

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

REGULAR MEETING
June 19, 2013

The following were present:

DIRECTORS: SANDS FIGUERS
JOHN GRECI
A J MACHAEVICH
SARAH PALMER
RICHARD QUIGLEY
BILL STEVENS

DIRECTORS ABSENT: ANGELA RAMIREZ HOLMES

ZONE 7 STAFF: JILL DUERIG, GENERAL MANAGER
KURT ARENDS, ASSISTANT GENERAL MANAGER, ENGINEERING
COLLEEN WINEY, ASSISTANT GEOLOGIST
JOHN KOLTZ, SENIOR ENGINEER
JUDY RECTOR, BOARD SECRETARY

COUNSEL: DAVID ALADJEM, DOWNEY BRAND

The Board went into closed session at 6:30 p.m.

Item 1 - Closed Session

- a) Government Code Section 549547: Public Employee Performance Evaluation
Title: General Manager

Item 2 - Open Session and Report Out of Closed Session

The Board came out of closed session at 7:07 p.m. President Palmer reported that the Board feels the General Manager's performance is satisfactory.

Item 3 – Call Meeting to Order

President Palmer called the regular meeting to order at 7:10 p.m. with a salute to the flag.

Item 4 - Pledge of Allegiance

Item 5 - Citizens Forum

Roxanne Lindsay, Outreach Representative for the San Joaquin Regional Rail Commission, spoke about the Altamont Corridor Express (ACE) train's importance to the Livermore Valley. She talked about events the ACE train will be having including availability to the new '49er stadium.

Item 6 - Minutes of the Regular Meeting of May 15, 2013

President Palmer corrected her verbal report in the minutes of May 15. She also attended a luncheon of elected women officials and spoke with Laura Mercier, Executive Director of Tri-Valley Conservancy, and Ms. Mercier offered Tri-Valley Conservancy support of Zone 7.

Director Stevens moved to amend and accept the minutes, and Director Quigley seconded the motion. The corrected minutes were accepted by a voice vote of 6-0 with Director Ramirez Holmes absent.

Item 7 - Consent Calendar

There were no public or board comments on the consent items. Director Greci moved and Director Quigley seconded the motion. There was a roll call vote of 6-0 with Director Ramirez Holmes absent. The following resolutions were approved:

- Resolution 13-4269 Authorized the General Manager to execute an amendment to extend the contract with ABC Security Services, Inc. through December 31, 2013. The contract amount will be increased by \$82,300 for a new not-to-exceed total amount of \$178,800. (Item 5a)
- Resolution 13-4270 Authorized the release of Mountain House Golf Course's Untreated Water Connection Fee balance of \$163,385.39 and authorized/directed the Auditor Controller to draw a warrant in that amount made payable to the Alameda County Sheriff. (Item 5b)
- Resolution 13-4271 Authorized the General Manager to negotiate and execute a professional services contract with Stantec Consulting Services, Inc. for as-needed electrical engineering support services for each of the next three fiscal years in an amount not to exceed \$139,500 per year. (Item 5c)

Item 8 - Staffing Updates

Item 8a - New Employee Introduction

Bill Sadler, the new Water Facilities Supervisor, was introduced to the Board. Mr. Sadler has over 30 years of experience in water treatment and was most recently the Water Treatment Superintendent in Granite Bay, California. The Board welcomed and applauded Mr. Sadler, who was present.

Item 8b - April Employee of the Month Recognition

The April Employee of the Month was Aaron Webster, Instrument Technician II in the Maintenance Section. Mr. Webster is a valuable team member of the Maintenance staff and has taken ownership of the instrumentation and control systems that are at the core of Zone 7's SCADA system. The Board recognized and applauded Mr. Webster in absentia.

Item 9 - Award of Contract for the DVWTP Centrifuge Purchase and Installation Project

Kurt Arends explained to the Board that currently mechanical dewatering of the treatment residuals generated at the Del Valle Water Treatment Plant is accomplished using a rented centrifuge operated by the supplier. An analysis was conducted which identified the purchase of a centrifuge operated by Zone 7 staff as the most cost-effective and reliable mechanical dewatering option. The project was advertised for bids. Three bids were received and Andritz Separation, Inc. was the lowest responsive and responsible bidder for the bid amount of \$824,500 plus California Sales Tax (\$74,205) for a total of \$898,705.

The unit is mounted on a trailer so manufactured and brought in, not built on site. After electrical and chemicals are hooked up to it, it will need to perform for 14 days before being accepted. Director Greci asked about the warranty and maintenance and Project Manager John Koltz responded that there is the manufacturer warranty; routine maintenance will be done by Zone 7 staff after training; and there are three certified centrifuge service centers that Zone 7 could contract with for an extended warranty. Andritz has service centers throughout the United States including one in San Leandro, California.

