



Revised

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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

REGULAR MEETING

April 17, 2019

The following were present:

DIRECTORS: SANDS FIGUERS
DENNIS GAMBS
DICK QUIGLEY
ANGELA RAMIREZ HOLMES
OLIVIA SANWONG

DIRECTORS ABSENT: SARAH PALMER

ZONE 7 STAFF: VALERIE PRYOR, GENERAL MANAGER
OSBORN SOLITEI, TREASURER/ASSISTANT GENERAL MANAGER, FINANCE
COLTER ANDERSEN, PRODUCTION MANAGER
GURPAL DEOL, WATER QUALITY MANAGER
CAROL MAHONEY, INTEGRATED WATER RESOURCES MANAGER
JOE SETO, PRINCIPAL ENGINEER
KERRI SMYTH, JUNIOR 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 6:00 p.m. and the Board immediately went into 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 after conferring with David Aladjem, General Counsel, the Board would report out of Closed Session once Item No. 13 was heard.

Item 5 – Citizens Forum

There were no public comments.

Item 6 – Minutes

Director Sanwong moved that the minutes of the Regular Board Meeting of March 20, 2019, be approved and Director Gambs seconded the motion. The minutes were approved by a voice vote of 5-0, with Director Palmer absent.

Director Gambs moved that the minutes of the Joint Board Meeting with Contra Costa Water District of March 5, 2019, be approved and Director Sanwong seconded the motion. The minutes were approved by a voice vote of 5-0, with Director Palmer absent.

Item 7 – Consent Calendar

Director Gambs moved that Item 7a be approved and Director Quigley seconded the motion. Item 7a was approved by a voice vote of 5-0, with Director Palmer absent.

Resolution No. 19-26 Declaring May as Water Awareness Month (Item 7a)

Item 8 – Position on a Statewide Tax on Drinking Water

Valerie Pryor, General Manager, introduced Item No. 8 and informed the Board that they could potentially take a position on the Statewide Tax on Drinking Water, or the Board could discuss and educate the public. Ms. Pryor stated that the Zone 7 Board does not typically take adopted positions on proposed legislation, but they have a few options. The first option is a proposed resolution to oppose the water tax, and the second option is a proposed resolution to support SB 669. The Board could adopt one or both resolutions.

Director Sanwong asked if it would be up to the water retailers to assess and collect the tax, and not become Zone 7's responsibility, and Ms. Pryor stated yes. Director Sanwong also asked if Zone 7's retailers have weighed in on the issue. Ms. Pryor stated that the Dublin San Ramon Services District (DSRSD) took an action to oppose the water tax last year, but she was not aware if any other retailers have taken action. President Ramirez Holmes asked if the proposed tax was only on potable water, and Ms. Pryor responded yes. President Ramirez Holmes also asked if the Veteran Affairs Hospital receives treated or untreated water, and Osborn Solitei, Treasurer/Assistant General Manager, Finance, responded that they receive both.

President Ramirez Holmes opened it up for public comment. Kelly Abreu, Fremont resident, suggested taxing groundwater extraction as opposed to taxing drinking water.

Director Figuers commented that the state is aware that there are disadvantaged locations that do not have clean drinking water and they need to be addressed. He said raising a trust fund is the best way to do that. Director Quigley said that taxing water sets a terrible precedent and he is against it. Director Sanwong stated that the water retailers would have to staff and create accounting procedures to process the tax and she does not think it is in the best use of our resources. Director Gambs indicated that safe drinking water for everyone has to be a priority in this state, but he does not believe taxing the water users is the way to go. President Ramirez Holmes stated that she thinks it is criminal that almost a million people in California lack access to safe and reliable drinking water on a daily basis. She further added that she believes a water tax is not the best approach, especially in a year with record surpluses.

President Ramirez Holmes made a motion to move approval both resolutions to oppose the water tax and support SB 669. Director Sanwong asked if the motion could be amended to include notifying our retailers. President Ramirez Holmes amended the motion that the distribution list includes our lobbyists, ACWA and our retailers. She also would like it to be included in the newsletter and communicated to our legislators via a letter signed by her.

