



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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ORIGINATING SECTION: ADMINISTRATION
CONTACT: VALERIE PRYOR

AGENDA DATE: January 16, 2019

ITEM NO. 16a

SUBJECT: GENERAL MANAGER'S REPORT

SUMMARY: The following highlights a few of the key activities which occurred last month. Also attached is a list of the General Manager (GM) contracts executed during December.

Operations and Maintenance:

Maintenance staff worked on several projects including support work for the Del Valle Water Treatment Plant (DWWTP) Ozonation Project, Mocho 1 well repairs and preparation work for the Patterson Pass Water Treatment Plant (PPWTP) Expansion and Ozonation Project.

The DWWTP is closed through March 15, 2019 as part of the Ozonation Project.

Operations and Maintenance staff have been cross-training with flood control staff for storm response, such as deploying sand bags and channel depth readings during high flow events. This provides redundancy for operations and also enhances staff safety by having staff deployed in teams.

Administration:

Zone 7 has been awarded the California Society of Municipal Finance Officers (CSMFO) Operating Budget Excellence Award for its Fiscal Year 2018-2019 Operating Budget. This represents the fourth consecutive operating budget award bestowed upon Zone 7 from CSMFO. In order to receive this award, a governmental body must publish a budget document that meets programmatic criteria as a policy document, an operations guide, a financial plan and a communication device.



The Board of Directors received and filed Zone 7's financial statements and Comprehensive Annual Financial Report (CAFR) at the December 19, 2018 meeting. The CAFR is intended to provide the public with detailed information about the Agency as well as comparative analysis to previous years. At the Board meeting, David Alvey, Vice President/Partner with Maze & Associates, announced that the audit opinion for the Agency is an unmodified "clean" opinion.

State Water Project Activities:

Staff continues to coordinate with the State Water Contractors organization on a number of State Water Project and state-wide water issues such as the Delta, water quality, science and habitat efforts, infrastructure and operations and maintenance.

DWR conducted its first snow survey of the year on January 3, 2019. Statewide, the Sierra snowpack is 67 percent of average. The results confirm that despite early winter storms, Sierra water content is below average for this time of year. On average, the snowpack supplies about 30 percent of California's water needs as it melts in the spring and early summer. The greater the snowpack water content, the greater the likelihood California's reservoirs will receive ample runoff as the snowpack melts to meet the state's water demand in the summer and fall. DWR conducts five snow surveys each winter – near the first of January, February, March, April and May.

Zone 7 representatives continue to serve on the Boards of the Delta Conveyance Design and Construction Authority (DCDCA) and the Delta Conveyance Finance Authority (DCFA). Minutes for the DCDCA and DCFA meetings in November are attached to this report. Complete Board packets for both the DCDCA and the DCFA can be found at: <http://www.dcdca.org/#meetings>.

Engineering and Water Quality:

Arroyo Mocho (AM) Medeiros Project: The Initial Study/Mitigated Negative Declaration (IS/MND) for the Arroyo Mocho Medeiros Reach Floodplain Reconnection Project is now available for public review. A Mitigated Negative Declaration means that Zone 7 has studied the effects the project may have on the environment, and identified measures that will reduce potential impacts to less than significant. The scope of this project has been reduced from the prior project for which a similar California Environmental Quality Act document was released for public review in April 2018. Major changes include no excavation in the area known as Oak Grove Nature Reserve and no earthwork in the channel of the Arroyo. The Proposed Project is located along the Arroyo Mocho in Livermore between Arroyo Road and Holmes Street. Proposed activities include lowering a section of the Arroyo Mocho Trail to allow high flows to spill into Oak Grove Nature Reserve. Invasive species removal throughout the property and trail improvements in Oak Grove Nature Reserve are also proposed and are contingent on grant funding. The comment period ends January 22, 2019 and it is anticipated the final document will be presented to the Board of Directors for adoption at its February 20, 2019 Board meeting. One comment has been received so far.

New onsite lab equipment for algal toxins (microcystin, cylindrospermopsin, anatoxin etc.) monitoring has been installed. Water quality staff is being trained on new system.

