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 20, 2014**

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

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

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

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

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.

5. Minutes of the Regular Meeting of July 16 and Special Board Meeting (Board Retreat) of July 21, 2014

6. Consent Calendar

   a. Participation in the Bacon Island Levee Rehabilitation Project
   b. Document Management Software for Records Retention/Management

7. Staffing Update:

   a. June Employee of the Month Recognition

8. Environmental Compliance & Planning As Needed Services

   Recommended Action: Adopt resolution.

9. Award of Contract for the PWRPA/Zone 7 - Mocho Electrical Facilities Installation Project

   Recommended Action: Adopt resolution.

10. Contract Amendment No. 1 to the Chain of Lakes Well No. 5 Project

    Recommended Action: Adopt resolution.

11. Committees - Liaison Committee Meeting with EBRPD/LARPD/Tri-Valley Conservancy - July 22, 2014 - notes
Water Resources Committee Meeting - August 12, 2014 - notes

12. Reports – Directors
    a. Verbal comments by President
    b. Written report by Director Quigley - None
    c. Verbal reports

13. Items for Future Agenda – Directors

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

    a. General Manager's Report
    b. Monthly Budget Report
    c. Legislative Update
    d. July Outreach Activities
    e. Facilities Engineering Project Status
    f. Drought Update
    g. Groundwater Management Program Annual Report
    h. Verbal Reports

15. CLOSED SESSION

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

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

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

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

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

16. Open Session and Report Out of Closed Session

17. Verbal Reports

18. Adjournment

19. Upcoming Board Schedule: (All meeting locations are in the Boardroom at 100 North Canyons Parkway, Livermore, California, unless otherwise noted)
    a) Joint Water Liaison Meeting: August 27, 2014, 5 p.m. at DSRSD
       7051 Dublin Blvd., Dublin, CA
    b) Finance Committee Meeting: August 28, 2014, 3:30 p.m.
    c) Special Board Meeting: September 3, 2014 (if needed)
    d) Regular Board Meeting: September 17, 2014, 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 16, 2014

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

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

Item 1 - Call Meeting to Order

Item 1 a - Swear in Recently Elected Directors

Board Secretary Judy Rector administered the oath of office to recently elected directors John Greci, Bill Stevens, Sarah Palmer and Jim McGrail.

Item 2 - Pledge of Allegiance

President Stevens led a salute to the flag.

Item 3 – Reorganization of the Board

President Stevens opened nominations for Board President.

President Stevens nominated Director John Greci for President of the Board of Directors and Director Palmer seconded the nomination. After a voice vote of 7-0 by the Board, the nomination was confirmed. President Greci thanked Director Stevens for holding the seat of President of the Board this past year and noted that he did a great job keeping the Board organized despite many contentious issues which required a lot of attention.

President Greci explained his rationale in picking his Vice President. He wanted someone who would be there with him, understands the criteria necessary to perform the Board's job, and represent Zone 7 in the best manner possible. Director Sarah Palmer was nominated by President Greci and Director Quigley seconded the nomination. Vice-President Palmer's nomination was confirmed by a 7-0 voice vote.

President Greci will base his selection of board committee members on three criteria:
1) the function of the committee; 2) the background and experience the individuals have had with Zone 7; and 3) if a director expressed interest in a certain committee. He will announce the committees later and give the Board Secretary the list to distribute.

<u>Item 4 - Citizens Forum</u>

Margaret Tracy read an open letter to the Board:

TO: Zone 7 Agency Officers & Staff and Members of the Board of Directors

FROM: Margaret J. Tracy, Member of Board of Directors, 1978-1994

Request response from each Director to the questions below:

1. What are your plans in the current fiscal year to remove toxics now in the groundwater basin? How will this process be funded?
2. What are your plans for removing endocrine disrupters which interfere with both male and female reproductive systems? How will this process be funded?
3. Do you <u>support</u> reducing toxics in the groundwater basin in the next fiscal year?
4. Do you support a prohibition of recycled water of wastewater origin being used in our groundwater basin?

President Greci said that the Board does not react to issues brought up in Citizens Forum but will submit her questions to staff and she will receive answers from them.

<u>Item 5 - Minutes of the Regular Meeting of June 18, 2014</u>

Director Palmer made corrections to the minutes for the July 16 board meeting. She added the following language to Page 3 concerning Item 8 on the Proposed Budget: "One of the reasons the drought surcharge was not included at this time and staff decided to wait until fall is because we want to have a better idea of what drought costs will be this summer and the Board felt that the emergency reserves were well used in this way."

Director Ramirez Holmes noted on Page 4, third full paragraph, she added a word to the sentence "Director Ramirez Holmes agreed with Director Quigley and said that because Zone 7's budget is made up of many funds, sometimes the Finance Committee did not catch things until they saw the audit."

Director Quigley moved and Director Palmer seconded the motion to approve the corrected minutes. The corrected minutes were approved by a voice vote of 7-0.

<u>Item 6 - Consent Calendar</u>

<u>Item 6(a) – Resolution of Commendation for Retiring Board Member AJ Machaevich</u>

General Manager Jill Duerig read comments from Mr. Machaevich to the Board in his absence:

"He was very happy to work on the Board for the last four years and he appreciates the public's trust. He expresses his gratitude to the public for letting him serve on the Board. He also thanks the Board and his fellow Board members."

The proclamation/resolution was read to the audience. Director Stevens moved for approval and Director Quigley seconded the motion which was approved by a voice vote of 7-0.

Resolution No. 14-4376	The Zone 7 Board of Directors acknowledges, commends and thanks Mr. Machaevich for his fine public service on the Board. (Item 5a)

The directors that served with Mr. Machaevich added comments including compliments on Mr. Machaevich's expertise in technology and background in management which helped the Board be better-rounded, he had a calm approach to the issues, his emotions never overrode his rational thinking, he was very good at communicating with people which was helpful for all of them on the Board.

Item 7 - Staffing Update:

Ms. Duerig announced that the May Employee of the Month is Tim Brown, Facilities Maintenance & Construction Supervisor, who works in the Maintenance section at the Del Valle Water Treatment Plant. The Board applauded Mr. Brown in absentia.

Item 8 – Contract for Weed Control Spraying Services

Kurt Arends, Assistant General Manager, Engineering, reviewed the item which was originally presented to the Board in April but was held over. In 1998 Zone 7 entered into an annual contract with Alameda County for spraying services for weed control, landscape maintenance, miscellaneous trash removal and emergency support services. In 2013 the Board approved a one-year extension of that contract which gave staff the opportunity to solicit bids for those services from more local and responsive agencies. Through the RFP process, ten proposals were received and Livermore Area Recreation and Park District (LARPD) was chosen. A letter of protest from one of the proposers, Pacheco Brothers, raised issues about the sphere of influence and attendance at pre-bid meetings but the letter was received just before the April Board meeting so the item was continued. General Counsel David Aladjem recommended pulling the item from the agenda to allow more time to investigate and respond to the protest. A letter responding to the protest was sent from General Counsel David Aladjem to Pacheco Brothers and distributed to the Board members.

In reviewing the bid proposals and the protest, staff again recommended that the contract be awarded to LARPD. Their ability to provide the service best suits Zone 7's needs as a public agency because they are familiar with the role of a public agency working under stringent regulatory conditions such as monitoring, working with the public in a public setting (i.e., maintenance roads which also have recreational access under licenses with the cities), being sensitive to the neighbors that abut the property to the trail users and working under a regulatory permit that has requirements that need to be met. Staff feels this is the best opportunity to get this service from a local entity at a reasonable price. The recommendation is to award the contract to LARPD.

Director Palmer commented that she is pleased to see a local agency that understands the local issues. Director Quigley agreed and complimented staff by saying the package was well put together. Director Ramirez Holmes asked if this is a different contract than Zone 7 has with the County. Mr. Arends said the original contract with the County was for $400,000 and included spraying services and landscaping channels if needed, trimming trees and bushes, material removed such as trash along the trails, homeless encampment cleanup and other miscellaneous work. Staff identified how much of that contract was actually spraying rather than other miscellaneous services and determined that the cost for spraying was about $200,000. The remainder of the scope of work was absorbed into other contracts such as Fanfa, East Bay Conservation Corps, Urban Creeks Council and the California Conservation Corps with slight increases to these contracts for additional work totaling about $150,000 but staff has accommodated the other work and providers for those services without exceeding the amount of the original contract with the County. This contract is strictly for spraying roadways, slopes of channels and aquatic spraying, one of the most difficult services with the highest regulatory compliance because of spraying into the waterways under Zone 7 permits.

Director Ramirez Holmes said she did not see the County listed as responding to the RFP and how were they made aware that Zone 7 was not continuing with them. Due to the one-year extension because staff would be soliciting bids, the County and their crew were aware of the situation.

Director Stevens said that we will be seeing interagency cooperation with local agencies more often.

Director Palmer moved for approval and Director Quigley seconded the motion which was approved by a roll call vote of 7-0.

Resolution No. 14-4377 Authorized a contract with Livermore Area Recreation and Park District. (Item 8)

Item 9 – Committees – None.

Item 10 - Reports - Directors

a. Verbal comments by President

President Greci welcomed Director McGrail to the Board. He said the more interactions we have with each other in helping each other grow and learn about the organization reinforces our ability to do what we do and he encouraged other Board members to help expedite Director McGrail's learning curve, including history, with Zone 7.

b. Written report by Director Quigley - none.

Director Quigley had a verbal report on the ACWA Region 5 meeting October 19 and 20^{th} at the Martinelli Center. Director Quigley has been involved in meeting planning and there will be a lot of great speakers and panels. On the 19^{th} there will be a tour of DWRs Del Valle pumping plant along with a networking session.

c. Other Directors' Verbal Reports

Director Palmer welcomed Director McGrail and noted he will make a fine addition to the Board as a representative from the agricultural community. She also noted that she received an anonymous letter but she does not respond to them or help people with their personal vendettas.

Director Figuers said that he is delving into the files and history of Zone 7 and is up to about 1978.

He anticipates giving the third part of his finance presentation and says the research has been fascinating. He has been tracking how money has been spent and the impact of the drought in 1976 and Proposition 13.

Item 11 - Items for Future Agenda - Directors

Item 12 - Staff Reports (Information items.)

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

Ms. Duerig added a verbal report about a meeting the previous week between the State Water Contractors (SWC) and the Department of Water Resources (DWR) in which DWR discussed their under billing. Even their original estimate for under billing was half of what they are going to charge and instead of $1.2 million, the total may be closer to $2.5 million. State Water Contractors are meeting with DWR to see if that number can be reduced. DWR says most of the increase is due to new hires and increased wages. This was supported on some level by the SWC because DWR was having retention issues and losing expertise and there were operational impacts; however, the questions the Contractors are asking are they really going to have these increases, how real are the new projections, and when will they impact the bottom line and the bills? Ms. Duerig will keep the Board informed as this evolves.

Director Figuers said in studying Zone 7 history he knows the contract with DWR was signed in about 1963 and one year later we started with this identical problem. DWR asked for an increase and it has been the same scenario since then for the same reasons.

Director Palmer commented she liked the link that was included in the General Manager's staff report for Dr. Sunding's presentation at the Water Law conference in San Diego on costs of constructing the alternative Delta conveyance. She is pleased with results of the Zone 7 internship program.

Director Ramirez Holmes asked for a brief summary and the highlights for 12e Drought Update. Ms. Duerig reported that projects are going well. The Cope Lake and Lake I connection is now in the ground and complete. The driller has been hitting some issues in Chain of Lakes #5 but the rest of the construction is moving forward as planned. Staff may be coming back to the Board and recommending an increase for that project because drilling rates are at a premium.

Zone 7 is trying to use the balance of the surface water and groundwater to minimize how much of the groundwater basin is being drawn down while trying to preserve what little surface water is there because if it needs to be increased for a short period of time, there will be surface water which keeps water in the canals for the untreated users. Water quality in the Delta is declining due to factors causing additional treatment challenges. If it gets worse, we will start drawing down Lake Del Valle and blending to keep the water in the canals for the agricultural users although the poor quality is starting to impact the growers. The community is stepping up and June was a great month as people did conserve so we were came in under our target.

Director Ramirez Holmes wanted to make sure we are thanking the public for their conservation efforts as this is not an easy time to watch your lawn go dormant and to implement inconvenient things like buckets in residents' showers and not planting for the year, but the numbers are hopeful and it takes pressure off of everyone. Given the conservation numbers that were published recently across the State, she wanted to thank people for being a partner with Zone 7 during this time of drought.

Director Quigley shared a new ACWA-produced document from an ACWA committee, Impacts and Strategies for Drought Resilence. Zone 7 is mentioned along with Region 5 ACWA members and the impacts on the Bay Area and how members banded together and are working on a solution.

Director Stevens commented that perhaps a report should be requested on what positions DWR is hiring to fill and why they need the additional money. Ms. Duerig said the State Water Project is not out of the general fund, it is a pass through, so whatever charges there are to the State Water Project, they get passed on to the State Water Contractors. The State Water Contractors have formed an audit finance committee to better track the expenditures because of the ongoing concern regarding how DWR charges the contractors. Last year Zone 7 got a $1.2 million overcharge and then it was credited. Ms. Duerig will try to get details for the Board. Director Stevens said DWR's actions will unfairly impact our water rates because of the drought.

Director Ramirez Holmes said the Retreat Agenda item was to be continued from the June meeting. Because the date of the retreat was moved from August to July, she asked if the Board was still discussing the retreat agenda as she had not seen one yet. Ms. Duerig said we put together a draft agenda with comments from the last meeting, discussed it with President Greci, and it will be finalized and sent out within a day. Director Stevens said the date had changed to accommodate the Directors' schedules because a full board was needed for the meeting. Not everything will be accomplished in that one retreat and perhaps a second retreat will be needed.

The board went into closed session at 7:46 p.m.

<u>Item 13 - Closed Session</u>

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

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

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

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

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

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

Item 14 - Open Session and Report Out of Closed Session

The Board came out of Closed Session at 9:30 p.m. and President Greci reported there were no reportable actions taken in closed session.

Item 15 - Adjournment

The meeting was adjourned at 9:31 p.m.

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

SPECIAL MEETING/BOARD WORKSHOP
July 21, 2014

President Greci called the Special Board Meeting to order at 10:05 a.m. The following were present:

DIRECTORS:	JOHN GRECI SANDS FIGUERS JIM MCGRAIL SARAH PALMER DICK QUIGLEY BILL STEVENS
ABSENT:	ANGELA RAMIREZ HOLMES
ZONE 7 STAFF:	JILL DUERIG, GENERAL MANAGER KURT ARENDS, ASSISTANT GENERAL MANAGER, ENGINEERING TOM HUGHES, ASSISTANT GENERAL MANAGER, ADMINISTRATION DAVID ALADJEM, GENERAL COUNSEL JUDY RECTOR, BOARD SECRETARY

Item 2 - Citizens Forum - None.

Director Quigley gave the board members a handout he created with his comments.

Item 3 - Strategic Planning Update

The Board discussed the management of watersheds. Director Quigley suggested that better metrics be available. Director comments included the planning and conservation necessary to get through the drought and what can we do to avoid the same problems in the future. The discussion revolved around the possibility of using Lake Del Valle's full potential

President Greci said the Board's duty is to give the General Manager direction to tell staff of the Board's vision. General Counsel David Aladjem said that staff could be directed to come back with suggested changes to the strategic plan to address the Lake Del Valle issue.

Director Stevens suggested that recycled water and optimizing use of Lake Del Valle dam be items for discussion by the Water Resources Committee. President Greci agreed.

Item 4 - Watershed Management - new Lake Del Valle Property

The directors discussed a preliminary draft Grazing Management Plan developed by Paul Banke, the current tenant on Patterson Ranch.

The Directors commented on how well organized the document is however there was concern about the $26,000 contract with Paul Banke for writing the document. Director McGrail said his goals and objectives are to be fiscally responsible to the people who voted for him and he needs to learn more about why the contract was for $26,000. In general he wants information on what we are "writing checks for" so he can explain to the people who voted for him where the dollars are going and what kind of value is received for the money.

Director Palmer wants to see a soil analysis. She also said it is valuable to have the historical background and lay of the land in the document so it doesn't get lost. Compared to more expensive contracts for range management for 100 acres at Walker Ranch, she thought the document was a good value. Director Figuers said similar documents are worth $50,000-70,000 so Zone 7 will get their money out of the document.

Director Quigley said many elements were not included such as rental income on houses. The Board needs to know more about the income value of Patterson Ranch.

A special Ad Hoc Patterson Ranch Committee was suggested. Ms. Duerig asked the Board for direction and if they wanted an ad hoc committee formed.

Item 5 - The Role of Committees

President Greci announced the members of the Zone 7 Committees:

Finance Committee: Directors Figuers, Palmer and Ramirez Holmes

Administration Committee: Directors Figuers, Quigley and Ramirez Holmes

Water Resources Committee: Directors Greci, McGrail and Stevens

Ad Hoc Patterson Ranch Committee: Directors Greci, McGrail and Stevens

Liaison Committee: Directors McGrail, Palmer and Quigley

Standing Committees generally meet on a regular basis and ad hoc committees meet as needed.

Dr. Bill Mathis from The Mathis Group facilitated the discussion on The Role of Committees including how committees work.

It was announced that Lori Rose will assist Directors with appropriate Board/staff interacting on financial issues. Ms. Rose will make things simpler for Directors. She will condense complicated information and help simplify for the Finance Committee. Director Stevens issued a handout he prepared summarizing reserves to show a simple approach. Zone 7 is a pay-as-you-go agency but the retailers prefer debt financing to lower costs.

Director Palmer asked for copies of the "Guiding Principles for Board Members" to be re-distributed to Directors at the meeting. Director McGrail encouraged the Board to be a cohesive unit. He said it is not the Board's responsibility to address staff, it is the General Manager's. President Greci told the Board members not to be an extra burden on the organization and to be conscientious of what they want from staff. Directors need to go through the General Manager with requests.

President Greci and Director Palmer encouraged that financial language and details be kept simple so it can be understood. Director Palmer reminded directors to treat staff with respect.

The directors discussed separation issues and flood control. If future projects for flood control are neglected and there is only maintenance, a big flood causing damage will open Zone 7 up to liability for flood control damage. Director Figuers asked if some flood control projects will be delayed because of personnel constraints with the drought but staff for flood control remains the same. Most flood control projects are capital improvement projects so planned and budgeted in advance.

Ms. Duerig updated the Board on the LAFCO application and working with Alameda County Flood Control. After an MOU with the County is developed, then Zone 7 can move forward with the LAFCO application if it is still of interest to the Board.

Item 6 - Verbal Reports

Item 7 - Adjournment

The meeting was adjourned at 2:15 p.m.

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

ORIGINATING SECTION: Engineering
CONTACT: Kurt Arends

AGENDA DATE: August 20, 2014 ITEM NO. **6a**

SUBJECT: Participation in the Bacon Island Levee Rehabilitation Project

SUMMARY:

- Zone 7 relies on over 80% of its water supply to be conveyed through the Sacramento-San Joaquin Delta.
- Conveyance of that supply is under the constant threat of levee failure within the Delta due to seismic events, flooding, sea level rise and levee instability.
- Levee failure could negatively impact water quality and result in a complete shutdown of the South Bay Pumping Plant. A Jones Tract levee failure in 2004 interrupted flows for months.
- In January of 2012, Zone 7 along with six other urban water agencies joined together to prepare a paper entitled "Urban Water Agencies Strategy for Delta Levees – List of Priority Levee Projects" that defined the levee rehabilitation projects that could provide water supply reliability benefits for all urban water agencies that receive water from the Delta.
- In July 2014, a Concept Proposal Application for the Bacon Island Levee Rehabilitation Project (Old River) was submitted to the Department of Water Resources (DWR) for the 2014 Delta Levees Special Flood Control Projects Grant Solicitation Package for Multi-Benefit Projects.
- If awarded, the DWR grant will cover 90% of the estimated $10 million project cost, with the remaining 10% to be provided by the seven water agencies and other beneficiaries of the project. Zone 7's share is estimated not to exceed $30,000.

FUNDING:
Funding for participation in the Bacon Island Levee Rehabilitation Project comes from and is available in Fund 120 – Renewal & Replacement/System-Wide Improvements.

RECOMMENDED ACTION:
Adopt the attached resolution authorizing the General Manager to negotiate and execute any and all agreements and contracts necessary to participate in the Bacon Island Levee Rehabilitation Project in an amount not to exceed $30,000.

ATTACHMENTS:

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

Interoffice Memo

Date: August 20, 2014
To: Jill Duerig, General Manager
From: Kurt Arends, Assistant General Manager - Engineering
Subject: Participation in the Bacon Island Levee Rehabilitation Project

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

BACKGROUND

Over 80% of the water supply received by Zone 7 is conveyed through the Sacramento-San Joaquin Delta. The conveyance of that supply is under the constant threat of levee failure within the Delta due to seismic events, flooding, sea level rise and levee instability. In January of 2012, Zone 7 along with six other urban water agencies joined together to prepare a paper entitled "Urban Water Agencies Strategy for Delta Levees – List of Priority Levee Projects" that defined the levee rehabilitation projects that could provide water supply reliability benefits for all urban water agencies that receive water from the Delta. The paper emphasized the importance of protecting water supply infrastructure during and following major seismic or flood events and the need to fortify levees supporting critical water conveyance. Bacon Island was included at the top of the list of proposed levee projects on the Old and Middle River freshwater corridor.

Since that time the water agencies have collaborated with Reclamation District No. 2028 (RD 2028) to identify proposed projects and develop sources of funding. In July 2014, a Concept Proposal Application for the Bacon Island Levee Rehabilitation Project (Old River) was submitted to the Department of Water Resources (DWR) for the 2014 Delta Levees Special Flood Control Projects Grant Solicitation Package for Multi-Benefit Projects. The agencies have been informed that the grant application has been accepted for further consideration.

If approved, the grant would cover 90% of the $10 million project cost with the remaining 10% to be provided by non-State sources.

DISCUSSION

The proposed Bacon Island Levee Rehabilitation Project would consist of levee rehabilitation along a 5.4 mile stretch of exterior levee along Old River (see attached map). Engineering will be performed to develop a design cross section that will sustainably meet the Hazard Mitigation Plan (HMP) requirements, at a minimum. The proposed project will require engineering, planning, construction and contract management. This project is of high importance due to its location along the targeted freshwater corridor waterways. The proposed project would benefit In-Delta and project (CVP and SWP) water supply reliability. The levee is along Old River and is directly related to the protection of the fresh water corridor conveying flows to the project pumps. Rehabilitation of the levee will benefit the reliability of the current conveyance system. The risk of a levee failure in the rehabilitated segment will be reduced, thus reducing other associated risks to the water supply, such as the potential for salinity intrusion that could jeopardize the water supply for both local and export interests.

