Water Resources Committee
May 29, 2014
Meeting Summary

Directors Present: J. Greci, A. Machaevich, B. Stevens
Staff Present: J. Duerig, K. Arends, C. Mahoney, J. Green and J. Chahal

Director Stevens called the meeting to order at 3:35 p.m.

1. Public Comment on Items Not on Agenda

There were no public comments.

2. Drought Projects

Mr. Arends provided status update on the projects included in January 29, 2014 Board approved Drought Emergency Response Plan.

COL Well #5 Project – Mr. Arends reported that the contractor has lost a drill bit in the first well hole and could not recover. The contractor is starting on a new well hole. Staff is working with the contractor to recover schedule but completion could move from August 2014 to September 2014. The well is scheduled to be in service this year as planned to assist in the drought response.

Cope Lake – Lake I conveyance – Mr. Arends reported that construction is complete and the pipeline is in service a month ahead of the schedule. Director Greci asked what will this pipeline provide us? Mr. Arends explained that this pipeline allows the water that is being discharged into Cope Lake by the Vulcan gravel mining operation to be conveyed to Lake I for recharge back into the groundwater basin. Since Cope Lake does not recharge and was being filled by the discharge of the mining operation, the pipeline was completed in time to begin conveying water to Lake I before Cope Lake was full which would have forced discharging to be stopped, losing water down the arroyo and out of the valley.

Cross Valley pipeline Booster Station – Mr. Arends reported that staff is modeling the Zone 7 distribution system to look at various operational scenarios, booster pump station locations and alternatives. Analysis shows that a booster pump station would provide benefit by lowering the pressure on the wells when we are pumping groundwater east when we have limited or no surface water to treat at the water treatment plants. The booster pump location and cost is being compared to benefit and risks. The pump station is critical if we have no surface water but less critical if we have some surface water. Director Greci asked about the cost of the booster pump station. Mr. Arends stated that the cost could be between $5M to $10M depending on the location and size of the booster pump station. Since it is a significant cost and effort to build a pump station and we think it is not feasible to build such a pump station this year, it might be included in a future CIP. The probability of having no surface water this year at this time is lower than in January. Jill Duerig explained that the big change from January is that DWR has told us that they will deliver our carryover water and that reduces the chance of a no surface water scenario.

Director Stevens asked Mr. Arends to explain "Carryover Water." Mr. Arends explained that it is our unused SWP water (Table A water) from the previous year that DWR stores in San Luis Reservoir or Lake Oroville. Earlier in the year there was a possibility that DWR would not be able to deliver our carryover if it could not pump out of the Delta for water quality reasons. Since Lake Del Valle is full now, DWR will be able to deliver our remaining carryover from Lake Del Valle even if water quality in the Delta goes bad. Normally, we carry over about 10,000 AF but going into this year we carried over about 18,000 AF. Ms. Duerig mentioned that we will likely not have any carryover for next year.

Director Stevens discussed Senator Dianne Feinstein's proposed bill related to salt barriers in the Delta. Ms. Duerig explained how DWR is reluctant to build the rock barriers because they are temporary, expansive and DWR is not sure if they will be necessary to stop salt water intrusion.

Busch Valley Well No. 1 – Mr. Arends explained that as part of the Phase 1 work, staff is working with our contractor (Conco West) to develop the Basis of Design which will include project scope, estimate of cost, likely schedule and risks. This work is expected to be completed in July 2014. Based on our recent experience with well drilling contractors, we have seen significant increases in costs and a lack of availability of drillers. Due to the projected increase in costs and extended schedule, staff is recommending that we suspend the project at the end of Phase 1 until there is a more favorable construction climate. Ms. Duerig mentioned that as part of Phase I, we may get bids for the well drilling but not proceed with the project at this time.

Mr. Don Kahler asked if this site will have treatment? Staff explained that this site will require construction of chemical treatment facilities.

