CORRECTED

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

REGULAR MEETING
March 19, 2014

President Stevens called the meeting to order at 7 p.m. The following were present:

DIRECTORS:	SANDY FIGUERS JOHN GRECI A J MACHAEVICH 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 TOM HUGHES, ASSISTANT GENERAL MANAGER, ADMINISTRATION CAROL MAHONEY, INTEGRATED PLANNING MANAGER DIANA GAINES, SENIOR ENGINEER, FLOOD PROTECTION JEFF TANG, ASSOCIATE CIVIL ENGINEER, FLOOD PROTECTION TOM PICO, EMPLOYEE SERVICES MANAGER JUDY RECTOR, BOARD SECRETARY
COUNSEL:	DAVID ALADJEM, DOWNEY BRAND

Item 1 - Call Meeting to Order

Item 2 - Pledge of Allegiance

President Stevens led a salute to the flag.

Item 3 - Citizens Forum

Gail Shearer, owner of Tazetta Winery, thanked Zone 7 and staff member Sal Segura for the informational meeting for untreated water users held on February 25. They had concerns about how vine growth would be affected by salinity levels from the South Bay Aqueduct and Mr. Segura reassured the untreated water users that he would notify them if high levels of salinity were reached.

Item 4 - Minutes of the Regular Meeting of February 19, 2014

Director Ramirez Holmes made a correction to Page 5 of the minutes of February 19, 2014. The statement "No comments from the public" was removed and "Public Comments" was inserted on Page 6 before comments by Jennifer Jimenez Jamieson. Director Quigley moved for approval of the revised minutes and Director Ramirez Holmes seconded the motion. The revised minutes were approved by a 6-0 vote with Director Machaevich absent.

Director Machaevich arrived at 7:04 p.m.

<u>Item 5 - Consent Calendar</u>

Director Palmer asked that Consent items 5(a), 5(b) and 5(c) be pulled for questions.

<u>Item 5(a) - Amendment No. 3 to Memorandum of Understanding for the Alameda Creek Workgroup</u>

Director Palmer asked what the term "readily accessible" means on Page 3 of Consent Item 5(a), and had a question about funding. Carol Mahoney, Integrated Planning Manager, responded that the funds are being held by Alameda County Water District and after the Memorandum of Understanding (MOU) expired, there was no ability to use funds so not "readily accessible" because the authorization to use the funds would have expired. Alameda County Water District, (ACWD) as treasurer, still holds the funds. If there were no MOU or reason then ACWD would reimburse the agencies. Director Palmer asked if the total request of the funding partners is $70,000 with unexpired funds added to the $50,000. Ms. Mahoney responded in the affirmative. Director Ramirez Holmes asked if all 17 partners are signing on to a continuation. Ms. Mahoney clarified that this is an amendment to get to the next step until the new MOU is ready. Ms. Duerig said that although the Board had authorized her to enter into partnership contracts where Zone 7's share is $25,000 or less, and this is within her authority level, staff wanted to keep the Board informed of partnership efforts where Zone 7's contributions are leveraged for the best outcome.

President Stevens suggested all three Consent items be approved at once after Director Palmer's questions were answered.

<u>Item 5(b) - Award of Contract for PPWTP UF Clarifier Recoating Work</u>

Director Palmer asked if the corrosion consultant mentioned in Consent Item 5(b) was completely separate from TPA Construction. Kurt Arends, Assistant General Manager, Engineering, said they are an independent consultant that they use for these contracts. Director Ramirez Holmes asked if replacement is an option since there is a large repair plan and is it still financially feasible to do the repair. Mr. Arends replied that this is a coating to the clarifier and to replace the clarifier would be very expensive. The initial assessment was for patchwork repairs but an additional assessment showed extensive areas that needed to be recoated. Pressure washing uncovered corrosion that they did not realize was there and the original coating put on by another contractor needed to be removed and recoated. Director Figuers asked about the structure of the clarifier. Mr. Arends said there is separation of the coating from the steel and it will be blasted down to bare metal, recoated, inspected, and it should add significantly to the life span of the clarifier.