The project will result in a more stable levee system with an increased level of flood protection, and thus, a more stable conveyance corridor. This concept proposal is based on an assumed project cost of approximately $10 million.

RD 2028 and the coalition of seven urban water agencies, including Zone 7, have been collaborating to develop funding partnerships for the non-State share of the project. The Water Agency Coalition (Coalition) includes the following agencies: Alameda County Water District, Contra Costa Water District, East Bay Municipal Utility District, Metropolitan Water District of Southern California, San Francisco Public Utilities Commission, Santa Clara Valley Water District, and Zone 7 Water Agency. The agencies involved with this project have continued to work towards a formal cost share arrangement. The agencies are currently working on development of a Memorandum of Understanding to define roles and responsibilities on the proposed project and finalize the allocation of the non-State cost share between the water agencies.

The final grant application is due to DWR on September 16, 2014 which will include a Letter of Mutual Understanding signed by the Coalition partners demonstrating the local financial support for the project. While the details of the cost sharing are still being developed, the apportionment is based very generally on project contract allocations. The portion of the $1,000,000, 10% non-State share, allocated to Zone 7 is estimated to not exceed $30,000. If the grant is approved, Zone 7 will enter into an agreement with one of the Coalition members, possibly Contra Costa Water District, who will act as the "bank" and single point of project funding for RD2028. If the project is not awarded the full grant by DWR, the project will not go forward and no costs will be incurred.

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

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

Participation in the Bacon Island Levee Rehabilitation Project

WHEREAS, Zone 7 relies on over 80% of its water supply to be conveyed through the Sacramento-San Joaquin delta; and

WHEREAS, the conveyance of that supply is under the constant threat of levee failure within the delta due to seismic events, flooding, sea level rise and levee; and

WHEREAS, a number of delta levee rehabilitation projects, including the Bacon Island Levee Rehabilitation Project, were identified to provide water supply reliability benefits for all urban water agencies that receive water from the Delta; and

WHEREAS, the Bacon Island Levee Rehabilitation Project has been accepted for consideration by DWR for a 2014 Delta Levees Special Flood Control Projects Grant; and

WHEREAS, Zone 7's share of the project cost is not to exceed $30,000.

BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate and execute any and all agreements and contracts necessary to participate in the Bacon Island Levee Rehabilitation Project in an amount not to exceed $30,000.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on August 20, 2014.

By: ______________________________
President, Board of Directors

MBK ENGINEERS

1771 Tribute Road, Suite A
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RECLAMATION DISTRICT NO. 2028
BACON ISLAND

PROJECT AREA

ATTACHMENT 1

SCALE:	1" = 3000'
JOB NUMBER:	4290
DRAWN BY:	NH
DATE:	06/20/2014
SHEET:	1 OF 2

R:\2526.00 Delta General\2014 Special Projects\Concept Proposals\RD 2028\RD 2028 Bacon Island - Project Area.dwg 6-20-14 02:20:18 PM reece

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

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

AGENDA DATE: August 20, 2014 ITEM NO. **6b**

SUBJECT: Document Management Software for Records Retention/Management

SUMMARY:

- Zone 7 is continuing to pursue the goals and objectives of the Records Retention/ Management Policy Framework approved by the Zone 7 Board of Directors in March 2012 to provide direction to Zone 7 staff for managing the agency's records.

- In order to achieve the objectives of the Framework, cloud-based document management software is recommended to replace the current Versatile database system for better file management, access, retention and storage.

- Kaizen InfoSource, the company hired by Zone 7 to create the Records Retention schedule, also assisted with the search for a new software that would better meet Zone 7 staff's needs for a user-friendly system that could start with a pilot program and grow as staff becomes familiar with its capabilities. Kaizen interviewed Zone 7 staff members to assess their needs. A committee was formed with representatives from departments most likely to use the new software. Kaizen InfoSource wrote a Request for Quotation and sent it to ten companies. Three companies responded and the RFQs were presented to the committee which discussed the quotations. Incrementum, a Laserfiche provider, was selected by the committee as the company best able to meet Zone 7 staff's needs.

- Staff recommends executing a contract with Incrementum for the purchase of Laserfiche software, support, a three-year contract for cloud-based hosting and a Fujitsu scanner for a total not-to-exceed amount of $116,593; and a second contract with Kaizen InfoSource for a not-to-exceed amount of $67,500 for implementation and staff training.

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

RECOMMENDED ACTION:
Adopt resolution authorizing the General Manager to negotiate and execute two contracts: (1) the purchase of Laserfiche software from Incrementum for $116,593 and (2) with Kaizen InfoSource for $67,500 for implementation and staff training for a total, not-to-exceed amount of $184,093.

ATTACHMENTS:
Interoffice Memo
Resolution

Interoffice Memo

Date: August 8, 2014
To: Jill Duerig, General Manager
From: Judy Rector, Executive Assistant
Subject: Purchase of Laserfiche Avante Software from Incrementum and Additional Support and Training from Kaizen InfoSource

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

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

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

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

DISCUSSION:

Key staff from each department was invited to become part of a stakeholders committee. Their input was invaluable in determining the criteria needed for Kaizen InfoSource to write a Request for Quotation in November 2013 for Records and Content Management Software. The committee member reviewed the RFQ prior to Kaizen mailing it out. Ten quotations were received in response but the three companies recommended by Kaizen that best met Zone 7's needs were presented to the committee for consideration:

Name of Firm	Quote Amount
Diversified, Pennsylvania	TBD
Feith Systems and Software, Inc. Pennsylvania	$197,520
Incrementum, California	$ 97,068* (without Amazon hosted server and Fujitsu scanner)

Diversified failed to disclose a dollar amount, is out of state, and submitted a four-page proposal so was eliminated. Feith Systems was the most expensive at $197,520, is based in Pennsylvania, required staff to go to them for training rather than have a representative train in-house, and typically serves larger, global companies.

In contrast, Incrementum, based in Long Beach, California, is well-known and used by other government agencies so was chosen by the committee. Incrementum provides Laserfiche software and offers flexibility such as starting with a smaller component using the Avante version serving 50 licensed users. Components can be added later, such as Agenda File Management, and expanding to the Rio version that covers 100 or more licenses if needed. The representative from Incrementum, Hedy Beltary, held a webinar for the committee and set up site visits for the committee to the cities of Fairfield and Livermore, current users of Laserfiche for over ten years. The committee members gained candid and first-hand information on advantages, problems, staff acceptance for replacement software, and saw a scan-to-file demonstration. Since Ms. Beltary is based in California and frequently in this area, she was considered the best source for setting up Laserfiche for Zone 7.

Staff recommends that a contract with Incrementum for Laserfiche software and project management be executed along with support agreements for an Amazon-hosted server and Fujitsu scanner. A second contract with Kaizen InfoSource is needed for implementation support services and training of Zone 7 employees.

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

Board of Directors

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

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

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

WHEREAS, this document management software (Laserfiche) allows for the continuation of the goals and objectives of the framework for the Records Retention/ Management Policy.

NOW THEREFORE BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate and execute the following two contracts for the installation and start-up of this system: (1) a contract with Incrementum for the software and support ($62,068), professional services for project management and software installation ($35,000) and a cloud-based three-year hosting contract with a Fujitsu scanner ($18,125 plus $1,400 for Scan Care) for a total of $116,593; and (2) with Kaizen InfoSource for $67,500 to assist with the implementation, training and mapping with a not-to-exceed total for both contracts of $184,093.

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 20, 2014.

By_________________________________
President, Board of Directors

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

ORIGINATING SECTION: ADMINISTRATIVE SERVICES
CONTACT: GINGER STATON

AGENDA DATE: August 20, 2014 ITEM NO: **7**

SUBJECT: June Employee of the Month Recognition

SUMMARY:

The Employee Recognition Program Nomination Committee met in July and selected the Employee of the Month for June 2014 according to the established Program Guidelines. The individual chosen out of the submitted nominations is then recommended to Management for approval and there is a subsequent announcement of the selection to all Agency employees.

Judy Rector, Executive Assistant, has been chosen from among those nominated as the June 2014 Employee of the Month. Judy works in the Office of the General Manager at the North Canyons office.

Judy leads the administrative staff of the agency and provides high-level support to our executive management team and Board Members. It was noted that Judy serves as a key "go to" person within the Agency for a variety of issues. One example is Judy responds to employee concerns and complaints regarding office issues such as housekeeping items and finding resolutions. She is professional and assists with a smile on her face even when interrupted many times per day.

Judy has stepped up and taken the lead with many employee events helping to take the stress out of planning. She gives of her own time and expertise to improve upon these events. Judy also acts as an administrative liaison for the Agency with regard to contract administration. She gets the work done quickly and professionally and never hesitates to help.

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

RECOMMENDED ACTION:

It is recommended that the Zone 7 Board of Directors recognize and congratulate Judy Rector as June 2014 Employee of the Month.

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

ORIGINATING SECTION: INTEGRATED PLANNING
CONTACT: ELKE RANK

AGENDA DATE: August 20, 2014 ITEM NO. **8**

SUBJECT: Environmental Compliance & Planning As Needed Services

SUMMARY:

- Zone 7 has an ongoing need for environmental compliance and planning support services to meet California Environmental Quality Act (CEQA) and regulatory requirements. This may include specialized support on tasks outside of staff expertise, or support for large projects for which there are insufficient staff resources.
- Proposals were requested in August 2013 to provide environmental compliance support services to Zone 7 on an annual, as-needed basis for up to three years. Nine proposals were received and reviewed by a 5-member internal selection committee.
- Based on their exemplary qualifications, ESA was selected to provide services to Zone 7, including CEQA, permitting, mitigation planning or monitoring, and biological surveying/ planning.
- On October 16, 2013, the Board approved a one-year contract with ESA with two options to extend for one year each for a three-year not-to-exceed total of $645,000, and authorized the General Manager to execute the first annual contract.
- A one-year contract was issued to ESA with options to extend for two additional years and work commenced shortly thereafter. The first one-year term ends on October 1, 2014. To date, ESA has provided satisfactory service.
- The intent of this request is to authorize the General Manager to exercise the first option to extend the contract for another year, and also to provide authorization for a second one-year extension upon satisfactory service from ESA – for a total contract term of three years at $215,000 annually, as approved on October 16, 2013.

FUNDING:
Funding sources vary based on the scope of work, and are within the adopted budget.

RECOMMENDED ACTION:
Adopt the attached resolution to:

1. Authorize the General Manager to execute a contract extension for a second one-year period and to issue Task Orders for work as needed, for an amount not-to-exceed $215,000; and
2. Authorize the General Manager to execute a contract extension for a third one-year period and to issue Task Orders for work as needed, for an amount not-to-exceed $215,000, on satisfactory work by ESA.

ATTACHMENTS:
Staff Memo
Resolutions: October 16, 2013 (approved) and August 20, 2014 (proposed)

Interoffice Memo

Date: July 1, 2014
To: Jill Duerig, General Manager
From: Elke Rank, Associate Water Resources Planner, IP
cc: Carol Mahoney, IP Section Manager
Subject: Professional Services Contract with ESA for Environmental Compliance & Planning As Needed Services

BACKGROUND

Zone 7 has a need for environmental compliance and planning support services. This may include specialized support on tasks outside of staff expertise, or support on large projects for which there is insufficient staff resources. Often, the work is shared between in-house staff and outside consultants so as to both help offset the cost of outside services and to improve in-house capabilities.

It is Zone 7's practice to go through the Request for Proposals process for such services once every three years. In August 2013, proposals were requested to provide as-needed environmental support services to Zone 7 on an annual contract basis. A total of nine proposals were received. Based on satisfactory work on past contracts, broad technical expertise, and significant local experience, Zone 7 found ESA to be best qualified to provide these services to Zone 7.

DISCUSSION

On authority from the Board, a master services contract was executed with ESA in October 2013 for an annual not-to-exceed amount of $215,000. It was intended that, with satisfactory performance, the General Manager could extend the contract for up to two additional one-year periods for a total contract term of up to three years (i.e., 2013-14, 2014-15, and 2015-16), and a total not-to-exceed amount of $645,000 over 3 years.

To fulfill this intent, the current request is to authorize the General Manager to execute an amendment to the master services contract to extend the contract for one year with a not-to-exceed amount of $215,000. This request also includes authorization for an option to execute a contract extension for one additional one-year period. This is consistent with the terms intended in the original request made in 2013 (i.e., authorize up to $215,000 annually for up to 3 years).

Zone 7 has compiled a list of projects that are identified in the current Capital Improvement Program, or that are anticipated to support maintenance activities and other planning activities, which will require environmental compliance and planning services. Task Orders will provide detailed scope of work, and payments will be based on actual time and materials charged. Anticipated work includes:

- Stream Maintenance Permitting - Fund 200
- Arroyo Las Positas Improvements (R.1-7) - Funds 200 and 210 (split)
- Arroyo Mocho Low Flow Crossing - Fund 130
- Contingency / As Needed - funding source determined when he project is identified

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

RESOLUTION NO 14-4318

INTRODUCED BY DIRECTOR QUIGLEY
SECONDED BY DIRECTOR MACHAEVICH

Award of Environmental Compliance and Planning Services Contract

BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate and execute a professional services contract with ESA for environmental compliance and planning services for FY 2013-14 in an amount not to exceed $215,000, with options for two annual renewals in amounts not to exceed $215,000 annually, for a total 3-year amount of up to $645,000.

ADOPTED BY THE FOLLOWING VOTE:

AYES: DIRECTORS GRECI, MACHAEVICH, PALMER, QUIGLEY, RAMIREZ HOLMES, STEVENS

NOES: NONE

ABSENT: DIRECTOR FIGUERS

ABSTAIN: NONE

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 October 16, 2013

By W.N. Ston
President, Board of Directors

ZONE 7 ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

Award of Environmental Compliance and Planning Services Contract

WHEREAS, Zone 7 of the Alameda County Flood Control and Water Conservation District has a need for environmental compliance and planning support services to meet California Environmental Quality Act (CEQA) and regulatory requirements.

WHEREAS, through an RFP process, proposals were requested to provide environmental compliance support services to Zone 7 on an annual, as-needed basis for up to three years.

WHEREAS, ESA was selected through the RFP process to provide such services to Zone 7 based on their exemplary qualifications, approved by the Board on October 16, 2013, and a contract was issued in 2013.

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 extend by one year the contract with ESA and to issue Task Orders for work as needed, for an amount not-to-exceed $215,000.

BE IT FURTHER 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 extend the contract for up to one additional one-year period, for an amount not-to-exceed $215,000, for a two-year total of $430,000.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

ORIGINATING SECTION: FACILITIES ENGINEERING
CONTACT: JOHN KOLTZ / RHETT ALZONA

AGENDA DATE: August 20, 2014 ITEM NO. **9**

SUBJECT: Award of Contract for the PWRPA/Zone 7 – Mocho Electrical Facilities Installation Project

SUMMARY:

- In November 2011, Zone 7 entered into an Interim Electric Services Agreement (IESA) with the Power and Water Resources Pooling Authority (PWRPA) to supply electrical power to several of Zone 7's facilities.
- Zone 7 and PWRPA have been working with PG&E to obtain the necessary approvals for PWRPA to supply power to some Zone 7 sites. The PWRPA Patterson Pass Treatment Plant account is now in-service, having been completed in March 2014. Mocho Well No. 3 & 4 and the Mocho Groundwater Demineralization Plant (Mocho Complex) accounts have received all necessary approvals and upon installation of PWRPA distribution facilities, will be ready to connect to the PWRPA system.
- The project scope under this contract consists of installing the electrical distribution facilities such as transformers, switchgear, power interruption protection, and metering equipment, necessary for the Mocho Complex to receive PWRPA power.
- Per CEQA guidelines, Zone 7 staff prepared a Notice of Exemption for the project and filed it with the Alameda County Clerk and Recorder's Office on August 11, 2014.
- Zone 7 advertised the project on July 15 and July 22, 2014. The Engineer's estimate for the project scope under this contract was $645,000.
- On August 5, 2014 two bids for $797,500 and $984,400 were received.
- Bids were reviewed by Zone 7 staff and it was determined that the lowest responsive and responsible bidder is Blocka Construction, Inc., with a bid of $797,500. The bidder has complied with the bid requirements.

FUNDING: This project is funded from Fund 120 – Renewal/Replacement and System-Wide Improvements. Additional appropriation of $307,000 is needed in the FY 2014/15 project budget to implement the project.

RECOMMENDED ACTION: Consider bids for the PWRPA/Zone 7 – Mocho Electrical Facilities Installation Project and adopt the attached resolution to: 1) Approve plans, specifications, appendices and addenda; 2) Authorize the General Manager to negotiate and execute the contract with Blocka Construction, Inc., in the amount of $797,500; 3) Issue change orders as and when needed in an amount not-to-exceed $79,750 (10% of contract amount); and 4) Appropriate an additional $307,000 from Fund 120 – Renewal/Replacement and System – Wide Improvements to complete the project.

ATTACHMENTS:

1. Memo providing additional background and discussion of agenda item
2. Zone 7 Board Resolution

Interoffice Memo

Date: August 20, 2014
To: Jill Duerig, General Manager
From: John Koltz, Senior Engineer

Subject: Award of Contract for the PWRPA/Zone 7 - Mocho Electrical Facilities Installation Project

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

BACKGROUND:

The Western Area Power Administration (WAPA), a non-profit Federal Government agency, provides alternative power. Zone 7 applied for WAPA power and has received a Base Resource Contract (BRC) allocation equal to 0.01573% of the overall Base Resource. Zone 7 will receive its BRC allocation beginning on January 1, 2015 and continuing through December 31, 2024.

The Power and Water Resources Pooling Authority (PWRPA) operates as a publicly-owned electric utility and provides retail electric service to 15 water purveyors spanning a significant portion of the Sacramento-San Joaquin Valley and coastal counties of California. Its member agencies also have BRC allocations from WAPA and other energy resources (hydroelectric, solar etc.) that they pool together for sharing. PWRPA rates for power are lower than PG&E rates.

In November 2011, Zone 7 entered into an Interim Electric Services Agreement (IESA) with PWRPA to supply power to several Zone 7 facilities prior to becoming a permanent member in 2015 when it receives its BRC allocation from WAPA. PG&E and PWRPA regard these facilities or sites as individual accounts. Since 2011, Zone 7 and PWRPA have been working with PG&E to obtain the necessary approvals for PWRPA to become the power supplier for Zone 7's accounts. The PWRPA Patterson Pass Water Treatment Plant (PPWTP) account is now in-service, having been completed in March 2014.

The Mocho Well No. 3 & 4 and Mocho Groundwater Demineralization Plant (MGDP) accounts have received all the necessary approvals from PG&E and the Federal Energy Regulatory Commission (FERC) to switch from PG&E to PWRPA power. PG&E will continue to provide the transmission service for these accounts but the power purchase and distribution service will be provided by PWRPA. Switching the power supplier for these accounts requires PWRPA/Zone 7 to install certain electrical distribution facilities that will be connected to PG&E's primary transmission system. These electrical distribution facilities in general include transformers, switchgear, power interruption protection, and metering equipment.

During the design review and PG&E approval process, PG&E required that the 25kV Switchgear be equipped with additional safety features that included a battery system power interrupter for the Mocho 4 and MGDP site. This requirement increased the project cost as the initial project budget did not account for this type of 25kV Switchgear.

Based on projected estimated savings due to anticipated lower PWRPA power rates, Zone 7 should recover installation costs for the PWRPA distribution facilities at the PPWTP and the Mocho Complex in approximately 6 to 7 years based on the lowest construction bids received.

DISCUSSION:

The project scope under this contract consists of installation of the electrical distribution facilities connecting to the PG&E transmission system at the Mocho Well No. 3 & 4 and Mocho Demineralization Plant. The scope of work includes the following:

1. Pad-mounted NEMA 3R 25kV metal clad switchgear for new 21kV PG&E service interface. This line-up includes a disconnect switch, metering transformer cubicle, circuit breaker, station service compartment, and battery system for control, tripping and indication. Originally PG&E would allow capacitive tripping, which precluded the use of batteries; however, with the solid state relays in use today, for additional safety, PG&E now requires batteries to provide DC voltage for control and tripping schemes.
2. Replace Style IIE Transformers (750 & 2500 kVA).
3. Provide adequate metering and control panels.
4. Excavation and Trenching for Primary Cable and Conduit.
5. 5kV Switchgear (Fused Disconnect & PG&E Metering).
6. Coordination with other contractors working at the Site and its Subcontractors, coordination the District, obtaining necessary permits and complying with permit and environmental conditions, project startup and testing, training, site restoration, and cleanup.

Per CEQA guidelines, Zone 7 staff prepared a Notice of Exemption for the project and filed it with the Alameda County Clerk and Recorder's Office on August 11, 2014.

In accordance with the California Public Contract Code, the Project plans, specifications and addenda were developed and advertised for bids on July 15 and July 22, 2014 in a local newspaper and on Zone 7's website. In addition, copies of the plans and specifications were posted in twenty-two (22) Northern California Builders Exchanges. Subsequent to advertising, four contractors attended the non-mandatory pre-bid site visit on July 23rd. On August 5th, in accordance with established procedures, two bids were received:

	CONTRACTOR	BID AMOUNT
1	Blocka Construction, Inc., Fremont, California	$797,500
2	Bockmon & Woody Electric, Inc., Stockton, California	$984,400

The Engineer's estimate for the project scope under this contract is approximately $645,000. The low bid is approximately $150,000 (23%) higher than the estimate. In discussion with PWRPA's electrical engineer, the bidders, and other industry professionals, the demand for electrical work has electrical contractors busy, resulting in higher bid costs than in previous years. Based on our bid review, Blocka's bid appears to be fair and there is no certainty that costs would be lower in the future if the project were to be re-bid now or at a later date. In addition, Zone 7 would not be able to take advantage of approximately $255,000 per year in energy savings from PWRPA if the project is delayed.

Staff has determined Blocka Construction, Inc., as the responsive and responsible low bidder and recommends the award of the contract to Blocka Construction, Inc., in an amount not-to-exceed $797,500. Additionally, staff recommends that the General Manager be authorized to negotiate and issue change orders as and when needed in an amount not-to-exceed $79,750 (10% of contract amount).

FUNDING:

The project is funded from Fund 120 – Renewal and Replacement/System-Wide Improvements. The project budget includes planning, permitting, design and installation of electrical facilities for four accounts; PPWTP, Mocho 3, Mocho 4 and MGDP. The installation of electrical facilities at PPWTP has been completed and PPWTP has been switched to PWRPA. PG&E approvals and design for Mocho complex facilities has been completed.

