

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

REGULAR MEETING

February 18, 2015

The following were present:

DIRECTORS: SANDY FIGUERS
JOHN GRECI
JIM MCGRAIL
SARAH PALMER
DICK QUIGLEY
ANGELA RAMIREZ HOLMES
BILL STEVENS

DIRECTORS ABSENT: NONE

ZONE 7 STAFF: JILL DUERIG, GENERAL MANAGER
KURT ARENDS, ASSISTANT GENERAL MANAGER, ENGINEERING
RHETT ALZONA, FACILITIES ENGINEERING MANAGER
MATT KATEN, PRINCIPAL GEOLOGIST, GROUNDWATER
JUDY RECTOR, BOARD SECRETARY

COUNSEL: DAVID ALADJEM, DOWNEY BRAND

Item 1 - Call Meeting to Order

President Greci called the meeting to order at 7:00 p.m.

Item 2 - Pledge of Allegiance

Item 3 - Citizens Forum

Alfred Exner, Pleasanton, spoke to the Board requesting clearer budget information.

Dave Lunn, Livermore, thanked the Board for the existing Del Valle property lease that includes language permitting possible future regional trails by others.

Item 4 - Minutes of the Regular Meeting of January 21, 2015 and Special Meeting/Board Workshop of February 4, 2015

Director Ramirez Holmes suggested that the votes on the minutes be separated by meeting. Director Palmer moved to approve the minutes of January 21, 2015 and Director Quigley seconded the motion. The minutes were approved by a voice vote of 7-0.

Director Palmer moved to approve the minutes of February 4, 2015 and Director Quigley seconded the motion. The minutes were approved by a voice vote of 5-0-2 with Directors Figuers and Ramirez Holmes abstaining because they were not at the meeting.

Item 5 - Consent Calendar

Director Quigley asked that Item 5(a) be pulled for discussion.

Director Ramirez Holmes asked that Items 5(c) be pulled for discussion.

Director Palmer moved that Item 5(b) be approved.

Item 5(a) License Agreement Renewal for Seasonal Diversion Dam in Arroyo Las Positas with the City of Livermore

Director Figuers spoke about the seasonal dam in two places in the 60's and 70's. Randy Werner from City of Livermore said the original dam was part of the arroyo and an unnamed tributary but not back in its original location.

Director Quigley moved to approve Item 5(a) and Director Stevens seconded the motion. The item passed by a 7-0 roll call vote.

Resolution No. 15-43	Authorized Amendment No. 2 for renewal of the License Agreement. (Item 5a)
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Item 5(b) Document Management Software for Records Retention/Management

Director Palmer moved to approve Item 5(b) and Director Ramirez Holmes seconded the motion. The item passed by a 7-0 voice vote.

Resolution No. 15-44	Authorized a contract with Peelle Technologies for the installation and purchase of Laserfiche software for records management. (Item 5c)
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Item 5(c) DWR Multi-Year Water Pool Demonstration Program Agreement

Director Ramirez Holmes pulled this item to confirm Zone 7's participation in the pool as buyer only. Staff confirmed. Director Ramirez Holmes referred to 4h on page 5 about notification of amount received and dollar amount and asked for the board to be notified upon DWR notification. Ms. Duerig confirmed that she will provide the information.

Director Ramirez Holmes moved to approve Item 5(c) and Director Quigley seconded the motion. The item passed by a 7-0 roll call vote.

Resolution No. 15-45	Authorized execution of the DWR Multi-Year Water Pool Demonstration Program Agreement with California Department of Water Resources. (Item 5c)
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Item 5(d) Amending Guiding Principles for Board Members

Director Figuers pulled Item 5(d) and questioned two bullets on the Guiding Principles for Board Members: Functions as a team and respects and supports each other. He felt these are dangerous and challenge the ideas of conflict. The directors discussed the item until Director Stevens moved to adopt the changes as redlined in the document and Director Palmer seconded the motion. The voice vote was 5-1-1 with Director Ramirez Holmes voting no and Director Figuers abstaining.

Resolution No. 15-46 Accepted changes to the “Guiding Principles for Board Members” as Zone 7 Policy. (Item 5d)

Item 6 - Staffing Update

New Employee Introduction – Ashley Lyons

The new Office Assistant in Employee Services, Ashley Lyons, was introduced to the Board. She was present to receive the Board’s welcome.

December Employee of the Month Recognition – Ralph Rodriquez

Water Plant Operator III Ralph Rodriquez was recognized by the Board for the second time as Employee of the Month. He was present and the Board applauded him.

Item 7 – Proposed Well Ordinance and Well Permitting Fee Schedule

The proposed Well Ordinance was continued until April to allow continuing meetings with County Public Works’ staff to proceed. Director McGrail asked for an update prior to the April meeting. Director Stevens encouraged making a decision at the April 15 board meeting. President Greci said the County asked for the continuation and Director Figuers noted there had already been a six-month delay.