<u>Item 5(c) - Additional Funding for Construction of Pipeline between Cope Lake and Lake I</u>

Director Palmer asked why the environmental mitigation measures were omitted from the original estimate for the contract with CH2M Hill for design and construction of the pipeline connection between Cope Lake and Lake I. Ms. Duerig responded that staff had less than a week to put together the January 29th agenda item and this item for additional funding will cover the unanticipated costs including environmental mitigation measures required under the terms of the project's Negative Declaration.

Director Greci moved that all three consent items be approved and Director Quigley seconded the motion. A roll call vote was taken and the motion passed by a 7-0 vote resulting in the following three resolutions:

Resolution No. 14-4351	Authorized the General Manager to execute a third amendment to the 2006 Memorandum of Understanding to the Alameda Creek Fisheries Restoration Workgroup. (Item 5a)
Resolution No. 14-4352	Authorized the General Manager to negotiate a contract with TPA Construction, Inc., for the additional recoating work of the UF Clarifier steel parts. (Item 5b)
Resolution No. 14-4353	Authorized the General Manager to increase the contract amount with CH2M Hill for the design and construction of a Pipeline between Cope Lake and Lake I. (Item 5c)

Item 6 - Staffing Update

Ms. Duerig announced that Brad Ledesma, an Associate Civil Engineer in Integrated Planning, was selected as the January 2014 Employee of the Month. In addition to his dedication and work ethic to the Agency in all of his projects, he has been involved in the drought emergency response planning, too. The Board congratulated and applauded Mr. Ledesma. Director Palmer added that Brad gave a presentation to her students as well as interested students from Dublin High that added to their understanding of water issues.

Item 7 - Contract with Schaaf & Wheeler for Hydrologic/Hydraulic Modeling and Mapping Support

Mr. Arends introduced Project Manager and Senior Engineer Diana Gaines who gave a short presentation to provide background on the modeling staff has been doing and the need for the contract with Schaaf & Wheeler. Ms. Gaines' presentation included the background of the project and details on the hydrologic and hydraulic models. Based on comments received during the peer review of the preliminary report by three local flood control agencies, staff felt it did not possess the level of expertise needed to address the comments, modify the current model and incorporate changing industry standards. Staff recommended hiring a consultant because of the higher level of expertise required, more resources to efficiently complete the project, and providing training to staff in these areas.

After a Request for Proposals was sent out and four proposals were received, staff is recommending a contract with Schaaf and Wheeler for $240,000 for Phase I, which covers Tasks 1 through 4. Dan Schaaf of Schaaf and Wheeler answered questions from the Board. Ms. Gaines told the Board that staff will return to the Board later with a separate item for Phase 2, Task 5, which could have flood control benefits for future improvements.

Director Ramirez Holmes asked what is the schedule for updating the Stream Management Master Plan (SMMP) and what is the budget with having to re-do the model? Is the SMMP always funded by the Development Impact Fee (DIF)? Mr. Arends replied that there is money in the budget for the project and this is offsetting staff time to learn how to perform the work so it is less expensive to have a consultant come in. The DIF is established by the results of the 2006 SMMP and periodic updates were included. This is the first effort to update it and could establish a potentially new fee depending upon Task 5, the projects needed to solve the problems identified in Task 4. The cost of those projects would feed into the development fee needed to address those problems. When Director Ramirez Holmes asked if the CIP would be postponed on the flood control side awaiting the results of the SMMP, Mr. Arends responded that the flood control CIP doesn't have any significant projects planned and the project schedule is to complete this modeling by the end of the year, complete Task 4 by August, and identify projects.

Director Ramirez Holmes also asked if this is the right time to fund this project given the obligations for the drought and how will it impact the budget? Mr. Arends said it is already part of the current budget for financial planning and flood protection is a different fund than water so unrelated to the drought. She then asked if it is off the timeline or schedule for the project but Mr. Arends said a sound, valley-wide model is needed to update the original 2006 SMMP.

Director Palmer noted that it is important to have these models for watershed management.

Director Quigley said that in 2006, an SMMP update was promised and a lot has changed and will change in the future, which presents the need for a new and more robust model. He encouraged the Board to look at saving time and money by putting Task 5 into the study, which will benefit the Chain of Lakes.