The following table provides budget and expense details for the project:

	Amount	**Comments**
Approved Project Budget	**$1,135,000**	
Spent to date		
Zone 7 labor	$97,000	PG&E approvals and preparation of design documents for all four accounts, and construction of electrical facilities at PPWTP are completed.
PWRPA (PG&E approvals and electrical design)	$228,000	
Installation at PPWTP	$140,000	
Other costs	$2,000	
Total Spent	**$467,000**	
Projected Expenses		
Zone 7 labor	$70,000	Construction management
PWRPA	$20,000	PWRPA and PG&E costs
Construction	$880,000	Bid amount plus 10% contingency for Mocho Complex
Other costs	$5,000	
Total Projected	**$975,000**	
Total Expenses	**$1,442,000**	
Additional appropriation required for the project	**$307,000**	

The original budget did not fully account for a PG&E required design change for the Mocho 3, Mocho 4 and MGDP sites of a 25kV Switchgear with battery system power interrupter, resulting in an additional cost of $175,000. Nor did the original budget account for the higher-than-estimated additional construction cost of $152,500 for these sites. Therefore, the total estimated expenses exceed the approved budget for the project.

Staff recommends appropriation of $307,000 from Fund 120 reserves to the FY2014/15 budget to complete the PWRPA distribution facilities installation at the Mocho complex.

SCHEDULE:

Substantial completion of the project, including satisfactory start-up testing is anticipated by the end of April 2015.

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

Award of Contract for the PWRPA/Zone 7 – Mocho Electrical Facilities Installation

WHEREAS, Zone 7 of the Alameda County Flood Control and Water Conservation District has a project to install Power and Water Resources Pooling Authority (PWRPA) alternative power distribution facilities at the Mocho Complex; and

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

WHEREAS, the Project plans, specifications and addenda were developed and advertised for bids in accordance with the California Public Contract Code; and

WHEREAS, bids were received and publicly read by the Zone 7 General Manager's authorized representatives at the Zone 7 Administration Office, 100 North Canyons Parkway, Livermore, California 94551 on August 5, 2014 at 2:00 pm; and

WHEREAS, the lowest responsive and responsible bid received for this project is the bid by Blocka Construction, Inc., with a bid amount of $797,500.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby approve the plans, specifications, appendices, and addenda for the PWRPA/Zone 7 - Mocho Electrical Facilities Installation Project; and

BE IT FURTHER RESOLVED that the General Manager is authorized to negotiate and execute the contract with Blocka Construction, Inc., in an amount not-to-exceed $797,500; and

BE IT FURTHER RESOLVED that the General Manager is authorized to negotiate and issue change orders as and when needed in an amount not-to-exceed $79,750; and

BE IT FURTHER RESOLVED, that the Board of Directors hereby appropriates an additional $307,000 in the FY 14/15 budget for this project from Fund 120 – Renewal/Replacement and System-Wide Improvements.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on August 20, 2014.

By: ____________________________________
President, Board of Directors

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

ORIGINATING SECTION: Facilities Engineering
CONTACT: Athena Watson/Rhett Alzona

AGENDA DATE: August 20, 2014 ITEM NO. **10**

SUBJECT: Contract Amendment No. 1 to the Chain of Lakes Well No. 5 Project

SUMMARY:

- At its January 29, 2014 Board meeting, Zone 7 authorized its General Manager to enter into a Design-Build contract with Conco-West, Inc. (CWI), in an amount not to exceed $3.5 million to construct the Chain of Lakes Well No. 5 as part of the District's Drought Emergency Response Plan. An additional $100,000 was included for staff costs.
- The project's Guaranteed Maximum Price (GMP) of $3.5 million was estimated by staff using the Chain of Lakes Well No. 2 base bid for Allowance Items and a contingency of $148,346.56.
- The Allowance Values for the drilling of project's monitoring well and production well were $100,000 and $510,000, respectively. Including general conditions (5%), fee (10%) and bonding, the total cost for these Allowances was $710,268.75.
- The contract states that in the event the actual cost is 25% greater than or less than the Allowance Value, the contract will be adjusted to reflect the difference between Allowance Value and actual costs incurred by Design-Builder.
- Due to the Statewide Drought, market conditions produced a scarcity of bidders and pricing escalations resulting in the most qualified low bids of $130,150 and $808,402, respectively. Including general conditions (5%), fee (10%) and bonding, the total drilling cost increase is $382,557.74 or 53.86% more than the Allowance.
- Utilizing the remaining contingency, a Contract Amendment of $235,000 is warranted.
- The additional costs for the contract amendment, property acquisition, and additional staff costs totaling $615,000 needs to be appropriated to complete the project.

FUNDING:
Funding for the project is available from reserves in Fund 120 – Renewal and Replacement/System-Wide Improvements (50%) and Fund 130 – Expansion (50%). Additional appropriation of $615,000 is needed in the FY 2014/15 to complete the project.

RECOMMENDED ACTION:
Consider Contract Amendment for Chain of Lakes Well No. 5 Facilities and Sitework Design-Build Project (No. 242-14) and adopt the attached resolution to 1) Approve the Contract Amendment increasing the GMP by $235,000 for a total amount not to exceed $3,735,000; 2) Authorize the General Manager to issue change orders per Contract for an amount not-to-exceed $235,000 (6.71% of the original contract amount); and 3) Appropriate $615,000 from Fund 120-Renewal/Replacement/System-Wide Improvements (50%) and Fund 130- Expansion (50%).

ATTACHMENTS: Interoffice Memo
Zone 7 Board Resolution.

Interoffice Memo

Date: August 20, 2014
To: Jill Duerig, General Manager
From: Athena Watson, Associate Civil Engineer
Subject: Contract Amendment No. 1 to the Chain of Lakes Well No. 5 Project

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

BACKGROUND:

The Chain of Lakes Wellfield was identified in the Zone 7 Well Master Plan and Chain of Lakes No. 5 was added as a CIP Project to provide extra production capacity to help reliably meet peak demands and for demands during drought emergency. This well site is adjacent to the Zone 7 El Charro Pipeline and located along the northwest corner of the Lake H in Pleasanton, California. Chain of Lakes No. 5 is anticipated to have a production capacity between 2 and 3 MGD.

The Zone 7 Board certified the Well Master Plan Environmental Impact Report (EIR) and adopted a Mitigation Monitoring and Reporting Program (MMRP) in 2005. Staff prepared an Initial Study (IS) for the Chain of Lakes No. 5 in 2014 and determined that there are no additional impacts that were not addressed in the original EIR.

Due to the extent of the ongoing drought, the Zone 7 Board approved a resolution that activated a Drought Emergency Response Plan on January 29, 2014. As time was of the essence, the typical design/bid/build process to construct Chain of Lakes Well No. 5 would have taken too long. Also on January 29, 2014, the Zone 7 Board approved a resolution for a design and construction contract with Conco West, Inc. in an amount not to exceed $3.5 million to construct the Chain of Lakes Well No. 5 as part of the District's Drought Emergency Response Plan. Conco West, Inc., (CWI) having constructed Zone 7's most recent well facilities, Chain of Lakes Well Nos. 1 and 2, was deemed most qualified for the Chain for Lakes Well No. 5 Project. CWI's team included Stantec Engineering for the well and facility design. Stantec had personnel that also worked on Chain of Lakes Well Nos. 1 and 2.

The project's Guaranteed Maximum Price (GMP) of $3.5 million was estimated using Chain of Lakes Well No. 2 as a basis. Zone 7 staff working with a consultant, John Mahoney, negotiated the Chain of Lakes Well No. 5 Design-Build contract with CWI. Upon completion of negotiations, a contract with base bid Allowance Items was finalized for a little over $3.35 million leaving a contingency of $148,346.56.

DISCUSSION:

On behalf of Zone 7, Conco West, Inc., (CWI) prepared separate Requests for Proposal for the monitoring well and production well that was to become Chain of Lakes Well No. 5. The scope of the monitoring well included drilling an 8-inch diameter 700 feet deep borehole, conducting geophysical logs to help determine the aquifer zones that would enable Zone 7 to pre-order the production well casing and screens as well as the well pump, installing 2-inch diameter well casing and screen and developing the well production zones. Two bids were received that met the emergency schedule for constructing the monitoring well. The bid submitted by Cascade Drilling, Inc., which was the low bid by approximately $10,000 was accepted. This made cost to construct the monitoring well at $130,150.

The scope of work for the production well included drilling a 28-inch diameter 700 feet deep borehole, conducting various geophysical logs, installing 18-inch diameter well casing and screens, developing the well production zones, and performing pump testing to verify the production capacity of the well. The proposal was sent to eight highly qualified well drillers but, only two bids were received. One bid was from Maggiora Brothers Drilling Co. in the amount of $808,402. A second bid was received but did not cover the entire scope of services requested and came in at a cost around $1.2 million.

The Allowance Values for the construction of the project's monitoring well and production well were $100,000 and $510,000, respectively. Including general conditions (5%), fee (10%) and bonding markups, the total cost for these Allowances is $710,268.75.

Contract Sections 6.4.4 and 6.4.5 state that in the event the actual cost is Twenty Five percent (25%) greater than or less than the Allowance Value for such Allowance Item, Design-Builder and Owner agree to adjust the contract via Change Order to reflect the difference between Allowance Value and between actual costs incurred by Design-Builder.

The total budget approved for the CWI contract was not to exceed $3.5 million. As the contingency under the $3.5 million authorization is not enough to cover the additional costs for monitoring and production well construction, authorization to increase the CWI contract by $235,000 is needed.

In addition, back in January, $100,000 was appropriated to the project budget essentially for staff costs. Additional costs are expected for project management (which includes Zone 7 staff costs). The additional costs are due to bringing on a consultant, John Mahoney, for project management assistance and to implement the progressive design build (PDB) approach; Zone 7 staff having to familiarize with the PDB approach; and extra work expected due to the extended project schedule to the beginning of November 2014 ($275,000). Lastly, costs for property acquisition and related costs ($105,000) and PG&E service costs ($100,000) have not been appropriated to the project. These project related costs are $380,000 above the current $100,000 budget amount.

The total of the additional costs is $615,000 ($235,000 contract amendment +$380,000 other estimated project-related expenditures).

FUNDING:

The following table provides budget and spent/project expenses to project completion:

		Amount	Comments
A	Currently approved budget	$3,600,000	
B	Conco West, Inc., Contract	$3,500,000	
C	Project management and project related staff costs	$275,000	Approx. $153,000 spent as of July 31, 2014
D	PG&E Service costs	$100,000	Estimated, Waiting on PG&E design and final cost
E	Property Acquisition related costs	$105,000	
F	Contract amendment with Conco West Inc. making total contract amount $3,735,000	$235,000	
G	Additional Budget needed for the project	**$615,000**	A – B-C-D-E-F

Staff recommends appropriating $615,000 in FY 14/15 to complete the COL Well No. 5 Project. Funding will be appropriated from Fund 120 – Renewal and Replacement/System-Wide Improvements ($307,500) and Fund 130 – Expansion ($307,500).

SCHEDULE:

Substantial completion of the project, including satisfactory Start-up Testing is anticipated by end of October 2014.

RECOMMENDATION:

Staff recommends approval of the attached resolution to: 1) Authorize the General Manager to issue a contract amendment to cover higher than anticipated well construction costs with Conco West, Inc., in an amount not-to-exceed $235,000; and 2) Appropriate $615,000 to the project from Fund 120 – Renewal Replacement/System-wide Improvements ($307,500) and Fund 130 - Expansion ($307,500).

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

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

Resolution Amending Contract for the Chain of Lakes Well No. 5 Project, Project No. 242-14

WHEREAS, at its January 29, 2014 Board meeting, Zone 7 authorized its General Manager to enter into a Design-Build contract with Conco West, Inc. (CWI) in an amount not to exceed $3.5 million to construct the Chain of Lakes Well No. 5 as part of the District's Drought Emergency Response Plan and an additional $100,000 for project related staff costs; and,

WHEREAS, contract values were negotiated and agreed upon as fair and reasonable and subject to adjustment; and,

WHEREAS, due to market conditions from the drought emergency, well construction drillers were in high demand resulting in higher than anticipated costs for well construction; and,

WHEREAS, additional funding in the amount of $235,000 is needed to cover higher than anticipated costs for monitoring well and production well construction which could not be foreseen when the original contract was executed; and

WHEREAS, additional funding for property acquisition, PG&E service, project management and staff costs, in the amount of $380,000 is also needed to complete the project.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate and execute a contract amendment for a not-to-exceed amount of $235,000 with Conco West, Inc.

BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby appropriate an additional $615,000 in the FY 14/15 budget for this project from the following funds:

Fund 120 – Renewal/Replacement and System-Wide Improvements - $307,500
Fund 130 – Expansion - $307,500

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 20, 2014.

By: ___________________________________
President, Board of Directors

SUMMARY MINUTES **11a**

ZONE 7 / EBRPD / LARPD / TRI-VALLEY CONSERVANCY
LIAISON COMMITTEE
Tuesday, July 22, 2014
2:30 p.m.

Zone 7
Sarah Palmer, Director
Jim McGrail, Director
Dick Quigley, Director
G. F. Duerig, General Manager
Kurt Arends, Assistant General Manager - Engineering
Amparo Flores, Associate Engineer
Brad Ledesma, Associate Engineer
Colleen Winey, Assistant Geologist

EBRPD
Ayn Wieskamp, Director
Beverly Lane, Director
Robert Doyle, General Manager
Dave Collins
Bob Nisbet
Mark Ragatz
Kelly Barrington

LARPD
Tim Barry, General Manager
John Lawrence, Assistant General manager

Tri-Valley Conservancy
Jeff Williams, Director
Jeff Cranor, Director
Laura Mercier, Executive Director

1. Public Comment on Items Not on Agenda

Director Sarah Palmer called the meeting to order at 2:30 pm. There were no public comments.

2. Zone 7 Chain of Lakes Planning (Zone 7)

Dr. Amparo Flores and Ms. Colleen Winey presented an overview of Zone 7's recently completed planning effort and report on the 'Preliminary Lake Use Evaluation for the Chain of Lakes'. The Chain of Lakes consist of ten former quarry pits in the Livermore Valley that will ultimately be owned by Zone 7 and used primarily for water management and other related purposes. Zone 7 currently owns Lakes I and Cope Lake, with Lake H to be dedicated to Zone 7 within the next three years. The other lakes will be transferred to Zone 7 over the next 20-50 years. External agencies have proposed or requested other non-water management uses for the lakes.

Dr. Flores and Ms. Winey discussed the purpose of the evaluation, the underlying assumptions, the primary and secondary uses considered, the evaluation process, and the results. Primary uses directly support Zone 7's mission (surface water storage and conveyance, groundwater recharge, and stormwater detention) while secondary uses are those that have been requested or proposed by external agencies (active recreation, education/passive recreation, habitat conservation, and recycled water storage). As defined by Zone 7, active recreation involves potential body-contact with the lake or its slopes (e.g., swimming, fishing, non-motorized boating), while education/passive recreation do not involve such contact (e.g., bird-watching, trails, educational kiosks). Secondary uses would require an external agency to fund and operate.

For each lake, percentage scores were assigned to various uses being considered based on a set of criteria; those uses that scored 50% or greater were considered relatively more suitable. Dr. Flores and Ms. Winey emphasized that no uses are being precluded at this time (unless there is a conflict with a designated use of the lake as identified in governing documents or agreements). Five of the lakes (Lakes I, E, D, B, and A) were considered suitable for education/passive recreation. Only two lakes scored positively for active recreation, but were below the 50% threshold (Lake A and Cope Lake). Many of the lakes were considered suitable for a number of uses; the relative compatibility of various uses was summarized in a use compatibility matrix that Ms. Winey presented.

Ms. Winey also presented the near-term recommendations that were approved by the Zone 7 Board for Lakes I and H, and Cope Lake in February 2014. Finally, Ms. Winey presented possible public safety concerns at the two lakes considered for active recreation that would need to be considered by any future operator of recreation at the lakes. These include submerged hazards, riprap on the slopes, active mining activities, and abandoned mining equipment on Cope Lake. Ms. Winey also pointed to a recent event on Lake A, when a trespasser dove into the lake and suffered injuries.

Directors Beverly Lane and Ayn Wieskamp requested clarification of the definitions of passive versus active recreation; while Zone 7 intended the designations to refer to the level of contact with the lakes and their slopes, others may confuse the designations with the level of exertion associated with the recreational activity. Zone 7 agreed to clarify in future documents/presentations. Mr. Robert Doyle inquired about the water elevation variations expected at Lake I. Mr. Don Kahler (Pleasanton Gravel Company) indicated the potential for 40-50-ft differences in elevation. Ms. Winey also noted that water elevations will vary according to the level of mining activities (groundwater is pumped into Cope Lake by a mining operator, and Zone 7 is moving that water into Lake I via a new pipeline) and groundwater levels in the Main Basin. Director Lane inquired about the water elevation in Shadow Cliffs and Mr. Doyle responded that it is maintained at the beach level when the water is available.

Director Lane inquired about public access considerations in the evaluation and Ms. Winey responded that parking access and proximity to schools, etc. were included in the evaluation criteria, and that more details can be found in the report. Director Wieskamp asked about the proposed trails shown on the figure of near-term recommendations and Ms. Winey responded that the question marks indicate areas outside of Zone 7's property lines and that the current alignments are intended to ensure that public access does not interfere with Zone 7 water management operations and that public safety is not compromised. Ms. Jill Duerig also clarified that Zone 7 would not put in trails, but could potentially provide easements or license agreements to another public agency for such trails.

3. Planning for Patterson Ranch (Zone 7)

Mr. Brad Ledesma presented an overview of Zone 7's recent acquisition of the former Patterson Ranch parcels located near Lake Del Valle. During the presentation, Mr. Ledesma described the location of the parcels, their role in flood protection, water supply, and water quality, and the reasons their acquisition would help Zone 7 meet two key strategic planning priorities:

- 1.15 – Develop long-term balanced management of watersheds
- 1.16 – Manage the watershed to maintain and improve source quality to protect public health and safety

Mr. Ledesma also described the cost allocation methodology.

Mr. Ledesma then described Zone 7's plans for the property, which included making no use changes at this time. Mr. Ledesma also described the Memorandum of Understanding between Zone 7 and EBRPD, and told the participants that Zone 7 is developing a grazing management plan with the current tenant, whose lease expires in October 2014.

Following the presentation, several meeting participants asked or made the following questions or comments:

<u>Future Uses and Structures</u>
Director Jeff Williams of TVC asked that, given Zone 7 is not planning any use changes at this time, are there were any existing structures? Staff responded that yes, two permanent structures exist, along with a trailer that houses the current tenant's ranch assistant. Director Ayn Wieskamp of EBRPD asked if Zone 7 could show the locations of the structures; Mr. Ledesma showed the general location, while other meeting participants helped verbally describe their location.

<u>Future Trail Connections</u>
Ms. Laura Mercier of the TVC asked if Zone 7, LARPD, and EBRPD could work with TVC to provide a trail that would connect their property with the Sycamore Grove Park area. Ms. Jill Duerig noted that cow/calf operations would need to be considered. Mr. Kelly Barrington indicated that EBRPD must deal with cow/calf operations all the time, and that EBRPD would be happy to provide their expertise in evaluating new trails adjacent to cow/calf operations on Zone 7's property. Mr. Barrington also added that any future memorandums of understanding or easements could

incorporate any mitigation measures. Mr. Robert Doyle of EBRPD then added that although an easement or license agreement makes sense, it is probably too early to start that process since Zone 7 needs more time to review the existing environmental conditions on the property. Mr. Doyle also said that Zone 7, as the owner, would ultimately make the decisions that make sense for them. Director Beverly Lane of EBRPD also mentioned that Zone 7 does not necessarily need to make long-term grazing decisions, as EBRPD has many month-to-month leases with their tenants.

Potential Trespassers and Future Fire Hazards

Mr. Doyle mentioned that fire management and trespass issues may become an issue now that the Patterson Ranch area is public property – public property will attract more trespassers. Additionally, Mr. Doyle mentioned that fire hazards may be higher than normal due to less grazing (i.e., higher dry grasses) and the current drought – more trespassers increases the risk of fire. Ms. Duerig indicated that fire hazards are being reviewed as part of the grazing plan.

General Comments

Representatives of the EBRPD, LARPD, and TVC commended Zone 7 for their open communication regarding the acquisition, and expressed overall gratitude that Zone 7 was able to make the investment.

4. Verbal Reports

Director Wieskamp stated that it is good to have these face-to-face discussions and she would like to schedule another meeting. Director Palmer agreed to have Zone 7 schedule another meeting. Ms. Duerig noted that coordination will continue at the staff level, until the next Liaison Committee meeting. Mr. Tim Barry stated that LARPD appreciates being involved in these discussions.

5. Adjournment

Director Sarah Palmer adjourned the meeting at 3:30 pm.

11b

Water Resources Committee
Summary Notes, August 12, 2014 Meeting

Directors Present: John Greci, Bill Stevens, Jim McGrail

Staff Present: J. Duerig, K. Arends, R. Alzona, A. Watson

The meeting was called to order at 4:02 by Director Greci.

1. **Public Comment on Items Not on the Agenda**
   None.

2. **Progressive Design-Build Delivery Approach <u>and</u> Status of Drought Emergency Projects**
   Staff gave a combined presentation on the two agenda items (2 and 3) and answered questions from the committee.

   <u>Summary of Presentation</u>
   Staff summarized how the traditional design-bid-build process works, how the progressive design build (PDB) process works, advantages and disadvantages of each, and why the progressive design build was selected for the emergency drought projects. The advantages of the PDB approach for the drought projects were 1) not to be constrained by the time otherwise needed for detailed preparation of design and specifications, bidding and awarding a contract, 2) ability to select a qualified design-builder rather than have a low bid contractor, 3) get a design-builder on board early in the project to get all perspectives on the project to develop a basis of design, assess project risks, and negotiate costs everyone agrees upon, leading to less chance for change orders or poor design or inadequate construction.

   Staff then provided an update on the three drought emergency projects:

   Cope Lake – Lake I Pipeline Project
   This project constructed a pipeline to transfer water from mining operations stored in Cope Lake to Lake I to recharge the groundwater basin. The project was completed ahead of schedule and on budget for $1.4 million.

   Chain of Lakes Well No. 5 (COL5)
   This project provides an estimated increase in well capacity of ~1 to 2 MGD. The facility is modeled after Chain of Lakes Well No. 2 and connects to the Chain of Lakes Well No. 1 for chemical addition. COL 2 costs provided the basis for the COL 5 cost allowances. Increased costs for well drilling due to current market conditions exceeded the well drilling cost allowance by more than 50%. The design/build contract allows for an adjustment to the cost allowance if there is a more than a 25% change in cost. As these costs could not have been foreseen when the original estimated cost was developed, a $235,000 increase to the $3.5 million design/build contract with Conco West, Inc., is warranted.

