NOTICE OF REGULAR MEETING OF BOARD OF DIRECTORS

DATE: Wednesday, September 15, 2010

TIME: 7:00 p.m.

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

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

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

AGENDA

1. Call Meeting to Order

2. Salute to Flag

3. Citizens Forum

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

4. Minutes of the Special Meeting of August 11, 2010 and the Regular Meeting of August 18, 2010

5. Consent Calendar

   a) Amendment No. 6 to Contract with Meyers, Nave, Riback, Silver & Wilson to Provide Legal Services for Property Acquisition for the Altamont Project and Appropriation of Funds for FY 2010/11

   Recommended action: Adopt resolution approving item as presented.

6. Staffing Updates:

   a. New Employee Introduction
   b. Employee of the Month Recognition

7. Preliminary Treated Water Rate for 2011

   Recommended action: Continue to October 20, 2010 for adoption

8. Preliminary Untreated Water Rate for 2011

   Recommended action: Continue to October 20, 2010 for adoption.

9. Proposed 2011 Development Impact Fee – Municipal & Industrial Water Connection Fee

   Recommended action: Information only.

10. Hydrostratigraphic Investigation of Chain of Lakes Project Award of Construction Contract to Cascade Drilling, L.P., for Monitoring Well Installation, Project Number 208-11

Recommended action: Adopt resolution.

11. Sedimentation Study of Arroyo Mocho and Arroyo Las Positas

Recommended action: Adopt resolution.

12 Committees

a. Finance Committee of August 25, 2010 – Minutes attached.

13. Items for Future Agenda – Directors

14. Reports – Directors
   a. Written report by Director Quigley
   b. Verbal reports

15. Staff Reports (Information items. No action will be taken.)
   a. General Manager's Report
   b. Upcoming Public Outreach Activities
   c. Legislative Update
   d. Status Report on Separation Efforts
   e. Status of FY 2010/11 Conservation Activities
   f. Verbal Reports

16. CLOSED SESSION

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

b) Conference with Legal Counsel - Existing litigation pursuant to Subdivision (a) of Government Code Section 54956.9: 1 case
Alameda County Flood Control & Water Conservation District, Zone 7 v. Dennis Baca, et al., Alameda County Superior Court Case No. VG06292844

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

17. Open Session and Report Out of Closed Session

18. Adjournment

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

a) Delta Committee Meeting: September 29, 2010, 4:00 p.m.
b) Regular Board Meeting: October 20, 2010, 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.

ORIGINATING SECTIONS: WATER SUPPLY ENGINEERING
CONTACT: RHETT ALZONA/JARNAIL CHAHAL

AGENDA DATE: September 15, 2010 ITEM NO.

SUBJECT: Amendment No. 6 to Contract with Meyers, Nave, Riback, Silver & Wilson to Provide Legal Services for Property Acquisition for the Altamont Project and Appropriation of Funds for FY 2010/11

SUMMARY:

- Zone 7 has an existing contract (A05-30-MEY) with Meyers, Nave, Riback, Silver & Wilson ("Meyers Nave") in the amount of $294,000 to provide legal services in connection with property acquisition needs for the Altamont Water Treatment Plant and Pipeline Project (Altamont Project).
- The contract has been amended five times bringing the not-to-exceed total amount to $1,594,000 which includes eminent domain and trial services related to Zone 7 properties needed to complete the Altamont Project.
- There is one remaining property in which Zone 7 received an order of possession for permanent and temporary construction easements to construct the completed Altamont Pipeline - Livermore Reach.
- This amendment in the amount of $100,000 is required to continue providing legal services for the last remaining eminent domain trial.
- Staff recommends adoption of the attached resolution approving the appropriation of funds and authorizing the General Manager to negotiate and execute Contract Amendment No. 6.

FUNDING:

The project is funded from Fund 73 – Expansion. Since the trial services were anticipated to be completed in FY 2009\10, funds were not budgeted for this effort in fiscal year 2010/11. Un-appropriated funds in the amount of $100,000 are available in Fund 73 and must be appropriated to complete the project.

RECOMMENDED ACTION:

Adopt the attached resolution approving appropriation of $100,000 from Fund 73 –Expansion for FY 2010/11, and authorizing the General Manager to negotiate and execute Contract Amendment No. 6 with Meyers Nave for $100,000 for legal services for property acquisition activities for the Altamont Water Treatment Plant and Pipeline Project.

ATTACHMENTS:

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

Interoffice Memo

Date: September 15, 2010
To: Jill Duerig, General Manager
From: Rhett Alzona, Associate Civil Engineer, Water Supply Engineering
Subject: Amendment No. 6 to Contract with Meyers, Nave, Riback, Silver & Wilson to Provide Legal Services for Property Acquisition for the Altamont Project and Appropriation of Funds for FY 2010/11

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

BACKGROUND:

As part of Zone 7's Water Supply Planning Program Study (EIR certified in July 1999), a new water treatment plant was recommended to be constructed to provide Zone 7 with the combined treated water capacity to meet municipal and industrial needs through buildout. Subsequently, the Treated Water Facilities Master Plan (February 2000) identified an Altamont Water Treatment Plant (AWTP) Project and the associated transmission pipeline that would be needed to provide adequate treated water supply and reliability to current and future Zone 7 customers.

The AWTP was to be located off Dyer Road approximately 1.5 miles north from the Dyer Road /Altamont Pass Road intersection. The Altamont Pipeline (APL) is approximately eleven (11) miles in length and up to 48-inches in diameter. This pipeline is intended to tie the AWTP to the Zone 7 water distribution system.

The APL was broken into two phases, the Altamont Pipeline Livermore Reach (APLLIV) and the Altamont Pipeline County Reach (APLCO). APLLIV was constructed to increase Zone 7's reliability to meet demands in the east when the South Bay Aqueduct (SBA) is shut down or has limited output such as during periods when fish habitat in the Delta needs to be protected. APLLIV was completed in August 2009 and is operational. With the larger capacity that minimizes head losses, APLLIV allows the transfer of water from the west side supplies (Zone 7 municipal wells and DVWTP) to the east side of the Zone 7 transmission system, providing additional reliability to the east side in the case of Patterson Pass Water Treatment Plant outages. APLLIV provides another loop in the transmission system by connecting to Zone 7's existing 36-inch Cross Valley Pipeline near Kittyhawk Road in Livermore and 18-inch Vasco Pipeline located in Vasco Road, in Livermore.

DISCUSSION:

Zone 7 entered into a contract with Meyers Nave on June 6, 2005 for $294,000 for legal services in connection with the property acquisition for the Altamont Water Treatment Plant and Pipeline Project (Altamont Project). The original scope included the appraisal process and set up for the eminent domain process. This included the management of the right of way and property acquisition phase of the Altamont Project, including but not limited to retaining, monitoring and supervising appraisers and right-of-way consultants, preparing necessary purchase and sale agreements and/or other necessary legal documentation relating to acquisition of 27 property interests.

The eminent domain proceedings have involved drafting voluminous legal pleadings and documents, court appearances, extensive negotiations with property owners and their legal counsel, depositions of experts, other discovery related activities, and, in limited cases, trial appearances.

The contract has been amended five times to include the eminent domain proceedings and trial services including coordination with the DWR for their eminent domain case related to Dyer Reservoir. The following table shows the timeline for the contract amendments:

Action	**Date**	**Amount**	**Total Contract Amount**
Original Contract	6-6-05	$294,000	$294,000
Amendment 1	7-27-05	$150,000	$444,000
Amendment 2	11-27-06	$350,000	$794,000
Amendment 3	2-7-08	$200,000	$994,000
Amendment 4	4-17-08	$400,000	$1,394,000
Amendment 5	12-18-08	$200,000	$1,594,000
Proposed Amendment 6		$100,000	$1,694,000

There is only one remaining property in which a settlement has not been reached. Zone 7 obtained a court order of possession for a permanent easement and temporary construction easement for the Altamont Pipeline Livermore Reach. Amendment 6, estimated in the amount of $100,000, is required for trial related services in order to complete this eminent domain case. Since the trial services were anticipated to be completed in FY 2009\10, funds were not budgeted for this effort in fiscal year 2010/11. Un-appropriated funds in the amount of $100,000 are available in Fund 73 and must be appropriated to complete the project.

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO

INTRODUCED BY
SECONDED BY

BE IT RESOLVED that the Zone 7 Board of Directors of Alameda County Flood Control and Water Conservation District does hereby approve appropriation of $100,000 from un-appropriated funds available in Fund 73 –Expansion for FY 2010/11 for the Altamont Water Treatment Plant and Pipeline Project.

BE IT FURTHER RESOLVED that the General Manager be authorized to negotiate and execute Amendment No. 6 to Contract No. A05-30-MEY, with Meyers, Nave, Riback, Silver & Wilson increasing the contract amount by $100,000 for a total not-to-exceed contract amount of $1,694,000 for additional legal services for the Altamont Water Treatment Plant and Pipeline Project.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

September 15, 2010____________________________

By____
President, Board of Directors

ORIGINATING SECTION: HUMAN RESOURCES
CONTACT PERSON: TOM HUGHES

AGENDA DATE: September 15, 2010 ITEM NO.

SUBJECT: New Employee Introduction

SUMMARY:

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

Daren Putman, Water Quality Laboratory Technician

Daren Putman joined Zone 7 on August 23^{rd} as a Water Quality Laboratory Technician in the Water Quality Section at Del Valle Water Treatment Plant, reporting to Gurpal Deol. Daren has a Bachelor's Degree in Environmental Sciences and Resource Management from Cal State University Channel Islands in Camarillo, CA. He also has several years of field technician experience in various industries, most recently for Phoenix Fire Systems in Chicago, Illinois.

Please join us in welcoming Daren to the Zone 7 team!

RECOMMENDED ACTION:

Information only.

ORIGINATING SECTION: HUMAN RESOURCES
CONTACT PERSON: TOM HUGHES

AGENDA DATE: September 15, 2010 ITEM NO:

SUBJECT: Employee of the Month Recognition

SUMMARY:

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

Tom Pico, Human Resources Analyst II, has been chosen from among those nominated as the July 2010 Employee of the Month. Tom works in the Human Resources and Safety Section at the North Canyons Facility. According to the recommendation received by the committee, Tom does an outstanding job to help staff solve difficult problems. The recommendation goes on to say that Tom is persistent, demonstrates initiative, and is professional in pursuit of his work. Tom is complimented for finding ways to cut the red tape of County bureaucracy for individual employees and for the Agency as a whole, which is much appreciated.

RECOMMENDED ACTION:

It is recommended that the Zone 7 Board of Directors recognize and congratulate Tom Pico as July 2010 Employee of the Month.

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

ORIGINATING DIVISION: Finance and Business Services
CONTACT PERSON: Tamara Baptista/John Yue

AGENDA DATE: September 15, 2010 ITEM NO: 7

SUBJECT: **Preliminary Treated Water Rate for 2011**

SUMMARY:

- On August 25, 2010, the Finance Committee met for a staff presentation of the preliminary treated water rates for calendar year 2011.
- The Finance Committee discussed the alternatives presented and directed staff to forward for the Board's discussion a recommendation of no increase for 2011.
- Staff has prepared a report and presentation recommending a water rate of $878 per acre-foot for calendar year 2011, which is a 0% increase.

FUNDING:

The water rate determines the amount of revenue from water sales to operate the Water Enterprise (Fund 52). The proposed treated water rate for 2011 at $878 per acre-foot equates to revenue of $33.4 million if the projected demand of 38,016 acre-feet for the year is realized.

RECOMMENDED ACTION:

Receive the presentation, discuss the preliminary treated water rate recommendation and give direction to staff to finalize the 2011 treated water rate for adoption at the October 20, 2010 Board meeting.

ATTACHMENT:

Letter from Dublin San Ramon Services District to the Zone 7 Board of Directors

MEMORANDUM

DATE: September 15, 2010
TO: Jill Duerig, General Manager
FROM: Tamara Baptista and John Yue
SUBJECT: **Preliminary Treated Water Rates for 2011**

SUMMARY:

On August 25, 2010, the Zone 7 Finance Committee received staff's presentation of the preliminary treated water rate for calendar year 2011. Three water rate alternatives were presented with increases over the current 2010 rate of $878 per acre-foot (AF) ranging from 4.5%, 2.0% and 0%, or no increase. Representatives of the Tri-Valley Water Retailers Group (TWRG) were in attendance and the Finance Committee heard their respective comments. After discussions, the Committee supported the 0% alternative, directing staff to forward a recommendation of maintaining the treated water rate at $878 per AF for 2011 to the Board for consideration. Prior to the Finance Committee meeting, a pre-meeting with the TWRG was held on August 17, 2010 to discuss the elements of the Finance Committee presentation.

DISCUSSION:

The Agency must generate sufficient revenue from water sales to be able to accomplish its mission of providing a reliable, high quality water supply to meet the demands of its customers. The Board of Directors annually sets the treated water rate at a level to sufficiently provide the resources to address this objective. The proposed water rate for 2011 of $878 per AF is the same as the 2010 calendar year rate.

Development of the required water rate takes into consideration the following elements: estimated water sales revenue, estimated operating expenses for fiscal year 2010/11 and fiscal year 2011/12 (based on a preliminary budget), and the funding needs to support Renewal and Replacement/System-wide Improvements.

