

SUMMARY MINUTES

JOINT MEETING ZONE 7/DSRSD LIAISON COMMITTEE WITH CITY LIAISON COMMITTEES

May 22, 2013
4:00 p.m.

Zone 7

Sarah Palmer, President, Board
John Greci, Board Member
Dick Quigley, Board Member
G. F. Duerig, General Manager
Kurt Arends, Assistant Gen. Mgr., Eng.
Judy Rector, Board Secretary

Dublin San Ramon Services

Georgian Vonheeder-Leopold, Vice President
Ed Duarte, Director
Bert Michalczyk, General Manager
Dave Requa, Assistant General Manager
Dan Gallagher, Operations Manager

City of Pleasanton

Karla Brown, Council Member
Jerry Pentin, Council Member
Nelson Fialho, City Manager
Dan Smith, Director of Operations
Dan Martin, Utilities Superintendent

City of Livermore

John Marchand, Mayor
Doug Horner, Vice Mayor
Dan McIntyre, Director of Public Works
Darren Greenwood, Assistant Public Works
Director

California Water Service

Frank Vallejo, District Manager

Item 1. Zone 7 Board President, Sarah Palmer, called the meeting to order at 4 p.m.

Item 2. Public Comment – None.

NOTE: Agenda Items 5 and 6 are switched on the agenda so the BDCP Update is after the Chain of Lakes evaluation.

Item 3. Update on Status of Committee of Valley Water Retailers (and associated need for annual reporting) and Discussion of Format for this Water Liaison Committee

Darren Greenwood reported that the Committee of Valley Water Retailers (CoVWR) held their 2012 annual meeting in April of 2013 and discussed sun-setting the group and replacing it with joint liaison meetings, the details of which need to be developed. On the staff side, the Tri-Valley Water Retailers Group (TWRG) will draft a resolution as a template for all of the agencies to use to withdraw from CoVWR and formalize their intent to use the Liaison Committee for policy-level discussions and maintain TWRG for staff-level discussions that include staff from Zone 7. TWRG will continue to be a watchdog, reserving the option to meet without Zone 7, but the Liaison Committee will be more collaborative.

Item 4. Review of Annual Sustainability Report and Conservation Messaging for 2013

Brad Ledesma repeated the well-received presentation he gave to the Zone 7 Board on the review of the Annual Sustainability Report. The Water Supply Reliability Policy requires an annual review of sustainable water supplies. The review indicates that Zone 7 has sufficient water supplies to meet projected water demands over the next five years with or without additional water conservation.

Zone 7 has two major functions that are integrated to optimize water resource management for the Livermore-Amador Valley: water supply and flood control. Flood facilities are used regional flood protection during the wet season and for groundwater recharge in the dry season. Groundwater management, stream management, and the flood control system influence water quality in their own way. The groundwater basin is used to store surplus water in wet years and to make that water available in dry year; this is the key to Valley's robust water sustainability. He provided an example of watershed balance.

He discussed the integrated planning steps involved in data collection (monitoring), planning, component modeling and network modeling, design construction, operations and maintenance. He noted the following key takeaways:

- Projected water demands could increase by 5% over the next five years without water conservation but could decrease by as much as 10% depending upon the success of water conservation and recycling efforts in the valley.
- The State Water Project allocation is only 35% this year but this still makes up 85% of this year's supply.
- BBID supplies represent 10% of what we are projecting as the current yield for this year.
- The long-term average did not change much and is still 55,000AF.
- Water Storage: water is stored in the main groundwater basin, Lake Del Valle, State Water Project Carryover, Kern County (Semitropic, and Cawelo). We have 70,600AF available this year - about 36,800 each year for the next 4 years.
- Conclusion: Zone 7 has sufficient water supplies to meet projected water demands over the next 5 years with or without conservation.

Ms. Duerig said this item was to set the stage for conservation messaging.

Bert Michalczyk reported that the DSRSD Board approved a new water rate structure that uses different per capita water use factors at each Water Shortage Stage. This was done in recognition of the need to have a rate structure that under even normal conditions supports a 20% per capita water use reduction by 2020 under SB 7X7. As a follow-up to the adoption of that rate structure, the DSRSD Board established 2013 water conservation levels at "baseline" which, under the new rate structure, represents the 20% per capita water use reduction already achieved.