Integrated Water Resources:

The Department of Water Resources (DWR) released the Public Review Draft of the California Water Plan Update 2018 on December 20, 2018. The draft plan presents a vision for greater collaboration in water management, with a focus on achieving long-term sustainability and improvements to public health, the economy, and the environment. The California Water Plan is the state's comprehensive strategic plan for managing and developing water resources sustainably.

DWR publishes a plan update every five years, as directed by California Water Code. Update 2018 recommends a series of actions to address the most critical issues facing water management in California. The revised plan outlines a path for new or modernized infrastructure, restored ecosystems, efficient regulation, cooperation across water management sectors, and greater return on investment. Public comments will be accepted through January 21. The plan can be accessed at the following website: <https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/California-Water-Plan/Docs/Update2018/PRD/California-Water-Plan-Update-2018-Public-Review-Draft.pdf>

Staff is coordinating with a Girl Scout Troop in Livermore to complete construction and assembly of six owl nesting boxes to be installed in January at selected locations in the Tri-Valley as a partnership. Boxes have been completed and installation is tentatively scheduled for late January of 2019.

Monthly List of GM Contracts

December 2018

<u>Contracts:</u>	<u>Amount</u>	<u>Purpose</u>
Indoor Environmental Services	\$6,720	Comprehensive Energy Audit
TOTAL December 2018	\$6,720	

BOARD OF DIRECTORS MEETING

MINUTES

SPECIAL BOARD MEETING
Thursday, November 15, 2018
9:00 a.m.

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER

The special meeting of the Delta Conveyance Design and Construction Authority (DCA) Board of Directors was called to order at the Citizen Hotel, 926 J Street, Sacramento, CA 95814, at 9:10 a.m.

2. ROLL CALL

Board members in attendance were Tony Estremera, Richard Atwater, Steve Blois, and Sarah Palmer constituting a quorum of the Board.

3. CLOSED SESSION

- a. Public Employee Appointment - Pursuant to Government Code Section 54957.
Title: Executive Director

President Estremera adjourned to Closed Session at 9:12 a.m.

4. REPORT OUT OF CLOSED SESSION

There were no reportable actions taken.

5. PUBLIC COMMENT

President Estremera opened public comment but no comments were made.

President Estremera closed Public Comment.

6. ADJOURNMENT:

President Estremera adjourned the meeting at 1:15 p.m.

BOARD OF DIRECTORS MEETING

MINUTES

REGULAR MEETING

Thursday, November 15, 2018

1:30PM

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER

The regular meeting of the Delta Conveyance Design and Construction Authority (DCA) Board of Directors was called to order in the Sacramento Public Library, Tsakopoulos Library Galleria, 828 I Street, Sacramento, CA 95814, at 1:30 p.m.

2. ROLL CALL

Board members in attendance were Tony Estremera, Richard Atwater, Steve Blois, and Sarah Palmer constituting a quorum of the Board. Sarah Palmer requested that her alternate, Doug Headrick, take her place.

Staff members in attendance were Jill Duerig, Stefanie Morris, Joshua Nelson, June Skillman, Sergio Valles.

3. CLOSED SESSION

4. PLEDGE OF ALLEGIANCE/NATIONAL ANTHEM

President Estremera convened the open session at approximately 2:00 p.m. and led all present in reciting the Pledge of Allegiance.

5. REPORT OUT OF CLOSED SESSION

- a. Conference with Legal Counsel - Significant exposure to litigation pursuant to Gov't Code section 54956.9(d) (2):
 - i. Delta Stewardship Council California WaterFix Consistency Determination
 - ii. Food and Water Watch and Center for Food Safety v. Metropolitan Water District of Southern California, Case No. BC720692.

There were no reportable actions taken.

- b. Public Employee Appointment - Pursuant to Government Code Section 54957.
Title: Executive Director

There were no reportable actions taken.

6. PUBLIC COMMENT

President Estremera opened public comment, limiting speaking time to three minutes each.

Ms. Duerig noted that there was a piece of written correspondence received as a public comment and that copies were available for the board and public.

There was one verbal comment from the public.

Mr. Seth Jayne, President, Sierra Geotech expressed support for mandatory DBVE participation goals for procurement of professional engineering services contracts.

President Estremera closed Public Comment.

