



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

100 NORTH CANYONS PARKWAY, LIVERMORE, CA 94551 • PHONE (925) 454-5000 • FAX (925) 454-5724

ORIGINATING SECTION: OFFICE OF THE GENERAL MANAGER
CONTACT: VALERIE PRYOR

AGENDA DATE: March 20, 2019

ITEM NO. 22a

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 February.

Operations and Maintenance:

Maintenance staff worked on several projects including support work for the Del Valle Water Treatment Plant (DVWTP) Ozonation Project, preparation work for the Patterson Pass Water Treatment Plant (PPWTP) Expansion and Ozonation Project and annual preventative maintenance activities during annual plant shutdowns.

The DVWTP is closed through April 3, 2019 as part of the Ozonation Project.

Swift water rescue training was held and included classroom and live rescue training activities. The training focused on recognizing dangerous conditions, rescue and self-rescue techniques. All staff that may work in and around channels were trained, including staff from flood control, groundwater, maintenance and operations sections.

Administration:

Staff is reviewing the possibility of switching its property and liability insurance from the Alameda County Insurance Pool to the Association of California Water Agencies Joint Powers Insurance Agency (ACWA-JPIA). The Agency would continue to use the County for Workers' Compensation insurance. ACWA-JPIA provides insurance, risk management and safety programs and training that are specific to the water utility industry. A report will be discussed at the April 17, 2019 Board meeting.

Staff is currently reviewing the current Reserve Fund policy. Staff met with the Retailers to discuss the policy in November and January. Staff discussed the current policy with the Finance Committee on March 5, 2019 and received comments and direction. Discussions will continue at the May 5, 2019 Finance Committee meeting.

The FY 2018-19 Agency 2nd Quarter Revenue and Expense report was presented to the Finance Committee on March 5, 2019. The report will be included in the March 20, 2019 Board package as a staff report.

Staff participated in local High Schools and BAYWORK Career Fair events discussing various career opportunities in the water industry, including the Granada High School and BAYWORK Career Fair events on February 27, 2019 and the Amador Valley High School Career Fair event on February 15, 2019.

State Water Project Activities:

The State Water Project (SWP) allocation remains at 35% but is expected to increase after the next allocation study. San Luis Reservoir (SLR) is near capacity and is expected to fill within a week. Zone 7 currently has about 6,000 AF stored in SLR and has not lost any yet. Although Zone 7 is not first in line to spill its carryover, there is a potential to lose some or all of it. On the plus side, the snow conditions are 123% of the April 1 average and the SWP allocation has increased Zone 7's Table A by 16,000 AF.

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

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). The DCDCA did not meet in February and the minutes from the January meeting are not available. The DFCA met in February and the approved minutes from the January meeting are attached to this report.

Engineering and Water Quality:

SOURCE Magazine Editorial Award : An article by Issam Najm and co-authored by staff from the South Bay Aqueduct Contractors, including Zone 7 Water Quality Manager Gurpal Deol on "Cyanotoxin Destruction With Oxidants at Surface Water Treatment Plants" has won the SOURCE Magazine Editorial Award. Article was published in 2018 winter issue of SOURCE. The award will be presented at the California-Nevada Section Spring Conference on Tuesday, March 26, 2019 at the Sheraton Grand & Convention Center in Sacramento, California. Here is the link to the Article: https://www.apogeepublications.com/emags/source_winter2018/page_21.html.

State Water Resources Control Board's (SWRCB) 2019 Regulatory Priorities for 2019: On March 6, 2019, the SWRCB adopted its regulatory priorities for 2019, which include developing a replacement MCL for hexavalent chromium after developing the "economic feasibility" criteria. Another priority of interest is that the Division of Drinking Water is recommending the action level for day care facilities at 5 parts per billion (ppb) and is considering to lower the Detection Limit for Reporting Purposes (DLR) for lead in Title 22 from 5 ppb to 1 ppb.

DVWTP Ozonation Project: All of the Ozone Contactor Structure walls have been poured. Three roof pours are expected to be done in March to complete the structure. The Chlorine Contact Pipeline (CCP) was pressure tested and disinfected and is being tied in to the existing finished water line. This work is also expected to be complete at the end of March. All the new electrical equipment has arrived and been installed in the new electrical building.

PPWTP Upgrades and Ozonation Project: The pre-construction meeting was held on March 7, 2019. The General Contractor, C. Overaa & Co., has submitted initial submittals currently under review. Off-haul of the dirt stockpile next to the existing clearwell and future clearwell site is tentatively scheduled to start on March 18, 2010. Well permit application process for the monitoring and dewatering wells is starting. The project groundbreaking ceremony is scheduled for the afternoon of April 10, 2019.

Integrated Water Resources:

Groundwater levels have gone up significantly on the eastern side of the basin (Mocho II Subbasin) due to the recent large amounts of rainfall recharge, and have dropped slightly in the west (Amador Subbasin) due to the unseasonal well pumping by Zone 7. This well pumping was a result of water treatment plant outages for the DVWTP Ozonation Project and maintenance at the PPWTP.