John Marchand stated that conservation has created the new baseline. If we need conservation in the future and have hardened that demand and reset the baseline, additional water conservation will be more difficult.

In response to a question by Dan McIntyre about the likelihood that DWR will further reduce the State Project allocation this year, Ms. Duerig said she does not think DWR will lower their allocation for this year or we would have heard by now. We were expecting it to decrease after the snow pack survey which showed it at only 17% of normal.

Item 6. Interim Chain of Lakes Evaluation (Lakes H, I and Cope) and EPSP (Zone 7/City of Pleasanton)

Nelson Fialho said that the East Pleasanton Specific Plan (EPSP) Task Force, made up of community members and property owners, started 10 months ago to determine the ultimate use of the Chain of Lakes area in cooperation with Zone 7. They are narrowing the site plans for that

area, are down to four alternatives, and what does it mean for the public to have access to the Chain of Lakes?

Carol Mahoney gave a quick overview of what Zone 7 is undertaking in looking at the Chain of Lakes and trying to figure out a methodology to evaluate the uses and give an update for the 1981 Specific Plan for the Livermore-Amador Valley Quarry Area Reclamation and dovetail with activities of the EPSP. Zone 7 owns Lake I and Cope Lake but the rest of the chain will come to Zone 7 for water management in the future. Staff considered groundwater recharge, water conveyance, water storage, flood protection, and possible recreation while identifying parameters that will help with decisions based on the mining area and how the lakes will be reclaimed. Flood plains in the vicinity of the lakes is one of the reasons why in the 2006 Stream Management Master Plan (SMMP), the Chain of Lakes is identified as an area where rain waters can be detained to help with localized and downstream flooding. Staff will continue the planning effort even after the methodology is identified. Lakes are scored and rated on a scorecard by factors that determine whether a specific lake is suitable or unsuitable, their use compatibility/ and whether it is a conflict. She noted that when talking to the Zone 7 Board, it was felt that education and or public engagement with the areas was missed. She asked for comments on methodology.

Connie Cox said that she has been involved with flood management and the Valley Trails Homeowners Association for over 20 years. She has been told that the Chain of Lakes will be the key to flood control in Pleasanton. She asked that Zone 7 be more dominant and forceful at the EPSP Task Force meetings.

Karla Brown asked about reporting out the results and said it is a timing matter important to Pleasanton. Ms. Mahoney replied that the full report comes out the end of the year and the reason this evaluation has been fast-tracked is to help with Pleasanton's deadline to go out for CEQA. Nelson Fialho feels the Zone 7 planning effort will answer the question of the availability of the lakes for the public and still to address long-term flooding. The EPSP Task Force can plan around Zone 7's operational needs.

Ms. Mahoney said that staff is updating the SMMP so have hydrologic models that are being created separately from the scorecard but won't be finished until 2015. They are moving ahead with the scorecard to identify uses and areas that are more compatible for specific uses and give everybody options.

Karla Brown said Pleasanton is looking to develop the land between the lakes but some is spongy and would that affect Zone 7's plans? Ms. Mahoney said engineering fixes could help the City with those geotechnical concerns. Staff is looking "in the lakes" and would be concerned only if development is an incompatible use and water quality concern, i.e., a gas station.

Richard Quigley asked if there is a chance some of the SMMP reevaluation and revisitation data and modeling can converge with the need for that footprint for East Pleasanton? Ms. Mahoney responded that there will be a peer review of the model by other agencies over the summer and evaluating the 100-year flood but it will be close to EPSP's timeline.

Item 5. Update on Delta/BDCP (Zone 7)

Kurt Arends said the second administrative draft of the BDCP plan and the Environmental Impact Report /Environmental Impact Study will be released in the near future. One of the key things is that there are 22 conservation measures proposed and Conservation Measure #1 is the tunnels or conveyance of operation of water facilities. Fifteen different alternatives were reviewed and the current recommended project involves 9,000 cfs dual tunnels with three new intakes in the northern Delta which will bring water beneath the Delta and coming up near the South Bay pumping plants which deliver water to the State Water Project and the Central Valley Project.

