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

REGULAR MEETING
March 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 SARAH PALMER DICK QUIGLEY BILL STEVENS
DIRECTORS ABSENT:	DALE MYERS
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 BRAD LEDESMA, ASSOCIATE ENGINEER DENNIS GAMBS, PRINCIPAL ENGINEER CHERYL DIZON, ASSISTANT ENGINEER, GROUNDWATER PROTECTION BARBARA MORSE, BOARD SECRETARY

The Board immediately went into Closed Session.

Item 3—Closed Session

a) Conference with Legal Counsel –Significant exposure to litigation pursuant to Subdivision (b) of Government Code Section 54956.9: 4 cases

b) 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 while in closed session, the Board unanimously adopted the following resolutions:

Resolution No. 09-3279 — Approving Supplemental Agreement to Memorandum of Understanding with the Northern California Public Sector Region, Local 1021 of the Service Employees International Union, CTW, extending current MOU through December 25, 2010, with exceptions as set forth in the resolution.

Resolution No. 09-3280	Approving a Supplemental Agreement to Memorandum of Understanding with Alameda County Management Employees Association, extending current MOU through June 27, 2010, with exceptions as set forth in the resolution.

Additionally, President Palmer advised that the Board did not finish their closed session discussion so closed session will resume after the open session items are completed.

Item 5—Citizens Forum:

Ms. Karen Sweet, Alameda County Resource Conservation District, called attention to a recent news report announcing federal money coming to Alameda County as a result of the efforts of Representatives Jerry McNerney, Ellen Tauscher, and Pete Stark. The $1.377 million in funding is part of the federal omnibus spending bill and will be used for ongoing restoration projects on the Arroyo de la Laguna. She also announced that this is Agriculture Week.

Mr. Jim Pollart, O'Brien Homes, requested the agendizing of an item to consider deferring payment of new construction fees until the certificate of occupancy is issued. This would be in accordance with Assembly Bill 2604 which encourages agencies to defer payment of fees until close of escrow or certificate of occupancy. Several months ago he was told by staff that their preference would be to wait until the new DIF ordinance was passed before discussing this deferral. It would be advantageous to developers and help them obtain financing for their projects to pay the fees at closing from the proceeds of the sale. A number of local agencies are considering this proposal, among them the City of Livermore and LARPD.

Item 6—Minutes of February 18, 2009

President Palmer had an addition to the minutes of February 18, 2009.

Page 3, Item 9—Flood Protection and Storm Water Drainage Development Impact Fee Ordinance Adoption, fourth paragraph from the bottom, President Palmer wanted wording added to reflect that she had commended the staffs of Zone 7 and the cities for the work done on the Development Impact Fee Ordinance.

On a motion by Director Stevens with second by Director Quigley, the minutes of February 18, 2009 were approved as amended.

Item 7 —Consent Calendar

President Palmer pulled consent items 7f, 7g, and 7h.

On a motion by Director Stevens with second by Director Figuers, the Board approved consent items 7a through 7e by a vote of 6-0.

Resolution No. 09-3281	Approving contract Amendment No. 1 in the amount of $100,000 to Agreement A08-34-MEY with Meyers Nave Riback Silver & Wilson for property acquisition services for the Chain of Lakes Well No. 1. Said Amendment will bring the not-to-exceed total for this contract to $150,000. (Item 7a)

Resolution No. 09-3282	Approving contribution or $2,059 to the California Water Awareness Campaign, and declaring May 2009 as Water Awareness Month. (Item 7b)
Resolution No. 09-3283	Authorizing the General Manager of Zone 7 to make monetary contributions of up to $5,000 per event/effort to sponsor water and/or flood protection related events/efforts that are of interest and benefit to Zone 7. (Item 7c)
Resolution No. 09-3284	Approving Grant of Aerial Easement to San Francisco Bay Area Rapid Transit (BART), Line T, Dublin (70118). (Item 7d)
Resolution No. 09-3285	Approving contract with Morrison & Associates, Inc., in the not-to-exceed amount of $89,000 for strategic planning services. (Item 7e)

