



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, August 15, 2012

7:00 p.m. CALL REGULAR MEETING TO ORDER

LOCATION: Zone 7 Administration Building

100 North Canyons Parkway, Livermore, California

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

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

A G E N D A

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

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

4. Minutes of the Regular Meeting of July, 18, 2012
5. Consent Calendar
 - a. Accept Grant of Easement from Surplus Property Authority of Alameda County for the Santa Rita Pipeline Relocation in Dublin
6. Staffing Update:
 - a. Employee of the Month Recognition
7. Award of Contract to Southwest Environmental for the Continuation of the Direct Install High-Efficiency Toilets and Urinal Program

Recommended Action: Adopt resolution.

8. Committees - Administrative Committee minutes – August 2, 2012

9. Reports - Directors
 - a. Verbal comments by President
 - b. Written report by Director Quigley
 - c. Verbal reports
10. Items for Future Agenda – Directors
11. Staff Reports (Information items. No action will be taken.)
 - a. General Manager’s Report
 - b. Legislative Update
 - c. Status Report on Separation Efforts
 - d. Update Related to the Bay Delta Conservation Plan
 - e. Report on Water Sales & Connection Fee Revenue
 - f. Verbal Reports
12. CLOSED SESSION
 - a) Conference with Labor Negotiators:
Agency Negotiator: G.F. Duerig
Employee Organizations: Alameda County Management Employees Association; Alameda County Building and Construction Trades Council, Local 342, AFL-CIO; International Federation of Professional and Technical Engineers, Local 21, AFL-CIO; Local 1021 of the Service Employees International Union, CTW; Unrepresented Management.
 - b) Conference with Legal Counsel – Significant exposure to litigation pursuant to Subdivision (b) of Government Code Section 54956.9: 1 case
13. Open Session and Report Out of Closed Session
14. Adjournment
15. Upcoming Board Schedule: (All meeting locations are in the Boardroom at 100 North Canyons Parkway, Livermore, California, unless otherwise noted)
 - a) Special Board Meeting (Board Retreat): August 22, 2012, Livermore Residence Inn, 1000 Airway Blvd., Livermore
 - b) Finance Committee: August 28, 2012, 4:00 p.m.
 - c) Special Board Meeting: September 5, 2012 (if needed)
 - d) Regular Board Meeting: September 19, 2012, 7:00 p.m.

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

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

July 18, 2012

President Figuers called the regular meeting to order at 7:00 p.m. with a salute to the flag. The following were present:

DIRECTORS: SANDS FIGUERS
JOHN GRECI
A J MACHAEVICH
SARAH PALMER
RICHARD QUIGLEY
ANGELA RAMIREZ HOLMES
BILL STEVENS

DIRECTORS ABSENT: NONE

ZONE 7 STAFF: JILL DUERIG, GENERAL MANAGER
TOM HUGHES, ASSISTANT GENERAL MANAGER, ADMINISTRATION
JARNAIL CHAHAL, ENGINEERING MANAGER
RHETT ALZONA, SENIOR ENGINEER, FACILITIES ENGINEERING
TAMARA BAPTISTA, FINANCIAL & SYSTEMS SERVICES MANAGER
JUDY RECTOR, BOARD SECRETARY

COUNSEL: DAVID ALADJEM, DOWNEY BRAND

Item 1a - Swear in Newly Appointed Directors

Assemblywoman Joan Buchanan administered the oath of office to newly-elected directors Sands Figuers, Richard Quigley and Angela Ramirez Holmes.

Item 3 - Reorganization of the Board

President Figuers opened nominations for Board President.

Director Quigley moved and Director Stevens seconded the nomination of Sarah Palmer for Board President for FY 2012-2013. There were no other nominations for President and nominations were closed.

President Palmer moved and Director Quigley seconded the nomination for Bill Stevens for Board Vice-President for FY 2012-2013. There were no other nominations for Vice-President and nominations were closed.

After a voice vote of 7-0, Director Palmer was elected as President and Director Stevens was elected as Vice-President for FY 2012-2013.

President Palmer selected Director Ramirez Holmes to replace retiring Director Chris Moore on the Finance Committee. All other standing committee membership will remain the same. Ad Hoc committee membership will be discussed at a Special Board Meeting on August 22, 2012.

Item 4 - Citizens Forum - None.

Item 5 - Minutes of the Regular Meeting of June 20, 2012

President Palmer asked that the minutes be corrected to reflect the actual wording of the motion made in Item 9, Director Compensation. The vote was also corrected to 6-1 instead of 6-0 with President Figuers voting no. Director Quigley moved and Director Greci seconded a motion to approve the minutes with corrections. The corrected minutes were approved by a voice vote of 7-0.

Item 6 - Consent Calendar

Director Ramirez Holmes asked that Consent Items 6 (c) and (d) be pulled because she had a brief comment to add for clarification before the vote to approve these items.

Director Greci moved and Director Quigley seconded a motion to approve 6 (a), (b), (e), (f) and (g). The following resolutions were approved by a roll call vote of 7-0.

Resolution 13-4205 Board of Directors acknowledge, commend and thank Mr. Christopher Moore for his public service on the Board of Directors in 2006 and again from 2009-2012. (Item 6a)

Resolution 13-4206 Authorized out-of-state travel for Robyn Navarra, Water Conservation Coordinator, to attend the WaterSmart Innovation 2012 Conference in Las Vegas, Nevada October 2-7, 2012. (Item 6b)

*** break in numbering due to Items 6c and 6d being pulled for discussion.

Resolution 13-4209 Authorized the General Manager to negotiate and finalize the Grant of Easement document for the overhead electric line with the City of Livermore and that the Board of Supervisors approve granting the easement and authorize the President of the Board of Supervisors to execute same. (Item 6e)

Resolution 13-4210 Authorized the General Manager to negotiate and execute an Easement Agreement, accept easement from Dublin San Ramon Services District (DSRSD), and execute a certificate of acceptance causing easement to be recorded at the Office of the Recorder of Alameda County. (Item 6f)

Resolution 13-4211 Authorized the General Manager to negotiate and execute a contract with the Dublin San Ramon Services District in an amount not to exceed \$70,000 for the Dublin School Irrigation System Hardware Rebate. (Item 6g)

Director Ramirez Holmes clarified that Consent Items (c) and (d) can only qualify for one grant, not both. If Zone 7 qualified for the grant in Item (d), Zone 7 will be saving money but both

projects will not be moving forward. Director Quigley added that if another partnering agency were to take the lead and submit an application, it might be looked at differently. General Manager Jill Duerig added that it might be too late to move forward with that option but could be considered in the future.

Director Quigley moved that the following resolutions be approved and Director Figuers seconded the motion. The following resolutions were approved by a voice vote of 7-0.

Resolution 13-4207 Authorized and directed the General Manager to prepare the necessary data, conduct investigations, file such application, and execute a grant agreement with the California Department of Water Resources to obtain a Local Groundwater Assistance Grant and enter into an agreement to receive a grant for PCE Contamination Assessment, Central Bernal Subbasin, Pleasanton, California. (Item 6c)

Resolution 13-4208 Authorized that the Application be made to the California Department of Water Resources to obtain a Local Groundwater Assistance Grant and enter into an agreement to receive a grant for the Upgrades, Calibration, and Application of Zone 7's Groundwater Model for Groundwater and Salt Management purposes. (Item 6d)

Item 7 - Staffing Updates

Item 7a - New Employee Introductions

Joshua Chapman, Water Plant Operator III, was present and introduced by Ms. Duerig. He is a certified T4 water treatment operator and also has a Bachelor's degree in Organizational Leadership and a Master's degree in City and Regional Planning from California Polytechnic State University. The board applauded and welcomed Josh to Zone 7.

Mary Miller, Office Assistant in the Finance Section, originally came to Zone 7 through the County Temporary Assistance Pool (TAP) and worked in the Finance Section assisting with purchasing activities for the agency. Ms. Miller was not present so the Board applauded her in absentia.

Item 7b - Employee of the Month Recognition

The May employee of the month was Wendy Duldulao, Water Quality Lab Technician. She has worked in the Lab for almost five years and she is an indispensable resource in providing high quality laboratory services to Zone 7. Ms. Duerig said she exemplifies being "blue" at Zone 7 with her great attitude and performance of duties. The Board congratulated her in absentia.

Item 8 - Authorization for the General Manager to Negotiate and Execute Three Contracts for the Supply and Delivery of Water Treatment Chemicals

Tamara Baptista, Financial and Systems Manager, explained to the Board that in the past Zone 7 has worked with Alameda County's General Services Agency (GSA) to solicit bids for water treatment chemical contracts; however, Zone 7 staff has now been soliciting bids. Alameda County is responsible for issuing all of Zone 7's purchase orders and Zone 7 must comply with all of the County's purchasing requirements. In the past when GSA listed bids, they would present the

award of contract to the Board of Supervisors for approval. Since Zone 7 staff is now soliciting bids, Zone 7 Board approval is needed.

Staff is recommending that the Board authorize the General Manager to negotiate and execute three water treatment chemical contracts for July 1, 2012 through June 30, 2013, with the following vendors: Univar for sodium hypochlorite and sodium hydroxide; Kemira for ferric chloride; and Nalco Company for polymer. This would result in a savings of approximately \$90,000 per year.

President Palmer asked for public comment and hearing none, Director Figuers moved that the item be approved and Director Quigley seconded the motion. Resolution No. 13-4212 was approved by a roll call vote of 7-0.

Item 9 - Award of Contract for the Cope Lake Slope Repair Project

Rhett Alzona, Facilities Engineer for the Facilities Engineering Section, recited a brief history of Cope Lake. Because the former siltation pond was given to Zone 7 in an “as is” condition, pre-existing erosion and slope failures continued which culminated in a Miller Pacific geotechnical assessment in 2009. Mr. Alzona showed a slide presentation detailing the effects of the erosion and where the repair would be made. The repair is needed to protect Cope Lake to make it safe and functional and prevent potential damage to neighboring properties. It also allows Zone 7 to capture potential discharges but the cost will increase due to future erosion and disrepair if the repair is further delayed.

The Directors discussed redlining, purchasing, and other options regarding the house at Cope Lake that could be compromised in the future. Director Figuers suggested removing the word “safe” from the statement “improvements (i.e., slope repairs and drainage) need to be made to Cope Lake to make it safe and functional.” Staff acknowledged that the work would improve conditions rather than make them “safe” but that wording was in the staff report, not the resolution.

Mr. Alzona then discussed the range of bids and the engineers’ estimate but the apparent low bidder was Steelhead Constructors at \$1.5 million. Staff recommended approval and has an October 1st deadline for upper slope grading in order to avoid potential problems with the red-legged frog.

Director Ramirez Holmes asked how long this will be a fix; will it be long-term and solve the problem? Mr. Alzona replied that our geotechnical firm, Miller Pacific, found the fix reasonable and staff works with them to generate slope stability design for the long term. Ms. Ramirez Holmes asked what will be reduced to cover the additional cost so Zone 7 is not over the budget. Mr. Arends replied that the money is coming from reserve funds.