Director Machaevich said his concerns are that the data provides good measuring and controls to get good modeling and perhaps expand that capability to get real time modeling. This will also give Zone 7 advantages for high flow rates or recharging lakes. He is hoping that this modeling will make it easier for staff and Zone 7 to control the water flows and take advantage of high water flow events. He asked how many sensors we have for flow rates. Mr. Arends replied that the USGS has several gauges but Ms. Gaines added that if you go out too far, it is not representative of what is happening in the valley. Basically, there are seven strategic gauges for the modeling. Mr. Schaaf said it does bring to light the lack of gauging stations for a proper model and they are looking at trying to expand the number of gauges in the future for real-time modeling and the use of electronics could lessen the labor intensiveness of the modeling.

Director Greci said that any modeling process needs to be updated periodically and that is determined on the use, the agency, and the validity of the modeling. We have a responsibility for flood control and water and this modeling will help us gain a tool for flood control showing where the water will go in high flows and establish vulnerable areas. He feels $240,000 is an inexpensive tool for better flood control.

Director Figuers asked Mr. Schaaf questions about ground saturation during modeling.

President Stevens asked if the ultimate goal is FEMA maps and will this provide helpful data for the maps.

Public Comment:

Don Kahler, Pleasanton Gravel, said he has been in this area for 60 years and the Mocho has flooded several times when a heavy storm comes through.

Director Palmer moved that the motion be approved and Director Machaevich seconded the motion. A roll call vote was taken and the motion passed by a 7-0 vote.

Resolution No. 14-4354	Authorized the General Manager to negotiate a services contract with Schaaf & Wheeler Consulting Civil Engineers for hydrology and hydraulic modeling and mapping support services. (Item 7)

Item 8 - Award of Contract for the Mocho 3 and Stoneridge Well Repair Project

Mr. Arends told the Board that last year Zone 7 well facilities showed signs of problems from reduced capacity and vibrational noise during operation. In January, the Board authorized the contract with Layne Christensen to repair the Mocho 4 well pump and when this work was done, there was a lot of corrosion and damage identified. Similarly, the Mocho 3 Well, constructed around the same time, is also showing signs of decreased production but not to the same extent as Mocho 4. Because of the extreme drought, it is important to have all of our facilities functioning and ready to produce this summer. The Stoneridge Well has been vibrating and we are trying to identify whether it is a motor issue or a pump issue. Staff and consultants feel there is something down the shaft or pump causing the vibration so it is important to repair both of these wells. Due to the drought emergency, the normal bid process was not followed in order to get these wells pulled, replaced and back in service before the summer demands. Pumps were pre-purchased but a contractor was needed to pull and repair the wells. This item is recommending a sole-source contract to Layne Christensen, selected through the bid process and the low bidder for the Mocho 4 project. They have agreed to maintain their unit prices from that bid for these projects to pull these two wells. The recommendation is to approve the contract with Layne Christensen for $260,000, which will cover two wells, pulling, repairing, and replacing both the Mocho 3 and Stoneridge Well pumps.

Director Figuers said this is an extremely good call by staff and needs to be done.

Director Ramirez Holmes asked if the existing budget was already approved or if funds were transferred from reserves. Mr. Arends said money is in the existing budget so no additional appropriations are required for this work. Director Ramirez Holmes asked when there was an assessment for all of the wells. Is there a chart showing production and improvements needed for wells and so Directors can keep aging infrastructure issues in mind. Mr. Arends responded that assessments are done as part of the Asset Management Program but it is expensive to pull the pump out of a well so they are monitored based on their capacity and both Mocho 3, Mocho 4 and Stoneridge, our biggest producing well, were identified as needing repair.

Director Quigley said we need to make sure wells are functioning through the drought period and noted that we need to replenish the groundwater aquifer when the State gives back our water allocation.

Director Stevens asked if the data would be shared with the retailers that have their own wells and was told that it is common practice to maintain wells and monitor them.

Director Palmer moved that the motion be approved and Director Greci seconded the motion. A roll call vote was taken and the motion passed by a 7-0 vote.