Item 7f—Personnel Action: Construction Maintenance Laborers
Item 7g—Personnel Action: Electrician
Item 7h—Personnel Action: Instrument Technicians

President Palmer stated that she had pulled these three items because she wanted to commend Water Facilities Supervisor Gerald DeWitt and Maintenance Facilities & Construction Supervisor Barry Ivy for looking for ways to save Zone 7 money. She wanted to highlight that with the approval of these five positions, Zone 7 will be replacing contract positions with permanent positions at a savings of approximately $177,000/year.

Director Quigley agreed, and stated that this is a significant savings. He noted that in a few months when the contract renewals appear on the agenda, he wanted to make sure that we have, in fact, saved that money. Adding that Zone 7 has a soft hiring freeze, he endorsed hiring in-house workers for these jobs. We do need to do our due diligence and make sure that we have actually saved this money.

On a motion by Director Figuers with second by Director Quigley, the following resolutions were adopted by a vote of 6-0, with Director Myers absent.

Resolution No. 09-3286	Approval of addition of two positions in the classification of Contraction Maintenance Laborer and adjustment of FY 2009/10 budget to reflect these positions. (Item 7f)
Resolution No. 09-3287	Approval of addition of one position in the classification of Electrician and adjustment of FY 2009/10 budget to reflect this position. (Item 7g)
Resolution No. 09-3288	Approval of addition of two positions in the classification of Instrument Technician and adjustment of FY 2009/10 budget to reflect these positions. (Item 7h)

Item 8—Staffing Update

Ms. Duerig introduced Ms. Sara Whatley who joined the Zone 7 staff as a Safety Technician I in the Human Resources and Safety Section located at the North Canyons administration building.

<u>Item 9—Flood Protection and Storm Water Drainage Development Impact Fee Ordinance Adoption</u> (Continued from the meeting of February 18, 2009)

The Board heard an overview by Mr. Ledesma on the Stream Management Master Plan (SMMP) and the status of the Flood Protection and Stormwater Drainage Development Impact Fee (DIF).

- In August 2006, the Zone 7 Board approved the Stream Management Master Plan (SMMP).

- The SMMP replaces the 1960 Flood Control Master Plan which was funded by the formation of the Special Drainage Area (SDA) 7-1 and resultant Ordinance 53 adopted in 1966.

- Key components/goals of the new SMMP:
    - Regional storage to accept, manage and control storm water runoff and drainage.
    - Erosion and sedimentation control.
    - Water supply
        - Coordination with stream recharge.
        - Development of flood detention storage that is compatible with surface water storage.
    - Water quality
        - Monitoring.
        - Management of pollutants.
        - Coordination with other local and regional agencies.
    - Habitat and environment
        - Wetland creation.
        - Preservation, restoration and enhancement of riparian corridors.
        - Fish barrier removal.
        - Invasive species control.
    - Trails, Recreation and Public Education
        - Trail connections and creation.
        - Agency coordination.
        - Interpretive resources.

- Cost of SMMP: Estimated at $839 million.
    - Funding sources:
    - Property tax revenues (existing)
    - SDA Fund balance (existing)
    - Development Impact Fees (DIF) (proposed fee based on future development's creation of impervious surface area)
    - Grants & partnering opportunities (future)
    - Other sources to be determined (future)

- In October 2007, HDR Engineering, Inc. (HDR) was retained by Zone 7 to perform the DIF Study ("Study"). HDR completed a draft of the Study in February 2008.

