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

REGULAR MEETING
February 18, 2009

President Palmer called the regular meeting to order at 6:30 p.m. The following were present:

DIRECTORS:	SANDY FIGUERS JOHN GRECI STEPHEN KALTHOFF DALE MYERS SARAH PALMER DICK QUIGLEY BILL STEVENS
DIRECTORS ABSENT:	NONE
ZONE 7 STAFF:	JILL DUERIG, GENERAL MANAGER AMY NAAMANI, GENERAL COUNSEL KURT ARENDS, ASSISTANT GENERAL MANAGER, ENGINEERING VINCE WONG, ASSISTANT GENERAL MANAGER, OPERATIONS JOHN YUE, ASSISTANT GENERAL MANAGER, FINANCE TOM HUGHES, HUMAN RESOURCES MANAGER TAMARA BAPTISTA, SR. STAFF ANALYST PHYLLIS MAY, BUDGET ANALYST JAVIA GREEN, STAFF ANALYST BRAD LEDESMA, ASSOCIATE ENGINEER BARBARA MORSE, BOARD SECRETARY

The Board immediately went into Closed Session.

Item 3—Closed Session

a) 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, et al. v. California Department of Water Resources, Sacramento Superior Court Case No. 05AS0177

b) Conference with Legal Counsel –Significant exposure to litigation pursuant to Subdivision (b) of Government Code Section 54956.9: 4 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 4—Open Session and Report Out of Closed Session—7:30 p.m.

President Palmer stated that there was nothing to report out of closed session. Additionally, the Board did not finish their closed session matters so closed session will resume after the open session items are completed.

Item 5—Citizens Forum: No comments at this time

Item 6—Minutes of January 21, 2009

On a motion by Director Kalthoff with second by Director Quigley, the minutes of January 21, 2009 were approved as presented.

Item 7 —Consent Calendar

Director Myers pulled Item 7c.

Director Stevens moved for the approval of consent calendar Items 7a and 7b. The motion was seconded by Director Myers, and the following resolutions were approved by a vote of 7-0.

Resolution No. 09-3271	Approving purchase and acceptance of Grant of Waterline Easement from BART for Santa Rita-Dougherty Pipeline (No. 70119), Dublin. (Item 7a)
Resolution No. 09-3272	Approving out-of-state travel for Tom Hughes, Human Resources Manager, to attend the Society of Human Resources Management 2009 Staffing Management Conference in Las Vegas, Nevada, April 28-30, 2009, and authorizing reimbursement of actual and necessary expenses associated therewith. (Item 7b)

Item 7c—Personnel Action: Assistant General Manager-Personnel

Director Myers asked if this is a reclassification of an existing position or creation of a new position and elimination of the old one.

Ms. Duerig responded that this new position will be in lieu of an old position previously approved at the same salary level. It will give us more flexibility in tasks that this position can perform and in the kinds of representation that can be provided.

Ms. Duerig confirmed that there would be no net increase to personnel costs and that funding for the existing position will be moved to the new position.

Director Myers moved for the adoption of Resolution No. 09-3273 approving the new classification of Assistant General Manager-Personnel, Zone 7, and the accompanying salary schedule. The second for this motion was provided by Director Figuers.

In response to a question from Mr. Randy Werner, City of Livermore, Ms. Duerig explained the proposed salary schedule and noted that this is a deep class position and the actual salary can be set at any point between the top and bottom step.

Director Myers' motion was then voted upon, and it passed by a voice vote of 7-0.

Item 8—Staffing Update

Ms. Duerig introduced Mr. Aaron Cavagnolo, Water Resources Technician, in the Flood Control Section.

Item 9—Flood Protection and Storm Water Drainage Development Impact Fee Ordinance Adoption

The Board heard an overview by Mr. Ledesma on the status of the Flood Protection and Stormwater Drainage Development Impact Fee (DIF). This same presentation was given for the Joint Liaison Committee meeting which was held on February 21, 2009.

- Status of DIF as of August Joint Liaison Committee meeting:
  - Previous Fee: $1.812/sq. ft. of impervious area created.
    - Increase in impervious area (17%)
    - Flood plain displacement (65%) for Chain of Lakes

The Cities requested that Zone 7 staff reconsider the methodology used to allocate the Chain of Lakes project.

