



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

ORIGINATING SECTION: ADMINISTRATION

CONTACT: VALERIE PRYOR

AGENDA DATE: July 18, 2018

ITEM NO. 13a

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 June.

Operations and Maintenance:

Maintenance staff worked on several projects including preparatory work for the Del Valle Water Treatment Plant (DVWTP) Ozonation Project, Mocho 2 well repairs, projects at the Patterson Pass Water Treatment Plant (PPWTP), projects at the Mocho Groundwater Demineralization Plant and repairs at the Stoneridge Well site.

Groundwater levels have peaked for the Water Year. Municipal pumping has started to drawdown the lower aquifer whereas the upper aquifer levels have stabilized for the time being. Storage is approximately 96% full, which is about 5,000 AF more water in the basin than at this time last year.

Administration:

The Board approved the Agency Two-Year Budget for Fiscal Years 2018-20. The two-year budget contains a total appropriation of \$342.6 million, with \$199.8 million in the first year and \$142.8 million in the second year and assumed a 17% conservation rate for FY 2018-19 and 15% for FY 2019-20. A mid-cycle review budget for FY 2019-2020 will be performed in the spring of 2019. The adopted budget provides the same level of service as the current year budget with no increase in staff or additional programs. In summary, the budget reflects the Agency's commitment to providing a reliable supply of high-quality water and an effective flood-control system to the Livermore-Amador Valley, as well as supports priorities and policies approved by the Board.

Staff has selected Raftelis (formerly Raftelis Financial Consultants) to update the financial model and develop water rates for a 4-year period. Since Raftelis prepared the current financial model, this approach would be more efficient and cost effective than selecting a new consultant to prepare a new model. This approach was discussed with the retailers at a water rate study kickoff meeting and the retailers supported this approach. Based on the work done by Raftelis, staff will prepare reports and make presentations to the Board. A draft schedule for the wholesale water rate study and rate setting process is as follows:

- May 3 – Water rate study kick off meeting with retailers
- August 29 – Public Workshop on wholesale water rates
- September 5 – Board workshop on wholesale water rates (treated and untreated)
- September 19 – Board meeting to consider water rates for adoption (treated and untreated)
- October 17 – Board meeting to consider water rates for adoption (treated and untreated)

In June 2018, The California WaterFix Administrative Draft Supplemental Environmental Impact Report/Environmental Impact Statement (EIR/EIS) was posted online. The updated environmental analysis covers footprint changes resulting from proposed design modifications that further minimize impacts of the project on local communities and the environment. This administrative review draft document is being distributed to Responsible and Cooperating agencies under CEQA and NEPA and for use by the State Water Resources Control Board as part of the ongoing California WaterFix Change in Point of Diversion hearings. The public draft version is anticipated to be related in July 2018 for formal public review and comment. All interested parties will have an opportunity to provide comments on the public review version of the Draft Supplemental EIR/EIS during that time. Responses will be prepared only for comments submitted during the formal public review and comment period. A notification will be sent when the public Draft Supplemental EIR/EIS is available for formal public review and comment as required by CEQA and NEPA. More information about the Administrative Draft Supplemental Environmental Impact Report/Environmental Impact Statement (EIR/EIS) is available here: <https://www.californiawaterfix.com/resources/administrative-draft-supplemental-environmental-impact-report-environmental-impact-statement-eir-eis/>

Staff attended Water Management and California Water Fix (CWF) Contract Amendment Negotiations in Sacramento and via telephone. Negotiations are nearing completion. The contract amendment will provide for cost allocation related to California Water Fix and will provide more flexible water management tools related to single and multi-year exchanges and transfers. The Agreement in Principle will be presented to the Zone 7 Board in August or September. Zone 7 executed the CWF Conduit Finance Joint Powers Authority Agreement (Finance JPA). This Finance JPA will assist the Department of Water Resources (DWR) in issuing revenue bonds for CWF.

Engineering and Flood Control:

Construction work continues on the Del Valle Water Treatment Plant Ozonation project which remains on schedule.

Design and environmental review \permitting work continues on the Patterson Pass Water Treatment Plant Upgrades and Ozonation project. A public workshop on the project was held on June 26, 2018. Design is nearing 95% completion. Design discussions / refinements and preparation of the draft Initial Study / Mitigated Negative Declaration (IS/MND) for CEQA compliance continue. IS/MND review process is anticipated to be completed in September 2018. Bid opening and award of construction phase contracts is currently still scheduled for November and December, respectively.

Various flood protection maintenance and repair projects are underway. Significant repair projects include Arroyo Mocho and South San Ramon creek.

Zone 7 has prepared an interactive Storm Damage Repairs and Trail Closures Map for the website. This informs the public about current and ongoing work to flood control facilities. The map provides the location and description of work being done as well as any related roadway or trail closures. Updates will be made as often as is necessary, up to twice weekly, during the construction season (summer) and will include before and after photos of the work. This “pilot” map will help Zone 7 understand how best to update and refine the map in the future. The link to the interactive map on the Zone 7 website is

<http://zone7.maps.arcgis.com/apps/webappviewer/index.html?id=9e6e5689fafc45cdaa6ab90f78cb4aa4>

Integrated Water Resources:

Work proceeds on evaluating financing options for the Sites Reservoir Phase 2 project. The estimated total costs for calendar year 2019 are \$177 million. Zone 7's share of 4% would be \$7 million. The Sites Project Authority will continue to request Water Infrastructure for Improvements to the Nation (WIIN) Act funding to lower upfront costs. Final scores were released by the California Water Commission (CWC) for the eight projects eligible for Water Storage Investment Program (WISP) funding. Sites will likely receive partial funding. Conditional funding decisions will be made at the CWC meeting scheduled for July 24 through July 26, 2018.

The Los Vaqueros Reservoir Expansion project continues to score well in the WISP scoring process. The project is expected to receive funding of \$460 million (total project cost of \$795 million). The scoring process continues through the month of June. Conditional funding decisions will be made at the CWC meeting scheduled for July 24 through July 26, 2018.

Staff presented the draft Stream Management Master Plan (SMMP) Amendment to the Water Resources Committee on May 3, 2018. Staff has met with the local floodplain managers and continues to update the report. Staff anticipates further review of the draft SMMP at a public workshop later this year.

The Potable Reuse Feasibility Study has been finalized and the report has been posted on the website: https://www.dropbox.com/s/pxcyajryga5j61s/potable_reuse_feasibility_study_May-2018.pdf?dl=0. The report was presented to various legislative bodies and staff is developing more specific next steps to be discussed at Water Agency Liaison Committee meeting to be held on September 6, 2018 at 4:00 PM at the Zone 7 Board Room.

Monthly List of GM Contracts

June 2018

<u>Contracts:</u>	<u>Amount</u>	<u>Purpose</u>
Cameron-Cole, LLC	\$5,485	Greenhouse Gas Inventory Verification
TOTAL June 2018	\$5,485	