

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

April 15, 2015

The following were present:

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

DIRECTORS ABSENT: NONE

ZONE 7 STAFF: JILL DUEBIG, GENERAL MANAGER
KURT ARENDS, ASSISTANT GENERAL MANAGER, ENGINEERING
BRAD LEDESMA, ASSOCIATE CIVIL ENGINEER, INTEGRATED PLANNING
DONNA FABIAN, ACTING 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

Dave Lunn, Livermore, spoke on the Nutrient Management Plan (NMP). Mr. Lunn said he believes the community would appreciate and understand a better technical solution to the groundwater basin management. He said that scientists at the Lawrence Livermore National Lab completed a multi-tracer study in 2006 and it concluded that septic sources are minor and that septic tanks are not the biggest source of nitrates in the Buena Vista area. Mr. Lunn said the Board should consider directing staff to quantify the magnitude of the water quality improvement.

Alfred Exner, Pleasanton, talked about the City of Pleasanton's East Pleasanton Specific Plan. He said there are a number of options for the east side including extending El Charro through the Chain of Lakes and he would like the Board to consider asking the City to route it around the Chain of Lakes or not to extend El Charro at all. He also stated that about 400 acres of development are proposed and would the Board consider mitigation for contaminants that might get into Cope Lake.

Cathy Brown, Pleasanton, stated that she and some of her neighbors would like to engage with Zone 7 regarding the Groundwater Management Plan and their concerns on the water pumping at the Mocho Wellfield and the land subsidence in their neighborhood.

Lynn Dunn, Pleasanton, would like the subsidence issue to be addressed by Zone 7 and hopes the Board was given a copy of the letter sent by Cathy Brown. She stated she has experienced great expense in repairs to her home when water started being pumped out of the area. Ms. Dunn asked what the neighborhood needs to do to get the issue addressed. General Counsel David Aladjem stated that the proper procedure is to file a claim for alleged damage with the County of Alameda. Director Ramirez Holmes requested a copy of the letter from Ms. Brown.

Item 4 - Minutes of the Regular Meeting of February 18, 2015

Director Ramirez Holmes stated that on page 3, item 5d, she would like it to read, "Director Ramirez Holmes agreed that they are not binding and subjective. She said the Board Policy of Conducting Business, Section II already empowers the Board President and states a remedy for a violation of ethics policy."

Director Palmer wanted to add on page 4 after paragraph 2 that Stonybrook Creek is not part of our main watershed but is a small tributary that empties into the Alameda Creek in Niles Canyon.

Director Quigley moved to approve the minutes with the proposed changes and Director Palmer seconded the motion. The minutes were approved by a voice vote of 7-0.

Item 5 - Minutes of the Regular Meeting of March 18, 2015

Director Ramirez Holmes stated that she submitted a proposed change that was reflected in the redline version that was handed out. Director Palmer wanted to add the word "what" to the 7th paragraph on page 5 to read "Director Palmer stated that she understands *what* the traffic and zoning of the land use issues should be, and that the Board needs to follow the decision tree that has already been put in place."

Director Palmer moved to approve the minutes with the proposed changes and Director Quigley seconded the motion. The minutes were approved by a voice vote of 7-0.

Item 6 - Consent Calendar

Director Stevens moved to approve Items 6(a), 6(b) and 6(c) and Director Quigley seconded the motion. The items were passed by a 7-0 vote.

Item 6(a) Award and Approval of External Auditor Services Agreement

Resolution No. 15-58 Authorizing an agreement with Maze & Associates. (Item 6a)

Item 6(b) Item to be Removed from Alameda County and Zone 7 Fixed Asset Inventory Records

Resolution No. 15-59 Authorizing the removal of an item from the Fixed Asset Inventory.
(Item 6b)

Item 6(c) Declare May as Water Awareness Month

Resolution No. 15-60 Declaring May 2015 as Water Awareness Month. (Item 6c)

Item 7 - Staffing Update

Item 7(a) - Congratulations to Retiree

General Manager Jill Duerig extended congratulations to Dennis Gambs, who retired from Zone after 34 years of service. Mr. Gambs, who was present, spoke to the Board and said how fortunate and grateful he is to have worked for Zone 7 and the community.

Director McGrail moved for approval and Director Figuers seconded the motion, which was approved by a voice vote of 7-0.

Resolution No. 15-56 Congratulations to Retiree Dennis Gambs. (Item 7a)

Item 7(b) - Congratulations to Retiree

Ms. Duerig also extended congratulations to Jeff Jones, Construction Inspector, who retired from Zone 7 after 33 years of service. The Board recognized Mr. Jones in absentia.

Director Palmer moved for approval and Director Quigley seconded the motion, which was approved by a voice vote of 7-0.