- Zone 7 staff and HDR developed a simplified methodology:
  - Conveyance Projects (17%)
    - Calculation based on increase in impervious area
  - Storage Projects (57%)
    - Calculation based only on additional impervious area
- This change reduced the fee to $1.37/sq. ft. of impervious area.

Recent Modifications

- Updated costs to January 2009 ENR Index
  - ~7% increase between 2008 and 2009
  - Resulted in DIF of $1.47/sq. ft.

- Account for San Joaquin Watershed
  - Removed costs for area not in the Zone 7 watershed.
  - Resulted in DIF of $1.53/sq. ft.

- Adjustment for Existing SDA Balance
  - Balance of $29M
  - Flood Control costs
  - Resulted in the current estimate of $1.44/sq. ft.

Implementation Chart showed effects of phasing the fee.

Discussion:

President Palmer commended staff for the work done on the chronological timeline which showed how development of the DIF has evolved. At the recent Joint Liaison Committee meeting with the cities, there was support for a 30-day continuation of this item until the March 18, 2009 meeting in order to allow more input from the cities. Additional information was requested from Zone 7 and the cities.

President Palmer asked for comments from the public.

Mr. Mark Lander, Dublin City Engineer, stated he felt the Joint Liaison Committee meeting was very positive. By working together, he believed the cities and Zone 7 could develop a fee with which everyone can concur.

Director Quigley agreed that last week's Joint Liaison meeting was productive and that we are closer to a solution.

Director Myers stated he was uncomfortable trying to make a decision on this fee increase without looking at the SMMP program. He suggested a refresher presentation on the existing SMMP as part of the DIF discussion in March. He believed the information was important so that the Board can make the best possible decision.

President Palmer asked for a motion to continue.

On a motion by Director Figuers with second by Director Kalthoff, the Board unanimously approved continuing this item to the March 18, 2009 board meeting.

<u>Item 10—Proposed Budget for Fiscal Year 2009-10</u>

Before getting started with the presentation, Mr. Yue acknowledged the contributions of Finance staff members Ms. Phyllis May, Budget Analyst, and Ms. Tamara Baptista, Senior Staff Analyst, for their work on the budget.

Ms. Baptista then gave a presentation on the proposed Budget for FY 2009-10.

Presentation of the FY-2009-2010 Budget by Ms. Baptista:

- Budget Overview—general description of the Operating and Capital Budgets
    - Operating Budgets: General Fund/Flood Control; State Water Facilities; Water Enterprise
    - Capital Budgets: Special Drainage Area 7-1; Renewal/Replacement and System-wide Improvements; Expansion
- Recent Issues:
    - Delta concerns related to 30% pumping reduction from the Delta as a result of the Wanger Decision; and reduced revenue from resultant voluntary 10% conservation request to water users
    - Economy and down turn in the housing market
    - Mocho Demineralization Facility
    - Personnel
        - 1 new Water Resources Tech;
        - 4 additional positions approved by the Board and funded by other unfilled positions and/or savings from reduced use of contracts.
        - Zone 7 currently has 10 vacant positions.
        - Soft hiring freeze in effect, and no position will be filled without justification.
    - Asset Management Program (AMP) and ramp up to $10 million annual contribution.
    - Major Capital Projects

Budget Summary

- The total proposed operating budget costs proposed for FY 09-10 is $85.2 million. (17.17% increase from FY 08-09).
- The total proposed capital project budget proposed FY 09-10 is $41.6 million. ($70 million decrease from FY 08-09).

Fund Summaries: Featured for each fund were:

- Pie charts comparing revenue and expenditure variances between FY 09-10 and FY 08-09
- Bar chart comparing revenues/expenditures going back to FY 03-04
  - FY 03/04 through 07/08 based on actual numbers.
  - FY 08/09 based on 6 months actual and 6 months projections.
  - FY 09/10 budget projections.

General Fund/Flood Control: $6,190,569 (Reserves of $19,842,155), Fund 50

- Purpose: Control drainage of the Valley's excess water runoff and to the extent possible protect life and property. Zone 7 watershed is nearly 620 square miles. Zone 7 owns/maintains more than 37 miles of flood control channels and drainage facilities.
- This fund budget is decreasing by 5.89%.
- No change to reserve amount.

State Water Facilities: $9,397,448 (Reserves of $4,494,915), Fund 51

- Purpose: Fund costs associated with the State water delivery system, which includes repayment of voter approved, State incurred, long-term debt.
- This fund budget is increasing by 14.23% based on anticipated State DWR charges for FY 08-09. The reserve fund in this budget is set based on the amount of funds needed to cover the gap between property tax payments which are due annually in April and December.
- Significant Factors: Emergency operating reserves (increased to $4.4 million).