7. APPROVAL OF MINUTES: October 18, 2018 Regular Board Meeting

Recommendation: Approve minutes of the October 18, 2018 Regular Board Meeting

Move to Approve Minutes: Blois

Second: Atwater

Yeas: Estremera, Arakawa, Blois and Headrick

Nays: None

Abstains: None

Recusals: None

Absent: None

Summary: 4 Yeas; 0 Nays; 0 Abstains; 0 Absent. (Motion passed as MO 18-11-01)

8. CONSENT CALENDAR

There were no items on this month's consent calendar.

9. DISCUSSION ITEMS:

a. Consider Adopting Conflict of Interest Code.

Recommendation: It is recommended that the Board of Directors approve and adopt Resolution No. 18-XX adopting the Conflict of Interest Code and directing that such Code be submitted to the Fair Political Practices Commission as the Authority's code-reviewing body (Gov. Code § 82011) requesting approval of the Code as required under Government Code section 87303.

Mr. Joshua Nelson, Acting Interim General Counsel, provided a summary of the process for adopting a Conflict of Interest Code. The draft code has been noticed and circulated for comment and no comments were received. The Code has been brought back to the Board for consideration and approval. He also described the next steps for submitting the Code to the Fair Political Practices Commission (FPPC) for review and approval. The Code is being filed with the FPPC due to being a multi-county agency.

Director Blois asked whether there have been any changes to the Code since it first came to the Board in September and Mr. Nelson advised that there have been no changes made.

Move to Approve Resolution No. 18-14 Adopting the Conflict of Interest Code,
as noted: Atwater
Second: Headrick
Yeas: Estremera, Atwater, Blois and Headrick
Nays: None
Abstains: None
Recusals: None
Absent: None
Summary: 4 Yeas; 0 Nays; 0 Abstains; 0 Absent. (Motion passed as Resolution 18-14)

b. Consider Passing Resolution Authorizing a Professional Services Agreement to Provide Engineering Design Management Services.

Recommendation: Adopt the attached resolution authorizing the Executive Director to negotiate and execute a five-year contract, in a not-to-exceed amount of \$110,000,000 dollars [\$93,000,000 dollars plus a contingency of \$17,000,000 dollars] for Phase 2 work, with CH2M HILL Engineers, Inc., for Engineering Design Management (EDM) Services, with spending to be managed via the issuance of Task Orders consistent with board-adopted budgets.

Mr. Sergio Valles, Interim Chief Engineer, presented a summary o the staff recommendation to award the contract for the Engineering Design Manager professional services agreement to CH2M Hill Engineers, Inc.:

- 5-year term
- NTE: \$110 million dollars (\$93 million plus \$17 million contingency), with spending to managed via the issuance of Task Orders consistent with board-adopted budgets.

This contract is for the EDM to assist the DCA on the following during Phase 2 (preliminary and final design).:

- Organizing, coordinating and managing design services for multiple engineering/technical firms.
- Conducting specialized engineering studies and providing design services to refine the scope of the CWF.
- Providing engineering planning and reporting activities.

Staff anticipate coming back to the board at some time in the future with a recommendation to contract for Phase 3 EDM services (construction support).

Move to authorize and negotiate a five-year professional services agreement with CH2M Hill Engineers, Inc. to provide Engineering Design Management Services for Phase 2 as noted: Atwater
Second: Headrick
Yeas: Estremera, Atwater, Blois and Headrick
Nays: None
Abstains: None
Recusals: None
Absent: None

Summary: 4 Yeas; 0 Nays; 0 Abstains; 0 Absent. (Motion passed as Resolution 18-15)

c. Presentations on Types of Alternative Delivery Methods, Financing and Case Studies.

The Board received two presentations on Alternative Delivery options and methods.

- Mr. Jim Gibbs and Mr. Garth Salisbury from Sperry Capitol in collaboration with Mr. Chris Margaronis from Indra Associates provided a presentation on alternative delivery options.

Director Blois requested an explanation of the difference between design-build and other variations of design-build, such as P3. Mr. Gibbs elaborated on the design-build falling under a large umbrella of public-private partnerships that represent an assignment of design and construction responsibility to a team. The team assumes more risk than the public sponsor when design-bid-build process is used. There are other factors that can be incorporated in a P3 including financing, long-term operation, maintenance, and virtual ownership role through contracts.