Resolution No. 15-54 Congratulations to Retiree Jeff Jones. (Item 7b)

Item 7(c) - Congratulations to Retiree

Ms. Duerig congratulated Judy Rector, Executive Assistant, who retired after 13 years with Zone 7. President Greci stated that the role of the board secretary is extremely important to the board. He said he greatly appreciated all the work that Judy did for the board, that she did an excellent job, and will be greatly missed. The Board recognized Ms. Rector in absentia.

Director Quigley moved for approval and Director McGrail seconded the motion, which was approved by a voice vote of 7-0.

Resolution No. 15-55 Congratulations to Judy Rector. (Item 7c)

Item 7(d) - Congratulations to Retiree

Ms. Duerig congratulated Dexter Yee, Associate Engineer, who retired from Zone 7 after almost 11 years in the flood control section. The Board recognized Mr. Yee in absentia.

Director Palmer moved for approval and Director Quigley seconded the motion, which was approved by a voice vote of 7-0.

Resolution No. 15-57 Congratulations to Retiree Dexter Yee. (Item 7d)

Item 7(e) - February Employee of the Month Recognition

Ms. Duerig announced that the February Employee of the Month was Gene Briones, Water Resources Technician II, who is assigned to the Facilities Engineering Section and was present. The directors acknowledged and applauded him.

Item 8 - Consider Action to Increase the Compensation of Zone 7 Board Members

Ms. Jill Duerig stated that staff put together a summary of existing compensation for board members at comparable agencies. She asked the board to provide direction how they wish to proceed. Director Figuers said to leave compensation as is; Director Quigley agreed with Director Figuers stating he does not do it for the money; he does it for the love of the community and to get water right. Director McGrail stated it would be ridiculous to ask for more compensation when the community is at odds with water rates. Director Palmer stated that she is in favor of Option 2. Director Ramirez Holmes stated that she is not in favor of taking any action to increase director compensation. Director Stevens agreed with Director Palmer, favoring Option 2. Director Palmer added that the Board should consider what other boards are receiving, and that it is not unreasonable to ask for a very small increase. Director Stevens added that you are paid what you are worth and that the board provides quality service to the community. Director Figuers said that in the table on page 1, the amount the board receives per meeting is right in the middle of what other agencies receive; however, the difference is others receive group benefits. After further discussion, it was decided to bring Option 2 to the board at the May 20th meeting for possible adoption.

Item 9 - 2015 Annual Review of Sustainable Water Supply for Zone 7 Water Agency

A presentation was given by Associate Engineer Brad Ledesma, summarizing the 2015 Annual Sustainability Report. The report found that Zone 7 can meet 100% of the 2015 water delivery requests for M&I and Untreated customers, and 96% of the 2016 delivery requests—even if there is no conservation in 2015 and 2016 is a critically dry year (i.e., 1977 hydrology). During the presentation, Mr. Ledesma also noted that although the state as a whole may be experiencing a four-year drought, the local climatological and hydrological evidence suggests that the Livermore Valley could be in the ninth year of an extended drought. With this in mind, the estimates for required water deliveries, water availability, and storage for 2015 and 2016 used a conservative approach to provide maximum flexibility in planning. Mr. Ledesma also clarified that the Annual Sustainability Report is not an operations plan, and simply compares total available supply to requested water deliveries—it is a tool that may be used to help develop this year's operations plan.

Director McGrail thanked Mr. Ledesma for his presentation and work on the report and would love Governor Brown to hear the presentation, especially in terms of the San Luis Reservoir. Director Quigley was pleased to see that Zone 7 has captured over 7,500 acre-feet in Cope Lake. Director Palmer also commented on the Lake I to Cope Lake Intertie and commended the contractors and Zone 7 staff for working together on that project. Director Stevens said this was the second time he saw the presentation and said it is fantastic. Director Ramirez Holmes said she is concerned about Zone 7's use of the groundwater basin and was wondering if there was a slide on that. Mr. Ledesma showed a figure of the estimated available groundwater storage; the graphic indicated that total operational groundwater storage at the end of 2014 is actually higher than the total amount of groundwater storage that was available in 1992. Another graph he shared showed where the groundwater storage is located and how well the basin is doing. Mr. Ledesma stated that the 10,000 AF of groundwater that is in the Annual Sustainability Report is an available is not what Zone 7 would necessarily pump this year. He added