- Between March 2008 and March 2009, staff vetted the proposed DIF with Stakeholders. This vetting process resulted in a Final Study completed in March 2009. The conclusion of the Study recommends establishing a new DIF of $1.42 per square foot of impervious surface area.
- In light of the current severe economic downturn, staff recommends the following five-year phasing schedule, along with beginning a collaborative re-evaluation and update of the SMMP costs with the three cities in early 2012:

  – Existing Fee: $0.783
  – Year 1 (1/1/10) - $0.87 + ENR
  – Year 2 (1/1/11) - $0.96 + ENR
  – Year 3 (1/1/12) - $1.10 + ENR
  – Year 4 (1/1/13) - $1.30 + ENR
  – Year 5 (1/1/14) - $1.42 + ENR

- Recommendation: Hold public hearing and adopt DIF of $1.42 with a five-year phased implementation schedule.

At the conclusion of Mr. Ledesma's presentation, President Palmer opened the public hearing on the Flood Protection and Storm Water Drainage Development Impact Fee Ordinance Adoption. *President Palmer requested that speakers limit their statements to three minutes.*

Mr. Tom Harland, Sunol resident, stated that development can no longer continue in the Tri-Valley area without providing flood protection and stream preservation for the Sunol area. The school, students and the people of the town of Sunol are in jeopardy because of the possibility of flooding and the unprecedented destruction of the Arroyo de la Laguna. The arroyo is the only waterway that drains the entire Tri-Valley watershed. The proposed DIF is not only warranted but necessary to give Zone 7 the funds to ensure Sunol's safety. He continued by saying that Zone 7 and the Cities of the Tri-Valley would be held responsible for any future damage to the school, the property and the homes of Sunol that is caused by flooding. These same views were expressed in a letter signed by the Sunol School Board and the Advisory Committee of Sunol.

Mrs. Margaret Tracy, 52-year resident of Livermore, spoke in support of growth paying its own way. She stated that for over 50 years Zone 7 has been providing the services necessary for growth. Those costs must be borne by developers. She felt the cities should welcome the fees so that growth can pay because if growth doesn't pay, then the residents will have to pay the difference. If the cities insist on slowing the increase in growth impact fees, they must recognize that growth must be slowed so that projects and services supplied by Zone 7 will be completed to provide for that growth in a timely manner.

Mrs. Tracy continued by saying that five years is a long postponement of fees that should be increased now, and it's not yet the full fee which the studies show is necessary now. Why the delay?

Mrs. Tracy stated further that the current economic slowdown may delay and discourage growth but that is no reason to delay the fee needed to provide projects and services related to drainage and flood control which are necessary for public health and safety.

Mrs. Tracy stated that Mr. Don Miller was unable to attend tonight's meeting. However, he authorized her to speak for him and for Citizens for Balanced Growth (CBG). Mr. Miller wanted the Zone 7 Board to be reminded that they are elected to represent the interests of the people who live in this Valley. They essentially do not want to subsidize development. It is the wrong principle. No matter what the cities say, it is wrong to delay full implementation of the DIF increase. Delay of the full fee is wrong from a public policy standpoint. One alternative would be for the cities to front the money and collect it later from developers. Also, for the cities to deliberately be putting people closer to the airport is grossly unwise. It is not good public policy.

Ms. Melissa Morton, Director of Public Works for the City of Dublin, acknowledged the hard work and the many meetings attended by the staffs of the three cities and of Zone 7 that were needed to bring this issue to resolution. She thanked all involved for the cooperative effort that took place to work through the engineering and economic development issues of the proposed fee increase. She stated that the City of Dublin supported the DIF increase as was being proposed this evening as well as the phasing proposal. Further, she looked forward to working with Zone 7 in 2012 to examine the SMMP, its cost estimates and its continued applicability in the region.

Mr. Tim Johnston, Livermore resident, questioned the methods used for calculating the fee. Development in the cities is being lumped together with development in the unincorporated area. An example would be someone building a barn in the country a thousand feet from the creek with gravelly soil between the structure and the creek is pretty much linked together to be the same impervious surface. This same model doesn't apply to it if it's relatively small amount of total area being covered. It seems appropriate to more clearly define what exceptions could be made for the differences between that and typical development that occurs within city boundaries. One other minor detail, on page 517, he questioned use of the term "geotechnical engineer." He believed that the requirement should have been for a "civil engineer."