President Ramirez Holmes made a motion to approve both resolutions and Director Quigley seconded it. Both resolutions in were approved by a voice vote of 5-0, with Director Palmer absent.

Resolution No. 19-27 Statewide Tax on Drinking Water

Resolution No. 19-28 Resolution Supporting SB 669 (Caballero), the Safe Drinking Water Fund

Item 9 – Per- and polyfluoroalkyl Substances (PFAS) Detections in Groundwater

Ms. Pryor introduced Alexandra Bradley, Communications Specialist, and Gurpal Deol, Water Quality Manager, who gave a presentation on Per- and polyfluoroalkyl substances (PFAS.) PFAS are a large group of human-made substances that do not occur naturally in the environment. Director Figuers asked what the impacts are on the human body. Mr. Deol responded that research is still ongoing, but there are impacts on blood pressure, cholesterol, growth, as well as issues in puberty. Director Sanwong asked who is investigating the Mocho 1 well. Ms. Pryor stated that Zone 7 has a very active groundwater-monitoring program and we are incorporating the PFAS testing in our normal testing routine.

Director Gambs asked if we knew the potential source that is actively contaminating the Mocho 1 well. Mr. Deol responded that we will know more when we take the samples. Director Sanwong asked how the blending process works to make sure the water is down to an acceptable level. Mr. Deol said we can take the water from the Mocho 1 well and blend it with other wells or we can run some of the water through the reverse osmosis process. That water will then go in a blended tank before it goes to the distribution system where we collect samples. Therefore, we have the verification in process for the documentation for both the Division of Drinking Water and the customers. He added that Mocho 1 is not used frequently. The last time it was used in production was June 2018.

President Ramirez Holmes commented that Zone 7 is improving the testing for water quality because it wants to ensure the health and safety of its customers. She believes Zone 7 needs to continue to be the leader in the valley, continue to have these discussions, and provide the information to the public.

Item 10 – Rehabilitation of Flood Control Channels, Phase 2 Construction Contract

Ms. Pryor introduced Kerri Smyth, Junior Engineer of the Flood Control Section. Ms. Smyth gave a presentation on the proposed Construction Contract for the Rehabilitation of Flood Control Channels,

Phase 2. She added that Zone 7 advertised this contract on February 20th and six bids were received. The Bid Opening took place on March 27th. The apparent low bidder was PMK Contractors, but they withdrew their bid due to a clerical error. Cal-Neva was the apparent second low bidder; however, upon review of their bid package, they were determined unresponsive, as they did not comply with all of the bid requirements. The apparent third lowest bidder was from Fanfa, Inc. Fanfa, Inc. met the specified qualifications and complied with all bid requirements with the lowest responsive and responsible bid price of \$3,656,752. She stated that staff recommends the Board approve the contract for an amount not-to-exceed \$4,388,102, which includes the bid price plus a 20% contingency.

Director Gambs asked about the agency's current annual tax revenue in comparison to what has been spent since the 2017 storms. Ms. Smyth said we will have spent approximately \$13 million by the end of the year. Mr. Solitei added that the revenue from property tax is around \$9 million.

Director Figuers said that the soils where the repairs are taking place are some of the most expansive, and have the ability fluctuate 1 to 2 inches per year. It is something Zone 7 will always have to deal with.

President Ramirez Holmes said she was concerned about leaving over half of the damaged areas unsightly and covered in tarps. Ms. Smyth assured President Ramirez Holmes that all of the damaged sites would be fixed by the end of the calendar year. She said the projects slated in Phase 3 are not as severe and are not covered by tarps. President Ramirez Holmes asked for more information on the status of the 2017 damaged sites. Ms. Pryor stated that staff would report back at a future meeting.

Director Gambs moved that the item be approved and Director Quigley **seconded**. The item was passed by a roll call vote of 5-0, with Director Palmer absent.