Director Blois asked Mr. Gibbs where the starting point should be for an alternative delivery method to be considered. Mr. Gibbs mentioned that the first thing is to have a clear sense of the project components and isolate project elements to analyze with regards to delivery. The second step in the process would be to compose a scenario for constructing the project based on a design-bid-build basis and identifying the risk in that approach. In addition, describing the cost benefit of the risk transfer and design and construction responsibility to a design-build team and then compare the increase in cost with the value of transferring the risk. This process is collaborative.

Director Blois asked Mr. Gibbs if this project is a candidate for considering alternative methods. Mr. Gibbs expressed that it's a good candidate. He provided an example of an Australian analysis which highlighted that bigger more complex projects have more benefit for alternative methods.

- Mr. John Bischoff from AECOM provided a presentation on Alternative Delivery Methods for Design and Construction of Major Civil Infrastructure Projects.

Director Blois asked why there was more discussion on Construction Manager at Risk (CMAR). Mr. Bischoff answered that it was simply a matter of available time and that if DCA wanted more information, it was certainly available.

10. STAFF REPORTS AND ANNOUNCEMENTS

a. Executive Director Report

A written report was provided in the Board package. Ms. Duerig provided a brief recap of items included in her report. President Estremera asked about the proposed DCA Office Space, Ms. Duerig mentioned that she anticipates bringing a recommendation to the Board in December.

b. General Counsel Report

A written report was provided in the Board package. The Board had no additional questions or comments.

c. Treasurer's Report

A written report was provided in the Board package. The Board had no additional questions or comments.

d. Verbal Reports

Ms. Duerig mentioned that the first invoice is paid in full, the DCA received wire transfer from the Delta Conveyance Office (DCO).

President Estremera requested a status update on the Executive Search, Ms. Duerig replied that the Executive Search is proceeding, and the recruiter is working with the Board on next steps.

11. FUTURE AGENDA ITEMS:

No future agenda items noted.

12. ADJOURNMENT:

The next meeting of the DCA will be held on November 15, at 2 p.m. in the Sacramento Public Library, Tsakopoulos Library Galleria, 828 I Street, Sacramento.

President Estremera adjourned the meeting at 3:07 p.m.

BOARD OF DIRECTORS MEETING

MINUTES

REGULAR MEETING
Thursday, November 15, 2018
11:30 am

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER

The regular meeting of the Delta Conveyance Finance Authority (DC Finance Authority) Board of Directors was called to order in the Sacramento Public Library, Tsakopoulos Library Galleria, 828 I Street, Sacramento, CA, at 11:30 a.m.

2. PLEDGE OF ALLEGIANCE

President Record led the Pledge of Allegiance.

3. ROLL CALL

Board members in attendance were Randy Record, Paul Sethy, Valerie Pryor, Jeff Davis, Gary Kremen, and Doug Headrick.

Staff members in attendance were Brian Thomas. Treasurer June Skillman was also in attendance.

4. CLOSED SESSION

- a) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Gov't Code section 54956.9(d) (2):
Number of Potential Cases: Three

There were no reportable actions taken.

5. PUBLIC COMMENT

President Record declared public comment open, limiting speaking time to three minutes, each. With no persons requesting time to speak, President Record closed public comment.

6. OTHER MATTERS

6.a. None.

7. CONSENT CALENDAR:

7.a. Approval of the minutes from the meeting of August 16, 2018.

Motion:	Approve minutes from the meeting of August 16, 2018
Move to Approve:	Gary Kremen
Second:	Valerie Pryor

Yeas: Paul Sethy, Valerie Pryor, Randy Record, Jeff Davis, Gary Kremen, Doug Headrick
Nays: None
Abstains: None
Recusals: None
Absent: None
Summary: 6 Yeas; 0 Nays; 0 Abstains; 0 Absent. (Motion passed as MO 18-11-01)

8. SCHEDULED ITEMS

8.a. Consider adoption of Bylaws for the Delta Conveyance Finance Authority Board of Directors

Recommendation: The DC Finance Authority Executive Committee reviewed the Bylaws at its initial meeting on October 15, 2018, and recommends approval.