Ms. Cheri Sheets, City Engineer for the City of Livermore, thanked the Zone 7 Board Members, the Liaison Committee members and Zone 7 staff, for their collaborative work. Further, she appreciated everyone's efforts to forge a partnership by which to put this challenging issue in place.

Ms. Sheets asked for clarification on two sections of the ordinance:

1) Section 8.3, Reimbursement Credits: Clarify that it refers to SMMP projects. We would like to clarify that would be any project that meets the intent of the SMMP as determined by Zone 7. That goes directly to our proposed streamwise program that may not be exactly what the SMMP project is but would function in the same manner.

2) Section 9.3, Exemptions: It appears that it is all or nothing; as opposed to if a project could show it has reduced its overall impact with respect to impervious surface that it should be subject to Zone 7 review and able to get a reduced fee. It seems as if a developer could be charged zero or the whole fee; there is nothing in between.

With those two clarifications, Ms. Sheets thought this is a great package.

Mr. Bob Glover, Home Builders Association of Northern California (HBA), stated that it has been a pleasure to work with Zone 7 staff on this issue. He went on to discuss a number of objections/technical flaws to the fee increase. These objections were also listed in a letter he submitted for the record:

1) The cost estimates for items in the SMMP are overstated and to date there have not been any cost revisions. Those cost estimates have not been revised. If these cost estimates were to be revised it could result in an $0.18/sf reduction in the DIF.

2) Some of the SMMP projects are unnecessary; more specifically towards the Las Positas Golf Course conveyance item which accounts for $57M in the SMMP. Elimination of this project would drop the proposed DIF by $0.22/sf.

3) The method of apportionment of cost responsibility for storage elements of the SMMP between existing drainage users and future development is not equitable. An adjustment in the apportionment could ultimately lower the proposed DIF by $0.15/sf.

4) Finally, the total cost for the new flood control related projects in the SMMP is estimated to be $546M. The amount allocated to new development is $210M. Where will the remaining $336M come from? We appreciate staff's recommendation that the Board set the fee at $1.42/sf now with the intent that once it hits $1.10 three years from now, we all get together and reevaluate the fee. We're worried that should the Board move forward setting the fee at $1.42/sf at this time, that we as an association may be backed into a corner. We're concerned that this action may be subject to the 120-day statute requiring that any objection to the fee be brought forward as a validation proceeding within that time. If that's the case, which we believe so, then after the 120 days none of our members would have the ability to challenge the fee. We would then potentially be backed into a corner, as I said, and forced to challenge the fee. For that reason and the reasons stated in our letter, we would respectfully request that the Board set the fee this evening at $1.10 with the phasing for three years as outlined in the staff report and we would further respectfully request that just as is outlined in the staff report there be a provision in the ordinance that Zone 7 and the impacted stakeholders get together three years from now or sooner, at the prerogative of the Board, and reevaluate the fee at that time. Our general counsel also wanted the issue raised that we're not entirely certain whether this would fall under Proposition 218 and require the voting in of the property owners but we will defer to legal counsel on that one.

Mr. Steve Migliore, Ideal Boat & Camper Storage, stated he is willing to pay the fee for any water that hits any arroyo. He confirmed that he is proposing an expansion of his business by adding approximately 1 million square feet. He asked if businesses that can contain the water on site will receive an exemption from the new fee. He stated he was not looking for a blank check but in this case a huge amount of money is involved. However, he felt that there should be a provision for exemptions for individuals or businesses that are able to contain their runoff on site and that individual circumstances need to be considered.

