

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

SPECIAL MEETING

REVISED

January 29, 2014

President Stevens called the meeting to order at 7:05 p.m. The following were present:

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

DIRECTORS ABSENT: NONE

ZONE 7 STAFF: JILL DUERIG, GENERAL MANAGER  
KURT ARENDS, ASSISTANT GENERAL MANAGER, ENGINEERING  
CAROL MAHONEY, SENIOR GEOLOGIST, INTEGRATED PLANNING  
AMPARO FLORES, ASSOCIATE CIVIL ENGINEER, INTEGRATED PLANNING  
BRAD LEDESMA, ASSOCIATE CIVIL ENGINEER, INTEGRATED PLANNING  
RHETT ALZONA, SENIOR ENGINEER, FACILITIES ENGINEERING  
JUDY RECTOR, BOARD SECRETARY

COUNSEL: DAVID ALADJEM, DOWNEY BRAND

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**Item 3 – Citizens Forum -**

General Manager Jill Duerig presented a letter from Ann Montgomery, a Pleasanton resident, who was unable to attend the Board meeting but has concerns about future discussions revolving around how individuals will have tiered rate structures or 20% reductions in use and how it would be applied for individual users.

**Item 4 – Public Comments - None**

**Item 5 – 2014 Drought Emergency Response Plan**

Ms. Duerig said that the last Board meeting she had an optimistic response about the drought and we had a lot of water stored in outside areas to keep our water supply whole; however, the Department of Water Resources has since said that, although water was banked in areas such as Semitropic and Cawelo, we may not be able to access it and our allocation from the State Water Project may drop to 0%.

Staff rose to the challenge to figure out how Zone 7 is going to provide water to the people in our service area. Integrated Planning staff talked about how they developed a Drought Emergency Response Plan and the Capital Projects group discussed three projects that were developed to keep Zone 7 as whole as possible.

Dr. Amparo Flores, Associate Civil Engineer, Integrated Planning, did a presentation on the water supply issues that are faced by the State Water Project. Zone 7 normally relies on the State Water Project for 80% of our supplies. She discussed some of the key sources and the conveyance of supplies for the State Water Project. In late November Zone 7 had an initial 5% allocation and after monthly updates, the final water allocation is decided in about June. There have been other dry years since 1999 with the driest year in 2008 but the lowest allocation of 30% was in 1991. In 2013, 600,000 acre feet of water were lost of which 2% would have been delivered to Zone 7, about 12,000 acre feet and a significant impact to our water supply. 2013 was the lowest year observed over 90+ years of record. January 2014 has been very dry with minimal snow accumulation. Current lows are below 1975-76 conditions which were the lowest ever experienced by the State Water Project.

Director Palmer arrived at 7:10 p.m.

Dr. Flores added that Zone 7 is preparing for the worst case scenario for our water supplies with 0% allocation, delta pumping stopped, and losing access to all of the imported water, dry year transfers and Semitropic and Cawelo water storage.

Director Ramirez Holmes asked about the additional capital projects that were listed but not on tonight's agenda and if those would be coming back to the Board. Ms. Duerig replied that in four to eight weeks they would know more and prioritize them. Director Ramirez Holmes asked for more information after Dr. Flores noted that Lake Oroville has had issues with inoperable river valves which have become a complex engineering problem and dangerous. Director Greci talked about Lake Pardee which is losing 1 foot per day and East Bay Municipal Utility District may be out of water from Pardee by May.

Director Palmer asked if, after Governor Brown's declaration, water exchanges are going to be easier to do. Ms. Duerig said a proclamation makes it easier to do from a regulatory standpoint but there are physical limitations of the system and if there is salinity intrusion, they can't operate the pumps. Director Greci added that years ago when Zone 7 started wheeling water to Cawelo and other areas, all of the water was excess water that went into storage but it could not be pumped back up in a reverse direction. When we needed the water, they limited the release to Southern California and diverted it back to us. The problem now is that if they shut down the State Water Project, we do not have infrastructure to do the exchanges. We have the water stored there but we can't bring it back so banking it did not do Zone 7 a lot of good if you can't get it back due to a lack of infrastructure. Ms. Duerig answered that this shows us what the worst case scenario means. We have pulled back water in dry years but only when the State Water Project was operating. It is completely new territory for the State Water Project which has been around since the 60's and this is much worse than the 90-year old records show and what the State Water Project has seen before.

Brad Ledesma, Associate Civil Engineer, Integrated Planning, continued the presentation from a local standpoint with the words "Zone 7 Action Plan: prepare for the worst, hope for the best." He discussed the worst case scenario of no water from the South Bay Aqueduct, groundwater storage amounts, and rainfall data. Lake Del Valle is only 72% full, only half available due to dead storage in the lake itself, and split among the three South Bay Aqueduct contractors. Mr. Ledesma discussed the water demands in conjunction with the worst case scenario, conservation, and the potential of a 20% reduction in water use. Drought response plan water supply options such as the groundwater basin, Lake Del Valle, the South Bay Aqueduct, Chain of Lakes, and emergency interties were also presented with the goal of making it through the summer of 2014 and into 2015.

