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

REGULAR MEETING
December 16, 2009

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

DIRECTORS:	SANDY FIGUERS JOHN GRECI STEVE KALTHOFF CHRISTOPHER MOORE SARAH PALMER DICK QUIGLEY BILL STEVENS
DIRECTORS ABSENT:	NONE
ZONE 7 STAFF:	JILL DUERIG, GENERAL MANAGER ROGER PETERS, BEST BEST & KRIEGER, SPECIAL COUNSEL KURT ARENDS, ASSISTANT GENERAL MANAGER, ENGINEERING JOHN YUE, ASSISTANT GENERAL MANAGER, FINANCE DIANA GAINES, SENIOR ENGINEER JAVIA GREEN, STAFF ANALYST ELKE RANK, ASSISTANT PLANNER JUDY RECTOR, ACTING BOARD SECRETARY

Item 3 – Citizens Forum

Steve Cusenza, Utilities Manager, announced his retirement after 21years with the City of Pleasanton. Several directors congratulated him on his retirement, expressed their appreciation for his service over the years.

Item 4 – Minutes of the Regular Meeting of November 18, 2009

On a motion by Director Greci(?) with a second by Director Figuers (?), the minutes of the Regular Meeting of November 16, 2009, were approved as presented.

Item 5 – Consent Calendar

On a motion by Director Figuers with a second by Director Moore, Consent Items 5a through 5e were adopted by a roll call vote of 7-0. The following resolutions were approved by a roll call vote:

Resolution No. 10-3360	Approving a Development Impact Fee (DIF) Deferred Collection Agreement with Wente Bros. (Item 5a)
Resolution No. 10-3361	Approving the General Manager to accept the grant of sewer easement from Archangel Two Partners, LLC (Item 5c)

Resolution No. 10-3362	Approving the contract with DTN Engineers, Inc. for design and construction support services for the Patterson Pass Water Treatment Plant electrical power system upgrade project for an amount not-to-exceed $176,000. (Item 5d)
Resolution No. 10-3363	Approving a one-year contract extension with The Gualco Group, Inc. to provide advocacy and legislative support services for an amount not to exceed $70,000.
Resolution No. 10-3364	Accepting the independent auditor's report prepared by Low Accountancy, basic financial statements and supplementary information for the fiscal year ending June 30, 2009.
Resolution No. 10-3365	Authorize the General Manager to negotiate and execute the agreement with PG&E for the implementation of the 2010 calendar year of the Regional High-Efficiency Washing Machine Rebate Program on behalf of Zone 7.
Resolution No. 10-3366	Authorize Director Dick Quigley and General Manager Jill Duerig to attend the Association of California Water Agencies (ACWA) Washington DC Conference February 23-25, 2010 and that they be reimbursed for actual and necessary expenses associated with their attendance at the conference.

Item 6a—Employee of the Month Recognition

Ms. Duerig announced that the Zone 7 employee of the month for October 2009 is Ms. Judy Rector, Secretary in the Administration Section at North Canyons. Ms. Rector was recognized for her positive attitude, sense of humor, and being a team player who uses her interpersonal skills to help employees and the public on a daily basis at Zone 7.

A plaque has been installed in the lobby with the names of the Employees of the Month.

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Item 8 was heard before Item 7.

Item 8—BART to Livermore Extension Draft Environmental Impact Report and Alternative Alignments

The Board heard a presentation by Mr. John McPartland, Director-District No. 5, and Mr. Malcolm Quint from the San Francisco Bay Area Rapid Transit District (BART). On November 5, 2009, BART released a Draft Program Environmental Impact Report (PEIR) to evaluate nine alternative alignments for the extension of BART to Livermore. The PEIR additionally evaluates station locations, configurations and maintenance facilities.

Staff attended a public hearing on the PEIR on December 2, 2009, and requested that the Zone 7 Board of Directors be included in presentations to public officials regarding the BART extension.

- A handout was presented showing the alignment of the stations: two station alternatives at Greenville East, Vasco, and Downtown Livermore and one station alternatives at Isabel and I-580 and at Isabel and Stanley.

- Potential impacts to Zone 7 operations in the Chain of Lakes are being reviewed by Staff but may include:
    - Geotechnical slope concerns along the lake margins
    - Water quality, flood protection, and fisheries concerns in the Arroyo Mocho
    - Conflicts with future facilities such as the Arroyo Mocho Diversion and Cope Lake pump-back stations
    - Conflicts with existing access roads
    - Conflicts with Lake D due to potential station siting.

- Comments on the PEIR are due January 21, 2010.

Item 7—Sycamore Grove Park Phase II Technical Study

Elke Rank, Assistant Planner, coordinated a presentation to the Board by Nelda Matheny, HortScience (horticulture) and Greg Kamman, Kamman Hydrology (hydrology). The third consultant was Lone Pine Research (tree ring analysis) but Mr. King lives in Montana and was unable to attend. The Board will receive a full written report later.

The goal was to investigate the reasons for the decline of sycamore trees at Sycamore Grove Park between 1985 and 1989. Preliminary results suggest that this sycamore mortality event may have resulted largely from water stress conditions associated with the Arroyo del Valle flow regime change. Between 20% and 40% of sycamore trees died during this period with the greatest concentration of dead trees located toward the northwest end of the Park.

After a long discussion and comments or questions by the Board, it was determined that staff will evaluate the findings and recommendations contained in the final report to determine the value, potential impact, and cost to Zone 7 operations before any decisions are made about future stream operations.