Mr. Arends said that although it was a wet December with great flows, pumping restrictions affected 820,000 AF which were not available to the projects due to the lack of the ability to move water. Modeling shows that if tunnels had been in place this year, 780,000 AF of the lost water or 95% could have been pumped. There has been lots of discussion about storage but the ability to move and transfer water is critical especially during dry years. We are at the low end today but the goal right now is the challenge to return to normal. Doing nothing means it could get worse and supplies continue to degrade. The Notice of Determination is scheduled for May 2014 and construction could start in 2017 so it is a long-term project but is continuing to move forward.

Bert Michalczyk asked for Zone 7's comments about the water bond which is scheduled to be voted on. Ms. Duerig replied that there is discussion about downsizing and modifying the bond. It impacts the BDCP but not the DHCCP, Delta Habitat Conservation and Conveyance Program, (the actual building of the tunnel) because the DHCCP will be funded solely by state and federal water contractors. BDCP is a habitat conservation plan and involves a lot of other conservation measures to preserve the largest estuary in the United States. Preserving the eco-system is not only the responsibility of the water agencies so the water bond is to pay for the public benefits of implementing the BDCP using a general obligation bond. There are other things in the bond which will likely be voted on in 2014 and it may be smaller than the \$11 billion originally discussed.

Mr. Michalczyk stated that he believes the BDCP will not go unchallenged and that there will be delays to the schedule such that construction will not start in 2017. He asked what is Zone 7 looking at in case of delay and how would the water supply be maintained? Ms. Duerig responded that we have 10 years before there would be any impacts and the plan is to update the Water Supply Evaluation once we know the real impacts, issues and construction timing. At that time, a final Water Supply Master Plan can be developed. Brad Ledesma mentioned possible inter-ties and other water supply options that are discussed in the portfolio options of the Water Supply Evaluation. Zone 7 staff will work with the retailers to move forward to evaluate options once more answers are available.

Mr. Michalczyk asked if Zone 7 has any information on what might be the rate impact on customers for the work called for in the BDCP? Ms. Duerig said it depends upon many factors, including construction costs and cost of indebtedness. It could have a 15% impact on the valley but there is a lot of speculation since the project may be bid and funded in pieces over a 10-year period.

Doug Horner asked if the tunnels were in place, where would we be in an average year? Ms. Duerig replied that the goal of the DHCCP is to restore reliability. For instance, in this year we would have recovered 780,000af even though it was a dry year since more water could have been

transferred during the high November and December flow periods. She added that the Central Valley agricultural users on the federal project are hurt the most this year with only a 20% allocation which affects the growing of produce since they have to fallow their fields and that affects their income to pay for Delta conveyance projects.

Darren Greenwood asked where is the process of moving along independently to support Delta improvements in the press or is it time to push politically? Ms. Duerig said there could come a time where political influence would be greatly appreciated. Dave Requa asked about local promotion. Ms. Duerig replied that part of what the BDCP and DHCCP money is paying for is an outreach component and regional centers will address concerns. There is a plan for Bay Area outreach and that is when we might need assistance with additional political outreach.

Item 7. Verbal Comments

Richard Quigley explained that hydration stations are new water fountains with counters to refill water bottles and teaches the value of water and conservation, i.e., refilling a water bottle from the tap costs half of one cent versus \$12/gallon for bottled water and saves approximately 36,000 bottles per year from going into the landfill. They are being funded in part by the Livermore Rotary and the Interactors (young Rotarians). Stations are currently at Las Positas Community College and will be coming to Livermore High School. John Marchand asked if the water is filtered in the hydration stations and how much are they used? Why filter tap water when inadequate maintenance can degrade high quality water? Mr. Quigley said the information he has is from the City of Santa Barbara's experience with the hydration stations and we have not had them long enough to have our own statistics about costs and filtering. Karla Brown said the units cost about \$1100 to \$1700 depending upon if they are carbon filtered and/or chilled.

A Doodle Poll will be sent out to Committee members next week to begin scheduling the next meeting in late September or October.

Item 8. Adjournment

The meeting was adjourned at 5:15 p.m.