Estimated Revenue and Funding Need Assumptions

Water Sales Revenue: Water sales to the cities of Pleasanton and Livermore, Dublin San Ramon Services District and California Water Service Company make up the bulk of the Agency's sales volume. Water sales are projected based on retailers' five-year water delivery requests received in August 2010. The retailers submitted their projections with and without conservation. For 2011, the retailers' total delivery requests assuming conservation were 42,715 AF. Staff reduced the retailers' estimate by 11% resulting in a projected delivery of 38,016 AF (or 89% of retailers' requests) in 2011. For fiscal year ending June 30, 2010, actual deliveries were 81% of retailers' requests.

Operating Expenses: The projected fiscal year 2010/11 operating expense of $33.6 million is a $5.4 million increase over fiscal year 2009/10 unaudited actuals. The increases are primarily due to the full-year operations and maintenance of the Mocho Demineralization program which ran only partially in the previous year ($1 million), increasing chemical costs due to higher surface water needs ($1.2 million), Bay Delta related expenses ($0.2 million), maintenance ($0.6 million), County services costs ($0.1 million), professional services ($0.2 million), utilities ($0.1 million), water purchases from the State Water Project ($1.5 million), computers/server/software license replacements ($0.3 million), election expense ($0.2 million), and administrative costs ($0.5 million). These increases are offset by decreases in personnel (-$0.4 million) and capital equipment (-$0.1 million) costs. The overall planned increased use of surface water in fiscal year 2010/11 (as it is expected to be available) for treatment plant processing and re-charge of the groundwater basin, and DWR retroactive true-up billing, would have increased water costs by $3.1 million if not for the appropriate application of DWR Fixed Costs ($1.6 million) to the 2011 property tax rolls and the Dougherty Valley Standby Charge which was previously projected in the water expenses. The estimated average monthly impact to property owners in Alameda County and Dougherty Valley are $1.75 and $1.09 respectively. Without this correction, the water rate increase would have been 4% to 5% higher.

In the preliminary budget for fiscal year 2011/12, an operating expense of $32.3 million is projected to decrease $1.4 million from the projected fiscal 2010/11 expenses. The change is primarily the result of decreasing operations and maintenance costs for the Mocho Demineralization program (-$0.2 million), and utilities (-$0.3 million), lower maintenance (-$0.3 million), water (-$1.0 million) and BDCP (-$0.2 million), offset by increasing personnel ($0.8 million) and chemical ($0.3 million) costs. Further cost savings are realized by a shift to in-house staff from outsourcing maintenance work.

Capital Contribution: An Asset Management Program (AMP) study, completed in 2004, recommended a ramp up in annual capital funding from $4 million to $10 million for Renewal and Replacement/System-wide Improvements projects, however, recent contributions have amounted only to approximately $5 million annually. While the current planning estimates assume that the annual target of $10 million is reached in fiscal year 2013/14, an update of the AMP study with retailers` participation, and assessment of the annual funding recommendation, is underway. It is projected to be completed sometime in the first quarter of 2011, well in time for the information to be used in evaluating the 2012 water rate.

The pro-forma expenses provide for a contribution from water rate revenues to the Renewal and Replacement/System-wide Improvements Fund. The capital contribution proposed for fiscal year 2009/10 is $5.3 million. The capital contribution recommended for fiscal years 2010/11 is $5.4 million and 2011/12 is $5.0 million.

Reserves: Under the 0% - No Increase for 2011 water rate scenario, the projected fiscal year 2009/10 ending fund balance totals $20.0 million, comprising of $5.0 million of Rate Stabilization (RS) reserves, $5.6 million in operating reserves and $9.3 million in undesignated reserves. For fiscal year 2010/11, staff is recommending the use of $4.5 million of reserves to achieve the 0% increase. The projected fiscal year 2010/11 ending fund balance totals $15.4 million, comprising of $5.0 million of RS, $8.5 million in operating reserves, which includes $1.1 million for soft hiring freeze reserves and $0.7 million for other cost savings reserves, and $1.9 million in undesignated reserves. For fiscal year 2011/12, use of $0.9 million undesignated reserves is projected, resulting in a projected fiscal year 2011/12 ending fund balance that totals $14.5 million, comprising of $5.0 million of RS, $8.5 million in operating reserves which includes $1.7 million for soft hiring freeze reserves and $0.3 million for other cost savings reserves, and $1.0 million in undesignated reserves.

Water Rate Scenario Alternatives

Staff prepared three scenarios, using similar Revenue and Funding Need assumptions, with water rate increases ranging from a high of 4.5% to a low of 0%. The 2011 Water Rate Alternatives Summary attachment summarizes the three scenarios and associated effects on use of reserves, capital contribution and water rates. Alternative 1, with a 4.5% increase in the 2011 water rate, provides for a steady adjustment of water rates needed to meet funding needs over the analyzed time horizon; Alternative 2, with a 2.0% increase in 2011, maximizes the use of available reserves at the expense of higher increases as funding needs grow; Alternative 3, with a 0% increase in 2011, uses most of the available reserves in 2011 at the expense of much higher increases in the following two years.

Retailers and Finance Committee

Retailers attending the August 17, 2010 meeting expressed interest in Alternative 3 (0% increase) over other alternatives. Discussions focused on the capital contributions ramping up from the current $5+ million to $7+ million in 2012, and $10+ million in 2013 as a cause of steep water rate increases in subsequent years. Some retailers suggested deferring the ramp up for one year to keep 2012 rates lower. Another suggestion was to adopt a two-year rate plan to provide more stability. At the August 25, 2010 Finance Committee meeting, the retailers again commented that they "liked" Alternative 3 with similar suggestions on future capital contribution amounts and adoption of a rate plan. Director Moore summarized the discussion expressing that the agency is not prepared to adopt a two-year rate plan now and that once the AMP study is updated, he does not foresee the 8.5% increase projected for 2012 but instead something lower. The Committee motioned and passed on an action to recommend Alternative 3 - 0% or No Increase to the full Board.

In-Lieu Water Rate

In the event there is surplus surface water in 2011, staff has updated the in-lieu treated water rate. In-lieu water is treated water that the Retailers can purchase from Zone 7 instead of pumping their respective Groundwater Pumping Quota (GPQ). This rate was established in 1993 to encourage artificial recharge when surplus surface water is available. The rate is based on the power and chemical costs at Del Valle and Patterson Pass Water Treatment Plants and is $98 per AF for 2011.

Please note that the water rate assumptions are based on best available information; however should the hydrology and water demand projections change significantly, the need to return to the Board with mid-year rate adjustments is possible.

RECOMMENDED ACTION:

Receive the presentation, discuss the preliminary treated water rate recommendation and give direction to staff to finalize the 2011 treated water rate for adoption at the October 20, 2010 Board meeting.

DUBLIN SAN RAMON SERVICES DISTRICT

7051 Dublin Boulevard
Dublin, California 94568
Phone: 925 828 0515
FAX: 925 829 1180
www.dsrsd.com

September 7, 2010

Mr. John Greci, President and Board of Directors
Zone 7 Water Agency
100 N. Canyons Parkway
Livermore, CA 94551

Dear President Greci and Members of the Board:

The District has been informed that your Finance Committee will be making a recommendation to the full Board to have a zero percent rate increase for 2011. We support that recommendation and commend the Zone on its continuing efforts to control costs in order to minimize rate impacts on the Tri-Valley residents.

We also would like to thank you for allowing staff to work with the Tri-Valley Water Retailers in advance of the Finance Committee meeting. At the staff level meeting, a suggestion was made to have the Zone consider adopting a multi-year rate plan much like the retailers do. This would demonstrate the Zone's continued commitment to long-term fiscal planning, would increase efficiencies and would provide valuable information to the community about the long-term cost of water. We urge the Zone to consider a multi-year rate plan after the Asset Management study is completed and decisions are made about how to fund long-term system replacements and improvements.

Sincerely,

JEFFREY G. HANSEN
President, Board of Directors

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ORIGINATING DIVISION: Finance and Business Services
CONTACT PERSON: JaVia Green and Tamara Baptista

AGENDA DATE: September 15, 2010 ITEM NO:

SUBJECT: **Preliminary Untreated Water Rate for 2011**

SUMMARY:

- The Untreated Water Rate is based on the cost of State Water Project water transportation variable charges, Byron-Bethany Irrigation District (BBID) water, Del Valle Water Rights, Yuba Dry Year Water Purchase Program, Bay-Delta related costs and an administrative fee based on actual staff costs.
- A rate of $97 per Acre-Foot (AF) is being proposed for 2011.

BACKGROUND/DISCUSSION:

Since 1962, Zone 7 has delivered untreated water via the South Bay Aqueduct (SBA) to untreated water customers for irrigation purposes. The rate is set based on the cost of acquiring the untreated water, Bay-Delta related costs and an administrative fee. The administrative fee calculation is based on the actual time staff spends on the untreated water program and the actual water usage. A program developed by staff tracks and monitors water usage by individual contractors. This program report is part of the Annual Water Operations Report.

The proposed rate of $97 per AF represents a decrease of approximately 43% compared to the current rate. The decrease is primarily due to a reduction in the Department of Water Resources (DWR) fixed costs, lower per unit estimates by DWR for the cost of transporting water because of a rate management credit of $704,000 applicable to both treated and untreated customers, a reduction in the Delta Water charge and lower Zone 7 administrative costs. The attached table lists DWR's costs and other components used to determine the untreated water rate.

RECOMMENDED ACTION:

Discuss the proposed untreated water rate and continue the matter to the October 20, 2010 meeting to set the untreated water rate for 2011.

Zone 7 Water Agency
Preliminary Untreated Water Rate
Calculations for 2011

1) Volume of Treated and Untreated Water to be Delivered to Contractors (in AF)		**42,301**
Water Costs	**Dollar Amt**	**per AF**
2. Byron Bethany Irrigation District (BBID) Costs	$681,350	$16.11
3. Yuba Dry Year Water Purchase Program	$40,000	$0.95
4. Del Valle Water Rights	$3,000	$0.07
5. Unit Fixed Cost (2+3+4) ÷ (1)	$724,350	$17.13
6. SWP Transportation Variable Unit Cost	$2,092,003	$49.46
7. Subtotal Unit Cost (5+6)	$2,816,353	$66.59
8. Zone 7 Staff costs ($133,063 ÷ 38,016AF + $15,342 ÷ 4,285 AF)	$299,514	$7.08
9. Delta Charge	$968,452	$23.00
10. Total Unit Cost (6+7+8 rounded to nearest dollar)	$4,103,182	$97

ORIGINATING SECTION: FINANCIAL AND SYSTEM SERVICES/WATER SUPPLY ENGINEERING
CONTACT: JAVIA GREEN/JARNAIL CHAHAL

AGENDA DATE: September 15, 2010 ITEM NO.

SUBJECT: Proposed 2011 Development Impact Fee - Municipal & Industrial Water Connection Fee

SUMMARY:

- Zone 7 established the Municipal & Industrial (M&I) Connection Fee Program in 1972 to assess water connection fees to new development in order to fund water system expansion projects required to serve additional water demands from new development.

- The Board resolved with the adoption of the 2002 Connection Fee (Resolution No. 02-2450), that the basic fee be updated annually, at a minimum, based on the Engineering News Record Construction Cost Index (ENRCCI), or as warranted to keep current with inflation.

- At the October 20, 2010 Zone 7 Board of Directors meeting, staff will recommend adjusting the current Water Connection Fee by 3.2%, which is the change in the 20-City ENRCCI from September 2009 to September 2010. The resulting fees will be $22,230 for a 5/8-inch connection within the Zone 7 service area and $20,580 for the Dougherty Valley service area.

- No action is required at this time as this item is for information only. Further action will be recommended at the October 20, 2010 Board of Directors Meeting.

FUNDING:

Water connection fee revenue accrues to Fund 73 – Expansion.

RECOMMENDED ACTION:

Information only.

ORIGINATING SECTION: GROUNDWATER PROTECTION AND PROJECTS
CONTACT: MATT KATEN

AGENDA DATE: SEPTEMBER 15, 2010 **ITEM NO.**

SUBJECT: Hydrostratigraphic Investigation of Chain of Lakes Project Award of Construction Contract to Cascade Drilling, L.P., for Monitoring Well Installation, Project Number 208-11

SUMMARY:

- On May 10, 2010, the Department of Water Resources' (DWR) and Zone 7 entered into a grant agreement as part of the Local Groundwater Assistance Program. The grant will provide Zone 7 with up to $250,000 of the estimated $278,000 project cost for the investigation.
- The Project will investigate the potential for future gravel quarry pits, Lakes C and D, to be effective as aquifer recharge basins when mining is completed. The information will be used in the development of Zone 7's Chain of Lakes Master Plan.
- The proposed project scope includes drilling one 600-foot deep borehole south of Stanley Boulevard; performing geophysical surveys in the borehole; constructing one multi-level piezometer cluster to monitor water levels and conducting up to three aquifer pumping tests to assess aquifer connectivity.
- In July, Zone 7 advertised for contract services for the drilling, borehole geophysics, and well construction and on July 28, 2010, bids were received from two bidders.
- A bid protest was submitted by WDC Explorations, and on August 18, 2010, Zone 7's Board authorized the project, approved the plans and specifications for the project and rejected all bids.
- Zone 7 re-advertised the project and on September 2, 2010, bids were received from two bidders.
- The lowest responsive and responsible bidder is Cascade Drilling, L.P. at $96,186.00; which is $13,116 less than the previously rejected low bid.
- To comply with CEQA, Staff filed a Notice of Exemption with the County following project authorization by the Board.