Resolution No. 14-4355 Authorized the General Manager to negotiate a contract with Layne Christensen or another qualified firm for the Mocho 3 and Stoneridge Well Repair Project. (Item 8)

Item 9 - Tri-Valley Utilities; Results of Coordination/Integration Study - Draft Report and Near-Term Recommendations

Ms. Duerig said on March 5th there was a Tri-Valley Utilities Liaison meeting and preliminary draft minutes were included in the Board packet. There was a lot of discussion and a presentation by Management Partners to summarize the report and a joint staff report signed by all of the Steering Committee members. Basically, the recommendations consist of not hurrying into a Phase 2 Study when there are drought concerns and expenses for all because this does impact water budgets, which bear the financial burden of the drought. It was decided to come up in the short term with a reciprocal master agreement, bring it forward in the next months to see if there are other opportunities to collaborate, and bring it back to the Joint Liaison Committee meeting in a year. Staff recommended that the Board accept the report and approve interim recommendations so staff can continue to move on developing that reciprocal services master agreement and continue to collaborate with the other agencies.

Director Palmer noted that it was heartening to see how the cooperation has been extensive and continues to grow to make things cost effective, which will be good for the people of the valley.

Director Figuers moved that the motion be approved and Director Quigley seconded the motion. A voice vote was taken and the motion passed by a vote of 7-0.

Resolution No. 14-4356 The Zone 7 Board of Directors accepts the October 2013 "Tri-Valley Utilities - Results of Coordination/Integration Study, Phase 1" and directs staff to implement the Joint Recommendations as outlined in the Joint Staff Report dated March 5, 2014. (Item 9)

Item 10 - Consideration of Action to Increase the Compensation of Members of the Board of Directors of Zone 7 of Alameda County Flood Control and Water Conservation District

Tom Hughes, Assistant General Manager, Administration, reminded the Board that on March 15, 2006, the Board had adopted a policy on compensation and expense reimbursements. A review of the Board's compensation is conducted on a biennial basis. A chart of results of the Water Agency Board of Directors 2014 compensation study was made available to the Board and public.

Tom Pico, Employee Services Manager, noted that the last increase for the Board was in June 2008. The current salary for the Board is $159.99 per meeting. The comparable agencies had a mean compensation of $175.13 per meeting. The Board discussed three options: 1) maintain the current compensation; 2) set the compensation to the mean for the next two years at $175.13 per meeting; and 3) increase 30% up to $207.98 per meeting as allowed by the Water Code. Staff asked for direction from the Board to schedule a public hearing for next month or forego an increase at this time.

Director Figuers questioned the list of comparable water agencies used since it differs from those used for salary surveys but Mr. Hughes reminded him that the Board has the ability to change the agencies used in this survey. Ms. Duerig said that when going for comparable positions, agencies may not have the same position available, i.e., there may be differences between a City Council Member versus a Special District Board Member.

Director Greci noted that he has been on the Board for more than 20 years and did not take the job for the pay. He prefers Option 1 to leave things the way they are because of the current drought situation and feels it is not appropriate for the Board to give themselves a raise.

Ms. Duerig clarified that the two years is not a fixed time and if, for drought reasons, the Board did not want to discuss it this year, it could be revisited next year.

Director Palmer said that it is not a huge raise and that the Zone 7 Board is the only one who doesn't have health, vision or dental benefits. She feels it is not unreasonable to take the mean and the average is still low.

Director Greci noted that the number of meetings has changed from four per month to ten per month so Directors are paid for more meetings if they attend that many but there is criteria for attending and representing Zone 7.

Director Quigley said he agrees with Director Palmer because of the compensation given other agencies. This is a minimal increase and still less than what other agencies provide if benefits are included. He is comfortable with going with the mean; it is the lowest of the options other than no increase.

Director Stevens also agreed with Option 2 and said he is okay if the meeting number needs to be cut to five. Director Ramirez Holmes mentioned long-term conferences and a four-day conference plus other meetings can add up to more than five and conferences are part of it. Ms. Duerig verified that Board members may request compensation for attending non-Zone 7 Board meetings, events or activities including conferences and organized educational programs. After discussion, Director Stevens agreed with the 10 meeting limit.

Director Ramirez Holmes said she would like to hear from the public. Ms. Duerig said that staff will take that as direction to bring this item back to the Board in April for a public hearing next month.

General Counsel David Aladjem described the process if the Board would like to increase the rate paid is to have a public hearing at the April meeting; staff will do the necessary newspaper publication; the hearing will be opened and public comments taken, and then there will be a vote by the Board.

Item 11 - Committees - Utility Coordination Ad Hoc Committee, March 5, 2014 - Preliminary Notes.