Mr. John Marchand, Vice Mayor of the City of Livermore, spoke in support of the staff recommendation for the adoption of the DIF fee. He stated he was deeply impressed by the professionalism and the commitment that the elected officials and particularly the staffs of the Cities and of Zone 7 Water Agency have demonstrated throughout these deliberations. The Cities are committed to public safety, flood control and paying their fair share. Everyone has worked hard reviewing the financing methodologies, the engineering, the development plans and the goals outlined by the SMMP and StreamWise programs. He felt that the staff recommendation, together with an agreement that Zone 7 and the Cities will continue to collaborate in the timely implementation of the El Charro and Staples Ranch program elements, and also to meet and review program costs and elements prior to increasing the fee beyond $1.10, addresses the cities' concerns and further strengthens the regional partnership. Working together can help ensure that our goals can and will be met.

In closing, Mr. Marchand thanked the Board. He added that the Zone 7 Board has consistently served the region and this is one reason he believes that Zone 7 board members should be elected at large. He felt that by adopting this fee structure, the Board demonstrated that they are willing to listen to the concerns of the Cities and consider the needs of the region as a whole.

Mr. Jim Pollert, O'Brien Homes, stated that his company is a member of the Home Builders Association of Northern California, and Mr. Glover was speaking for his company as well as HBA members. He estimated that his company's Arroyo Crossing Development would be paying roughly half a million dollars in storm drainage fees through the buildout of that development so he wanted to endorse Mr. Glover's remarks and reinforce the proposal that we're putting forth to the Board. There is agreement generally speaking that in several years when we get to the $1.10 level that we'll get back together and look at some of the outstanding technical issues that Mr. Glover described in more detail. We're not comfortable with the default position that absent any change, the fee continues to rise. We'd like to propose as an alternative as a default position that the fee go to $1.10 and stay there. In the course of our subsequent discussions we can evaluate whether it is appropriate to increase the fee. Again as Mr. Glover said if the Board chooses not to do that and we get to the position three years from now when we disagree, we will have lost the ability to put forth a legal challenge to this nexus study and this fee increase. In that situation we would seriously have to consider putting forth a challenge now which we would prefer not to do.

There were no further audience comments and President Palmer closed the public hearing.

President Palmer then called for Board comments.

Director Greci thanked all those who provided input. Good concerns have been raised. He stated that he appreciated the cooperative effort put forth to resolve this issue. He noted that Zone 7 is trying to be flexible given the current economic condition but this is something that needs to be done. He believed that the staff recommendation is a good resolution to the issue. He realized that not everyone will be pleased with the outcome but Zone 7 is trying to fulfill its obligation to the community. We need to protect the homes in Sunol; this is something on which not a lot of dialogue has taken place. However, valid concerns were raised, and he agreed with the comments. In general, he believed that the Cities and Zone 7 have worked together for a common goal and came up with a solution that is correct.

Director Quigley echoed Director Greci's remarks and stated that he felt the work that resulted in tonight's recommendation was a collaborative learning process. An equitable compromise was reached and in three years we'll be taking another look and updating the fee. He felt provisions in the ordinance give the Board enough latitude for a case by case review of exemptions.

Director Stevens had a number of comments on some of the testimony just heard from the public.

Director Stevens remarked that ten years ago we had a cost estimate for $750M, and that was going to take the Arroyo de la Laguna and turn it into a concrete lined channel like LA. That was the flood control plan 10 years ago. Now we have an $800M plan that will not do that.

Regarding the Sunol situation, Director Stevens noted that Zone 7 is aware of the school being in a flood prone area, and we're not going to let that happen.

Contrary to some comments made earlier, Director Stevens said that new development will pay their fair share even if implementation of the DIF is phased. Right now since development is not occurring, nothing is happening. But in the future when development picks up, development will pay its share via the phased approach.

Director Stevens requested a future agenda item on the deferral of development fees. It's not that we want to give them anything free, it's financing. Let's just look at the different options.

Regarding an earlier comment about "all or none" with regard to exemptions in the DIF ordinance, Mr. Stevens opined that if you want to control the water, you need to control the 100-year flood high peak.

Ms. Duerig confirmed that is correct. We looked at the possibility of a partial exemption but that was not a feasible option from a staff management standpoint. An example is the Greenvolts application where we were working on the possibility of a partial exemption and found out that it's not something we could easily do.