Interim Executive Director Brian Thomas provided the staff report to the Board. Mr. Thomas noted that the bylaws being presented to the Board had been reviewed and discussed by the DC Finance Authority Executive Committee. The Board members discussed language in Article 5 (Directors and Officers), specifically related to who could serve in the capacity of a Director on the DC Finance Authority Board. Interim Executive Director Thomas noted that the language in the bylaws was crafted to allow for flexibility for the DC Finance Authority Board members when designating a representative to the Board.

Motion: Adopt the Bylaws
Move to Approve: Jeff Davis
Second: Doug Headrick
Yeas: Paul Sethy, Valerie Pryor, Randy Record, Jeff Davis, Gary Kremen, Doug Headrick
Nays: None
Abstains: None
Recusals: None
Absent: None
Summary: 6 Yeas; 0 Nays; 0 Abstains; 0 Absent. (Motion passed as MO 18-11-02)

8.b. Consider and Introduce Conflict of Interest Code for the Delta Conveyance Finance Authority

Recommendation: That the Board consider and receive any preliminary comments on the proposed Conflict of Interest Code.

Interim Executive Director Brian Thomas introduced the draft conflict of interest code for the Delta Conveyance Finance Authority noting that it is being introduced here for preliminary Board and public comment and consideration and that a public hearing by the Finance Authority is scheduled for December 14, 2018. Mr. Thomas noted that the Political Reform Act requires local agencies like the Finance Authority to adopt and promulgate a conflict of interest code. He explained that the FPPC Model Code may be amended by the FPPC from time

to time and can be adopted and incorporated by reference by local agencies like the Finance Authority as their own conflict of interest code under the Political Reform Act. Designated officials who manage public investments are not subject to a local agency's conflict of interest code. Rather, these officials must disclose financial interests pursuant to Government Code section 87200. A primary function of the Finance Authority is making decisions about public investments. Mr. Thomas noted that the Conflict of Interest Code that is being introduced complies with all of these requirements and is being introduced as part of a statutorily required public comment and review period.

Mr. Thomas explained that the Conflict of Interest Code was reviewed by the Executive Committee on October 15, 2018 and recommended for further consideration by the full Board. The Political Reform Act and the Fair Political Practice Commission regulations that implement it require a 45-day public comment period before a public agency can give local approval of a proposed conflict of interest code and then submit the proposed code to the FPPC for final approval. Notice of the commencement of the 45-day comment period was issued on November 13, 2018, with Mr. Thomas noting that he was at this time, introducing the proposed Conflict of Interest Code to receive any preliminary comments from the Board and from the public. The proposed Conflict of Interest Code will be brought back to the Board at its December 14, 2018 meeting for a public hearing and for administrative authority to make the required submittals once the comment period ends on December 28, 2018.

9. REPORTS AND ANNOUNCEMENTS

9.a. Executive Director Report

Mr. Thomas discussed with the board the activities that occurred over the last month, with the majority of the work focused on drafting organizational policies and guiding documents including the bylaws and conflict of interest code, as well as meeting with state contractors and members regarding the financing structure, participation in the Finance Authority, and other issues associated with financing WaterFix, including procurement methods. He noted that the Executive Committee had its initial meeting to consider the bylaws and conflict of interest code. Mr. Thomas noted that an RFP had been issued for General Counsel services. He also noted that the EPA did not select the WaterFix project to move forward to the next round, and that he is scheduling a meeting to receive feedback.

9.b. Treasurer's Report

June Skillman, DC Finance Authority Treasurer, provided the report to the Board. Ms. Skillman noted that during the First Quarter of FY 2019 receipts totaled \$80,000, consisting of contributions from three member agencies. She noted there were no disbursements from the DCFA Trust during the First Quarter of FY 2019 and the balance in the DCFA Trust at September 30, 2018 was \$80,000. Ms. Skillman noted that accounts receivable totaled \$53,333, consisting of expected contributions from the two remaining member agencies.

Ms. Skillman also noted that the January invoice will reflect a reapportionment based on increased membership.

10. FUTURE AGENDA ITEMS:

Interim Executive Director Thomas noted the need to discuss and/or renew his contract with the DC Finance Authority.

Director Headrick asked for a compilation of all actions taken to date by the Board.

11. ADJOURNMENT:

President Record adjourned the meeting at 12:37 p.m.

Approved:

Move to Approve:
Second:
Yeas:
Nays:
Abstains:
Recusals:
Absent:
Summary:

Date: