2,875,329.00	$757,166.24	26%
643 - Communications	$0.00	$27.75	-
653 - Rental Services	$549,198.00	$555,749.02	101%
661 - General Office Services/ Supplies	$150,000.00	$7,829.36	5%
665 - Other Services/ Supplies	$8,595.00	$13,909.33	162%
669 - Special Departmental Expense	$978,698.00	$0.00	0%
671 - Equipment, Furniture and Vehicles	$120,000.00	$0.00	0%
672 - Land and Facility Improvements	$7,376,266.00	$4,884,273.31	66%
Expenditure Totals	$13,236,048.00	$7,158,664.97	54%
Revenue Less Expenses Fund 120 Total	($106,724.00)	$6,413,101.06	
FUND: 130 Water Enterprise Cap Expansion			
Revenue			
431 - Development Fees	$19,020,120.00	$22,129,346.78	116%
441 - Charges for Services	$0.00	$0.00	-
452 - Aid from Governmental Agencies - State	$0.00	$30,115.53	-
461 - Investment Earnings	$81,100.00	$80,328.25	99%
481 - Other Revenue	$2,940,800.00	$2,845,985.60	97%
Revenue Totals	$22,042,020.00	$25,085,776.16	114%
Expenditures			
600 - Labor & Overhead Distributed [1]	$636,105.00	$314,570.23	49%
611 - Purchased Services	$1,808,744.00	$556,604.47	31%
621 - Water	$16,744,211.00	$19,203,422.81	115%
643 - Communications	$0.00	$27.73	-
653 - Rental Services	$426,376.00	$432,129.93	101%
661 - General Office Services/ Supplies	$0.00	$2,114.92	-
662 - Organizational Membership/ Participation	$694.00	$2,211.00	319%
665 - Other Services/ Supplies	$0.00	$465.30	-
669 - Special Departmental Expense [3]	$472,643.00	$44,642.85	9%
672 - Land and Facility Improvements	$2,263,272.00	$1,176,519.95	52%
Expenditure Totals	$22,352,045.00	$21,732,709.19	97%
Revenue Less Expenses Fund 130 Total	($310,025.00)	$3,353,066.97	

ZONE 7 WATER AGENCY

Budget vs Actual by Account Classification Report

For the period 7/1/2014 - 6/30/2015

	FY 14/15 Amended Budget	FY14/15 YTD Actual	% Used/Rec
FUND: 200 Flood Protection Operations			
Revenue			
421 - Property Taxes	$6,307,731.00	$6,394,937.95	101%
441 - Charges for Services	$13,000.00	$442,207.16	3402%
452 - Aid from Governmental Agencies - State	$54,000.00	$72,917.81	135%
453 - Aid from Governmental Agencies - Local	$10,700.00	$11,964.16	112%
461 - Investment Earnings	$25,000.00	$37,826.16	151%
462 - Rents and Royalties	$60,505.00	$66,371.53	110%
481 - Other Revenue	$35,000.00	$697.67	2%
Revenue Totals	$6,505,936.00	$7,026,922.44	108%
Expenditures			
600 - Labor & Overhead Distributed [1]	$2,098,094.00	$1,697,334.40	81%
611 - Purchased Services	$6,178,344.00	$501,925.64	8%
643 - Communications	$3,000.00	$2,089.30	70%
651 - Cleaning Services	$10,000.00	$2,255.85	23%
652 - Repairs and Maintenance	$2,355,491.00	$1,447,745.06	61%
653 - Rental Services	$159,322.00	$141,240.22	89%
661 - General Office Services/ Supplies	$19,550.00	$8,509.26	44%
662 - Organizational Membership/ Participation	$175,584.00	$63,762.50	36%
665 - Other Services/ Supplies	$516,902.00	$132,774.18	26%
667 - Training and Travel	$31,400.00	$2,365.00	8%
669 - Special Departmental Expense	$13,333.00	$0.00	0%
672 - Land and Facility Improvements	$2,718,541.00	$47,300.00	2%
691 - Transfers	$0.00	$13,333.32	-
Expenditure Totals	$14,279,561.00	$4,060,634.73	28%
Revenue Less Expenses Fund 200 Total	($7,773,625.00)	$2,966,287.71	
FUND: 210 Flood Protection/Drainage DIF			
Revenue			
431 - Development Fees	$2,530,000.00	$3,425,905.95	135%
441 - Charges for Services	$0.00	$83,555.00	-
452 - Aid from Governmental Agencies - State	$0.00	$32,357.11	-
461 - Investment Earnings	$91,500.00	$97,611.86	107%
481 - Other Revenue	$25,000.00	$0.00	0%
Revenue Totals	$2,646,500.00	$3,639,429.92	138%
Expenditures			
600 - Labor & Overhead Distributed [1]	$665,730.00	$202,120.11	30%
611 - Purchased Services	$5,166,799.00	$97,489.22	2%
643 - Communications	$0.00	$5.72	-
653 - Rental Services	$121,822.00	$123,563.90	101%
661 - General Office Services/ Supplies	$0.00	$56.17	-
669 - Special Departmental Expense	$250,000.00	$0.00	0%
672 - Land and Facility Improvements	$817,806.00	$60,200.00	7%
Expenditure Totals	$7,022,157.00	$483,435.12	7%
Revenue Less Expenses Fund 210 Total	($4,375,657.00)	$3,155,994.80	-72%
Revenue Grand Totals:	$92,845,779.00	$88,700,954.15	96%
Expenditure Grand Totals:	$121,274,281.00	$90,153,703.64	74%
Net Grand Totals:	($28,428,502.00)	($1,452,749.49)	

Notes:

1. Agency-wide salaries, wages, overtime and benefits are budgeted in Fund 100, then distributed to other funds based on assignments and work demands.