Item 8 – Contract for Phase 1 of the Busch Valley Well No. 1 Project

Rhett Alzona, Facilities Engineering Manager, presented Item 8 to the Board. Mr. Alzona said staff recommends proceeding with Phase 1 of the Busch Valley Well No. 1 (BV1) project by completing the pipeline connection from the BV1 site to the existing Zone 7 transmission system and associated site and electrical work for PG&E service. This would allow for a temporary (rental) booster pump station hookup if needed. An additional \$752,000 is recommended, increasing the total authorized amount from \$1.4 million to \$2,152,000. After discussion by the directors, Director McGrail moved for approval and Director Quigley second the motion. The motion was approved by a voice vote of 7-0.

Resolution No. 15-47 Approved Phase 1 of the Busch Valley Well No. 1 Project.

Item 9 – Contract for Stoneridge Cross-Valley Isolation Valve Project

Mr. Alzona also presented Item 9 and explained to the directors that the hexavalent chromium (Cr6) levels at Stoneridge are near the maximum contaminant level (MCL) so a new line valve on the Cross Valley Pipeline is recommended to direct Stoneridge Well water west to blend with lower chromium water sources. Installation of a new line valve, vault and ancillary facilities are estimated to cost approximately \$566,000. Staff recommended authorizing the General Manager to forego the formal bid

process and negotiate the project scope, cost and scheduling with Conco West, Inc., due to the urgency related to assuring compliance with the new standard.

Director Ramirez Holmes asked questions about foregoing the bid process, the Notice of Exemption and CEQA regulations. General Counsel David Aladjem said the urgency to get the new valving on line would qualify it for a CEQA exemption. The Directors asked questions and discussed the item. Director Stevens moved for approval and Director Quigley seconded the motion which passed by a 7-0 roll call vote.

Resolution No. 15-48 Authorized a design-build contract with Conco West, Inc., for the Stoneridge Cross-Valley Isolation Valve project.

Item 10 – MOU with Alameda County Resources Conservation District to Support Stonybrook Creek Fish Passage Improvement Project

Kurt Arends, Assistant General Manager, Engineering, explained to the Board that this is a collaborative project for Stonybrook Creek, a tributary to Alameda Creek. Stonybrook Creek is a viable spawning and rearing habitat for juvenile steelhead and is the first major tributary to Alameda Creek upstream of the existing fish passage barriers. The project includes removal of two road barriers and channel improvements to improve fish passage and aquatic habitat for a total project cost of \$1.9 million. Staff recommends authorizing the General Manager to negotiate and execute an MOU with the Alameda County Resource Conservation District for up to \$225,000 to provide funding for the habitat work and to help avoid the risk that federal appropriation and grant funding may expire at the end of the year and be lost entirely. The funding from the MOU, federal appropriations, grants, and Alameda County Public Works Agency through the Board of Supervisors would support the majority of the Stonybrook Creek Fish Passage Improvement Project.

Director Figuers said his concern is that other agencies are going to “glom” on to the water supply to feed the fish. There is no direct benefit and perhaps a detriment to the citizens of the valley if the State comes after that water supply in the future. He feels there should be a paragraph that states that “if we do this, we are not obligated to provide water supplies in the future for native fish down the road.”

Director Quigley said we should use this project as a bargaining chip with Alameda County Water District for future projects we need such as rubber dams. He also feels that the Alameda Creek Resource Conservation District should be encouraged to stock steelhead in Stonybrook Creek.

The directors discussed the project at length about Zone 7 being required to release water from a different part of the watershed to meet downstream requirements. Director Palmer moved to approve the motion and Director Ramirez Holmes seconded the motion. The motion was approved by a roll call vote of 6-0-1 with Director Figuers abstaining.

Resolution No. 15-49 Authorized the Memorandum of Understanding with RCD for the Stonybrook Creek Fish Passage Improvement Project.

Item 11 – Nutrient Management Plan

Matt Katen, Principal Geologist in the Groundwater Section, presented the Nutrient Management Plan (NMP) to the board. In the interest of improving its groundwater management program, staff has been

working on an NMP for the Livermore Valley Groundwater Basin that together with the existing Salt Management Plan (SMP) better addresses nutrients. Nitrate is the nutrient of concern.

Mr. Katen discussed nitrate-nitrogen concentrations in the valley and displayed a groundwater basin map showing ten Areas of Concern in which five still have septic tanks. The existing “best management practices” for fertilizer application, recycled water irrigation, livestock manure management and winery wastewater disposal are recommended as adequate protective measures that should continue. The methodology is to inventory sources and quantify them with loading, removal and determining if positive or negative flux. The implementation plan is to improve managing nitrates in Areas of Concern by the addition of nitrogen-removing treatment modules for new septic tanks. All new and replacement onsite wastewater treatment systems within the Areas of Concern will be required to be equipped with the treatment modules.