Director Quigley asked where the units are in operation. Mr. Koltz said each manufacturer submitted the location of operating units for the last five years and Andritz had 10 of them, some in California. Director Quigley then asked if other water agencies are using this methodology and Mr. Arends confirmed that several water agencies are using centrifuges to dewater sludge.

Director Greci moved to approve the motion and Director Machaevich seconded the motion. Resolution No. 13-4272 to approve the DVWTP Centrifuge Facility Installation Project and accept the bid of Andritz Separation, Inc., in an amount not to exceed \$898,705 (\$824,500 plus California Sales Tax of \$74,205) was passed by a roll call vote of 6-0 with Director Ramirez Holmes absent.

Item 10 - DWR Multi-Year Water Pool Demonstration Program Agreement

The Department of Water Resources offered all State Water Project (SWP) contractors the option of participating in a Multi-Year Water Pool Demonstration Program. Mr. Arends explained that this program would allow SWP contractors to buy and sell SWP water among themselves for 2013 and 2014. DWR is piloting this program to make more water available to contractors who need it while giving selling contractors a fair market price. Currently Zone 7 participates in a Turn-Back Pool program where if certain State Water contractors have excessive water, they can sell the water to other contractors instead of turning it back. The price of the water is set low but there is not much incentive for agencies to give up water. This two-year pilot program is similar and it is hoped that sellers with excess water can sell to other agencies. The lower the allocations, the higher the price of the water. For 2013, the price is about \$253/af. Zone 7 is still doing an analysis of how much water we may be interested in but this agenda item allows the General Manager to enter into an agreement with DWR and request water as needed and as available under this program.

President Palmer asked what a "Notice of Exemption" means. General Counsel David Aladjem replied that the California Environmental Quality Act (CEQA) is set up so that before the Board takes action, it must consider whether that action will have an impact on the environment. Certain classes of projects do not have an effect on the environment and to avoid volumes of paperwork, certain classes of projects are exempt. One of the classes of exemption uses existing infrastructure within all regulatory limits because it is just improving the process.

Director Quigley moved and Director Greci seconded the motion. Resolution No. 13-4273 authorized the General Manager to negotiate and execute the agreement for a Multi-Year Water Pool Demonstration Program with the California Department of Water Resources and request an appropriate quantity of water available under this program in 2013 and 2014. The motion was passed by a roll call vote of 6-0 with Director Ramirez Holmes absent.

Item 11 - Chain of Lakes Preliminary Lake Use Evaluation for Lakes H, I, and Cope

Colleen Winey, Assistant Geologist in Groundwater Protection, presented to the Board an information item regarding the preliminary findings for lake uses at Lakes H, I and Cope. Criteria and methodology was reported at other board and committee meetings. Previously, it was agreed to accelerate the evaluation for these three lakes for the City of Pleasanton's East Pleasanton Specific Plan (EPSP) as well as the fact that Zone 7 already owns Lake I and Cope Lake and Lake H is scheduled to be turned over to Zone 7 at the end of 2014.

Ms. Winey updated the Board on the EPSP and said the City of Pleasanton had brought land use alternatives to the Parks and Recreation Committee and to the City Council. The Trails Committee wanted to put trails around the lakes but concerns were noted about public access, safety and liability. The EPSP Task Force will do a technical analysis of up to four land use alternative plans, an analysis for traffic impacts, preliminary engineering, road systems, and financial impacts and feasibility and get the task force to come up with a preferred plan for the Environmental Impact Report by September, Planning Commission review in September, and to the City Council by October.

Ms. Winey provided the Board with details regarding the preliminary evaluation of Lakes H, I and Cope and how they were evaluated using criteria to consider potential uses that are of special concern to the EPSP planning effort. These uses are: Active Recreation, Education/Passive Recreation, Habitat Corridor (Conservation), and Stormwater Storage. Cope Lake is preliminarily recommended for stormwater storage and Lake I is preliminarily recommended for groundwater recharge and education/passive recreation. A habitat corridor is preliminarily recommended along the eastern sides of Cope Lake and Lake H. A full evaluation will be presented to the Board in about October.

Janice Stern, City of Pleasanton Planning Manager and Project Manager for the EPSP, emphasized that they would like to pursue a loop trail around Lake I but they are not interested in the east side of Lake H and Cope Lake for trails.

Director Machaevich asked about land owned by Zone 7 and public access to Cope Lake for activities along with any future agreements to gain the property south of Cope Lake. Ms. Winey said it is owned by a developer anxious to develop it. Ms. Stern said open space or public parks west/southwest of Cope Lake may be planned.

Director Figuers questioned the use of the term "unstable" slopes. Ms. Winey discussed "undercut" slopes and safety issues involved with the slopes. He asked if there are any minimum standards or limitations on the width of a trail but Ms. Winey said there isn't enough room for a road or trail. Ms. Duerig said it would take expensive improvements to make this a trail so it is not recommended at this point. President Palmer added that it also is not our job to clean up the area.

