

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

REGULAR MEETING
March 17, 2010

President Quigley called the regular meeting to order at 7:02 p.m., with a salute to the flag. The following were present:

DIRECTORS: 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
 VINCE WONG, ASSISTANT GENERAL MANAGER, OPERATIONS
 JOHN YUE, ASSISTANT GENERAL MANAGER, FINANCE
 JARNAIL CHAHAL, ACTING PRINCIPAL ENGINEER
 RHETT ALZONA, ASSOCIATE ENGINEER
 JUDY RECTOR, ACTING BOARD SECRETARY

Item 3 – Citizens Forum : None

Item 4 – Minutes of the Regular Meeting of February 17, 2010

On a motion by Director Palmer and seconded by Director Greci, the minutes of the Regular Meeting of February 17, 2010, were approved as presented by a vote of 6-0 with Director Figuers absent.

Item 5—Consent Calendar

On a motion by Director Palmer and seconded by Director Greci, Consent Item 5a was adopted by a roll call vote of 6-0 with Director Figuers absent.

Resolution No: 10-3387 Approving Director Quigley’s request to attend the ACWA Annual Legislative Symposium on March 17, 2010, in Sacramento, California and that he be reimbursed for actual and necessary expenses associated with his attendance at this event. (Item 5a)

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Director Figuers arrived at 7:12 p.m.

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Item 6 - Staffing Updates

Item 6a—Employee of the Month Recognition

Ms. Duerig announced that the Zone 7 employee of the month for January 2010 is Jesse Sanchez, Maintenance Materials Planner/Buyer. Jesse joined Zone 7 in February 2004 in the Maintenance Section at Del Valle Water Treatment Plant. As Maintenance Materials Planner/Buyer, Jesse sought out and found a substantially lower cost for solids (sludge) landfill disposal. At his instigation, and thanks to his subsequent follow through, a new contract has been negotiated, approved by the Board and is now in force. This nomination is to express recognition of his money-saving efforts in this particular case and his effort to get the biggest ‘bang for the buck’ as a part of the Maintenance Section’s daily efforts.

Item 7 – Support for Friends of Shadow Cliffs

The Board discussed and considered supporting the Friends of Shadow Cliffs’ recommendations to East Bay Regional Park District for their Shadow Cliffs Land Use Plan Amendment either by letter or by the adoption of a resolution.

There was a lengthy discussion by the Board members concerning the building of an Interpretive Center that will explain all aspects of water (history, source, water treatment, conservation techniques, flood control, biology), provide nature education of flora and fauna, tell the history of Shadow Cliffs and the surrounding area (farming, brick making, gravel mining and reclamation), and explain conservationist energy power sources and practices.

The location of the center, the involvement with East Bay Regional Park District Board matters, and a letter received just before the Board meeting from Brian Wiese, Chief, Planning & Stewardship for EBRPD stating that Shadow Cliffs is not a suitable location for a new visitor center and is not currently included in the long-term plan for Shadow Cliffs, were all factors in President Quigley’s decision to withdraw the item without taking a vote.

Item 8 – Acceptance of Deed and Easements from Bay Area Rapid Transit District (BART) for the Altamont Pipeline Livermore Reach Project

Rhett Alzona, Project Manager for Altamont Pipeline, presented the grant deed and easements for the Altamont Pipeline Livermore Reach Project, rate control station facility and perpetual/permanent easements for an associated drainage pipeline. He asked for consideration of adoption of the resolution authorizing the General Manager to accept and record the Grant Deed and permanent easements from BART for the Altamont Pipeline Project.

Director Greci asked if the 0.1 acre property (for which we are paying \$400,000) is worth \$4 million dollars per acre? Rhett responded that \$409,000 covers all the acreage for the grant deed and easements, and the total acres are about 0.6 acres.

Director Kalthoff asked how it was arrived at and Rhett responded that it was presented in negotiations and is something that is ongoing along with the other properties we were trying to condemn at one time for the Altamont Pipeline project. This number is not out of whack from some of the other property settlements that were negotiated.

Director Figuers asked if an appraiser was used to come up with this value. General Manager Jill Duerig reminded them that there were negotiations on this and all the eminent domain actions. This is not about the dollar amount, it was already approved by the Board. We have already paid for it, will we accept it now? Again Director Figuers asked if there was an appraiser working on the value? Rhett said in 2005 an appraiser looked at all the properties for the entire pipeline route and proceeding with the condemnation process while negotiating with the property owners and BART is the next to the last one to settle with.

Director Moore moved and Director Greci seconded to approve the adoption of the resolution authorizing the General Manager to accept and record the Grant Deed and permanent easements from BART for the Altamont Pipeline Project. There was a roll call vote of 7-0.