FUNDING:

The amount of this contract is $96,186.00. The total project cost is estimated at $278,000. The grant program will reimburse up to $250,000, including 100% of the drilling contract work. The remaining Zone 7 costs will be funded by Fund 73 - Expansion.

RECOMMENDED ACTION:

Consider bids for the construction of the Monitoring Well Installation for Hydrostratigraphic Investigation of Chain of Lakes Project and adopt the attached resolution to:

- Accept and award a contract to Cascade Drilling, L.P. as the lowest responsive and responsible bidder for the bid amount of $96,186.00;
- Authorize the General Manager to prepare the contract and bond forms for review and approval by the General Counsel;
- Authorize the General Manager to execute the Contract with Cascade Drilling, L.P.; and
- Authorize the General Manager to issue change orders as and when required by the contract for an amount not-to-exceed $9,618.60 (10% of contract amount).

ATTACHMENTS:

- Memo providing additional background and discussion of the above referenced Agenda Item.
- Figure 3: Project Map Showing Locations of Proposed and Existing Cross Sections
- Zone 7 Board Resolution

Interoffice Memo

Date: September 15, 2010
To: Kurt Arends, Assistant General Manager
From: Matt Katen, Principal Geologist and Cheryl Dizon, Assistant Civil Engineer
Subject: **Hydrostratigraphic Investigation of Chain of Lakes Project**
Award of Construction Contract to Cascade Drilling, L.P.,
For Monitoring Well Installation, Project Number 208-11

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

BACKGROUND:

On May 10, 2010, the Department of Water Resources' (DWR) and Zone 7 entered into an agreement as part of the Local Groundwater Assistance Program for Zone 7 to receive a grant. The grant, which will be provided by the State of California Proposition 84 funds administered by the DWR, will provide Zone 7 with up to $250,000 of the estimated $278,000 project cost for groundwater investigation.

The Project will investigate the potential for two future gravel quarry pits (Lakes C and D) to be effective as aquifer recharge basins when mining has been completed. The study will focus on determining the stratigraphic and hydrologic conditions west of Lakes C and D to evaluate the potential for surface water to percolate and subsequently recharge the aquifers tapped by Zone 7's down-gradient municipal supply wells.

This study will build on a 2004 study conducted by Norfleet Consultants that developed stratigraphic cross-sections for the Lakes H and I area. In that study, the authors questioned the effectiveness of Lakes H and I to recharge the lower aquifers given the multiple fine-grained stratigraphic units that were mapped beneath Lake H and I. Other data suggests that these fine-grained units thin or "pinch-out" to the east; towards future Lakes C and D. Borehole geophysical and driller's logs from new and existing wells will be used to extend the previously-drawn cross-sections to the future Lakes C and D area to assess whether these lakes would be more effective for recharging the lower aquifer zones.

The project includes the drilling and geophysical logging of one new borehole, and the installation of a triple-level monitoring well cluster nested in that same borehole. Besides providing stratigraphic information, the new well cluster will allow for the monitoring of groundwater drawdown impacts near the future Lakes C and D in response to intermittent pumping from various existing wells located downgradient of the monitoring well; a response is an indication of hydrogeologic connectivity. Data collected from the monitoring well cluster should also improve our understanding of groundwater gradients (elevation and quality) and groundwater velocities between the lakes and wellfields, as well as vertically between aquifers.

Staff has determined that the nested monitoring well installations are categorically exempt from CEQA review under Article 19, Section 15303, "New Construction or Conversion of Small Structures" and Section 15306, "Information Collections" because it consists of the "installation of small new equipment" and will be used for "data collection" and "resource (groundwater) evaluation" purposes, as referenced in Sections 15303 and 15306 of the CEQA guidelines, respectively. A Notice of Exemption has been filed with the County.

CONSTRUCTION CONTRACT AWARD

On August 18, 2010, Zone 7's Board approved the project and the plans and specifications for the well installation work. The scope-of-work for this initial phase of the project includes:

- Drilling one 600-foot deep borehole south of Stanley Boulevard;
- Performing geophysical surveys in the borehole;
- Constructing a nested three-level piezometer to monitor water levels and responses to intermittent pumping conducted in other wells.

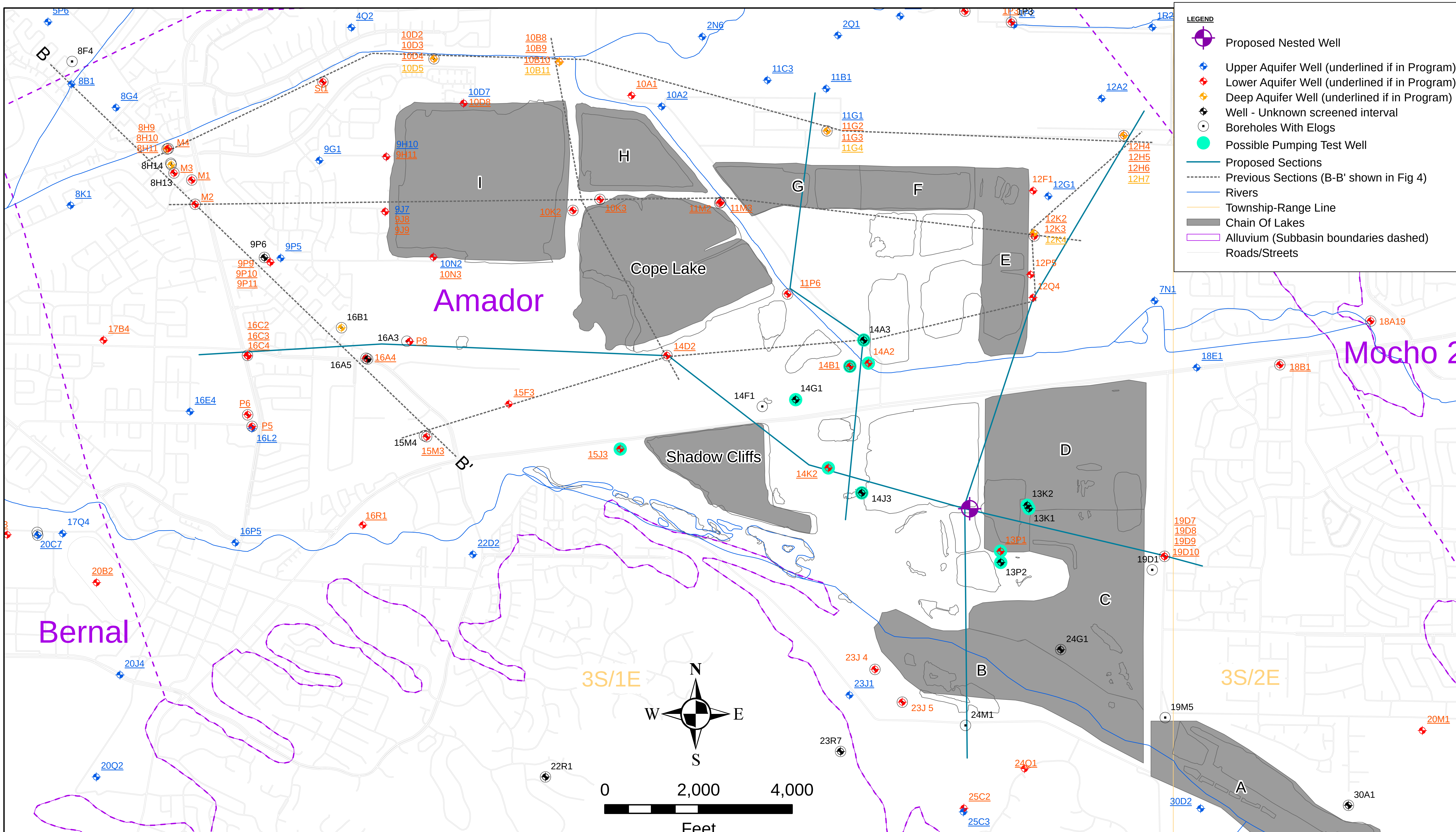
Previously, in July 2010, Zone 7 advertised for contractual services for the drilling, borehole geophysics, and well construction portion of the field work, and on July 28, 2010, bids were received from two bidders. A bid protest was subsequently submitted by one of the bidders over an inadvertent clerical error. Along with approving the plans for the project at the August 18, 2010 Board Meeting, the Zone 7 Board followed staff's recommendation to reject both bids and direct staff to re-bid the work.

Zone 7 re-advertised the "Monitoring Well Installation for Hydrostratigraphic Investigation of Chain of Lakes Project" twice in each, the *Valley Times* newspaper, the *Tri-Valley Herald* newspaper, and utilizing *Onvia* online advertising service. On September 2, 2010 at 2:00 p.m., Zone 7 opened the two bids that were received at the front desk by the specified due date and time. The results are shown below:

1. Cascade Drilling, L.P. $96,186.00
2. WDC Exploration & Wells $105,685.00

These were the same two bidders that submitted bids for the original Bid Request. Both contractors submitted bids that were lower than their previous submittal, and like before, Cascade Drilling, LP was the apparent low bidder. Cascade's new bid was $13,116 less than their previously rejected bid. The Engineers Estimate was $150,000.

Staff performed a bid analysis which included a math check of all bidders' documents and a more detailed review of the apparent low bidders' bid documents for conformity with bid requirements. The analysis is to verify that the multiplication and addition is correct and whether the apparent low bidder submitted a bid in accordance with the contract requirements. Accordingly, staff has determined that Cascade Drilling, L.P is the lowest responsive responsible bidder on this project. Therefore, staff recommends that a contract be awarded to Cascade Drilling, L.P. for the contract amount of $96,186.00. Additionally, staff recommends that the General Manager be authorized to issue change orders as and when required by the contract for an amount not-to-exceed $9,618.60 (10% of contract amount).



ZONE 7 WATER AGENCY 100 North Canyons Parkway Livermore, CA	DRAWN: TR	SCALE: 1 in = 2,000 ft
	REVIEWED: TR	DATE: Apr 20, 2010
	FILE: E:\PROJECTS\LGAGrantGWStudy2010\ProjectMap.mxd	

Figure 3
Project Map Showing Locations of Proposed and Existing Cross Sections

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

RESOLUTION NO

INTRODUCED BY
SECONDED BY

RESOLUTION FOR THE CONSIDERATION OF CONSTRUCTION CONTRACT AWARD FOR THE MONITORING WELL INSTALLATION FOR HYDROSTRATIGRAPHIC INVESTIGATION OF CHAIN OF LAKES, PROJECT NUMBER 208-11

WHEREAS, Zone 7 of the Alameda County Flood Control and Water Conservation District has a project called Monitoring Well Installation for Hydrostratigraphic Investigation of Chain of Lakes, Project Number 208-11; and

WHEREAS, the Monitoring Well Installation is categorically exempt from CEQA review under Article 19, Section 15303, “New Construction or Conversion of Small Structures” and Section 15306, “Information Collections” because it consists of the “installation of small new equipment” and will be used for “data collection” and “resource (groundwater) evaluation” purposes, as referenced in Sections 15303 and 15306 of the CEQA guidelines, respectively; and

WHEREAS, the Monitoring Well Installation for Hydrostratigraphic Investigation of Chain of Lakes Project was advertised for proposals with bids to be received by the General Manager or her authorized representatives at the Zone 7 Administration Office, 100 North Canyons Parkway, Livermore, California 94551 on September 2, 2010 and said bids would be taken and opened and publicly read at 2:00 p.m.; and

WHEREAS, based on the project plans, specifications, appendices, and addenda, the lowest responsible responsive bid submitted for the Monitoring Well Installation for Hydrostratigraphic Investigation of Chain of Lakes Project is the bid by Cascade Drilling, L.P., in an amount of $96,186.00; and

WHEREAS, a 10% contingency ($9,618.60) to pay for change orders during construction is a reasonable contingency for a project of this size and complexity.

NOW THEREFORE BE IT RESOLVED that the bid of Cascade Drilling, L.P., for $96,186 is hereby accepted and that the contract for work be awarded to Cascade Drilling, L.P.; and

BE IT FURTHER RESOLVED that the General Manager be authorized and directed to prepare the proper contract and bond forms for review and approval by the General Counsel; and

BE IT FURTHER RESOLVED that upon presentation to the General Counsel of each of the surety bonds by Cascade Drilling, L.P., the General Counsel be, and is hereby authorized to approve the bonds on behalf of this Board provided they meet the foregoing requirements; and

BE IT FURTHER RESOLVED that the General Manager be authorized to execute the contract on behalf of Zone 7 of the Alameda Flood Control and Water Conservation District upon such presentation and approval of the contract and each of the bonds presented by Cascade Drilling, L.P, and

BE IT FURTHER RESOLVED that the General Manager be authorized to negotiate and issue change orders as and when required by the contract for an amount not to exceed $9,618.60.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

September 15, 2010

By ____

President, Board of Directors

ORIGINATING SECTION: ENGINEERING
CONTACT: Carol Mahoney/Kurt Arends

AGENDA DATE: September 15, 2010 ITEM NO.

