



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

100 NORTH CANYONS PARKWAY • LIVERMORE, CA 94551 • PHONE (925) 454-5000 • FAX (925) 454-5727

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

REGULAR MEETING

March 20, 2019

The following were present:

DIRECTORS: SANDS FIGUERS
DENNIS GAMBS
SARAH PALMER
ANGELA RAMIREZ HOLMES
OLIVIA SANWONG

DIRECTORS ABSENT: RICHARD QUIGLEY

ZONE 7 STAFF: VALERIE PRYOR, GENERAL MANAGER
OSBORN SOLITEI, ASSISTANT GENERAL MANAGER, FINANCE/TREASURER
COLTER ANDERSEN, PRODUCTION MANAGER
CAROL MAHONEY, INTEGRATED WATER RESOURCES MANAGER
JARNAIL CHAHAL, ENGINEERING MANAGER
MATT KATEN, PRINCIPAL GEOLOGIST
RHETT ALZONA, PRINCIPAL ENGINEER
ALEXANDRA BRADLEY, COMMUNICATIONS SPECIALIST
DONNA FABIAN, ACTING EXECUTIVE ASSISTANT

COUNSEL: DAVID ALADJEM, DOWNEY BRAND

Item 1 – Call Meeting to Order

President Ramirez Holmes called the meeting to order at 5:30 p.m. and the Board immediately went in to Closed Session.

Item 2 – Closed Session

- (a) Government Code section 54957(b); Public Employee Performance Evaluation: Title: General Manager
- (b) Conference with Labor Negotiators pursuant to Government Code section 54954.5:
Agency Negotiator: Valerie Pryor
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
- (c) Conference with Legal Counsel - Existing litigation pursuant to Government Code §54956.9(d)(1): 1 case
(1) Edwin Belshe and Ginger Belshe v. Alameda County Flood Control and Water Conservation District, Zone 7, et al., Alameda County Superior Court Case No. RG17868354
- (d) Conference with Legal Counsel - Potential litigation pursuant to Gov't Code section 54956.9(d) (4): 2 cases
- (e) Conference with Legal Counsel - Potential litigation pursuant to Gov't Code section 54956.9(d) (2): 2 cases

Item 3 – Open Session and Pledge of Allegiance

President Ramirez Holmes called the meeting back into session at 7:10 p.m. and led the Salute to the Flag.

Item 4 – Report Out of Closed Session

President Ramirez Holmes reported that the Board performed the Annual Performance Evaluation of the General Manager and that the General Manager has met or exceeded expectations in all areas of responsibility. The Board also instituted new goals and objectives for the General Manager for the upcoming year. The Board will consider any modification in compensation at the April Board Meeting.

Item 5 – Citizens Forum

There were no public comments.

Item 6 – Resolution of Commendation for Retiring Board Member William Stevens

President Ramirez Holmes announced that Bill Stevens retired from the Board effective March 11, 2019. She read a few highlights from the Resolution.

Director Palmer commented that she really enjoyed working with Director Stevens, and appreciated his forthrightness. She said she will miss working with him on the Board and that she considers him a friend.

Director Gambs concurred with Director Palmer. He said Director Stevens was a straight shooter who didn't try to hide his feelings in any way. He developed an extensive knowledge of Zone 7 over the 20 years he served and that it won't be easy to fill the vacancy he leaves.

Director Figuers said he has known Director Stevens longer than anyone on the Board and he also appreciated his forthrightness.

President Ramirez Holmes said that she appreciates the over 20 years of service and time Bill gave to the community.

Director Palmer moved to approve the Resolution, and Director Sanwong seconded it. The Resolution was approved by a 5-0 voice vote with Director Quigley absent.

Resolution No. 19-21 Commendation for Retiring Board Member William Stevens (Item 6)

Item 7 – Vacancy on Board of Directors

General Counsel David Aladjem stated that with California Government Code §1780, the Board has the opportunity to fill the vacancy by appointment within 60 days. The Board is required to post the Notice of Vacancy and solicit applications. The staff report provides two potential schedules the Board could use to appoint a new Director. The first one aims to have the director appointed at the start of the April Board Meeting, and the second schedule allows for more opportunity for individuals to put their names forward, where the Board would have the appointment at a Special Meeting in early May.