Regarding Director Stevens' request for an agenda item on fee deferral, Ms. Duerig stated that it has been staff's intention to bring this subject to the Board once we had the new DIF in place. If that happens this evening, staff will look at the possible options and impacts related to deferring collection of fees.

Director Stevens stated that in his mind the drainage fee (DIF) is in lieu of providing 100-year high flow capture on your property. Development in the valley has to do that. If you were to build yourself a pond, the cost of land is so expensive that would be cost prohibitive. So this development fee is in lieu of that. Our fee will take care of the water from your site.

Director Stevens concluded his comments by confirming that Zone 7 will keep its word and negotiate in 2012.

President Palmer stated that it had been a pleasure working with the cities on this issue. It has reminded us that we're dealing with a large watershed and the cities therein. The process that we've gone through has considered the needs of the three larger cities and the town of Sunol. They're all important. We've worked very hard to make this as equitable as possible, and we know that we cannot make everyone happy. And, as stated, we will revisit this in 2012.

Director Stevens moved for the adoption of Zone 7 Ordinance No. 2009-01 establishing Flood Protection and Storm Water Drainage Development Impact Fees. The motion was seconded by Director Quigley. By a roll call vote, the Board adopted Ordinance No. 2009-01 by a vote of 6-0 with Director Myers absent.

Item 10—Acceptance of Arroyo Mocho Bypass Channel Improvements and Associated Agreements at Oaks Business Park

The Board heard a presentation from Mr. Gambs on the acceptance of the Arroyo Mocho Bypass Channel Improvements at Oaks Business Park.

- In June 2003, Zone 7 entered into an SDA 7-1 agreement with Livermore Airway Associates for the construction of a segment of a bypass channel on the Arroyo Mocho.
- These improvements were made by the developer in conjunction with the Oaks Business Park Development.
- Under the terms of this agreement Zone 7 will reimburse the Developer for construction and right of way costs up to the maximum amounts of $2.93M and $1.87M, respectively. The right of way maximum amount of $1.87M was based on an appraisal of the property.
- The channel work, which was constructed to Zone 7 standards, has been completed and "field accepted" by the Flood Control staff.
- The channel, which is 220 feet wide and 3,300 feet long, will serve as an interim detention basin for the runoff from the adjacent development. During this period the City of Livermore will maintain the facility.
- An agreement has been prepared which provides for this maintenance including clearing the overflow drain, silt removal and any needed repairs.
- In the future, after the bypass segment is connected to the Arroyo Mocho and the Chain of Lakes, Zone 7 will assume maintenance responsibilities for the channel area.
- The channel includes maintenance roads on either side of the channel, and one maintenance road also serves as a recreational trail for the City of Livermore. This segment of channel would need to be added to our existing recreational use agreement with the City. Under this agreement the City accepts the liability for the channel being open to the public and the responsibility for maintaining the trail.

Recommend action:

1. Accept the Grant Deed from Livermore Airway Associates, LLC, and authorize reimbursements for actual costs associated with construction of improvements and right of way acquisition in a total amount not to exceed $4,800,000.00. (Up to $2,930,000 construction and up to $1,870,000 for right-of-way.

2. Approve the Use and Maintenance Agreement with the City of Livermore for interim maintenance related to the bypass channel and authorize the General Manager to execute the agreement.

3. Approve Amendment No. 1 to the License Agreement with the City of Livermore and authorize the General Manager to execute the amendment.

A brief discussion took place to clarify the actions the Board will be voting upon.

With respect to the license agreement with the City of Livermore for use of flood control channels for recreational uses, Director Quigley asked if the terms are the same as for the Arroyo del Valle.

Mr. Gambs responded that Zone 7 has recreational use license agreements with all three of the Valley's cities and they are essentially the same. In all of these agreements, Zone 7 is held harmless from liability associated with the recreational use of its property.