2. This is a credit to Fund 100 for salaries, wages, overtime and benefits charged to other funds.

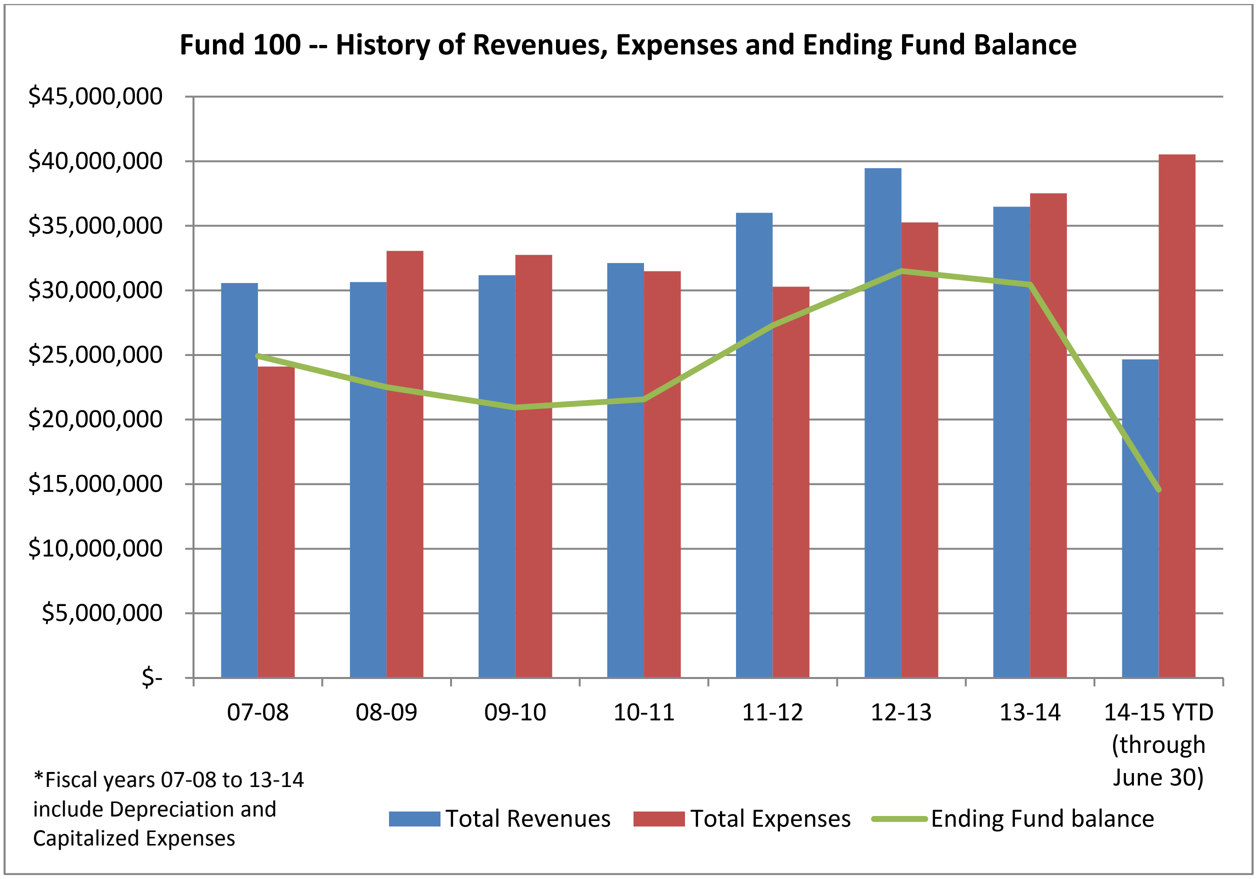
Fund Balance Changes Report

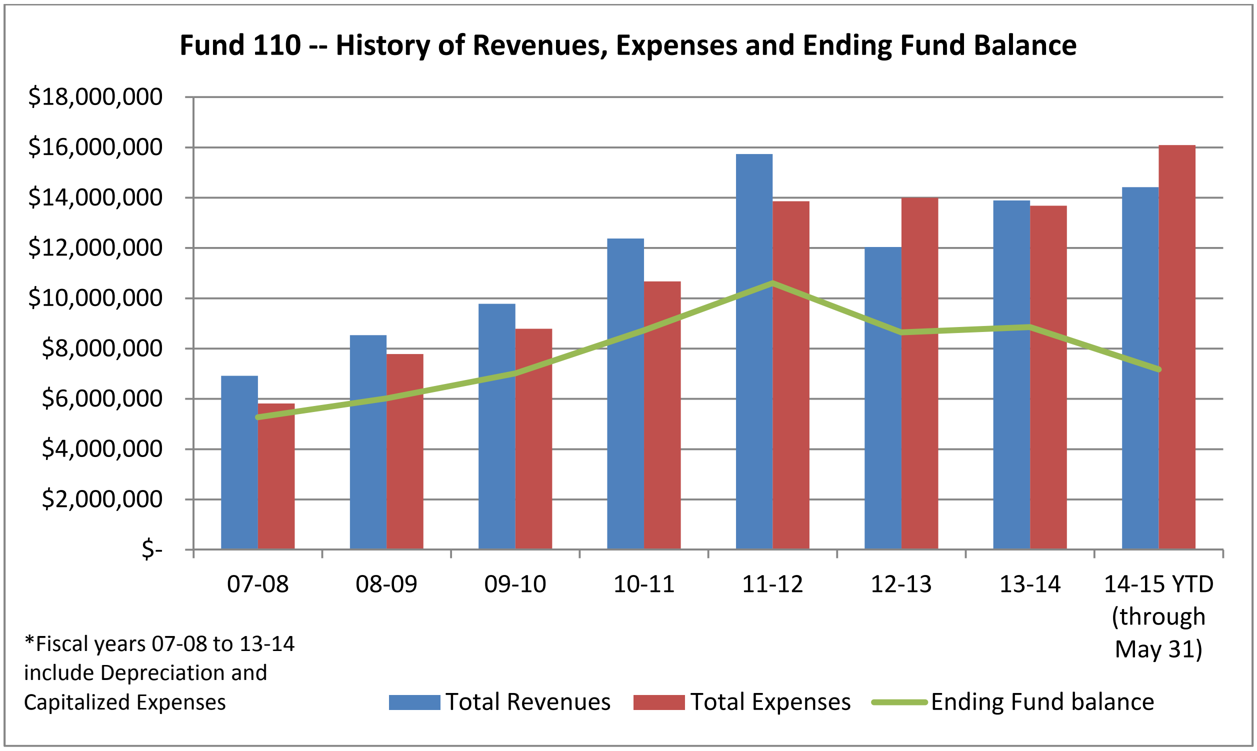
Through 06/30/15

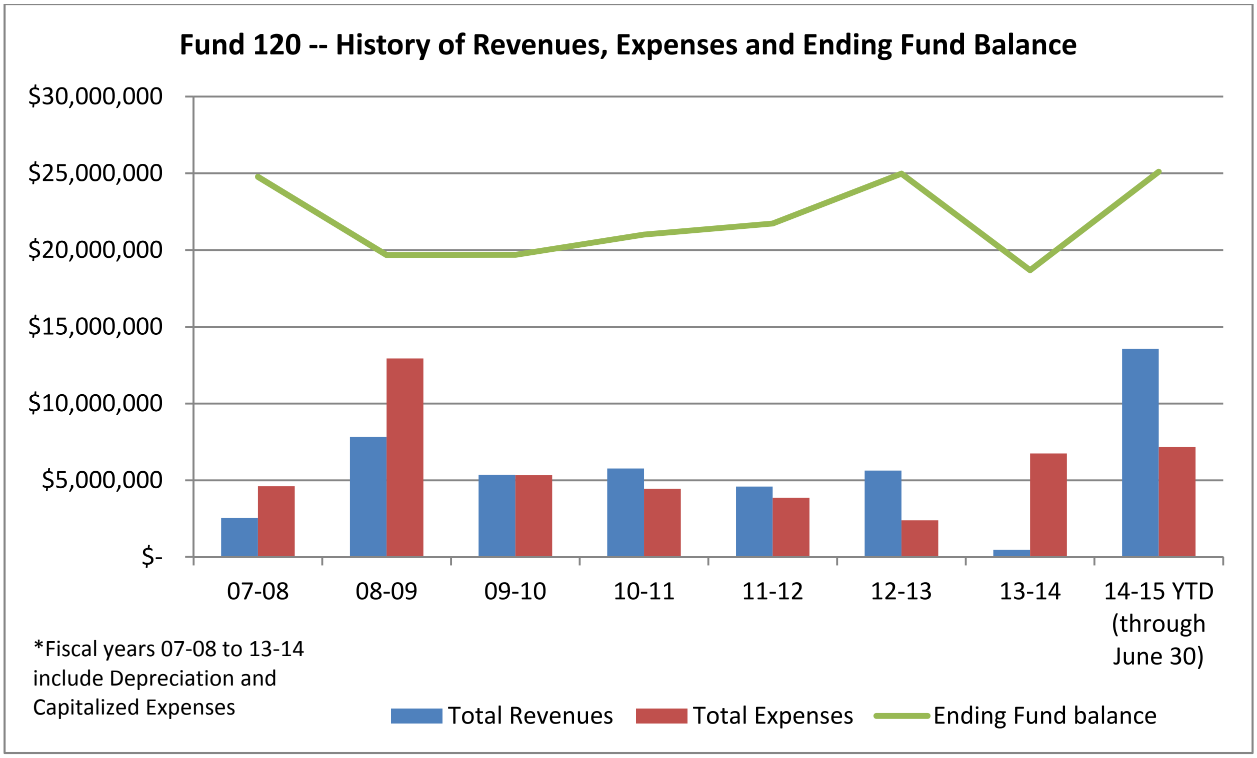
Summary Listing

FUND	FUND Description	July 1, 2014 Audited Fund Balance	YTD Revenues	YTD Expenses	June 30, 2015 Estimated Fund Balance
Proprietary Funds					
100	Water Enterprise Operations	30,450,709	24,665,871	40,532,822	14,583,758
110	State Water Facilities	8,849,889	14,711,188	16,185,438	7,375,640
120	Water Enterprise Capital IR&R	18,690,974	13,571,766	7,158,665	25,104,075
130	Water Enterprise Cap Expansion	33,346,252	25,085,776	21,732,709	36,699,319
	Proprietary Funds Totals	91,337,825	78,034,602	85,609,634	83,762,793
Governmental Funds					
200	Flood Protection Operations	15,260,267	7,026,922	4,060,635	18,226,554
210	Flood Protection/Drainage DIF	41,506,429	3,639,430	483,435	44,662,424
	Governmental Funds Totals	56,766,696	10,666,352	4,544,070	62,888,979
	Grand Totals	148,104,521	88,700,954	90,153,704	146,651,771

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


Fund 100 -- History of Revenues, Expenses and Ending Fund Balance
$45,000,000
$40,000,000
$35,000,000
$30,000,000
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$-
07-08
08-09
09-10
10-11
11-12
12-13
13-14
14-15 YTD (through June 30)
*Fiscal years 07-08 to 13-14 include Depreciation and Capitalized Expenses
Total Revenues
Total Expenses
Ending Fund balance


Fund 110 -- History of Revenues, Expenses and Ending Fund Balance
$18,000,000
$16,000,000
$14,000,000
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$-
07-08
08-09
09-10
10-11
11-12
12-13
13-14
14-15 YTD (through May 31)
*Fiscal years 07-08 to 13-14 include Depreciation and Capitalized Expenses
Total Revenues
Total Expenses
Ending Fund balance


