

SUMMARY MINUTES

JOINT MEETING ZONE 7/DSRSD LIAISON COMMITTEE WITH CITY LIAISON COMMITTEES

January 14, 2013
4:00 p.m.

Zone 7

Sarah Palmer, Board President
John Greci, Director
Dick Quigley, Director
Jill Duerig, General Manager
Kurt Arends, Assistant Gen. Mgr., Eng. & Ops.
Tom Hughes, Assistant Gen. Mgr., Admin
Judy Rector, Board Secretary

Dublin San Ramon Services District

Georgian Vonheeder-Leopold, Board Vice President
Rich Halket, Director
Bert Michalczyk, General Manager
Dave Requa, Assistant General Manager

City of Pleasanton

Karla Brown, Councilmember
Jerry Pentin, Councilmember
Nelson Fialho, City Manager
Daniel Smith, Director of Operations
Dan Martin, Manager of Utilities

City of Livermore

John Marchand, Mayor
Doug Horner, Vice Mayor
Dan McIntyre, Director of Public Works

California Water Service Co.

John Freeman, District Manager

Item 1. Zone 7 Board President, Dr. Sarah Palmer, called the meeting to order at 4 p.m. Participants introduced themselves by name and agency.

Item 2. Public Comment – None.

Item 3. Updating Zone 7's Financial Policies

Tom Hughes reported that Zone 7 is conducting discussions with the retailers' staff about changing the Zone 7 reserve policy, the total cost of water and water conservation; how recycling water is going to impact the cost of water if retailers are taking less water; pay-as-you go debt financing; future Delta fix and long-term sustainability.

Director Rich Halket, Dublin San Ramon Services District (DSRSD) said DSRSD is looking at retrofitting areas irrigation customers for recycling and not just using recycled water for new developments; DSRSD would like to investigate ways of making retrofits more equitable.

Livermore Mayor John Marchand said that pay-as-you-go financing has kept Zone 7's water rates low; he suggested considering ozone when discussing financial policies. Mayor Marchand also advised that 85% of the cost of water is fixed so the first gallon is the most expensive and he strongly suggested increasing the use of recycled water. Director of Operations Daniel Smith, City of Pleasanton, suggested recycled water incentives for places such as Hacienda Business Park. City Manager Nelson Fialho, City of Pleasanton, said he wants more information on the fixed costs of water. Zone 7 President Palmer said that desalination will also increase water costs. Zone 7 Director Quigley reminded everyone that

DWR's water rates are likely to rise. Zone 7 President Palmer said that this could be driven by water availability. Livermore Mayor Marchand added that the cost of the Delta fix, such as constructing and operating tunnels, could also affect DWR's water rates. Daniel Smith added that the cost of any new facilities should be factored into an alternatives analysis.

Item 4. Updating Zone 7's Water Quality Policy

Item 5. Possibility of Sun-Setting the Three-Way Joint Water Quality Policy (between DSRSD, Pleasanton and Zone 7)

Kurt Arends, Zone 7's Assistant General Manager, Engineering, gave a brief summary of these two items, as they are closely related. Every two years there is an update to the Water Quality Implementation Plan as part of the Water Quality Policy established by the Zone 7 Board in 2003. Zone 7 staff also prepare an annual Water Quality Report Card that discusses status of meeting target water quality levels. In 2005, discussions on taste and odor were held between Zone 7 and its western retailers, the City of Pleasanton and DSRSD regarding the retailers' concerns about differences in water quality. As a result, the Three-Way Joint Water Quality Policy was adopted.

Pleasanton Councilmember Karla Brown expressed her concern about Pleasanton having superior water in one area and substandard water in another. If groundwater is used, the resident could get spots from dish and car washing but if other water is used, there could be taste issues.

Zone 7 President Palmer reassured her that all delivered water is safe and that its water quality has to meet minimum drinking water standards. Zone 7 Director Quigley reminded the committee that because Pleasanton pumps its own wells, Zone 7 doesn't have total control over water quality at the tap. Livermore Mayor Marchand discussed how Pleasanton historically ran wells with chlorine versus chloramine, which used to add to the tastes and odors; Pleasanton well water is the hardest but the cheapest. Bert Michalczyk, General Manager of DSRSD, said their groundwater is pumped 100% by Zone 7 because they do not have individual wells. Mayor Marchand suggested that Pleasanton may want to add a demineralization plant for the city wells into their CIP.

Dave Requa, Assistant General Manager, DSRSD, said there should be additional staff-level discussions on the Water Quality policy. District Manager John Freeman, California Water Service, suggested revamping all the policies into a single one and meeting with all four retailers to develop a draft.

