

**CONTRA COSTA WATER DISTRICT
BOARD OF DIRECTORS
SPECIAL JOINT MEETING WITH
ALAMEDA COUNTY FLOOD CONTROL AND WATER
CONSERVATION DISTRICT, ZONE 7
BOARD OF DIRECTORS**

MINUTES

CALL TO ORDER

Contra Costa Water District (CCWD) President Borba called the special joint meeting of the Boards of Directors of the CCWD and the Alameda County Flood Control and Water Conservation District, Zone 7 (Zone 7) to order at 11:02 a.m. at 19 Walnut Boulevard, Brentwood, California.

ROLL CALL (CCWD)

<i>Directors Present:</i>	Lisa M. Borba, President Ernesto A. Avila John A. Burgh
<i>Directors Absent:</i>	Connstance Holdaway, Vice President Bette Boatmun
<i>General Manager:</i>	Jerry Brown
<i>Legal Counsel:</i>	Douglas E. Coty
<i>District Secretary:</i>	Mary A. Neher

ROLL CALL (Zone 7)

<i>Directors Present:</i>	Angela Ramirez Holmes, President Dennis Gams Olivia Sanwong Bill Stevens
<i>Directors Absent:</i>	Sandy Figuers, Vice President Sarah Palmer Dick Quigley
<i>General Manager:</i>	Valerie Pryor

ADOPTION OF AGENDA

There were no changes to the agenda, and agenda was adopted by rule.

PUBLIC COMMENT (Please observe a three-minute time limit)

CCWD President Borba asked for public comments. A written comment received from a CCWD customer, Leland Frayseth, was provided to the Board.

DISCUSSION AND INFORMATION

1. Los Vaqueros Reservoir Expansion Project presentation and tour.

Special Assistant to the General Manager Marguerite Patil provided the schedule of events and safety review for the tour.

The CCWD service area and facilities were reviewed. An overview of the Los Vaqueros (LV) Reservoir and watershed was provided. President Borba explained that the original 100,000-acre-foot and expanded 160,000-acre-foot LV Reservoir projects were both completed on time and within budget. LV Reservoir is an off-stream reservoir that may be operated in conjunction with CCWD's four Delta intakes to provide water quality, drought supply reliability, and emergency supply. An explanation of how water is moved through CCWD facilities was provided.

Using the existing CCWD facilities, existing non-CCWD facilities, and proposed new facilities together would provide water to Local Agency Partners (LAPs) and continue to meet CCWD ratepayer needs. In response to Zone 7 Director Gambs, staff said Zone 7 could divert its State Water Project water allocation through the Rock Slough Intake by modification of Department of Water Resources' State Water Project water rights to include Rock Slough Intake as a point of diversion, which have been included in the project analysis. The proposed facilities and their potential benefits for the LAPs were reviewed.

The Transfer-Bethany Pipeline would be a critical project intertie. The intertie could move water to the LAPs directly from the Delta or out of storage in the LV Reservoir. In response to Zone 7 Director Gambs, the project would provide CCWD access to higher quality of water available during the spring and early summer for storage that may be used later for water quality blending or demand needs. Water quality analysis has been included in the project studies.

LV Reservoir has an earthen dam with a robust spillway for emergency drawdown use. To expand the reservoir to 275,000 acre-feet, the reservoir would be completely drawn down and a portion of the existing dam would excavated and rebuilt. It is possible that the reservoir can be refilled at the same time the dam is being rebuilt. In response to Zone 7 Director Stevens, staff explained the bulk of the materials to build the dam were available on site. A review of the various types of materials used for dam construction was provided.

The proposed operations of the 275,000-acre-foot LV Reservoir were provided. The LAP group, which consists of Bay Area urban agencies, wildlife refuges, and south-of-Delta Central Valley Project agriculture agencies, have varied water needs and timing. The benefits to the LAPs include increased water supply for the municipal and industrial customers to meet demands, especially during a drought, operational flexibility for agricultural customers, and habitat management of wildlife refuges. The potential project partners were reviewed. The expansion will not diminish the existing CCWD ratepayers' benefits. CCWD will receive revenues from partner use of its existing facilities. CCWD would have additional operational flexibility with the additional access points where it may take its water. The LV recreation program would also benefit from the project.

The state has lost approximately 95% of its historic wetlands. The Central Valley Project Improvement Act south-of-Delta wildlife refuges are managed by the California Department of Fish and Wildlife, Grassland Water District, and U.S. Fish and Wildlife Service. The refuges need about 400,000 acre-feet of water per year. Because state and federal agencies have to purchase water on the open market to meet a portion of those needs, they have the potential to make funding available for projects that increase the water supply and water reliability for the refuges.