Item 12 - Reports - Directors

a. Verbal comments by President

   President Stevens noted that the three candidates for the Zone 7 Board of Directors' election were present. All three, Matt Morrison from Pleasanton, Alfred Exner from Pleasanton, and Jim McGrail from Livermore, introduced themselves.

b. Written report by Director Quigley

c. Other Directors' Verbal Reports

Director Ramirez Holmes noted that she had attended a February 20th BDCP forum and General Manager Jill Duerig was there to give the pro side of the BDCP. On February 25th, she attended the Pleasanton State of the City Address and on February 26th, she attended the City of Dublin's State of the City Address. Both speeches included comments on water, drought and recycling. On March 5th, she attended the Zone 7/DSRSD/Livermore/Pleasanton/Cal Water Liaison Committee Meeting.

Director Palmer attended the Election Women's Luncheon on March 14th.

Director Quigley attended the ACWA Washington DC Conference and met with many California Congressmen and Senator Feinstein and brought back a packet from the meeting to share. ACWA Region 5 was hosting an event in Santa Cruz March 23 and 24 on "Working Together in Dry Times - How the Santa Cruz Water Community is Collaborating for Solutions."

President Stevens asked if staff is meeting with groups such as Rotary, Chambers of Commerce, etc. to teach people about what is happening with the drought. Ms. Duerig replied that staff has been doing a great job on that. Director Ramirez Holmes asked for a list of the meetings/activities before they happen. Ms. Duerig said we usually fulfill individual requests and do not keep track of them. Director Ramirez Holmes said that meetings should be tracked and Board members would like to know about Outreach and Communication meetings such as the Untreated Water meeting. Ms. Duerig said that it was not a public meeting and typically directors would not be notified of such meetings. Director Palmer said it would be good to keep a record of what staff is doing for transparency. President Stevens warned about not getting into the daily operation of staff and a list of staff activities is not needed. Director Palmer said they do not need to know of every meeting but key things like public education would be good to know and some kind of a record on a spreadsheet would be appreciated. Ms. Duerig said she will try to keep the Board better informed.

Item 13 - Items for Future Agenda - Directors - none.

Item 14 - Staff Reports (Information items.)

a. General Manager's Report
b. Communications Outreach Activities
c. Legislative Update
d. Monthly Budget Report
e. Update Related to the Bay Delta Conservation Plan
f. Drought Update
g. Verbal Reports

Ms. Duerig told the Board that the Drought Update staff report in their Board packet had been revised and the revised report was distributed to them prior to the meeting.

The board went into closed session at 8:28 p.m.

Item 13 - Closed Session

(a) Conference with Legal Counsel -- Significant exposure to litigation pursuant to Gov't Code Section 54956.9(d) (2): 2 cases.

(b) Conference with Legal Counsel -- Potential litigation pursuant to Gov't Code section 54956.9(d) (3): 2 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.

(d) Conference with Real Property Negotiator:
Property: APNs 946-1251-029-00 and 946-1251-8-6 (partial)
Agency Negotiator: G.F. Duerig
Negotiating Parties: Robert M. Krantz, UPRR and Daniel Woldesenbet, AlCo PWA Under negotiation: Price and terms of payment

Item 14 - Open Session and Report Out of Closed Session

The Board came out of Closed Session at 8:47 p.m. and President Stevens reported there were no reportable actions taken in closed session.

Director Palmer moved and Director Ramirez Holmes seconded a motion approving Resolution 14-4357 by a 7-0 voice vote.

Resolution No. 14-4357	Approved the Supplemental Agreement to the Memorandum of Understanding with the Alameda County Building and Construction Trades Council that bargaining unit employees shall receive a one-time payment of $1,000 on the April 25, 2014, paycheck.

Director Palmer moved and Director Ramirez Holmes seconded a motion approving Resolution 14-4358 by a 7-0 voice vote.

Resolution No. 14-4358	Approved an amendment to Appendix A, Footnotes to Salary Schedule Section 7.2 - Professional Engineer License Fee, in the Memorandum of Understanding with the International Federation of Professional and Technical Engineers, Local 21, effective January 15, 2014.

Item 15 - Adjournment

The meeting was adjourned at 8:48 p.m.