Item 6. Possibility of Revamping Committee of Valley Water Retailers (and associated need for annual reporting)

Mr. Michalczyk described the history of CoVWR (Committee of Valley Water Retailers), explaining that it arose as an outcome of past litigation and opining that there might be a better way to do this today. Mr. Arends discussed that it is awkward for Zone 7 to be on the outside because the committee is made up of only retailers. Livermore Mayor Marchand feels that greater collaboration will serve the people better by spending less money for reports for individual agencies. In the meantime, a more open and efficient format could be developed with the same message for annual reporting. This might be an expanded Annual Water Quality Report Card, to minimize staff efforts.

As part of this discussion, Daniel Smith suggested that the Liaison Committee meet every three to six months. The group decided to meet again in May of 2013 (five months). Zone 7 Director Quigley said it was good to meet like this and minimize adversarial contacts. Dave Requa added that it would be a better use of resources if the retailers didn't have to waste time regurgitating Zone 7 material.

Item 7. BDCP Update

Mr. Arends said the second public draft of the BDCP report may be available in February, environmental impact documents this summer, final versions in October, and a Notice of Determination perhaps as early as the end of the year. Zone 7 Director Quigley distributed copies of Timothy Quinn's article on the "California Water System Upgrade Overdue" (copy attached).

DSRSD Board Member Rich Halket observed that a great deal of policy, legal and implementation uncertainty still exists regarding a comprehensive Delta fix and as a result he strongly believes that the Valley water agencies should develop a "Plan B" that would mitigate any impacts related to delays in the Delta. Any "Plan B" would also mean less Tri-Valley reliance on the Delta once the Delta solution is in place. Director Halket mentioned things like expanded and more aggressive uses of recycled water, grey water systems, rainwater capture programs, etc. Director Halket challenged the elected leaders to begin thinking about such alternatives.

Item 8. Verbal Comments

Zone 7 Board President Palmer reminded the group about fracking (hydraulic fracturing), a controversial process of injecting a mixture of water, sand and other chemicals into a well in order to stimulate the flow of oil or natural gas. It has the potential to do irreparable harm to the environment.

Item 9. Adjournment

The meeting was adjourned at 5:05 p.m.

California water system upgrade overdue

Timothy Quinn

Published 5:46 pm, Monday, January 7, 2013

If you are a typical Californian, chances are you have a smartphone in your pocket and a fuel-efficient car in your driveway. You probably do your banking online, stream movies in your home and enjoy a bewildering selection of produce year-round at the supermarket.

Technology has changed our lives in a relatively short time. In sector after sector, industries have made advancements to keep pace with a constantly changing world. It's hard to imagine consumers accepting anything less.

Yet there is one major area where modernization is long overdue: our statewide water system. Despite its essential role in our economy, California's backbone water-delivery system no longer performs to today's standards. We shouldn't be satisfied with that.

It's time to retool. Major advances in air quality, for example, have been made through dramatic changes in technology used by power plants, factories and cars. Huge reductions in water pollution likewise have been made through state-of-the-art treatment plants.

Our statewide water system needs a similar assist from technology. Decades-old conveyance facilities in the Sacramento-San Joaquin River Delta are being asked to meet new environmental standards they were not designed to meet. Failure to meet that bar has negatively affected fish and water deliveries to millions of Californians.

Science has greatly improved our understanding of the problem. We know that smarter infrastructure can help by reducing impacts on species and making pumping levels more predictable for water suppliers.

Though local water managers are investing in the next generation of wise-water-use technology and solutions in their regions, we've postponed the job at the statewide level. That's a problem.

Wineries in the Livermore Valley, for example, will have a hard time producing award-winning varietals if water delivered through the delta grows increasingly unreliable.

Avocado farmers in San Diego County and cut-flower growers in Ventura will be hard-pressed to produce their crops if water from the statewide system is not reliable enough. In the Central Valley, fields of melons, pistachios and pomegranates will give way to fallowed land if water deliveries become too uncertain to grow these specialty items.

In Silicon Valley, manufacturers of computer chips and circuits know production will fizzle without reliable water from the statewide system.

All of this is at risk because our water system is outmoded and underperforming. Physical improvements are being identified now through a collaborative process known as the Bay Delta Conservation Plan that could put us on a path to retool the system for the 21st century.

Specifics are being refined, but the process merits support as state and federal agencies review alternatives and assess how the project would improve conditions for species.

When something isn't working, you fix it. If your statewide water system no longer performs, take steps to improve it. Sticking with the status quo and expecting different results makes as little sense as trying to combat air pollution without investing in clean-air technology.

It is time to step up and invest in a water system that works. Californians expect nothing less.

Timothy Quinn is the executive director of the Association of California Water Agencies.