Item 9 – Amendment 3 to Agreement for Dry Year Water Purchase Associated with Yuba Accord (A08-98-CAL)

Jarnail Chahal, Acting Principal Engineer, Water Supply Engineering presented the item as an amendment to negotiate and execute Amendment 3 to the Dry Year Water Purchase Agreement with Yuba Accord. To reflect the market conditions for this year, this amendment adjusts the price from \$125/acre foot to \$200/acre foot for the water.

Director Palmer asked about the discrepancy in dates on Page 9 of the attachment of the contract where it says May13 but in the agreement it says May 15. Vince Wong offered that May 15 is a Saturday, May 14 is a furlough day for DWR, and May 13 is the last working day.

Director Kalthoff moved for approval and Director Figurers seconded. The roll call vote was 7-0.

Item 10 – New Flood Protection and Storm Water Drainage Development Impact Fee Ordinance, Second Reading and Adoption

The second reading of the adoption of the New Flood Protection and Storm Water Drainage Development Impact Fee Ordinance was introduced by Jarnail Chahal, Acting Principal Engineer, Water Supply Engineering. Mr. Chahal reminded the Board that it is a continuation from the first reading in February 2010. This new Ordinance revises the fees which were adopted in March 2009.

Director Greci moved and Director Palmer seconded the motion. The Ordinance did not involve a fee increase but rather cuts off the automatic increases. Since no money is involved, there was a call for the vote which was 6-0 with Director Kalthoff voting as opposed.

Item 11 – Committees

None.

Item 12—Items for Future Agendas —Directors

None.

Item 13 – Reports – Directors

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

Director Quigley ran into Director Moore and Carl Morrison in Washington, DC. He thanked Assistant General Manager, Engineering, Kurt Arends for his edits to Director Quigley's written comments about their trip to the ACWA Washington DC conference.

Director Quigley also noted that he and Boni Brewer, Public Outreach, participated in a legislative meeting in Sacramento to learn the need for education and outreach again this year.

Randy Werner, City of Livermore, referred to the Item 12 – Items for Future Agendas. His comments centered on that there is nothing for water in curriculums starting at the high school age and on into the college curriculum. Chabot and Las Positas Colleges had a water certificate and they had it for years but about 10 years ago they dropped it. He reminded the Board that all employees at the Del Valle and Patterson Pass Water Treatment Plants and all retailer employees have mandatory licensing requirements. But due to this change in college programs, we are sending our employees to get mandatory units and training and they have to go farther to take classes. He feels this is the nexus for a future discussion some time.

Director Quigley cautioned that they were on a non-agenda item and this curtailed further discussion.

Item 14 – Staff Reports (Information items. No action taken.)

- a. General Manager's Report
- b. Recent & Upcoming Public Outreach Activities
- c. Legislative Update
- d. Foley Road Status Update
- e. Verbal Reports

General Manager Jill Duerig brought up something she wanted to share from the State Water Contractors about the additional restrictions imposed by Judge Wanger a few years ago and they mainly impact us between January 1 and June 30. During that period to avoid taking Delta smelt, we have to watch our pumping and avoid certain reverse flow situations in the adjacent rivers feeding into the Delta. The State Water Contractors have estimated that the reductions thus far this year are almost one-half million acre feet since January 1st. To put that into perspective, that amount of water would serve 3.8 million people for one year or fill San Luis Reservoir had we been able to get the water down there; one of the state's primary water storage facilities that has been drawn down because of the three-year drought. Total capacity for San Luis Reservoir is about 2.5 million acre feet and as of Friday, March 12, the reservoir only contained 1.5 million acre feet. Lake Oroville, the State Water Project's main facility, is at below normal levels due to less than average run-off so far from the watersheds. The State Water Project has so far been controlled by these regulatory restrictions for more than two years so we are having severe cut-backs. We have only a 15 percent allocation and, on a best-case scenario, it might increase to 30 to 40 percent this year. In previous years if we had had a normal year, we would have expected 76 percent so this is just an unbelievable reduction we are suffering because of these regulatory restrictions. It emphasizes again the need to solve the Delta crisis in whatever way we can.

Went into closed session at 8:15.

Item 15 - 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 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

Local 1021 of the Service Employees International Union

Maintenance Coordinator

Item 16—OPEN SESSION AND REPORT OUT OF CLOSED SESSION

President Quigley reported that, while in Closed Session, the Board approved, by a vote of 6-0 (Director Moore being absent) a settlement in *Homebuilders Association of Northern California v. Alameda County Flood Control and Water Conservation District, Zone 7, et al.*, Alameda Superior Court no. VG0974043.

Item 17—Upcoming Board Schedule

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

- a) Regular Board Meeting: April 21, 2010, 7:00 p.m.

There being no further business, the meeting was adjourned at 9:20 p.m.