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

REGULAR MEETING

November 28, 2012

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

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

DIRECTORS ABSENT: NONE

ZONE 7 STAFF:	JILL DUERIG, GENERAL MANAGER KURT ARENDS, ASSISTANT GENERAL MANAGER, ENGINEERING TOM HUGHES, ASSISTANT GENERAL MANAGER, ADMINISTRATION TAMARA BAPTISTA, FINANCE MANAGER JUDY RECTOR, BOARD SECRETARY
COUNSEL:	DAVID ALADJEM, DOWNEY BRAND

Item 3 – Citizens Forum – None.

Item 4 - Minutes of the Regular Meeting of October 17, 2012

President Palmer and Director Ramirez Holmes corrected the minutes as follows: 1) a roll call vote of 6-0-1 on Page 5 of Item 8 was corrected to a vote of 6-1; 2) on Page 7 of Item 12, clarification language "in the meantime it will remain as Livermore-Amador Valley" was added; and 3) a previous correction in the Liaison Committee minutes regarding Mayor Jennifer Hosterman's first name was changed. Director Ramirez Holmes moved for approval and Director Quigley seconded approval of the minutes. There was a voice vote of 6-0 with Director Figuers absent.

Item 5 - Consent Calendar

President Palmer pulled Consent Items 5(a), 5(c) and 5(e). Director Stevens moved approval for Items 5(b) and 5(d) and Director Machaevich seconded. The following resolutions were approved by a voice vote of 6-0 with Director Figuers absent:

Resolution 13-4239	Authorized the General Manager to negotiate and execute an Easement Area Use Agreement with the Owners of 7099 Amador Plaza in Dublin and record a certificate of acceptance at the Office of the Recorder of Alameda County. (Item 5b)

Resolution 13-4241 Authorized the General Manager to reject all bids for Project 222-13, the destruction of the former Camp Parks well, and return the bid and bid bonds submitted by the bidders. (Item 5d)

Director Figuers arrived at 7:06 p.m.

President Palmer asked to revisit Consent Items 5(a), 5(c) and 5(d) for the following reasons: 5(a) - in the future provide a copy of an amendment in the agenda item; 5(c) - add a date stamp to maps or pictures showing a timeframe reference when included in future agenda items; and 5(e) - is the sedimentation study going to help with issues the County is dealing with regarding sedimentation and Flood Control? Staff responded that this study will provide comparable data for the County, in that SFEI was used for downstream studies, too.

Director Quigley questioned how the size of large storm events is defined. What are the metrics that are being looked at over the next two years? Mr. Arends explained that over the past two years there have been only small, one to two-year events. There is a lot of data on small events but very little on larger events. Zone 7 wants to be in a position to collect that data should a larger event occur. President Palmer also mentioned the invaluable training that Zone 7 people are getting to do that kind of sampling.

Director Ramirez Holmes moved and Director Quigley seconded approval of Consent Items 5(a), 5(c) and 5(d). The following resolutions were approved by a voice vote of 7-0:

Resolution 13-4238 Authorized the General Manager to negotiate and execute Amendment No. 1 to the agreement between California Department of Water Resources, Alameda County Water District and Zone 7. (Item 5a)

Resolution 13-4240 Authorized the General Manager to negotiate and execute Grant of Easements from the City of Pleasanton for access and a pipeline for the Mocho Demineralization Project and record a certificate of acceptance at the Office of the Recorder of Alameda County. (Item 5c)

Resolution 13-4242 Authorized the General Manager to negotiate and execute a contract with the San Francisco Estuary Institute for Phase 2 of the sedimentation study. (Item 5e)

Randy Werner, City of Livermore, asked about Consent Item 5(d) regarding abandoning wells and when the specs are going to be available. The City of Livermore will need to abandon a well soon and wants the information.

<u>Item 6 - Staffing Updates</u>

<u>Item 6a – New Employees</u>

Ms. Duerig introduced two new employees: Barrie Lindsay, Water Plant Operator III, and Zeljka Bozic, Office Assistant. After a brief description of their respective backgrounds, the Board applauded and welcomed them both to Zone 7.

Item 6b - Employee of the Month Recognition

Ms. Duerig acknowledged Kevin Hulme as the September Employee of the Month. The Board recognized Kevin in absentia as a valuable employee and an asset to Zone 7.