A review of the California Water Commission (CWC) Water Storage Investment Program, Proposition 1, (Prop 1) funding criteria was provided. The project qualified to receive up to \$459 million in Prop 1 funding; CCWD executed a contract with CWC in December 2018 for early funding of \$13.65 million. The overall project schedule was reviewed. Mr. Brown thanked Ms. Pryor for providing insights from her previous Joint Powers Authority agreement experience. In response to Director Stevens, staff explained that the JPA would be used for both construction and operation and that project financing bonds would be done through the JPA with each partner responsible for its share of bonds. Ms. Pryor discussed Zone 7's recent experience with establishment of and participation in multi-agency JPAs.

The LAPs have agreed that CCWD would be the day-to-day operator of the project and that the JPA, which is made up of all the partners, would provide project oversight. In response to Director Stevens, staff explained the partners on the list could be part of the JPA and that smaller agencies with staffing limitations were evaluating the need for an individual agency Board seat or possibly sharing a Board seat on the JPA.

In response to Zone 7 President Ramirez Holmes, staff said that the East Contra Costa Irrigation District dropped out of the potential partner group. Participation in the JPA is a big decision for all potential partners, who are evaluating the benefits from the JPA. Partners need to be committed before construction. A discussion regarding the number of JPA Board member seats ensued. In response to Zone 7 Director Stevens, staff said CCWD is focused on getting additional flexible operational and water quality benefits from the project. In the 1980s the CCWD Board established principles that the LV Reservoir would not serve water to southern California agencies. The size of the project makes it a better fit for Bay Area agencies. CCWD runs analysis on LV Reservoir operations to ensure it does not impact

others. The original LV Reservoir Environmental Impact Study/Report was thoroughly vetted and did not receive any legal challenges. In response to Zone 7 Director Gambs, staff reviewed how water could be provided to San Francisco Public Utilities Commission through the project.

Zone 7 President Ramirez Holmes expressed appreciation for the information and the work completed by CCWD so the project was ready to go when the Prop 1 funds became available. CCWD President Borba said the project may serve many different partners with needs that can complement each other, while being mindful of public perception, especially related to not serving southern California. CCWD Director Avila discussed the importance for creating a regional water partnership. The LV Reservoir has been in operation for 20 years, and this project provides the opportunity to explore additional business and operational options.

Watershed and Environmental Manager Fran Garland reviewed the history and key features of the LV Reservoir and watershed. Los Vaqueros watershed includes wetland habitats, endangered species habitat, cultural resources, education, and recreation. Currently, there are five breeding pairs of golden eagles at LV. The land management plan that protects both the habitat and water quality of the reservoir was provided. When the reservoir was expanded to 160,000 acre feet, an additional 5,000 acres of off-site mitigation lands were purchased. The recreational opportunities and special public events held at LV were reviewed. In response to Zone 7 Director Gambs, staff reviewed the recreational changes associated with the LV Reservoir Expansion Project.

At 12:08 p.m. CCWD President Borba adjourned the meeting to the Los Vaqueros Reservoir and CCWD facilities tour.

At 2:08 p.m. CCWD President Borba readjourned the meeting and asked for comments from the Board members and public.

Zone 7 Director Sanwong said she appreciated the overview and information about CCWD and the project.

Zone 7 Director Stevens said it was good to meet with the CCWD Board.

Zone 7 Director Gambs said it was a great opportunity to get additional information and see the facilities to better understand the project.

Zone 7 President Ramirez Holmes said it was good to meet with the CCWD Board members and to visit Los Vaqueros.

CCWD Director Avila said it was good to spend time with the Zone 7 Board. He is proud of LV Reservoir and excited for the opportunity to work with Zone 7.

CCWD Director Burgh thanked Zone 7 for meeting at Los Vaqueros and for visiting CCWD facilities. CCWD was committed to create a JPA structure that works for all its partners.

Ms. Pryor thanked CCWD Board and staff for the information and tour. She said that CCWD staff were helpful and informative.

Mr. Brown said it was a great opportunity to meet. Los Vaqueros is a starting point to transform Bay Area regional water management into a collaborative effort.

CCWD President Borba said it was an honor to help forward the project as part of a regional water solution for the Bay Area.

ADJOURNMENT

At 2:12 p.m. CCWD President Borba adjourned the meeting.

The next regular meeting of the CCWD Board of Directors will be on March 6, 2019 commencing at 6:30 p.m. in the Board Room located at 1331 Concord Avenue in Concord.

Lisa M. Borba, President

Attest:

Mary A. Neher, District Secretary