Director Figuers arrived at 7:38 p.m.

Next steps were discussed including providing monthly updates throughout the drought emergency and presenting the 2014 Annual Sustainability Report at the April Board meeting.

President Stevens asked for public comments.

Bert Michalczyk, General Manager of Dublin San Ramon Services District, complimented the Integrated Planning staff for the presentation given to the retailers earlier in the week. He stated that DSRSD endorses Zone 7's consideration for a declaration of a local drought emergency and they are ready and willing to help Zone 7 through the drought situation. He asked Zone 7 to identify the level of conservation and quantify the amount for the retailers as soon as possible so they can tell their individual customers and customer classes what to specifically do besides save water.

The Board received a copy of a letter from Terry Rossow, 743 Wimbledon Lane in Livermore, who also spoke. He feels that asking people who have been conserving for years to further reduce their usage by the same percentage as others is unfair and is contradictory to what Zone 7 is trying to achieve.

Daniel Smith, City of Pleasanton, offered help by the City of Pleasanton. He shared that Pleasanton has a robust well system that is available and their biggest well, Well 8, has been refurbished and has a new pump and motor so is a good asset to help make it through the season. Pleasanton has also been working with DSRSD to convert a big park to recycled water and with the City of Livermore on converting a couple of large new customers to recycled water. City of Pleasanton staff was going to their City Council with a 20% drought proclamation and will keep their Council updated monthly. The public is asking what does 20% mean and how are we going to manage the reduction, what does it look like? Whatever we can do now will help us later. The message to the public is what we do internally and what we do as retailers in looking at the base period for reductions and not penalize those that conserve versus those that haven't. The City of Pleasanton is willing to help, appreciate working with Zone 7, and the assets Pleasanton has are available to help.

Director Ramirez Holmes suggested that the Board adopt a specific percentage for voluntary conservation. Missing from this plan is a clear list of water conservation items available now from Zone 7 and retailers including rebates. Next month maybe we can spend time and do better public outreach so we are able to give resources to the public.

Ms. Duerig mentioned that Kennedy Jenks is reviewing the conservation program because current rebate programs may not be necessary anymore such as toilet rebates due to plumbing code changes. Also rebates for drought tolerant plants may not be wise because initially the plants require more water to establish them and then there might be a prohibition on outdoor watering. Information will be brought forward as available but it was intentionally left out of tonight's program because we don't have enough information yet to make a proposal.

Director Figuers said he disagrees with a 20% across-the-board reduction and agrees with the contents of the two letters presented to the Board from Ann Montgomery and Terry Rossow. For people who have conserved, what is left to cut back?

Director Greci added that this is the biggest crisis we have ever had in this valley but he does not believe that mandatory restrictions are needed right now. It is going to take a cooperative effort by every citizen in this valley and it takes a full understanding of the complexity of this water system. We need to let the public know in an educational way that this is not going to be solved by Zone 7 or the retailers and it is going to take an effort by everyone in the valley because if we work together, we won't have to have rationing, restrictions or increased costs. It can be resolved by individual efforts by local citizens and it is important to get the word out.

Gail Shearer, owner of Tazetta Winery, encouraged Zone 7 staff to talk to the Wine Growers Group about how the drought will affect vineyards in the valley. A 20% reduction in water will be destructive to the vineyards.

Director Quigley spoke about Zone 7's water supply from the State Project being vulnerable, fixing the Delta, and being cognizant of the need for water from the north. He added that if a new conveyance were in place, many of these issues would not exist. He noted desalination, blending and use of recycled water are common in Southern California. ACWA will have a Drought Task Force. He favors a voluntary reduction of 10% to 20% and the need for a state fix.

President Stevens clarified for the public that the drought banks are south and the California Aqueduct flows south, mostly by gravity. During droughts, water still goes downstream and water is pumped into the Aqueduct, we take water from the Aqueduct, so the net is zero. The problem we are having is if there is no water in the Aqueduct, we cannot take water out. The Cawelo banking system is for drought protection and is a great system. But if there isn't water in the Aqueduct, you can't take advantage of it and no one ever thought this would happen. Also, the last two years have been dry, which stressed our groundwater reserves and if you over pump and draw down too much, you lose more capacity. We may not be able to pump down as far as we think we can.

Director Quigley moved for approval of the motion.

Director Ramirez Holmes asked for a friendly amendment to set a 20% voluntary reduction for water conservation in line with the Governor's request. The maker of the motion did not accept the friendly amendment.

Director Quigley again moved for approval of the resolution and Director Palmer seconded the motion. The motion passed with a roll call vote of 7-0.