that he spent a lot of time working with the Groundwater Section and they came up with ranges of 10,000-13,000 AF so he used the lower estimate in the report; however, given the surplus supplies Zone 7 is seeing this year, Zone 7 may not need the 10,000 AF of groundwater. Director Ramirez Holmes asked if Zone 7 has a target of pumping and recharging. Mr. Ledesma responded to Director Ramirez Holmes by showing a new figure that illustrated Zone 7's net recharge and pumping from 2007 to 2014; the figure indicated that Zone 7 has only averaged a net take from the basin of about 2,400 AF over the past 8 years—a very small amount relative to other groundwater pumping in the Livermore-Amador Valley Groundwater basin. Mr. Ledesma also stated that Zone 7 typically targets between 5,000 and 10,000 AF of groundwater pumping. Director Ramirez Holmes asked about the assumption that between 2017 through 2019 we will be at normal, but what if we are not. Mr. Ledesma responded that the assumptions for 2015 and 2016 are conservative—they assumed 100% delivery of water requests—and that in a year like this, where water reductions are being mandated by the State, such conservation will allow Zone 7 to optimize its operations plan for the next few years to prepare for potentially dry 2017 to 2019. Mr. Ledesma added that Zone 7 needed revised delivery requests from the retailers based on State-mandated water use targets. Director Figuers asked Mr. Ledesma to define drought. Mr. Ledesma answered that it is relative to each agency and where their water supplies come from. Director Figuers referred to the Sierra Nevada Snow Pack figure and asked Mr. Ledesma to define average. Mr. Ledesma said that average is defined as the average use over the entire period of record, which is 1950 to present. Director Figuers asked Mr. Ledesma to refer to the figure presenting the Palmer Drought Severity Index results from a recent study completed in December 2014. He said the figure has been around for a long time but the black areas refer to tree rings and the red areas refer to rainfall. Mr. Ledesma stated that the red areas refer to June, July and August periods relative to the regional average. When the graph was developed, they looked at actual rainfall data and compared it with their tree ring studies from recent periods to see how well the model is calibrating.

Dan McIntyre of the Dublin San Ramon Services District said that the presentation was great. He stated that he supports the conservatism looking at next year assuming it could be a 1977 water year. He believes that conservatism needs to be the theme until we understand things better particularly when in 2014 our area was the one place in the state that had to face the severe drought and everyone else was able to continue irrigating all they wanted. Mr. McIntyre said Zone 7 should do everything it can to preserve the groundwater basin going into future years. He also stated that he is pleased with Zone 7's focus on the Intertie.

President Greci said that Mr. Ledesma's presentation is one of the best he has seen from Zone 7 in 21 years. He also pointed out that this is the perfect opportunity to recognize the fact that Zone 7 is able this year to survive the drought due to water that was diverted into the San Luis Reservoir and subsequently stored. He reiterated that California needs as much storage as it can and he believes any influence that the public can do to influence storage would be helpful to our community and the State. He said since California is such a large agricultural state, he is concerned about our food supply, the price of food, and the unemployment it may cause as a result of this drought.

Director Figuers added that the power of the state water project as it was envisioned is different from what was built. He added we would not be able to survive this without the series of dams, canals and pumping stations that have existed and it means it needs to be completed and things like the reincarnation of the peripheral canal and other infrastructure projects need to be done.

Director Quigley mentioned that the one thing that was not in the presentation was the mention of population growth in our area and the state. He said the state water project was built for less than 30

million people and we have 40 million people in the state. He added that the State has to fix the storage and the conveyance.

Director Ramirez Holmes wanted to make sure that Zone 7 communicate clearly that this is a report about how much water Zone 7 has and that the operation plan is really the key. She said that at this point the retailers cannot take the water at the levels Zone 7 can supply due to anticipated state cutbacks. She wanted to stress that even if Zone 7 backed out some of the groundwater pumping, Zone 7 is still able to meet the demand level. She said that just because Zone 7 can does not mean it should. She wants to make sure that Zone 7 has as much storage in the groundwater basin as possible.

Item 10 - Continued Support of Statewide Emergency Water Conservation Efforts

Mr. Ledesma gave a presentation on continuing support for the Statewide Emergency Water Conservation Efforts. Dan McIntyre of the Dublin San Ramon Services District suggested that under the third "whereas" of the proposed resolution, a clause be added to say, "by using current supplies to meet 40% of demand and using long-term storage to meet up to 60% of demand." He stated that it will give the idea that yes, the water is available, but that Zone 7 is drawing from its savings account. Director Stevens disagreed with editing the resolution stating it does not add anything to it. Director Palmer agreed with the change in the wording because she said it highlights that fact that Zone 7 is able to meet 100 percent of demands, not because there is enough water, but because Zone 7 has done some good management. Ms. Duerig said she does not see a problem with adding a phrase that says by using a combination of current supplies and long-term storage, but she does not recommend putting percentages in.