Staff are proposing special septic tank requirements for both residential and commercial uses within the Areas of Concern. If a system fails through no fault of the homeowners, and no increase of load is proposed, the system could be replaced and the homeowner would be encouraged to upgrade to one that provides nitrogen removal or treatment and a rebate program may be available.

Director Figuers applauded the NMP and said that it is always easier to clean up pollution at the source rather than trying to pump it out of the groundwater. He also asked about the subdivision that was built in the 1960s. He stated that it is covered with boron and wondered if that was a chemical of concern. Mr. Katen stated that it is not a nutrient but boron is a concern for irrigation purposes.

Director Greci mentioned that on Charlotte Way there used to be a large cattle operation called Wagner Farms where they fed cattle for many years. He asked if that had been recognized as part of the problem. Mr. Katen stated that they didn’t have a lot of historical information on the area but he made a note of it. Director Figuers mentioned that he has some old aerial photographs from the 1950s that Mr. Katen could borrow.

Director Quigley thanked Mr. Katen for the presentation and wanted clarification about the hotspots noted on the map in the NMP. He said many of the trend lines over the years have gone down and there are maybe 3 or 4 really hot spots. Mr. Katen acknowledged that the hotspots are moving so that at a single location, they might be going down but down gradient, they might be going up.

Director McGrail asked if we have anything in writing from the County or the State that says they agree or disagree with our recommendations on the NMP. General Manager Jill Duerig stated that we have a letter from the Regional Board requesting more information on technical issues, but it does state that they find the proposed strategy to be acceptable for onsite wastewater treatment systems within the Areas of Concern. The letter was received on Friday, March 13th, so there wasn’t enough time to address the letter in the staff report.

Director McGrail also stated that he would like to know more information. He wants to know who is going to make the restrictions on where you can and cannot have a septic tank. He also wants to know if there is an appeal process if Zone 7 denies someone to build a septic tank. General Manager Jill Duerig stated that Zone 7 is not prohibiting septic tanks in this plan. The NMP is saying Zone 7 wants engineered nitrate treatment as part of new installations in the Areas of Concern.

Director McGrail asked how much this would cost for folks wanting to expand their business. General Manager Jill Duerig said that a single house would normally cost between \$10,000 and \$15,000, and

with the nitrate treatment, it would cost between \$20,000 and \$25,000. Ms. Duerig continued that there was discussion at the Water Resources Committee meeting that there may be a possibility of having a rebate program to help with the cost of residential nitrate-removal septic tank systems; however, there was no such discussion on rebates for the commercial developments.

Director McGrail reiterated that he has more questions and would like more information prior to voting on the item. He moved that the Board table the item for at least 90 days. Director Palmer said she is not in favor of putting it off because nitrate is a health concern and it is important to protect the groundwater basin.

Director Ramirez Holmes asked how many residential and commercial parcels are affected within the Areas of Concern. Mr. Katen stated that the Buena Vista area is the most populated area for septic tanks. He said there are about 100 residential septic tanks and just a few commercial in the area. President Greci reiterated that current septic systems are not affected by the Nutrient Management Plan, only new septic tanks related to remodeling or expansion projects.

Director Ramirez Holmes asked what the additional areas of potential residential and commercial development are. Mr. Katen stated that the non-Areas of Concern have opportunities to hook up to the City's sewer system. Director Ramirez Holmes asked about the Chromium 6 and how it is calculated and averaged and if that is a different calculation. General Manager Jill Duerig stated that nitrate is an instantaneous reading and has a different effect on the body. Director Ramirez Holmes asked what the appeals process is and what the implementation of the Local Agency Management Program (LAMP) is. Ms. Duerig said that LAMP is the County's program and since Zone 7 first adopted the Wastewater Management Plan, Zone 7 provides guidance within its watershed of septic tank requirements needed to protect groundwater quality. The County incorporates Zone 7's requirements into their program, so they want Zone 7's program adopted before theirs and if it is adopted it now, they could get their LAMP effort started immediately.

Director Ramirez Holmes asked if the data is made available to the public and how often it is monitored. Mr. Katen stated that the wells are monitored once a year and the data is included in the annual groundwater report and posted on Zone 7's website; however, the data is available to anyone during the year at their request. Director Ramirez Holmes said she is concerned for the wineries and their cost of doing business if they choose to expand.

Director McGrail asked who is going to regulate the wastewater requirements for the wineries - the State or Zone 7. Mr. Katen stated that Alameda County Environmental Health would regulate the septic tank requirements and the State Regional Water Quality Control Board permits the winery wastewater discharges.

