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

REGULAR MEETING
July 17, 2013

President Palmer called the regular meeting to order at 7:00 p.m. with a salute to the flag. The following were present:

DIRECTORS:	SANDS FIGUERS JOHN GRECI AJ MACHAEVICH SARAH PALMER RICHARD QUIGLEY ANGELA RAMIREZ HOLMES BILL STEVENS
DIRECTORS ABSENT:	NONE
ZONE 7 STAFF:	JILL DUERIG, GENERAL MANAGER KURT ARENDS, ASSISTANT GENERAL MANAGER, ENGINEERING TOM HUGHES, ASSISTANT GENERAL MANAGER, ADMINISTRATION CAROL MAHONEY, SENIOR GEOLOGIST, INTEGRATED PLANNING JUDY RECTOR, BOARD SECRETARY
COUNSEL:	DAVID ALADJEM, DOWNEY BRAND

Item 3 - Reorganization of the Board

President Palmer called for the annual reorganization of the Board. President Palmer moved that Director Stevens be appointed as the new President and Director Machaevich seconded the motion. There were no other nominations. By a roll call vote of 5-0-1-1 with Director Ramirez Holmes absent and Director Stevens abstaining, the motion passed. Director Stevens was elected President of the Board.

Nominations for Vice-President were requested and President Stevens nominated Director Greci and Director Palmer seconded the motion. Director Figuers moved by acclamation and Director Greci was elected Vice-President of the Board.

Director Machaevich thanked Director Palmer for her service this past year as President of the Board.

Item 4 - Citizens Forum - None.

Director Ramirez Holmes arrived at 7:05 p.m.

Item 5 - Minutes of the Regular Meeting of June 19, 2013

Director Quigley moved that the minutes of June 19, 2013, be approved and Director Palmer seconded the motion. The minutes passed by a 6-0-1 voice vote with Director Ramirez Holmes abstaining.

Item 6 - Consent Calendar

Director Palmer asked that Item 6 (d) be pulled from the consent calendar for further clarification. Director Ramirez Holmes asked that Item 6 (c) also be pulled from the consent calendar.

Director Greci moved that consent Items 6 (a), (b) and (e) be approved and Director Palmer seconded the motion. There was a roll call vote of 7-0 and the following resolutions were approved:

Resolution 14-4274	Supported Director Quigley for a third two-year term on ACWA's Region 5 Board. Director Quigley is authorized to attend additional regional meetings as needed and shall be entitled to reimbursement for travel and registration expenses incurred in connection with those meetings. (Item 6a)
Resolution 14-4275	Made the findings regarding the application for the commercial septic system at Cedar Mountain Winery and deemed the septic tank to be in compliance with Zone 7 Resolution No. 1165, subject to conditions noted in the resolution. (Item 6b)
Resolution 14-4279	Accepted the bid and awarded the contract to Blocka Construction, Inc. for the PWRPA/Zone 7-PPWTP Electrical Facilities Installation Project and authorized the General Manager to negotiate and execute the contract and issue change orders when needed in an amount not to exceed $13,775 (10%of the contract amount.) (Item 6e)

6(c) Amending Buffer Zone License Agreement and Approving New License Agreement to Maintain Storm Drain in Mohr Avenue

Director Ramirez Holmes pulled Consent Item 6 (c) with questions on the public trail because it currently does not connect with any existing trails adjacent to the development on property located along the southern boundary of Lake I. She requested that Zone 7 be consistent with the message of what to do with the trail because she said the south side of Lake I conflicts with the separation of maintenance roads from public access trails. The pinch point would narrow the right of way available for extending the trail eastward. Colleen Winey and Director Ramirez Holmes have been involved in discussions about the East Pleasanton Specific Plan (EPSP) and waiting until uses for the lakes have been determined. Director Ramirez Holmes asked what message will be given to the EPSP about extending this trail anywhere else because extending it further to the east is difficult.