Mr. Aladjem said there is an application form in the Board packet with some questions the Board may want to consider if they choose to interview applicants. He stated the Board does not need to go into details about the questions; they just need to decide on the schedule and the process.

Director Figuers asked if applications need to be submitted at a Board meeting and Mr. Aladjem stated they do not, but if the Board wants to interview candidates, those interviews must be done in Open Session.

President Ramirez Holmes made a correction to the Staff Report and clarified that the next election for the Zone 7 Board of Directors has been moved from June 2020 to March 2020 due to a change in the Presidential Primary.

Director Gambs stated that it isn't clear that the applicant would need to be a resident or a registered voter in the Zone 7 service area, and that they need to be at least 18 years old. Mr. Aladjem said that could easily be added to the application. President Ramirez Holmes reiterated that there would be no changes at this point, that the Board is to simply ask questions of staff.

President Ramirez Holmes asked if there was any public comment, and there was. Mr. Vin Pohray, a Pleasanton resident, said he would like to ask the Board not to be biased in whomever they select to replace Director Stevens, as he would like to see a fresh face on the Board.

Director Palmer suggested the Board look at the finalists and appoint the new Director at a Special Board Meeting on May 2nd.

President Ramirez Holmes requested the Board go over the schedule of the application process. She also mentioned that she spoke with Valerie Pryor, General Manager, and requested the interviews be televised so that the public is included.

The Board discussed their availabilities, and it was decided to call a Special Board Meeting on May 2nd at 7:00 p.m. so that all Board Members would be in attendance, with an option for a second Special Board Meeting on May 10th at 4:00 p.m., if needed. It was decided to post the Notice of Vacancy on March 21st with applications due Monday, April 22nd by 5:00 p.m. President Ramirez Holmes suggested the Board review the applications and interview the applicants at the same meeting. She suggested May 2nd and May 10th be agendaized, noting that the applicants will be considered at the May 2nd meeting. The Board may consider making an appointment at that meeting, or a subsequent meeting on May 10th. President Ramirez Holmes said she also would like to add an Eligibility Statement stating that applicants must be a registered voter residing in the District, instructions on how to apply, and other requirements, including a note that the applicants make themselves available for both dates. She also said she would like to put a limit on the Statement of Interest and Qualifications. There was discussion among the Directors as to how long the Statement of Interest should be. It was decided that applicants could submit up to two pages maximum, along with a resume. Director Figuers suggested adding that there is no fee to apply.

President Ramirez Holmes made a motion that the eligibility and instructions be added to the application with the revised schedule, and a Notice of Vacancy be posted and advertised on March 21st, with applications due April 22nd by 5:00 p.m. In addition to adding two Special Meetings on May 2nd at 7 p.m. and May 10th at 4:00 p.m., if needed. Director Palmer seconded the motion. The application process was approved by a voice vote of 5-0 with Director Quigley absent.

Item 8 – Minutes

Director Palmer moved that the minutes of February 20, 2019, be approved with the correction, and Director Gambs seconded the motion. The minutes were approved by a voice vote of 5-0 with Director Quigley absent.

Director Figuers moved that the minutes of the Special Board Meeting of March 6, 2019, be approved and Director Sanwong seconded the motion. The minutes were approved by a voice vote of 5-0 with Director Quigley absent.

Item 9 – Consent Calendar

Director Gambs requested to pull Item 9d. Director Palmer moved to approve Items 9a through 9c and Director Figuers seconded the motion. Items 9a through 9c were approved by a voice vote of 5-0 with Director Quigley absent.

Director Gambs said that while he is not opposed to Item 9d, he believes the Board should have a guideline for approving contracts that are sole source. Rhett Alzona, Principal Engineer of Facilities Engineering, stated that while Zone 7 typically goes through a Request for Proposal (RFP) process, given the qualifications of Carollo Engineers and that they are the original designers of the Mocho Groundwater Demineralization Plant (MGDP), they are most familiar with our Reverse Osmosis (RO) membrane processes. He also said going through an RFP process could be unfair to other Consultants to compete against Carollo.

