

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

SPECIAL MEETING

May 20, 2015

The following were present:

DIRECTORS: SANDY FIGUERS
JOHN GRECI
SARAH PALMER
ANGELA RAMIREZ HOLMES
BILL STEVENS

DIRECTORS ABSENT: JIM McGRAIL
DICK QUIGLEY

ZONE 7 STAFF: JILL DUERIG, GENERAL MANAGER
KURT ARENDS, ASSISTANT GENERAL MANAGER, ENGINEERING
DONNA FABIAN, ACTING BOARD SECRETARY

COUNSEL: DAVID ALADJEM, DOWNEY BRAND

Item 1 - Call Meeting to Order

President Greci called the meeting to order at 5:05 p.m.

Item 2 - Pledge of Allegiance

President Greci led a salute to the flag.

Item 3 - Citizens Forum

None.

Item 4 - Lake Del Valle Property Grazing Lease

Kurt Arends, Assistant General Manager, Engineering, provided a brief overview on the Lake Del Valle property and the process for the Lake Del Valle property lease. He stated that in November 2013 Zone 7 acquired approximately 5000 acres of land, formerly known as the Patterson Ranch, for watershed protection purposes. The Lake Del Valle property was purchased with an existing grazing lease. On September 17, 2014, the board extended the existing lease until October 31, 2015. Zone 7 developed a Grazing Management and Watershed Protection Plan that was reviewed by Zone 7 staff and staff from the San Francisco Public Utilities Commission, the Contra Costa Water District, and the University of California Extension. A draft Request for Proposal (RFP) was developed and reviewed by SFPUC staff who is experienced in the RFP process. The RFP was released on February 2, 2015, with proposals due

March 13, 2015. Zone 7 received 12 proposals in response to the RFP. Zone 7 staff enlisted the assistance of three experts in watershed protection from outside Zone 7, one from another public agency, and two individuals from the UC Extension. Each proposal was reviewed, evaluated and scored based on the criteria in the RFP. The results of the evaluation process were presented to the Patterson Ranch Ad-Hoc Committee on April 20, 2015, where the committee recommended that the full Board interview the top three. The top three proposers were asked to come to this special board meeting to present to the board why they feel they would be the best tenant for Zone 7 to achieve its watershed protection objectives. Approximately 20 minutes was allocated to hear each proposer's presentation, and for the board to ask questions. The three proposers are Paul Banke, TN Cattle Company, and Mission Livestock Management. The board will be asked to select a tenant and authorize the general manager to negotiate and execute a lease at the regular board meeting tonight at 7:00 p.m.

Director Figuers wanted to point out two things he noticed in the RFP. He said the whole concept of livestock grazing is subsumed by the environment. He said the term "this is not livestock, these are putting out animal units" was used. He also mentioned that he read in the RFP that Zone 7 wanted corrals and roads watered for dust, and he asked if there was an air pollution problem with a truck driving on a dirt road. Mr. Arends stated that they are not required to water the roads.

President Greci asked the first potential lessee to begin their presentation.

Paul Banke introduced himself and his children and provided an overview of the family cattle business, his history with the subject property, and the improvements they have made, and plan on making, on the property. President Greci thanked Mr. Banke and asked if there was any public comment or if anyone wanted to speak on behalf of the Banke family. John Shirley, retired veterinarian, former Livermore Mayor and resident of the Livermore Valley for almost 60 years, said that he knew Peter Banke and has known Paul Banke since he was in high school. He said he has visited that ranch a number of times and feels that the Banke family should be able to continue to live on the ranch. Tim Koopman, SFPUC Range Resource Manager, stated that he has spent a considerable amount of time on the ranch and has known Mr. Banke for quite a while. He believes there isn't a better-managed ranch in the state of California.