In response, Kurt Arends explained that the trail was initially developed by the City of Pleasanton in 2009 and the developer as part of the City's development plan approval. This plan preceded the EPSP but will tie in as far as the determined uses for the lake. The trail is away from the lake and separated by a fence from the maintenance road and from maintenance activities so there are no safety issues and there is enough room to provide the trail. Zone 7 did point out to the City the eastern corner where it narrows getting around the lake along with telling the City that continuing the trail around Lake I is going to be a challenge and Mr. Arends is not sure how they will address this issue. Zone 7 discussed this with the City three to four years before the master plan was developed and Zone 7 is on record pointing out the potential trail issue.

Director Palmer asked about the two areas around Lake I that were not recommended to be developed for a trail. The northern shore was not recommended because it did not have an adequate right of way.

Director Ramirez Holmes appreciates the fact that this issue has been discussed with the City and that extending the trail is challenging. The subject has come up multiple times in the East Pleasanton Specific Plan discussions. She wants to make sure it is understood that it is just a trail that leads to a dead-end street and that it will be challenging to extend it further than where it is. She appreciates Ponderosa Homes putting in access but wants to make sure we are clear about public safety, fencing and public access to the lakes.

Director Quigley asked if it had gone through the Pleasanton Trail Committee. There are other trails being built close to this trail and connecting with the extension to the Iron Horse Trail. He encouraged staff to make sure there is fencing compatibility. Director Ramirez Holmes said it was the Trails Committee's idea to include it in the Development Agreement.

Director Figuers asked about the pipeline portion and asked that contractors put A & B prime on the map showing where the cross sections go and he is not sure which one is the pipeline. Dennis Gambs pointed it out on the map. He asked where the water goes on Zone 7 property without this pipeline. Mr. Arends answered that there is a swale and berm and the development blocks the drainage.

Director Ramirez Holmes moved to approve Item 6 (c) and thanked Mr. Gambs for his report. Director Figuers seconded the motion and Resolution 14-4276 (1) authorizing the General Manager to negotiate and execute the amendment to the License Agreement for Recreational Use of Lake I Property with the City of Pleasanton; and (2) authorizing the General Manager to negotiate and execute the License Agreement to maintain the storm drain within the abandoned portion of Mohr Avenue with the City of Pleasanton, was approved by a voice vote of 7-0.

<u>6(d)</u> Agreement with Vulcan Materials Company to Extend a Discharge Pipeline into Cope Lake

President Stevens acknowledged Don Kahler from Pleasanton Gravel Company (PGC) who read a statement from their attorney regarding the pipeline:

"The pipeline must be located an appropriate distance from PGC and Jamieson property, including the house and Lake H, so PGC and Jamieson have no responsibility and so that if there is a failure, it will not impact the property."

Director Palmer asked if the water would still go through settling ponds before it is discharged to the arroyos and Mr. Arends confirmed that it will. Director Quigley stated that it is a new source of water. Ms. Duerig agreed that it reduces losses because otherwise the gravel companies pump our groundwater to access the gravel to mine, then discharge through the Arroyos and out to the Bay. This pipeline recaptures that groundwater. Director Quigley encouraged staff to measure this new water when there is a review in six months to a year. Mr. Arends replied that it should be visible as it will start filling up Cope Lake because it does not drain so the water level would go up. Director Figuers asked if Cope Lake does not drain, how is it a new source of water? Mr. Arends replied that the ultimate goal is to move the pipeline to Lake H and if Cope Lake gets full, transfer into Lake I, pump or siphon water from Cope Lake into Lake I and recharge the groundwater basin. Director Figuers called it a test case under controlled conditions to figure out how to transport water. Mr. Arends said we are keeping it from leaving the valley and how to transfer it is the question. Director Machaevich asked about the quality of the discharges. Don

Kahler said it is very clean water. Director Figuers asked about the pressure on the pipeline and was told it is low pressure and it would take several small siphons to move it.

