

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

REGULAR MEETING
July 21, 2010

President Quigley called the regular meeting to order at 7:05 p.m., with a salute to the flag. The following were present:

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

DIRECTORS ABSENT: CHRISTOPHER MOORE

ZONE 7 STAFF: JILL DUERIG, GENERAL MANAGER
REN NOSKY, DOWNEY BRAND, GENERALCOUNSEL
VINCE WONG, ASSISTANT GENERAL MANAGER, OPERATIONS
JOHN YUE, ASSISTANT GENERAL MANAGER, FINANCE
JUDY RECTOR, ACTING BOARD SECRETARY

Item 3 - Citizens Forum

None.

Item 4 – Reorganization of the Board

The Acting Board Secretary, Judy Rector, administered the oath of office to the four newly elected Zone 7 Board Members:

Ms. Sarah Palmer
Mr. A. J. Machaevich
Mr. John Greci
Mr. Bill Stevens

President Quigley opened nominations for Board President.

Director Palmer nominated Director Greci to be Board President for FY 2010-2011.

The motion was seconded by Director Quigley.

There were no other nominations and nominations were closed.

Director Palmer nominated Director Moore and President Greci nominated Director Figuers for Vice-President.

There were no other nominations and nominations were closed.

After a brief discussion regarding tenure and attendance, Director Palmer withdrew her nomination for Director Moore and Director Machaevich seconded the nomination for Director Figuers as Vice-President.

Regarding Board committees, President Greci replaced Director Kalthoff with Director Machaevich on the Finance and Ad Hoc Energy Committees, with all other committee membership remaining the same.

Item 5 - Minutes of the Regular Meeting of June 16, 2010, and the Special Meeting of June 30, 2010

Director Palmer moved and Director Figuers seconded approval of the minutes of the Regular Meeting of June 16, 2010. No corrections were noted and the vote was 5-0-1-1 with Director Moore absent and Director Machaevich abstaining.

Director Palmer moved and Director Figuers seconded approval of the minutes of the Special Meeting of June 30, 2010. No corrections were noted and the vote was 5-0-1-1 with Director Moore absent and Director Machaevich abstaining.

President Greci introduced the new Zone 7 General Counsel, Ren Nosky, from Downey Brand's Stockton office.

Item 6- Consent Calendar

President Greci read to the audience the resolution commending retiring Director Stephen A. Kalthoff for sixteen years of service on the Zone 7 Board of Directors. Mr. Kalthoff was not present to receive the framed resolution but Director Figuers moved and Director Quigley seconded the resolution which was approved by a roll call vote of 6-0-1 with Director Moore absent. The framed resolution was delivered to Mr. Kalthoff at a later date.

Resolution No: 11-4015 Resolution of commendation for retiring Director Stephen A. Kalthoff. (Item 6a)

On a motion by Director Palmer and seconded by Director Figuers, Consent Items 6b, 6c, 6d, 6e, and 6f were approved and the following resolutions were adopted by a roll call vote of 6-0-1 with Director Moore absent.

- Resolution No: 11-4016 Authorizing the General Manager to approve continued participation in the JEPA for Aquatic Pesticides Permit Monitoring for two years and additional funding of \$60,000 for years 2010 and 2011. (Item 6b)
- Resolution No: 11-4017 Authorizing the General Manager to negotiate and execute a contract with Foam Experts Roofing, Inc. in an amount of \$63,500 for the Parkside Buildings Roof Re-Cover Project, Project No. 205-10. (Item 6c)
- Resolution No: 11-4018 Authorizing Director Quigley's attendance at the Water/Energy Sustainability Summit & Workshop July 29, 2010, and the CSDA Annual Conference & Exhibitor Showcase September 20 through September 23, 2010. (Item 6d)
- Resolution No: 11-4019 Authorizing the General Manager to (1) negotiate and execute a Contract amendment with ICF Jones & Stokes to increase the total contract price to an amount not to exceed \$241,862 for EACCS Phase 2 and 3 and (2) negotiate and execute an amendment to the existing Funding Agreement to reflect a new funding arrangement whereby Alameda County Waste Management Authority will be funding the necessary \$18,791, the sum of the existing budget shortfall and additional costs to complete the EACCS document. (Item 6e)
- Resolution No: 11-4020 Authorizing the General Manager to negotiate and execute Amendment No. 2 to the Agreement between Zone 7 and Byron Bethany Irrigation District through December 31, 2030 with an option to renew through 2039. (Item 6f)

Item 7 - Staffing Updates

Item 7a - Employee of the Month Recognition

Tom Rooze, Associate Civil Engineer/Professional Geologist, was chosen as the May 2010 Employee of the Month. Tom works in the Groundwater Section at our North Canyons Facility. Tom shows great initiative, taking on new assignments enthusiastically, and completes them efficiently. He willingly teaches skills to others, is a great team player, and is very helpful to other employees in the course of his work. Tom was complimented on the high quality reports he produces for the Agency and for having a positive outlook while performing his duties.

Note: President Greci suggested that Item 9 be discussed before Item 8 because Director Stevens needed to leave the meeting early and could hear any comments regarding the City of Livermore's El Charro Specific Plan if it was heard first.