   The project is currently under construction. At the next Board meeting, staff will be requesting 1) approval of a contract amendment to the Conco West, Inc. design/build contract for $235,000 to cover the increased costs due to higher-than-expected well drilling costs; and 2) appropriation of funds from reserves to cover the contract amendment and other costs not considered during the original Board approval of the project on January 29, 2014. These costs include PG&E contract, estimated costs of property acquisition, additional staff costs and project management costs. The total appropriation request is $615,000, which includes the $235,000 contract amendment.

Busch Valley Well No. 1
This overall project is planned to be a new water production well (~2-3 MGD) with an on-site chemical facility. Zone 7 is currently in Phase 1 of the project which includes development of a Basis of Design Report for the entire facility along with plans and specifications for bidding the well drilling portion of the work. The report and subsequent drilling bids will enable a thorough assessment of risks and costs associated with the project. Zone 7 is not currently under contract for Phase 2 of the project, which includes final design, construction, and commissioning. The results of the well drilling bids will determine whether it is appropriate to move forward with the project at this time or not. Staff noted that they expect high bids and a recommendation for deferral which is why Phase 2 is not in the current budget.

<u>Committee Comments and Questions</u>

PDB approach for other projects
Director Stevens asked if the progressive design build process is for the emergency drought projects only or if it would be used on other projects. Staff responded that it would need to be addressed on a case-by-case basis. The PDB process made sense for the drought projects due to the schedule constraints to install the new facilities. Director McGrail asked whether or not staff liked the process and the response was affirmative. Director Stevens said the key is to check and confirm designs are adequate before building.

Pump selection before pump tests
Director Greci asked how the design builder was able to order the well pump (for COL5) prior to having completed pump tests. Staff responded that it used existing nearby well data, system pressures, specific yield estimates based on well logs and current/expected static water levels to determine which pump would be most appropriate. Additionally, a variable frequency drive (VFD) would be installed to make adjustments in case the estimates are off.

Design Build contract costs and overall project costs
Director Stevens inquired about the reason for the detailed cost breakdown being shown (for COL5) in the presentation. Staff responded that Board members and the Finance Committee requested more costs to be shown than simply the construction contract costs.

3. Verbal Comments

Director Greci said that he would like to better understand how planning agencies approve new development during a drought.

Director Greci adjourned the meeting at 4:53 p.m.

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

ORIGINATING SECTION: ADMINISTRATION
CONTACT: Jill Duerig

AGENDA DATE: August 20, 2014 **ITEM NO.** **14a**

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:

- Zone 7 received a reimbursement check from DWR for $102,614.93 for conservation rebates issued during the third quarter of FY 2013-14.
- The consultant for the Bay Area Integrated Regional Water Management Planning group worked with Zone 7 staff to prepare a submittal package, applying for a $3 million drought grant to cover a portion of Zone 7's costs of the Cope Lake-Lake I pipeline and the Chain of Lakes Well No. 5 project; the application was submitted to the state on July 27th.
- BayWork had its annual strategic planning session in July. This session was especially important as the current lead staff person is planning to retire within the next year and the signatories must decide who will take on the role in the future.

Engineering and Flood Control:

- Repairs to Filter No. 1 at the Del Valle Water Treatment Plant are nearly complete with the installation of the new air valves last week. This seems to have solved the media loss problem as subsequent washes of the new media did not result in the appearance of any media in either waste water recovery pond.
- The new ultra-filtration (UF) membranes arrived at the Port of Oakland on July 15th. Staff are working to expedite customs clearance for delivery to the Patterson Pass UF Plant. Once received, the question will be whether to install in the plant that is likely to remain off-line until late Spring 2015 or whether to store in a controlled environment to better preserve the membranes until needed since these modules will no longer be manufactured.

Environmental & External Affairs:

- Zone 7, the Alameda County Resource Conservation District and the National Resources Conservation Service are collaborating on the application of grant funds towards two projects in the Livermore Springtown area: a revegetation project by the golf course and a willow planting project to achieve bank stabilization upstream of Vasco Road.

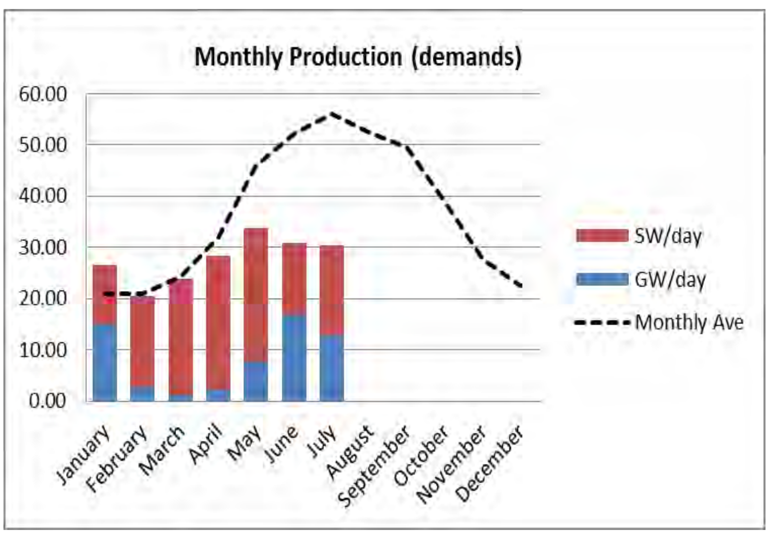
- Staff are also evaluating the possibility of adding two stream gauges to monitor flows from the northern part of the watershed, one of which would be along Alamo Canal near Pleasanton where USGS had an old gauge in the same approximate location and has historical data from 1979-1983. The next step will be to initiate discussions with USGS to determine costs of reconstructing and maintaining such gauges.

Operations and Maintenance:

- Staff coordinated with City of Dublin staff to resolve issues involving improvements to the city corporation yard. The resolution involved moving planned structures to locations outside of Zone 7's easement for the Santa Rita-Dougherty pipeline

- With low flows into the Delta, bromide levels continued to rise. The State Project water imported into the Valley now has levels around the threshold (0.4 mg/L) established for consideration of blending with lake water to prevent disinfection byproducts such as trihalomethanes (THMs) from exceeding standards. Conditions are being closely monitored by staff and a lake blend (to reduce source water bromides) will be requested when appropriate.

- July demands were slightly lower than June demands and averaged 30.5 million gallons per day (compared to 54.1 MGD in July 2013), which was made up of nearly 18 MGD of surface water produced through Patterson Pass and Del Valle Water Treatment Plants plus nearly 13 MGD of groundwater from the wells. The Demineralization Plant and the Ultra-Filtration Plant remained offline for the month.



Monthly List of GM Contracts

July 2014

Contracts:

Associated Right of Way Services, Inc.	$25,000	Real Property Services
Eurofins Eaton Analytical	$40,000	Analytical Services for Regulatory Compliance for the Water Quality Laboratory
Urban Creeks Council	$25,000	Watering and Planting for the Stanley Reach Project
Gerald Gates	$16,005	On-Call Database Services
Urban Creeks Council	$25,000	On-Call Services: Stream and Riparian Area Management
Total July 2014	$131,005	

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

ORIGINATING DIVISION: ADMINISTRATIVE SERVICES
CONTACT PERSON: JAVIA GREEN

AGENDA DATE: August 20, 2014 ITEM NO: **14b**

SUBJECT: **Monthly Budget Report**

SUMMARY:

The new financial software system (New World) was implemented in FY 13/14. New World allows us to provide monthly updates on both revenue and expenses. This report provides a summary of FY 14/15 budget performance and an explanation of any major variances.

The following bullet points provide explanations and additional details to assist in reading this report:

- The period of July 1, 2014 through July 31 is reported herein. Please note that July is not a strong trend indicator for revenue and expenditures. For example, the first installment of property tax revenue is not received until December, and payroll costs are yet to be posted due to FY 13/14 year-end activities. As the fiscal year progresses, there will be more activity in New World to report.

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

- Staff has reviewed reserve levels for these funds and all comply with Board policy (see attached Zone 7 Water Agency Unaudited Reserve Balances as of July 31, 2014).

Water Enterprise Fund – Fund 100 (formerly Fund 52)

Category	FY 14/15 Adopted Budget	FY 14/15 YTD Actual	FY 14/15 % Used/Received
Revenue	$ 34,461,062	$ 104,819	0.3%
Expenses	$ 49,680,609	$ (748,433)	-2%

This fund provides financing for the acquisition and conveyance of raw water, treatment and delivery to the Zone 7 service area. The primary source of revenue for this fund is water sales. FY 14/15 YTD revenue is primarily from grant proceeds. FY 14/15 YTD expenses include repairs and maintenance, miscellaneous services and supplies memberships and dues. About 48% of the memberships and dues budget has been spent because these expenses are generally paid at the beginning of the fiscal year. Zone 7's fiscal year ends in June. There is a credit entry in this fund that was posted in July for the required accrual of personnel costs in the prior fiscal year. This routine accounting entry to properly record personnel costs in the prior year creates a negative in the current year. As current year costs are posted, the negative balance is eliminated.

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

Category	FY 14/15 Adopted Budget	FY 14/15 YTD Actual	FY 14/15 % Used/Received
Revenue	$ 14,060,937	$ 120,643	1%
Expenses	$ 14,227,251	$ -	0%

This is a pass-through fund for fixed charges associated with the State Water Project, assessed as a property tax override. Due to the seasonal nature of revenue and expenses particular to this fund, no expenses have been posted, and revenue is a refund from DWR.

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

Category	FY 14/15 Adopted Budget	FY 14/15 YTD Actual	FY 14/15 % Used/Received
Revenue	$ 13,129,324	$ 150	0%
Expenses	$ 7,578,891	$ 92,180	1%

This fund pays for capital projects addressing the replacement and improvement of the current water treatment and delivery system. The primary source of funding is a quarterly transfer from Fund 100 – Water Enterprise. FY 14/15 YTD revenue is from plans and specifications sold to potential bidders. FY 14/15 YTD expenses reflect PPWTP Ferric Chloride & Caustic Improvements project expenses and this fund's share of the July North Canyons lease payment.

Water Expansion – Fund 130 (formerly Fund 73)

Category	FY 14/15 Adopted Budget	FY 14/15 YTD Actual	FY 14/15 % Used/Received
Revenue	$ 22,042,020	$ -	0%
Expenses	$ 19,485,138	$ 35,359	0%

This fund is intended to provide funding for new facilities and supplies to meet the demands of new development, many of them fixed (i.e., bond payment obligations for debt incurred by others). The primary source of revenue is connection fees. Since July 1, 2014, a total of eight connection fee credits have been used totaling $0.2M, while 441 credits remain outstanding, valued at $10.6M at the 2014 connection fee level (see Chart 1 attached). FY 14/15 YTD expenses reflect this fund's share of the July North Canyons lease payment.

Flood Protection Operations – Fund 200 (formerly Fund 50)

Category	FY 14/15 Adopted Budget	FY 14/15 YTD Actual	FY 14/15 % Used/Received
Revenue	$ 6,505,936	$ -	0%
Expenses	$ 10,416,092	$ 12,470	0%

This fund provides funding for general administration and the maintenance and improvement of the existing flood protection system. The primary source of revenue is property taxes. FY 14/15 YTD expenses reflect this fund's share of the July North Canyons lease payment and training expenses.

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

Category	FY 14/15 Adopted Budget	FY 14/15 YTD Actual	FY 14/15 % Used/Received
Revenue	$ 2,646,500	$ -	0%
Expenses	$ 5,755,275	$ 10,103	0%

This fund provides funding for flood protection facilities required for new development. The primary source of revenue is development impact fees. FY 14/15 YTD expenses reflect this fund's share of the July North Canyons lease payment.

RECOMMENDED ACTION:
Information only.

ATTACHMENTS:
Zone 7 Water Agency Annual Budget by Account Classification Report
CHART 1 – Shea-Lin Connection Fee Credit Estimated Potential Lost Revenue
Zone 7 Water Agency Unaudited Reserve Balances as of July 31, 2014

ZONE 7 WATER AGENCY

Annual Budget by Account Classification Report

Budget Summary

	FY 14/15 Budget	FY14/15 YTD Actual	% Used/Rec
FUND: 100 Water Enterprise Operations			
Revenue			
411 - Water Sales & Service	$34,246,611.00	$0.00	0%
441 - Charges for Services	$0.00	$550.00	-
452 - Aid from Governmental Agencies - State	$0.00	$102,614.93	-
461 - Investment Earnings	$75,000.00	$0.00	0%
462 - Rents and Royalties	$65,263.00	$1,257.31	2%
464 - Fines and Penalties	$0.00	$0.00	-
481 - Other Revenue	$74,188.00	$397.16	1%
499 - Transfers	$0.00	$0.00	-
Revenue Totals	$34,461,062.00	$104,819.40	0%
Expenditures			
511 - Personal Services - Salaries and Wages[1]	$13,859,924.00	($733,587.42)	-5%
512 - Personal Services - Overtime[1]	$215,074.00	($16,910.56)	-8%
513 - Personal Services - Benefits[1]	$7,120,240.00	($273,459.89)	-4%
600 - Labor & Overhead Distributed[2]	($8,402,436.00)	$0.00	0%
611 - Purchased Services	$4,356,103.00	$45.00	0%
621 - Water	$8,883,578.00	$0.00	0%
631 - Chemicals	$2,250,973.00	$0.00	0%
641 - Utilities	$1,922,616.00	$0.00	0%
643 - Communications	$174,097.00	$280.96	0%
651 - Cleaning Services	$50,931.00	$235.24	0%
652 - Repairs and Maintenance	$2,705,999.00	$21,433.47	1%
653 - Rental Services	$792,900.00	$2,209.17	0%
661 - General Office Services/ Supplies	$586,247.00	$13,685.70	2%
662 - Organizational Membership/ Participation	$467,783.00	$222,768.00	48%
665 - Other Services/ Supplies	$827,130.00	$658.95	0%
667 - Training and Travel	$402,045.00	$14,208.14	4%
669 - Special Departmental Expense	$615,781.00	$0.00	0%
671 - Equipment, Furniture and Vehicles	$27,700.00	$0.00	0%
691 - Transfers	$12,823,924.00	$0.00	0%
Revenue Totals:	$34,461,062.00	$104,819.40	0%
Expenditure Totals	$49,680,609.00	($748,433.24)	-2%
FUND Total: Water Enterprise Operations	($15,219,547.00)	$853,252.64	-6%
FUND: 110 State Water Facilities			
Revenue			
411 - Water Sales & Service	$1,311,950.00	$0.00	0%
421 - Property Taxes	$11,350,000.00	$0.00	0%
452 - Aid from Governmental Agencies - State	$45,000.00	$0.00	0%
453 - Aid from Governmental Agencies - Local	$610.00	$0.00	0%
461 - Investment Earnings	$15,000.00	$0.00	0%
464 - Fines and Penalties	$0.00	$0.00	-
481 - Other Revenue	$1,338,377.00	$120,643.00	9%
Revenue Totals	$14,060,937.00	$120,643.00	1%
Expenditures			
621 - Water	$14,227,251.00	$0.00	0%
Revenue Totals:	$14,060,937.00	$120,643.00	1%
Expenditure Totals	$14,227,251.00	$0.00	0%
FUND Total: State Water Facilities	($166,314.00)	$120,643.00	-73%

ZONE 7 WATER AGENCY

Annual Budget by Account Classification Report

Budget Summary

	FY 14/15 Budget	FY14/15 YTD Actual	% Used/Rec
FUND: 120 Water Enterprise Capital IR&R			
Revenue			
431 - Development Fees	$250,000.00	$0.00	0%
441 - Charges for Services	$2,500.00	$150.00	6%
452 - Aid from Governmental Agencies - State	$0.00	$0.00	-
461 - Investment Earnings	$52,900.00	$0.00	0%
499 - Transfers	$12,823,924.00	$0.00	0%
Revenue Totals	$13,129,324.00	$150.00	0%
Expenditures			
600 - Labor & Overhead Distributed[1]	$1,163,962.00	$0.00	0%
611 - Purchased Services	$1,375,033.00	$0.00	0%
643 - Communications	$0.00	$0.00	-
652 - Repairs and Maintenance	$0.00	$0.00	-
653 - Rental Services	$549,198.00	$45,461.58	8%
661 - General Office Services/ Supplies	$150,000.00	$6,553.23	4%
665 - Other Services/ Supplies	$0.00	$0.00	-
667 - Training and Travel	$0.00	$0.00	-
669 - Special Departmental Expense	$895,698.00	$0.00	0%
671 - Equipment, Furniture and Vehicles	$120,000.00	$0.00	0%
672 - Land and Facility Improvements	$3,325,000.00	$40,165.00	1%
Revenue Totals:	$13,129,324.00	$150.00	0%
Expenditure Totals	$7,578,891.00	$92,179.81	1%
FUND Total: Water Enterprise Capital IR&R	$5,550,433.00	($92,029.81)	-2%

	FY 14/15 Budget	FY14/15 YTD Actual	% Used/Rec
FUND: 130 Water Enterprise Cap Expansion			
Revenue			
431 - Development Fees	$19,020,120.00	$0.00	0%
452 - Aid from Governmental Agencies - State	$0.00	$0.00	-
461 - Investment Earnings	$0.00	$0.00	-
481 - Other Revenue	$81,100.00	$0.00	0%
499 - Transfers	$2,940,800.00	$0.00	0%
Revenue Totals	$22,042,020.00	$0.00	0%
Expenditures			
600 - Labor & Overhead Distributed[1]	$607,457.00	$0.00	0%
611 - Purchased Services	$1,296,400.00	$0.00	0%
621 - Water	$16,744,211.00	$0.00	0%
643 - Communications	$0.00	$0.00	-
653 - Rental Services	$426,376.00	$35,359.01	8%
661 - General Office Services/ Supplies	$0.00	$0.00	-
662 - Organizational Membership/ Participation	$694.00	$0.00	0%
665 - Other Services/ Supplies	$0.00	$0.00	-
667 - Training and Travel	$0.00	$0.00	-
669 - Special Departmental Expense[3]	$410,000.00	$0.00	0%
671 - Equipment, Furniture and Vehicles	$0.00	$0.00	-
672 - Land and Facility Improvements	$0.00	$0.00	-
675 - Debt Service	$0.00	$0.00	-
Revenue Totals:	$22,042,020.00	$0.00	0%
Expenditure Totals	$19,485,138.00	$35,359.01	0%
FUND Total: Water Enterprise Cap Expansion	$2,556,882.00	($35,359.01)	-1%

ZONE 7 WATER AGENCY

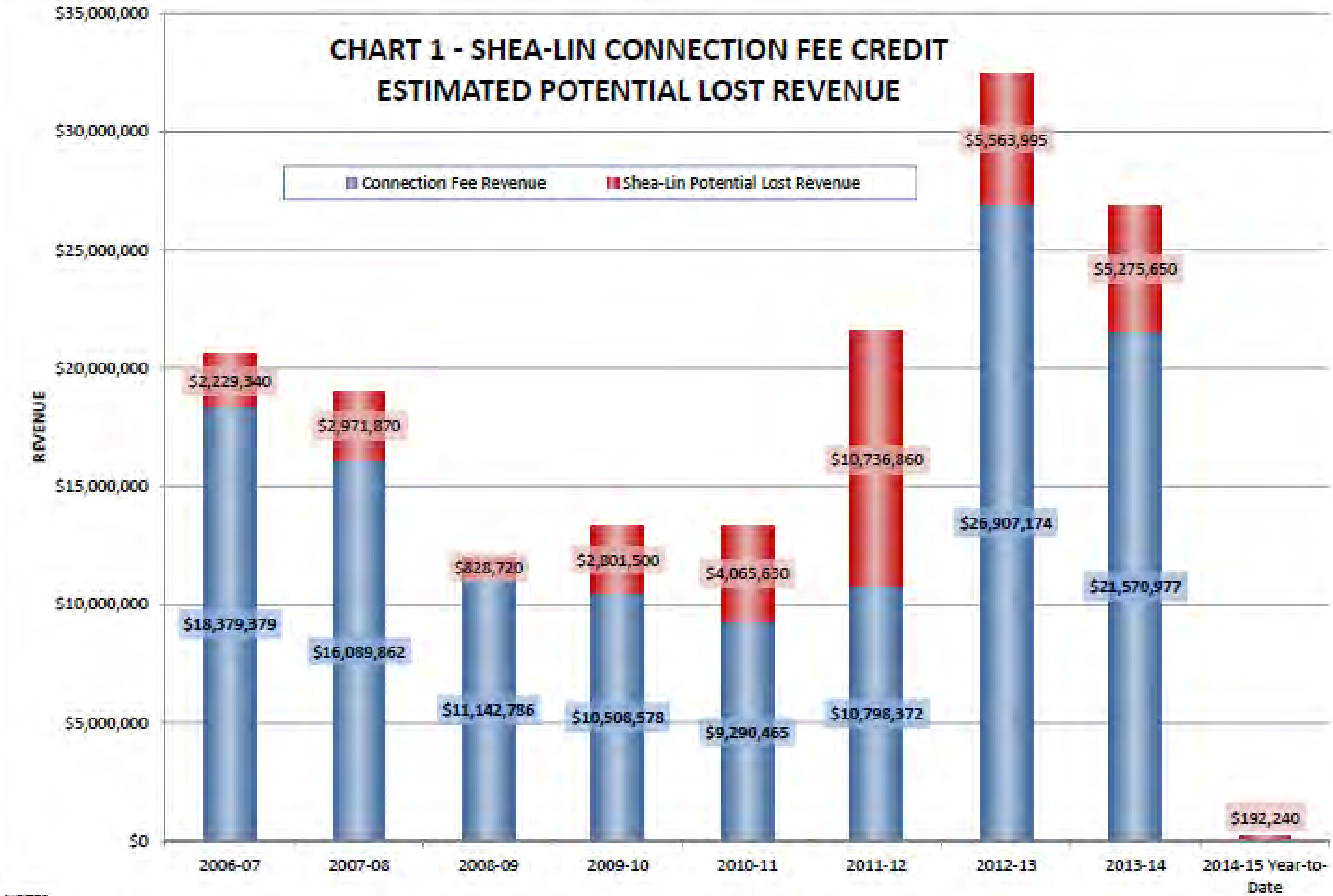
Annual Budget by Account Classification Report