Water Enterprise: $36,465,068 ($7,293,014 in emergency/operating reserves; and $973,300 in designated reserves), Fund 52

- Purpose: Ensure the delivery of high quality water to the Livermore-Amador Valley. This includes water treatment and distribution of potable water; distribution of untreated agricultural water; and surface water and groundwater management.
- This fund budget is increasing by 18.57%. Revenue to this fund is increasing by 22.13%.
- Significant factors:
  - Capital contributions
  - Rate stabilization (In Nov. 2008, the Board authorized use of this fund if it is needed.)
  - Operating and designated reserves. (This is the last year for the designated reserves.)
  - Lower water sales revenue
  - Water rate estimate for 2010: 16.3% (includes a Delta water charge)
  - Potential increase to the current employer retirement contribution for Zone 7 employees. This is not reflected in the budget because it has not yet been confirmed.
  - $800K for enhanced water conservation was transferred to the Renewal/Replacement Fund.

- Change in how Flood Control personnel is accounted for
    - Charged directly to Fund #50
    - Formerly charged to Fund #52 and then charged back to Fund #50

Special Drainage SDA 7-1: $16,771,500 (10.6% increase over the previous year), Fund 71

- Purpose: To ensure that Zone 7 is able to meet future needs for flood control facilities. The program is primarily intended to provide funding for any flood control facilities required for new development.

- Drainage fees have been adjusted in accordance with Ordinance No. 0-2002-24, and effective January 1, 2009, the fee per square foot of impervious surface was increased to $0.783/sq. ft.

- Project entitled, "Potential IRWMP Flood Protection Project" with a funding request of $5.5 million will not move forward if no grant funds are received.

Renewal/Replacement and System-wide Improvements: FY 09-10 appropriations of $4,055,500 and $5,068,940, respectively, Fund 72

- Purpose: To ensure that the current water treatment and delivery systems are functioning efficiently and meet the requirements to provide reliable and high quality services to Zone 7 customers.

- The FY 09-10 appropriation for Renewal/Replacement represents a 9.64% increase over the previous year.

- The FY 09-10 appropriation for System-wide Improvements represents a 47.96% decrease over the previous year.

- Funding comes from sale of treated and untreated water and connection and facility use fees by new development which is delivered to this fund via a transfer from the Water Enterprise.

Expansion: FY 09-10 appropriation of $15,631,715, Fund 73

- Purpose: Ensure that Zone 7 is able to meet future needs for water demands. The program is primarily intended to provide funding for new facilities and water supplies to address new development, as such is it funded entirely from connection fees.

- The FY 09-10 appropriation for Expansion represents an 81.23% decrease over the previous year.

- The Board gave final approval in November 2007 to a $60 million Installment Sales Agreement (ISA) to cover short term funding gaps which will occur in this fund when the large water treatment facilities and conveyance projects are being built.

Ms. JaVia Green then continued with a more detailed presentation on the Capital Budget.

FY 09/10 Proposed Capital Budget

- The FY 09/10 Capital Budget is based on the first year of the FY 09/10 10-Year CIP which was adopted in November 2008.
- As part of budget development, staff revisits projects and revenue projections proposed in the CIP.
- Adjustments are made based on analysis of project needs, projects that may be delayed and revenue trends.

Highlights of Fund 73 Proposed Budget—Revenue

- Current economic slow-down affects this fund.
- Slowing revenue over the past few years.
    - FY 06-07 - $18M
    - FY 07-08 - $16M
    - FY 08-09 - $12M projected with $6.4M received to date.
    - Average for three prior years, FY 03-04 to FY 05-06, was $29M annually

- Based on recent trend, significant adjustments are being proposed to the CIP revenue projections
    - For FY 09-10, FY 10-11, and FY 11-12: New projection of $14 annually.
    - For FY 12-13: New projection of $24M
    - Projections are conservative but realistic given current economic conditions

- Lower revenue projections may necessitate additional project deferrals and potential usage of Installment Sale Agreement (ISA).

Highlights of Fund 73 Proposed Budget

- Proposed budget is $16M—a $6.5M decrease from adopted CIP. (This includes minimum, non-discretionary obligations of about $9.5M annually, e.g., SBA enlargement projects, Cawelo and water entitlements.)