Item 9—Bay Area Multi-Jurisdictional Local Hazard Mitigation Plan and Transit

The Local Hazard Mitigation Plan (LHMP) was developed to meet the requirements of the Federal Disaster Mitigation Act (DMA) of 2000. The focus of the LHMP is mitigation before rather than after a disaster. The Mitigation Strategies identified in the LHMP are evaluated for Zone 7's specific area and responsibility. They include Infrastructure, Health Services, Housing, Economy, Government Services, Education, Environment and Land Use.

Part of the renewal process is to allow public comments on the 2009 Draft Mitigation Strategies. After FEMA approval of the Draft Multi-Jurisdictional LHMP, the final Mitigation Strategies will come back to the Board for approval.

Item 10 – Authorize the General Manager to Use Proceeds from the Installment Sale Agreement for the Altamont Pipeline – Livermore Reach Project Cost

Ms. JaVia Green made a presentation to the Board similar to the one made to the Finance Committee on November 16 and December 9, 2009. The recommendation is to draw from the $60M ISA (which functions much like a line of credit) established with Wells Fargo Bank.

Three scenarios were presented to show how soon or late a draw on the ISA would be needed:

- **Scenario 1 - Worst Case, No Borrowing –** If no more connection fee revenue is received this fiscal year and the ISA is not used; available funding in Fund 73 could go negative in March 2010.
- **Scenario 2 - Most Probable, No Borrowing –** If this fiscal year's connection fee revenue projection of $5.7M is received and the ISA is not used; available funding in Fund 73 could go negative in September 2010.
- **Scenario 3- Most Probable, with $30M ISA** - If the projection of $5.7M is met this fiscal year and the ISA is used; Fund 73 would stay in a positive state and have sufficient funding to pay off the ISA in January 2014.

The Finance Committee recommendation is to draw from ISA as soon as possible to claim the most amount but they had wanted more detail on risk.

Director Figures moved for the adoption of the resolution authorizing the General Manager to draw from the ISA when needed. The motion was seconded by Director Palmer and passed by a roll-call vote of 7-0.

Item 11 – Voluntary Resignation Program

On October 26, 2009, the Board of Directors authorized the General Manager to create and implement a Voluntary Resignation Program to occur in the current fiscal year. Director Kalthoff moved to adopt a resolution authorizing the General Manager to select participants in the program, execute Settlement Agreements and direct the Auditor-Controller to issue severance pay to participants.

Director Palmer asked if there is a limit on the amount of the checks that are issued. Ms. Duerig replied that after people apply for the program, management will decide who will participate and severance payments will be made in accordance with the executed Agreements.

Director Palmer moved to adopt the resolution and Director Figuers seconded. The motion was passed by a unanimous roll-call vote.

Item 12 – Committees

a. Finance Committee of December 9, 2009 – verbal report

Item 13—Items for Future Agendas —Directors

Item 14 – Reports - Directors

a. Written report by Director Quigley.
b. Verbal reports

Director Moore requested that the BART PEIR comments be on the January 20, 2010 agenda. Director Palmer agreed.

Ms. Duerig stated that the goal of the Board would be to authorize the Board President to sign the letter to BART rather than the General Manager and to discuss and provide direction to staff. Director Stevens suggested that a subcommittee review the comments prior to the letter coming to the full Board. An Administrative Committee will be scheduled before the January 20th Board meeting to review comments.

Director Quigley noted that there is new ACWA legislation in November. He also congratulated Boni Brewer on her part of the award for ACWA Region 5 Outstanding Public Outreach Patricipant award which has been won by Zone 7 for the past two years.

ACWA is turning 100 in 2010 and pre-dates Zone 7 by about 50 years. If interested in more details, the ACWA website can be accessed.

Water for Tomorrow was published by National Geographic and is an ACWA publication.

Director Stevens asked if Zone 7 had hired a geotechnical consultant. Ms. Duerig said the matter will be reviewed again and a General Manager contract issued if needed.

Director Palmer said she attend the December 2 BART public meeting in Livermore.

Item 15—Staff Reports (Information items. No action taken.)

a. General Manager's Report
b. Recent & Upcoming Public Outreach Activities
c. Legislative Update – Presentation by Jackson Gualco from The Gualco Group, Inc.

Item 15d—Verbal reports

There was no further discussion.

President Quigley recessed the meeting for a short break before reconvening in Closed Session at 9:00 p.m.

Item 16—CLOSED SESSION

a) Conference with Legal Counsel – Existing litigation pursuant to Subdivision (a) of Government Code Section 54956.9: 1 case

Homebuilders Association of Northern California v. Alameda County Flood Control and Water Conservation District – Zone 7, et al.; Alameda County Superior Court Case No. VG09474043

b) Conference with Legal Counsel – Significant exposure to litigation pursuant to Subdivision (b) of Government Code Section 54956.9: 3 cases

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

Item 17—OPEN SESSION AND REPORT OUT OF CLOSED SESSION

Item 18—Upcoming Board Schedule

(All meeting locations are 100 North Canyons Parkway, Livermore, unless otherwise noted)

a) Regular Board Meeting: January 20, 2010, 7:00 p.m.
b) Ad Hoc Delta Committee, January 26, 2010
c) Finance Committee, February 3, 2010, 3:00 p.m.
d) Special Board Meeting: February 3, 2010 5:00 p.m.

There was no further business, and the meeting was adjourned at approximately 9:30 p.m.

Item 15—OPEN SESSION AND REPORT OUT OF CLOSED SESSION

During closed session the Zone 7 Board of Directors approved amending the existing contract with Meyers Nave Riback Silver & Wilson by adding $30,000 for ongoing work in connection with the Chain of Lakes Wells No. 1 & 2 eminent domain action.