Director Palmer moved and Director Ramirez Holmes seconded the motion to pass Resolution 14-4278 authorizing the General Manager to execute an agreement with Vulcan Materials Company for the construction of the discharge pipeline extension in an amount not to exceed $50,000 and amend the agreement to issue change orders as and when needed in an amount not to exceed $5,000 (10% of the contract amount.) (Item 6e)

Item 7 - Staffing Updates

Item 7a - May Employee of the Month Recognition

Ms. Duerig introduced Ryan Gromer, Water Resources Technician II in the Groundwater Section, as the May Employee of the Month. Ryan has taken over managing and organizing all of our surface water gauges, revised QA/QC procedures so now we have more confidence in our stream gauging results, and assisted with the semi-annual groundwater level measurement events. He also helped the Flood Control Section conduct sediment sampling during a major storm event this past year. The Board applauded Ryan.

President Stevens remarked that Ryan's job is important because it is another important step we are taking to improve monitoring streams and sediment flow. He is glad Ryan has the type of experience from USGS to get accurate numbers because they will be important in the future.

Item 8 - Agreement with Alameda County Public Works Agency for Flood Control Maintenance and Emergency Services

Mr. Arends reminded the Board that the agreement with Alameda County Public Works Agency was originally approved in 1998 and has been renewed several times. The main functions covered by the agreement include spraying herbicide for trees and maintenance roads and aquatic spraying of the arroyos along with providing general maintenance, staff assistance and some equipment upon request. Zone 7 has been working with the retailers to see if those services could be procured another way closer to Zone 7. The City of Pleasanton is interested in doing maintenance. Spraying is specialized and requires special equipment and permits to spray channels, but they are looking at what it would take them to add staff and equipment to assist Zone 7. In the meantime Zone 7 needs to assure this work is continued and there is a need to extend the contract with the County for one more year to provide continuity and transition. A contract with the City of Pleasanton may be forthcoming. Director Palmer and Director Quigley expressed their appreciation for keeping the services local and closer to Zone 7 and it will save money.

Director Figuers asked if organizations in the valley can do the general maintenance work outside of aquatic spraying. He asked how much of the $400,000 is allocated to spraying. Can the contract be split so the County does the spraying and the other work is done locally? Mr. Arends explained that because it is an as-needed contract, it is easier to have the contract in place and not use the services. Another contract could be developed with other agencies.

Director Ramirez Holmes moved for approval and Director Palmer seconded the motion. A roll call vote was taken and the motion was passed 7-0. Resolution 14-4280 was approved for the one year extension with the County for flood control maintenance services on an on-call, as needed basis in an amount not-to-exceed $400,000 for the period ending June 30, 2014.

Item 9 - Construction Contract and Construction Management Services Contract for the Del Valle Water Treatment Plant Superpulsator Rehabilitation Project

Kurt Arends explained that the existing superpulsator equipment in the clarifiers at the Del Valle Water Treatment Plant is 25 years old, near the end of its design life, and in need of replacement per the Asset Management Plan. Because of the size of the project and not wanting to take the entire plant down and risk it not being available next year, the project is spread over two phases for the construction. Two basins will be taken off line the end of this year and should be back up by summer of next year for peak demands; the other two will be taken down the winter of 2014. Because of the size of the project and not having in-house construction management staff available, the Covello Group will provide construction management services for the project.

Director Palmer asked if the contract covered both phases of the contract and it was confirmed that it does and that this is a two-year project. If Zone 7 was not satisfied with Phase I, Phase II of the contract could be re-bid but it would be a last resort.

Director Ramirez Holmes asked if the other construction management services firm bid or how was Covello Group selected. Mr. Arends replied that it was by qualifications, not cost, so staff sent a Request for Proposals to eight firms and two responded. Those two were rated based on experience, staffing levels, and their understanding of an approach to the project. Covello was chosen based on an understanding of the work and recognition of the risks and things that need to be monitored. They were also used on the Demineralization facility, are well known, and specialize in water facilities.

Director Machaevich confirmed that there is a $4 million cap because of the 10% overage and allows the General Manager to issue change orders.

Director Palmer moved and Director Quigley seconded the motion to accept the bid and award a contract to Manito Construction, Inc., in the amount of $4,049,180; to authorize the General Manager to issue change orders as and when needed in an amount not to exceed $404,920 (10% of the contract); and to negotiate and execute a contract with Covello Group for construction management services in an amount not-to-exceed $450,000. Resolution 14-4281 was approved by a roll call vote of 7-0.