The icon reference color scale on the Storm Central webpage has been modified to better represent the flood risk for the area around each stream gauge.



Monthly List of GM Contracts

February 2019

<u>Contracts:</u>	<u>Amount</u>	<u>Purpose</u>
Rubicon Applied Divers	\$6,835	Potable Water Storage Tank Dive Inspection and Report for the 4.5 MG Steel Clearwell at DWWTP
Stradling Yocca Carlson & Rauth	\$5,000	Continuing Disclosure Annual Report
Interior Motions	\$9,880.71	Additional Office Chairs
TOTAL January 2019	\$21,715.71	

BOARD OF DIRECTORS MEETING

MINUTES

REGULAR MEETING
Thursday, January 17, 2019
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 by President Record at the Sacramento Public Library, Tsakopoulos Library Galleria, 828 I Street, Sacramento, CA, at 11:30 a.m.

2. PLEDGE OF ALLEGIANCE

Director Pryor led the Pledge of Allegiance.

3. ROLL CALL

Board members in attendance were Randy Record, Gary Kremen, Valerie Pryor, Jeff Davis, Matt Stone, Paul Sethy, Doug Headrick, Kathy Cortner, Mark Krause, and Dwayne Chisam.

Director Record welcomed the three new board members (Kathy Cortner, Mojave Water District; Dwayne Chisam, Antelope Valley-East Kern Water Agency; and Mark Krause, Desert Water Agency).

Staff members in attendance were Brian Thomas and June Skillman.

4. PUBLIC COMMENT

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

5. OTHER MATTERS

5.a. None.

6. CONSENT CALENDAR:

6.a. Approval of the minutes from the meeting of December 14, 2018.

Motion:	Approve minutes from the meeting of December 14, 2018
Move to Approve:	Gary Kremen
Second:	Valerie Pryor
Yeas:	Doug Headrick, Dwayne Chisam, Gary Kremen, Jeff Davis, Kathy Cortner, Mark Krause, Matt Stone, Paul Sethy, Randy Record, and Valerie Pryor
Nays:	None
Abstains:	None

Recusals: None
Absent: None
Summary: 10 Yeas; 0 Nays; 0 Abstains; 0 Absent. (Motion passed as MO 19-1-01)

7. SCHEDULED ITEMS

- 7.a. Status report on current Delta Conveyance Design and Construction Authority activities. [Information item.]

Sergio Valles and Jill Duerig from the Delta Conveyance Design and Construction Authority (DCA) presented a report and presentation on current DCA activities. It was noted that work is underway to fill interim positions, award contracts for services; evaluate responses to SOQs and RFPs; develop policies and procedures for property acquisition, survey, mapping and right of way; obtain permits; select a new office location; and negotiate agreements with SMUD and the Western Area Power Administration for power. Ms. Duerig noted that the FY2018-19 adopted budget of \$133.57 million had been revised down to \$61.88 million given the expected pace of current activities. Director Davis queried Ms. Duerig about the timing of when financing from DC Finance would be needed, with Ms. Duerig noting that estimates indicate a need in spring 2020. Director Kremen asked about hiring local, delta labor for the project, with Ms. Duerig noting that the DCA had recently adopted a Small and Disabled Veteran Business Enterprise Policy, which may be amended to also include preference to hiring local (Delta) labor for the project.

- 7.b. Status report on DWR Consistency Opinion and State Water Resources Control Board Activities. [Information item.]

Ken Bogdan and Greg Farley from the Department of Water Resources (DWR) presented an oral report on Delta Stewardship Council Consistency Opinion and State Water Resources Control Board Activities. Mr. Bogdan discussed the regulatory process, noting that in December 2018 DWR withdrew its Certification of Consistency for the California WaterFix. Mr. Bogdan noted that DWR staff will begin working with Delta Stewardship Council staff to address issues of concern, with a goal to file a new Certification of Consistency in 2019. Mr. Bogdan also discussed activities at the State Water Resources Control Board (SWRCB), noting that DWR and the U.S. Bureau of Reclamation (Reclamation) filed a joint change petition to add points of diversion and rediversion on the lower Sacramento River as part of the California WaterFix project. A hearing on the petition commenced in July 2016 and is continuing. The hearing is subdivided into two parts, with Part 2 of the hearing focused on the potential effects of the petition on fish and wildlife and recreational uses and conditions that should be placed on any approval of the petition to protect those uses, including consideration of appropriate Delta flow criteria as required by the 2009 Delta Reform Act.

- 7.c. Consider and approve membership of the Coachella Valley Water District.

Recommendation: Consider and approve membership of the Coachella Valley Water District.

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Executive Director Brian Thomas provided the staff report to the Board. Mr. Thomas noted that Section 15 of the Delta Conveyance Finance Authority Joint Powers Agreement requires a unanimous vote to approve any Public Water Agency requesting membership after December 3, 2018 (five months after the effective date of the Joint Powers Agreement.) The Coachella Valley Water District (Coachella) approved a resolution to join the Finance Authority on December 11, 2018. Mr. Thomas noted that adding a new member will reduce the administrative costs for all members as the administrative costs are distributed among a larger number of participants.

