



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

100 NORTH CANYONS PARKWAY • LIVERMORE, CA 94551 • PHONE (925) 454-5000 • FAX (925) 454-5727

****Revised****

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

June 6, 2018

The following were present:

DIRECTORS: SANDS FIGUERS
SARAH PALMER
RICHARD QUIGLEY
BILL STEVENS

DIRECTORS ABSENT: JOHN GRECI
ANGELA RAMIREZ HOLMES

ZONE 7 STAFF: VALERIE PRYOR, GENERAL MANAGER
OSBORN SOLITEI, TREASURER/ASSISTANT GENERAL MANAGER,
FINANCE
JAVIA GREEN, STAFF ANALYST
MIKE WALLACE, STAFF ANALYST
JARNAIL CHAHAL, ENGINEERING MANAGER, FACILITIES
ENGINEERING
RHETT ALZONA, PRINCIPAL ENGINEER, FACILITIES ENGINEERING
JOE SETO, PRINCIPAL ENGINEER, FLOOD PROTECTION
NZINGA ARRINGTON, ACTING EXECUTIVE ASSISTANT

GENERAL COUNSEL: DAVID ALADJEM, DOWNEY BRAND

Item 1 - Call Meeting to Order

Director Palmer called the meeting to order at 5:02 p.m.

Item 2 – Pledge of Allegiance

Director Palmer led the Pledge of Allegiance.

Item 3 – Citizens Forum

Mr. Gerald Vattuone of Livermore stated that the Arroyo project could cause a semi-permanent stagnant lake. He suggests that these important issues are resolved. Mr. Vattuone stated that he appreciated the Board Members walking through the site with citizens last week.

Mr. Michael Murphy of Livermore thanked the General Manager and Board of Directors for the walk and talk at Oak Grove. Mr. Murphy reported that he has received numerous signatures from citizens to leave the area as a natural habitat. He also suggested that the bike path be lowered until other plans upstream are completed.

Ms. Karen Anderson of Livermore thanked the City of Livermore and Zone 7 for the Walk and Talk. Ms. Anderson stated that she was concerned if this is the best thing to do and that she was speaking on behalf of the animals. She also stated that she will submit a response by the deadline.

Item 4 – Proposed Two-Year Budget: Fiscal Year 2018-20

Ms. Valerie Pryor stated that there were no new programs and no new staff in the budget, pretty much a continuation of Zone 7 activities. Mr. Osborn Solitei presented the Proposed Two-Year Budget for FY 2018-20. The budget kicked off in February 2018. During March and April the Departmental sections worked on the budget. During the month of May, the budget was reviewed by management. The proposed FY 2018-20 budgets is planned for adoption on June 20, 2018 by the Board and the operating funds (Fund 100, 110 and 200) budgets will be submitted to the County.

Fund 100 for FY 2018-19, revenue is estimated at \$47.9 million and expenses of \$46.8 million. The fund is projected to have \$13.2 million in reserves, which falls approximately \$3.8 million below the minimum reserve level of \$17 million required by the Reserve Policy. In FY 2019-20 budgets, revenues are estimated at \$52.8 million, expenses of \$51.6 million and reserves of \$14.4 million which is approximately \$4.0 million below the minimum reserve level. Director Figuers asked whether the percentages for reduced water demands due to conservation were reflected by individual use or total. Mr. Solitei responded that the percentages were a total. Director Figuers requested that the population total be included in future reports to see if the demand changes based on conservation efforts or population changes. The proposed budget projects a potential water rate increase of CPI plus 5% for Calendar Years 2019 and 2020 to achieve a balanced budget. A Wholesale Water Rate Study will be performed in Fall 2018.

Fund 110 receives revenues from property tax and funds the “fixed cost” payment to the State Department of Water Resources (DWR) to import water to Zone 7. The proposed budget increased due to DWR’s estimates for 2018 and 2019, which includes inflation and the true-up of under billed Transportation Minimum OMP&R component of the charges. There is no increase to property tax levy in the proposed Two-Year Budget. Property tax levy will remain at the same level as FY 2017-18.

Fund 120 receives revenues from water rates via a transfer from fund 100. In FY 2017-18 the Agency issued water revenue bonds, the \$57 million of the bond proceeds received by this fund will be used for ozone projects at both Del Valle and Patterson Pass Water Treatment Plants. Therefore, major projects planned are the Del Valle Water Treatment Plant Ozone Project, Patterson Pass Water Treatment Plant (PPWTP) Upgrades, and Chain of Lake 1 Yard and Slope Stabilization. Director Stevens asked if the Asset Management Program (AMP) funding is used for future infrastructure needs. Mr. Solitei confirmed that AMP funds current and future renewal and replacement projects.

Fund 130 receives revenue from new water connections, 1,354 new water connections during FY 2018-19 is estimated and 1,230 new water connections for FY 2019-20. Director Figuers asked for clarification on whether water connections to a single-family home and industrial/apartment buildings were both considered individual connections. Mr. Solitei confirmed that one connection is equal to a 5/8 inch meter. The proposed revenues assumes 3% annual increases to the Water Connection fee (fees are adjusted on January 1 of each year based on the change in the Engineering News Record Construction Cost Index (ENRCCI)

Fund 200 receives revenue from the Ad Valorem Property Tax. The proposed revenue of \$8.6 million is based on an estimated 5% increase in property tax revenue assessments. FY 2018-19 appropriations includes \$4.3 million in design and construction of 31 damaged sites and 40 sites for FY 2019-20 for an estimated \$2.3 million. Projected reserves for Fund 200 will be at approximately \$4.7 million at the end of FY 2019-20.

Fund 210 receives revenues from Development Impact Fees (DIF). This fund will fund major capital projects such as the Camp Parks Detention Basin, Arroyo Mocho Medeiros Parkway project, matching funds for the Concanon EPA grant project, and portion of the Flood Control Corporation Yard and Materials Storage Facilities. DIF and an Initial Financing Strategy will be completed this year.

Item 5 – Verbal Reports

Director Palmer stated that the meeting with Ayn Weisekamp, Valerie Pryor, Jarnail Chahal, Rhett Alzona, Emily Moshier, Dennis Gambs, and the neighbors of Medeiros Parkway, was good to share information regarding the project. She also stated that there were concerns about trees on the North Side being taken down, and fire hazards.

Item 6 – Adjournment

Director Palmer adjourned the meeting at 5:44 p.m. for Closed Session.

Item 7 – Closed Session

Closed Session adjourned at 6:36 p.m. There was nothing to report out.