Budget Summary

	FY 14/15 Budget	FY14/15 YTD Actual	% Used/Rec
FUND: 200 Flood Protection Operations			
Revenue			
421 - Property Taxes	$6,307,731.00	$0.00	0%
441 - Charges for Services	$13,000.00	$0.00	0%
452 - Aid from Governmental Agencies - State	$54,000.00	$0.00	0%
453 - Aid from Governmental Agencies - Local	$10,700.00	$0.00	0%
461 - Investment Earnings	$25,000.00	$0.00	0%
462 - Rents and Royalties	$60,505.00	$0.00	0%
464 - Fines and Penalties	$0.00	$0.00	-
481 - Other Revenue	$35,000.00	$0.00	0%
491 - Other Financing Sources	$0.00	$0.00	-
Revenue Totals	$6,505,936.00	$0.00	0%
Expenditures			
600 - Labor & Overhead Distributed[1]	$2,528,996.00	$0.00	0%
611 - Purchased Services	$5,051,000.00	$0.00	0%
643 - Communications	$3,000.00	$0.00	0%
651 - Cleaning Services	$10,000.00	$0.00	0%
652 - Repairs and Maintenance	$2,355,491.00	($368.15)	0%
653 - Rental Services	$159,322.00	$10,512.99	7%
661 - General Office Services/ Supplies	$19,550.00	$0.00	0%
662 - Organizational Membership/ Participation	$158,000.00	$0.00	0%
665 - Other Services/ Supplies	$86,000.00	$0.00	0%
667 - Training and Travel	$31,400.00	$2,325.00	7%
669 - Special Departmental Expense	$13,333.00	$0.00	0%
672 - Land and Facility Improvements	$0.00	$0.00	-
Revenue Totals:	$6,505,936.00	$0.00	0%
Expenditure Totals	$10,416,092.00	$12,469.84	0%
FUND Total: Flood Protection Operations	($3,910,156.00)	($12,469.84)	0%
FUND: 210 Flood Protection/Drainage DIF			
Revenue			
431 - Development Fees	$2,530,000.00	$0.00	0%
461 - Investment Earnings	$91,500.00	$0.00	0%
481 - Other Revenue	$25,000.00	$0.00	0%
Revenue Totals	$2,646,500.00	$0.00	0%
Expenditures			
600 - Labor & Overhead Distributed[1]	$655,730.00	$0.00	0%
611 - Purchased Services	$4,727,723.00	$0.00	0%
643 - Communications	$0.00	$0.00	-
653 - Rental Services	$121,822.00	$10,102.57	8%
665 - Other Services/ Supplies	$0.00	$0.00	-
669 - Special Departmental Expense	$250,000.00	$0.00	0%
672 - Land and Facility Improvements	$0.00	$0.00	-
Revenue Totals:	$2,646,500.00	$0.00	0%
Expenditure Totals	$5,755,275.00	$10,102.57	0%
FUND Total: Flood Protection/Drainage DIF	($3,108,775.00)	($10,102.57)	0%
Revenue Grand Totals:	$92,845,779.00	$225,612.40	0%
Expenditure Grand Totals:	$107,143,256.00	($598,322.01)	-1%
Net Grand Totals:	($14,297,477.00)	$823,934.41	-6%

Notes:

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



NOTES:
Shea-Lin Credit Data as of 07-31-2014, 1594 Redeemed & 441 Remaining.
Revenue as of 6-30-14 for Pleasanton, DSRSD, & Livermore
Initial Payment of $10,000,000 for Credits is Not Reflected in This Graph

Zone 7 Water Agency
Unaudited Reserve Balances as of
July 31, 2014

Reserves	Minimum	Maximum	Unaudited Balances as of July 31, 2014 ($ millions)	Complies with Board Policy
Water Enterprise (Fund 100)				
Operating Reserve	32 days	90 days of total operating expenses	$8.1	Yes
Emergency Reserve	1%	3% of Agency's total enterprise plant & equip.	$4.4	Yes
Rate Stabilization Reserve	6% of budgeted water sales revenue	N/A	$11.8	Yes
Drought Contingency Reserve	7%	20% of budgeted water sales Revenue	$4.9	Yes
Fund 100 Subtotal			**$29.1**	
State Water Facilities (Fund 110)				
Operating Reserve	50%	100% of budgeted operating expenses	$8.8	Yes
Fund 110 Subtotal			**$8.8**	
Water Capital Renewal/Replacement & System-Wide Improvement (Fund 120)				
Project Reserve	100% of following year's capital budget plus 50% of the subsequent year	N/A	$15.1	Yes
Building Sinking Fund	N/A	N/A	$3.5	Yes
Fund 120 Subtotal			**$18.6**	
Water Capital Expansion (Fund 130)				
Project Reserves	60% of the following year's non-discretionary expenditures	N/A	$23.8	Yes
Building Sinking Fund	N/A	N/A	$1.5	Yes
Future Contractor's share of the SBA Sinking Fund	N/A	N/A	$1.1	Yes
SBA Enlargement Project Sinking Fund	N/A	N/A	$6.9	Yes
Fund 130 Subtotal			**$33.3**	
Flood Control (Fund 200)				
Operating Reserve	20%	50% of budgeted operating expenses	$4.4	Yes
Project Reserves	N/A	N/A	$10	Yes
Building Sinking Fund	N/A	N/A	$0.8	Yes
Fund 200 Subtotal			**$15.2**	
Flood Protection & Stormwater Drainage (Fund 210)				
Project Reserves	N/A	N/A	$40.7	Yes
Building Sinking Fund	N/A	N/A	$0.8	Yes
Fund 210 Subtotal			**$41.5**	
Total Reserves			**$146.5**	

Prepared by Zone 7 Staff on 8/14/2014

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

ORIGINATING SECTION: ADMINISTRATIVE SERVICES
CONTACT: TOM PICO

AGENDA DATE: August 20, 2014 ITEM NO. **14c**

SUBJECT: July Legislative Update

SUMMARY:

- Zone 7 staff, with the support of Agency consultants, monitors legislation that is being considered in Sacramento, as well as other political activities of interest to the Agency.
- The Legislature returned from its summer recess on August 4th with 1,062 bills still active and in process. It is scheduled to adjourn the two-year session on August 31.
- During the recess, legislative staff and stakeholders held a number of meetings to continue to review and refine the legislation to implement a statewide groundwater monitoring program. Two bills, SB 1168 (Pavley, D-Agoura Hills) and AB 1739 (Dickinson, D-Sacramento) have been amended so the language is identical between them. Zone 7 staff and its legislative consultants are carefully monitoring provisions and providing technical comments.
- Reaching an agreement on a replacement for the $11.14 billion water bond on the November ballot was a top priority for legislative leaders during and after the recess. After SB 848 failed to receive a two-thirds Senate majority with a total expenditure of $10.5 billion, Senator Lois Wolk (D-Davis) amended the bill to $7.5 billion. That change reduced the amount dedicated to storage from $3 billion to $2 billion. Governor Brown reiterated his view that the bond should total $6 billion and publicly released his plan on August 5. In the Assembly, leaders of both parties worked on their own version. It will take Republican votes in the Senate for any bond measure to receive the two-thirds majority and then the governor must sign the bill.
- The drought has affected the public's opinion on the water bond. A July poll by the Public Policy Institute showed 61 percent would favor the $11.14 billion bond, while likely voters showed a 51-26 percent approval margin. If the total bond was reduced, support increases by 8 points. In addition, 76 percent responded that it was important or somewhat important to pass a water bond.
- Assembly Speaker Toni Atkins appointed Aja Brown to the Delta Stewardship Council. She replaces Gloria Gray whose term expired. Brown is the mayor of Compton in Southern California.

RECOMMENDED ACTION: Information only

EXECUTIVE SUMMARY
State Legislation

The Gualco Group, Inc.®

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

August 20, 2014

Bill	Topic	Synopsis	Staff Recommendation	Status of the Bill/Comments as of 08/05/2014
Water Bond				
AB 1331 (Rendon)	Clean and Safe Drinking Water Act of 2014	This bill would enact the Clean, Safe and Reliable Drinking Water Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in the amount of $8,200,000,000 pursuant to the State General Obligation Bond Law to finance a clean, safe and reliable drinking water program. This bill would provide for the submission of the bond act to the voters at the November 4, 2014, statewide general election.	Watch	Senate Committee on Rules
AB 1445 (Logue)	California Water Infrastructure Act of 2014	This bill would enact the California Water Infrastructure Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in the amount of $5,800,000,000 pursuant to the State General Obligation Bond Law to finance public benefits associated with water storage projects and water quality improvement projects. This bill would provide for the submission of this bond act to the voters at the November 4, 2014, statewide general election.	Watch	Assembly Committee on Water, Parks and Wildlife
AB 2043 (Bigelow)	Safe, Clean, and Reliable Drinking Water Supply Act of 2014	This bill would enact the Safe, Clean, and Reliable Drinking Water Supply Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in the amount of $8,035,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program. This bill would provide for the submission of the bond act to the voters at the November 4, 2014, statewide general election.	Watch	Assembly Committee on Appropriations

Bill	Topic	Synopsis	Staff Recommendation	Status of the Bill/Comments as of 08/05/2014
AB 2554 (Rendon)	Clean, Safe, and Reliable Drinking Water Act of 2014	This bill would enact the Clean, Safe, and Reliable Drinking Water Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in the amount of $8,500,000,000 pursuant to the State General Obligation Bond Law to finance a clean, safe, and reliable drinking water program. This bill would provide for the submission of the bond act to the voters at the November 4, 2014, statewide general election.	Watch	Assembly Committee on Appropriations
AB 2686 (Perea)	Clean, Safe, and Reliable Water Supply Act of 2014	This bill would enact the Clean, Safe, and Reliable Water Supply Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in an unspecified amount pursuant to the State General Obligation Bond Law to finance a clean, safe, and reliable water supply program. This bill would provide for the submission of the bond act to the voters at the November 4, 2014, statewide general election.	Watch	Assembly Committee on Appropriations
SB 848 (Wolk)	Safe Drinking Water, Water Quality, and Flood Protection Act of 2014	This bill would enact the Safe Drinking Water, Water Quality, and Flood Protection Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in the amount of $7,500,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water, water quality, and flood protection program. The bill would provide for the submission of the bond act to the voters at the November 4, 2014, statewide general election.	Watch	Senate Floor
SB 927 (Cannella)	Safe, Clean, and Reliable Drinking Water Supply Act of 2014	This bill would rename the bond act as the Safe, Clean, and Reliable Drinking Water Supply Act of 2014. The bill would instead authorize the issuance of bonds in the amount of $9,217,000,000 by reducing the amount available for specific, named projects related to drought relief and water supply reliability. The bill would remove the authorization for funds to be available for ecosystem and watershed protection and restoration projects, and would increase the amount of funds available for emergency and urgent actions to ensure safe drinking water supplies in disadvantaged communities and economically distressed areas.	Watch	Senate Committee on Natural Resources and Water

Bill	Topic	Synopsis	Staff Recommendation	Status of the Bill/Comments as of 08/05/2014
SB 1250 (Hueso)	Safe, Clean, and Reliable Drinking Water Supply Act of 2012	This bill would enact the Safe, Clean, and Reliable Drinking Water Supply Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in the amount of $10,150,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply program. This bill would provide for the submission of this bond act to the voters at the November 4, 2014, statewide general election.	Watch	Senate Committee on Natural Resources and Water
SB 1370 (Galgiani)	Reliable Water Supply Bond Act of 2014	This bill would enact the Reliable Water Supply Bond Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in the amount of $6,260,000,000 pursuant to the State General Obligation Bond Law to finance surface water storage projects	Watch	Senate Committee on Natural Resources and Water
Special Taxes: Voter Approval				
ACA 8 (Blumenfield)	Local government financing: voter approval	This bill would create an additional exception to the 1% tax rate limit of the full cash value on real property for a rate imposed by a city, county, city and county, or special district, as defined, to service bonded indebtedness incurred to fund specified public improvements and facilities, or buildings used primarily to provide sheriff, police, or fire protection services, that is approved by 55% of the voters of the city, county, city and county, or special district, as applicable.	Support	Senate Committee on Governance and Finance
SCA 9 (Corbett)	Local government: economic development: special taxes: voter approval	This measure would provide that the imposition, extension or increase of a special tax by a local government for the purpose of providing funding for community and economic development projects requires the approval of 55% of its voters voting on the proposition.	Watch	Senate Committee on Appropriations

Bill	Topic	Synopsis	Staff Recommendation	Status of the Bill/Comments as of 08/05/2014
SCA 11 (Hancock)	Local government: special taxes: voter approval	The California Constitution conditions the imposition of a special tax by a local government upon the approval of 2/3 of the voters of the local government voting on that tax, and prohibits a local government from imposing an ad valorem tax on real property or a transactions tax or sales tax on the sale of real property. This measure would instead condition the imposition, extension, or increase of a special tax by a local government upon the approval of 55% of the voters voting on the proposition.	Watch	Senate Committee on Appropriations
Integrated Regional Water Management				
AB 1249 (Salas)	Integrated regional water management plans: nitrate, arsenic, perchlorate, or hexavalent chromium contamination	If an area within the boundaries of an integrated regional water management plan has nitrate, arsenic, perchlorate, or hexavalent chromium contamination, this bill would require that the plan include a description of (1) the location and extent of that contamination in the region, (2) the impacts caused by the contamination to communities within the region, (3) existing efforts being undertaken in the region to address the impacts, and (4) any additional efforts needed to address the impacts.	Watch	Senate Committee on Appropriations
Invasive Weeds				
AB 2402 (Buchanan)	Noxious weed management	This bill would revise the percentages of Noxious Weed Management Account allocations, and would also revise the purposes for which the percentage of funds allocated for research may be used to include mapping, risk assessment, and prioritization of weeds.	Watch	Senate Floor
Stormwater				
SB 985 (Pavley)	Stormwater resource planning	This bill would require a stormwater resource plan to identify and prioritize stormwater and dry weather runoff capture projects for implementation in a prescribed quantitative manner and to prioritize the use of lands or easements in public ownership for stormwater and dry weather runoff projects.	Watch	Assembly Committee on Appropriations

Bill	Topic	Synopsis	Staff Recommendation	Status of the Bill/Comments as of 08/05/2014
Water Conservation				
AB 2104 (Gonzalez)	Common interest developments: water-efficient landscapes	This bill would provide that a provision of the governing documents or of the architectural or landscaping guidelines or policies shall be void and unenforceable if it prohibits, or includes conditions that have the effect of prohibiting, low water-using plants as a group or as a replacement of existing turf, or if the provision has the effect of prohibiting or restricting compliance with a local water-efficient landscape ordinance or water conservation measure.	Watch	Senate Floor
AB 2636 (Gatto)	CalConserve Water Use Efficiency Revolving Fund	This bill would establish the CalConserve Water Use Efficiency Revolving Fund. This bill would require moneys in the fund to be used for purposes that include, but are not limited to, at-or-below market interest rate loans to local agencies and would permit the Department of Water Resources to enter into agreements with local agencies that provide water or recycled water service to provide loans.	Watch	Senate Committee on Appropriations
Water Management				
AB 2067 (Weber)	Urban water management plans	The bill would require an urban retail water supplier and an urban wholesale water supplier to provide narratives describing the supplier's water demand management measures, as provided. The bill would require, for urban retail water suppliers, the narrative to address the nature and extent of each water demand management measure implemented over the past 5 years and describe the water demand management measures that the supplier plans to implement to achieve its water use targets. The bill would require each urban water supplier to submit its 2015 plan to the Department of Water Resources by July 1, 2016.	Watch	Senate Desk
SB 936 (Monning)	Utilities	This bill would authorize the Monterey Peninsula Water Management District to issue water rate relief bonds if the Public Utilities Commission finds that the bonds will provide savings to water customers on the Monterey Peninsula.	Watch	Assembly Committee on Appropriations

Bill	Topic	Synopsis	Staff Recommendation	Status of the Bill/Comments as of 08/05/2014
SB 1036 (Pavley)	Urban water management plans	This bill would authorize an urban water supplier to include within an urban water management plan certain energy-related information, including, but not limited to, an estimate of the amount of energy used to extract or divert water supplies. This bill would require the department to include in its guidance for the preparation of urban water management plans a methodology for the voluntary calculation or estimation of the energy intensity of urban water systems.	Watch	Assembly Committee on Appropriations
SB 1420 (Wolk)	Water management: urban water management plans	This bill would require an urban water management plan to quantify and report on distribution system water loss. The bill would authorize water use projections to display and account for the water savings estimated to result from adopted codes, standards, ordinances or transportation and land use plans, when that information is available and applicable to an urban water supplier.	Watch	Assembly Committee on Appropriations
Water Rights				
AB 1905 (Alejo)	Water rights: appropriation: small domestic, small irrigation, and livestock stockpond use	This bill would permit a small domestic use registration and a livestock stockpond use registration to be in effect for the same facility if the total combined water use covered by the registrations does not exceed 10 acre-feet per annum.	Watch	Senate Floor
Groundwater				
AB 793 (Gray)	San Joaquin Valley Groundwater Conservancy	This bill would establish the San Joaquin Valley Groundwater Conservancy, to undertake various activities related to the San Joaquin Valley, as defined, and would prescribe the management, powers, and duties of the conservancy. The bill would create the San Joaquin Valley Groundwater Conservancy Fund in the State Treasury. Moneys in the fund would be available, upon appropriation, for the purposes of the conservancy.	Watch	Senate Floor

Bill	Topic	Synopsis	Staff Recommendation	Status of the Bill/Comments as of 08/05/2014
AB 1739 (Dickinson)	Groundwater management	This bill would prohibit, beginning January 1, 2015, a new groundwater management plan from being adopted or an existing groundwater management plan from being renewed, except for a low- or very low priority basin. This bill would require, by January 31, 2020, all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans of a groundwater sustainability agency, with specified exceptions. This bill would require a groundwater sustainability agency to certify to the department that its plan complies with the requirements of the act no later than January 31, 2020, and every 5 years thereafter.	Watch	Senate Committee on Appropriations
SB 1168 (Pavley)	Groundwater management	This bill would prohibit, beginning January 1, 2015, a new groundwater management plan from being adopted or an existing groundwater management plan from being renewed, except for a low- or very low priority basin. This bill would require, by January 31, 2020, all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans of a groundwater sustainability agency, with specified exceptions. This bill would require a groundwater sustainability agency to certify to the department that its plan complies with the requirements of the act no later than January 31, 2020, and every 5 years thereafter.	Watch	Assembly Committee on Appropriations
Water Quality				
AB 1707 (Wilk)	Water quality: scientific peer review	Under existing law, a proposed rule is defined to include, among other things, a policy adopted by the State Water Resources Control Board that has the effect of a regulation and that is adopted in order to implement or make effective a statute. This bill would require the state board to post on its Internet website a copy of the external scientific peer review conducted for proposed rules of the state board or a California regional water quality control board.	Watch	Senate Floor

Bill	Topic	Synopsis	Staff Recommendation	Status of the Bill/Comments as of 08/05/2014
Collective Bargaining: Mediation				
AB 2126 (Bonta)	Meyers-Milias-Brown Act: mediation.	This bill allows either party in collective bargaining to request mediation after providing the other party with a written declaration of an impasse. This bill also requires and implements a timeline for the parties to agree on a mediator and includes a process for the appointment of a mediator if the parties fail to agree on one. It exempts from these requirements public agencies that have an arbitration process that results in a binding agreement. With respect to fact-finding procedures, the bill provides that the employee organization's request is not limited to an impasse over a Memorandum of Understanding, and may include any disputed matter within the scope of representation.	Watch	Senate Committee on Appropriations
Proposition 218: Water				
AB 2403 (Rendon)	Local government: assessments, fees, and charges	This bill clarifies that the Proposition 218 Omnibus Implementation Act's current definition of "water" includes improvements for producing, storing, supplying, treating, or distributing of water from any source. The Senate policy committee's analysis of the measure stated: An appellate court decision in Howard Jarvis Taxpayers Association v. City of Salinas (2002) found that a city's charges on developed parcels to fund stormwater management were property-related fees, and were not covered by the exemption for sewer or water services, while a subsequent appellate court decision in Griffith v. Pajaro Valley Management Agency (2013) found that a groundwater augmentation charge is a fee for water service, as defined by Proposition 218. In light of these court rulings and local governments' continued struggles to finance stormwater management, groundwater augmentation, water conservation, and similar activities, some local officials want the Legislature to clarify the Proposition 218 Omnibus Implementation Act's definition of "water."	Watch	Chaptered by Secretary of State, Chapter 78, Statutes of 2014 This law will take effect on January 1, 2014

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

ORIGINATING SECTION: ADMINISTRATIVE SERVICES
CONTACT: BONI BREWER/MIKE WALLACE

AGENDA DATE: August 20, 2014 ITEM NO. **14d**

SUBJECT: July Outreach Activities

Energy, Engineering & Environment Weekend, July 4-6

Zone 7 staffed a booth at this special event during the Alameda County Fair. It was part of "Alameda County's largest classroom" summer learning at the fair, and offered a variety of activities for kids and families. Zone 7's well-attended booth provided a fun quiz game about ways to conserve water, and offered an activity for kids to color the Tri-Valley's "Our Water" map that helps teach where our water comes from, where it goes and how to use it wisely.

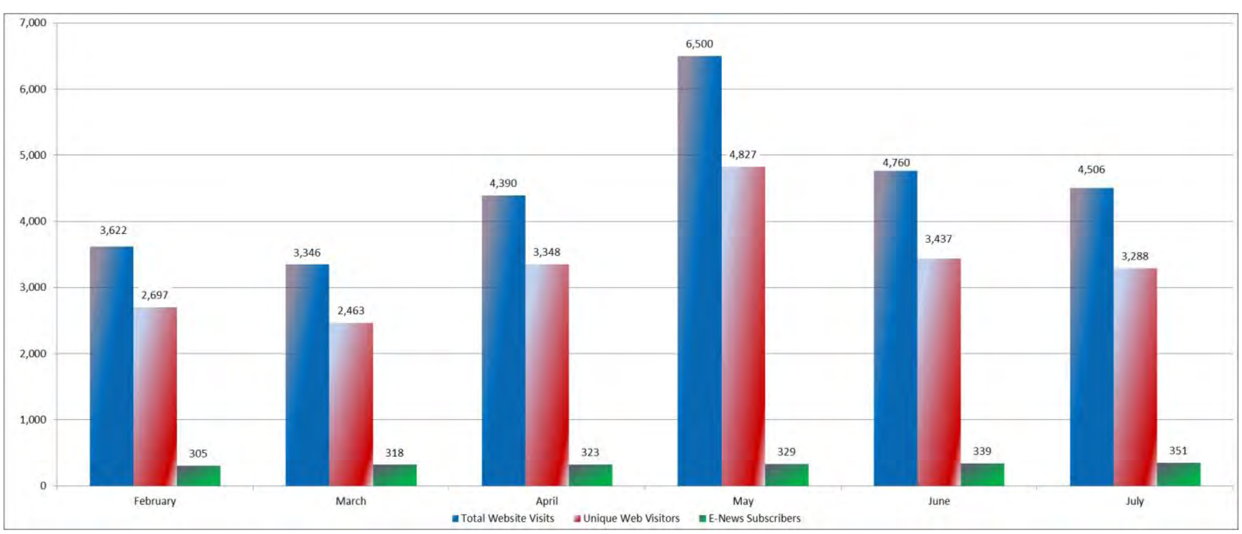
E-Newsletter, July 31st

The e-newsletter featured an article on the Del Valle Water Treatment Plant's receving a "Directors Award of Recogniton" from the Partnership for Safe Water for 15 consecutive years, a milestone achieved by only 30 water utilities across the country since the program's inception. The newsletter also had articles thanking residents and businesses for their strong showing on drought-related conservation efforts to date, and on the swearing-in of newly elected board member Jim McGrail and the selection of new board officers.