Fund 120 -- History of Revenues, Expenses and Ending Fund Balance
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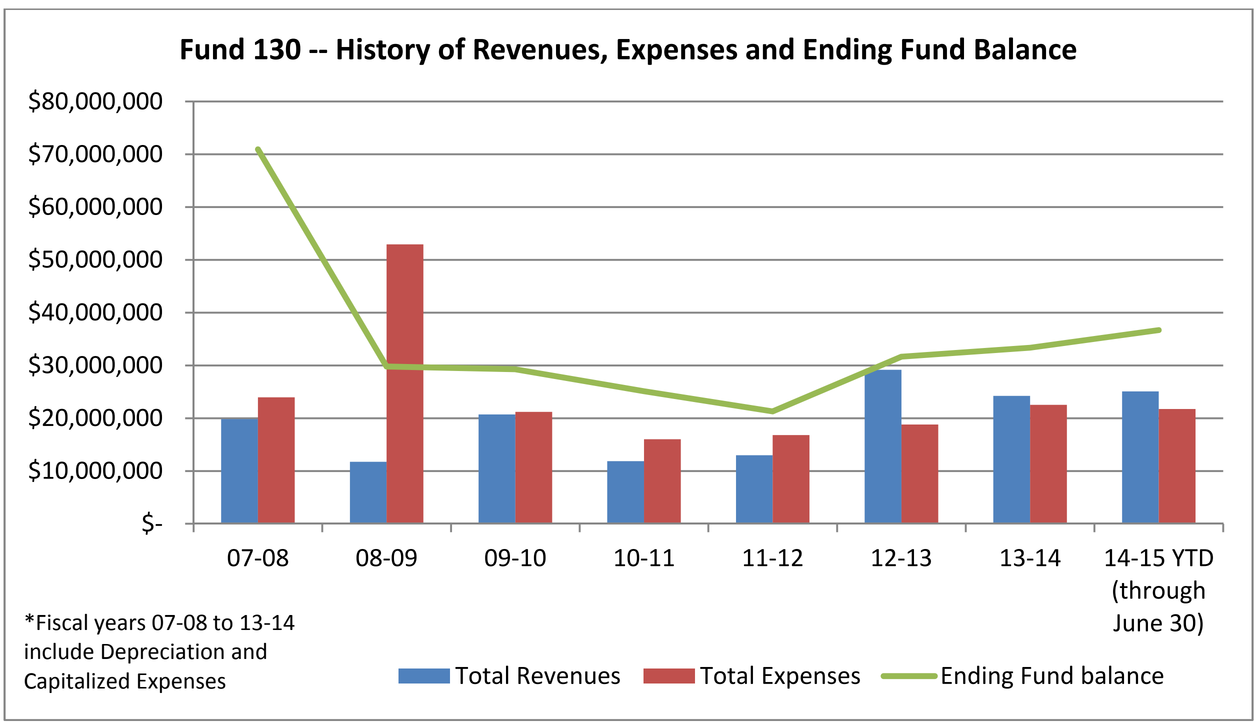
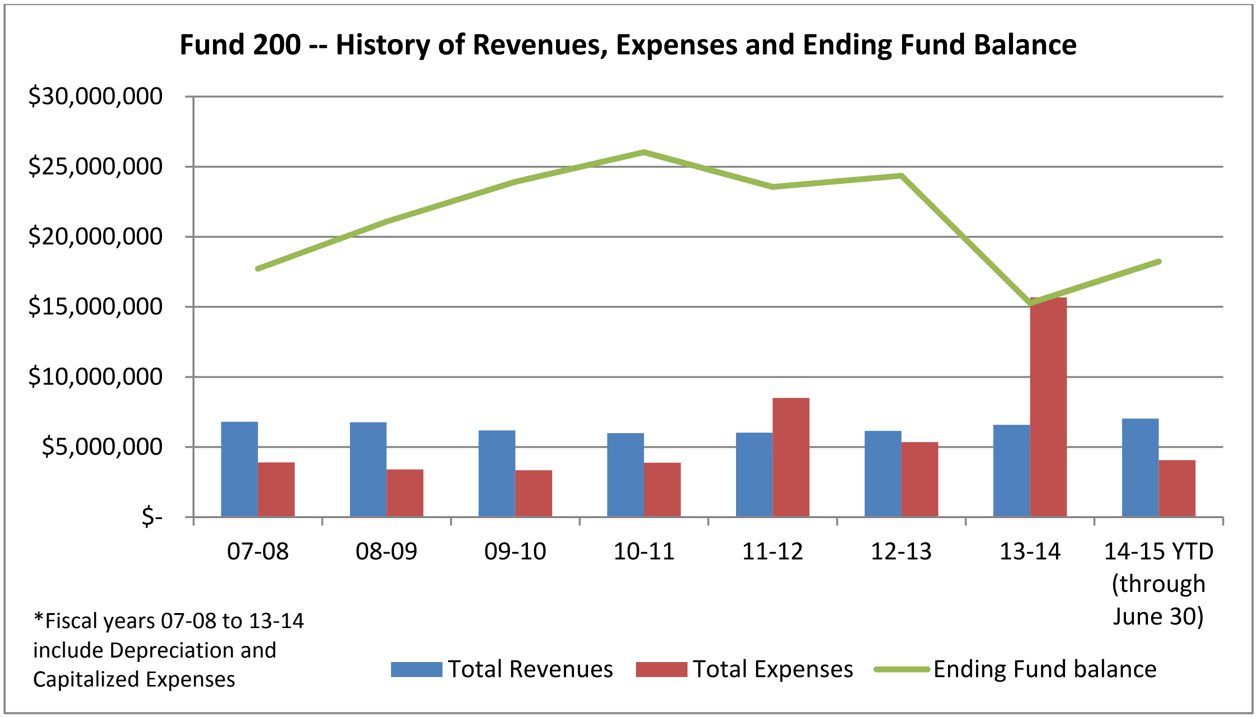
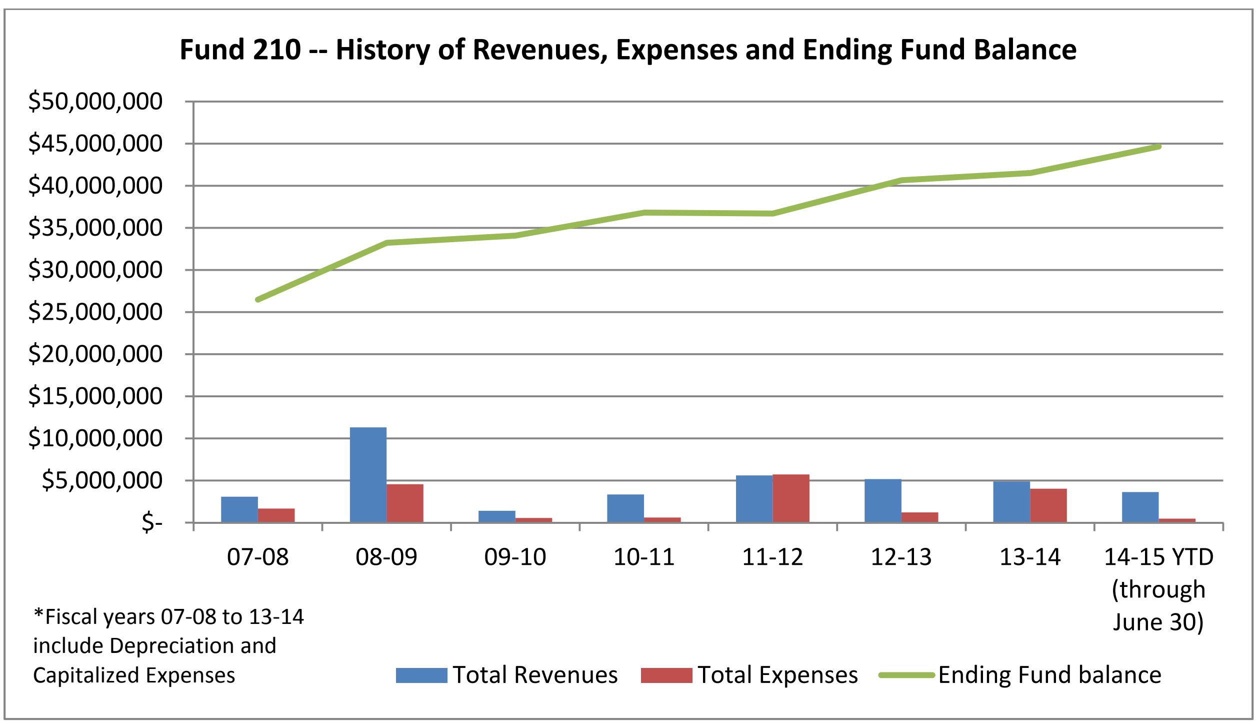
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$-
07-08
08-09
09-10
10-11
11-12
12-13
13-14
14-15 YTD (through June 30)
*Fiscal years 07-08 to 13-14 include Depreciation and Capitalized Expenses
Total Revenues
Total Expenses
Ending Fund balance


Fund 130 -- History of Revenues, Expenses and Ending Fund Balance
$80,000,000
$70,000,000
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$-
07-08
08-09
09-10
10-11
11-12
12-13
13-14
14-15 YTD (through June 30)
*Fiscal years 07-08 to 13-14 include Depreciation and Capitalized Expenses
Total Revenues
Total Expenses
Ending Fund balance


Fund 200 -- History of Revenues, Expenses and Ending Fund Balance
$30,000,000
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$-
07-08
08-09
09-10
10-11
11-12
12-13
13-14
14-15 YTD (through June 30)
*Fiscal years 07-08 to 13-14 include Depreciation and Capitalized Expenses
Total Revenues
Total Expenses
Ending Fund balance


Fund 210 -- History of Revenues, Expenses and Ending Fund Balance
$50,000,000
$45,000,000
$40,000,000
$35,000,000
$30,000,000
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$-
07-08
08-09
09-10
10-11
11-12
12-13
13-14
14-15 YTD (through June 30)
*Fiscal years 07-08 to 13-14 include Depreciation and Capitalized Expenses
Total Revenues
Total Expenses
Ending Fund balance

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

ORIGINATING SECTION: ADMINISTRATIVE SERVICES
CONTACT: BONI BREWER

AGENDA DATE: July 15, 2015 ITEM NO. **13c**

SUBJECT: Legislative Update

SUMMARY:

- Zone 7 staff, with the support of Agency consultants, monitors legislation that is being considered in Sacramento, as well as other political activities of interest to the Agency.
- Governor Brown signed the 2015/16 fiscal year budget with the General Fund at $115.4 billion. The budget includes $1.8 billion in one-time funds to address the drought. A budget trailer bill (SB 88) gave the State Water Resources Control Board unprecedented authority to consolidate water districts and empowered local agencies to enforce drought regulations. Another budget trailer bill (SB 83) made well drilling records open to the public for the first time.
- State Water Resources Control Board budget staff said the water rights fee would increase 9% pending results of contract negotiations with one bargaining unit and final allocation of drought emergency expenses. The fee is expected to be finalized in late July or early August. During the budget process, Administration officials floated three proposals that could have increased the fees by 100% by placing the costs of the California Water Action Plan onto fee payers. Those costs were instead placed onto the General Fund because of the lack of a statutory nexus and local benefit.
- Eight bills related to the Sustainable Groundwater Management Act (SGMA) of 2014 remain active in the Legislature. One bill (AB 453, Bigelow) allows groundwater management plans adopted prior to the 2014 Act to be amended and extended, and allows local agencies to adopt fees and collect groundwater extraction information for revising groundwater plans.
- As required by law, the State Water Resources Control Board submitted to the Legislature its policy and program priorities for the Safe Drinking Water Program, which was transferred to the State Board on July 1, 2014. The report contains some sensitive recommendations including recommendations to the Legislature for water district consolidations, rate assistance for disadvantaged areas, mandated assistance from larger districts to smaller districts, and supply reliability studies.
- Republican San Joaquin Valley Congressman David Valadao introduced HR 2898, the Western Water and Food Security Act of 2015, to make more water available to farms and communities. The bill would require agencies to use current and reliable scientific data when applying the Endangered Species Act. It also would provide regulators with more flexibility to store water during high flows and simplify regulations.