SUBJECT: Sedimentation Study of Arroyo Mocho and Arroyo Las Positas

SUMMARY:

- Several flood control channel sections owned and maintained by Zone 7 have experienced sediment accumulation and reduced capacity in past years. To address future maintenance needs and assist in the acquisition of regulatory permits on these reaches, Zone 7 Staff propose to conduct a sediment transport study to better understand the magnitude and movement of sediment in local streams.
- Zone 7 Staff have limited knowledge of sediment transport and geomorphology and are therefore seeking to augment our existing staff experience with the experience of local scientific knowledge.
- The San Francisco Estuary Institute (SFEI) is a scientific research organization that was formed to address concerns over pollutants and their effects on the San Francisco Bay Estuary. In recent years, SFEI has been contracted by the other districts of Alameda County Flood Control and Water Conservation District (AlCo-West) to study the sources and quantities of sediment entrained in Alameda Creek to facilitate their existing sediment maintenance program and to allow them to attain regulatory permits for this maintenance.
- In 2008, SFEI completed a sediment budget on behalf of AlCo-West that examined the amount of sediment estimated to be transported into lower Alameda Creek. As part of this study, SFEI quantified the amount of sediment that is estimated to be coming from the Arroyo De La Laguna watershed as measured at the Verona Bridge.
- Zone 7 proposes to enter into a contract with SFEI to augment the existing sediment data collected during the AlCo-West study and to refine sediment estimates from other stream reaches in the Livermore-Amador Valley.
- In this study, SFEI will work with Staff to examine the geomorphology and sediment transport regimes of the Arroyo Mocho and Arroyo Las Positas to assist Zone 7 in quantifying the amounts of sediment that are being contributed to aggrading sections of each of these channels.

FUNDING:

Funding for this study is split between Fund 50 – Flood Protection (59%) and Fund 76 – Development Impact Fee (41%).

RECOMMENDED ACTION:

Adopt the attached resolution authorizing the General Manager to enter into a contract with the San Francisco Estuary Institute to assist staff and initiate a sediment study on the major arroyos of the Valley and specifically the Arroyo Mocho and Arroyo Las Positas for a total, not to exceed amount of $244,000 which includes a 25% contingency.

ATTACHMENTS:

- Memo Providing Additional Background and Discussion of Agenda Item
- Board Resolution

Interoffice Memo

Date: September 15, 2010
To: Jill Duerig, General Manager
From: Carol Mahoney, Associate Professional Geologist
Subject: Sedimentation Study of Arroyo Mocho and Arroyo Las Positas

BACKGROUND:
The Alameda Creek Watershed covers an area of approximately 700 square miles, of which roughly 410 square miles makes up the northernmost extent, including the streams of the Livermore-Amador Valley. The stream system in our Valley flows roughly from east to west, with all streams acting as tributaries to the Arroyo de la Laguna (ADLL). The ADLL flows south and exits the Valley near Sunol, where it becomes a tributary to Alameda Creek, which ultimately drains to San Francisco Bay. Zone 7 owns or maintains roughly a third of the stream corridors within the Valley. Much of our flood protection system was constructed prior to 1990. From roughly the mid-1980's to present, the understanding of sediment transport as it relates to channel form has been rapidly evolving and researchers and scientists began to suggest alternative configurations to the standard trapezoidal channel. In the late 1990's, Zone 7 embarked on an update of our 1960 Flood Control Master Plan. In 2006, the Stream Management Master Plan (SMMP) was presented to the Board and contained much of the present day thinking of how flood protection can be accomplished while maintaining a more natural stream corridor and sediment regime. Rough estimates for sediment transport in our local streams were completed in 2004 under Subtask 1.1 of the SMMP, which provided enough data to characterize project needs at the master planning level. As we advance the projects in the SMMP, better understanding of the sediment transport of specific reaches of streams will clarify the location, size, and maintenance frequency of sedimentation basins, stream corridors, and ultimately, the Chain of Lakes facilities used for stormwater detention.

In 2008, San Francisco Estuary Institute (SFEI) completed a sediment budget under contract to our sister Zones of Alameda County Flood Control and Water Conservation Districts (AlCo-West) for the purposes of identifying the relative origin and quantifying sediment entering lower Alameda Creek. AlCo-West has experienced on-going sedimentation challenges in the lower reaches of Alameda Creek and was seeking regulatory permits to dredge the sediment that had accumulated at the mouth of the creek. The San Francisco Bay Area Regional Water Quality Control Board requested that AlCo-West provide details of where the sediment was originating, how much was accumulating, and at what rate. In order to answers these questions for our streams, Zone 7 Staff propose to continue developing the sediment budget that was initiated by our sister Zones for the purposes of quantifying and delineating sediment loads. The 2008 study extended into our Valley on the Arroyo de la Laguna up to the Verona Bridge gage station and estimated that 104,000 metric tons of sediment was passing that gage on an annual basis between the years of 1994 and 2006. Because all of the streams in the Valley drain to the Arroyo de la Laguna, it is unclear which streams are contributing the most sediment to the system. Likewise, Zone 7 has known locations of sediment accumulations within our streams, but the best methodology for addressing these sediment 'hotspots' and acquiring regulatory permits to maintain these sites is still being refined.

To this end, Staff recommends using SFEI for the following reasons:

1.) Consistency with the existing downstream study completed in 2008
2.) Scientific focus and credibility (peer reviewed data shows credibility when creating designs and seeking permits)

3.) Cost savings on elements still being implemented by AlCo-West, such as the historical ecology survey.

DISCUSSION:
The 2008 sediment budget prepared for two reaches of Alameda Creek only quantified sediment leaving the Livermore - Amador Valley at the Verona gage of the Arroyo de la Laguna. To address the on-going sediment management issues of the streams of the Valley, a more comprehensive study of sediment transport in the major streams will need to be undertaken. Zone 7 presently has known areas of sediment accumulation in many of the major streams and channels that pose maintenance challenges and pose increased flood risk if not addressed.

By engaging SFEI to assist Zone 7 Staff in initiating a sediment management strategy, we are accomplishing the following goals:

1. Furthering the scientific information gathered thus far regarding the sediment transport regime of the Alameda Creek Watershed;
2. Training internal staff on the protocols of sediment sampling and stormwater flow measurements;
3. Estimating the sediment yield of undeveloped land areas and ungaged stream sections;
4. Characterizing, validating, and refining the sediment yield estimates used to develop the projects of the SMMP; and
5. Gathering the necessary data for siting sediment management basins or developing other sediment management strategies that will allow Zone 7 to acquire future maintenance permits from the regulatory agencies.

A part of the proposed scope of work is to train Zone 7 staff on the use of sediment sampling devices and standard procedures. During storm events, one SFEI staff member will be paired with a Zone 7 staff member to allow our internal staff to become familiar with standard sediment sampling protocols. Zone 7 will be purchasing equipment to initiate a sediment sampling program that may continue once the initial sediment study is completed. The frequency and duration of such a future program will be determined by the data received during the study. For example, it may be determined that in-stream recording devices for suspended sediment that may be downloaded once storms pass are sufficient, while the capture of bedload data can only be accomplished by field staff. Therefore, recommendations for future sampling needs will be assessed at the end of the study. It is anticipated that the initial sediment study will take about three years, which gives a reasonable probability of capturing major storms of sufficient size to statistically yield useful data. The study area will focus on Arroyo Mocho and Arroyo las Positas, but general quantification of sediment yield from other areas including tributaries from the north will be estimated using GIS mapping techniques. Should these areas appear to yield significant amounts of sediment, then future studies can be designed to address those needs.

In addition to the sediment assessment, AlCo-West is embarking on an historical ecology survey to assist in future project assessments and permitting. As a part of their overall survey, sections of stream within the Zone 7 service area are being assessed. Staff requested that SFEI continue this field survey to encompass the major streams of our Valley. Zone 7 is experiencing a cost savings by doing so in conjunction with the survey being performed by AlCo-West.

Specifically, the study will:

1. Determine the flow of water and sediment into and out of the Arroyo Mocho;

2. Determine characteristics, rates, and causes of sedimentation in channel facilities;
3. Develop a sediment budget for the study reach as a tool for clearly communicating the main sources and processes affecting the function of channels within the study area;
4. Map and characterize channel modification and mitigation opportunities based on a comparison of historic and modern channel function; and
5. Communicate findings to the Zone 7 Board and to stakeholders within the Alameda Creek Watershed.

The Scope of Work details the tasks to be completed by SFEI, elements to be augmented by Zone 7 staff, and the cost estimate for each task. Equipment costs will be incurred by Zone 7 separately under standard purchasing protocols using approved vendors; therefore, the exact equipment costs are not known but are not anticipated to exceed $50,000. Because three sites will be monitored during this study, it is anticipated that at least three Zone 7 staff members will be needed during storm events to man the monitoring equipment. For similar watersheds, the average deployment ranges from seven to ten times per wet season. Zone 7 managers have compiled a list of internal staff available and interested in performing this work and assisting in the sediment study.

The specific tasks outlined in the Scope of Work are as follows:

- **Task 1: Project Management and Communication**
- **Task 2: Quantify Sediment Loads at Key Locations**
    - *Task 2A: Stream Gaging* (shared staff time with Zone 7)
    - *Task 2B: Review Existing Data and Literature*
    - *Task 2C: GIS-based terrain mapping* (quantify sediment loads from ungaged streams)
- **Task 3: Geomorphic Channel Assessment**
    - *Task 3A: Channel Condition and Assessment*
    - *Task 3B: Quantify Grainsize Distribution*
- **Task 4: Focused Historical Ecology Study** (shared with AlCo-West)
- **Task 5: Synthesis and Recommendations**
- **Task 6: External Peer Review**

BUDGET:

The study budget has been broken up over two contracts to provide Zone 7 Staff with more flexibility as data collection and staff training occurs. Contract #1 (this request) is for $195,000 and will extend from September 2010 to July 2011. Due to the variability in weather events, Staff recommends adding a 25% contingency to this amount the first year to deal with unforeseen events, such as increased rain events and additional deployments. This brings the first year's total to $244,000. It is anticipated that Contract #2 will be brought before the Board in July 2011 and is currently estimated at $165,000. The total combined contracts amount, including contingency and equipment costs, would be approximately $450,000.

RECOMMENDATION:

Adopt the attached resolution authorizing the General Manager to enter into a contract with the San Francisco Estuary Institute to assist Staff and initiate a sediment study on the major arroyos of the Valley and specifically the Arroyo Mocho and Arroyo Las Positas in an amount not to exceed $244,000, which includes a 25% contingency.

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

WHEREAS, other Zones of the Alameda County Flood Control and Water Conservation Districts (AlCo-West) have contracted with the San Francisco Estuary Institute (SFEI) to provide sediment transport data on the tributaries of Alameda Creek including those of the Arroyo de la Laguna; and

WHEREAS, a report on the sediment budget of Alameda Creek, including sediment passing the Verona Gage of Arroyo de la Laguna was compiled in 2008 by SFEI; and

WHEREAS, AlCo-West is continuing sediment investigation with SFEI and has included such additional parameters as historical ecology that extends into the Zone 7 service area; and

WHEREAS, utilizing the existing data collection and knowledge of SFEI in conjunction with AlCo-West will provide an overall cost savings to Zone 7 and provide training for a potential future sediment survey program of our local streams;

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 execute a contract with the San Francisco Estuary Institute, to facilitate a sediment transport study and train internal staff on sediment survey techniques, for an amount not to exceed $244,000, including a 25% contingency.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

September 15, 2010____________________________

By____
President, Board of Directors

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

ORIGINATING SECTION: ADMINISTRATION
CONTACT: Jill Duerig

AGENDA DATE: September 15, 2010 **ITEM NO.** 15a

SUBJECT: GENERAL MANAGER'S REPORT

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

Operations and Maintenance:

- With the summer algae season, feed of Powdered Activated Carbon (PAC) for control of earthy-musty tastes and odors continues at both the Del Valle Water Treatment Plant (DVWTP) and the Patterson Pass Conventional Plant.

- The pre-membrane strainers at the Patterson Pass Ultra-Filtration (PP-UF) Plant are requiring cleaning twice a week due to algal build-ups.

- As the Isabel Interchange work continues, staff reviewed and revised the contractor's "Pipeline Tie-In Plan." This included work on developing shutdown logic/plan for our system (Altamont and Cross-Valley Pipelines, which will be de-watered and taken off-line for about five days to allow tie-ins to the new segments) to assure adequate pressures and flows are maintained.

- Staff are evaluating doing a portion of the Patterson Pass Water Treatment Plant electrical upgrade project using in-house labor. This could save considerable time and reduce costs on the project.

Environmental & External Affairs:

- The state's Little Hoover Commission ended 18 months of study with a report that contained a number of recommendations. Most notable was the recommendation that operations of the State Water Project be removed from the California Department of Water Resources (DWR) and placed into its own agency so it can function as a utility. The new agency would be governed by an independent board made up of both contractors and other concerned parties. Initial contractor response was that this was worth looking at, but there were major questions about the composition of the new agency's board. Note that these are simply the Commission's recommendations and that the only way any recommendations could be implemented is through legislation with the governor's approval.