Chamber of Commerce Drought Outreach

Zone 7 ran a drought emergency ad in Pleasanton Chamber of Commerce's print newsletter that was included in the July 4th Pleasanton Weekly. In addition, business-oriented water conservation fliers appeared as inserts into Livermore and Dublin chamber print newsletters mailed out to chamber membership on July 2nd and July 14th, respectively.

Website & E-news Subscription Activity



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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ORIGINATING SECTION: Facilities Engineering
CONTACT: Rhett Alzona

AGENDA DATE: August 20, 2014 ITEM NO. **14e**

SUBJECT: Facilities Engineering Project Status

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

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

14e

Facilities Engineering Project Status Report – August 20, 2014

Project	Objective	Project Benefits	Budget	Current Phase	Current Activities	Funding Source
Arroyo Las Positas R.1-7 Improvements Project	Provide effective flood control system to Livermore-Amador Valley.	Increase channel capacity in this reach to be able to handle 100-year storm event	$3.2 million Spent = $213,725 Completion = 10%	In Planning Phase Project Completion - November 2015	Working on cross-sectional design throughout the channel with a geomorphologist. Upon completion, the preliminary design will either be submitted as part of the CEQA process or for pre-CEQA discussions with RWQCB and CDFW.	Fund 200 – Flood Protection Operations – 83% Fund 210 – Flood Protection Stormwater Drainage - 17%
Busch Valley Well 1	Construct a new 2 to 3 mgd production well	Increases Well Production Capacity, especially valuable during drought emergency	$2,952,000 for Property purchase, initial design, and well drilling. Budget spent to date: $1,271,500 (includes property ~$1.1M and basis of design)	Design/Build Contract, Basis of design (including well drilling plans and specifications) Project Completion – March 2015. Subjected to change based on decision to start up next phase	Property has been purchased. Current contract is with Design-Builder for $203,550 and includes a Basis of Design report and completed well drilling plans/specifications. Design-Builder requested quotes from seven qualified drillers. Waiting for quotes.	Fund 120 – 50% Fund 130 – 50%

Project	Objective	Project Benefits	Budget	Current Phase	Current Activities	Funding Source
Chain of Lakes Well 5	Construct a new 1 to 2 mgd production well	Increases Well Production Capacity, especially valuable during drought emergency	$3.6 million (as of 8/7/2014) Budget spent to date – 48% Project is 50% complete	Design/Build Contract, Production Well Construction Revised Project Completion – October 2014 (revised from August 2014)	A pipeline connecting to Chain of Lakes Well 1 was already constructed to this well site so that disinfection facilities could be shared. A monitoring well was installed in late February –early March to determine the aquifer zones so that production well casing and screens can be pre-ordered. Production well drilling was completed in June and the facility/site construction work took place around the well drilling operation as best as possible. Facility/site construction is still underway with Substantial Completion moved to October 2014.	Fund 120 – 50% Fund 130 – 50%
Cope Lake to Lake I Pipeline	Transfer Vulcan mining discharges into Cope Lake to Lake I for recharge.	Recharging Vulcan mining discharges that prior to December 2013 went into the Arroyo Mocho and mostly left the valley. Mining discharges now go into Cope Lake and this pipeline will transfer water to Lake I for recharging the groundwater basin.	$1.55 million Budget spent to date = 91.1% Complete = 100%	Design/Build Contract, Construction Project Completion - June 2014	Work was completed in mid-May 2014 through design-Build contract with CH2MHill.Facility is operating and transferring water from Cope to Lake I.	Fund 120 – 30% Fund 130 – 70%
DVWTP Ammonia System replacement Project	Improved safety.	Aqua ammonia system is safer to handle than anhydrous ammonia currently being used.	$1.8 million Deferred – 0% of budget spent	Project deferred due to change in funding priority for drought related projects	Conceptual design was discussed with Alameda County Fire Dept. Next step was to review design with ACDEH. Project tabled due to focusing resources on drought projects. This project is being reinserted in the CIP.	Fund 120 - Water Rates – 100%

Project	Objective	Project Benefits	Budget	Current Phase	Current Activities	Funding Source
DVWTP 4.5 MG Clearwell Interior Recoating Project	Prolongs the useful life of the clearwell.	Recoat the interior of the 4.5 MG steel clearwell at DVWTP and replace the cathodic protection system.	$1,630,000 Deferred – 4% of budget spent (75% of design complete)	In Design Phase Deferred to fund higher priority projects	Technical specifications near completion; project deferred for one to two years after diver inspection and assessment was made.	Fund 120 - Water Rates – 100%
DVWTP Caustic Soda Tank Rehabilitation Project	Prolong the useful life of the tanks. Increases operational flexibility and reliability of the plant.	Structurally enhance existing 25 year old tanks followed by re-lining of the interior for corrosion protection for another 20 years of service.	$2,100,000 For Caustic Soda and Ferric Chloride Tank Projects 37% of budget spent Caustic soda system is 99% complete	Construction Project Substantial Completion – July 2014	Tanks have been relined and put into service. Remaining work is secondary containment coating currently taking place.	Fund 120 - Water Rates – 100%
DVWTP Ferric Chloride Tank Improvements Project	Increase production reliability and operational flexibility.	The existing Ferric Chloride tanks are showing wear and tear and per AMP are near the end of their useful life. The new tanks would also be upgraded in volume to better keep up with the expanded plant production in the recent years.	Shared budget with Caustic Soda Tank Projects will be returned to General fund and this work will be rescheduled in the CIP.	Project deferred due to change in funding priority to fund higher priority projects	This project also includes parking lot rehabilitation and expanding the chemical fill line alleyway for truck filling and through traffic. While showing wear and tear, a condition assessment shows the tanks appear to still be in reasonable shape to last another few years. Ferric chloride tank improvements and parking lot/alleyway improvements are being reinserted in the CIP	Fund 120 - Water Rates – 100%

Project	Objective	Project Benefits	Budget	Current Phase	Current Activities	Funding Source
DVWTP Sludge Handling Project (Centrifuge Purchase and Z7 Operation)	Increase reliability of sludge handling (currently sludge beds).	By providing mechanical dewatering, sludge handling capacity and reliability are increased, significantly reducing the probability of having negative impacts upon WTP capacity.	$1.3 million 88% of budget spent 95% of work complete	Construction Project Completion – May 2014	Centrifuge has arrived and entire dewatering system has been installed. However, due to the drought emergency, the lack of treatment plant production has deferred operator training, testing the centrifuge until 2014 when plant rates can be increased.	Fund 120 - Water Rates – 100%
DVWTP Sludge Underdrain Overflow Improvements	Increase operational flexibility to better guard against potential overflows to the creek from breakdowns with the sludge underdrain pumps or overload to the underdrain wetwell and subsequent discharge violations from RWQCB.	This project is intended to raise the hydraulic grade line of the sludge underdrain system so that sludge bed #4 is the low point and would fill up before any discharge to the creek.	$80,000 Project not started – 0% of budget spent	Planning	Project was delayed as resources were shifted to other projects. Project funds carried over to implement this fiscal year.	Fund 120 - Water Rates – 100%
DVWTP Superpulsator Rehab Project Phase 1 and 2	Per AMP, existing superpulsators are beyond their useful life and to be replaced.	Phase 1 is to replace equipment, upgrade safety protections and operational efficiency, and coat concrete basin for two of the four superpulsator basins. Phase 2 is scheduled for this winter FY 14-15.	$ 5.0 million Budget Spent: 56% Project Complete: 60%	Closeout Phase 1 Construction May 2014 Phase 2 construction to start in October 2014 with completion April 2015	Startup and testing of Superpulsator #1 was successfully completed. Superpulsator 2 was also successfully tested. Both Superpulsators are functioning properly and are back in service. Phase 2 is set to start in October/November 2014.	Fund 120 - Water Rates – 100%

Project	Objective	Project Benefits	Budget	Current Phase	Current Activities	Funding Source
MGDP RO concentrate sump pump replacement	Replace existing pumps with new submersible pumps connected to VFDs	Allows Operations to more closely match the output of the concentrate sump pumps with the flow coming into the sump and keep the pumps on their pump curves, avoiding premature pump failure	$187,000 Budget spent to date = 50% Complete = ~50%	Design and Equipment Procurement	Ordering VFDs and miscellaneous equipment. Pumps have been received. Installation is scheduled for fall\winter of 2014.	Fund 120 – 50% Fund 130 – 50%
Mocho Well 3, 4, and Stoneridge Well Repair Project*	Increase production reliability and well production rate.	Remove and replace poor performing pump(s). With pumps removed, perform downhole well maintenance.	$557,000 85% of budget spent 95% complete	Construction Completion – Substantial June 2014	From April through early June 2014 Layne Christensen removed and replaced the pumps at all three wells. Only the old pump at Stoneridge well could be refurbished and stocked on as a spare emergency pump. The pump refurbishment and potential depth-discrete water sampling for Chromium investigation is the remaining work for this project.	Fund 120 - Water Rates – 100%
PPWTP Ferric Chloride – Caustic Soda System Separation	Improved safety, compliance with ACDEH	Separate acid (Ferric) and base (Caustic) chemicals from sharing the same containment areas to prevent potentially unsafe chemical reaction in case both chemicals are spilled.	$455,170 Budget spent to date = 28% Complete = 35%	Construction Project completion – October 2014	Manito Construction is raising the concrete containment wall. The pipe trenching is scheduled for mid-August.	Fund 120 - Water Rates – 100%

Project	Objective	Project Benefits	Budget	Current Phase	Current Activities	Funding Source
PPWTP UF Clarifier Corrosion Control Upgrades Project	Increase plant reliability and prolong facility service life	Upgrade existing sacrificial cathodic protection system for the ultrafiltration plant clarifier at PPWTP, and abrasive blast and recoat entire steel clarifier mechanism	$371,600 99% of budget spent 99% complete.	Construction Project completion – June 2014	Construction work is complete. Working on project closeout.	Fund 120 - Water Rates – 100%
PWRPA Facilities at PPWTP	Build alternative power and renewable energy use portfolio to save money, be an environmental steward, and keep up with environmental regulations.	PWRPA power is less expensive than PG&E power. Part of PWRPA energy is derived from renewable energy. PPWTP is expected to have reduced energy costs from the lower PWRPA rate relative to PG&E.	$1,135,000 For PPWTP and Mocho Complex 41% of budget has been spent Remaining budget for PWRPA Mocho Complex	Closeout of Construction at PPWTP Project completion – April 2014	Patterson Plant is now operating on PWRPA Power. PG&E, PWRPA, Zone 7, and Contractor coordinated a power switch-over March 20th. Punch list and progress payment being prepared. Substantial completion was March 21, 2014.	Fund 120 - Water Rates – 100%
PWRPA Facilities at Mocho Groundwater Demineralization Plant, Mocho 3 and 4 (Mocho Complex)	Build alternative power and renewable energy use portfolio to save money, be an environmental steward, and keep up with environmental regulations.	PWRPA power is less expensive than PG&E power. Part of PWRPA energy is derived from renewable energy. The Mocho facilities are expected to have reduced energy costs from the lower PWRPA rate relative to PG&E.	Shared budget with PWRPA PPWTP. Due to PG&E's requirement to install additional equipment and higher than expected bids for the project, an additional $300,000 is needed to complete the project.	Design Project completion – April 2015	Project was advertised for bids. Due to higher than anticipated bids, additional funding is needed to proceed with the project as detailed in this month's Board agenda packet.	Fund 120 - Water Rates – 100%

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

AGENDA DATE: August 20, 2014

SUBJECT: Drought Update ITEM NO. **14f**

SUMMARY:

- DWR is striving to maintain Lake Del Valle full so there is more water stored in the Valley should SBA conveyance through the Delta present problems this summer. Although raw water TOC concentrations at the treatment plants have steadily dropped from approximately 4.7 mg/L to 4.0 mg/L over the last month, TOC levels are still above normal. Coagulant demand is much higher than normal to combat the TOC levels. Powdered activated carbon was also used this month to help reduce the seasonal increase in geosmin and MIB levels.

- The three emergency projects approved by the board on January 29th are moving forward.

    1. Lake I - Cope Lake Pipeline Project – Project is complete. Water from mining operations in Cope Lake is being transferred to Lake I for recharge to the groundwater basin.
    2. Chain of Lakes Well No. 5 – Well construction and development work is complete. Conco West has begun facility construction. They are installing drain structures and buried pipe. The concrete pump pedestal has been poured. Formwork for the building foundation is close to compete. Long lead items including the well pump and electrical infrastructure, have all been ordered. Staff continues to work with PG&E for electrical service at the site.
    3. Busch Valley Well No. 1 - Zone 7 entered into a Progressive Design-Build contract with Conco West, Inc. (with Stantec as sub-consultant). Work has commenced on Phase 1which consists of preparing a Basis of Design report that identifies the Schematic Design, Schedule of Values and Contingency for the Guaranteed Maximum Price, Schedule, Permitting Requirements and related terms and conditions for the Agency to review prior to entering into the Phase 2, Construction of the Well and related facilities. Phase 1 scope of work includes preparing and issuing a bid specification for the well to better understand market conditions that could affect the Schedule of Values. A Risk Register will also be developed to better understand potential project risks, develop mitigation plans and estimate contingency costs to provide a greater degree of certainty associated with the Schedule of Values. Phase 1 scope of work is anticipated to be substantially complete in September 2014 with the delivery of the Well Bid results and draft Basis of Design.

- From an operational standpoint, staff continues to use wells while optimizing surface water treatment given the limited SWP allocation. Groundwater recharge operations using SWP allocation have ceased. The Mocho Groundwater Demineralization Plant operation is limited to minimum RO feed to maintain the membranes. Minimal MGDP use is toavoid discharge of the concentrate (waste stream is approximately 15% of the groundwater pumped). Staff also continues to review water quality and minimum water supply needs.

- Based on the current DWR delivery schedules, and demand trends in Zone 7's service area, exchange water deliveries from Cawelo and Semitropic should be available to Zone 7 this fall. In preparation for another drought year in 2015, staff is working with DWR to facilitate storage of any excess water in Oroville or San Luis Reservoir to make the water available to Zone 7 in 2015.

BACKGROUND:

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

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

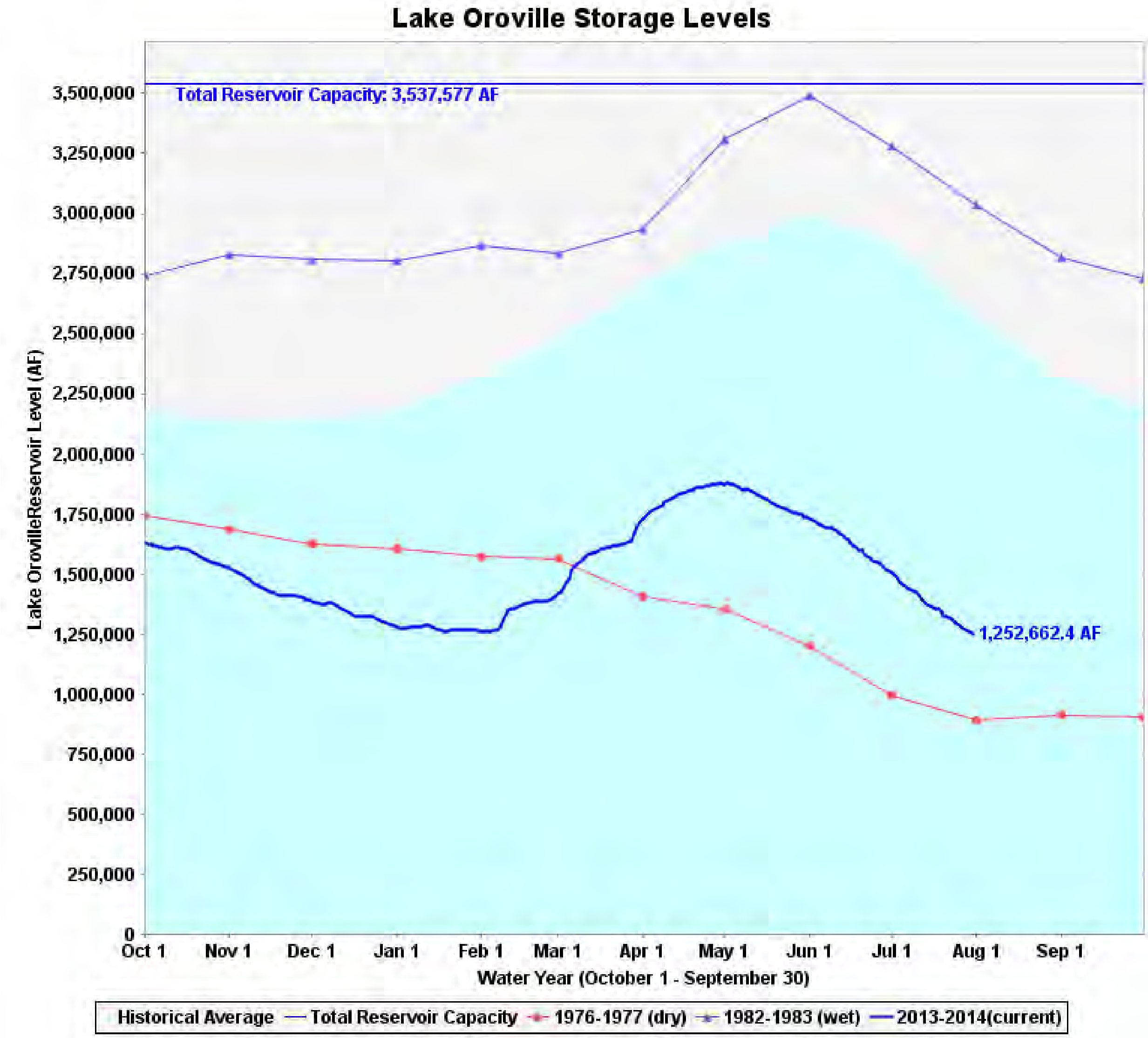
On January 29, 2014 the General Manager was authorized and directed to establish an appropriate level of conservation for the Livermore-Amador Valley, consistent with the governor's proclamation of a drought emergency (20% or greater). The initial conservation level was set at 20%.

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

DISCUSSION:

Storage in Lake Oroville remains well below average at approximately 49% of the historic average but above the driest year of record (see Oroville graph, below).

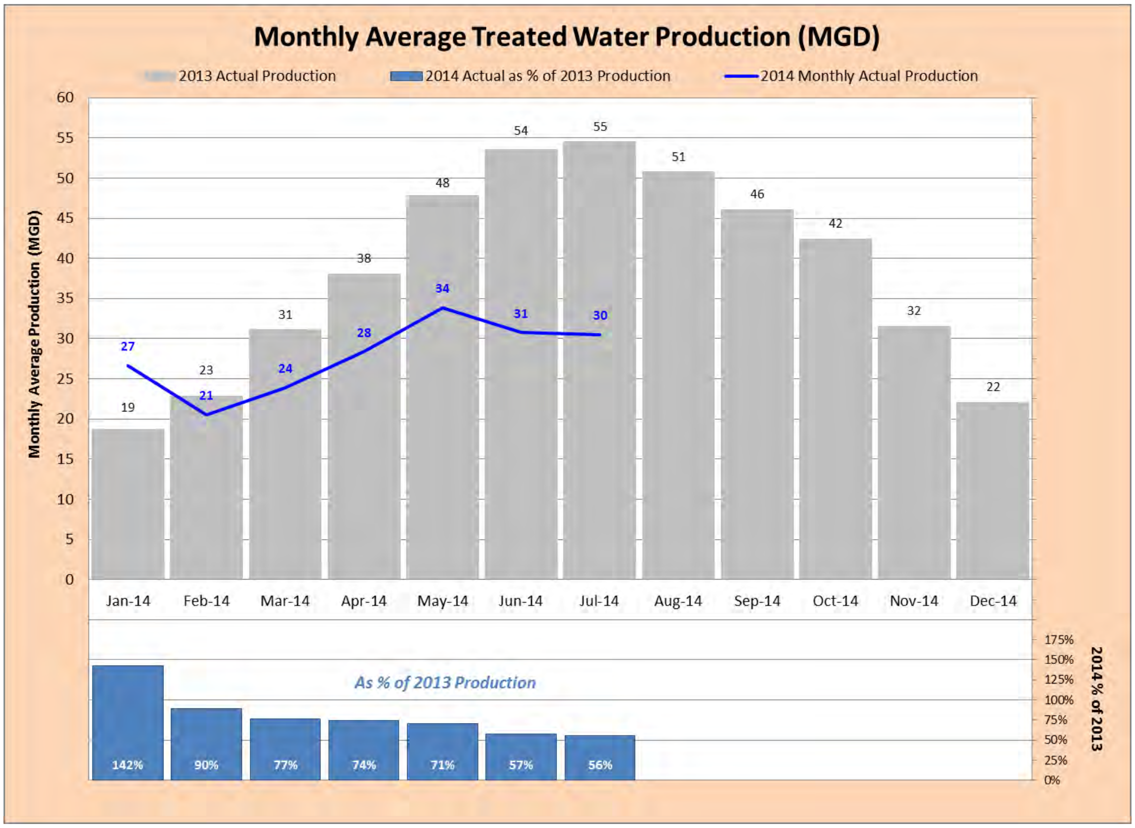
This can be tracked on the DWR data website at http://cdec.water.ca.gov/cdecapp/resapp/resDetailOrig.action?resid=ORO



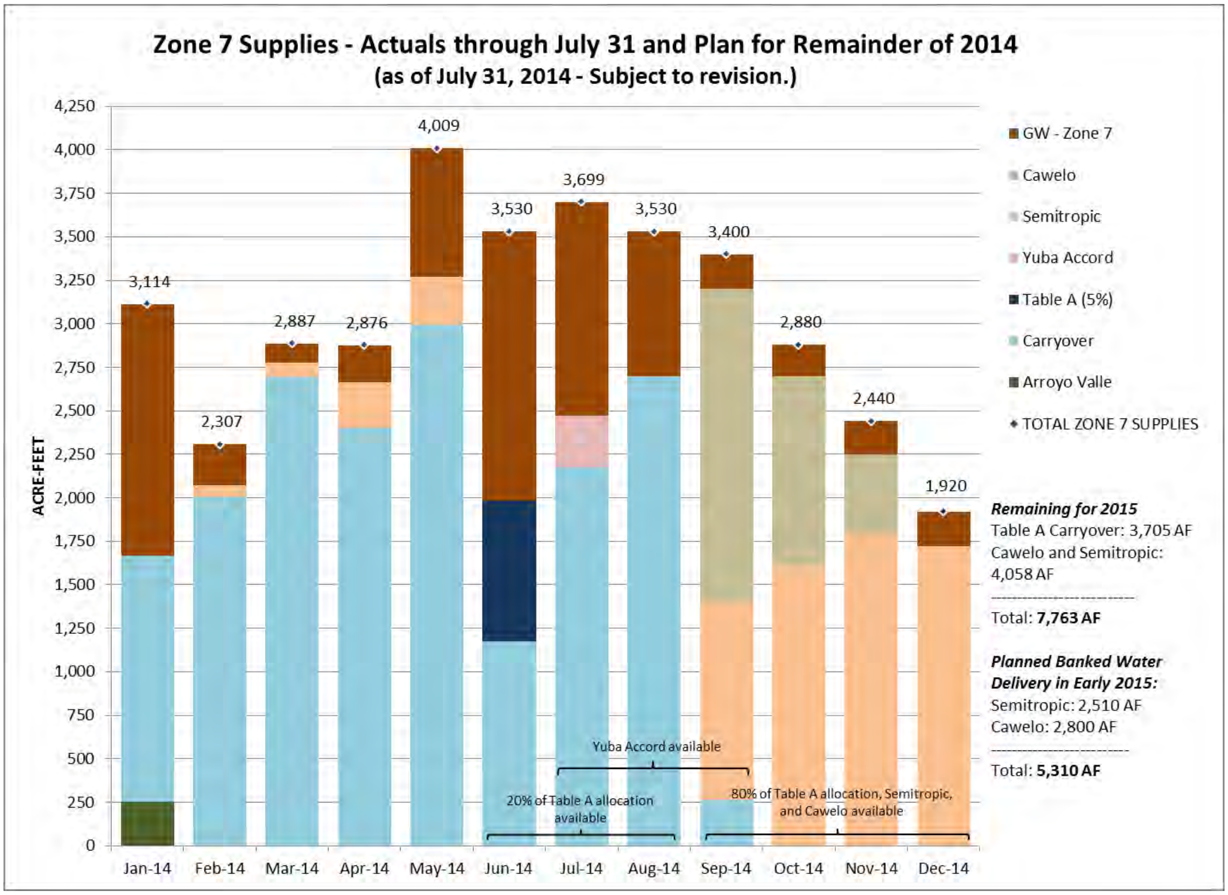
The local hydrology also remains dry, measuring approximately 46% of the average water year. This has minimized the amount of local water captured this year under the Arroyo Valle Water Rights permit. Note that due to the lack of local runoff, DWR had to pump SWP water into Lake Del Valle. Storage at Lake Del Valle remains full with minor losses due to evaporation. Current storage is approximately 40,100 AF.