Item 7 – Committees - Finance Committee - November 26, 2012 - minutes pending

Ms. Duerig said the Finance Committee members agreed that the auditor's report will be brought before the full Board in December. Director Ramirez Holmes, a member of the Finance Committee, reported that the independent audit of Zone 7 finances resulted in an unqualified "clean" opinion by the auditor.

Item 8 - Reports - Directors

a. Verbal comments by President

President Palmer said that a final Ad Hoc Response Committee meeting will be scheduled and a revised Doodle Poll will be sent out with new Liaison Committee dates.

b. Written report by Director Quigley

Director Quigley noted that he had attended an ACWA Board Meeting on November 16 and there were discussions concerning the super majority in the State, the water bond, and federal and state elections.

Director Ramirez Holmes added that she will be attending the swearing in of the two new local legislators in Sacramento.

Item 9 - Items for Future Agendas – Directors

Item 10 - Staff Reports (Information items.)

a. General Manager's Report
b. Recent Outreach Activities
c. Legislative Update
d. Status Report on Separation Efforts and Financial Software Replacement Project
e. Report on Water Sales and Connection Fee Revenue
f. Capital Improvement Program Update
g. Deferral of Water Connection and Development Impact Fees
h. Update Related to the Bay Delta Conservation Plan
i. Verbal Reports

Director Ramirez Holmes asked for notification of upcoming events prior to the event occurring, in addition to accomplishments, so she can let others know or attend herself. She said that future events are not always listed on the website. Ms. Duerig responded that staff would take care of it.

Director Stevens commented on Staff Report 10(d) regarding the new financial software. There was a discussion about the set backs and the contract with the vendor. Tom Hughes, Assistant General Manager, Administration, said there is an issue of inadequate training/support and a lack of manuals so the vendor's contract is being reviewed. Director Figuers suggested implementation should come before the Finance Committee. Director Machaevich suggested that a training videotape be made during the next onsite visit. The directors asked if a change of vendor is appropriate. Mr. Hughes and Ms. Duerig noted that Zone 7 staff has invested a lot of time in implementation thus far, including creating the manuals.

Director Palmer asked about Staff Report 10(e) and the connection fee stacked graph of accumulated loss revenue and the actual connection fee. Ms. Duerig explained the stack graph shows the total amount of development that occurs. The orange color represents what is really collected and the gray color represents additional money that would have been collected (credits) for the total amount of development if the money was coming in to Zone 7. The orange color on the graph is the money Zone 7 actually collects.

Randy Werner, City of Livermore, suggested that pressure be put on the retailers to accurately estimate their water use because Zone 7 depends upon that revenue to buy water. Mr. Werner said the estimates should be accurate but he wants to see monthly what is estimated and what is used. Mr. Hughes responded that there had been a recent TVRG kick-off meeting regarding finances and budget. Accurate estimating is one of the issues being discussed with them. Director Stevens noted the multi-year budget they want, too.

Director Quigley asked to meet with staff for clarification of "$1 budget remaining" on Page 3 of the agenda item for Staff Report 10(e). Mr. Hughes responded that Director Quigley should call him to set something up.

Ms. Baptista, Finance Manager, answered Director Ramirez Holmes' questions on water rebate money and if it is added to the budget surplus so she can see if money is available in Fund 72. Mr. Hughes added that once the new financial system is in place, the Board will be able to get updates. Ms. Duerig discussed adjusted budget numbers and the use of the term "as money is available."

Randy Werner asked if a month-to-month running balance will be available through the new financial software because if retailers know that there is money available, they would get more people involved in rebate programs. There was a discussion on toilet recycling and water savings.

Mr. Arends clarified in Item 10(g) that there is a state-wide SCIP program (Statewide Community Infrastructure Program) for cities where a developer can apply for a deferral of developer fees. The program funds development fees through bond sales and allows the developer to establish an assessment district on the property to pay the debt service. The City of Dublin actively participates and can defer the fees (like Zone 7 development fees) while keeping school and water districts whole.

Director Ramirez Holmes suggested that a SCIP person might want to speak at a future Liaison Committee meeting.

The Board went into Closed Session at 7:55 p.m.

Item 11 - Closed Session

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

b) Conference with Legal Counsel – Significant exposure to litigation pursuant to Subdivision (b) of Government Code Section 54956.9: 1 case

Item 12 - Open Session and Report Out of Closed Session

The Board came out of Closed Session at 8:06 p.m. President Palmer reported that the Board approved a 2.65% cost-of-living adjustment for the General Manager.

Item 13 - Adjournment

The meeting was adjourned at 8:09 p.m.