RECOMMENDED ACTION: Information only

EXECUTIVE SUMMARY
State Legislation

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

Bill	Topic	Synopsis	Staff Recommendation	Status of the Bill/Comments as of 07/01/15
Water Management				
AB 149 (Chavez)	Urban water management plans	This bill would require each urban water supplier to update and submit its 2020 urban water management plan to the Department of Water Resources by July 1, 2021.	Watch	On Governor's Desk
AB 935 (Salas)	Integrated Regional Water Management Plans: conveyance projects: grants and expenditures	This bill would require the Department of Water Resources to provide grants and expenditures, consistent with an integrated regional water management plan, for the planning, design, and construction of local and regional conveyance projects that support regional and interregional connectivity and water management and provide certain benefits.	Watch	In Senate Committee on Natural Resources and Water
SB 664 (Hertzberg)	Water: urban water management planning	This bill would require an urban water supplier to include within its plan, beginning January 1, 2020, a seismic risk assessment and mitigation plan to assess the vulnerability of each of the various facilities of a water system and mitigate those vulnerabilities.	Watch	In Assembly Committee on Appropriations
Groundwater				
AB 617 (Perea)	Groundwater	This bill would authorize a combination of one or more local agencies and one or more mutual water companies to enter into an agreement to form a groundwater sustainability agency and would authorize a groundwater sustainability agency formed by a joint powers agreement to exercise the powers granted in the Sustainable Groundwater Management Act.	Watch	In Senate Committee on Natural Resources and Water

Bill	Topic	Synopsis	Staff Recommendation	Status of the Bill/Comments as of 07/01/15
AB 937 (Salas)	Groundwater planning and monitoring: disadvantaged communities	This bill would require the Department of Water Resources to provide technical assistance to disadvantaged communities so that they may participate in groundwater planning, including, but not limited to, plans for regional groundwater banking, with any county or other local agency.	Watch	In Senate Committee on Natural Resources and Water
AB 938 (Salas)	Groundwater: basin reprioritization: establishment of groundwater sustainability agency	This bill would impose a requirement to establish a groundwater sustainability agency or submit an alternative after reprioritization on a local agency or combination of local agencies overlying a groundwater basin.	Watch	In Senate Committee on Natural Resources and Water
AB 939 (Salas)	Groundwater sustainability agency: financial authority	The Sustainable Groundwater Management Act authorizes a groundwater sustainability agency to impose fees to fund the costs of a groundwater sustainability program and requires a groundwater sustainability agency to hold at least one public meeting prior to imposing or increasing a fee. This bill would require a groundwater sustainability agency to make the data upon which the proposed fee is based available 20 days prior to the public meeting to impose or increase a fee.	Watch	In Senate Committee on Natural Resources and Water
AB 1242 (Gray)	Water quality: impacts on groundwater: instream flows	This bill would require the State Water Resources Control Board to identify projects for fish recovery that may be undertaken in lieu of instream flows before adopting or approving water quality objectives or a program of implementation that requires instream flows for protection of instream beneficial uses	Watch	In Senate Committee on Environmental Quality
AB 1390 (Alejo)	Groundwater: adjudication	This bill would establish special procedures for an adjudication actions, which is defined as an action filed in superior court to determine the rights to extract groundwater within a basin or store water from a basin, as specified. The bill would authorize the court to determine all rights to groundwater in a basin whether based on appropriation, overlying right, or other basis of right. The bill would require these special procedures to govern all adjudication actions except in specified cases not involving allocation of a basin's groundwater supply.	Watch	In Senate Committee on Judiciary

Bill	Topic	Synopsis	Staff Recommendation	Status of the Bill/Comments as of 07/01/15
SB 13 (Pavley)	Groundwater	This bill would specify that the State Water Resources Control Board is authorized to designate a high- or medium-priority basin as a probationary basin. This bill would provide a local agency or groundwater sustainability agency 90 or 180 days, as prescribed, to remedy certain deficiencies that caused the board to designate the basin as a probationary basin. This bill would authorize the board to develop an interim plan for certain probationary basins one year after the designation of the basin as a probationary basin.	Watch	In Assembly Committee on Appropriations
Well Reports				
SB 20 (Pavley)	Wells: reports: public availability	This bill would require the Department of Water Resources to, upon request, make the report of any person who digs, bores, or drills a water well, cathodic protection well, or a monitoring well, or abandons or destroys a well, or deepens or re-perforates a well, available to the public.	Watch	In Assembly Committee on Water, Parks and Wildlife
Public Works				
AB 251 (Levine)	Public Works: public subsidies	This bill would provide that a public subsidy is de minimis if it is both less than $75,000 and less than 1% of the total project cost. The bill would specify that those provisions do not apply to a project that was advertised for bid, or a contract that was awarded, before January 1, 2016.	Watch	On Senate Floor
Invasive Species				
AB 300 (Alejo)	Safe Water and Wildlife Protection Act of 2016	This bill would enact the Safe Water and Wildlife Protection Act of 2016, which would require the State Water Resources Control Board to establish and coordinate the Algal Bloom Task Force, comprised of specified representatives of state agencies, including the conservancy, in consultation with the Secretary for Environmental Protection, and would prescribe the functions and duties of the task force.	Watch	In Senate Committee on Environmental Quality

Bill	Topic	Synopsis	Staff Recommendation	Status of the Bill/Comments as of 07/01/15
SB 223 (Galgiani)	Division of Boating and Waterways: oversight committee: invasive aquatic plants	This bill would require the Division of Boating and Waterways, no later than January 1, 2017, to establish an advisory and oversight committee to evaluate and monitor the activities of the division relating to the management and control or eradication of invasive aquatic plants in the Sacramento-San Joaquin Delta.	Watch	In Assembly Committee on Water, Parks and Wildlife
Governance				
AB 402 (Dodd)	Local agency services: contracts	This bill would revise the circumstances under which a local agency formation commission may authorize a city or district to provide new or extended services. This bill would additionally establish a pilot program, until January 1, 2021, for the Napa, Sonoma, and San Bernardino commissions that would permit those commissions to authorize a city or district to provide new or extended services outside both its jurisdictional boundaries and its sphere of influence under specified circumstances.	Watch	On Senate Floor
AB 656 (Garcia)	Joint powers agreements: mutual water companies	This bill would specifically authorize a mutual water company and a public agency to participate in joint powers agreement for the provision of insurance and risk-pooling, technical support, and other similar services for the purpose of reducing risk liability, as specified.	Watch	In Senate Committee on Appropriations
SB 272 (Hertzberg)	The California Public Records Act: local agencies: inventory	This bill would require each local agency, in implementing the California Public Records Act, to create a catalog of information technology systems, as defined, to make the catalog publicly available upon request in the Office of the clerk of the agency's legislative body, and to post the catalog on the local agency's Internet Web site.	Watch	In Assembly Committee on Local Government
SB 704 (Gaines)	Public officers and employees: conflict of interest	This bill would include in the definition of "remote interest" the interest of a person who is an owner or partner of a firm serving on an advisory board or commission to the contracting agency, if the duties of the advisory board or commission do not include providing advice with respect to seeking or awarding contracts and if the owner or partner recuses himself or herself from all participation in reviewing a project that results from a contract between the firm and the contracting agency.	Watch	In Assembly Committee on Elections and Redistricting

Bill	Topic	Synopsis	Staff Recommendation	Status of the Bill/Comments as of 07/01/15
Sacramento-San Joaquin Delta				
AB 1201 (Salas)	Fish and wildlife: Sacramento-San Joaquin Delta: predation by nonnative species	This bill would require the Department of Fish and Wildlife, by June 30, 2016, to develop a science-based approach that addresses predation by nonnative species upon species of fish listed pursuant to the act that reside all or a portion of their lives in the Sacramento-San Joaquin Delta.	Favor	In Senate Committee on Natural Resources and Water
Energy				
AB 568 (Dodd)	Reclamation District No. 108: hydroelectric power	Existing law authorizes Reclamation District No. 1004, in conjunction with the County of Colusa, to construct, maintain, and operate a plant, transmission lines, and other necessary or appropriate facilities for the generation of hydroelectric power. This bill would grant the above-described hydroelectric power authority to Reclamation District No. 108 until January 1, 2021.	Watch	On Senate Floor
SB 471 (Pavley)	Water, energy, and reduction of greenhouse gas emissions: planning	This bill would include reduction of greenhouse gas emissions associated with water treatment among the investments that are eligible for funding from the Greenhouse Gas Reduction Fund.	Watch	In Assembly Committee on Natural Resources
Water Efficiency				
AB 585 (Melendez)	Outdoor Water Efficiency Act of 2015: income tax credits: outdoor water efficiency	This bill, for taxable years beginning on or after January 1, 2015, and before January 1, 2021, or an earlier specified date, would allow a credit equal to 25% of the amount paid or incurred by a qualified taxpayer for water-efficiency improvements made to outdoor landscapes on qualified real property in this state, not to exceed $2,500 per taxable year, as specified.	Watch	In Assembly Committee on Revenue and Taxation

Bill	Topic	Synopsis	Staff Recommendation	Status of the Bill/Comments as of 07/01/15
Disadvantaged Communities				
AB 615 (Rendon)	Office of Sustainable Water Solutions: technical assistance	Existing law authorizes the Office of Sustainable Water Solutions.to take certain actions to further this purpose, including providing technical assistance to disadvantaged communities and small drinking water systems and wastewater systems. This bill would specify the types of technical assistance services that may be provided by the office.	Watch	In Senate Committee on Environmental Quality
SB 552 (Wolk)	Public water systems: disadvantaged communities: drinking water standards	This bill would require, by January 1, 2017, the State Water Resources Control Board to develop a report identifying specific funding and enforcement mechanisms necessary, to ensure that disadvantaged communities have water systems that are in compliance with state and federal drinking water standards.	Watch	In Assembly Committee on Environmental Safety and Toxic Materials
Water Use				
AB 647 (Eggman)	Beneficial use: storing of water underground	This bill would declare that the diversion of water to underground storage constitutes a beneficial use of water if the water so stored is thereafter applied to the beneficial purposes for which the appropriation for storage was made, or if the water is so stored consistent with a sustainable groundwater management plan, statutory authority to conduct groundwater recharge, or a judicial decree and is for specified purposes.	Watch	In Senate Committee on Natural Resources and Water
SB 555 (Wolk)	Department of Water Resources: urban retail water suppliers: water loss audits	This bill would require each urban retail water supplier, on or before July 1, 2017, and annually each year thereafter, to submit a completed and validated water loss audit report for the previous calendar year as prescribed by rules adopted by the Department of Water Resources on or before January 1, 2017, and updated as provided.	Watch	In Assembly Committee on Water, Parks and Wildlife
SB 758 (Block)	Atmospheric Rivers Research and Mitigation Fund	This bill would establish the Atmospheric Rivers Research and Mitigation Program in the Department of Water Resources to research the causes and effects of atmospheric rivers, and to take actions to capture water generated by atmospheric rivers to increase the water supply and reliability of water resources in the state and to operate reservoirs in a manner that improves flood protection in the state.	Watch	In Assembly Committee on Natural Resources and Water