From January to July 2014, cumulative valley-wide treated water demands have been 27% below 2013 demands. Successful conservation efforts in June continued into July: the treated water production in July 2014 was 44% lower than July 2013, a difference of 2,300 AF.

Both the Del Valle Water Treatment Plant and the Patterson Pass Conventional Treatment Plant continue to operate at a reduced combined production of approximately 18 million gallons per day (MGD) which is allowing Zone 7 to spread its carryover through the first part of September. Production wells met approximately 40% of July demand. Total average production in July 2014 was about 30 MGD, as compared to 55 MGD in July 2013.

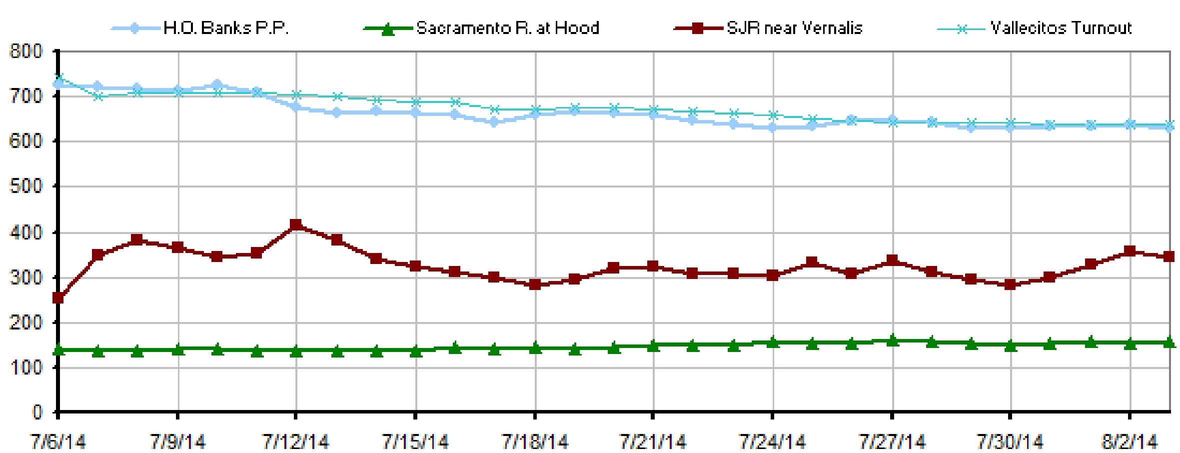


The graph below shows Zone 7's actual use of water supplies through July 31st and planned use for the remainder of the year. Zone 7 used a portion of its Table A in June (DWR allowed the use of up to 20% of 2014 Table A allocation before September 1st) and to use carryover through the first part of September. According to the latest banked water delivery schedule approved by DWR, Semitropic deliveries to Zone 7 will resume in September, resulting in a total delivery of 7,154 AF from Semitropic over 2014; note that some adjustments were made to Semitropic deliveries to Zone 7 for the period February through May 2014 and these are reflected below. Under this plan, there will be 3,700 AF of carryover as Zone 7 enters into 2015. Stored water from Cawelo and Semitropic in the fall will provide another 4,058 AF. Staff will continue to work with Cawelo, Semitropic, DWR, and other SWP contractors to secure deliveries of banked water this fall and into next year.



DWR monitors electrical conductivity as a surrogate for TDS (TDS is approximately equal to 0.58 times EC), which is posted as part of DWR's "Real Time Data and Forecasting" effort on the DWR website at http://www.water.ca.gov/waterquality/drinkingwater/rtdf_rprt.cfm:

Electrical Conductance (µS/cm)



Based on the DWR data, raw water to the treatment plants has total dissolved solids (TDS) around 370 mg/L. Typical TDS levels around this time of year are between 250 mg/L and 300 mg/L.

Higher TOC levels continue to impact treatment at the plants. With higher TOCs requiring more coagulants and more pH adjustments while generating more sludge. Powdered activated carbon (PAC) was also used over the last month at both treatment plants to help reduce the seasonal increase in geosmin and MIB levels.

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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ORIGINATING SECTION: GROUNDWATER SECTION
CONTACT: Colleen Winey/Matt Katen

AGENDA DATE: August 20, 2014 ITEM NO. **14g**

SUBJECT: Groundwater Management Program Annual Report

SUMMARY:
Staff has completed the Annual Report for the Zone 7 Groundwater Management Program for Water Year 2012-2013 (WY2012-13) covering the period from October 2012 to September 2013. The Report Summary is attached, and the full report is available on the Zone 7 website: www.zone7water.com. Highlights include:

- The Livermore Valley received about 78% of its average annual rainfall in WY2012-13, resulting in about 2,710 acre-feet (AF) of areal rainfall recharge (only 60% of average).
- Natural stream flow from fringe areas and rainfall runoff into streams resulted in about 2,330 AF of in-stream recharge to the Main Basin aquifers, while water releases from the South Bay Aqueduct into local arroyos resulted in about 7,890 AF of "artificial" recharge into the basin. Including an additional 5,600 AF of recharge from all other supply components, the total supply (inflow) into the Main Basin was 18,530 AF in WY2012-13.
- Groundwater pumping from supply wells, and for gravel quarry dewatering operations, and evaporation from quarry ponds, resulted in total groundwater demand (outflow) of 25,700 AF in WY2012-13.
- Based on the difference between Main Basin inflow and outflow, groundwater storage decreased by about 7,200 AF during WY2012-13. At the end of the water year, an estimated 210,000 AF of groundwater, or about 82% of total storage capacity, remained in the Main Basin.
- Zone 7 carefully monitors groundwater and ground surface elevations for excessive drawdown and evidence of localized land subsidence. Lowering static groundwater levels below historic low levels potentially increases the risk for groundwater-induced subsidence. Of the 210,000 AF of groundwater in storage at the end of the water year, about 82,000 AF remained above the historic low levels as operational storage, and no evidence of inelastic (permanent) subsidence was observed.
- The Main Basin's cumulative salt load decreased by approximately 3,500 tons in WY2012-13 with the Mocho Groundwater Demineralization Plant operations being responsible for almost 2,500 tons of the salt removed. Other groundwater pumping, without demineralization, accounted for the balance of the salt removed.
- Staff processed 158 well drilling permit applications, ensured that sufficient progress was being made on 58 contamination sites, and approved two commercial-use septic tank authorization requests in WY2012-13.
- Significant progress was made on the development of a Nutrient Management Plan for the update of Zone 7's Salt Management Plan in WY2012-13.

FUNDING: The Groundwater Management Program is funded from Fund 100 - Water Enterprise

RECOMMENDED ACTION: Information only

ATTACHMENTS: Executive Summary of the Annual Report for the Groundwater Management Program, 2012-13 Water Year

Executive Summary

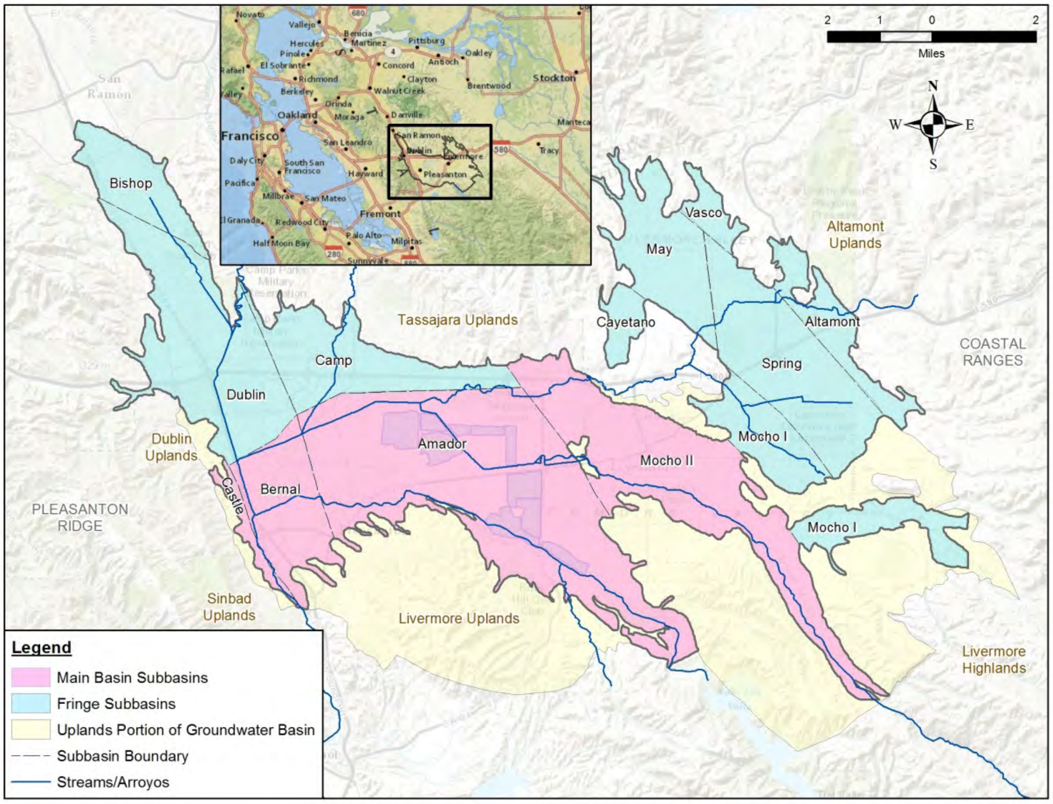
Introduction

The Annual Report for the Groundwater Management Program for the 2013 Water Year (October 2012 through September 2013), the format of which has changed significantly from previous years, summarizes this year's groundwater monitoring, evaluation, and management efforts in the Livermore Valley Groundwater Basin. Important results for each of the monitoring, evaluation, and management programs are summarized in this Executive Summary, while the details are provided in the following sections:

- Section 1.2: Hydrogeologic Setting
- Section 2.1: Climatological Monitoring
- Section 2.2: Surface Water Monitoring
- Section 2.3: Chain of Lakes Monitoring
- Section 2.4: Groundwater Monitoring
- Section 2.5: Subsidence Monitoring Program
- Section 2.6: Wastewater and Recycled Water
- Section 2.7: Land Use Monitoring Program
- Section 3.1: Groundwater Storage
- Section 3.2: Sustainable Water Supply
- Section 3.3: Sustainable Water Quality Management
- Section 3.4: Groundwater Model
- Section 3.5: Capital Projects

The programs presented in Chapter 2 and most of Chapter 3 are reported based on the Water Year (WY, October through September); however, due to other reporting obligations, the programs outlined in Section 3.2, Sustainable Water Supply, and Section 3.3.3, Groundwater Resource Protection Programs, are compiled and reported on a Calendar Year basis (CY, January through December).

Figure ES-1: Livermore Valley Groundwater Basin



Climatological Monitoring (Section 2.1)

For the 2013 Water Year (October 2012 to September 2013), rainfall in the Livermore-Amador Valley was about 78% of average, the second water year in a row with below-average rainfall. Rainfall was especially low for the 2013 Calendar Year (January to December 2013) at only 31% of the calculated average calendar year, a record low. Rainfall throughout the rest of Northern California for the Calendar Year was also at a record low at 27% of average.

Figure ES-2: Rainfall (Water Year Totals)

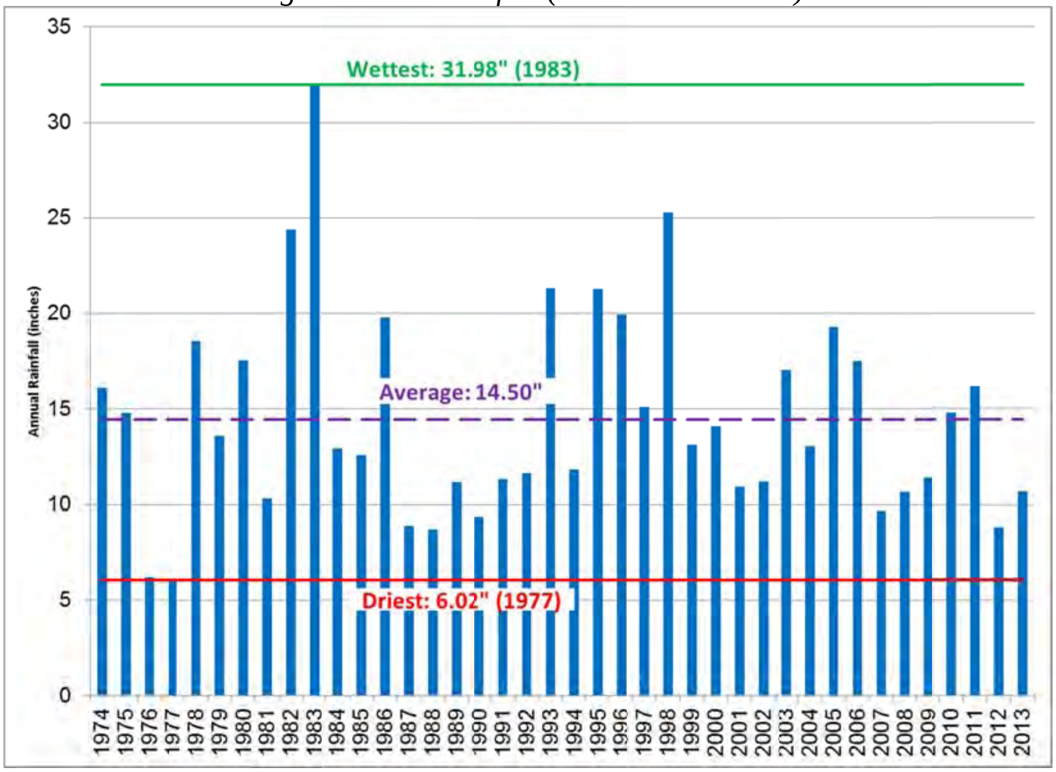
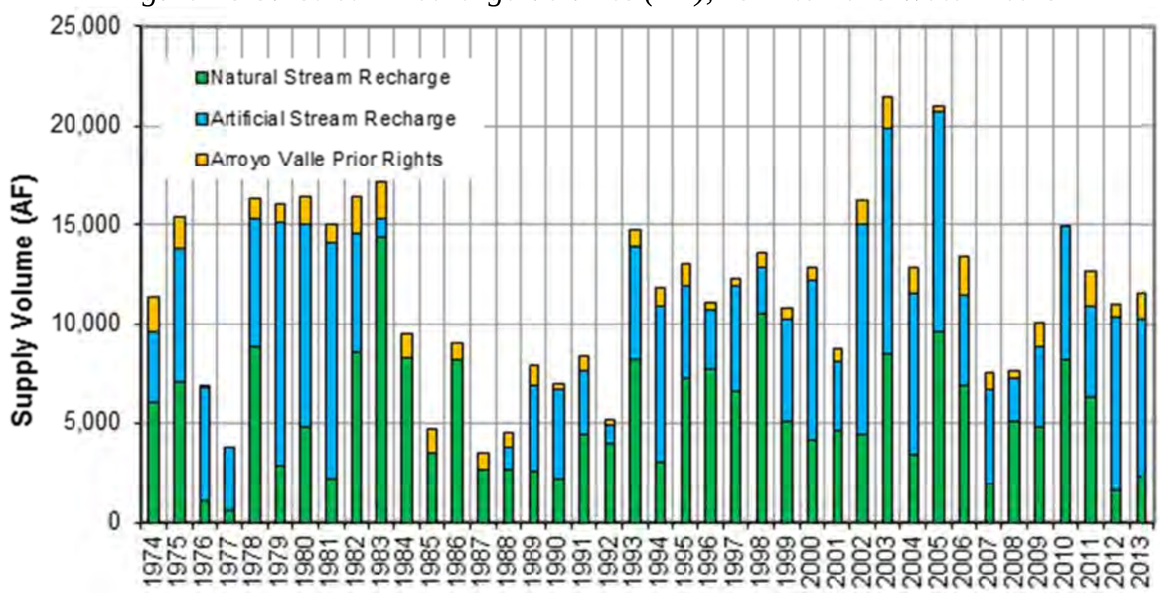


Figure ES-3: Stream Recharge Volumes (AF), 1974 to 2013 Water Years



Note: Water Years are tracked October of the previous year through September of the water year.

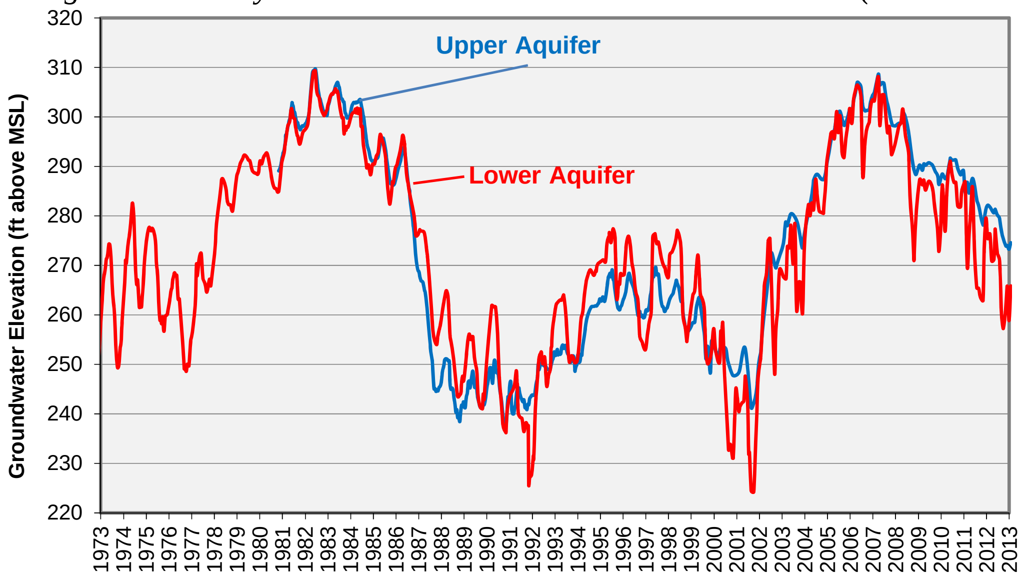
Surface Water (Section 2.2)

As a result of the low rainfall throughout Northern California, natural stream recharge into the groundwater basin was about 40% of average. To mitigate the lack of natural water supplies into the groundwater basin, Zone 7 increased artificial stream recharge; however, Zone 7's ability to maximize the recharge was limited by planned outages of the State Water Project's delivery system and stream channel restoration construction along the recharge streams. In addition much of the recharge was offset by gravel mining dewatering operations that pumped groundwater to various ponds and arroyos where much was lost to evaporation and basin outflow.

Groundwater Elevations (Section 2.4.2)

As is usually the case, 2013 Water Year (October 2012 through September 2013) groundwater levels varied with seasonal recharge and extraction; generally the highest water levels are found in spring, at the end of the rainy season, and lowest at the end of the high demand summer/fall seasons. In general, for the first quarter of the 2013 Water Year (October 2012 to December 2012), groundwater elevations rose due to rainfall, artificial recharge, and reduced pumping. However, during the second to fourth quarters of the 2013 Water Year (January 2013 through September 2013), groundwater elevations leveled off and then dropped as rainfall recharge decreased and water demand increased, especially during the summer and fall seasons. As a net result, water levels at the end of the water year generally dropped (up to 9 feet) in both the upper and lower aquifers. The exception was the wells in the Mocho II Subbasin, where groundwater levels rose up to 25 feet.