- Decrease reflects additional proposed project deferrals:
    - Chain of Lakes Wells 3, 4, 5 by 1.5 years (Phase 1 on line this summer; can meet max day demands; less growth = less demands on water system.)
    - Delay $1.7M annual contribution to SBA Improvement and Enlargement Sinking Fund until FY 13/14 (Prior assumption that build out would occur in 2025 has been adjusted to 2030.)

- Staff recommendation to draw $9.5M from ISA this FY has been withdrawn after staff received clarification on how the ISA can be used. (The $60M ISA was approved by the Board in 2008 to cover funding shortfalls during construction of the AWTP and Altamont Pipeline projects.)

- Staff has found out that we have until 18 months after the Altamont Pipeline-Livermore Reach is in service to draw from the ISA. This gives us until December 2010 to decide the appropriate level of draw based on revenue and project needs.

- Zone 7 can meet maximum day demands through 2016-2017 with existing capacity (includes COL wells 1 & 2 in spring 2009).

- Minimum, non-discretionary obligations of $9.5M annually.

- If revenue is $7M to $7.5M annually, can pay minimum obligations of $9.5M and maintain a positive fund balance. ($7M to $7.5M is the minimum amount of revenue needed.)

- Recommendation is to adopt Fund 73 budget without a $9.5M ISA draw this fiscal year. This would delay the ISA draw until 2010 when more information will be available.

Ms. Baptista concluded the budget presentation with final comments.

- The budget was presented to the Finance Committee on February 3, 2009 and to the Tri-Valley Water Retailer Group on February 10, 2009.

- Staff recommendation is to approve the budget resolutions.

Director Greci thanked staff for the informative presentation saying that it is obvious that a lot of work went into the preparation. He added that Zone 7 needs to encourage conservation but still needs to run its business.

Director Quigley agreed. He added that he felt it is evident that the pay-as-you-go approach adopted by Zone 7 is the right way. He also stated that he supported the soft hiring freeze; it's important that the public knows that we're tightening our belts.

Director Quigley further stated that he was concerned with the economy and falling property values, he asked if the number of properties being reassessed would have any effect on the Zone 7 budget.

Ms. Baptista responded that any decrease in property tax revenue would show up in the Flood Control General Fund #50. As a way of taking potential reassessments into consideration, property tax revenue estimates for FY 2009-10 are being held at the same level as FY 2008-09.

Director Myers had comments related to several issues he felt could have significant impacts to Fund 73 in the future:

1. Altamont Water Treatment Plant: He had concerns with putting the AWTP project on the shelf and not doing anything with it. He requested a presentation on the Altamont Plant of where we are right now in terms of the design; what our plan is over the next several years; and what are we going to be doing. Since the plant will eventually be built, he felt it would be helpful from a budget aspect to understand what our current thinking is about the treatment plant and what the schedule is so that we can pick it back up in 2013 or 2014.

2. What kind of planning are we doing relative to the potential loss of 20% of our existing water supply as a result of the Delta negotiations?

Ms. Duerig responded that an update on the AWTP was done as part of the CIP so that can be provided. In terms of the second comment, we have done some updated water supply evaluations. Additionally, the South Bay Contractors have had Camp Dresser & McKee (CDM) working on an evaluation of the Los Vaqueros expansion and whether that project might be beneficial to SBA contractors. We were hoping to have a special board meeting on April 1 (our standing date for a special board meeting) to present this and some other informational items.

Director Myers noted that he may be out of town at that time.

President Palmer called for public comments. There were none.

By separate voice votes, the Board then approved the following budget resolutions:

On a motion by Director Figuers with second by Director Quigley, Resolution No. 09-3274 adopting the budgets for the General/Flood Control Fund, State Water Facilities Fund and Water Enterprise Fund was approved by a vote of 7-0.

On a motion by Director Quigley with second by Director Figuers, Resolution No. 09-3275 adopting the budget for the Capital Projects Funds was approved by a vote of 7-0.

On a motion by Director Figuers with second by Director Kalthoff, Resolution No. 09-3276 adopting the budget for professional services for the General/Flood Control Fund and Water Enterprise Funds was approved by a vote of 7-0.

On a motion by Director Quigley with second by Director Figuers, Resolution No. 09-3277 adopting the budget for professional services for the Capital Projects Funds was approved by a vote of 7-0.