Item 10 - Watershed Protection

Ms. Duerig reminded the Board that currently there are approximately 5,000 acres for sale adjacent to Lake Del Valle and owned by the Patterson Family Trust. Zone 7 has been negotiating with them and money was put into the 2013-2014 Budget for watershed protection. A MOU with East Bay Regional Park District (EBRPD) was also executed regarding possible future uses and impacts on their existing facilities. After completing due diligence, a sale price of slightly under $19,000,000 was negotiated.

Director Greci noted that Zone 7 is getting into the watershed business as a proactive move and proactive thinking for the future. This is the most exciting thing Zone 7 has done in 20 years towards water preservation and protecting the watershed. He commended Ms. Duerig for initiating the process and getting it started because it is so important for the future of the valley.

President Stevens said management in other water districts have been told by their boards to purchase any watershed acreage they can and if we didn’t, another district would buy it and it would impact our water rights.

Director Quigley agreed with Directors Greci and Stevens regarding this purchase for the future of Zone 7 for water quality and sustainability. Director Figuers said if you own the land, you own the water. If a new person came in, they could technically come to Zone 7 and claim there is run-off on 5,000 acres of their land and they want the water which would force us to either route it to them or pay them for it and we should not be in that position. Director Machaevich feels it is a good opportunity at a good value that comes around infrequently so he is supportive of the purchase.

Randy Werner, City of Livermore, asked about the EBRPD MOU attached to the agenda item. President Stevens said they were offered the property first but it was too small for them so the MOU was to garner political support from EBRPD. Ms. Duerig said that EBRPD was concerned that if they didn't purchase the land, our purchase might impact their recreational facilities at the lake and this MOU assures a proper process out in the open.

Director Greci said the lake is owned by the Department of Water Resources. They have a perimeter for a certain distance that they own and, as a result the Patterson family had to relocate their fence line so the cattle do not have access to the lake. Zone 7 will own the land from the fence line to the ridge top

Director Greci moved and Director Machaevich seconded the motion authorizing the General Manager to negotiate and execute a final land sale contract with the property owner in an amount not to exceed $19,000,000 and authorizing use of reserves as set forth in the Budget to cover this purchase. The motion was approved by a voice vote of 7-0 and Resolution 14-4282 was passed.

Item 11 - Multi-Party Master Agreement with City of Livermore and Urban Creeks Council for "Living Arroyos Program"

Carol Mahoney introduced Pam Lung, City of Livermore, who was instrumental in the negotiations and implementation of the El Charro Specific Plan. Phil Stevens, Urban Creeks Council, a non-profit organization, has been looking at streams and how to better manage them for Zone 7 and the public. How can we look at our flood control channels and get the message across to the public that there is a channel in your backyard and we are doing something meaningful there and want you to be involved? Zone 7 and the City of Livermore want residents to see what is going on and what is being done. The plan is to use interns and volunteers to plant small trees, weed, mulch, water and feel that they can take ownership so people feel connected to the arroyos.

This agreement is open to adding others such as the City of Dublin. Zone 7 can dovetail on what we are doing with the channel and what they are doing in their master plan with the park. Urban Creeks received a grant from the San Francisco Estuary Partnership, Estuary 2100 Program, for planting in channels in this area. Staff talked to them about how they can talk to the business community and get donors who would help get the message out. Urban Creeks Council offered to match by 50% anything the City of Dublin and Zone 7 come up with. The program is for 3 years and projects are available.

Director Machaevich asked for a confirmation that if we invest $415,000, we get a $200,000 match which Ms. Mahoney confirmed. Director Palmer noted that it is commendable that Zone 7 is building a feeling of a valley community with other agencies regarding water. Director Figuers asked if these plans include long-term payments for these projects. He asked if this could be something that could be an ongoing project and expense and Ms. Mahoney responded that any channel maintenance is an ongoing expense.