Director Greci mentioned the ground squirrel activity that causes damage and asked if Zone 7 is practicing any rodent control for slope protection? Ms. Duerig said there is rodent control at the water treatment plants but not at the Chain of Lakes.

Director Quigley asked what the impact of doing nothing is and not spending \$1.5 million? He also feels the quarry miners are a contributor to the damage because it is an inherent after-effect of mining. President Palmer reminded him that Cope Lake was given to Zone 7 “as is.”

General Counsel David Aladjem said the legal standard is that if the District has acted reasonably to address the slope failure, that is the best defense against potential liability. The geotech firm who has worked with Zone 7 has determined that this is a reasonable fix.

After affirming that the word “safe” was not in the resolution to be adopted and that the repairs are on Zone 7 property, President Palmer asked for public comments and, hearing none, Director Machaevich moved for approval of Resolution No. 13-4213 and Director Greci seconded the motion which was approved by a roll call vote of 7-0

Item 11 - Committees - None.

Item 12 - Reports - Directors

a. Verbal comments by President

President Palmer stated this it will be a really good, effective Board and it is going to be wonderful working with the new Director, Angela Ramirez Holmes. President Palmer also mentioned that the Board Retreat will be in August.

b. Written report by Director Quigley – none.

Item 13 - Items for Future Agendas – Directors

Item 14 - Staff Reports (Information items.)

- a. General Manager’s Report
- b. Recent Outreach Activities
- c. Legislative Update
- d. Status Report on Separation Efforts
- e. Treatment Plant Residuals Management
- f. Quarterly Update of Expansion Fund
- g. Report on Water Sales and Connection Fee Revenue
- h. Annual Report for the Groundwater Management Program for 2011 Water
- i. Verbal Reports

President Palmer asked how many days would the Patterson Pass reservoir hold the plant under normal operations if you were using the raw water in the reservoir? How many acre feet are in there? Mr. Arends responded that it is a small supply but helps buffer water quality changes and currently there are a lot of algae problems.

Director Quigley asked if Dyer Reservoir and the South Bay Aqueduct are full and pumping. Mr. Arends said Dyer is not full yet. Jarnail Chahal added that the Department of Water Resources is trying to fill it and it may be half full. Director Quigley said Lake Del Valle is 12-16 feet lower than normal.

Ms. Duerig said the algae problems are increasing. The Del Valle Plant, which normally produces 40 mgd of water per day and does 3 filter washes a day, is now up to 24 filter washes a day and only producing 22 mgd because there is so much algae clogging the filters. There has been discussion with the Department of Water Resources about treating with an algacide but the algae

growth is occurring in the Delta so there are huge treatment challenges right now causing more groundwater pumping than ordinary in the summer.

In anticipation of State and Federal public announcements on the BDCP and Delta Fix, Santa Clara Water District, one of our South Bay Aqueduct (SBA) sister agencies, met with the Mercury News editorial board. They gave them an updated brochure involving all three SBA contractors. Copies were distributed to board members and the public present at the board meeting. In addition, the brochure will be posted on the Zone 7 website.

Director Machaevich asked if there was any advantage to taking the surface water for recharge or is that not efficient? Ms. Duerig replied that Zone 7 had already maxed out current recharge capacities. Mr. Arends said that we recharge to the arroyos by releasing water. Ms. Duerig added that recharge capacity will be increased in the future by the Chain of Lakes and we have the water but are not able to treat it at the plants and do not have the capacity to do it in the Arroyos either.

Director Quigley mentioned the Annual Report and recommended that Zone 7 submit the Annual Report for the ACWA "Best in Blue" Communications Award.

Director Ramirez Holmes requested that she would like to see upcoming events in the Outreach report so she could attend or let others know.

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

Item 14 - Closed Session

- a) Conference with Labor Negotiators:
Agency Negotiator: G.F. Duerig
Employee Organizations: Alameda County Management Employees Association;
Alameda County Building and Construction Trades Council, Local 342, AFL-CIO;
International Federation of Professional and Technical Engineers, Local 21, AFL-CIO;
Local 1021 of the Service Employees International Union, CTW; Unrepresented
Management.
- b) Conference with Legal Counsel – Significant exposure to litigation pursuant to
Subdivision (b) of Government Code Section 54956.9: 3 cases
- c) Government Code Section 549547: Public Employee Performance Evaluation
Title: General Manager

Item 15 - Open Session and Report Out of Closed Session

The Board came out of closed session at 9:04 p.m. President Palmer reported that General Manager Jill Duerig's performance has been satisfactory and no increase or bonus was awarded based on the current economy.

Item 16 - Adjournment

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



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

ORIGINATING SECTION: Engineering
CONTACT: Dennis Gambs/Jarnail Chahal

AGENDA DATE: August 15, 2012

ITEM NO. 5a

SUBJECT: Accept Grant of Easement from Surplus Property Authority of Alameda County
for the Santa Rita Pipeline Relocation in Dublin

SUMMARY

- In August of 2011, the Zone 7 Board awarded a contract for the Santa Rita Pipeline relocation as required to accommodate Interstate 580 westbound widening project per the terms of the 1983 Caltrans encroachment permit issued for the installation of the original pipeline. A portion of the Santa Rita pipeline was relocated across land owned by the Surplus Property Authority of Alameda County under a right-of-entry permit.
- The proposed easement for this pipeline is 10 feet wide and approximately 651 feet long and located along the southern portion of the Surplus Property Authority's land adjacent to Altamirano Avenue in Dublin.
- The pipeline easement was negotiated by Zone 7 and Surplus Property Authority staff to minimize any impacts to future development of the property.
- The Alameda County Board of Supervisors, acting as the Surplus Property Authority of Alameda County, approved the grant of the easement to Zone 7 and authorized execution of the easement upon receipt of \$57,033 in payment for the easement.
- The pipeline easement value was based on an appraisal report prepared by Zone 7's right of way consultant, Associated Right of Way Services.

FUNDING:

Funding for the waterline easement is available in Fund 72 - Renewal Replacement and System-wide Improvements.

RECOMMENDED ACTION:

Adopt attached resolution authorizing the General Manager to accept and record the Grant of Easement from Surplus Property Authority of Alameda County and authorize payment for the easement.

ATTACHMENTS:

1. Memo providing additional background and discussion
2. Resolution
3. Location Map
4. Grant of Water Pipeline Easement

INTEROFFICE MEMO

Date: August 15, 2012
To: Jill Duerig, General Manager
From: Dennis Gambs, Principal Engineer

Subject: Accept Grant of Easement from Surplus Property Authority of Alameda County for Relocated Santa Rita Pipeline in Dublin

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

BACKGROUND:

In August of 2011, the Zone 7 Board awarded a contract for the Santa Rita Pipeline relocation project. This relocation was required to accommodate Interstate 580 westbound widening project. The original pipeline construction in 1983 was completed under the terms of a Caltrans Encroachment Permit (No. 483-NUL5169) which also dictated that any required relocation shall be at Zone 7's expense. Caltrans had requested that Zone 7's pipeline be relocated so that a retaining wall, needed to accommodate the widening, could be constructed at the location where Zone 7's existing pipeline was installed. As a result of this request a portion of the Santa Rita pipeline within Caltrans right-of way was relocated. The new alignment for the pipeline included a segment across land owned by the Surplus Property Authority of Alameda County. The 30-inch diameter pipeline was constructed under a right-of-entry permit from the Surplus Property Authority (SPA) which also provided for granting of an easement to Zone 7. Zone 7 completed the relocation of its Santa Rita Pipeline in March of this year.

DISCUSSION:

The proposed easement is 10 feet in width and approximately 651 feet in length and located along the southern portion of the vacant SPA parcel adjacent to Altamirano Avenue in Dublin. The easement was negotiated by Zone 7 and SPA staff to minimize any impacts to future development of the property. While pipeline easements are typically greater than ten feet wide, the location of this easement next to the city street right-of-way provides an effectively wider area for operation and maintenance of the pipeline because access is available from the city street. In addition, a five foot setback exists between any structures and the easement protecting the pipeline from future development.

The pipeline easement value of \$57,033 was based on an appraisal report prepared by Zone 7's right of way consultant, Associated Right of Way Services. The Alameda County Board of Supervisors, acting as the Surplus Property Authority of Alameda County, approved the grant of the easement to Zone 7 and authorized execution of the easement upon receipt of \$57,033 in payment for the easement.

Staff recommends Board adoption of the attached resolution authorizing the General Manager to accept and record the Grant of Easement from Surplus Property Authority of Alameda County and authorize payment for the easement.

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

RESOLUTION NO

INTRODUCED BY
SECONDED BY

**Accept and Record Grant of Easement from
Surplus Property Authority of Alameda County for the Relocated Santa Rita Pipeline**

WHEREAS, in August of 2011, the Zone 7 Board awarded a contract for the Santa Rita Pipeline Relocation as required to accommodate Interstate 580 westbound widening project per the terms of the 1983 Caltrans encroachment permit issued for the original installation of the pipeline; and

WHEREAS, a portion of the Santa Rita pipeline was relocated across land owned by the Surplus Property Authority of Alameda County under a Right-of-Entry Permit; and

WHEREAS, Surplus Property Authority of Alameda County is granting an easement to the Alameda County Flood Control and Water Conservation District, Zone 7 for a water pipeline on the lands designated and described in Exhibit A (No. 70145).

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to accept said easement from Surplus Property Authority of Alameda County and to execute a certificate of acceptance causing the same to be recorded at the Office of the Recorder of Alameda County; and

BE IT FURTHER RESOLVED, that the General Manager is authorized to pay the Surplus Property Authority of Alameda County \$57,033 for this easement.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

Santa-Rita Pipeline
No. 70145
RF – 10106

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 August 15, 2012.

By _____
President, Board of Directors



Legend

- Streams-2011_rectified
- Alameda County Streets
- Zone7_Owned_Parcels_2011
- Parcels Within Zone7

0 100 200
Feet



ZONE 7 WATER AGENCY
100 North Canyons Parkway
Livermore, CA

DRAWN: BW

REVIEWED: DG

File:

SCALE: AS SHOWN

DATE: 7/30/2012

FIGURE #

Location Map
Santa Rita
Pipeline Easement

Recording Requested By
And
When Recorded Mail To:

Zone 7 Water Agency
100 N. Canyons Parkway
Livermore, CA 94551
Attention: Real Property Services

SPACE ABOVE THIS LINE FOR RECORDER'S USE

The Grantee hereby declares this instrument to be exempt from Recording Fees (Govt. Code §27383) and Documentary Transfer Tax (Revenue and Taxation Code §11922).