Bill	Topic	Synopsis	Staff Recommendation	Status of the Bill/Comments as of 07/01/15
Drinking Water				
AB 1173 (Williams)	Water equipment: backflow prevention devices testing: certification	This bill would require, if a local health officer does not maintain a program for certification of backflow prevention device testers, the testing and maintenance of a backflow prevention device be performed by a person who has received a California-specific certification for testing backflow prevention devices from one of specified entities or a similar certification provider deemed acceptable by the state board or the local health officer.	Watch	In Senate Committee on Environmental Quality
AB 1376 (Perea)	State Water Resources Control Board: appropriation: drought-related drinking water projects	This bill would appropriate $15,000,000 from the General Fund to the state board, for expenditure until June 30, 2016, for grants of up to $500,000 per project for public water systems to address drought-related drinking water emergencies or threatened emergencies in the state. The bill would require the state board to make every effort to use other funds available to address drinking water emergencies, including federal funds made available for the drought, prior to using the funds appropriated pursuant to these provisions.	Watch	In Assembly Committee on Water, Parks and Wildlife
SB 385 (Hueso)	Primary drinking water standards: hexavalent chromium: compliance plan	This bill would authorize, until January 1, 2020, the State Water Resources Control Board, at the request of a public water system that prepares and submits a compliance plan to the state board, to grant a period of time to achieve compliance with the primary drinking water standard for hexavalent chromium by approving a compliance plan.	Watch	In Assembly Committee on Judiciary

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

ORIGINATING SECTION: ADMINISTRATIVE SERVICES
CONTACT: BONI BREWER

AGENDA DATE: July 15, 2015 ITEM NO. **13d**

SUBJECT: Outreach Activities

E-Newsletters, June 11th and 25th

The June 11th e-newsletter had articles on the FY 2015/16 budget adoption, the availability of the 2014 Consumer Confidence Report on Zone 7's website, and Zone 7's special awards for water-related projects at the 2015 Alameda County Science & Engineering Fair. The June 25th e-newsletter had articles on Board adoption of the Nutrient Management Plan to help protect groundwater quality and on Governor Brown's recent unveiling of a revised approach to securing reliability of Delta water conveyance and restoring the Delta ecosystem's health. Both articles in the June 25th e-news were picked up by local news (the former in The Independent and the latter in The Pleasanton Weekly).

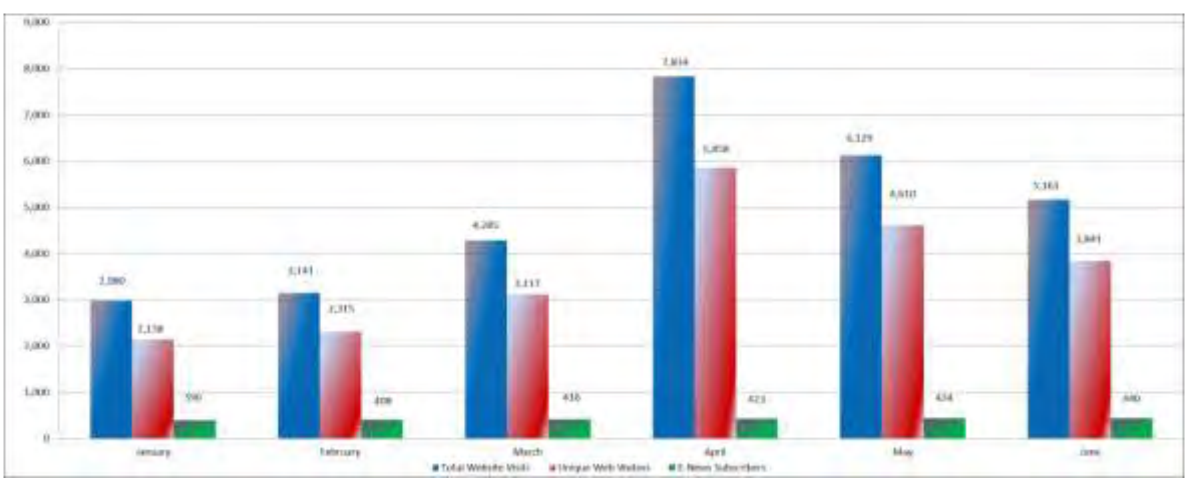
Alameda County Fair Exhibit, June 17th through July 5th

Throughout the fair, Zone 7 had an exhibit in the Agricultural Building encouraging residents and businesses in its service area to keep up the good work on drought-related water conservation. During the fair's final three days, Zone 7 also had an "Ag, Energy & Environment Weekend" booth with conservation activities in the Country Plaza picnic area.

Schools Program

The final report for Zone 7's water education program for the 2014/15 school year was submitted in June. It showed there were a total of 434 kindergarten-through-eighth grade classroom presentations, a 21% increase from the previous year; and 45 high school presentations, more than double the previous year's number.

Website & E-news Subscription Activity



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

ORIGINATING SECTION: Engineering
CONTACT: Rhett Alzona

AGENDA DATE: July 15, 2015

SUBJECT: Drought Update ITEM NO. **13e**

SUMMARY:

- Lake Del Valle's water level is holding relatively steady, with releases to the Arroyo Valle continuing in the range of 12 to 14 cubic feet per second (cfs) including 2.5 cfs to Shadow Cliffs. As of June 30, the lake level in Del Valle is around 701 feet (38,800 AF) and starting to drop very slowly due to evaporation.

- Raw water TOC concentrations were observed to be around 4.5 mg/L to 4.8 mg/L at the treatment plants in June. Ferric chloride coagulant demand at DVWTP continues to be higher than normal to combat the elevated TOC levels. Pilot testing of carbon dioxide at Del Valle provided only minor relief.

- Starting in June, the coagulant at PPWTP was switched to aluminum chlorohydrate (ACH). PPWTP performance was successfully managed with ACH dosages around 25 to 30 mg/L. However, due to the elevated bromide in the raw water, trihalomethane (THM) levels increased as ACH does not remove THM precursors (with TOC as the indicator) as well as ferric chloride. The addition of Powdered Activated Carbon (PAC) used primarily for taste and odor control helped to reduce THM levels. Filter performance testing with a blend of coagulants will continue at PPWTP in an effort to find a more optimum blend for water treatment with reduced sludge production and lower THM levels.

- Following is the status of the ongoing emergency projects approved by the board:

    1. <u>Busch Valley Well No. 1, Phase 1</u> – Zone 7 entered into a Progressive Design-Build (D/B) contract with Conco West, Inc. (with Stantec as sub-consultant). Along with the Basis of Design, Zone 7 is proceeding with Phase 1 work to provide a connection for the new well to the Zone 7 transmission system. In the near term, in case of limited to no surface water, this connection would give Zone 7 the option of using a temporary booster pump station to pump well water from the west side to the east side of the Zone 7 transmission system. This will be the final work to be undertaken before the remainder of the Busch Valley Well project is deferred. The Zone 7 Board has approved up to $2.15 million which includes Zone 7 staff time, PG&E service, right-of-way engineering, and contingencies for the remaining work.

As of the week of July 1, the pipeline tie-in has been made under Valley Avenue. Site fencing, sidewalk, street repairs have all been completed. The restraining work of an inadequately secured pipeline tee in another vault is also complete. This pipeline is used to convey water to the BV1 tie-in. The remaining work will be the installation of electrical service. PG&E has submitted an electrical design for service to the BV1 site. Conco West is now designing the BV1 associated electrical facilities and connection to PG&E Service. The work is still anticipated to be complete by December 2015.

2. Stoneridge Cross Valley Isolation Valve – Stoneridge Well is Zone 7's highest producing well. By itself the well produces water that is just below the current hexavalent chromium (Cr6) drinking water standard or maximum contaminant level (MCL). By blending with surface water, water at the turnouts can be easily managed well below the Cr6 MCL. This new isolation valve enables Zone 7 to direct Stoneridge Well water in the westerly direction in the event the well water exceeds the hexavalent chromium and there is limited surface water. During times of limited to no surface water, Stoneridge Well water can stay well below the MCL by blending with other wells and water from the Mocho Groundwater Demineralization Plant on the west side of the Zone 7 transmission system. Zone 7 entered into a Progressive Design-Build contract with Conco West, Inc. (with Stantec as sub-consultant) for a not-to-exceed amount of $506,000 which includes a 10% contingency. Construction to install the new valve and valve vault is complete. As of July 1, electrical systems installation for remote operation of the new valve and the sump pump line to the sewer system is complete. An old surge anticipator valve used to release a pressure buildup and protect Stoneridge Well and the surrounding pipelines from damage was replaced under change order. Remaining work is to complete PLC/SCADA programming for the new valves. Total Conco West effort is expected to be around $474,000.

During the month of June both Treatment Plants were online and groundwater use made up only 4% of supply. Cawelo and Semitropic Water Districts continued to recover water for Zone 7 in June, but Cawelo will stop deliveries the rest of the summer and resume in the fall for 2015 recovery. Zone 7 continued to make releases on Arroyo Valle to maintain a live stream and recharge the groundwater basin. The Mocho Groundwater Demineralization Plant (MGDP) operation was limited to minimum reverse osmosis (RO) feed to maintain the membranes. Minimal MGDP use reduces discharge of the concentrate which minimizes water loss (waste stream is approximately 15% of the amount of groundwater pumped).

- DWR's pumping has filled Lake Del Valle to capacity. Zone 7 also has a claim to about 3,000 AF of local runoff minus a portion that is lost to evaporation. Zone 7 is working on a water exchange with Byron Bethany Irrigation District (BBID) in which Zone 7 would provide 2,800 AF of this local water to BBID, in return for 4,200 AF of water over the next 3-5 years.

- Zone 7 continues to store any excess surface water supply (i.e., surface water from the State Water Project that could not be used directly at this time) in San Luis Reservoir.

BACKGROUND:

Calendar Year 2013 was the driest year in recorded state history. 2013 also set a new record as the driest year measured in the Livermore-Amador Valley, with total precipitation of only 4.5 inches out of the average yearly rainfall of 14.47-inches (only 31% of average recorded at Livermore Station 15e). In early January 2014, the snowpack's statewide water content was estimated at about 20% of the recorded average for this time of year. On January 17, 2014, Governor Jerry Brown declared a State of Emergency in California due to the current drought conditions and asked all citizens to cut back water use by 20%. On January 29, 2014 at a Special Meeting of the Zone 7 Board, a Local Drought Emergency was declared and a Drought Emergency Response Plan was accepted. In addition, on January 31, 2014, the California Department of Water Resources (DWR) announced they were reducing State Water Project allocations from 5% to zero for the first time in history.