Motion: Approve membership of the Coachella Valley Water District.
Move to Approve: Doug Headrick
Second: Kathy Cortner
Yeas: Doug Headrick, Dwayne Chisam, Gary Kremen, Jeff Davis, Kathy Cortner, Mark Krause, Matt Stone, Paul Sethy, Randy Record, and Valerie Pryor
Nays: None
Abstains: None
Recusals: None
Absent: None
Summary: 10 Yeas; 0 Nays; 0 Abstains; 0 Absent. (Motion passed as MO 19-1-02)

7.d. Consider and approve a reimbursement policy

Recommendation: Consider and approve a reimbursement policy

Executive Director Brian Thomas provided the staff report to the Board. Mr. Thomas noted that Section 5.1.3(e) of the Finance Authority's bylaws states the board shall establish a reimbursement policy under which a Director or others (e.g., staff) may receive reimbursement for travel and meeting expenses. The policy recognizes that the Directors are reimbursed by their appointed agencies for travel expenses associated with Finance Authority board and committee meetings. As such, the Finance Authority would not reimburse such expenses. It also notes the President must approve travel and meetings in which a Director participates on behalf of the Finance Authority for which a Director would be reimbursed. The policy describes the types of expenses that could be reimbursed (reasonable and necessary expenses). In addition, the guidelines for reimbursable expenses apply to staff who may be reimbursed for Finance Authority meetings (including consultants).

Motion: Approve the reimbursement policy
Move to Approve: Valerie Pryor
Second: Kathy Cortner
Yeas: Doug Headrick, Dwayne Chisam, Gary Kremen, Jeff Davis, Kathy Cortner, Mark Krause, Matt Stone, Paul Sethy, Randy Record, and Valerie Pryor
Nays: None
Abstains: None
Recusals: None
Absent: None

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Summary: 10 Yeas; 0 Nays; 0 Abstains; 0 Absent. (Motion passed as MO 19-1-03)

- 7.e. Consider selection of General Counsel and authorize President and Executive Director to negotiate a contract with the selected firm for an amount not to exceed \$75,000.

Recommendation: Authorize President and Executive Director to negotiate a contract with the selected firm for an amount not to exceed \$75,000.

Executive Director Brian Thomas provided the staff report to the Board. Mr. Thomas noted that on January 14, 2019, an interview committee consisting of the Executive Director, certain Board members, and certain professional staff from DC Finance Authority member agencies interviewed the lead candidate law firms for the role of Authority Counsel from the pool identified in the agenda notice and previous staff report.

After considering written responses and results of the interview, the committee recommends the selection of Olivarez Madruga Lemieux O'Neill. Staff recommends that the Board authorize the President and Executive Director to negotiate a contract for services, at a cost not to exceed \$75,000 in fiscal year 2018/19. Future annual contract amounts will be subject to board appropriation through the budget process.

Motion: Authorize the President and Executive Director to negotiate a contract with Olivarez Madruga Lemieux O'Neill for an amount not to exceed \$75,000 in fiscal year 2018/19.

Move to Approve: Gary Kremen

Second: Kathy Cortner

Yeas: Doug Headrick, Dwayne Chisam, Gary Kremen, Jeff Davis, Kathy Cortner, Mark Krause, Matt Stone, Paul Sethy, Randy Record, and Valerie Pryor

Nays: None

Abstains: None

Recusals: None

Absent: None

Summary: 10 Yeas; 0 Nays; 0 Abstains; 0 Absent. (Motion passed as MO 19-1-04)

8. REPORTS AND ANNOUNCEMENTS

8.a. Executive Director Report

Mr. Thomas discussed with the board the activities that occurred over the last month, noting that these activities included review of general counsel proposals and preparing and distributing a request for proposals for bond and disclosure counsel and discussing financing options with a number of investment banks and advisors.

Mr. Thomas noted that future activities will include reviewing bond and disclosure counsel (including tax counsel) responses, selecting a firm or firms to assist the Finance Authority prepare for an initial borrowing, querying for external audit services,

as well as working with the board to schedule a workshop to discuss the Finance Authority's work in 2019. Lastly, Mr. Thomas noted that work continues on the website, with a goal for the website to be live in March 2019.

8.b. Treasurer's Report

Ms. Skillman, DC Finance Authority Treasurer, discussed with the board the Treasurer's Report. Ms. Skillman noted that for the six months ended December 2018, receipts totaled \$133,794, consisting of contributions from five member agencies and interest receipts; disbursements totaled \$79,969; and the cash balance in the DCFA Trust at December 31, 2018 was \$53,825. Ms. Skillman noted that new members would be receiving an invoice for \$26,000, and would have 30 days to pay it.

9. FUTURE AGENDA ITEMS:

Board President Record requested future agenda items be raised at this time. Executive Director Thomas noted that future agenda items would include a draft Ethics Policy, which would be brought to the Executive Committee for review as well as an RFP for auditor services.

10. ADJOURNMENT:

President Record adjourned the meeting at 12:21 p.m.