- The State Water Resources Control Board unanimously approved the Delta flow criteria after removing Appendix B (the one part of the document that had detailed some of the potential impacts of allowing 75% of the total water flowing into the Delta to flow into the Bay and ocean). Currently, only about 50% flows through, on average. Strong negative comments from the water community had no impact on this decision. Although the criteria are "advisory only" and have no force of law, at least one environmentalist hailed it as "driving a stake through the heart of Delta Vision and the BDCP."

- Zone 7 received a Notice of Violation from Alameda County Department of Environmental Health (ACDEH) for several alleged violations of requirements of the California Accidental Release Prevention (CalARP) Program for the ammonia system at the Patterson Pass Plant. These violations were technical in nature (involving documentation, record-keeping, and incomplete as-built drawings for the recent conversion from a pressurized system to a vacuum system). Noted violations were corrected and confirmation was forwarded to ACDEH.

- Zone 7's Greenhouse Gas emissions for Calendar Year 2009 were entered into the California Climate Action Registry data base. Indirect emissions make up 88% of Zone 7's total emissions from electricity use. Direct emissions are made up of stationary or mobile burning of fuels. Current estimates of GHG emissions are 2,980 metric tons of carbon dioxide (CO_2) of indirect emissions and 425 metric tons of direct emissions. The next step is to have a third-party certify these calculations.

Engineering and Flood Control:

- The Bay Delta Conservation Plan (BDCP) Steering Committee met to focus on scientific review of the logic chain. The goal is still to have an Administrative Draft of the BDCP by mid-November but progress has been slow to non-existent in making critical decisions and completing draft chapters. A "summit" of select Steering Committee members is scheduled to draft some proposals for consideration by the full Steering Committee in an effort to drive more timely decision-making. Although Zone 7 staff are not directly involved in the summit (the three water "principals" are Westlands, Kern and Metropolitan Water), they are being kept in the loop by the principals.

Finance & Administration

- Staff were notified that Zone 7's application for an energy allocation from the Western Area Power Administration was granted but at a lower level than the request. This federal power is purchased from WAPA at a relatively low cost then transmitted through the PG&E system, potentially saving significant money.

- A meeting of the Bay Area Chemical Consortium was held on August 27th to discuss the completed sodium hypochlorite bid and resulting contracts and to discuss the potential for bidding iron-based chemicals (such as ferric chloride) next, incorporating the lessons learned.

- With RTI officially notifying Zone 7 that the Del Valle Solar Project cannot be completed due to lack of funding, staff have been in touch with four alternative solar system providers with proven track records for completing projects to develop a new Power Purchase Agreement (PPA) to complete the project. A new PPA is likely to be more economically favorable that the one originally negotiated with RTI as solar panel costs have declined over the last two years.

- Year-end closing and reconciliations are on-going. Information is being collected for transmittal to Maze, the new third-party auditor.

- The implementation of 9/80 schedules has begun. So far, the unrepresented staff and the Alameda County Management Employees Association have accepted the Standard Operating Procedure, making their staff eligible for participation. Several employees are already on the schedule, with alternating Fridays off.

Monthly List of GM Contracts

August 2010

Contracts:

DeElla & Associates, LLC	$50,000
MWH Laboratories	15,000
Ernst & Young	31,182
Environmental Science Associates	45,779
Gerald L. Gates	24,600
Floratech Landscape Mgt., Inc.	11,140
California Shine Co.	30,000
Management Partners, Inc.	37,800
Total August 2010	**$245,501**

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

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

AGENDA DATE: September 15, 2010 ITEM NO. 15b

SUBJECT: Upcoming Public Outreach Activities

Upcoming Public Outreach Activities

California Coastal Cleanup, Sept. 25
Zone 7 is again assisting the City of Pleasanton with this annual event in which dozens of volunteers pick up trash, old tires and other debris along local creeks. One of our roles is to publicize results. We are also assisting the City of Dublin, which is participating in Coastal Cleanup Day for the first time this year. Statewide in 2009, more than 80,600 California Coastal Cleanup Day volunteers collected more than 1.3 million pounds of trash and recyclables along beaches, lakes, arroyos and rivers. In Pleasanton, around 200 volunteers helped clean nearly 12 miles of local waterways, hauling 78 tires and 1,330 pounds of garbage from the creeks. Good news: the city, which has been leading this effort for 11 years, says there's less debris in the creeks this year than in past years.

Home & Garden Show, Oct. 1-3
Zone 7 will have an informational booth on water conservation, water-wise gardening and water-pollution management at the 24th annual Alameda County Home and Garden Show. This event will be held at the Alameda County Fairgrounds on Friday, Oct. 1 from noon to 6 p.m.; Saturday, Oct. 2 from 10 a.m. to 7 p.m.; and Sunday, Oct. 4 from 10 a.m. to 6 p.m.

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

ORIGINATING SECTION: Administration
CONTACT: Jill Duerig/Tim Hunt

AGENDA DATE: September 15, 2010. ITEM NO. 15c

SUBJECT: Legislative Update

SUMMARY:

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

- Staff, with recommendations of the agency's lobbying firm, determines a number of bills of interest to Zone 7 for the legislative session. Of particular interest to Zone 7 are bills regarding specific water issues, such as those related to the Delta. The Legislature adjourned from its two-year session on August 31st without passing a budget. The governor likely will call members back into session once the leadership reaches a tentative agreement for presentation and discussion.

- The Senate approved the governor's nominees to the Delta Stewardship Council (Chair Phil Isenberg, Randy Fiorini, Hank Nordoff and Felicia Marcus, who replaced Richard Roos-Collins after the latter withdrew). Charles Hoppins was approved for the State Water Resources Control Board and the appointees to the State Water Commission also were approved. Should the water bond pass in 2012, the commission will allocate portions of it.

- Both houses passed SB 911 (Wolk) to appropriate $30 million from Proposition 1E of 2006 DWR for flood protection projects that improve the sustainability of the Delta and reduce the risk of levee failure. It will go to the governor for signature or veto.

- AB 2092, Aseemblyman Huffman's legislation to create a long-term financing plan for the Delta Plan failed twice in the Senate.

- AB 1929 to provide a "safe harbor" for water system operators who follow best practices and still have to deal with the invasive species quagga mussels will become law. Passed both Houses and signed by Governor.

- The Two-Gates joint resolution passed both houses and was signed by the governor to urge the feds to give priority to reviewing feasibility of Two-Gates as an early action.

FUNDING: No funding necessary.

RECOMMENDED ACTION: Information only.

ATTACHMENT: Executive Summary of tracked bills

The Gualco Group, Inc.

EXECUTIVE SUMMARY
State Legislation

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

Bill	TOPIC	SYNOPSIS	STAFF-RECOMMENDED POSITION	STATUS OF THE BILL/COMMENTS
Delta Stewardship Council				
AB 2092	Fees: Delta Stewardship Council	As amended on August 18 wouldhave required the Delta Stewardship Council by January 1, 2013, to develop a plan to finance the long-term costs of implementing the Delta Plan.	Watch	AB 2092 failed passage in the Senate by a vote of 16-21 on the last night of the Legislature's 2009-2010 Regular Session.
AB 2336	Striped Bass/ Invasive Species	As amended on May 17, AB 2336 (Fuller) would declare it is the intent of the Legislature that the Delta Stewardship Council consider for inclusion in its final Delta Plan identification of effective and scientifically justified measures to reduce or eliminate the impact of other significant stressors on California's native fish population. The bill requires the Delta Stewardship Council to direct the Delta Independent Science Board to conduct an assessment of other stressors, including impacts of invasive species and non-native species, water quality impairments, and predation on native species	CO-SPONSOR and SUPPORT: Signatory to a coalition letter in support of the bill	The Senate Natural Resources and Water Committee voted to hold the bill in their committee on June 29.
SB 1450	Delta Stewardship Council: Contracts	As amended on August 16, SB 1450 would allow the Delta Stewardship Council to use competitive and streamlined processes to hire either consultant services or architectural and engineering services. States that those contracts will be for the purposes of: A. Preparing the Delta Plan and associated environmental review. B. Performing its responsibilities, or the responsibilities of the Delta Independent Science Board, with regard to the BDCP. C. Determining the consistency of state and local public agency actions with the Delta Plan. D. Performing scientific review to inform water and environmental decision-making in the Sacramento-San Joaquin Delta Estuary (Delta).	Watch	Awaiting the Governor's Signature

Bill	TOPIC	SYNOPSIS	STAFF-RECOMMENDED POSITION	STATUS OF THE BILL/COMMENTS
Water Conservation, Supply & Delivery				
SB 991	Water Supply	As amended on August 20, SB 991 would appropriate $30 million from the Disaster Preparedness and Flood Prevention Bond Fund of 2006 (Proposition 1E) to DWR for flood protection projects that do either or both of the following: A. Improve the sustainability of the Sacramento-San Joaquin Delta (Delta), including, but not limited to, projects that reduce the risk of levee failure that would jeopardize water conveyance. B. Implement flood management actions in the Delta before the adoption of the Central Valley Flood Protection Plan, as part of a multi-benefit project that complements activities to be developed under the Central Valley Flood Protection Plan. Makes such projects subject to provisions of existing law applicable to other flood control projects implemented prior to adoption of the Central Valley Flood Protection Plan. 2. Requires DWR to expedite the evaluation of nonurban levees on the west bank of the Sacramento River that protect unincorporated communities and authorizes DWR to study and implement a joint	Watch	Awaiting the Governor's Signature
AB 1886	Delta	As amended on March 17, AB 1886 requires DWR, as part of its next update of the California Water Plan, to include a report on progress towards meeting the state's goal of reducing reliance on the Delta	Watch	Died on the Assembly Appropriations Committee's Suspense File on May 27
AB 1929	Quagga Mussels	As introduced on February 17, and after finding that up to forty thousand quagga mussels can colonize within one square meter, but "that implementation of the available measures to control mussel infestations and prevent the spread of the mussels to new water bodies is the most that can reasonably be required of water supply agencies", AB 1929 would amend existing law to permit Fish and Game to inspect their water supply systems and would not subject suppliers to liability IF the supplier is in full compliance with a plan to control and eradicate mussels	SUPPORT: Zone 7 letter dated March 10 was sent to the author	Signed into law by Governor Schwarzenegger on August 18, 2010. (Chapter 152, Statutes of 2010)
AB 2049	Water Delivery	As amended on May 28 AB 2049 would have prohibited the State Water Resources Control Board (SWRCB) or the Department of Water Resources (DWR) from approving a transfer of surface water or water rights from agricultural use to municipal use for a period of twenty years or more unless certain limited conditions were met.	OPPOSE	Defeated on the Assembly floor by a vote of 35 -33.
SB 1469	State Water Project	SB 1469 was amended for the second time on April 14. As amended, this bill would have required SWRCB to: (1) Identify all parties that both benefit from waters originating in the Delta watershed, and whose activities impact it; (2) Develop a process for determining the degree of responsibility attributable to the identified parties for physical and environmental impacts on the Delta; would have required DWR, as a part of updating the CA Water Plan, to identify the infrastructure needs for the state, by hydrologic region over the next 30years, estimate the expected costs for that period of time of environmental mitigation and restoration projects associated with the identified infrastructure needs, propose a beneficiary pays policy, propose a "financing strategy for funding responsibilities proposed to be assigned to the state", and "identify all relevant assumptions" associated with the mandates of this section.	Watch	Died on the Senate Appropriations Committee's "Suspense File" on May 27.