APN: 986-0034-014 (Portion)

**GRANT OF EASEMENT
(WATER PIPELINE)**

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, SURPLUS PROPERTY AUTHORITY OF ALAMEDA COUNTY, a public corporation, (hereinafter "Grantor") hereby grants to ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7, a body corporate and politic, (hereinafter "Grantee"), its successors and assigns, a perpetual easement, with subsurface and surface rights, for the purpose of laying down, constructing, reconstructing, removing, replacing, maintaining, operating, and using as Grantee may see fit for the transmission and distribution of water, a pipe or pipelines and any appurtenances to the operation or protection thereof, for the purpose of transmitting water in, through, and across the subject parcel as hereinafter set forth, and also ingress thereto and egress therefrom, over and across the land situated in the City of Dublin County of Alameda, State of California, described and depicted in Exhibit "A," attached hereto and incorporated herein by reference.

This Grant of Easement is executed and delivered to Grantee upon the following terms and conditions, to wit:

1. Grantee shall have the non-exclusive right of ingress to and egress from the easement area hereinabove described for the purpose aforesaid. Grantee agrees to notify Grantor prior to the commencement of any construction work within the easement area, except in the event of an emergency, in which case Grantee shall concurrently contact Grantor to advise of same.
2. Grantor shall have the right to use and enjoy said easement area for purposes which will not interfere with Grantee's full enjoyment of the rights herein granted; provided that, Grantor, its heirs, successors, or assigns shall not place or permit to be placed on said easement area any building or other structure or drill or operate any well on, under or within the land described in Exhibit "A" without the express written consent of Grantee.
3. Grantor further stipulates that it reserves the right to construct and maintain landscaping, pedestrian and vehicular access and parking, or make such other use of the surface lands included within the easement area consistent with the Grantee's use. Grantor will not interfere with the Grantee's full enjoyment of the rights herein granted; in particular, Grantor

shall not plant any trees within the easement area with a trunk centerline closer than 7.5 feet of the property line along Altamirano Avenue, nor make a change in the existing surface elevation (grade) of the easement areas by more than 3.5 feet in fill or 1.0 feet in cut, without the expressed written consent of Grantee. Any trees planted within the easement, which will have a diameter greater than 12 inches at maturity, shall have a deep root planter barrier installed to a depth of not less than three feet below finish grade.

4. Grantee shall upon completion of any of its work restore, as near as possible, the easement area to the original condition, as is practicable. Grantee shall promptly backfill any trench made by it on said easement area, and repair any damage it causes to Grantor's landscaping, driveway access or other improvements now existing or later installed pursuant to paragraph 2. Grantee further agrees to pay for damages to the personal property, caused by Grantee or its contractors in the construction, maintenance, replacement, repair or removal of the pipeline.
5. Grantee agrees to indemnify Grantor against all damages, expenses, costs and charges, and to save Grantor harmless from any and all claims for damages by third parties, and all loss and liability caused by the wrongful or negligent act or omission of Grantee, its agents or employees in the course of their employment. Notwithstanding the foregoing, Grantor shall indemnify Grantee against all damages, expenses, costs and charges, and to save Grantee harmless from any and all claims for damages by third parties, and all loss and liability arising out of or in connection with the existence, use, maintenance, repair or alteration of Grantor's existing structures within the easement area.

This instrument contains the entire agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any oral representations or modifications concerning this instrument shall be of no force and effect except by a subsequent modification in writing, signed by the party to be charged.

The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto.

Acceptance and recordation of the Grant of Easement by Grantee shall signify Grantee's acceptance of the terms and conditions of the conveyance.

IN WITNESS WHEREOF, this document is duly executed on _____, 2012.

SURPLUS PROPERTY AUTHORITY
OF ALAMEDA COUNTY

By: _____
Chris Bazar Manager

Santa-Rita Pipeline
No. 70145
RF – 10106

EXHIBIT "A"

DESCRIPTION FOR ALAMEDA COUNTY FLOOD CONTROL AND WATER
CONSERVATION DISTRICT, ZONE 7

SANTA RITA PIPELINE RELOCATION

PIPELINE EASEMENT TO BE ACQUIRED FROM THE SURPLUS PROPERTY
AUTHORITY OF ALAMEDA COUNTY

Map: RF-10106
APN: 986-0034-014 (Por.)

No. 70145
June 23, 2011

A STRIP OF LAND THE UNIFORM WIDTH OF 10.00 FEET SITUATE IN THE CITY OF DUBLIN, COUNTY OF ALAMEDA, STATE OF CALIFORNIA AND IS DESCRIBED AS:

BEING A PORTION OF THAT CERTAIN PARCEL LAND CONVEYED TO THE SURPLUS PROPERTY AUTHORITY OF ALAMEDA COUNTY IN THE QUITCLAIM DEED EXECUTED BY THE UNITED STATES OF AMERICA ACTING BY AND THROUGH THE SECRETARY OF THE ARMY RECORDED ON AUGUST 4, 1997 AS RECORDER'S INSTRUMENT SERIES NO. 97194235, OFFICIAL RECORDS OF ALAMEDA COUNTY, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEING A PORTION OF PARCEL 4, AS SAID PARCEL IS DESIGNATED ON THAT CERTAIN PARCEL MAP 7892, FILED FOR RECORD ON APRIL 14, 2005, IN BOOK 280 OF MAPS AT PAGES 83 THROUGH 85, INCLUSIVE, IN THE OFFICIAL RECORDS OF ALAMEDA COUNTY, STATE OF CALIFORNIA, AND SAID STRIP BEING FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERN CORNER OF SAID PARCEL "4" OF SAID PARCEL MAP 7892 (POB);

THENCE LEAVING SAID CORNER ALONG THE SOUTHERLY LINE OF SAID PARCEL "4" SOUTH 85°07'31" EAST, (THE BEARING OF SAID SOUTHERLY LINE BEING TAKEN AS SOUTH 85°07'31" EAST FOR THE PURPOSE OF MAKING THIS DESCRIPTION AS PER PARCEL MAP 7892) 306.40 FEET;

THENCE CONTINUING ALONG SAID SOUTHERLY LINE EASTERLY ALONG THE ARC OF A 3,943.39 FOOT RADIUS TANGENT CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 3° 18' 50" AN ARC DISTANCE OF 228.08 FEET;

THENCE CONTINUING ALONG SAID SOUTHERLY LINE SOUTH 88°26'21" EAST, 117.32 FEET TO THE SOUTHEAST CORNER OF SAID PARCEL 4;

THENCE LEAVING SAID SOUTHEAST CORNER AND SAID SOUTHERLY LINE, ALONG THE EASTERLY LINE OF SAID PARCEL 4 NORTH 1°23'58" EAST 10.00 FEET TO A POINT IN A LINE WHICH LIES 10.00 FEET NORTHERLY OF AND PARALLEL WITH SAID SOUTHERLY LINE OF SAID PARCEL 4;

THENCE LEAVING SAID EASTERLY LINE, ALONG SAID PARALLEL LINE THE FOLLOWING THREE COURSES:

- 1) NORTH 88°26'21" WEST, 117.29 FEET;
- 2) WESTERLY ALONG THE ARC OF A 3,933.39 FOOT RADIUS TANGENT CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 3° 18' 50" AN ARC DISTANCE OF 227.50 FEET;
- 3) NORTH 85°07'31" WEST, 307.04 FEET TO THE WESTERLY LINE OF SAID PARCEL 4;

EXHIBIT "A"

THENCE LEAVING SAID PARALLEL LINE, ALONG SAID WESTERLY LINE SOUTH 1°13'48" WEST, 10.02 FEET TO THE AFORESAID SOUTHWEST CORNER OF SAID PARCEL 4 AND THE ACTUAL POINT OF BEGINNING AND THE END OF THIS DESCRIPTION;

CONTAINING AN AREA OF LAND OF 6,518 SQUARE FEET, MORE OR LESS.

A PLAT OF THE ABOVE DESCRIBED EASEMENT PARCEL OF LAND IS ATTACHED HERETO AS EXHIBIT "B" AND BY THIS REFERENCE MADE A PART HEREOF.

THIS DESCRIPTION WAS COMPILED FROM RECORD INFORMATION WITHOUT THE BENEFIT OF A CURRENT PRELIMINARY REPORT OR TITLE POLICY.

THIS REAL PROPERTY DESCRIPTION HAS BEEN PREPARED BY ME, OR UNDER MY DIRECTION, IN CONFORMANCE WITH CHAPTER 15, ARTICLE 3, SECTION 8726(L) OF THE PROFESSIONAL LAND SURVEYOR'S ACT, AND SHALL NOT BE UTILIZED IN ANY CONVEYANCE WHICH MAY VIOLATE THE SUBDIVISION MAP ACT OF THE STATE OF CALIFORNIA OR LOCAL ORDINANCES.

PREPARED ON JUNE 23, 2011
FOR KIER & WRIGHT CIVIL ENGINEERS & SURVEYORS, INC.

MICHAEL JAMES FOLEY
PROFESSIONAL LAND SURVEYOR
STATE OF CALIFORNIA,
CERTIFICATE NUMBER: L 5777
LICENSE EXPIRATION: 06/30/2012

SIGNED ON THIS _____ DAY OF _____, 201____

(Seal)

END OF DESCRIPTION

Affects: APN: 986-0034-014 (Por.)



KIER & WRIGHT, Civil Engineers & Surveyors, Inc
2850 Collier Canyon Road, Livermore, CA 94551-9201
(925) 245-8788 Phone | (925) 245-8796 Fax

ARNOLD ROAD

N1°23'58"E 417.53'

EASTERLY LINE PARCEL 4,
PARCEL MAP 7892

N1°23'58"E
10.00'

PARCEL 4
PARCEL MAP 7892
BK 280 PGS 83-85

LANDS OF SURPLUS
PROPERTY AUTHORITY OF
THE COUNTY OF ALAMEDA
97194235 O.R.

A.P.N.: 986-0034-014

10' WATERLINE EASEMENT

AREA=6,518± S.F.

#70145

WESTERLY LINE PARCEL 4,
PARCEL MAP 7892

S1°13'48"W
10.02'

N1°13'48"E 465.93'
CAMPUS DRIVE
(76' R.O.W.)

P.O.B.

S.W. CORNER PARCEL 4
PARCEL MAP 7892

117.29'
N88°26'21"W
10.00'
S88°26'21"E
117.32'

S.E. CORNER PARCEL 4
PARCEL MAP 7892

10.00'
L=227.50'

D=3°18'50"

R=3,933.39'

L=228.08'

D=3°18'50"

R=3,943.39'

L=227.50'

D=3°18'50"

R=3,933.39'

L=227.50'

D=3°18'50"

R=3,943.39'

ALTAMIRANO AVENUE
(60' R.O.W.)