Director Ramirez Holmes asked Mr. Koopman if he also wrote a letter for the TN Cattle Company. Mr. Koopman confirmed that he did write a letter on their behalf and doesn't think Zone 7 could go wrong with either of the tenants. Shelley Miller, East Bay Regional Park District, said that she has been the supervisor at Lake Del Valle since 2003 and has worked at the park since 1982. She said she has known Paul Banke and his brother for a long time. She highly recommends the Banke family and their cattle company. President Greci complimented Ms. Miller on her letter of recommendation on behalf of the Bankes. Terry Huff, who was the District Conservationist for the U.S. Natural Resources Conservation Service in Alameda County for 17 years, also spoke on behalf of the Banke family. He said that he has worked with hundreds of ranchers throughout the state of California in his 33 years at the Resources Conservation Service and he highly recommends Paul Banke. Paula Orrell, Livermore, read a letter from Jackie Williams Cartwright who was unable to appear. Ms. Williams Cartwright, former Zone 7 Director, wrote on behalf of Paul Banke and supports him.

Director Ramirez Holmes asked Mr. Banke about horse boarding on the property. She wanted to know what his thoughts and plans are in terms of boarding horses if he were to continue leasing the property. Mr. Banke said that they have pastured between 10 and 15 horses over time and currently have about 9 horses. He said that whether they continue that program or not will be up to Zone 7 but it is mentioned in their proposal that they would like to continue to board horses.

Since there were no further questions or comments, President Greci asked that TN Cattle Company, Inc., present their proposal.

Ryan Nielsen of TN Cattle Company provided a brief history of the company and the Nielsen family, who has been ranching in Dublin for five generations. Mr. Nielsen said that the current tenant, Paul Banke, is and will be the most knowledgeable person about the property. He then played a video outlining various operations and improvements TN Cattle Company has completed over the years. President Greci thanked Mr. Nielsen and asked if there was anyone in the audience who wished to speak on their behalf. Since there was no one in the audience with any comments, President Greci opened it up to the Directors. Director Palmer asked Mr. Nielsen how many people they employ throughout the year. Mr. Nielsen stated at this time of year around 30 people. Director Ramirez Holmes asked Mr. Nielsen if they planned to have someone living on the property. Mr. Nielsen stated that one of his staff would live on the property.

There were no further questions so President Greci asked that Mission Livestock present their proposal. Adam Cline of Mission Livestock Management provided background and a statement of qualifications on his company. He has been co-owner of Mission Livestock Management with Doug Freitas since 2009. Mr. Freitas gave a brief background of his rangeland management experience. They shared a PowerPoint presentation showing their management approach, experience, and capabilities. Director Figuers asked who owned Mission Livestock Management Company. Mr. Freitas said that he and Mr. Cline both own the company. Director Figuers also asked what the Cline Livestock Company is. Mr. Cline stated that Cline Livestock Company is his own livestock company separate from Mission Livestock Management Company. Director Figuers then asked about Freitas Fencing Company and Mr. Freitas confirmed that that is his own separate company as well. Director Figuers asked if they felt any time constraints by managing multiple companies throughout Northern California. Mr. Freitas said that he has a foreman and a partner in the fencing business and that his primary job with the fencing business is acquisition of work. Mr. Freitas stated that he has managers that would manage the other ranches and that he would live on and manage the Del Valle property.

Director Figuers referred back to the previous presenter and asked what the difference is between TN Cattle Company and H&N Enterprises. Mr. Nielsen said that TN Cattle Company was started by his grandfather and that his father is part owner with his brothers and sisters. Mr. Nielsen said that he manages H&N Enterprises. Director Figuers asked if the lease would come under TN Cattle Company or H&N Enterprises. Mr. Nielsen stated that it would come under TN Cattle Company but H&N enterprises would be involved in the management, restoration, and improvements. Director Figuers asked Mr. Banke what WP Cattle Company is. Mr. Banke stated that WP Cattle is the DBA they have used since taking over the Patterson Ranch. WP was the brand that the Patterson family had and the Banke family bought the brand.

President Greci thanked everyone for attending and for their presentations. He stated that the Board's regular meeting will be held at 7:00 p.m. and at that time there will be discussion and a decision on Item No. 8 as to the Lake Del Valle lease.

Item 5 - Adjournment

The meeting was adjourned at 6:40 p.m.