Item 9 – Designation of Mitigation on Zone 7 Owned Property by Others: Anticipated Partnership Agreement Regarding the City of Livermore’s El Charro Specific Plan

Carol Mahoney, Associate Professional Geologist, presented Item 9. Ms. Duerig noted that the resolution is one of intent, not money, affirming the Board’s intent to consider a covenant and deed restriction to the Alameda County Board of Supervisors on property owned in fee by Zone 7 for the purposes of mitigation and creek restoration.

President Greci thanked Carol and Kurt Arends, Assistant General Manager for Engineering, for meeting with the Directors individually and keeping them informed regarding negotiations with the City of Livermore.

The City of Livermore was represented by Cheri Sheets, City Engineer, and Pam Lung, Associate Civil Engineer.

Director Stevens asked when the issue would be resolved. Carol responded that it depends on the timing of the legal review and that there are a few minor points left to negotiate before bringing it to Committee and the Board.

Director Quigley moved to approve the resolution and Director Palmer seconded. Resolution 11-4021 was passed by a roll call vote of 6-0-1 with Director Moore absent.

Item 8 - 2010 Water System Master Plan: Project Update

Brad Ledesma, Associate Civil Engineer in Water Supply Engineering, presented an update of the 2010 Water System Master Plan.

As the reliability of the State Water Project (SWP) declines due to court rulings and biological opinions, so has Zone 7’s long-term water supply. Zone 7 estimates that projected water demands will likely exceed long-term average water supplies sometime between 2015 and 2020.

In response to these findings, Zone 7 is completing an updated Water System Master Plan (Plan), and expects to complete the Plan by the end of the year.

The goal of the Plan is to develop a set of portfolios that will provide the flexibility required to respond to an uncertain future caused by legal and environmental constraints in the Delta and climate change, and offer a reliable supply of high quality water to the Livermore-Amador Valley.

During the first part of 2010, Zone 7, in cooperation with all four water supply retailers, developed an extensive list of potential water supply options that will help create a diverse set of water supply portfolios.

Over the next few months, Zone 7 will continue to work with its water supply retailers to develop and analyze the various water supply portfolios.

As part of the analysis, Zone 7 staff will also use the newly developed water supply risk model to review existing water supply policies relative to current and potential future water

supply conditions.

The analysis completed in this phase of the Water System Master Plan will be used to facilitate future policy discussions with the Board.

Staff presented an overview of the progress to date and the methodology recommended for developing and analyzing the portfolios.

Item 10 - Committees

None.

Item 11 Items for Future Agendas – Directors

Director Moore had to reschedule the presentation on the East Bay Regional Communication System. Hopefully Chief Bill McCammon will be available for the August Board meeting.

Director Quigley noted that Zone 7 is the only South Bay contractor that has not supported the water bond.

Item 12 - Reports - Directors

- a. Written report by Director Quigley
- b. Verbal reports

President Greci asked that director reports concentrate on what happened, not who said what at conferences.

Director Palmer reported on the second day of the “Toward Sustainable Groundwater in Agriculture: An International Conference Linking Science and Policy”. She attended the first day and reported it at the June meeting. She said the second day of the conference continued to stress nitrates as one of the big issues. She has electronic versions of the abstracts if there is any interest in reading them.

On June 22 she met with Charles Crohare Senior regarding Zone 7’s right of way on Foley Road. On June 23 she attended the Comprehensive Water Package Forum in Pleasanton. Plus she just completed HAZWOPER training with Dan Moy from Safety and learned how Zone 7 is functioning. She feels Dan is instrumental in saving Zone 7 money because he is able to do in-house training rather than hire safety training consultants. She complimented Safety and Human Resources by saying she has more appreciation of how they function together.

Director Quigley also spoke about the Comprehensive Water Package Comprehensive Forum in Pleasanton. He said the ACWA newsletter did a great story on the conference.

Item 13 – Staff Reports

Staff Reports (Information items. No action will be taken.)

- a. General Manager's Report
- b. Recent & Current Public Outreach Activities
- c. Legislative Update
- d. Quarterly Update of Expansion Fund
- e. Sycamore Grove Recovery Program Phase 2 Report
- f. Verbal Reports

Director Stevens asked if the number quoted in Item 13 (d), Quarterly Update of Expansion Fund, was accurate (504 projected equivalent connections). John Yue responded that they were pleasantly surprised. Although the projection was more on the conservative side, he really is not sure why there was such a high number.

The Board went into closed session at 8:05 p.m.

Item 14 – CLOSED SESSION

- a) Conference with Legal Counsel – Significant exposure to litigation pursuant to Subdivision (b) of Government Code Section 54956.9: 2 cases
- b) Conference with Legal Counsel – Existing litigation pursuant to Subdivision (a) of Government Code Section 54956.9: 1 case

Central Delta Water Agency, et.al. v. California Department of Water Resources, et al.;
Sacramento County Superior County Case No. 34-2010-80000561
- c) 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

Item 15 – OPEN SESSION AND REPORT OUT OF CLOSED SESSION

There was nothing to report out of Closed Session.

The meeting was adjourned at 8:40 p.m.