INTERSTATE 580



0 40' 80' 160'
Scale 1" = 80 ft

LEGEND

---	EASEMENT BOUNDARY
BK	BOOK
O.R.	OFFICIAL RECORD
PGS	PAGES
P.O.B.	POINT OF BEGINNING
R.O.W.	RIGHT-OF-WAY
S.F.	SQUARE FEET
S.W.	SOUTH WEST

EXHIBIT "B"



ZONE 7

ALAMEDA COUNTY FLOOD CONTROL
AND
WATER CONSERVATION DISTRICT

SANTA RITA PIPELINE RELOCATION
PIPELINE EASEMENT TO BE ACQUIRED
FROM THE SURPLUS PROPERTY
AUTHORITY OF ALAMEDA COUNTY

DUBLIN, ALAMEDA COUNTY, CALIFORNIA

DRAWN: CH	TRACED:	DATE: JUNE 23, 2011
CHECKED: MJF		SCALE: 1" = 80'
APVL. REC:	FILE NO.	SHEET NO. OF
APPROVED:	RF-10106	1 1



KIER & WRIGHT

CIVIL ENGINEERS & SURVEYORS, INC.
2850 Collier Canyon Road (925) 245-8788
Livermore, California 94551 Fax (925) 245-8796

A10568-10



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

ORIGINATING SECTION: Administrative Services

CONTACT: Tom Hughes

AGENDA DATE: August 15, 2012

ITEM NO. **6a**

SUBJECT: Employee of the Month Recognition

SUMMARY:

The Employee Recognition Program Nomination Committee met in July and selected the Employee of the Month for June 2012 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.

Brandon Woods, Water Resources Technician II in the Facilities Engineering Section, has been chosen from among those nominated as the June 2012 Employee of the Month. Brandon has worked for Zone 7 for several years. According to the recommendation the committee received, Brandon has enabled Zone 7 “to do more with less” by taking up the bulk of drafting assignments after Peter Cruttenden retired. As a skilled draftsman using AutoCAD/Civil 3D, Brandon is providing the design drawings for the Cope Lake Repair and Del Valle Chemical Improvements Projects. He is also being relied upon for the Arroyo Las Positas R.1-7 Improvements Project.

With the Cope Lake Project, Brandon has shown relentless initiative to learn and to become a better worker. Brandon not only provided the drawings but expanded his role to deal with all details of the design. Brandon easily and readily took advice from others in the office and most notably, Zone 7 Flood Control staff. Brandon essentially led the design effort, compiled review comments and prepared a complete bid package (plans, specifications and cost estimates).

Brandon is very easy to work with and fosters a “can do” attitude. He works on small assignments for the other engineers when there are lulls in his major projects and he has also volunteered to help other Zone 7 sections on their field work such as the Arroyo Del Valle fisheries habitat reconnaissance work. He is also an active participant in the Staff Advisory Team (SAT).

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

RECOMMENDED ACTION:

It is recommended that the Zone 7 Board of Directors recognize and congratulate Brandon Woods as June 2012 Employee of the Month.



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

ORIGINATING SECTION: Integrated Planning

CONTACT: Carol Mahoney/Robyn Navarra

AGENDA DATE: August 15, 2012

ITEM NO. **7**

SUBJECT: Award of Contract to Southwest Environmental for the Continuation of the Direct Install High-Efficiency Toilets and Urinal Program

SUMMARY:

- The Direct Install Toilet and Urinal Program replaces 3.5 gallon per flush (gpf) toilets with 1.28 gpf high-efficiency toilets. This program serves low income customers who cannot afford to replace or install a new fixture, targeting properties 30 years or older. The program also has non-residential components to replace inefficient urinals using 1.5 gallons per flush or higher with high-efficiency urinal flush valves with 0.125 (one pint) and 0.5 gpf. The initial phase targeted single-family low income and senior residential homes.
- The Board approved a contract with Southwest Environmental on March 21, 2012 for the initial phase of the Direct Install High-Efficiency Toilets and Urinal Program.
- Since the contract with Southwest Environmental was initiated in April 2012, approximately 376 toilet installations have been completed for single-family low income and senior residences. As a result of the popularity and success of the program, funds from the initial contract have been expended.
- A survey was conducted on the program, hardware, customer service and overall satisfaction. The results showed that 97% of the customer participants rated this program as good to excellent rating with the overall experience.
- Budget funds are available for a new contract to continue the program through another phase of single-family installations.
- Given the recent RFP process to identify Southwest Environmental and the extremely high satisfaction rating, staff are recommending a sole source award to Southwest Environmental for the next phase to maintain program momentum.
- Staff recommends authorizing the General Manager to negotiate a contract with Southwest Environmental for a total amount not to exceed \$350,000.

FUNDING:

Funding is available in Fund 52 (100%) –Water Enterprise. This program is partially funded by Proposition 84 grant of \$218,025; bringing Zone 7's contribution for this program down to \$131,975.

RECOMMENDED ACTION:

Authorize the General Manager to negotiate and execute a contract with Southwest Environmental in an amount not to exceed \$350,000.

ATTACHMENTS:

Memo Providing Additional Background and Discussion of Agenda Item
Resolution

Interoffice Memo

Date: August 9, 2012
To: Jill Duerig, General Manager
From: Robyn Navarra, Water Conservation Coordinator
Subject: Award of Contract to Southwest Environmental for the Continuation of the Direct Install High-Efficiency Toilets and Urinal Program

Background:

Water conservation is a priority in the water resources strategy developed for meeting future demands in the Livermore-Amador Valley region as identified in the Water Supply Evaluation. The overall objective for a water conservation program is to achieve and maintain a high level of water use efficiency throughout the region by eliminating wasteful practices in water use, developing information on current and potential water efficient practices, and implementing these practices. By implementing conservation programs, Zone 7 and its customers (both treated and untreated) will benefit.

The direct-install program is supporting the conservation component of the agency's Urban Water Management Plan, is consistent with the CUWCC's MOU for Best Management Practices and the San Francisco Bay Area Integrated Regional Water Management Plan (IRWMP), and is supporting the Legal requirement in the 2009 water legislation of a 20 percent per capita reduction by 2020 (SBX7-7).

Discussion:

The High-Efficiency Toilet and Urinal (HET/HEU) Direct Install/Rebate Program involves replacing older, high volume toilets (3.5 or more gallons per flush) with high-efficiency toilets (1.28 gpf or less), and existing urinals (1.0 or more gpf) with high-efficiency urinals that use 0.5 gpf or less. Staff identified the need to hire a plumbing contractor to perform the installation. The primary goal of the program is to reduce potable water demand by approximately 41 AF annually and 826 AF over the next 20 years should the program be extended, by measuring and implementing water-efficiency incentives and educational programs. Improving water use efficiency and reducing wasteful water use practices throughout the valley will also help address statewide, regional and local water conservation initiatives such as to:

- Comply with statewide water demand reduction requirements set forth in SBx7-7 legislation that codifies the Governor's water conservation goal of 20 percent per capita reduction by the year 2020.
- Support implementation of the conservation component of Zone 7's Urban Water Management Plan.
- Facilitate compliance with the Best Management Practices as set forth in the California Urban Water Conservation Council's Memorandum of Understanding regarding Urban Water Conservation in California.
- Support low-income communities through consumer rebates and direct installation of water saving fixtures.
- Provide assistance to non-residential customers who are experiencing economic pressures.

Why Continue This Program:

In early 2012 and in preparation for the initial phase of the program, a 'Request for Proposals' was sent forty-four consultants requesting direct installation of high-efficiency fixtures. Two consultants responded. Staff reviewed the proposals and selected Southwest Environmental (SWE) as the most qualified.

This program has been very successful and offers increased water-use efficiency that encourages homeowners to replace one or more existing 3.5 gallon per flush toilet(s) with high-efficiency toilets of 1.28 gallons per flush from the list of qualifying models. The end use of water for toilet flushing is approximately 25 percent of indoor household usage. Customers participating in this program are provided free installation of high-efficiency toilets to replace old, water-wasting models. This phase of the program has targeted single family residences, but future phases could expand to include non-residential sectors.

The average cost per unit is \$361, of which \$225 is reimbursed from a Proposition 84 grant, bringing Zone 7 costs to \$136 per unit. Currently Zone 7 has a High-Efficiency Toilet rebate program that offers customers who purchase and install a toilet up to \$100. Note: project costs for each installation range from \$285 - \$450 per unit depending on site conditions.

Southwest Environmental (SWE) has dedicated eight full-time employees to the Bathroom Retrofit Program with additional employees fulfilling supplemental roles. All installers are licensed by the California Contractors State License Board, number 458682 and hold C-36 State of California Plumbing Licenses. SWE procured a warehouse, and a supply toilets and urinals and associated parts for fixture retrofits. All toilets used in this program carry the WaterSense label. Under the direction of Zone 7 staff, who review and confirm that applicants meet program eligibility requirements, SWE verifies the customer's current fixtures to be replaced meet program qualifications. SWE contacts the customers directly to schedule the inspection and installation service. SWE properly dispose of the old fixtures with the City of Livermore and the Boy Scouts to recycle the older units for all retailers. SWE drops off the units to the Boy Scouts and SWE pay for the disposal to the troop. To date, the Boy Scouts have earned a total of \$2,256 which will benefit the troop and the community.

SWE's investment in and execution of the first phase demonstrates that it is capable of continuing without delays associated with hiring and training employees or instituting procedures. Thus, SWE's current preparedness would facilitate program momentum.

Contractor Performance Measures and Summary:

Southwest Environmental is currently under contract with Zone 7 through June 30, 2013, and in approximately three months have replaced three hundred and seventy-six (376) 3.5 gpf or higher toilets with 1.28 gpf high-efficiency toilets. Out of the 376 high-efficiency toilets installed, only six toilets were identified as 1.6 gpf and these were found to be faulty.

Zone 7 conducted a survey during the course of this program. Customer satisfaction postcards were sent to the Direct Install Program participants in July, 2012. An estimated total of 228 postcards were mailed and so far a total of 88 were received back, generating a 38% response rate. They asked participants to rate their overall experience with the Direct Install Program on a scale of 1 to 5 where 1 was poor and 5 was excellent. Over 80% of responses gave an excellent rating (5/5) for the program. 97% of the responses gave the program either a good (4/5) or an excellent rating (5/5) for their overall experience. The average overall experience rating given by participants was 4.78. This is a high level of customer satisfaction that, in staff's experience with other projects, few if any contractors achieve. Tables A and B provide details of the survey.

Table A: Responses to Survey questions.

	Was the installation scheduled in a timely manner?		Were you satisfied with the installation process?		Were there any complications during installation?		Was the rebate application easy to understand and complete?		Are you satisfied with your high-efficiency toilet?		Does the new toilet function better than your previous toilet?	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Number of Responses	85	3	85	3	13	75	72	3	84	2	78	5
Percentage	96.59%	3.41%	96.59%	3.41%	14.77%	85.23%	96%	4.00%	97.67%	2.33%	93.97%	6.03%

Table B: Performance rating of Southwest Environmental.