Resolution No. 19-29 Award of the Construction Contract for the Rehabilitation of Flood Control Channels, Phase 2 (FEMA DR 4301) Project 268-18

Item 11 – Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) Membership

Mr. Solitei gave a presentation on the proposed membership with the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) to provide Zone 7 with insurance for liability protection, property protection, and coverage for other risks. Mr. Solitei said staff requested property and liability program insurance from two insurance companies, the ACWA/JPIA and the Special District Risk Management Authority (SDRMA.) Staff found that ACWA/JPIA offers the same coverage as the County with a significant amount of savings.

Director Gambs asked why there is a large difference between ACWA/JPIA and the SDRMA's premiums. Ms. Pryor stated that ACWA/JPIA has an extremely proactive risk management program, and they visit all their insureds twice a year to do risk assessments. Director Figuers asked if Zone 7 has ever made claims to its insurance and Ms. Pryor stated yes. Ms. Pryor referred to an ACWA/JPIA staff report on Zone 7 that noted that Zone 7 sustained 28 liability claims in the past 5 years with an average claim size of \$4,900.

Director Quigley made a motion to approve the item and Director Gambs second the motion. The item passed with a roll call vote of 5-0, with Director Palmer absent.

Item 12 – Consider Action to Increase the Compensation of Zone 7 Board Members

Mr. Solitei presented the item for the Board to consider increasing the compensation for Zone 7 Board members. He said staff does a biannual review of compensation with comparable agencies and that the last increase for Zone 7's Board was in 2015. The Administrative Committee met on April 3rd to approve

an option to be brought to the full Board. The Administrative Committee recommends the Board approve a 3% increase for a total of \$181.54 per meeting.

Director Sanwong, who is a member of the Administrative Committee, went through some highlights of the notes that were taken at the meeting of April 3rd. She said the Committee had a healthy discussion in regards to all the different aspects of what was listed in the comparison table, primarily discussing group benefit costs. Administrative Committee thought it was not something they wanted to pursue at this time. She also added that the Committee agreed to move forward with Option 2, which is nominal, at 3%. Director Gambs wanted to mention that it is a 3% increase over the last 4 years.

President Ramirez Holmes stated that the Board would not be voting on the compensation, as it needs to be heard at a future public hearing. Director Figuers made a motion to hold a public hearing to discuss Option 2, and Director Sanwong seconded it. The motion passed with a voice vote of 5-0, with Director Palmer absent.

Item 13 – General Manager’s Compensation

President Ramirez Holmes stated that Item 13 is actually out of the Closed Session discussion, but the Board thought it merited more transparency, which is why they made it an actual item. She gave some background information in terms of the General Manager’s contract that states that no later than the regular Board Meeting of March of every year, the Board is to discuss mutually agreeable goals and objectives to be accomplished by the General Manager and review his/her performance. At the March 20, 2019, Board meeting, the Board performed an annual performance evaluation for the General Manager in Closed Session. It was then when the Board decided to bring the item back to the April Board Meeting to discuss compensation.

Director ~~Figures~~Figuers moved that the General Manager receive a one-time 2.5% performance bonus that will not be included in the base compensation. He added that the General Manager is not subject to the “me too” clause in future employee negotiations, and that the General Manager received a 2% base salary increase in July 2018 along with the other employees. Director Quigley seconded the motion. The motion passed with a voice vote of 5-0, with Director Palmer absent.

Resolution No. 19-31 General Manager’s Compensation (Item 13)

At 8:50 p.m., the Board took a 5-minute break.

Item 14 – 2019 Annual Review of Sustainable Water Supply for Zone 7 Water Agency

Carol Mahoney, Integrated Water Resources Manager, presented the 2019 Annual Review of Sustainable Water Supply. She summarized that Zone 7 has enough water to deliver 100% of the requested water deliveries in 2019 and 2020, even if conditions turn critically dry in 2020. Zone 7 also expects to meet demands over 2021-2023, assuming conditions are average during that time.