There was no further discussion.

Director Stevens moved for the adoption of Resolution No. 09-3289 accepting the Grant Deed from Livermore Airway Associates, LLC and authorizing reimbursements for actual costs associated with construction of improvements and right of way acquisition in a total amount not to exceed $4,800,000.00. The motion was seconded by Director Quigley and passed by a vote of 6-0, with Director Myers absent.

Director Quigley moved for the adoption of Resolution No. 09-3290 approving the Use and Maintenance Agreement with the City of Livermore for interim actions related to the bypass channel and authorizing the General Manager to execute same on behalf of Zone 7. The motion was seconded by Director Figuers and passed by a vote of 6-0, with Director Myers absent.

Director Kalthoff moved for the adoption of Resolution No. 09-3291 approving Amendment No. 1 to the License Agreement with the City of Livermore and authorizing the General Manager to execute same on behalf of Zone 7. The motion was seconded by Director Quigley and passed by a vote of 6-0, with Director Myers absent.

Item 11—Committees

a. Joint Liaison Committee Meeting of February 12, 2009—minutes.

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.)

b. Ad hoc Strategic Planning Committee of March 10, 2009—minutes.

President Palmer stated that the Committee met to discuss the proposal of Morrison & Associates to prepare a strategic plan for Zone 7. By the adoption of Item 7e on tonight's Consent Calendar, the Board approved a contract with M&A for the work.

Director Kalthoff stated that he believed that the directors' workshop which will be part of the strategic planning process should take the place of the annual board retreat. This was discussed at the committee meeting and committee members agreed.

President Palmer asked if the process could be fast tracked.

Ms. Duerig remarked that the key to a successful strategic planning effort is to get adequate input and then buy-in from the staff, the board and stakeholders. We'll want input from all three of those groups. We want to do it right.

Item 12—Items for Future Agendas—Directors

President Palmer noted that one item had already been brought up and that is the request for deferral of payment of development fees.

President Palmer stated she had been approached by a member of the public who wanted more access to agenda items prior to the meetings.

Ms. Duerig responded that she had been looking into options and staff is suggesting placing a public copy of the agenda in the Zone 7 lobby. Additionally, we can begin sending full packets to the three public libraries in the Valley. Previously, we've sent only the agenda and minutes to the libraries.

Item 13—Reports—Directors

a. Written report by Director Quigley
b. Verbal reports

Director Quigley reminded the Board of the upcoming ACWA Region 5 meeting that would take place at Zone 7 on April 2 – 3. April 2 is a tour of Zone 7 facilities and April 3 is a day long program entitled: "Dry Times Ahead: Preparing Customers for the New Water Ethic." All Board Members are invited.

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

a. General Manager's Report
b. Recent & Upcoming Public Outreach Activities
c. Mocho Groundwater Demineralization Plant Project Status Report
d. Toxic Sites Surveillance Program Annual Audit
e. State Legislative Update
f. Verbal Reports

Ms. Duerig gave an update on the state's water supply picture. Based on the latest snow pack survey, the State DWR has raised its expected deliveries to it's contractors from 15% to 20%.

Director Greci remarked that approximately 380,000 acres near Fresno will not be planted this year due to lack of irrigation water. This is a serious issue and should raise strong concerns about the future of agriculture and the availability of our water supply.

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President Palmer called attention to the special meeting scheduled for Wednesday, April 1.

Ms. Duerig stated that there will be at least three presentations on the agenda: update on Zone 7's long term water supply picture; update on the Chain-of-Lakes; and an update on the fisheries restoration workgroup.

President Palmer noted that she will miss the April 15 meeting due to a trip to Costa Rica.

With the Open Session concluded, the Board went back into Closed Session at 8:20 p.m.

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. Special Board Meeting: April 1, 2009, 7:00 p.m.
b. Regular Board Meeting: April 15, 2009, 7:00 p.m.

There was no further business and the meeting was adjourned at approximately 10:00 p.m.