	Quality of Information you received about the Direct Install Toilet Rebate Program					Level of customer service provided to you				
	Poor	Less than Satisfactory	Satisfied	Good	Excellent	Poor	Less than Satisfactory	Satisfied	Good	Excellent
	1	2	3	4	5	1	2	3	4	5
Number of Responses	0	2	3	13	68	1	1	2	11	71
Percentage	0.00%	2.33%	3.49%	15.12%	79.07%	1.16%	1.16%	2.33%	12.79%	82.56%
	Was the installation staff professional and courteous					Rate Overall Experience				
	Poor	Less than Satisfactory	Satisfied	Good	Excellent	Poor	Less than Satisfactory	Satisfied	Good	Excellent
	1	2	3	4	5	1	2	3	4	5
Number of Responses	0	0	2	12	72	1	0	1	12	71
Percentage	0.00%	0.00%	2.33%	13.95%	83.72%	1.18%	0.00%	1.18%	14.12%	83.53%

Funding:

This contract is a continuation of a program through December 31, 2013. The response is hugely successful; however, due to expended funds, the project has been placed on hold. Funding for this program is available in Fund 52 (100%) –Water Enterprise. This program is partially funded by Proposition 84 grant of \$218,025; bringing Zone 7's contribution for this program down to \$131,975.

Recommendation:

Authorize the General Manager to negotiate and execute a contract with Southwest Environmental in an amount not to exceed \$350,000.

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

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

Authorizing award of contract for the Direct-Install Program to Southwest Environmental.

WHEREAS, Alameda County Flood Control and Water Conservation District, Zone 7 will continue to recognizes water conservation for the Livermore-Amador Valley region;

WHEREAS, the overall objective for a water conservation program is to achieve and maintain a high level of water use efficiency throughout the region by eliminating wasteful practices in water use, developing information on current and potential water efficient practices, and implementing these practices; and

WHEREAS, by reducing demand through conservation, Zone 7 and its water retailers can optimize use of existing supplies and reduce the need for development of new supplies, as well as reduce existing demands on the Delta; and

WHEREAS, Zone 7 sought proposals for the first phase of work and received only two responses;

WHEREAS, Zone 7 awarded a first phase of work to Southwest Environmental because it was the most qualified;

WHEREAS, customer satisfaction with Southwest Environmental was extremely high; and

WHEREAS, there is an interest in maintaining program momentum;

WHEREAS, Southwest Environmental is uniquely situated to provide subsequent work and the same program momentum and high customer satisfaction levels that were achieved during the first phase;

NOW, THERFORE, BE IT RESOLVED, that the General Manager be authorized to sign the Contract with Southwest Environmental in an amount not to exceed \$350,000 for the Direct Install High-Efficiency Toilet and Urinal Program.

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 August 15, 2012.

By: _____
President, Board of Directors

SUMMARY MINUTES OF THE ADMINISTRATIVE COMMITTEE
ZONE 7 BOARD OF DIRECTORS

August 2, 2012
1:00 p.m.

Directors present: John Greci
Sarah Palmer
Bill Stevens

Zone 7 Staff: Jill Duerig, General Manager
Maya Ferry-Stafford, General Counsel
Tom Hughes, Assistant General Manager,
Administration
Judy Rector, Board Secretary

Members of the Management Advisory Team

Colter Andersen, Operations
Kurt Arends, Engineering
*Tamara Baptista, Finance
*Jarnail Chahal, Engineering
Margaret Chun, Accounting
*Gerald DeWitt, Maintenance
*Barry Ivy, Maintenance
Matt Katen, Groundwater
*Carol Mahoney, Integrated Planning

Members of the Staff Advisory Team

Caroline Abram, Operations
Anthony Choi, Accounting
*Joel Larson, Instrumentation
Dan Moy, Safety
Tom Pico, Employee Services
*Jeff Tang, Flood Control
Linda Van Buskirk, Administration
Brandon Woods, Engineering
*Pony Yim, Laboratory
Paul Zullo, Operations

*Members of the MAT/SAT Separation Team

Director Greci called the meeting to order at 1 p.m. and there was a salute to the flag.

1. Public Comment on Items Not on the Agenda - none.
2. Discussion on Options for Moving Forward on Separation

A committee was formed of members from the Management Advisory Team (MAT) and the Staff Advisory Team (SAT) to consider possible next steps following SB1337.

All employees were invited to attend and participate.

General Manager Jill Duerig thanked everyone on the teams and volunteers for the MAT/SAT Separation Committee for putting together the options and the presentation. Members introduced themselves.

The committee developed a list of options for moving forward on separation along with pros and cons for each option but did not include the quantitative financial implications or the likelihood of success for each option at this time.

Jeff Tang from Flood Control reviewed the options for separation. The committee was formed after the legislation for separation failed and due to recent concerns brought up by Alameda County and in the Grand Jury Report. Members of the MAT and SAT teams came together to form the joint Separation Team and brainstorm what options they could come up with to move forward.

Mr. Tang referred to the agenda package handout which summarized the following options and included a brief summary of the purpose of each option:

Option 1: Pursue separation via Legislation -including Flood Control

Meets the original objectives but needs a buy-in from Alameda County.

Option 2: Pursue separation of water enterprise via Legislation; leave Flood Control with County

This option meets most objectives but would not keep the Agency whole and would give up local control of flood protection, transferring it to Alameda County. Also would make the use of integrated resources in flood control and water supply difficult.

Option 3: Pursue separation via LAFCo process with or without Flood Control

A process similar to going through the legislative process because it would still focus on maintaining the water enterprise portion of Agency but flood control would still be left out. The process of going through LAFCo, a County-related agency, would also involve going through both Alameda County and Contra Costa County.

Option 4: Fully exercise authority under AB 1125

Would keep Agency whole but would require further legal interpretation of AB 1125.

Option 5: Referendum/Petition

Let the public decide what sort of Agency Zone 7 should consider pursuing similar to how Zone 7 was established in 1957 where voters made the decision that they wanted local control.

Option 6: Do nothing at this time/Status Quo

Not the best option for achieving objectives but would keep Agency whole.

Jeff Tang said the purpose of the Committee was to make the Board aware of alternatives and it is not a final document. The Committee is still looking for final input to see where it needs to go.

Director Greci asked for a hand vote of all employees that currently work for Zone 7 and want to separate from the County; he then asked for those who do not want the separation. Significantly more people raised their hands to pursue separation.

Director Greci stressed that when the subject of separation from the County came up, one of his main concerns was that the Board would take care of employees and they would not lose anything, and it might even be better. Morale is a key issue. It is important to be good to employees to retain top performers. The Board does not want to create fear amongst employees and diminish morale. If this process is pursued, it is to meet the voters' needs and why this organization was formed. We keep flood control. The voters voted for both

flood and water when Zone 7 was formed. We also want to take care of our people because the success of this organization is based on the employees. If employees are not in favor of separation, the board needs to hear why so they can explain: it might be a misunderstanding.

Director Greci explained that two key reasons to separate were to give voters a say and to do what is best for our customers. The cost of doing business is directly reflected in the water rates the public pays. The County collects administrative fees to do business that Zone 7 can do in-house such as purchasing and recruitment.

He also stated that the organization's success is based on everyone at Zone 7. He hopes that no one holds back and is afraid to speak their mind. The Committee needs to hear from all employees, questions you have, information that was misunderstood or that you did not receive. The Committee wants to close those gaps. It is imperative that there isn't a person on our staff that doesn't know what is going on because this affects each employee's life. The Board is going to protect employees, they all have job security, and morale has gotten better.

President Palmer said that getting the vote for Dougherty Valley is critical and that Dougherty Valley residents need to understand what we are trying to do and they need to become part of the process because they are being served by us and need to be and feel represented.

Director Stevens asked that employees stand up and say why they are against it and feel free to talk. This committee meeting was a chance for the Board to learn from employees and for them to learn how the Board thinks.

President Palmer asked what the Separation Committee sees as the best case scenario. The MAT/SAT team expressed their individual opinions:

Pony Yim, Water Quality Laboratory, reiterated that they formed the committee following legislation fallout and to brainstorm options and present them to the Board. He would like more interaction, too, because the Committee didn't have a recommendation regarding what option would be best.

Jarnail Chahal, Engineering, stated that he feels keeping flood control is very important for managing and integrating the valley's water resources and using the arroyos for groundwater recharge because you cannot manage supplies without arroyos and the future Chain of Lakes for water supplies.

Director Greci interjected that a key issue in future plans is controlling streams because with the Chain of Lakes plan, if Zone 7 doesn't have a say over those creeks and that water supply, it could be difficult to convey water to the quarries where we plan to recharge.

Carol Mahoney, Integrated Planning, also feels it is important to keep flood control with water supply functions. As a resident of the valley, she recognizes that local control is critical. She can't imagine valley residents going to Oakland or that Hayward to be heard. She lives in an area near one of the flood zones and she would want to make sure that Zone 7 is able to address any issues immediately.

Barry Ivy, Maintenance, stated that his view of separation is based on the cost and time involved with procuring equipment and parts and it is not efficient. Due to delays in County purchasing and procurement, Maintenance has to find a work-around for repairs and it puts the public in jeopardy. He is a Zone 7 customer, too, and if people realized what Zone 7 staff goes through to provide water, they would be astounded. He would like to pursue Option 1.

Director Greci said that at one of the meetings he and Jill attended with Scott Haggerty, procurement and purchasing directly in a more timely fashion was discussed.

Joel Larson, Instrument Technician, agreed with Option 1 to include flood control and pursue legislation. Efficiency in maintenance itself would be huge. He thinks the rewards are worth the risks.

Gerald DeWitt, Maintenance, agreed that an inordinate amount of time is devoted to purchasing. Also the hiring process could be greatly speeded up if Zone 7 did it ourselves. Separating would save money as well by not having to maintain duplicate and triplicate systems which take more effort and you are unable to do something else instead. He is in favor of Option 1.

Tamara Baptista, Finance, gave the Finance Department's view as a service provider for maintenance. Her department wants to provide good customer service but they are delayed waiting for the County to process things. All purchase orders must go through Alameda County's auditor's office. She discussed her feelings about Option 4 - fully exercise authority under AB 1125. She agrees with keeping the Agency as a whole and keeping flood control but under AB 1125, there is a difference of interpretation of what Zone 7 considers its authority under AB 1125 and what the County considers Zone 7's authority. Part of the "cons" under Option 4 is further legal interpretation of what is AB 1125. The County may think that we are already doing everything we can under AB 1125 but maybe there are opportunities to improve and streamline purchasing and improve recruiting. There needs to be a further exploration of AB 1125 under Option 4.

Jeff Tang, Flood Control Engineering, echoed the sentiments about the Grand Jury Report because flood control has been a part of the agency since the beginning and providing that service for over 50 years. To discount their work was a slap in the face and part of the reason why he volunteered to be part of the Separation Committee was to make sure flood control was retained at whatever cost. He does not see Options 1 or 4 as being a roadblock as long as we are able to meet and discuss things with the County.