Director Gambs said he is concerned that if the groundwater basin were too full, it would be harder to find a place to use the local water. Since the water cannot be recharged, would it have to be used at the treatment plants? Ms. Mahoney responded that it is common that some of the water from Lake Del Valle would be used for blending.

Kelly Abreu of the Mission Peak Conservancy, said that the operating level of the lake is constrained by the presence of campground facilities and that the East Bay Regional Park District does not want the lake to run at maximum storage because they consider that a flood crisis.

Item 15 – Biannual Informational Presentation on Operations and Maintenance

Colter Andersen, Production Manager, gave a presentation on the current state of the Operations and Maintenance divisions, often referred to as the Production Department. He discussed the capacity of the water treatment plants, both now and after construction of the ozone upgrade projects. He briefly went over the work that the maintenance staff does to keep the water flowing. He also touched on personnel, safety and fleet management.

Director Gambs asked about the emergency generator at Silver Oaks. Mr. Andersen informed him that there is currently no generator stationed at Silver Oaks. Mr. Andersen stated that staff is developing a place to replace old and obsolete generators.

Item 16 – Temporary Adjournment/Continuance of Zone 7 Water Agency Meeting

The Zone 7 Water Agency meeting was temporarily adjourned at 9:41 p.m.

Items 17 – 21 Call Livermore Valley Water Financing Authority Regular Meeting to Order

[See “Minutes of the Board of Directors, Livermore Valley Water Financing Authority, Regular Meeting, April 17, 2019”]

Item 22 – Call Zone 7 Water Agency Meeting to Order

The Zone 7 Water Agency Regular Board Meeting was called to order at 9:45 p.m.

Item 23 – Committees

- a. DSRSD/Zone 7 Liaison Committee Meeting – February 26, 2019 – minutes
- b. Administrative Committee – April 3, 2019 – notes

Item 24 – Reports – Directors

- a. Verbal comments by President
- b. Written reports
- c. Verbal reports

President Ramirez Holmes said that the City of Livermore formed a subcommittee on homelessness, and they have asked for Zone 7’s participation, so she appointed Director Sanwong to represent the agency. President Ramirez Holmes also stated that the Water Resources Committee has a vacancy due to the resignation of Director Stevens. She said there is only one meeting scheduled before new committees are formed, so she will sub in for the vacancy. The plan will be to appoint the new director to that committee. President Ramirez Holmes said that she and Valerie Pryor attended the Elected Women's Group where Ms. Pryor gave a presentation.

Item 25 – Items for Future Agenda – Directors

There were no items mentioned for future agenda.

Item 26 – Staff Reports

- a. General Manager’s Report
- b. Legislative Update
- c. March Outreach Activities
- d. Water Inventory and Water Budget Update

e. Verbal reports

Ms. Pryor summarized her report by mentioning Zone 7 had a groundbreaking ceremony at the Patterson Pass Water Treatment Plant for the Expansion and Ozonation Project; the Ozonation Project at the Del Valle Water Treatment Plant is at the halfway point, and there is a Living Arroyo's Volunteer Appreciation Event and Creek Cleanup on Saturday, April 20th. She continued that Zone 7's Water Supply Evaluation Document has been finalized and has been posted on Zone 7's website. She also mentioned that the repaired Oroville Spillway was used the first week of April and worked as planned. Ms. Pryor discussed that the cost impacts of the Oroville Spillway repairs to Zone 7 are not yet final, but that estimated total exposure would be \$13.9 million between now and 2035.

President Ramirez Holmes added that she wanted to thank staff for their work on the Patterson Pass groundbreaking ceremony, as she received a lot of positive feedback. She also mentioned that the May 10th Special Board Meeting has been canceled, and the May 2nd Special Board Meeting will be moved up from 7:00 p.m. to 5:00 p.m.

Item 27 – Adjournment

The Board went back into Closed Session at 9:40 p.m. The Board came out of Closed Session with nothing to report and the meeting was adjourned at 10:07 p.m.