Bill	TOPIC	SYNOPSIS	STAFF-RECOMMENDED POSITION	STATUS OF THE BILL/COMMENTS
AB 2776	Water Transfers [NEW BILL]	As amended on June 28, AB 2776 would have prohibited the SWRCB or DWR from approving any transfer of surface water or water rights lasting 20 or more years, including transfers of SWP contract rights, from agricultural use to municipal use unless the water user provides to the board or the department a written evaluation of the economic, social, and environmental effects of the transfer upon the service area from which the water is to be transferred. The SWRCB and DWR would be required to charge the water user a reasonable fee to cover the agency's costs associated with implementing this bill, including costs incurred for reviewing the evaluation. The bill would prohibit a water user from replacing transferred surface water that is subject to this bill with groundwater, unless the groundwater basin of the service area from which the water is to be transferred is regularly, systematically, and logically monitored in accordance with SBx7 6.	OPPOSE	Failed passage in the Senate Committee on Appropriations on Monday, August 2 and again on August 9th
Water Diversion and Use				
SB 565	Water resources	SB 565 would authorize the SWRCB, in fulfilling their statutory responsibilities, to order any users of water to submit "any technical or monitoring report related to the diversion or use of water" and conduct inspections to ascertain compliance, would increase the penalties for trespass, and a violation of a cease and desist order, but the increase in the amount of penalties would "not apply to violations that occurred prior to January 1, 2011, would create a rebuttable presumption that no use of water occurred UNLESS that use is "included in a statement submitted to any reporting or monitoring requirement established under any permit, license etc., and the statement is submitted within six months after it is required to be filed with the board," would authorize the SWRCB to impose an additional liability in the amount of 150 percent of any fees that have not been paid for material misstatements in a statement of diversion and use, established the Water Rights Protection Subaccount in the Water Rights Fund and declares that the moneys in this subaccount are available, upon appropriation by the Legislature, "to reduce fee	Watch	At the request of Senator Pavley, Assembly Member Calderon placed her bill on the Assembly's "Inactive File"
SB 1234	Water Use	As introduced on February 19, AB 1234 would new Section 188.7 to the Water Code to require the SWRCB, by January 1, 2012, to adopt regulations to identify unreasonable uses of water during shortages in water supply amounting to 10, 20 and 30 percent	Watch	The first hearing on this bill was set, and Senator Kehoe canceled it

Bill	TOPIC	SYNOPSIS	STAFF-RECOMMENDED POSITION	STATUS OF THE BILL/COMMENTS
Groundwater				
AB 2304	Groundwater	As amended on August 12, AB 2304 requires a local agency that develops a groundwater management plan and drafts a resolution to adopt a plan to provide a copy of a resolution of intention to the DWR within 30 days of the date of adoption; Requires the local agency, upon written request, to provide a copy of the proposed groundwater management plan to an interested person; Requires the local agency to provide each of those interested persons with a specified notice at least 30 days prior to the commencement of the 2nd hearing to determine whether to adopt the plan; Requires DWR to post on its Internet Web site the information DWR possesses regarding the local agencies that have jurisdiction to develop groundwater management plans; Specifies that the groundwater projects to which these requirements apply include projects that are part of an integrated regional water management program or plan; Requires, commencing January 1, 2012, a map identifying the recharge areas, as defined, for the groundwater basin to be included in a groundwater management plan for purposes of the state funding requirements.	Watch	Awaiting the Governor's Signature
Water Recycling				
SB 918	Water recycling	As amended on August 20, SB 918 requires the DPH to adopt uniform water recycling criteria for indirect potable use for groundwater recharge and requires the DPH to adopt uniform water recycling criteria for surface water augmentation by December 31, 2016.	Watch	Awaiting the Governor's Signature
SB 1173	Recycled Water	As amended on August 2, SB 1173 conditionally prohibits the use of raw water for nonpotable use if recycled water is available. Specifically, this bill: 1)Defines "raw water" as untreated surface water or groundwater. 2) Expands, to include the use of raw water for nonpotable use, the existing declaration that the use of potable domestic water for nonpotable use is a waste or unreasonable use if recycled water is available. 3)Adds "reliability" to the criteria by which the State Water Resources Control Board (SWRCB) determines the availability of recycled water.	Watch	Awaiting the Governor's Signature
Water Quality				
AB 2583	Water Quality	As Introduced on February 19, AB 2583 would add a new Section 13003 to the Water Code to require water agencies, and their direct suppliers, "utilize raw material chemical products derived from Inherently Safer Technology or inherently safer production measures where the products derived from safer measures or technology are appropriate given the disinfection methodology used by the water agency, and are commercially available without being materially cost prohibitive to the water utilities or rate payers"; could have added significant costs to chemicals	Watch	Died on the Assembly Appropriations Committee's Suspense File on May 27
Two-Gates Protection Demonstration Project				
AJR 38	Two-Gates Protection Demonstration Project	AJR 38 was amended for the fourth time on May 24 to add 51 Assembly Members as coauthors of the measure. AJR 38 would request the the U.S. Department of the Interior to priortize completion of its study of the Two-Gates Fish Protection Demonstration Project in the Sacramento-San Joaquin Delta	SUPPORT: Zone 7 letter dated May 10 was sent to the joint authors of the measure	Awaiting the Governor's Signature

Bill	TOPIC	SYNOPSIS	STAFF-RECOMMENDED POSITION	STATUS OF THE BILL/COMMENTS
CESA				
AB 2420	CESA	As amended on March 24, would amend Fish and Game Code section 2080.1 to require a biological opinion be obtained along with the currently required incidental take statement, OR the obtaining of a conservation plan along with the currently required incidental take permit to take an endangered, threatened, or candidate species after doing, among other things, the following: (1) notifying the director in writing that the person has received a biological opinion and an incidental take statement or a conservation plan and an incidental take permit which includes references that "meet the minimization, full mitigation, funding, and compliance monitoring requirements of subdivision (b) of Section 2081 and the director determines based upon substantial evidence, makes a consistency determination with this chapter	Watch	On April 5, the author announced through staff that this bill would not be moving forward in 2010
Delta Levee Maintenance				
SB 808	Delta levee maintenance	As amended on January 25, 2010 SB 808 would declare the intent of the Legislature to reimburse local agencies for costs incurred to maintain and/or improve project or non-project levees in the Delta until July 1, 2013 in an amount not to exceed 75% of the costs in excess of one thousand dollars per levee mile and, thereafter, in an amount not to exceed 50% of those costs. Reimbursements made pursuant to this law must be consistent with the priorities of the Delta Plan	Watch	SIGNED by Governor Schwarzenegger on June 3 (Chapter 23, Statutes of 2010)
Peripheral Canal				
AB 1594	Sacramento-San Joaquin Delta: peripheral canal	As amended on April 15, AB 1594 would prohibit the construction of a peripheral canal, as defined, unless expressly authorized by the Legislature, would condition the Legislature's "enactment" of a bill on the Office of Legislative Analyst's completion of an economic feasibility analysis that must include (1) the total cost of the project and the methods for paying those costs (2) the expected impacts of the project on "taxpayers, water ratepayers, and the General Fund" (3) the "expected environmental and economic impacts of the project on existing public infrastructure in and around the Delta and the Delta watershed". Finally, the bill requires "the construction and operation of a peripheral canal shall not diminish or negatively affect the water supplies, water rights, or quality of water for water users within the Delta watershed, or impose any new burdens on infrastructure within, or financial burdens on persons residing in, the Delta or the Delta watershed."	OPPOSE: Zone 7 letter dated February 7 was sent to the author	"Died" in the Assembly Committee on Water, Parks and Wildlife on April 27.
AB 1797	Delta Corridors Plan	As amended on April 7, AB 1797 would add a new Section 148 to the Water Code to require DWR to fast-track a study of "a through-Delta conveyance plan referred to as the Delta Corridors Plan" as that plan is "described in [the] Proposal to Reconnect the San Joaquin River to the Estuary, dated March 23, 2007". As a part of this study, the April 7 amendments require DWR to "consult" with Fish and Game "to study the potential environmental and ecological impacts and benefits of the Delta Corridors Plan, including issues of water quality and include an evaluation of ways the Two-Gates Project can be incorporated into the Plan"; Requires this report to be submitted to the Legislature on or before January 1, 2012	Watch	Died on the Assembly Appropriations Committee's Suspense File on May 27
SB 1334	Natural Community Conservation Plans	As amended on May 10, SB 1334 would require DF & G, when finding that a NCCP has been developed consistent with a planning agreement, to make a finding that it has cooperated with a local agency that has land use permit authority over the activities proposed to be addressed in a NCCP.	Watch	Awaiting the Governor's Signature

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

ORIGINATING SECTION: ADMINISTRATION
CONTACT: Jill Duerig/John Yue/Tom Hughes

AGENDA DATE: September 15, 2010 **ITEM NO.** 15d

SUBJECT: STATUS REPORT ON SEPARATION EFFORTS

SUMMARY: The following highlights a few of the key activities which have occurred during the last month as part of staff efforts to pursue separation from the County.

Business Administration:

- Following a scoping meeting, Management Partners (MP) is preparing a draft updated scope and detailed project schedule with revisions to the work plan for review and discussion at the next meeting scheduled on September 22.

- Staff responded to a letter from Susan Muranishi, the County Administrator, dated August 13, 2010, requesting additional information in advance of the Zone 7 and County staff meeting held September 8 (attached).

- Staff met with the County Administrator, Assistant County Administrator, County Counsel, Auditor-Controller, and HR Director on September 8, 2010 to discuss the separation process. The County Administrator expressed continued support of Zone 7's separation, and sees the next steps to be the development of detailed plans that describe, by each individual business function, the transition steps, responsible parties, and timing sequences.

- Staff apprised MP of the meeting with the County and expectations for the next steps. Further discussions with MP on scoping the deliverables will occur at the next staff/MP meeting.

Employee Services:

- Held monthly joint LMT separation group meeting facilitated by IEDA August 24, 2010 (draft minutes attached). Next meeting is scheduled for Tuesday, September 28, 2010 at 10:00 a.m.

- Distributed draft meeting minutes, Management Partners scope of work for HR functional area, and County correspondence to joint LMT members. Also sent separately to each bargaining unit the requested provisional employee lists.

- Staff continues to draft a suggested transition agreement/MOU template for the four bargaining units per discussions at the joint LMT meetings.

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

August 30, 2010

Susan Muranishi, County Administrator
County of Alameda
1221 Oak Street, Room 555
Oakland, CA 94612

Dear Ms. Muranishi:

Thank you for your letter of August 13th (attached for reference) and for allowing us to meet with you and your staff regarding possible future changes in the relationship between Alameda County and Zone 7. We appreciate your efforts to bring specificity to the issues and, while there are a number of variables that we need to work out in order to move forward, we offer these responses to provide you with a better understanding of our objectives and to provide a positive foundation for our discussions. Our overall goal in pursuing this project is to create an organizational approach which allows Zone 7 to be as cost efficient as possible, accountable to our constituents in both Alameda and Contra Costa Counties and adaptable to the environment within which we operate. The purpose in requesting the meeting is for Zone 7 to better understand the County's needs and desires.

In response to your questions regarding the proposed separation, Zone 7 recognizes that we have to craft approaches and timelines which are workable for Zone 7 as well as being acceptable to the County. Based on previous discussions with the County, we are planning for a transition that effectively transfers all feasible support services to Zone 7 and avoids partial measures that could be seen as cherry-picking. According to the planning work we have done, we believe that such a transition will provide benefits to both Zone 7 and the County. In recognition of our mutual interests and responsibilities in the Livermore Valley, we look forward to working with County managers to more clearly define the transition and any continuing relationships between the County and Zone 7.

We do envision Zone 7 eventually assuming complete responsibility for the following administrative services currently provided by the County:

- Payroll
- Accounting (G/L, A/P, A/R)
- Purchasing
- Budget
- Treasury Management
- Human Resources
- Diversity Programs
- Risk Management, including Workers' Compensation
- Information Technology

We propose to assume responsibility for all of the included tasks and functions presumed under each of those service categories. As you know, the County administrative departments have supported us well but the difference in organizational scale, the County's complex policy needs, and the physical distance of Zone 7 from the support departments have been challenging for both the support departments that provide these services as well as Zone 7. Preliminary work by Management Partners suggests that Zone 7's administrative needs can be met in a more streamlined and cost effective manner internally. Zone 7's board has directed staff to develop transition plans to achieve that goal.

There also may be several areas where a continuing relationship between the County and Zone 7 may prove beneficial to both agencies. This includes continued participation in the County's retirement system, ACERA (as defined by our current labor agreements) and contracting for specific services such as flood control maintenance, as discussed below. (Zone 7's portion of the Supplemental Retirement Benefit Reserve is an area that will have to be addressed during the transition process.)

Zone 7 does recognize the deep roots which exist between Zone 7 and the County's Civil Service rules due to the joint history and the provisions of AB 1125. We have not yet developed a plan for meeting future employee procedural and protection needs but intend to proceed in collaboration with our employee organizations to arrive at a workable solution.

We anticipate a continuing relationship with Alameda County Public Works relative to flood control. We believe the current collaborative model works well in managing both the flood control and water management interests of the district. In addition, there are some contractual services the County provides Zone 7, as well as other independent governments, which we would hope to maintain. This includes Communications Division radio services and re-fueling services at the local corporation yard. Of course, commercial alternatives are available for those services if that is not acceptable to the County.

We have not as yet developed a firm plan regarding the future governmental structure that best serves the interests and needs of the Livermore-Amador Valley. Our Board has expressed an interest in continuing to provide both water resources and regional flood control services to the community since these two are so closely linked through the future Chain of Lakes' operations. Other needs and interests are still being defined.

We look forward to the meeting on September 8th and gaining a full understanding of the County's interests regarding this effort. Please let us know if there is any other information we can provide prior to that meeting which may be helpful to the discussion.

Sincerely,

G.F. Duerig
General Manager

cc: Alameda County Supervisors
Pat O'Connell
Richard Winney
Daniel Woldesenbet
Mary Welch
Donna Linton
Zone 7 Board of Directors
Ren Nosky
John Yue
Tom Hughes

COUNTY ADMINISTRATOR

SUSAN S. MURANISHI
COUNTY ADMINISTRATOR

DONNA LINTON
ASSISTANT COUNTY ADMINISTRATOR

August 13, 2010

RECD AUG 18 2010

Jill Duerig, General Manager
Zone 7 Water Agency
100 North Canyons Parkway
Livermore, California 94551

Subject: County of Alameda / Zone 7 Relationship

Dear Jill:

We are looking forward to meeting with you to discuss the relationship between the County of Alameda and your agency. We have seen several of your consultant reports on this subject, and, by this letter, seek clarification of several matters as a basis for our upcoming meeting.

In advance of our meeting, please provide us with a description of your agency's goals for "separation." This would consist of (a) the general relationship that you ultimately envision between the County and your agency, (b) the functions that the County would continue to perform (if any) on behalf of your agency (c) and the timing of the transition of present functions from the County to your agency and the time when the transition would be complete.