Director Greci complimented the employees in flood control for doing such a great job. No one at the County level understands what has been done. Flood control is just as important as the rest of the organization with lots of expertise and skills in that part of the business.

Larry Akinsiku, Flood Control, said that we need to start educating the public. These voters are the equalizer against the heavyweights in the County. If we have to put in a referendum regarding Zone 7 for the voters to decide, we have to get a letter to the property owners so they understand how flood control affects their property. The voters need to understand the benefits of Zone 7 flood control and maintenance including when there is an emergency

and they have to wait for the County. Let the citizens know what flood control is doing; all they see are the trails when they walk their dogs.

Director Greci commented on educating the public. If you want to get support, you need to educate them. They are not going to vote on anything they don't know about. Talk to neighbors and get unity and the public as the equalizer. Get the public involved on where Zone 7 wants to go and start working the politics so people understand what Zone 7 wants to do.

Director Stevens and Director Greci discussed how the Chain of Lakes integrates water resources and can't be separated because we want to use for both water supply (storage and recharge) and regional flood control. If the County has flood control, Chain of Lakes might not be fully utilized. Should something catastrophic happen to the Delta which conveys 80 percent of our water, cutting it off, we could fall back on the groundwater basin. Once we complete Chain of Lakes, it gives us another capability to continually sustain the water in this valley.

President Palmer discussed the recent meeting she and Ms. Duerig had with Supervisor Scott Haggerty and Hank Ackerman from Alameda County Flood Control. A letter signed by Supervisors Haggerty and Miley said go ahead with separation but Zone 7 can't have flood control. Mr. Ackerman said the issue is siltation. Silt comes from a lot of different sources but that was expressed as Mr. Ackerman's main concern on Zone 7's impact on the lower part of the extension of its' watershed.

In response to Ms. Duerig's urging that people in the audience talk about their concerns regarding separation, Diana Gaines, Integrated Planning, said she is on the fence because of the existing problems with purchasing but on the other side she hears concerns over whether it will all work out as planned. She is concerned about losing support for employee rights.

Director Stevens said the state has directed LAFCo to consolidate agencies and Zone 7 is on that list. That part of the Grand Jury report was correct. We are not sure what the state is going to do but if feels strongly about letting the state and people from this area make decisions for us. He understands the concern about Civil Service but something will replace it.

Ms. Duerig said that all four bargaining units negotiated transition agreements and dispute resolution procedures to replace the civil service commission which is to go to a mutually-agreeable mediator. Tom Hughes explained that all four unions thought it was preferred to a civil service commission because it is binding arbitration which is a grievance process. Civil service is non-binding but does not use a mutually-agreeable arbitrator. The Civil Service Commission is appointed by the Board of Supervisors and the transition agreement says the Unions have a say about who the arbitrator will be. The rights in the transition agreement are stronger than the current MOU provisions because the bargaining units had a strong say in the agreement.

The public was asked for comments:

Roz Rogoff ran twice for the DSRSD board and lives in San Ramon but not Dougherty Valley. She writes a blog under the name of San Ramon Observer in the San Ramon Patch. She has been reporting on Zone 7 since running for the DSRSD board. When the legislation bill was pulled, she wrote a very irate blog because of the whole issue of public support. No one in San Ramon or Dougherty Valley came out to say keep this bill going; no one contacted De Saulnier and said we want this. It upset her because this is something that is needed and she knows from DSRSD and their letters of support that it is so hard to get information out to people. She hopes she can write something that will get support because the level of indifference is staggering. People complain but when she ran for DSRSD in 2004, she went to Dougherty Valley to campaign and people said we hate the water, can you do anything about it and then they don't do anything but complain.

Lori Rose, a DSRSD employee, speaking solely as a Dublin resident, said she is in favor of separation. As an employee she does have more knowledge about how the agency works and personally supports it but not enough knowledge as a resident about why it is so important to keep flood control. Zone 7 should focus on educating people so they can make a decision.

Pony Yim, Laboratory, stated that flood control has done a good job for 50 years for Zone 7 because in 1955 there were lots of floods in the area and people realized that floods affected their life and so they formed Zone 7. Zone 7 locally controlled and managed the flood area so now, because they have done a good job, no one has to worry about flooding in this area anymore. That is why it is important to educate about flood control management in Zone 7 and let the public know that we are doing a good job for citizens in the valley.

Director Greci stressed the need for Zone 7 staff interaction with the board to give input. In turn the board will keep them informed and welcome any questions. If you get questions you can't answer from the public when talking to them, write them down and bring them in. We will get answers because staff is on the team for educating, too.

President Palmer asked how many employees present are residents of the valley and recruited them as part of the education campaign to get out there and inform the public about what is going on with the County separation issue.

3. Verbal Reports - none.

4. Adjournment - The meeting was adjourned at 2:15 p.m.

8/15/12 Board written/narrative Comments by Dick Quigley

7/26 - 7/27 - Participated in an ACWA board executive meeting in Sacramento. ACWA strategic plan, reorganization, culture change were discussion points along with water bond, BDCP, and Delta strategy. Briefing on Delta by Randy Fiorina and Tim Quinn; overview on path forward particularly worth while.

7/27 - Attended ACWA afternoon luncheon reception and water discussion at Congressman John Garamendi's house in Walnut Grove. John gave a passionate speech on Delta issues to a small audience of water leaders. Zone 7 was mentioned in his speech and I received some questions regarding why we did not join CCWD's Los Vaqueros expansion project.

Visited with Phil Isenberg, Tom Zuzzker, John Garamendi and others. Our voice is important for a "Delta Fix." Urban Ag coalition and template need discussed. We may be a poster agency.

7/28 - Attended the Zone 7 summer BBQ social at Jill's. Great turn out and fun to visit many staff members and their families. Thanks again Jill for hosting. A good tradition to continue.

8/8 - Attended a CSDA (California Special District) Leadership Academy Course: **The Board's Role in Finance and Fiscal Accountability** takes a close look at how the special district board carries out its fiduciary responsibilities. A fundamental discussion of district budgets, arguably the most significant policy document in a special district, shows how district goals are conveyed in budgets and why boards must do more than just adopt budgets but must also monitor them.

8/9 - Attended a CSDA (California Special District) Leadership Academy Course: **The Board's Role in Human Resources** puts the spotlight on how special district boards interface with district personnel. This module address the board's ongoing relationship with the general manager, a key employee hired by the board; senior staff, and other special district staff. It discusses the board's role in evaluating support personnel and the rules and practices regulating its relations with human resources.

Both CSDA courses were held at the Zone 7 Parkside building's former board room and were well attended!

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: August 15, 2012

ITEM NO. **11a**

SUBJECT: GENERAL MANAGER'S REPORT

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

Finance & Administration

- PG&E requested power demand reductions with the high temperatures in early July (four consecutive Peak Day Pricing or PDP events). To the extent possible, Zone 7 participated, which will result in some cost savings to Zone 7 on PG&E power costs
- Zone 7 hosted a meeting of the Bay Area Emergency and Security Information Collaborative (BAESIC). This program allows agencies to pool funds for such purposes as developing emergency notifications to the public, sharing resources for mutual aid (such as generators, pumps, staff, etc.), disseminating information to employees and providing consistent documents and badges for employees that are recognizable to all the participating agencies (for crossing jurisdictional lines).
- Staff added a "Careers in the Water Industry" page to the "Working Here" section of Zone 7's website, providing links to various resources, including the two consortiums (Bay Works and the Bay Area Consortium of Water and Wastewater Education or BACWWE) in which Zone 7 participates.
- Zone 7's web page, <http://zone7water.com/links/calendar-of-workshopsevents>, remains the best source of information for upcoming outreach events.

Operations and Maintenance:

- Throughout the month, treatment at the Del Valle Water Treatment Plant (DVWTP) remained challenging, requiring an average of over ten filter washes per day (more than double the year-round average), which reduced overall production capacity by over 25%, which was made up by increased groundwater pumping.
- At the Patterson Pass Water Treatment Plant (PPWTP), two of the five ultrafiltration (UF) racks remain out of service due to the high number of membrane leaks. Additional repair kits and epoxy have been ordered. Note that the UF Plant was shut down for the PDP events. There were some problems restarting the plant due to false disinfection alarms; once the analyzers were cleaned, the restarts were successful.
- Use of Powdered Activated Carbon (PAC) continued at both water treatment plants as interim treatment (until an ozone or peroxone system is constructed) for the algae derivatives that cause musty/earthy taste and odor, MIB (methyl isoborneol) and geosmin.
- On July 23rd, the California Department of Water Resources (DWR) placed the Lake Del Valle valves in

“fill” mode and began pumping into the reservoir. As of the end of the month, storage in Lake Del Valle had increased to 35,700 AF (697’). The rate of filling is about 30 cubic feet per second/cfs (20 MGD).

- On July 9th, Shadow Cliffs began diverting water from the Arroyo Valle to refill that lake. In March and April they diverted 220 acre feet; they are expected to divert another 500 acre feet by the end of this season.

Environmental & External Affairs:

- DWR released its biannual State Water Project reliability report. It cited continuing challenges facing the Delta (endangered species, subsidence of islands, possibility of catastrophic failures and climate change), with findings similar to the 2009 report. The full report is available at http://baydeltaoffice.water.ca.gov/swpreliability/FINAL2011DRR_DWR_Review_File-clean-6-25-12.pdf.
- LAFCo met twice in July, once on July 12th and the second time on July 31st. Discussions focused on LAFCo’s Grand Jury response and preliminary findings of the Sphere of Influence study which is part of the Municipal Services Review. Zone 7 came up during both discussions.

Engineering and Flood Control:

- Staff continue to oversee the summer maintenance program of flood control facilities. Pacheco Brothers continued with vegetation management and tree removal work along the Arroyo Del Valle in Pleasanton and Line F-4 in Dublin. Calco Fence completed all five fence repairs. Balala completed facility mowing. Fanfa continued work on slide repairs along the South San Ramon Creek in Dublin and compaction to mitigate squirrel intrusion along the Alamo Canal in Pleasanton.
- Zone 7 staff provided technical assistance to Alameda County Flood Control – West (the other zones) by reviewing project proposals and participating in a consultant selection interview panel related to the Ardenwood Creek Flood Protection and Restoration Project in Fremont. The project involves hydrologic modeling of the creek system and exploring options to control invasive plant growth in the stream corridor, as well as performing public outreach to achieve stakeholder buy-in.
- Under Zone 7 contract, the repair at the Arroyo Mocho near Hopyard was completed and the slide repair on Chabot Canal was begun. In addition, damaged fencing was repaired at four different locations.