Director Quigley asked if we have compared our Chain of Lakes' future uses with other like landscape which has been converted, i.e., Quarry Lakes in Fremont. Ms. Winey said staff did go out to Quarry Lakes and talked to ACWD but said they did not have the same agreements Zone 7 has with their quarry owners. Ms. Duerig said ACWD had a partnership with East Bay Regional Park District.

Director Greci noted that San Francisco Water District protects their watershed and keeps their liabilities at a minimum with no public access to their lakes because they are for watershed protection, not recreation. He said the quarries have spent a lot of money on fencing and private patrols to keep individuals out and protect their liability. Zone 7's main goal for the Chain of Lakes is for valley watershed protection and water reliability. The Chain of Lakes is a very valuable resource and the Board cannot lose focus on the liability issues.

Don Kahler of Pleasanton Gravel Co. said that putting trails in those areas is "the dumbest thing you can do" because kids cut holes in the fences and come through them to fish. He feels the Board is asking for trouble if they allow trails.

Ms. Duerig referred to a letter that Dublin San Ramon Services sent regarding Memorandum of Understanding (MOU) commitments for seasonal storage of recycled water within the Chain of Lakes holdings.

Item 12 - Committees - Liaison Committee May 22, 2013 - minutes

Item 13 - Reports - Directors

- a. Verbal comments by President

President Palmer gave verbal kudos to Associate Civil Engineer Brad Ledesma for speaking to her AP Environmental class and giving an amazing public outreach presentation.

- b. Written report by Director Quigley

Director Quigley gave a verbal report on the ACWA Executive Director briefing he attended. He noted that Tim Quinn, ACWA's Executive Director, gave an overview of key actions that ACWA is involved in and will be involved in for the next year.

- c. Other Directors' Verbal Reports

Item 14 - Items for Future Agenda - Directors - none.

Item 15 - Staff Reports (Information items.)

- a. General Manager's Report
- b. Communications Outreach Activities
- c. Legislative Update
- d. Report on Water Sales and Connection Fee Revenue
- e. Update Related to the Bay Delta Conservation Plan
- f. Flood Protection Program 2012 Annual Report
- g. Verbal Reports

General Manager Jill Duerig gave a verbal report about thank you notes Zone 7 received from Mallika Pajjuri and her teacher. Mallika, a Fallon Middle School student, was one of the winners of the Zone 7 cash award for the Alameda County Science and Engineering Fair.

Director Machaevich referred to a note in the General Manager's Report on the stormwater inspection program. He would like to be involved and see how the inspections are done. He also inquired about how long it takes to get a damaged fence repaired and wants to make sure fences are repaired quickly to avoid liability.

President Palmer noted on the staff report "Report on Water Sales and Connection Fee Revenue" that the projected accumulated revenues were relatively close to the actuals.

Director Figuers and Director Machaevich both remarked on the Flood Protection Program 2012 Annual Report as being concise, readable, well done and with great photos.

The board went into closed session at 8:15 p.m.

Item 16 - Closed Session

- (a) 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.
- (b) Conference with Legal Counsel - Existing litigation pursuant to paragraph 1 of subdivision (d) of Government Code Section 54956.9: 2 cases.

IFPTE, Local 21, AFL-CIO v. Zone 7 Water Conservation District California Public Employment Relations Board No. SF-CE-1058-M.

State Water Contractors, et al., v. Delta Stewardship Council, Sacramento County Superior Court, filed June 14, 2013.
- (c) Conference with Legal Counsel -- Significant exposure to litigation pursuant to Gov't Code Section 54956.9(d) (2): 1 case.
- (d) Conference with Legal Counsel -- Potential litigation pursuant to Gov't Code section 54956.9(d) (3): 2 cases.
- (e) Conference with Real Property Negotiator:
Property: APNs 99-525-2, 99-550-2-3, 99-550-3-2, 99A-2700-2-5, 99A-2700-6-6, 99A-2700-9-8, 99A-2700-10, 99A-2700-11-3, 99A-2700-12-6, 99A-2700-12-7, 99A-2420-4-13, 96-420-2, 96-420-3, 96-429-6, 99A-2701-1, 99A-2701-2, 99A-2701-3.
Agency negotiator: G.F. Duerig
Negotiating parties: Patliv; PTLM, Inc.; Henry H. Patterson Trust, and Charles Edwards Engs
Under negotiation: Price and terms of payment.

Item 17 - Open Session and Report Out of Closed Session

The Board came out of Closed Session at 9:26 p.m. There was no report out of closed session.

Item 18 - Adjournment

The meeting was adjourned at 9:27 p.m.