It is our understanding that the following functions are presently being performed for the Agency by the County:

1. Payroll services

2. Accounting services

3. Consolidated Treasury (depository of funds) services

4. Human Resource services, including recruitment, (oversight of Zone 7's decentralized recruitment process), classification (reclassification studies, job description revisions and new classifications), benefits (open enrollment, benefit changes bids and negotiations with carriers), unemployment insurance (claims and appeals), training (classroom and online; organizational development consulting), disability programs, labor (negotiating terms and conditions of MOU's with labor organizations, except salaries), HRMS (processing general and individual pay increases, creating new job codes, providing various reports for EEO statistics, seniority, etc.), temporary staffing (providing immediate temporary and payroll needs), Civil Service Commission (appeal of disciplinary actions).

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FAX (510) 272-3784

5. Diversity Programs including advice, training and support on ADA/FEHA, multilingual/multicultural programs, Affirmative Action and Equal Employment Opportunity (EEO), including investigation of staff discrimination complaints.

6. Risk Management General Liability, Property and Auto Insurance programs and litigation management.

7. Workers' Compensation, employee wellness, safety, and occupational programs (including pre-employment physicals).

8. Retirement programs (while not a County program, this is provided by an affiliate, ACERA).

Please advise us if there are any inaccuracies or omissions in the above list of functions that are presently being performed by the County for your agency. Please also indicate how you wish to change (or terminate entirely) any of these functions and when you would want that change to be complete.

The County Flood Control District, administered by the County Public Works Agency, presently performs flood control maintenance functions on behalf of Zone 7. Are you suggesting any changes in this arrangement? There has also been previous consideration of the County Public Works Agency assuming your agency's flood control functions, to enable your agency to focus entirely on water delivery. Are you contemplating a change in this function? Ultimately, what is Zone 7's intention: Does it contemplate staying with and continuing to operate under the District Act or is there another law under which Zone 7 wishes to operate? Does Zone 7 contemplate initiating a LAFCO proceeding to separate from the District?

We would greatly appreciate your response to this letter in advance of our upcoming meeting. This will give us a much better understanding of your vision of the changes that you are seeking and the timing of any changes.

Thank you for your cooperation and assistance. We look forward to hearing from you in advance of our September meeting.

Very truly yours,

Susan S. Muranishi
County Administrator

cc: Each Member, Board of Supervisors
Auditor-Controller
County Counsel
Director, Public Works Agency
Interim Director, Human Resource Services
Assistant County Administrator

ACMEA, IFPTE, BCTC, SEIU, & Unrep
AND
ZONE 7 WATER AGENCY
Separation Study meeting notes

ATTACHMENT 2

Follow up research **Information Requests** **Union Counters** **Tentative agreements**

Meeting #9
August 24, 2010

Start Time:	**11:00 am**	
Present:	**Glenn Berkheimer, IEDA**	**GB**
	Tom Hughes	**THu**
	Tom Pico	**TP**
	Ginger Staton	**GS**
	Elena Scharnhorst	**ES**
	ACMEA	
	Alan Elnick, ACMEA	**AE**
	Dennis Gambs	**DGam**
	Matt Katen	**MK**
	IFPTE	
	Subha Varadarajan, IFPTE Local 21	**SV**
	Jaime Rios	**JR**
	Jeff Tang	**JT**
	BCTC	
	Frank Torrian	**FT**
	SEIU	
	Gus Feldman, SEIU Local 1021	**GF**
	Tom Hempil	**THe**
	Jeanne France	**JF**
	UNREP	
	Diana Gaines	**DGai**

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(Passed sign-in sheet, agenda, minutes)
THu Anything on the minutes?
DGam Move approval of minutes
THu Ok, on to new business, Glenn will facilitate
GB I was asked to do a review of RFP that had gone out as to IEDA services, anything overlapping, etc. I prepared a short memo incorporated these things. Some items we are not in a position to do or felt might be out of our area expertise, i.e. whole HR transition. My understanding Zone 7 has gone ahead and contracted with MP to provide that. **MP scope of work distributed to attendees**, already seen/reviewed by group.
(Some did not receive)
THu Can re-send
DGai We had stopped talking about MP scope of work because Glenn had said IEDA could…
GB Key component wasn't covered, wanted to make sure it was covered
THu We'll get it out again, pretty much same as original, just a few changes
GB Any thoughts or comments? Let's move on to draft of transition document. This was prepared in order to stimulate conversation, it is by no means final, but a working paper at best to start to see outlines what might need to be in document. Language with outlines, based upon ACMC example.
GF One question about division of labor between MP and IEDA. While document from MP and IEDA memo might clarify, can you talk about main distinctions?

GB IEDA is negotiations, documents, proposals, that's the major division. MP is more planning, timeline, schedule you need to accomplish. Broader vs. implementation.

JR Roadmap we discussed here, is MP going to prepare?

GB They're ultimately going to do, check off list. Theirs will be broader sense than what I could do.

MK My understanding, road map was transition document, outline of major things we need to include. We could draft transition document concurrently but wanted broad big picture items.

DGam How does this fit into scheme?

GB I put together some thoughts, a little more detailed, more a scope of transition. ER ordinance, personnel rules, some more meat.

DGam Discussion needed on some of those items. How do we park our comments/concerns so you can hear them? Some more general, i.e. rules, regulations, ordinances. If you want, where would you like us to talk about those issues?

GB Any time you want. We can develop holding spot, through minutes or board. So we don't lose.

THu Clarify, part of scope of work with MP to involve them in this group. As they're working on transition plan, they'll be coming to these meetings.

GF Representative at next meeting?

THu Can't say for sure, it's our plan to have them involved

GF Trying to express, we look forward to discussing, hard to do without clear understanding how this fits into big picture. What piece of puzzle is this? Reserved for MP or here? Crucial step

GB Not sure there will be one succinct answer. Going to work on some pieces simultaneously, some you won't put down until you go to the next. ER Ordinance, personnel rules, MOUs for new employer, hard to think about other than draft. Really to be adopted by new employer. That board makes those decisions.

MK My fear, getting into detail is easy to do with draft, focusing on words. Maybe focus on goals/objectives of that section, i.e. promotions. Goal would be "opportunities for in-house employees" – we haven't actually had that discussion but have already started getting into words.

THu Purpose of transition agreement is to protect working conditions we have right now so we can move forward and discuss what they will be under new agency. Until we have that protection it's difficult to move to next step.

GB Right, maintain status quo, have to get out from under the constraints of what we're dealing with now to be able to see how we can expand. Is part of the goal to have more in-house promotional opportunities? That becomes the next step, designing rules, regulations, recruitments accordingly. If that's the goal, meld that document

DGam One of the transition documents, there will be others? We can give preliminary discussion, want to see the other things and how they fit.

THu Confusion, MP project is a whole separate project with business, administration, etc. HR/Personnel project is to list things agency needs to consider for a new agency, analyze skills gaps, i.e. facilitating Workers' Comp, Unemployment Insurance, EEOC complaints, etc. When it comes to personnel aspects, you have to negotiate MOUs - not getting into specifics now, that will be separate from this document. This document aimed at protecting everyone's conditions, not changing anything. MP going to research, provide a list of 60-70 things we need to look at (i.e. Risk Management, etc.) MP not giving solutions/the meat of any changes, those you have to consider, negotiate, etc. - just a road map.

DGam This example, refers to CSC rules and regulations, those have to be replaced. Governing employees, along with this MOU have to be looked at.

THu This is separate, to protect everything we have now. MP recommendations will be replacement for CSC system currently. We come here, once we have transition doc, discuss as a group suggest what to use to replace. They'll not propose any meat, just an outline.

GB Thought process, which step goes first, how soon do you take those steps. What I'm hearing from the group, one step is transition document, we need to know step two to feel more comfortable. What will that look like? What major topics, goals of rules, etc.? We all know we need ER ordinance or default to PERB/MMB. How do employee groups get recognized? How do you do unit modifications? What are the impasse procedures? What are the definitions of good faith? Who's responsible employer agent to do that? You're thinking transition doc, what are the elements?

GF You are saying those items would come into play, can be discussed once this expires?

GB Negotiated during the process. Period of time transition document is in place is to negotiate rules, regulations, merit system, ER ordinance, MOUs, huge body of work.

GF Helpful info, what we asked at last meeting, mapped out document so we're sure what procedure is. What happens when this expires? When do we start those conversations? MP? Zone 7 HR?

AE Document needs a statement of purpose. No current agreements between bargaining units and Zone 7, only County. Not really addendum, really any addendum to County agreements for purpose of eventual transition of agency to independent authority from County. This needs to be expressed here. One, transition can go through. Two, transition might not go through. Agency may be acting as autonomous agency, always possible. Agreement structured as addendum to County agreement.

THu I like that, it should clearly state that it's to maintain current provisions. I agree with you this is not an addendum to MOU, **we can work on changing language.**

AE One little project in terms of completing, ER ordinance, rules, regulations to hiring, etc.

THu Like Gus's idea – don't know how long MP will take, if we could have a bullet point list of things they think we need to cover. Until we have a transition agreement, actually getting into meat of list difficult. Helpful to see comprehensive list.

GF And procedure that we will use to approach each item

GB Linear, a, b, c…

GF Yes

DGam Can use recitals just to see how this fits into transition document at the beginning, what your intentions are. If it works, a way to look at agreement, tell what it's intended to do. Recitals, BOD decided to seek becoming an independent agency. Don't do Groundhog Day when you look at this

THu Simpler solution may be to add to transition agreement a list of things that we will negotiate together once we have MP list? Concerned it's going to be a huge list, like Risk Management, Workers' Comp, not appropriate to negotiate here. Concerned providing list group assumes that we would need to negotiate every aspect. Attach some appendix?

GB Put in document, items we've discussed that will require meet and confer during the period of time transition document is there. That may be what you need to do, transition document needs to protect until new MOUs in place at minimum.

AE There are provisions in each contract that Agency may not be able to enact or be accountable for after transition day because of the way the County administers them.

GB Medical benefits, Retiree benefits, etc. If you're not going to be able to…

AE Certain things carried over, others not. "Agency participate in County health plan…" is easy. Others, like reimbursements of expenses, footnotes, Salary Ordinance, etc. may be more difficult.

GB Make sure those are identified, come with us if applicable

AE Make some accounting for how to deal with it

MK That's road map we were discussing before

THu I'm hearing what you're saying, group moving toward something comfortable for everyone. Trying to pull layers back and make it work for everyone. Does that work for transition document to have a list on top of transition agreement?

GB Yes, if agreeable to everyone. I think they're talking about even before that. Certain benefits already established through County not in MOUs, but Admin Code, Salary Ordinance, need to be captured in this document. Otherwise nothing exists that will automatically bring those over.

AE Vacation purchase plan, people buy into that, withdrawal/payment of money.

GB Yes, also consider timing – calendar year, fiscal year. If calendar, simple.

THu Helpful if we could get a list from each group of things they think should be considered then we can discuss. Otherwise we're just coming up with lists.
DGam This document is written as addendum to County MOU, no signature blocks. What I'm getting is there will be a document with all unions broader than this, one document that would make the unions comfortable with moving forward.
GB I suspect one document or one that covers all – then addendums for each unit. May be easier to do agreement with ACMEA, part of that doc same for everyone, next portion addresses footnotes, items particular to bargaining unit.
THu Would be useful to Agency if each bargaining unit could put together a list
JR Maybe this was done before when hospital separated?
AE Don't go there
GF Items that we want addressed have been highlighted today. Rather than all of us compiling, caucusing, **more efficient if the Agency compiles preliminary list.**
THu **We can do that**
DGam Glenn listed most of them
TP Better if we split out into units?
GF Most covered by all of us
DGai Don't we have this from march – benefits, elements?
GF Difference, how do these two things relate/connect, what is the process to make sure things aren't left out on either side?
GB Don't want to forget something halfway through
MK We talked about Salary Ordinance, CSC rules. If you want to maintain current protection, these items are not clearly defined by any other document, won't be ours any more, how will we maintain?
THu This group going to have discussions about what replaces. Putting that in the transition agreement rules but clarifying that we will be meeting and conferring over replacement to CSC rules, would that take care of it?
GB What happens from "made transition, new employer" – rules don't cover you. No MOUs, replacement, if we have a dispute over a list or discipline, what are you going to use as mechanism? What is dispute resolution process?
THu Didn't we try to cover this?
GB Referred it back to MOU for discipline. What about classification appeal?
MK Example not in here, CSC rules, promotional, here's how you do exams, very detailed, what will we be doing? Not detailed. Intent is to continue but what document do we point to?
THu Used template from ACMC, during discussions talked about list at back of this, CSC rules, appeals, ER Ordinance, but during transition these would be conditions that apply during that discussion. In here, we as a group need to finalize. Having a set of rules we need to discuss. We definitely need something, protect ourselves during transition.
GB May need to be more detail, more fleshed out. Open to discussion. May not want to get down to super fine detail but maybe yes, exam types, written/oral/skills, may want some of that in here or an attachment.
TP We'll be doing all of the above depending on Job Description and Job Analysis, can't predict in advance
GB As generically as possible, written, oral, not for each classification spelled out. Open exams, promotional exams, reclasses, etc.
THu I thought we covered most of this in terms of – clarify any changes to jobs subject to meet and confer, appeal process, transfers, notices of vacancies. A set of rules in here wouldn't help us here. A document we can agree on to protect all of us, cover all we need to during discussions.
GF We are prepared to give you some vague commentary/feedback. One thing needs to be stated clearly, we see this as collaborative working draft. Not meet and confer or negotiations, we are not

presenting proposals. Something to add – in regards to hiring process, our feedback is that area can use more detail. I understand it's not finite detail as CSC. Articulated here doesn't speak to some of the items Glenn brought up, doesn't afford us assurance that hiring done in fair accountable process, prohibiting nepotism, favoritism, preferential treatment. If you could think of some items…

THu Would help if we could get some written ideas of changes that would make people comfortable. We might be going down the wrong road.