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

On April 16, 2014, the Zone 7 Board received the annual Sustainability Report and authorized the General Manager to implement Stage Two Actions under the 2010 Urban Water Management Plan to achieve 25% demand reductions. On April 25th, Governor Jerry Brown issued a second drought proclamation.

On July 29, 2014, a State Water Resources Control Board (SWRCB) emergency regulation to increase conservation practices for all Californians went into effect. The new conservation regulation targets outdoor urban water use and mandates conservation reporting by retail water agencies.

On August 14, 2014, the California Public Utilities Commission ordered the water companies under its jurisdiction to provide notice to their customers of the July 29th emergency regulation.

While conditions have improved from Calendar Year 2013, the drought still continues. The fall season of 2014 was relatively dry. A wet December 2014 was followed by a record dry January 2015, the driest January in recorded history for the State and Bay Area. Some rain in February and April helped locally.

On April 1, 2015, DWR's manual snow survey found the statewide snowpack with less water content today than any April 1st since 1950. The dismal snow survey results were followed by a new Executive Order from the Governor mandating 25% demand reduction across California underscoring the continued severity of the drought.

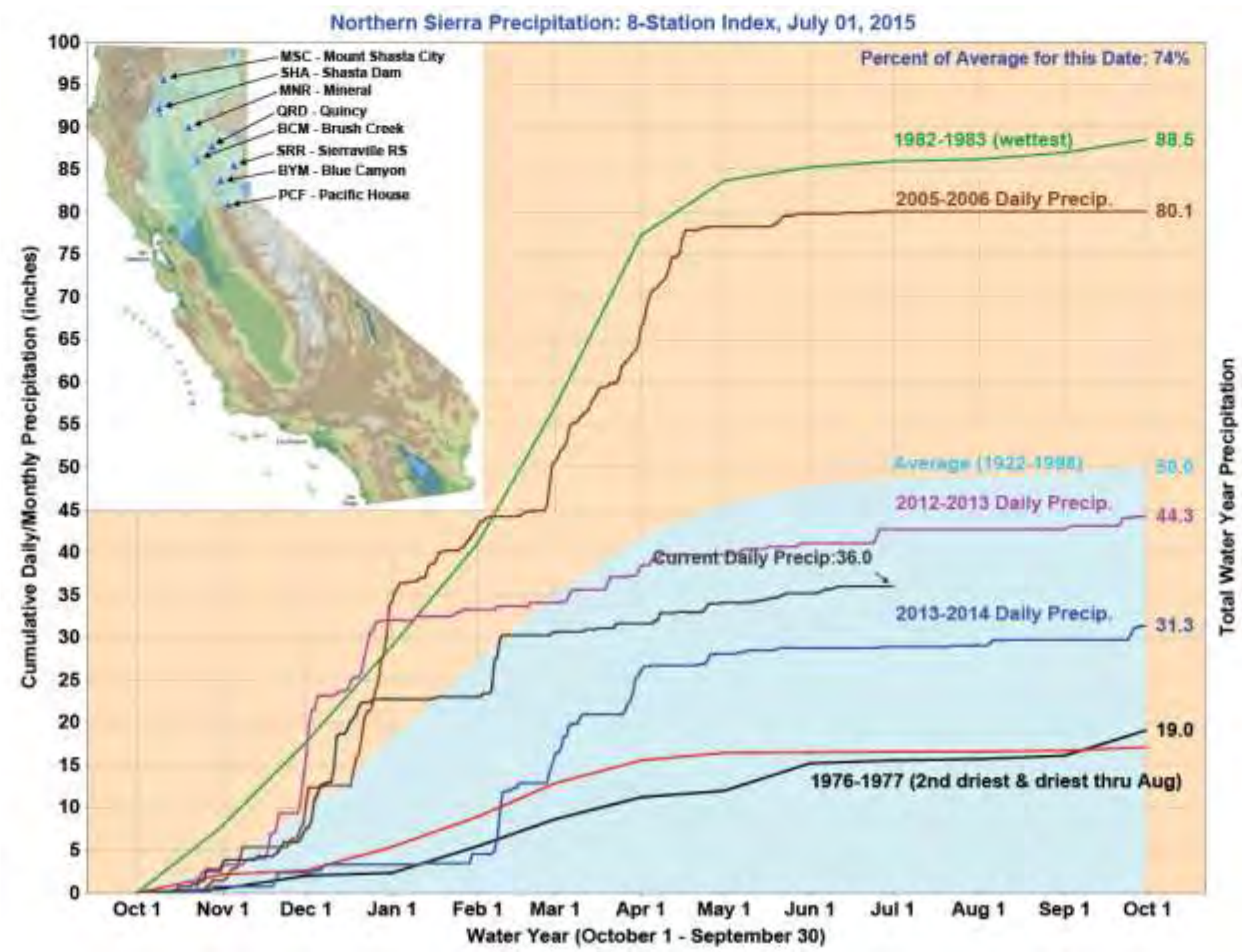
On April 15, 2015, the Zone 7 Board extended the local state of drought emergency, lifting the Stage 2 actions, and shifting to support the new statewide water conservation requirements.

On May 5, 2015, the SWRCB adopted an emergency conservation regulation in accordance with the Governor's latest directive. The provisions of the emergency regulation went into effect on May 15, 2015. This regulation set specific conservation targets for each water retailer.

DISCUSSION:

There was a little rain in June. The Northern Sierra hydrology average is at 36 inches compared to an average of 47.5 inches for this time of year (see graph; or for updates see http://cdec.water.ca.gov/cgi-progs/products/PLOT_ESI.pdf).

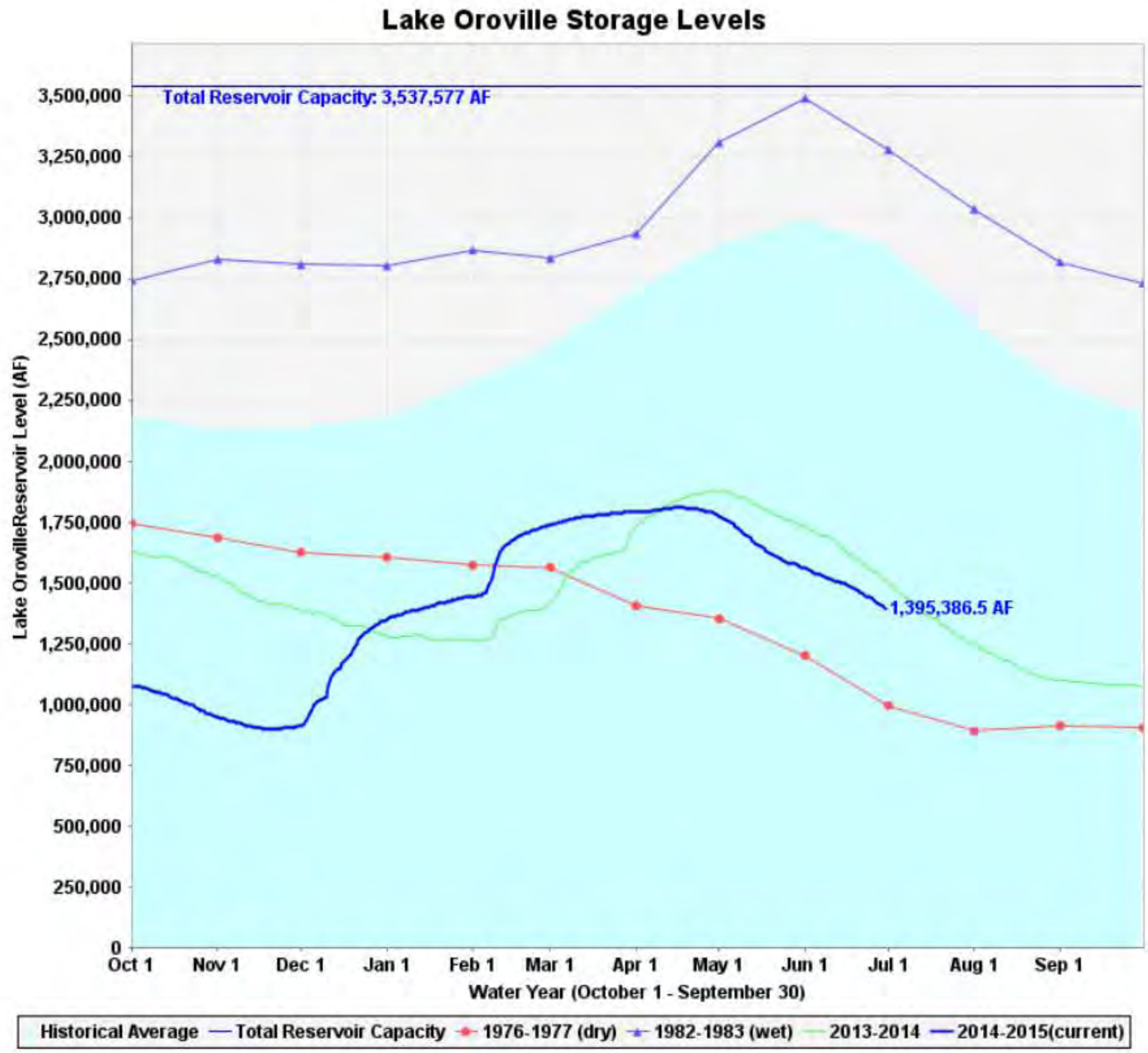
Northern Sierra precipitation is critical as it determines DWR's ability to refill Lake Oroville, which is the primary source of water for Zone 7 (water is released from Lake Oroville into the Feather and then the Sacramento River and from there it is conveyed through the Delta by a series of levees that direct the Oroville releases to the South Delta pumps which bring water to the Livermore Valley and to other State Water Contractors).



The local hydrology for the current Water Year (October 1, 2014-June 30, 2015) is currently at 92% of average recorded conditions to-date at 13.07 inches. This is 10% below the annual recorded average of 14.45 inches.