Randy Werner of Livermore cautioned the board, that yes there is enough water to get through this year, but three water agencies are going to have to conserve 25% and the City of Dublin is going to have to conserve 20% of the 2013 amount, and the retailers are going to have to tell their constituents that they are still going to have to reduce usage by 25% from 2013. After further discussion by the board, it was decided to leave the resolution as is. Director Stevens moved to pass the resolution and Director McGrail seconded. The motion was approved by a voice vote of 5-1-1 with Director Ramirez Holmes opposing and Director Figuers abstaining.

Resolution No. 15-61 Continuing Support for Statewide Emergency Water Conservation Efforts.
(Item 10)

Item 11 - Amended County Well Ordinance

Kurt Arends, Assistant General Manager, Engineering, gave a brief review on the history of the item since it had been a few months. He said that in October 2014 staff presented the board a draft Zone 7 Well Ordinance. Zone 7 received a letter from Alameda County Public Works Agency outlining concerns with Zone 7 adopting an ordinance and having duplicate ordinances that cover the same area. Staff met with County Public Works staff to resolve the issues. In January 2015, staff came back to the board and held the first reading of the Zone 7 Well Ordinance. Staff came back to the board again in February and recommended the board continue the item until the April meeting to allow staff additional time to work with the County. In March, County staff brought the County's draft Well Ordinance to the Alameda County Transportation Committee. As of April 7, Alameda County had a first reading of the updated County Well Ordinance, which adopted the changes and revisions to the language that Zone 7 was proposing. The new Ordinance that the County is adopting gives the Public Works Director the authority to delegate administrative authority to Zone 7 through an MOU. Staff is recommending the

board authorize the General Manager to negotiate and execute an MOU with Alameda County Public Works Agency to accept administering authority of the County's Well Ordinance within Zone 7's service area.

Director Stevens moved for approval and Director McGrail seconded. The motion was approved by a voice vote of 7-0.

Resolution 15-62 Authorizing an MOU with Alameda County Public Works Agency for Well Ordinance Administration. (Item 11)

Item 12 - Committee Reports

Ms. Duerig stated that there was a mistake on the draft notes for the February 5th Tri-Valley Water Resources Group Roundtable that mistakenly reported Director McGrail was present, when in fact it was Director Stevens who attended.

Item 13 - Reports - Directors

- a. Verbal comments by President
- b. Written report by Director Quigley
- c. Verbal Reports

Director Palmer said she attended the March 19th CEMEX presentation and on March 23rd she attended a webinar on drought and conveyance issues. She also attended a staff sendoff for Judy Rector.

Director Ramirez Holmes said she attended Supervisor Miley's Pleasanton Citizens Committee meeting on March 19th. She also attended the Nutrient Management Plan Stakeholder meeting on March 23rd. On March 25th, she attended the Dublin State of the City Address. She also attended an ACWA webinar on the 2015 drought briefing. On April 11th, she attended the Zone 7 water conservation gardening event at Home Depot.

Item 14 - Items for Future Agendas - Directors

Director McGrail requested that the Nutrient Management Plan be put off until the June board meeting. Director Stevens was wondering how Zone 7 could help inform the homeowners in Pleasanton about their soil issues and is it up to Zone 7 to provide a presentation on what subsidence actually is so the public is better educated? Kurt Arends informed the board that Zone 7 sent a response letter to Cathy Brown informing her that Zone 7 needed some time to gather historic and technical information for her and Zone 7 will set up a meeting with them. Director Ramirez Holmes asked if the letter from Ms. Brown and response letter could be shared with the board. Mr. Arends said he'd have copies available before adjournment.

President Greci reiterated what Mr. Arends said by saying that until Zone 7 has more information, no decision can be made. He stated there is history on the development on both sides of Hopyard Road. The developers are responsible for the developing on what used to be a lake, and Zone 7 is not responsible for any settling.

Item 15 - Staff Reports

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

General Manager Jill Duerig stated that based on the posted timeline for the state conservation regulatory process, the State Board is hoping to adopt final recommendations by May 5th or 6th. The next Tri-Valley Water Policy Roundtable meeting was scheduled for April 22nd and after a meeting with staff, it was clear that they all felt the roundtable topics should include the state regulations, but to do that properly it should be delayed until after May 5th. That meeting has now been moved from April 22nd to May 13th at 5:00 p.m. at Dublin San Ramon Services District.

The Board went into closed session at 9:10 p.m.

Item 16 - Closed Session

- (a) Government Code Section 549547; Public Employee Performance Evaluation
Title: General Manager
- (b) Conference with Legal Counsel - Significant exposure to litigation pursuant to Gov't Code Section 54956.9(d) (2): 3 cases
- (c) Conference with Legal Counsel - Potential litigation pursuant to Gov't Code section 54956.9(d) (3): 1 case
- (d) 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
- (e) 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 9:35 p.m. and President Greci reported there were no reportable actions taken in closed session.

Item 18 - Adjournment

The meeting was adjourned at 9:36 p.m.