Completed Arroyo Mocho Repair



Chabot Canal Construction Begins

Monthly List of GM Contracts

July 2012

Contracts:

Consolidated Engineering Laboratories	\$37,500	Materials Testing Support Services
Gerald L. Gates	\$30,200	On-Call Support Services for GIS, Database and ArcGIS Training

Total July 2012	\$67,700	
------------------------	-----------------	--



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/Tim Hunt

AGENDA DATE: August 15, 2012

ITEM NO. 11b

SUBJECT: Legislative Update

SUMMARY:

- Zone 7 staff, with the support of the agency's lobbying firm, The Gualco Group, Inc., and the agency's legislative support consultant, Tim Hunt, monitors legislation that is being considered in Sacramento, as well as other political activities of interest to the Agency.
- The Legislature reconvened for the final month of its two-year session on August 6.
- The Zone 7-sponsored South American Spongeplant bill (AB 1540, authored by Assemblywoman Buchanan) is on the consent calendar on the Senate floor. It will need to return to the Assembly floor for concurrence with technical amendments made in the Senate. There has been no opposition to the bill and it has passed unanimously thus far.
- Governor Brown, Secretary of the Interior Salazar, and National Oceanic and Atmospheric Administration (NOAA) Assistant Administrator for Fisheries, Eric Schwab announced the framework for proceeding with the Bay Delta Conservation Plan (BDCP) on July 25. The favored conveyance is twin tunnels that can handle diversions of Sacramento River water of 9,000 cfs and deliver it to the pumps south of Tracy. All of the bills of concern to the BDCP process have been defeated, but legislators could still amend an active bill to include different language so the final month will continue to require careful monitoring.
- A key issue facing legislators will be the governor's proposal to reform the pension system. The leaders of both houses indicated they will push for action this month. The pension discussions take place against the backdrop of the governor signing the first \$8 billion installment for the \$69 billion high-speed rail after the Senate approved it by one vote. The governor also continues to aggressively push his plan on the November ballot to raise the sales tax one-quarter cent for four years and to raise income taxes on high-earners for seven years. If voters reject the measure in November, then automatic cuts will be triggered that will fall heavily on K-14 education to close the \$8.5 billion gap.
- The full Senate is expected to approve the nomination of Chuck Bonham as the director of the Department of Fish and Game after the rules committee unanimously recommended his confirmation.

RECOMMENDED ACTION: Information only

ATTACHMENT: Executive Summary



EXECUTIVE SUMMARY State Legislation



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

August 1, 2012

Bill	Topic	Synopsis	Staff Recommendation	Status of the Bill/Comments
Sponsored Legislation				
AB 1540 (Buchanan)	South American Spongeplant	The bill would authorize the Dept. of Water Resources to eradicate this invasive species.	Sponsor	On Senate Floor
Peripheral Canal				
SB 200 (Wolk)	Delta levee maintenance	This bill would define the board for purposes of levee maintenance as the Central Valley Flood Protection Board	Support	In Assembly Committee on Appropriations
Public Employment				
AB 1750 (Solorio)	Rainwater Capture Act of 2012	This bill would allow residential, commercial and governmental landowners to install, maintain and operate rain barrel systems and rainwater capture systems.	Watch	To Senate Floor
AB 2208 (Perea)	Drinking Water	This bill would require the Dept. of Public Health to consider regional solutions when awarding grant money to provide clean water to underserved communities.	Watch	07/05/2012 – Senate Floor – Ordered to Inactive File
AB 2238 (Perea)	Public water systems: drinking water	This bill would require the Dept. of Public Health to consider determinations and recommendations made by the affected local agency formation commission within the previous five years when considering any application for funding.	Watch	In Senate Committee on Appropriations
AB 2529 (Weickowski)	Safe Drinking Water: Revolving Fund	This bill would authorize the Dept. of Public Health to adopt interim regulations for purposes of implementing provisions relating to the Safe Drinking Water State Revolving Fund.	Watch	In Senate Committee on Appropriations

SB 1340 (La Malfa)	Appropriation of water: Oroville Sewage Comm.	This bill would authorize the Oroville Sewage Commission to file an application to appropriate water based upon its discharges into the Feather River.	Watch	In Assembly Committee on Appropriations
SB 1386 (Lowenthal)	Municipal Water Districts: Water Storage	This bill would prohibit a district located in a county with a population greater than 8 million persons and where at least 80% of the area of the district is included within the boundaries of a water replenishment district from having specified authority relating to the storage of water.	Watch	On Assembly Floor
Special Districts				
SB 31 (Correa)	Post government employment: restrictions	This bill would apply the prohibitions of the Political Reform Act of 1974, in addition, to local appointed officials.	Watch	In Assembly Committee on Appropriations
Natural Resources/Environment/Delta				
AB 2443 (Williams)	Vessels: registration fees: mussels	This bill would authorize a county to assess a fee on vessels registered there to establish and operate a dreissenid mussel monitoring, inspection and infestation prevention program.	Watch	In Senate Committee on Appropriations
SB 1495 (Wolk)	Covered actions, Delta Reform Act 2009	This bill would exclude from the definition of "covered action" specified leases approved by special districts as well as dredging activities conducted by the federal government.	Watch	In Assembly Committee on Appropriations
Regulatory				
SB 1364 (Huff)	Water corporations	This bill would expand inspection provisions of the Public Utilities Act to authorize the inspection of accounts, books, papers and documents of any subsidiary of a water corporation.	Watch	In Assembly Committee on Appropriations



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

ORIGINATING SECTION: Administrative Services

CONTACT: Tom Hughes

AGENDA DATE: August 15, 2012

ITEM NO. **11c**

SUBJECT: Status Report on Separation Efforts

SUMMARY:

The Board Administrative Committee met with the Management and Staff Advisory Teams (MAT/SAT) and employees on Thursday, August 2 to discuss options on moving forward with separation. A committee, formed of MAT/SAT members to consider possible next steps in separation, presented a list of options, along with pros and cons for each option. All employees were invited to attend and participate. Most staff comments emphasized the importance of maintaining an integrated approach to water supply and flood protection.

Business Administration:

- Due to a decision to abandon the previously-identified payroll provider, implementation will be further delayed until at least January 2013. In the meantime, Finance and Accounting staff are actively pursuing alternative payroll providers.
- Staff received a proposal for a Cost Accounting System in late July. The proposal is under review and, if appropriate, will be brought to the board for approval.

Employee Services:

- Staff continues to assess all separation-related activities and to reach out to Alameda County staff to address any remaining concerns and to keep moving the transition forward.
- Staff also continues to collaborate with Pleasanton, Livermore, Dublin, San Ramon, and Dublin-San Ramon Services District to identify opportunities to share services.



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

ORIGINATING SECTION: Engineering

CONTACT: Kurt Arends

AGENDA DATE: August 15, 2012

ITEM NO. **11d**

SUBJECT: Update Related to the Bay Delta Conservation Plan

BACKGROUND:

The Bay Delta Conservation Plan (BDCP), which has the co-equal goals of achieving water supply reliability while improving the ecosystem, is a voluntary effort to obtain long-term, incidental take permits for the operations of the State Water Project (SWP) and the Central Valley Project (CVP) through development of a comprehensive Habitat Conservation Plan (HCP) under the federal Endangered Species Act, and a Natural Community Conservation Plan (NCCP) under the California Natural Community Conservation Planning Act. The BDCP is a mechanism for improving the ecological conditions to provide multi-species regulatory protection in the Delta. Zone 7's interest is securing the regulatory protection for SWP operations and restoring water supply lost to recent regulation and court action through a long-term multi-species habitat conservation agreement.

The Delta Habitat Conservation and Conveyance Program (DHCCP) is the associated effort to do enough preliminary engineering to analyze the proposed actions in the BDCP under the federal National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA) and prepare the related environmental impact documents. This effort also includes development of preliminary engineering designs, geotechnical field studies and analysis, and other necessary feasibility information for Delta water conveyance and related habitat conservation measures under the BDCP.

DISCUSSION:

For more than six years, state and federal resource agencies, public water agencies, and numerous non-governmental organizations have spent considerable resources evaluating a full range of alternative proposals to achieve the goals and objectives set out in the BDCP's original planning agreement: improvement and protection of the Delta ecosystem, recovery of at-risk species, restoration of water supply, and creation of a reliable water supply. The biggest risk to this effort has been a reluctance to make decisions in the face of uncertainty. But one thing is absolutely certain; the status quo is not sustainable for either at-risk species or the water supply on which tens-of-millions of people and the economy of this State rely.

In anticipation of a joint State and federal announcement being made in late July, advocates both for and against the BDCP were busy sending letters and submitting editorials to their regional papers in an effort to influence the process. Many State legislators are concerned with the BDCP process and the potential impact it could have on the Delta Communities. Local legislators

challenging the process include Senators Wolk and DeSaulnier, and Assembly members Bonilla and Buchanan. Other nearby water agencies Contra Costa Water District and East Bay Municipal Utility District also sent letters expressing their concerns that the efforts being proposed by the BDCP may impact their water quality or redirect impacts to their agencies.

On the support side was an equally long list of State legislators along with U.S. Senators Dianne Feinstein and Barbara Boxer. Many business and labor organizations also wrote in support of the process including the California Alliance for Jobs, California Latino Water Coalition, and R.E.A.L. Coalition (Regional Economic Association Leaders of California) which includes the Silicon Valley Leadership Group, San Jose Silicon Valley Chamber of Commerce, North Bay Leadership Council and Orange County Business Council among others. All urged the State and federal agencies to move the BDCP process forward.

On July 25, 2012, the long awaited announcement was made by California Governor Edmund G. Brown Jr., U.S. Secretary of the Interior Ken Salazar, and National Oceanic and Atmospheric Administration (NOAA) Assistant Administrator for Fisheries Eric Schwaab. The announcement laid out a path forward for an enhanced BDCP process, and officials emphasized that California's water system is unsustainable from an environmental and economic perspective, and that the BDCP is a key part of a comprehensive solution to achieve the dual goals of a reliable water supply for California and a healthy California Bay Delta ecosystem that supports the State's economy.

For Zone 7, who receives over 80 percent of its water supply through the delta, the announcement represents a commitment to move the BDCP forward towards implementation. While many of the details of the plan have yet to be decided, one key element announced on the 25th was the inclusion of scientifically based biological goals and objectives to measure the effectiveness of the plan. In addition, the size of the delta conveyance facility, assumed to be a set of dual tunnels, was downsized from a potential maximum of 15,000 cubic feet per second (cfs) to 9,000 cfs. This means what was originally proposed to be 5 intake structures along the Sacramento River in the north delta will be limited to three 3,000 cfs intakes. The actual size of the tunnels has yet to be determined but to conserve power and reduce greenhouse gas emissions, the tunnels will be sized to convey the required flows by gravity and eliminate the need for pumping.

What these proposals mean in terms of water supply is difficult to determine until the plan is further developed and more modeling is done. The key to the water supply benefits is the operational criteria which will govern the operation of the project. The regulatory agencies which will be permitting the operation of the facilities feel that there are so many variable related to future operations and uncertainty about the biological benefits of the proposed actions that they are considering a "decision tree" process to guide operations. The idea is to develop a decision-making process that will guide operations based on how the project is performing and how the ecosystem responds to the restoration efforts. While this approach is preferred by the resource agencies, it will present a challenge to some Public Water Agencies who will be asked to fund the capital cost of the new conveyance and associated mitigation. Without the ability to determine a firm water supply benefit, it will be much more challenging for agencies to evaluate the decision of whether or not to make the financial investment.