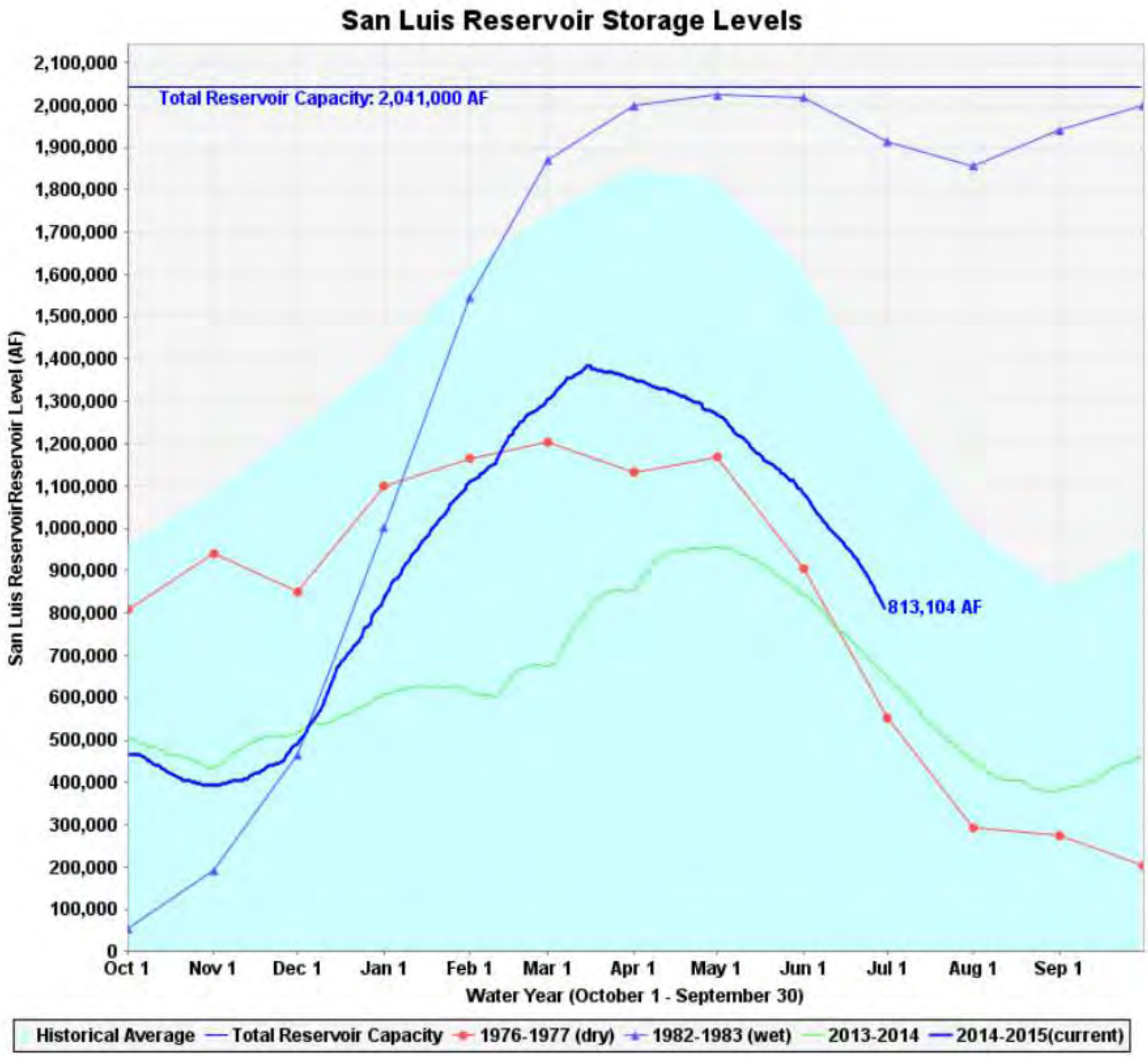
With limited snow pack this year and very little runoff, Lake Oroville levels have dipped and are slightly lower than at this time last year. However, Lake Oroville levels continue to be above the 1976-1977 critical dry year conditions (see Oroville graph, below). The current 1,395,387 AF of storage represents 39% of Lake Oroville's total capacity and approximately 48% of the historic average.

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



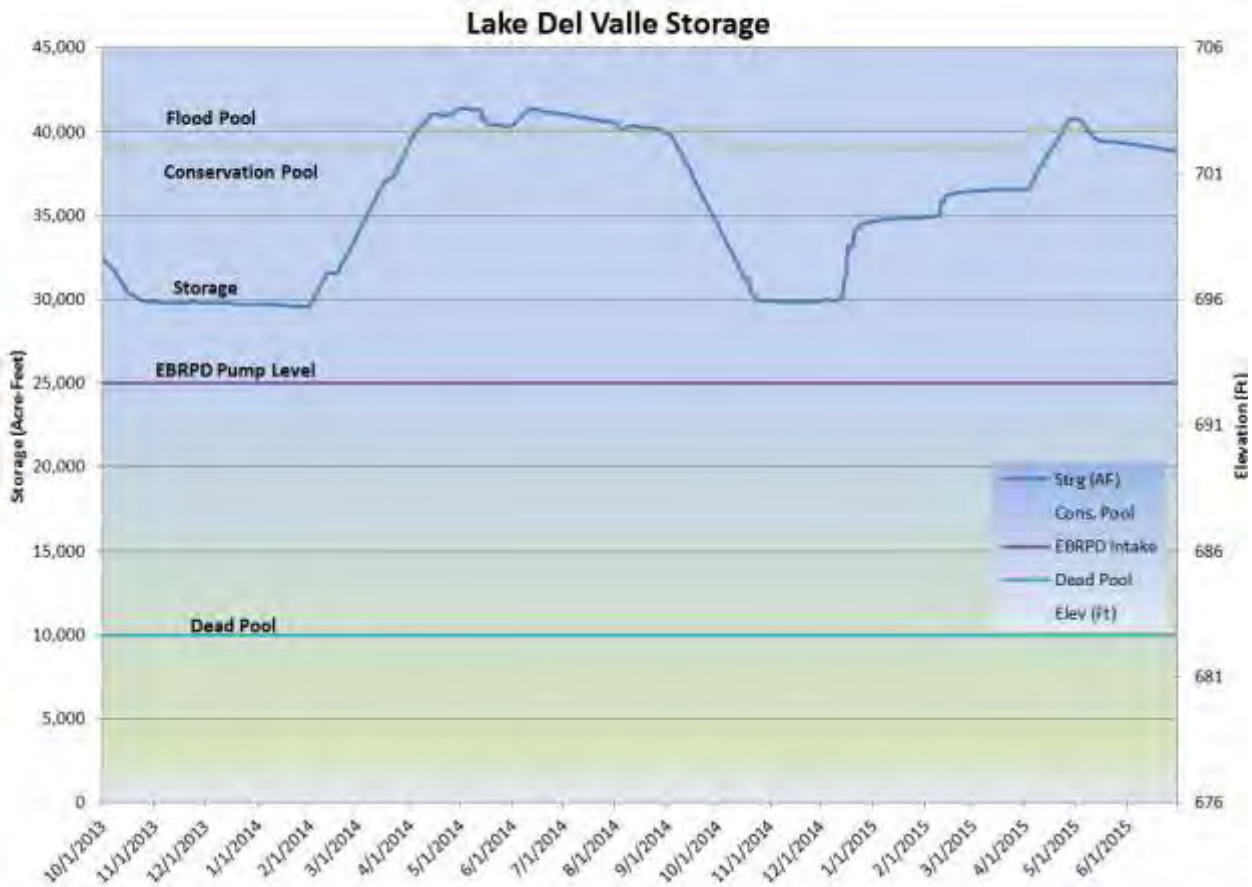
While Lake Oroville levels remain low, as shown in the graph above, San Luis Reservoir storage levels are much higher in Water Year 2014-2015 than Water Year 2013-2014 (see graph below). The current 813,104 AF of storage represents 40% of San Luis Reservoir's total capacity and approximately 63% of the historic average.

San Luis Reservoir storage levels can be tracked on the DWR data website at
http://cdec.water.ca.gov/cdecapp/resapp/resDetailOrig.action?resid=SNL

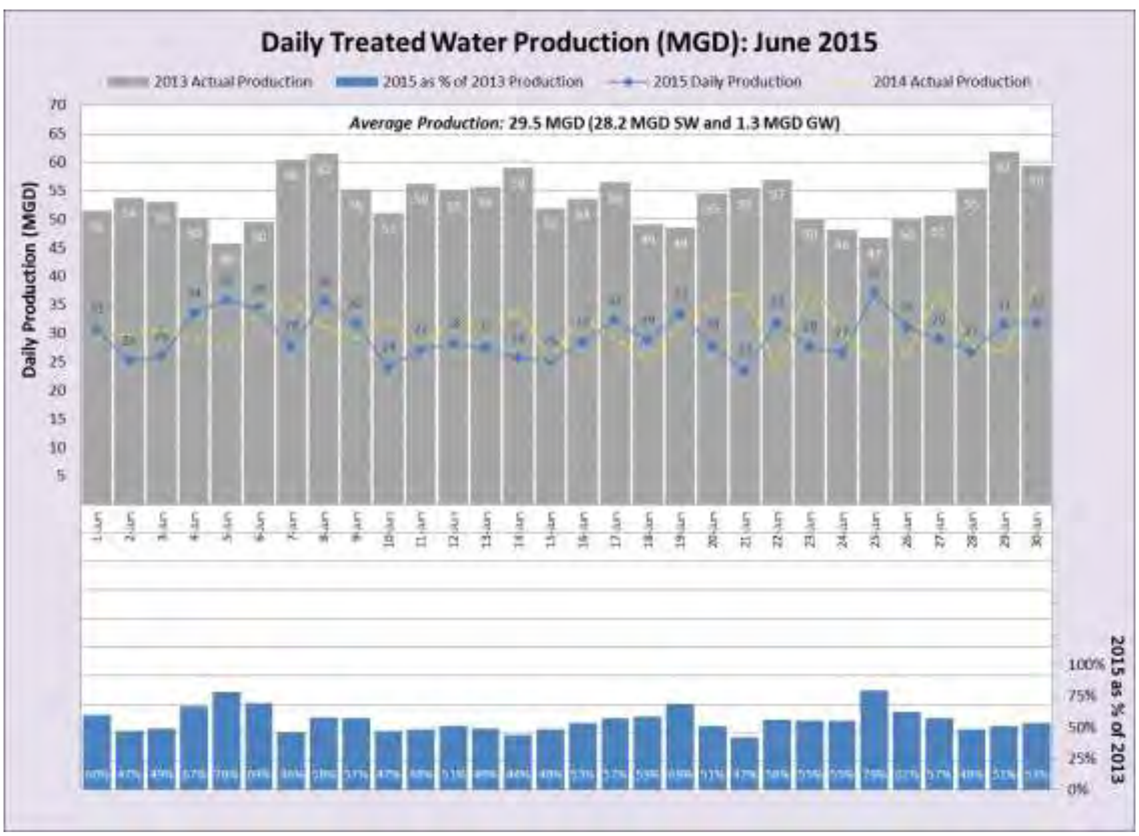


Local demands for treated water in June 2015 increased from 28 MGD in May to 30 MGD in June, which is significantly lower than the June 2013 demand of 54 MGD. Surface water made up 96% of the water supply in June. Del Valle Water Treatment Plant and the Patterson Pass Water Treatment Plant produced an average of 28.2 MGD with wells supplying 1.3 MGD for a total average production of 29.5 MGD.