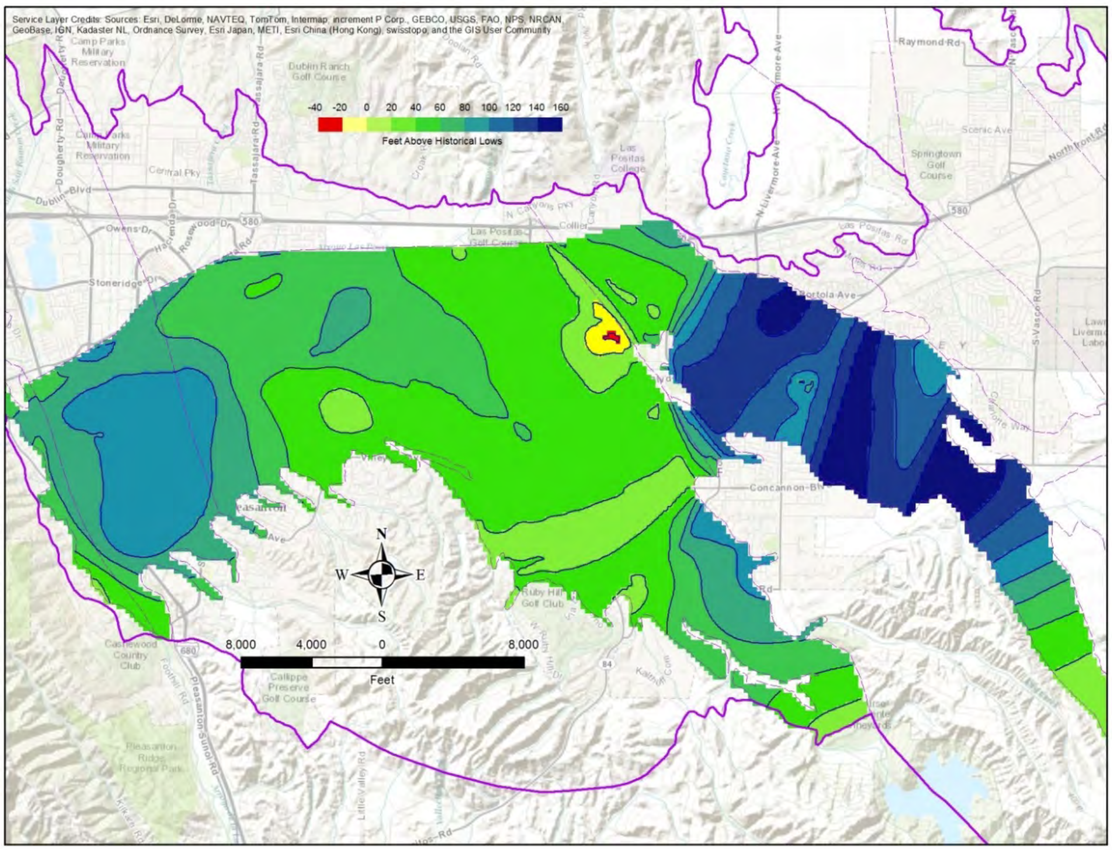
Figure ES-4: Key Well Water Levels in Amador West Subbasin (1973 to 2013)



Note: Water Years are tracked October of the previous year through September of the titled year.

In the lower aquifer, water levels in the vicinity of Zone 7's municipal wells were 38 to 82 ft above historical lows at the end of the water year. In the eastern part of the Amador Subbasin the groundwater elevation in one municipal well was about 20 ft below historical lows; however, it is possible that the water level in this well was not representative of a stabilized groundwater elevation. In the south-central portion of the Main Basin water levels ranged from 8 to 40 feet above historical lows.

Figure ES-5: Water Levels above Historical Lows (Fall 2013 Water Year [October 2012 through September 2013])



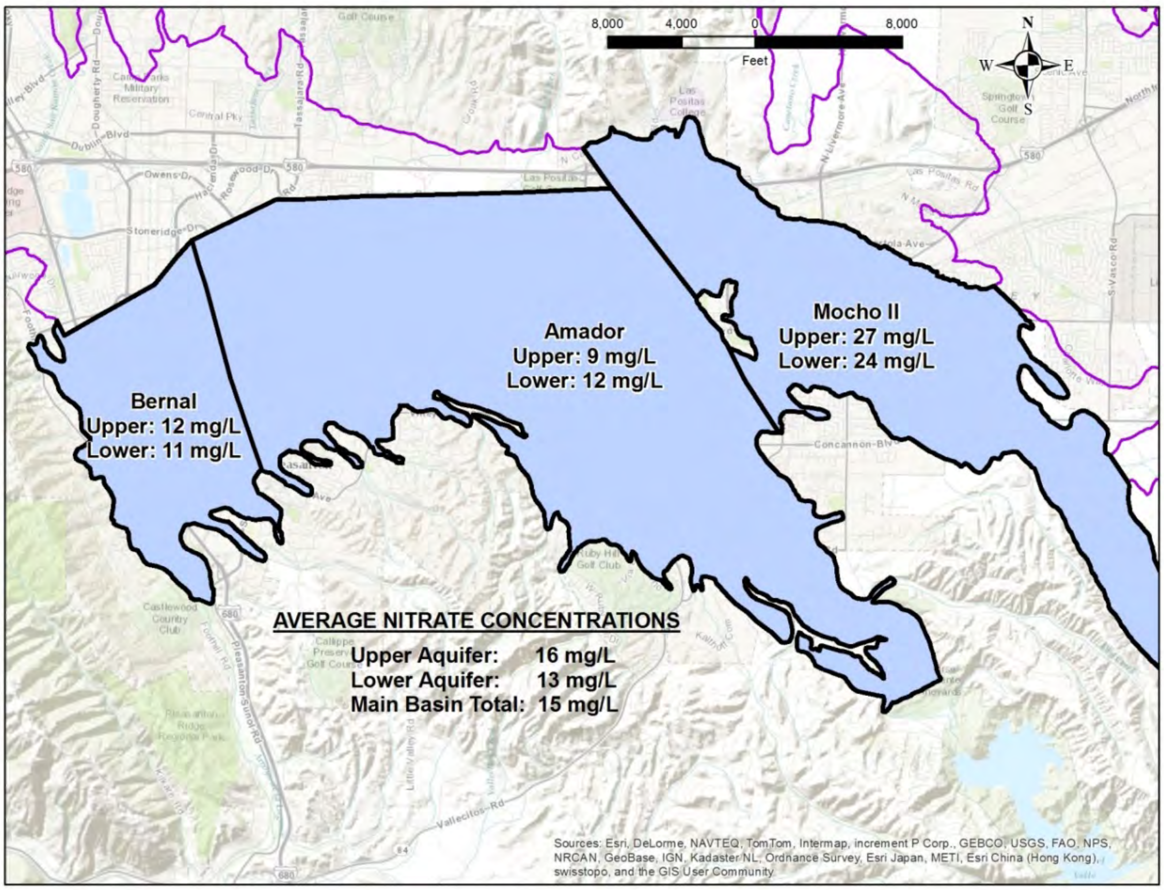
Groundwater Quality (Section 2.4.3)

Groundwater quality is generally good in the Main Basin. The main constituents of concern involved with meeting the Regional Water Quality Control Board's (RWQCB's) Basin Plan Objectives are salts (total dissolved solids [TDS]) and nitrate.

The calculated basin-wide average TDS concentration at the end of the 2013 Water Year (October 2012 through September 2013) was approximately 585 mg/L, with the upper aquifer averaging 647 mg/L and the lower aquifer averaging 509 mg/L. The Basin Plan objective is 500 mg/L for the Main Basin.

There are plume-like nitrate "hot spots" distributed across the Main and fringe basins, however the aquifer weighted basin-wide average nitrate concentration is 15 mg/L (as NO_3), well below the Basin Plan objective of 45 mg/L (*Figure ES-6*). The average nitrate concentration in the upper aquifer is approximately 16 mg/L, whereas the lower aquifer's nitrate concentration is 13 mg/L.

Figure ES-6: Average Nitrate Concentration by Subbasin (2013 Water Year [October 2012 through September 2013])

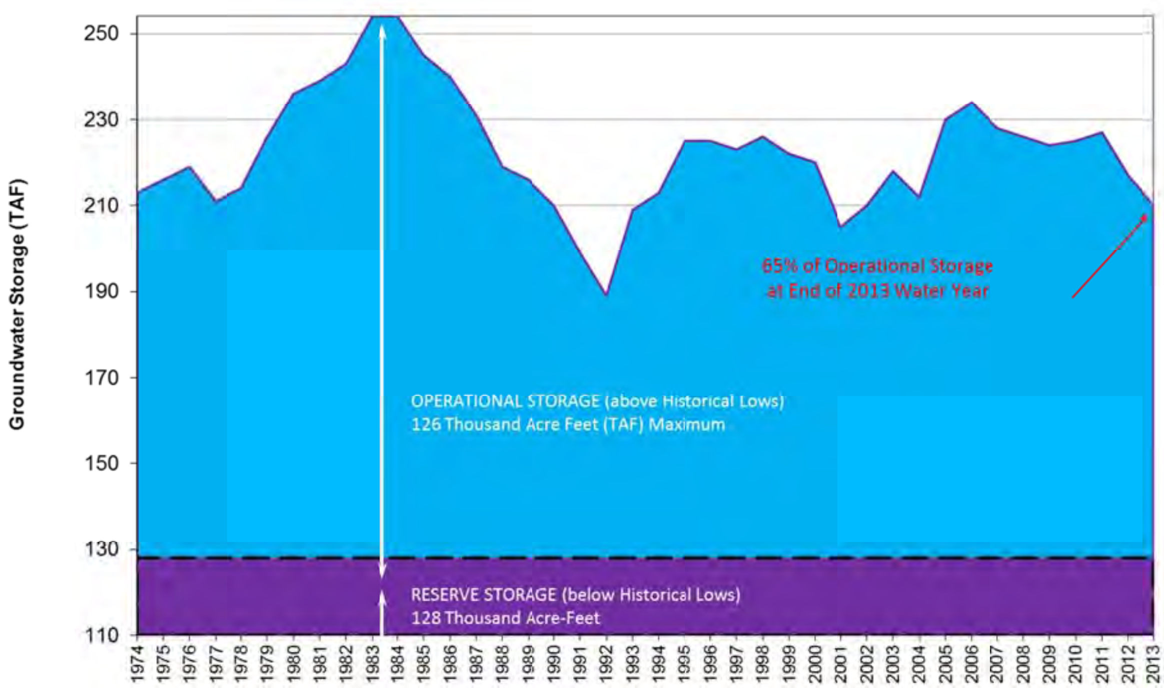


While there is no MCL for boron, it can become a problem for irrigated crops when it exceeds 1 or 2 mg/L, depending on the crop so the California Department of Health Services has a Notification Level of 1 milligram per liter (mg/L) for boron. Boron concentrations in the Livermore Valley are generally below 2 mg/L throughout the lower aquifers, but boron exists at elevated concentrations (up to 25.1 mg/L) in the upper aquifers in two main areas of the groundwater basin; in the eastern fringe basin area and along the boundary between the Main Basin and the Dublin and Camp fringe basins.

Groundwater Storage (Section 3.1)

During the 2013 Water Year (October 2012 through September 2013), groundwater supplies stored locally in the Main Basin decreased by approximately 7,000 acre-feet (AF). As a result 2013 Water Year ended with an estimated 200,000 AF of groundwater in total storage and 82,000 in operational (available above historical lows) storage. This represents about 65% of the Main Basin's operational storage capacity.

Figure ES-7: Groundwater Storage (1974 to 2013 Water Years)

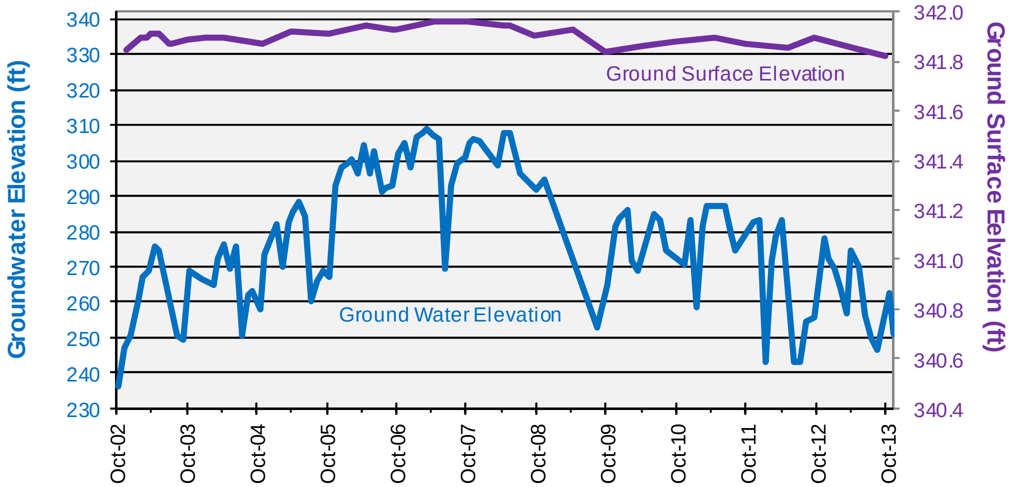


Note: Water Years are tracked October of the previous year through September of the water year.

Subsidence (Section 2.5)

As shown in *Figure ES-8*, land surface elevations showed localized decrease with a drop in the associated groundwater levels. However, there was no indication that inelastic subsidence occurred anywhere in the valley during the water year due to groundwater pumping.

Figure ES-8: Surface Elevation and Groundwater Levels at Mocho Wellfield



Wastewater and Recycled Water (Section 2.6)

In 2013 Water Year (October 2012 through September 2013), approximately 5,000 acre feet (AF) of the 20,000 AF of the wastewater produced in the Valley (about 25%) was recycled for irrigation projects: about 2,000 AF by the City of Livermore and about 3,000 AF by the Dublin San Ramon Services District (DSRSD). About 66% (about 1,300 AF) of the recycled water produced by the City of Livermore's Water Reclamation Plant (LWRP) was applied over the Main Basin; whereas the remainder of LWRP's and all of DSRSD's recycled water was applied on areas outside of the Main Basin, primarily on Fringe Basin areas.

Recycled water accounted for only 1.4% of the Main Basin's groundwater inflow component (i.e., recharging waters) in the 2013 Water Year but more importantly its use conserved up to 4,993 AF of groundwater storage, assuming that otherwise the irrigation demand would have been met with groundwater supplies. The recycled water from both wastewater plants met the State Department of Public Health "Title 22" water quality standards for irrigation uses during the 2013 Water Year.

Land Use Monitoring (Section 2.7)

For the 2013 Water Year (October 2012 through September 2013), the only major change in land use was the commercial and residential development of the El Charro Road area at Fallon Road just south of Interstate 580. Otherwise land use remained relatively unchanged from the 2012 Water Year (October 2011 through September 2012) and, in fact, remains very similar to the land use of the mid-2000s.

Chain of Lakes (Sections 2.3 and 3.2.5)

Mining activities continued for Vulcan Materials (formerly Calmat) and Cemex (formerly RMC and Lonestar). Vulcan Materials continued their mining in pit R24 (future Lake E). Cemex continued mining in pit P42, located just north of Arroyo Valle (in the future Lake B area). As a result of these mining operations, about 4,796 AF of groundwater were discharged to the Arroyo Mocho and subsequently flowed out of the Valley and approximately 700 AF of groundwater were lost during gravel processing. Evaporation from the mining ponds accounted for another 2,895 AF of groundwater loss. TDS concentrations in the mining area pits ranged from about 340 mg/L to over 1,400 mg/L, with the better water quality (lower TDS concentrations) found in the ponds that are intercepting groundwater and artificially recharged surface water. The higher TDS concentrations are found, for the most part, in the clay-lined ponds, where evaporation is concentrating the minerals in the water. In 2013, Zone 7 entered into an agreement with Vulcan Materials to extend the Vulcan discharge pipeline into Cope Lake to recapture groundwater pumped as part of Vulcan's mining operations. Under the new project, Vulcan will decant and convey surplus groundwater pumped from their active pits to Cope Lake, rather than discharging the water to the Arroyo Mocho where the majority would be lost as surface outflow to the Bay (as it was previously). A pipeline between Cope Lake and Lake I was also installed in May 2014 that will allow the discharged water to percolate into the groundwater basin.

Water Supply and Water Quality Management (Sections 3.2 and 3.3)

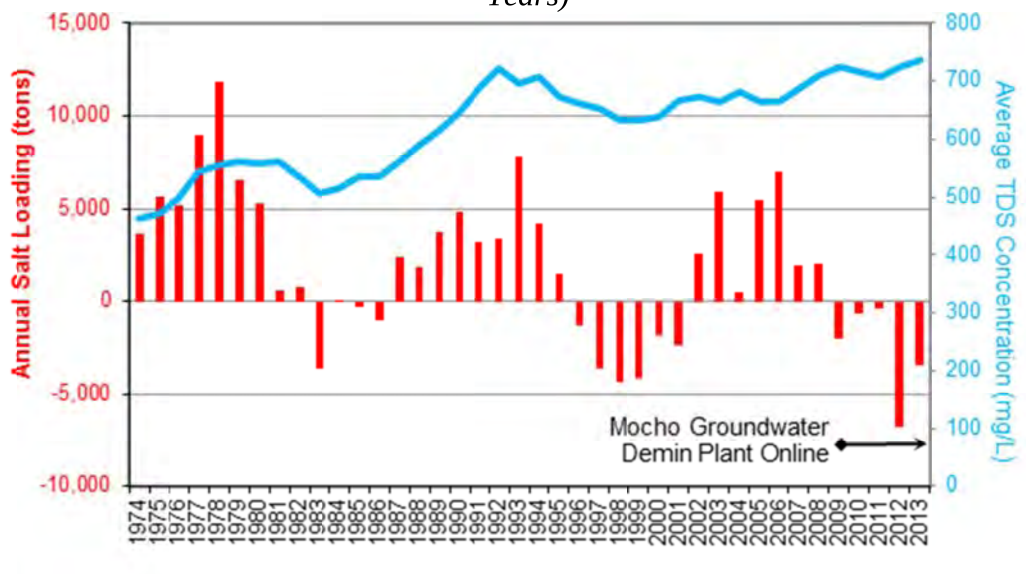
For the 2013 Calendar Year (January 2013 through December 2013) Zone 7 pumped 10,432 AF of groundwater; of which 575 AF was exported from the Valley to improve the salt balance as Mocho Groundwater Demineralization Plant (MGDP) brine and 29 AF was lost to outflow during well start-ups/purging; leaving 9,828 AF that was included in Zone 7's potable water production in 2013. This groundwater production represents 22% of Zone 7's total treated water production for 2013. Groundwater, including groundwater pumped by others, comprised about 39% of the total water used by the Valley in the 2013 Calendar Year.

For the 2013 Calendar Year, Zone 7's State Water Project (SWP) allocations were 65% of the Table A Contract Amount. Consequently, 40,800 AF of SWP water was imported into the Valley. Zone 7 released about 9,000 AF of this imported water to the local arroyos for artificial recharge and to satisfy conditions of its water rights permit.

At the end of the 2013 Calendar Year, Zone 7 carried-over about 200 AF of local water in Lake Del Valle, about 107,200 AF in out-of-basin groundwater banks (Semitropic at 82,000 AF and Cawelo at 25,200 AF), and about 18,000 AF as SWP carryover.

Hydrologic conditions and water operations in the 2013 Water Year (October 2012 through September 2013) resulted in a net calculated decrease of approximately 3,500 tons of salt from the Main Basin, after accounting for the 2,500 tons of salt removed by Zone 7's Mocho Groundwater Demineralization Plant (MGDP). Since 1974 and before Zone 7's MGDP began operating in 2009, approximately 84,275 tons of salt had been added to the Main Basin. This is equivalent to an average increase of about 2,400 tons of salt per year and a total theoretical TDS increase of about 260 mg/L since 1974. Since 2009, there has been a net reduction in Main Basin salts by approximately 13,378 tons of salt. However, during this same period, the theoretical basin-wide TDS increased by about 28 mg/L, due to several years of dry hydrologic conditions (especially in Water Years 2009 [October 2008 through September 2009], 2012 [October 2011 through September 2012], and 2013 [October 2012 through September 2013]).

Figure ES-9: Main Basin Salt Loading and Theoretical TDS Concentration (1974 to 2013 Water Years)



Note: Water Years are tracked October of the previous year through September of the water year.

Zone 7 is scheduled to complete an update to its 2004 Salt Management Plan (SMP) for the Livermore Valley Groundwater Basin in 2014. One purpose of the update is to add nutrient management considerations and constituents-of-emerging-concern (CEC) monitoring requirements to Zone 7's SMP to make it compliant with the State's 2009 Recycled Water Policy requirements for Salt/Nutrient Management Plans (SNMPs) (State Water Board, Resolution No. 2009-0011). The updated SMP will also assess the potential impacts of the water supply "portfolios" outlined in Zone 7's Water Systems Evaluation (Zone 7, 2011c) including salt loading impacts associated with increased recycled water use over the Main Basin, and evaluate the success of the salt management strategies recommended in the 2004 SMP to mitigate the Basin's net salt loading.

In 2013, Zone 7 calculated the current nitrate concentration (measured as NO_3) in each subbasin, aquifer, and the Main Basin as part of the SMP update. The average nitrate concentration for the Main Basin is 15 mg/L. All concentrations are well below the Basin Management Objective (BMO) (45 mg/L), however there are certain hotspots where the nitrate concentration does exceed the BMO. Preliminary nutrient loading calculations indicate that there is an overall net nitrogen loss from the Main Basin of about 28,000 tons per year.

Groundwater Protection (Section 3.3.3)

Zone 7 issued 158 drilling permits in the 2013 Calendar Year, eight more than were issued in the 2012 Calendar Year. Zone 7 permit compliance staff inspected approximately 40% of all permitted well work in the 2013 Calendar Year. The remainder was self-monitored, but with permit requirements that reports be submitted to Zone 7.

In the 2013 Calendar Year, Zone 7 tracked the progress of 58 active contamination cases where contamination has been detected in groundwater or is threatening groundwater. Fourteen of the sites are designated as “High Priority” because they have impacted or are an immediate threat to potable water supply wells or surface water. Ten of the high priority sites are fuel leak cases; the other four cases involve solvent contamination (tetrachloroethylene [PCE]). Seven contamination cases were closed during the 2013 Calendar Year, after they were determined to no longer pose a threat to drinking water. Alameda County Environmental Health (ACEH) is the lead agency overseeing the cleanup of all of the fuel leak sites. Generally, the RWQCB oversees solvent contamination cases; however, two of the solvent cases identified by Zone 7 have not been incorporated into the RWQCB’s case load because the responsible parties have not yet been identified. For these two cases, Zone 7 staff continues to work with the RWQCB to identify potentially responsible parties so that they can begin pursuing investigation and cleanup.

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