For Zone 7, who relies so heavily on the Delta to convey its water supply, the decision will be much easier. The Delta's ecosystem is in crisis while the state's water project has infrastructure that is aging and inadequate. Taking steps now for a Delta solution that employs science to address both

needs equally may be the single, best chance to avoid disaster. The entire Bay Area depends on the Delta watershed for two-thirds of its drinking water supply. But, for people in the Tri-Valley, the plumbing that is proposed in tunnels under the Delta is no less than a lifeline to the Sierra snowmelt needed to maintain our current quality of life.

Water reliability helps preserve the economic viability of our Valley. Businesses and agriculture need water to stay healthy. Our \$200 million wine industry needs water, as does every homeowner relying on water for basic public health and fire protection. Without water imported through the Delta, the Tri-Valley economy would wither and die. The proposed project, itself, is expected to generate 170,000 new jobs to help grow the statewide economy.

The Bay Delta Conservation Plan (BDCP) is seen as the best hope of addressing the challenges of a deteriorating Delta ecosystem and building a water conveyance system that can withstand the effects of a major earthquake and climate change. While a potential project was laid out, the draft environmental documents currently being prepared will analyze the full range of alternatives. A final Record of Decision is expected next year.



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: JAVIA GREEN

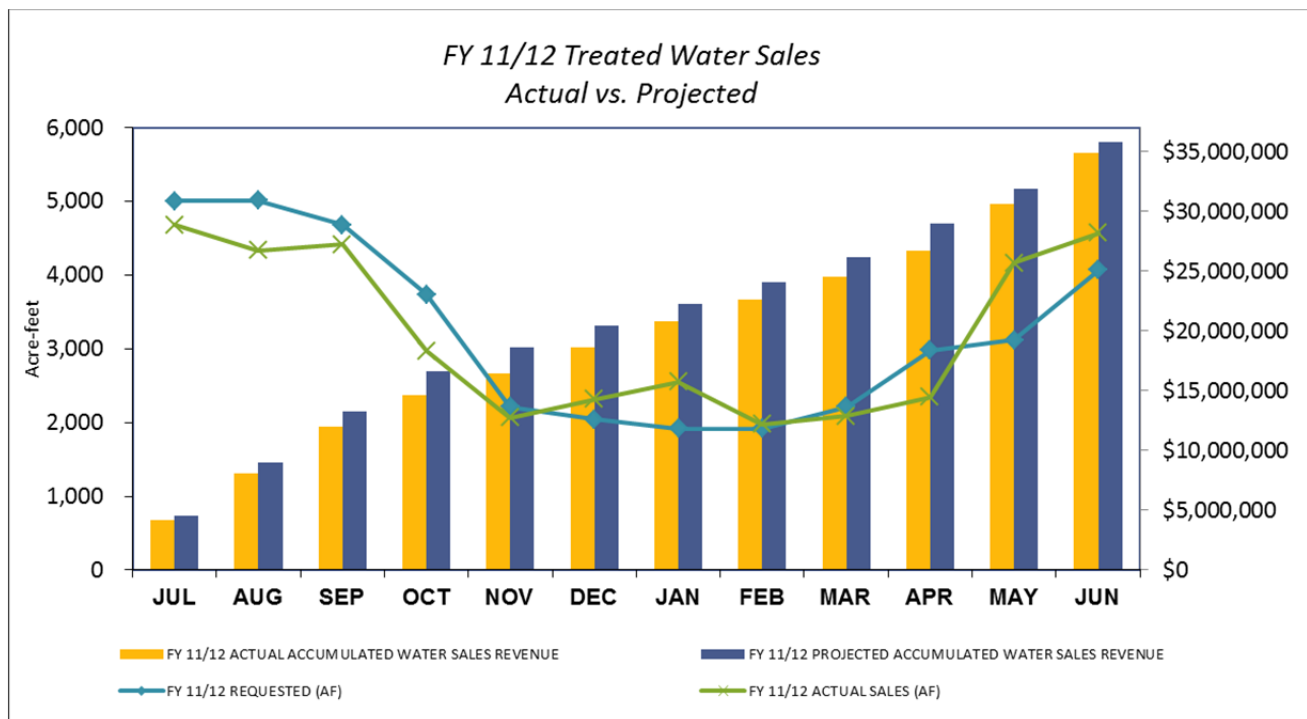
AGENDA DATE: August 15, 2012

ITEM NO. **11e**

SUBJECT: Report on Water Sales and Connection Fee Revenue

Treated Water Sales

Treated water sales revenue funds the Water Enterprise (Fund 52). Through the end of June, 38,466 acre-feet of water was sold, resulting in actual sales of \$34.9M. This is 2% below projected sales for the entire fiscal year of \$35.7M. Winter and late spring water sales exceeded projections, and contributed to actual sales being very close to the fiscal year projection - likely due to relatively dry conditions during those months. Actual water sales compared to projected sales for the entire fiscal year is shown in the graph below:

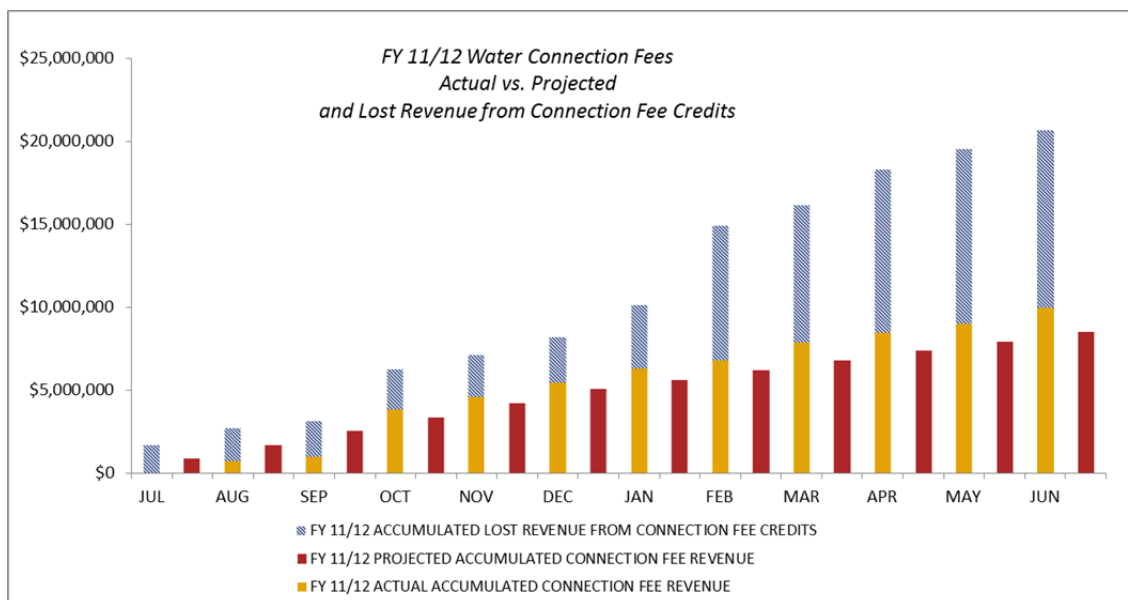


Connection Fees

FY 11/12

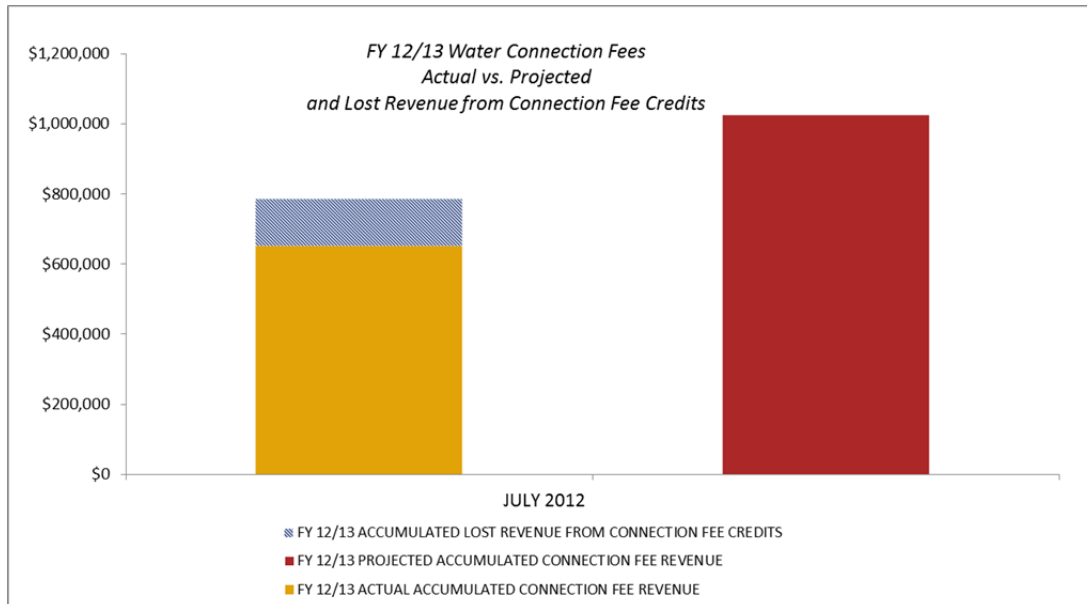
Non-discretionary expenditures for Fund 73 are close to \$20M annually. The expenditures include debt payments for the South Bay Aqueduct (SBA) Enlargement Project, Fourth Contractor's Share of the SBA and the Cawelo Groundwater Banking Program. While development activity is picking up, Staff continues to closely monitor cash flow and prepares quarterly updates of this fund to assure cash availability.

Connection fee revenue funds Water System Expansion (Fund 73). Through the end of June, collected connection fees are \$9.9M¹, 17% above projected fees for the entire fiscal year. This is an indication that new development activity is improving. Another \$10.7M worth of connection fee credits were used. Actual connection fee revenue plus lost revenue from credits used, compared to projected revenue is shown in the graph below:



FY 12/13 Year-to-Date²

For the month of July, connection fee revenue was \$0.653M, about 36% less than the July projection of \$1M. Six connection fee credits were used in July. Actual connection fee revenue for July 2012 compared to projected revenue is shown in the graph below:



¹Connection fee revenue of \$9.8M was reported in the July Staff Report, an additional \$0.100M has been posted to June 2012, resulting in \$9.9M for fiscal year 11/12.

²This chart compares year-to-date actual connection fee revenue against the July projection (as of the report preparation date of 8/1/2012). Additional months will be added as the fiscal year progresses.

RECOMMENDED ACTION: Information only