GB You're looking for type of exam, postings, application, scoring mechanism, notification of pass/fail, certification list, etc.

GF Yes

MK To give you a response we would have to compare transition document with other documents and see what's missing. We have other work to do. Layoffs is a really short paragraph. CSC Rules it's 5-6 pages long plus a separate document. Abbreviated, that's what we're afraid of, not offering full protection. Glenn gets it…

THu To paraphrase Gus, we're not making proposals, would it make people more comfortable "during the transition the Agency will follow CSC"?

GB Don't know if you can, certainly you can for posting/exams, etc. you do a lot already. How do you replace? Ability to appeal if I got kicked out of exam but met MQs, something might not be in this document, if you just referred to CSC, can't get to a certain point with no CSC Commission.

GF Need for something that will outline how we're going to approach areas transition document isn't going to cover, whether amendment to this doc, whether first article, prior to us making written proposal if that's what we'll do in meet and confer down the line.

DGai Really want to make sure something addressed – how does this package impact unrepresented since we don't have a MOU?

GB Might be easier – I have to think how unrep affected. Any other areas that are lacking? You brought up hiring, layoff.

GF We talked about in caucus…for article 3, can you explain rationale behind turning provisional to permanent?

GB Direct carryover from ACMC language, there was a huge number of provisional employees at ACMC. When transition happened, made them permanent, a lot of lacking on part of County, not getting benefits/seniority, etc. sole reason.

THu No agenda with that, took straight from ACMC document. Didn't even discuss this provision internally.

GF Some thoughts – some concern that all of our members have to take exam, does grant assurance, definitely benefits to be seen, other areas they remain provisional too long. Make sure it's equitable.

THu Understand, we just used as a template, looking for ideas.

GB One idea is to not convert, we'll need to figure out a system.

GF Before we make that our stance, how many provisional employees are there?

TP Approximately 10%, mostly in Maintenance.

GF **Can we get a list of provisional?**

THu **Yes**

GF Anyone else? Move on…next is **4.2, we wanted to ensure that time period is the same that is afforded through CSC. Jeanne just mentioned should be 14 working days and application deadline vs. interview date.**

THu Ok

GF Also under article **4, some work needs to be done on hiring process,** could be better addressed with road map guidelines. Article **8.1 mentions 7 working days after receipt of Skelly decision…CSC Rule 2112 grants 10 working days, make sure that's on par.**

MK 8.1 mentions binding arbitration is that spelled out in MOUs? What is that process? Replacing CSC?

SV It's in our MOU
GF Going to grievance procedure in lieu of CSC. Other thing for now, **article 9, we think maybe something needed about bumping rights, seniority.**
TP Inverse order of seniority
MK Demotion in lieu of, etc.
THu Within the agency, correct?
GF Don't think they want our employees. Anyone else?
DGam It's an agreement between employee unions and Zone 7 or the future agency? Uses the term Agency throughout, need definition. What is this worth?
TP Placeholder, no idea what agency called, as we work through will be determined.
DGam "Agency" is future agency. They have to sign this after.
AE Through us and the board
THu Successor agreement
DGam Enabling legislation
THu Any agreement approved here and the BOD. If successor language…
GB Successor clauses are tricky in legality, if indeed employer took all employees, then yes. If employer wouldn't have to take terms and employees, then clause not totally binding. This says right up front taking all employees, terms, employee organizations, would be binding on new organization but I'm not an attorney.
THu Good point
GB Probably need to consider a third party – County
TP Has to agree to everything
GB They own MOUs, we're talking of potential amendments…
AE Obligations they want to get out of
GB And make sure they don't keep ones they don't want
THu Any other comments?
GF These are preliminary, there may be more
AE Good starting point
GB Good places to make improvements, share with you, get more buy-in, places to have talks about how to make it better – this is the whole point.
THu Anything else? Follow up items?
GF **Next time – some sort of language either here or in a separate document that talks about other items that we'll negotiate through meet and confer with a timeline is essential.**
GB Can do an article in here with placeholders
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End Time: 12:05pm
Next meeting: Tuesday, September 28th 10:00 a.m.

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

ORIGINATING SECTION: **Office of the General Manager**
CONTACT: ROBYN NAVARRA

AGENDA DATE: September 15, 2010 ITEM NO. 15e

SUBJECT: Status of FY 2010/11 Conservation Activities

SUMMARY:

- As water shortages and increasing demands upon infrastructure occur throughout the country, water conservation planning, technologies and practices are evolving today at an unprecedented rate. A critical element of water conservation planning is to determine the cost-effectiveness of various conservation measures. Based on the Board's declaration of support for ACWA's conservation principles, which include support for the Governor's target of reducing water use 20% by the year 2020, an expanded conservation plan was prepared for this year as a pilot for the next decade with the goal of reducing average daily per capita demands. The updated Urban Water Management Plan (UWMP) is due in early 2011 and requires detailed information about water conservation program implementation, schedules and rationales. Zone 7 is a signatory to the California Urban Water Conservation Council's (CUWCC) Memorandum of Understanding (MOU).
- Kennedy-Jenks completed a study which identified CUWCC's most cost-effective Demand Management Measures (DMMs) or Best Management Practices (BMPs) for Zone 7. This study formed the basis for the conservation program framework presented at the June 17, 2009 Board meeting.
- Staff continues to work with the Tri-Valley Retailers on regional water conservation efforts to reduce water demand by all classes of water users: residential, commercial, industrial and institutional sectors. Programs are geared towards reducing our water footprint and ensuring current programs are cost-effective in providing not only financial incentives but also providing an educational component.

FUNDING

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

RECOMMENDED ACTIONS:

No action

ATTACHMENTS:

- Memo: Additional Background Information on Water Conservation Efforts for the 2010 Fiscal Year

Interoffice Memo

Date: September 15, 2010
To: Jill Duerig, General Manager
From: Robyn Navarra, Conservation Coordinator
Subject: Status of Fiscal Year 2010/11 Conservation Activities

SUMMARY:

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

The 2010 Fiscal year was an exceptional year for conservation. Legislative activities and the Governor's target of reducing water use 20% by the year 2020 allowed water agencies to re-evaluate, plan, develop, and implement new programs to address drought and conservation. Zone 7, in participation with its retailers, evaluated the current water conservation program/activities and evaluated sectors which would have the greatest impact on reducing water demand and energy by providing financial incentives (rebates). The focus was not only to continue to provide incentives to single-family residences as in the past (for washers and toilets) but to also provide incentives to multi-family homes, homeowner associations, schools, apartment complexes, and golf courses with a focus on reducing outdoor water use and waste for these larger users.

DISCUSSION:

The following highlights the activities for the 2010/11 fiscal year.

High-Efficiency Washer Program: One component of Zone 7's water conservation program is the High Efficiency Washing Machine Dual Rebate Program in partnership with Pacific Gas and Electric (PG&E). This program is increasing in popularity and a huge success. There are nine regional partners consisting of public water agencies who participate in this program. The agreement between PG&E is ongoing. To date (2010/11 fiscal year), Zone 7 has processed 2,679 Tier 2 and Tier 3 rebates, which have resulted in a water savings of nearly 42 acre feet (13,685,742 gallons) in the Zone 7 service area.

Zone 7 continues to administer the DWR Prop 50 grant for nine Public Water Agencies (PWA) and collectively the PWA's have saved approximately 623 acre feet (202,985,120 gallons) of water regionally.

High-Efficiency Toilet (1.28 gallons per flush) Program: The 2010 program was expanded to include Homeowners Associations, multi-family homes and small commercial, industrial and institutional (CII) customers. To date (2010/11 fiscal year), Zone 7 has processed 1,059 residential and multi-family residential rebates, which has resulted in a water savings of nearly 43 acre feet (14,011,593 gallons) in the Zone 7 service area.

To streamline the application process, staff is developing an electronic fill-in rebate that can be printed and mailed or emailed to www.erebates.com. Applications, when received, will be downloaded to a master database to assist staff and our retailers in verifying or eliminating those applications that aren't qualified and will also be utilized to produce reports meeting BMP 2 and BMP 9 reporting requirements. This tool has reduced administrative costs and staff time.

Large Landscape Audit Support Services: This program is part of the Enhanced Water Conservation Program and is a Pilot project for Livermore-Amador area. Zone 7 Retailer's selected their highest 20 percent water users to participate in the pilot project. A total of 28 businesses and schools were selected. Due to time constraints, out of the 28 businesses selected to participate, only 22 audits were conducted. The sites audited per city were as follows: City of Pleasanton -11, City of Livermore -3, Dublin San Ramon Services District - 7, and Zone 7 – 1. California Water Services Company chose not to participate due to audits that were conducted in a previous year.

Water use surveys provided technical assistance to CII customers to use water more efficiently. The report provides recommendations on ways to increase water use efficiency and also offers a financial incentive up to $5,000 to CII customers.

The overall findings from the 22 audit reports ranged from broken hardware, high or low pressure in the lines, overspray, mismatched sprinkler heads, improper spacing, plantings blocking sprinklers, and inefficient maintenance; however, if regular checks of the irrigation systems are performed routinely by maintenance staff, a majority of the issues found could be corrected. It was also determined that the potential water savings based on the calculated water budgets, basically applying water as scheduled would result in approximately 184 acre feet (59,956,584 gallons) saved annually for these 22 audits.

Another recommendation suggested that the customer conduct weekly maintenance checks so that the necessary repairs could be addressed in a timely manner for additional water savings.

Schools Indoor and Outdoor Audit Support Services: Four outdoor school audits have been completed. The school program provides schools with 100 percent funding to conduct large landscape surveys and to do irrigation hardware replacement; indoor surveys and plumbing fixture replacement. In addition to water savings, high efficiency irrigation equipment upgrades can result in energy savings, reduced runoff, and increased turf quality. This program includes the Weather Base Irrigation Controller rebate program. The anticipated water savings the first year is 91.4 acre feet. This savings is based on irrigation hardware replacements.

Indoor audits were complete at two schools in the Tri-Valley area. The goal is to provide the schools financial assistance to implement recommended hardware changes. Implementing water conservation in schools offers two-fold benefits: water is saved at the facility, and the students receive practical education and experience on the merits of water conservation. The goal is to evaluate the site and install tamper proof fixtures: replacement with High-Efficiency Toilets and Urinals. Faucet aerators and low-flow showerheads are proven, inexpensive water-saving devices. Offering these to schools in conjunction with site audits will result in significant water savings. The indoor audit and hardware replacement water saving is estimated at 15.6 acre feet.

GreenPlumbers® Certification Program: Zone 7 sponsored the GreenPlumbers training in Pleasanton at the Parkside location. This is a 15-week class which begun in February and ended in May 2010. The first class is Water Efficient Technologies. GreenPlumbers®, which is an innovative, national training and accreditation program that assists plumbers in understanding their role in the environment and public health. The organization's goal is to train and deploy a green army of thousands of plumbers to promote the benefits of water conservation and the reduction of GHG emissions. The focus is on changing consumer and plumbing behavior through the use of energy efficiency and water saving technologies.

Green Business Certification: Staff is working with Alameda County Green Business Program for restaurants and Cafes. The goal is saving energy, water and raw materials; developing a positive, proactive relationship with local compliance inspectors and the program promoting Green Businesses to the public and other businesses. Recently staff performed an on-site indoor audit at Wente Vineyard Restaurant & Event Center. Wente has applied for Green Business certification. Currently Wente meets the energy and raw materials certification. Zone 7 staff is work with Wente to offer incentives and assist their staff in completing the certification process.

Proposition 84 Integrated Regional Water Management Grant: Zone 7 Water Agency is working with thirteen Public Water Agency's on the Prop 84 Water Conservation Grant portion. A total of $15 million is allocated for the San Francisco Bay Area in this grant cycle. The IRWMP Coordinating Committee is seeking projects for water conservation incentives, water recycling, and green infrastructure. Zone 7 is working with participating water agencies to develop project types, proposal solicitation process and schedule, and ascertaining grant request amount.

Zone 7 recently spearheaded the polling of agencies throughout the region to ascertain:

1) Which programs are being done, by whom and at what budget level to estimate a 25% match;
2) What is the agency's grant request?

As of today, the regional grant request for this Project is now $14.6 million, with an $8.5 million match.

Zone 7 will submit a grant request for various programs for the inclusion in the proposed Project for 2012:

Total Zone 7 Programs:	\$ 622,100
Available match:	\$ 155,726
Grant Request:	\$ 466,374

The IRWMP Project Screening Committee is meeting in September to determine the eligible projects that will be recommended to the IRWMP Coordinating Committee for inclusion in the San Francisco Bay Area Proposition 84 application. The Coordinating Committee will decide on the final projects to be included in the October 2010 application. The grant application submittal due date is January 7, 2011 and funds will be awarded in Spring 2011.