Osborn Solitei, Assistant General Manager - Finance, stated that there is a Purchasing Policy, Z7-AF-143-7, that states when there is a specialized firm such as Carollo Engineers, Zone 7 can contract with them as a sole source. President Ramirez Holmes asked that a copy of the policy be provided to the Board at the conclusion of the meeting. Director Figures asked what was the estimated contractor cost for the implementation of the batch cleaning process, and Mr. Alzona said they estimated \$880,000.

Director Gambs moved that the item be approved, and Director Sanwong seconded it. The item passed by a voice vote of 5-0 with Director Quigley absent.

Resolution No. 19-22 Environmental Support Services Contracts (Item 9a)

Resolution No. 19-23 Personnel Action: Financial Analyst, Zone 7 (Item 9b)

Resolution No. 19-24 Personnel Action: Plant Mechanic, Zone 7 (Item 9c)

Resolution No. 19-25 Approval of Engineering Services Contract with Carollo Engineers for the MGDP Concentrate Pipeline Batch Cleaning Project (Item 9d)

Item 10 – Staffing Update

Valerie Pryor, General Manager, reported that Jerry Gladu joined Zone 7 on March 10th as a Plant Maintenance Laborer. Jerry transferred from Alameda County's TAP program where he started in July 2018. The Board welcomed Mr. Gladu in absentia. Ms. Pryor also reported that Darryl "Pete" Petersen retired after 22 years of service as a Lead Mechanic.

Item 11 – State Government Relations Update by The Gualco Group

Jack Gualco of the The Gualco Group gave a presentation on how things are shaping up in Sacramento with the new Governor in terms of how Zone 7 and its constituents are affected. One of the changes he mentioned was a new Chair was appointed in the State Water Resources Control Board, along with two new Board Members. A big decision that the Governor made was to change the Water Fix approach from two tunnels to one. Another issue he discussed was what to do about financing the Governor's desire to deal with safe and clean drinking water. He briefly discussed a budget trailer that includes retail water tax fees on the agriculture industry. There are also other proposals to establish a trust fund from this year's budget surplus where the proceeds from the trust would be used to provide operations and maintenance money for poorly operated water systems. He also mentioned a potential new bond introduced by Senator Ben Allen (SB45) that is estimated to be around \$4.3 billion. \$300 million of it would be available for flood control projects; \$600 million would be available for water supply, clean water, and groundwater cleanup with some additional money for rivers and streams.

President Ramirez Holmes indicated that Zone 7 contracts with The Gualco Group to interact with the Legislature on Zone 7's behalf, and that the Board receives regular updates on what is happening in Sacramento as it relates to Zone 7. Director Palmer commented that the proposed water tax would actually be regressive in terms of its impact on all kinds of people. Mr. Gualco stated that there has been a response on part of the Legislature, indicating that they hear ACWA and realize their members don't want to be taxing agencies, and in many cases, the cost of implementing the collection of the tax would far exceed what would be gained from the retail tax.

Director Sanwong asked if there were any water conservation laws going through Sacramento. Mr. Gualco stated that Legislators provided the direction that conservation is a way of life, and the Water Board is closely monitoring whether agencies are meeting their goals. He doesn't believe, at this point, that there will be any major legislative effort this year. Mr. Gualco said that some good news for Zone 7 is that the State Water Project allocations have been raised to 70 percent.

Item 12 – Temporary Adjournment/Continuance of Zone 7 Water Agency Meeting

The Zone 7 Water Agency meeting was temporarily adjourned at 8:15 p.m.

Items 13 – 17

[See “Minutes of the Board of Directors, Livermore Valley Water Financing Authority, Regular Meeting, March 20, 2019”]

Item 18 – Call Zone 7 Water Agency Meeting to Order

The Zone 7 Water Agency Regular Board Meeting was called to order at 8:20 p.m.

Item 19 – Committees

- a. Finance Committee Meeting, March 5, 2019 – notes

No comments were received.

Item 20 – Reports – Directors

President Ramirez Holmes acknowledged that there is a lot going on at Zone 7, and she thanked staff for all their work. She also mentioned that she attended the Elected Women's Lunch where she handed out information on Fix-a-Leak Week. She also attended the City of Pleasanton City Council Meeting where they pledged to continue participation in the Tri-Valley Water Liaison Roundtable meetings and will review their utility and water rates.