Director Quigley said he is pleased that the arroyos are the water veins for recharging our aquifer, distributing state water project with turnouts and such, and to increase public awareness is valuable. He believes staff could get an award nomination for the e-Newsletter and through ACWA and CSDA. Water Education could do an article on Zone 7 because this is cutting-edge work ahead of other agencies.

Director Ramirez Holmes discussed the education component opportunity if Urban Creeks Council did a community presentation on a larger scale and it could be expanded so community groups can join in because it may lead to other partnerships.

Director Greci asked if Zone 7 had received any comments from Fish & Game. Ms. Mahoney said some remote sites don't have direct access to water so staff asked if pumps could be put in if there was water in the creek, i.e., the Arroyo Mocho where Zone 7 is releasing water. They were asked about Zone 7 using water already purchased instead of putting a large pipe in and positive feedback was received from them. Director Greci asked about permits for planting but Ms. Mahoney responded that it is okay to plant provided it is less than 5 acres. Ms. Duerig added that the regulatory resource agencies see this as a goof project since it improves habitat. Ms. Mahoney said it also gives another opportunity to get people interested in maintaining arroyos.

Director Palmer moved and Director Greci seconded the motion to authorize the General Manager to negotiate and execute the three-year Partnership Agreement among Zone 7, City of Livermore, and Urban Creeks Council for the Living Arroyos Program in a not-to-exceed amount of $415,000. Resolution 14-4283 was passed by a roll call vote of 6-1 with Director Figuers voting no.

Item 12 - Committees - Water Resource Committee June 12, 2013 - minutes

Item 13 - Reports - Directors

a. Verbal comments by President

   President Stevens asked that Directors contact him by phone or e-mail to confirm continuing their service on current committees or if they want to be on other committees.

   He also reminded Directors to go through the General Manager rather than contact staff directly if they have questions or need information.

   President Stevens also thanked Director Palmer for serving as the Board President the past year.

b. Written report by Director Quigley - none

c. Other Directors' Verbal Reports

   Director Quigley attended the Tri-Valley Conservancy Summer Social attended by vintners and large land owners and they are interested in water issues. He also got a call from Congressman Swalwell on the water bill in Congress and there may be issues that may be of interest to Zone 7 in the future. He attended Contra Costa Special Districts Association meeting and Supervisor Federal Glover talked about District 5 and their vision on water including the 58 miles of Delta shoreline.

Director Ramirez Holmes reported that she had attended the swearing in ceremony and reception for the new City of Pleasanton City Council member, Kathy Narum, who won the special election to fill the vacancy left by Jerry Thorne.

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. Quarterly Update of Water Expansion Fund
f. Verbal Reports

Ms. Duerig gave a verbal report regarding a commitment letter from the Department of Water Resources for a $200,000 local groundwater assistance grant which will help Zone 7 update the groundwater model. Ms. Duerig acknowledged Matt Katen's Groundwater Section, and the Board applauded them for their efforts to get that money into our coffers to do a project Zone 7 wanted to do anyway.

Director Palmer noted that on 15(d), Report on Water Sales and Connection Fee Revenue, the untreated water sales projected and actual figures were "spot on" and the connection fee fund is picking up because of growth in the valley.

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 9:00 p.m.

President Stevens reported out of closed session on two resolutions:

Director Palmer moved and Director Ramirez Holmes seconded a motion approving Resolution 14-4284 by a voice vote of 7-0.

Resolution 14-4284 The Board of Directors approved the Memoranda of Understanding between the Alameda County Building and Construction Trades Council and Zone 7 in effect from June 23, 2013 through July 2, 2016, and approved a salary increase of 3% each year.

Director Palmer moved and Director Ramirez Holmes seconded a motion approving Resolution 14-4285 by a voice vote of 7-0.

Resolution 14-4285 The Board of Directors approved a Side Letter of Agreement between the Alameda County Building and Construction Trades Council and Zone 7 to a Me Too Clause with regard to wages and boot allowance in effect June 23, 2013 through July 2, 2016.

Item 18 - Adjournment

The meeting was adjourned at 9:10 p.m.