Chain of Lakes Package Treatment Plant Feasibility Assessment Update – Mr. Arends explained that staff has been working with Water Quality Treatment Solutions (WQTS) to complete this feasibility study. We looked into the feasibility of constructing a temporary 5-10 MGD treatment facility near COL Well #1 which would use water from Lake I as the source water. The study included analysis of water quality, required facilities, treatment options, costs, permitting and schedule. The findings are that it will cost $5M in capital costs with an annual operating cost of $3.7M for generator fuel and renting trailer mounted membrane filtration systems, and generators for a 5 MGD temporary plant. It would also take at least 12 months to permit, design and construct. Other challenges include land acquisition, environmental permitting, CDPH permitting, and discharge of backwash from membranes into Cope Lake. Staff's recommendation is not to proceed based on cost, schedule and current need for the facility.

Director Stevens asked why not build a permanent plant for the long term? Staff explained that our long term planning includes construction of a dual purpose pipeline from the COL to the DVWTP and the SBA to convey water in both directions and the construction of a pumping plant to pump water from the lakes to be treated at the DVWTP. Although a more expansive project, in addition to treating COLs water at DVWTP during emergency or dry conditions, it will allow for direct diversion of water from the SBA to the COL for recharge under normal conditions.

Don Kahler asked if this plant is intended for treating recycled water and what size plant? Staff explained that the feasibility study looked into a plant capable of treating only surface water from Lake I at 5 MGD rate and located near COL Well #1.

3. Review of the 2014/15 Capital Improvement Projects –

Mr. Arends explained how we plan to update our 10-year Capital Improvement Plan every two years. In 2011, we prepared our 10-year CIP starting with fiscal year 2012/13. The approved CIP is then incorporated into the annual budget. Because of this year's drought, priorities changed and new projects were initiated. Continuing changes to priorities and cash flow plus staffing resource limitations makes developing a new ten year CIP difficult at this time. Staff recommends delaying development of a new ten-year CIP for a year and focusing on the possible modifications to the FY 2014/15 projects in the approved 10 year CIP. Those proposed changes would then be included in the FY 2014/15 annual budget, which is typical for off-year budgeting (i.e., years when a new CIP is not developed). An updated 10-year CIP will be prepared next year for Board consideration. Director Greci supported this approach of dealing with one year of the CIP this year due to the drought emergency and developing a new 10-year CIP next year as being a good idea and providing flexibility.

Mr. Arends walked through a handout that included charts and projects for the two Water Enterprise capital funds and the two Flood Protection Capital Funds and went over the proposed projects highlighting significant changes from the adopted CIP. Directors had questions on several projects and staff explained the reasons for the proposed changes.

Mr. Arends explained proposed deferral of some projects due to increased expenditures this year because of the approved drought projects.

Mr. Arends explained the significant drop in the proposed expenditures for Fund 130 – Expansion being due to DWR crediting Zone 7 for the Off-Peak Pumping portion of the SBA Enlargement Project expenses fronted by Zone 7 since 2004. Most of the other big items in this fund are non-discretionary expenditures.

Mr. Arends explained how the bulk of the work proposed under the Flood Control CIP is to complete the hydrology and hydraulic modeling to support SMMP and Update of SMMP, itself. There are some proposed projects such as Arroyo Las Positas Treatment Wetlands that are proposed to take advantage of grant opportunities and Chabot Canal Regional Stormwater Detention to take advantage of partnering opportunities with developers. Director Stevens asked if you need to have EIRs completed to apply for grants? Staff explained that some grants don't require EIRs to be completed prior to the application but require that there are matching funds in the approved budgets for the project.

Director Stevens asked if the proposed projects bring our reserves too low? Staff answered that the projected fund balance meets our Reserve Policy.

4. Verbal Comments

Ms. Duerig reported how the recent SWRCB ruling to curtail diversions related to post 1914 water rights make the water transfers and exchanges (such as Semitropic's effort to facilitate an exchange by fallowing agricultural land in the Delta very difficult this year.

5. Adjournment

Director Stevens adjourned the meeting at 4:30 p.m.