Item 11—Increase Expenditure Authorization for Bay Delta Conservation Plan Consulting Services through June 2009

Mr. Arends provided some background and a history of Zone 7 Board actions related to the Bay Delta Conservation Plan Consulting services contracts:

- Zone 7, as the party designated in the BDCP Cooperation Agreement to act as the contract administrator, has entered into several consultant contracts to secure BDCP development related services.

- In November of 2006, the Zone 7 Board authorized a budget ceiling of $7.5 million for all consulting services anticipated in connection with the BDCP through 2009.

- In January, 2008 the Board approved expenditures up to $5.65 million to cover consultant contracts of which $3.54 million has been expended through December 2008.

- It is anticipated that BDCP consultant expenditures through June 2009, will exceed the current expenditure cap of $5.65 by an additional $1.15 million for a total of $6.8 million.

- The funding parties have requested Zone 7, as the contract administrator, to increase the approved expenditure cap to $6.8 million through June 2009.

- Zone 7 has reimbursement and cost share agreements in place with the Department of Water Resources, San Luis & Delta Mendota Water Authority, and Mirant Delta however, those agreements are currently being amended to reflect the current expenditure cap of $5.65 million and will need to be further updated to reflect the increase in approved expenditures from $5.65 million to $6.8 million to ensure reimbursement to Zone 7.

- Zone 7 staff has requested an increase in the administrative fee it charges from 1.5% to 3% to recover costs associated with processing invoices and lost interest on monies advanced as part of a normal billing cycle for services.

- The estimated expenditures for BDCP related consulting services, are now estimated at approximately $12 million through plan completion which could extend into 2011. Zone 7's proportional share is approximately 1% of the general BDCP contracts, plus 25% of a joint contact for environmental consultant services with Kern County Water Agency and San Luis & Delta Mendota Water Authority, for a total of $277,000.

In response to a question from President Palmer regarding the justification for the increase, Mr. Arends stated that this is an on-going expense, and the consultants are currently expending peak effort in their support of the BDCP. This amendment will increase the spending cap to $6.8 million which will cover expenses through June. We're taking small steps so that we don't get too far ahead of the reimbursement agreements.

Director Myers added that extremely complex discussions and negotiations are taking place which are intended to culminate this year in a conservation strategy and a draft EIR. Issues are more complex than anticipated.

Director Quigley expressed his continued support for the BDCP planning. He added that he was glad to see the increase in the administrative fee because of all of the extra work involved on the part of Zone 7 staff.

There were no further comments.

Director Myers moved for the adoption of Resolution No. 09-3278 for the following actions:
1) authorizing work and associated expenditures related to BDCP consultant contracts up to $6.8 million through June 2009; 2) negotiating and executing contracts and/or amendments for services with SAIC and other consultants as necessary in an amount not-to-exceed $6.8 million; and 3) executing amendments to existing reimbursement agreements or new agreements as needed with the California Department of Water Resources, Mirant Delta, and the San Luis & Delta Mendota Water Authority associated with the consultant contracts and/or amendments referred to above. The motion was seconded by Director Quigley and passed by a vote of 7-0.

Item 12—Possible Policy Regarding Closed Session and Confidentiality

Director Myers stated that he requested this item be placed on the agenda because he believed several matters have come up over the last several months that have been discussed in closed session that he believed should have been discussed in public session. He believed that these items could have benefited from more public discussion. He also stated that his own interpretation of the Brown Act is that it's permissive in the sense that it doesn't necessarily require that most issues that it covers are required to be done in closed session but rather it sets guidelines by which public agencies are supposed to determine first whether the public good is better served by having a public discussion as opposed to having a private discussion. He believed that the amount of information available does, in fact, impact the quality of the decisions made by public bodies. In that regard, he felt that it might be worthwhile to discuss whether the Board wanted to set some guidelines for the staff in making those determinations in those matters to weigh carefully the value of having the discussion in public versus the risk of having it in public and disclosing something that you would not want to as opposed to just throwing everything that is personnel or litigation related into closed session.

Ms. Naamani responded stating that she respectfully disagreed with Director Myers to the extent that the Brown Act is the statutory framework within which public agencies must conform. Open government is the intent and always should be the first choice. However, the Brown Act, having provided for specific exemptions to open session discussion of certain items recognizes the need given particular interests that need to be protected on the part of the agency to have those discussions in closed session. And, any matters that have been held in closed session have been properly agendized in conformity with the guidelines provided and required by the Brown Act. She did not believe that it is within the discretion of the Board of any elected agency to decide what should or should not be discussed in closed session. There is an opportunity to agendize a discussion as to whether or not something belongs in closed session. It is within the purview of the general counsel, or other special counsel, to represent the District in that regard. The Brown Act already provides adequate statutory guidance for what can or cannot be discussed in closed session.