Director Stevens asked how much it would cost for the City of Livermore to install a sewer pipeline along the Buena Vista area. General Manager Jill Duerig stated that Zone 7 has been in talks with the City of Livermore in terms of expanding sewer along Buena Vista and Concannon. They haven't said no but it will require some policy changes and the City will have to look at capacity issues to see if they can handle the additional load on their system. If that did happen, it would be one less area of concern for Zone 7. Director Stevens asked if there was a push to get the NMP ratified and Ms. Duerig said the sooner the NMP is approved, the sooner Zone 7 can take a first step toward improving nitrate contamination.

Randy Werner of the City of Livermore stated that in the City's Municipal Code states that if you are within 200 to 300 feet of a sewer line and you have a problematic septic tank, the City will put pressure on you to connect. He also stated that this has only been done 3 times in 40 years. Mr. Werner stated that the nitrate plume that is originating in the Buena Vista area is contaminating wells that belong to Cal Water, and that Cal Water also provides drinking water to the Buena Vista area. The City of Livermore has been in talks with these homeowners for years but no one wants to pay the sewer connection fees.

David Lunn, Livermore resident, said he has 5 acres and a septic tank and that he is concerned that if Zone 7 solves this problem with the Nutrient Management Plan, then they will go after other rural areas that may be of concern. He said that Zone 7 used to have a policy of 250 tds for any applied water and that basically stopped all recycled water. He said Zone 7 changed their whole policy and said in order to have recycled water they have to allow one place to be degraded another place to be protected. He said the whole Salt Management Plan was based on that. He said it sounds like Zone 7 is going back to the philosophy that every place has to be protected and that Zone 7 is going after little places that have one old well that determines has high nitrates. He said Zone 7 is using an old map and if they used last years map there are no nitrates in the well. He said if you look at the map of the homes there is one well out there. He continued that if he had gotten rid of those wells Zone 7 wouldn't have the data and wouldn't have those Areas of Concern. He said they wanted to keep those wells in the program. He said that well is in the middle of open fields and there is no reason nitrates should be that high in that well. He said that in Mr. Katen's report it says they think there is a problem with the seal on that well. He suggests Zone 7 drill another well to confirm if that is actually the problem. He said he asked for what is a hydrogeologic study and no one would give him an example. He said he never knew what the standard was and if it were in writing and people could just provide a sample it would be nice to know. He stated that Zone 7's policy doesn't show that. He added that it will cost \$800 a year to have a monitoring well but that is not mentioned in the NMP. He said that Zone 7 has a section in the report about nitrate levels in septic tanks but Zone 7 has never monitored or reported any nitrate levels in septic tanks. He said they are always estimated. He said that in the plan residents are supposed to have monitoring wells but Zone 7 has never reported that information. He said that there isn't any evidence that there is any problem with his well because there are no reports. Mr. Lunn suggests that staff go to these areas and sample the wells or do their own hydrogeologic study from available data. He said that they had to get rid of a bunch of wells on Greenville Road because they didn't have the staff to sample them.

Director McGrail moved that the item be tabled for 90 days. Director Ramirez Holmes seconded the motion. A voice vote was taken for deferral of the item for 90 days and passed by 6-1 with Director Palmer voting no.

Item 12 - Committees – Tri-Valley Liaison Committee Meeting – February 5, 2015 – notes pending

Item 13 - Reports - Directors

- a. Verbal comments by President

President Greci said he taught a class at Alden Lane.

- b. Written report by Director Quigley
- c. Verbal Reports

Director Ramirez Holmes said she attended the Pleasanton State of the City.

Item 14 - Items for Future Agendas – Directors

Item 15 - Staff Reports (Information items. No action will be taken.)

- a. General Manager's Report
- b. Monthly Budget Report
- c. Legislative Update
- d. Outreach Activities
- e. Drought Update
- f. Capital Projects Status Report
- g. Verbal Reports

Director McGrail commented on the Ad Hoc Patterson Ranch meeting he attended. He said the Request for Proposals (RFPs) has been posted on the website and there is a site visit scheduled for February 25. RFPs will be due March 13.

The Board went into closed session at 10:20 p.m.

Item 16 - Closed Session

- (a) Conference with Legal Counsel - Significant exposure to litigation pursuant to Gov't Code Section 54956.9(d) (2): 3 cases
- (b) Conference with Legal Counsel - Potential litigation pursuant to Gov't Code section 54956.9(d) (3): 1 case
- (c) Conference with Legal Counsel - Existing litigation pursuant to Gov't Code Section 54956.9(d) (1):
Alameda County Flood Control and Water Conservation District, Zone 7 v. Pleasanton Gravel Co.,
Alameda County Case No. HG14724177
- (d) 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.

Item 17 - Open Session and Report Out of Closed Session

The Board came out of Closed Session at 10:42 p.m. and President Greci reported there were no reportable actions taken in Closed Session.

Item 18 - Adjournment

The meeting was adjourned at 10:43 p.m.