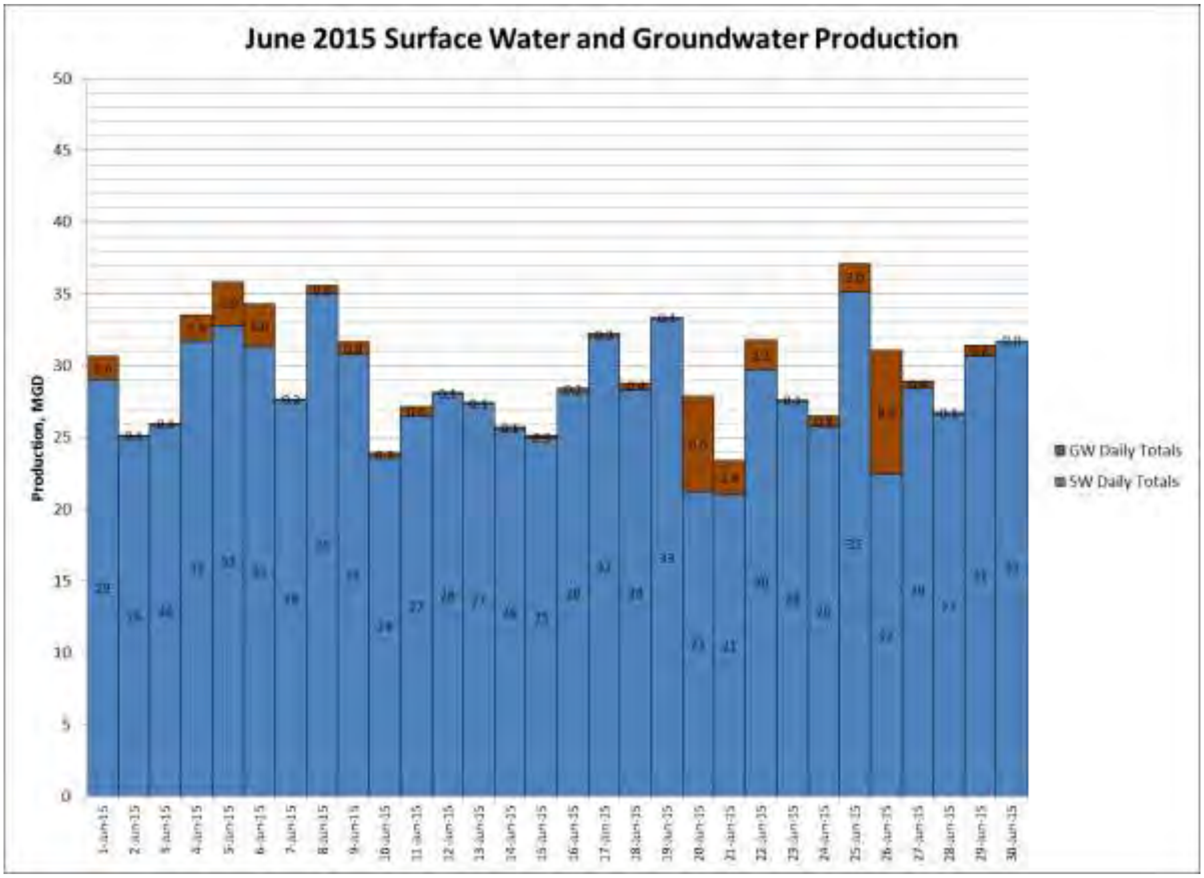
Lake Del Valle storage levels are shown in the graph below. Water Year 2013-2014 shows the typical flow levels through the year. In the winter months, lake elevations are lowered for flood control purposes to capture storm water runoff. In the summer months, lake elevations are raised for recreational purposes. The conservation pool (dotted line) designates the amount of water that can be stored for water supply purposes. Lake Del Valle's current water level is holding steady, with releases to the Arroyo Valle continuing in the range of 12 to 14 cubic feet per second (cfs) including 2.5 cfs to Shadow Cliffs. On June 30, the lake level in Del Valle was around 701 feet (38,800 AF), accounting for evaporative losses.



Lake Del Valle Storage
Flood Pool
Conservation Pool
Storage
EBRPD Pump Level
Dead Pool
Storage (Acre-Feet)
Elevation (Ft)
Strg (AF)
Cons. Pool
EBRPD Intake
Dead Pool
Elev (Ft)



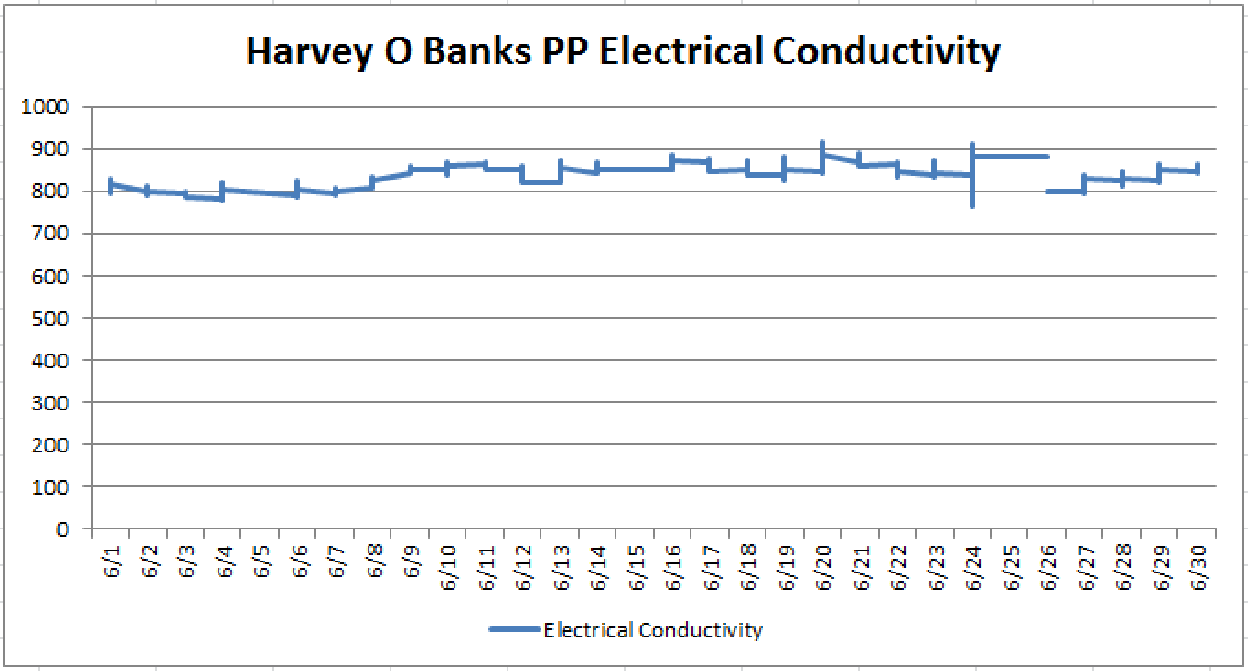
Daily Treated Water Production (MGD): June 2015
2013 Actual Production
2015 as % of 2013 Production
2015 Daily Production
2014 Actual Production
Average Production: 29.5 MGD (28.2 MGD SW and 1.3 MGD GW)
Daily Production (MGD)
2015 as % of 2013



Semitropic continues recovering water for 2015 and is planning on returning almost 11 TAF by December and an additional 2 TAF in January 2016. Cawelo continued to recover banked water in June to fulfill Zone 7's 2014 delivery request; their deliveries will cease during the remainder of the summer and resume in the fall for the 2015 recovery.

Zone 7 continues to bolster regional water supply management tools by exploring various forms of water exchanges. Zone 7 continues to work with Contra Costa Water District on an exchange that would allow storage of 2,500 AF in Los Vaqueros Reservoir, located upstream of the Tri-Valley service area, in the fall. Zone 7 is also working on an exchange with Byron Bethany Irrigation District (BBID), in which Zone 7 would provide 2,800 AF of local water to BBID in the summer, with BBID returning 2,800 AF plus an additional 1,400 AF to Zone 7 over the next 3-5 years.

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



Based on the above data, in the month of June, raw water at Harvey O Banks Pumping Plant has total dissolved solids (TDS) ranging around 443 to 530 mg/L. In addition to elevated EC levels, bromide levels are also elevated.

Higher TOC levels continue to impact treatment at the plants requiring higher ferric chloride dosages and more pH adjustments. Ferric chloride dosages have been around 65 to 75 mg/L in June at DVWTP. In the past, Zone 7 treatment plants have operated with ferric chloride dosages in the neighborhood of 25 mg/L.

Starting in June, the coagulant at PPWTP was switched to aluminum chlorohydrate (ACH). PPWTP performance was successfully managed with ACH dosages around 25 to 30 mg/L. However, due to the elevated bromide in the raw water, trihalomethane (THM) levels increased as ACH does not remove TOC as well as ferric chloride. The addition of Powdered Activated Carbon (PAC) used primarily for taste and odor control helped to reduce THM levels. Filter performance testing with a blend of coagulants will continue at PPWTP in an effort to find a more optimum blend for water treatment with reduced sludge production and THM levels.