Director Figuers attended the ACWA Groundwater Committee Meeting where they gave a Statewide update of SGMA. He said about 44 people wanted to renegotiate their boundaries, and DWR said of those 44, 40 boundary changes were approved. He also attended a conference on the divisions of the Carson Valley in Nevada.

Director Palmer attended the ACWA Conference in Washington, D.C., and recommended that a different Board Member attend each year, if possible. She attended an ACWA Region 5 Board Meeting, where they appointed a new Board Member, and she attended an ACWA Legislative Symposium. She gave a presentation on March 13th to the American Association of University Women on water. She also attended a webinar for the ACWA Executive Board on March 15th. On March 18th she attended the ACWA Water Management Committee meeting.

Director Sanwong attended the Joint Board Meeting with Contra Costa Water District (CCWD) at the Los Vaqueros Reservoir to discuss the possibility of increasing the reservoir capacity. President Ramirez Holmes added that she too attended the Joint Board Meeting at the Los Vaqueros Reservoir. She said she was thankful for the Board members who attended; it was a great learning opportunity, and good relationship building with the CCWD.

Director Gambs stated he also attended the Joint Board Meeting.

President Ramirez Holmes asked if any Board Members were planning to attend the ACWA Spring Conference, and to please get their information to Donna Fabian as soon as possible. She also mentioned

that the Board has a number of requirements. One is Ethics Training and another is Sexual Harassment Training. She asked that the Board be mindful of their respective deadlines, and that Ms. Fabian will be sending them a reminder.

President Ramirez Holmes also reminded the Board that it is required to disclose conflicts of interests and other items through State Form 700 and those are due to Ms. Fabian by April 1st. She also reminded the Board that the April Finance Committee and the March Water Resources Committee Meetings are both canceled. The May Finance Committee meeting will discuss the Reserve Policy, the Third Quarter Revenue and Expenditure Report, and the Investment Report.

Item 21 – Items for Future Agenda – Directors

Director Palmer would like Zone 7 to add its name to opposing the Statewide Water Tax. President Ramirez Holmes asked for the Board's opinion on how to add Zone 7's name to oppose any water tax that would be a direct hit on our ratepayers or agencies. She would like to know if the Board would like to take on the water tax as a standalone board item or if the Board would rather see some kind of policy or other priorities to give to Ms. Pryor to act. Director Gambbs said he would like more information before he makes a decision. President Ramirez Holmes responded that Director Palmer's request to oppose the State Water Tax be added to a future Board Meeting where there will be more information.

Item 22 – Staff Reports (Information items. No action will be taken.)

- a. General Manager's Report
- b. Legislative Update
- c. February Outreach Activities
- d. Water Inventory and Water Budget Update
- e. Sustainable Groundwater Program Annual Report for 2018 Water Year
- f. FY 2018-19 Unaudited First Quarter Revenue and Expenditure (R&E) Report
- g. Investment Report as of December 31, 2018
- h. Verbal reports

Ms. Pryor highlighted a few things from her report. She said an article co-authored by Zone 7's Water Quality Manager Gurpal Deol, and published in SOURCE Magazine, won an Editorial Award. The award will be presented at the Cal-Nevada Spring Conference on March 26th. She also mentioned the State Water Project allocation was increased to 70%, which is very good for Zone 7. Additionally, she said that Zone 7 has been participating in a number of local Career Fairs.

President Ramirez Holmes stated that Zone 7 has a new Communication Specialist on board, and she appreciates the Outreach Activities report includes a list of future Zone 7 events.

Matt Katen, Principal Geologist, made some comments and shared some slides on the Annual Groundwater Report. Mr. Katen said Zone 7 has a week and a half to make any necessary changes and that in 2022, Zone 7 will need to update its Groundwater Sustainability Plan.

President Ramirez Holmes stated that the Executive Summary of the Annual Report is attached to the item with additional copies in the hallway. She also mentioned that the full draft report is available on Zone 7's website.

Item 23 – Adjournment

The meeting was adjourned at 8:42 p.m.