President Palmer stated she believed that the Brown Act is quite clear about what needs to be done in terms of keeping things in the open and keeping us all honest. Her view was that the Brown Act is serving its purpose, and it is unnecessary for the Board to develop any special policy and that the Board would be out of line doing so.

Director Quigley stated he agreed with President Palmer and added that the Brown Act gives us protection. It gives us a means of being transparent and open to the public which good governance needs to do. But there are reasons for going into closed session and having confidential discussions and the Brown Act also allows that.

Director Figuers stated that he did not think the Board needs a specific policy for closed session confidentiality. The general manager and the attorneys are much more qualified to determine those matters. He added that he did not want to try to second guess the Brown Act.

Director Stevens pointed out that the Board has never had this type of policy, and he didn't know why one is needed now. It didn't make sense to him.

Director Myers responded that it may be that a particular issue may be more productively discussed in a public session to give all the parties who might be involved the opportunity for an open discussion prior to the time that any litigation occurs. That's an example of when the Brown Act says you can discuss an issue in closed session but you may choose not to because it may, in fact, avoid litigation rather than precipitate it. He continued by saying that his point is that the Brown Act gives the Board the opportunity to discuss some things in closed session but it does not require that we do so.

Director Kalthoff noted that the Board has counsel to determine that.

Recapping, President Palmer stated that it appears the majority of the Board does not think we need to go any further with this. Therefore, the recommendation to staff is not to move forward with a policy on closed session items and to rely on the counsel of our attorneys and continue to follow the Brown Act for guidance on what matters may be appropriately discussed in closed session.

Item 13—Committees

a. Finance Committee Meeting of February 3, 2009—minutes are available.

The Finance Committee met to hear a presentation on the Proposed 2009-2010 budget discussed earlier (Item 10).

b. Joint Liaison Committee Meeting of February 12, 2009—verbal report.

The Liaison Committee held a joint meeting with the Liaison Committees of the Cities of Dublin, Livermore and Pleasanton to further discuss the proposed Development Impact Fee (DIF). (See earlier discussion of Item 9.)

Item 14—Items for Future Agendas—Directors

No agenda items were brought up.

- Referring to a recent announcement of an upcoming ACWA meeting, Director Stevens asked if it was necessary for board members to attend.

  Ms. Duerig responded that it is optional. She added that ACWA Region 5 is holding its Spring 2009 Event in the Valley on April 2 and 3, 2009. There will be a tour on Thursday, and on Friday the business meeting will be held at Zone 7's North Canyon office. Director Quigley has been involved with setting this event up.

- President Palmer asked about consultant RFQs for the strategic planning effort.

  Ms. Duerig responded that discussions have been held with Morrison & Associates regarding a proposal for the work. We'll be setting up a meeting of the Ad hoc Strategic Planning Committee to review the proposal. After that, we should have a better idea of what the timeline will be.

Item 15—Reports—Directors

a. Written report by Director Quigley
b. Verbal reports--none

Item 16—Staff Reports (Information items. No action taken.)

a. General Manager's Report
b. Recent & Upcoming Public Outreach Activities
c. Quarterly Financial Report
d. Chain of Lakes – El Charro Pipeline Update
e. Verbal Reports

There were no questions on the Staff Report items.

Ms. Duerig stated that there were no verbal reports.

Director Kalthoff asked about the water supply situation.

Ms. Duerig responded that locally the precipitation in February has been above average but still well below the cumulative average for the season. The snow report is being conducted today or tomorrow and, DWR may update its allocations on Friday. That allocation currently stands at 15%.

With the Open Session concluded, the Board went back into Closed Session.

Open Session and Report Out of Closed Session

After Closed Session, President Palmer reconvened the meeting into Open Session.

She stated that there was nothing to report out of the Closed Session.

Upcoming Board Schedule

a. Regular Board Meeting: March 18, 2009, 7:00 p.m.
b. Special Board Meeting: April 1, 2009, 7:00 p.m. (tentative)

There was no further business and the meeting was adjourned at approximately 10:40 p.m.