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| Resolution No. 14-4339 | The Board of Directors declared a state of drought emergency, accepted the Drought Emergency Response Plan and authorized the General Manager to establish appropriate levels of conservation. (Item 5A) |
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#### **Item 6 – Contract for Design and Construction of Chain of Lakes Well No. 5**

Assistant General Manager, Engineering, Kurt Arends, told the Board that in conjunction with the Drought Emergency Response Plan, staff identified three projects that need to go online as soon as possible and help offset short-term impacts and assurances against long-term shortages. These projects will be sole-sourced in order to meet the expedited timeline. The projects were presented to the Board by Rhett Alzona, Senior Engineer, Facilities Engineering.

Mr. Alzona explained that Conco West, Inc., built Chain of Lakes Wells No. 1 and 2 after Stantec designed it and Layne Christensen did the well drilling. Constructing Chain of Lakes Well No. 5 immediately will help reduce potential water shortages so staff recommended a turn-key contract with Conco West to design and construct Chain of Lakes Well No. 5 for \$3,600,000 in the FY 13-14 budget. Completion of the project is estimated for August 2014.

Director Ramirez Holmes asked if the \$3.6 million was the total project cost and Mr. Alzona answered yes. Director Ramirez Holmes asked if we own the land for the Chain of Lakes Well No. 5? Mr. Aladjem responded that we do not own that land at present and are working with the land owner to allow access.

She asked if it has an impact on the East Pleasanton Specific Plan. Ms. Duerig replied that this well was part of the Chain of Lakes Well Master Plan and should already be considered in the Specific Plan.

Under public comment, Jennifer Jamieson from Rhodes and Jamieson spoke to the board on behalf of Pleasanton Gravel. She wanted to make it clear that they want to see proposals in writing, how much land is needed, where it will be, and on record that East Pleasanton Specific Plan, which they oppose, is not associated with the project.

President Stevens explained to the audience that Zone 7 keeps costs down by using pay-as-you-go for debts for specific projects so there are reserves for future Patterson Pass WTP.

Director Palmer moved for approval of the resolution and Director Figuers seconded the motion. The motion passed with a roll call vote of 7-0.

Resolution No. 14-4340      Authorized a contract with Conco West, Inc. for the design and construction of the installation of Chain of Lakes Well No. 5. (Item 6)

### **Item 7 – Contract for Design and Construction of Pipeline between Cope Lake and Lake I**

Mr. Alzona continued with the second project, pipeline construction between Cope Lake and Lake I. In 2013 Zone 7 completed work with Vulcan Mining to capture discharges and transfer into the lake where water is stored but unavailable. This project would allow for more volume of mining water discharges and the ability to transfer water from Cope Lake to Lake I for recharge. Staff recommended a contract with CH2M Hill for the design and construction of this project in an amount not to exceed \$1,200,000 and an additional appropriation of \$950,000 for FY 13/14 for this project. Completion of the project is estimated for May 2014.

Director Palmer moved for approval of the resolution and Director Quigley seconded the motion. The motion passed with a roll call vote of 7-0.

Resolution No. 14-4341      Authorized a contract with CH2M Hill for the design and construction of a pipeline between Cope Lake and Lake I. (Item 7)

### **Item 8 – Contract for Design of Valley Avenue Well**

Mr. Alzona explained the third project, Valley Avenue Well, was also part of the Well Master Plan EIR. This well would need chemical facilities so there is an additional cost and an extended timeline. Completion is projected for February 2015. The proposed contract with Stantec is for initial design and related drilling to determine on-site hydrology including designing the water supply well, pump house, vertical turbine well pump and motor, chemical system, ingress/egress improvements, grading, paving and fencing. Additional appropriations will be sought as the project moves forward. The amount is \$1.4 million for FY 2013/14.

Director Palmer asked about the sole sourcing for these contracts. General Counsel David Aladjem replied that because the Board adopted the resolution declaring a local drought emergency, the general rule for public bidding is that it does not apply when there is an emergency and the public bidding process would delay these projects by 6 months or more and these projects need to come online as soon as possible.

Director Greci expressed his concern about moving too fast for the well and being taken advantage by the drillers. Mr. Alzona assured him the costs are in line with Chain of Lakes Wells 1 and 2.

~~Director Ramirez Holmes asked and Ms. Duerig confirmed that the projects would be paid for from funds in the reserves. Ms. Duerig confirmed that the projects will be paid for from funds in the reserves.~~  
Director Ramirez Holmes asked whether Zone 7 owns the property for the Valley Avenue Well. Mr. Aladjem said there have been negotiations with the land owner and Zone 7 should have access shortly.

Director Palmer moved for approval of the resolution and Director Greci seconded the motion. The motion passed with a roll call vote of 7-0.

Resolution No. 14-4342      Authorized a contract with Stantec for the design Busch Valley Well  
No. 1. (Item 8)

The board went into closed session at 8:28 p.m.

### **Item 9 - Closed Session**

- (a) Conference with Legal Counsel – Initiation of litigation pursuant to Gov't Code section 54956.9(d) (4): 3 cases.

### **Item 10 - Open Session and Report Out of Closed Session**

The Board came out of Closed Session at 8:28 p.m. President Stevens reported that there were no reportable actions taken in closed session.

### **Item 11 - Adjournment**

The meeting was adjourned at 9:07 p.m.