



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

REGULAR MEETING

January 17, 2018

The following were present:

DIRECTORS: SANDS FIGUERS  
JOHN GRECI  
ANGELA RAMIREZ HOLMES  
SARAH PALMER  
RICHARD QUIGLEY  
BILL STEVENS

DIRECTORS ABSENT: JIM McGRAIL

ZONE 7 STAFF: JILL DUERIG, GENERAL MANAGER  
OSBORN SOLITEI, ASSISTANT GENERAL MANAGER,  
FINANCE/TREASURER  
LINDA VAN BUSKIRK, EXECUTIVE ASSISTANT

COUNSEL: DAVID ALADJEM, DOWNEY BRAND

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**Item 1 - Call Meeting to Order**

President Greci called the meeting to order at 6:00 p.m. and the board went into Closed Session immediately.

**Item 2 - Closed Session**

- (a) Conference with Labor Negotiators pursuant to Government Code section 54954.5:  
Agency Negotiator: G. F. Duerig  
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
- (b) Conference with Legal Counsel - Existing litigation pursuant to Government Code §54956.9(d)(1): 2 cases
  - (1) Zone 7 v. Bhupinder Singh, et al., Alameda County case no. RG17862001 and related cross action
  - (2) 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
- (c) Conference with Legal Counsel - Significant exposure to litigation pursuant to Gov't Code section 54956.9(d) (2): 3 cases

(d) Conference with Legal Counsel - Potential litigation pursuant to Gov't Code section 54956.9(d) (4): 2 cases

(e) Conference with Legal Counsel regarding retirement of General Manager pursuant to Government Code §54957

### **Item 3 – Open Session and Pledge of Allegiance**

President Greci called the meeting back into session at 7:00 p.m. and led the Salute to the Flag.

### **Item 4 - Report Out of Closed Session**

President Greci reported that the Board met in Closed Session on the items on the agenda and no reportable actions were taken.

### **Item 5 – Citizens Forum**

There were no public comments.

### **Item 6 – Minutes of the Regular Board Meeting of December 20, 2017**

A redlined version of the minutes was handed out showing a proposed change requested by Director Ramirez Holmes. She stated that on page 2, item 7, the first paragraph should read “Director Figuers ~~and Director Ramirez Holmes~~ asked to pull Item 7(a).” removing the words “and Director Ramirez Holmes” from the sentence.

Director Quigley moved to approve the minutes of December 20, 2017 with the proposed changes, and Director Palmer seconded the motion. The minutes were approved by a voice vote of 6-0, with Director McGrail absent.

### **Item 7 - Consent Calendar**

- a. Election of Four Zone 7 Board Members on June 5, 2018
- b. Cost Sharing Agreement for Invasive Mussel Inspection Program at Lake Del Valle
- c. High-Efficiency Clothes Washer (HEW) Rebate Program Extension

Director Palmer asked to pull Item 7(a) for comments.

Director Palmer moved to approve Items 7(b) and (c) and Director Ramirez Holmes seconded the motion. The items were passed by a voice vote of 6-0, with Director McGrail absent.

**Resolution No. 18-02**                      Authorized a Cost Sharing Agreement for the Invasive Mussel Inspection Program at Lake Del Valle (Item 7b)

**Resolution No. 18-03**                      Authorized an extension of the High-Efficiency Clothes Washer Rebate Program (Item 7c)

### **Item 7a. Election of Four Zone 7 Board Members on June 5, 2018**

Director Palmer commented that the cost to file a Candidate Statement in this year’s election is approximately \$3,839 which shows that the people who run for office have much invested and are

quite serious about the position. Director Ramirez Holmes emphasized that there is no filing fee for this position, but a fee is charged for translating and printing the Candidate's Statement of Qualifications in the ballot pamphlet. Although the cost has gone up within the last two years, a partial refund may be issued after the election. In response to a question by Director Figuers, David Aladjem, Counsel, added that translations by approved translators are required under the Federal Voting Rights Act. All cost figures are provided by the County Registrar of Voters and are based on actual costs and the number of registered voters in Zone 7's service area. When the cost comes in less than what the county anticipates, they refund the difference.

Director Ramirez Holmes moved to approve Item 7(a) and Director Quigley seconded the motion. The item was passed by a voice vote of 6-0, with Director McGrail absent.

**Resolution No. 18-01** Authorized an election for four members of the Zone 7 Board in the Statewide Direct Primary Election (Item 7a)

### **Item 8 - Staffing Update**

Ms. Duerig announced that JaVia Green, Staff Analyst in the Financial & Systems Services section, was selected as the November Employee of the Month. JaVia joined Zone 7 in September 2005 as a Staff Analyst, promoting from the General Services Agency at the County of Alameda. She is recognized for her stellar support recently on the Capital Improvement Program and State Revolving Fund application package for seeking bond funding. Ms. Green's support has also been instrumental in working closely with the Agency's Debt Financing team. She does all of this with a smile. She is a real team player and a real asset to the Agency. The Board congratulated Ms. Green in absentia for her accomplishments.

### **Item 9 – Status of Debt Financing Efforts**

Osborn Solitei, Treasurer/Assistant General Manager in the Finance section, presented the staff report on the status of the Agency's Debt Financing Efforts that highlighted steps taken since the Board authorized the formation of a Joint Powers Authority (JPA) in October 2017 with the California Statewide Communities Development Authority to issue JPA revenue bonds for the ozone projects at the Del Valle Water Treatment Plant (DVWTP) and the Patterson Pass Water Treatment Plant (PPWTP). Staff originally presented the status of bond financing efforts at the December 12, 2017 Finance Committee meeting. The committee members requested Staff to prepare a cash flow analysis to show that SRF funding would not be secured in time to commit the construction contract. Attachment A to the staff report was created and discussed. It shows a negative net available fund balance in the first or second year of the construction as low as negative \$13.3M, suggesting that a reimbursement-type loan such as the State Revolving Fund (SRF) is not financially feasible for these projects.

Staff recommended the Board authorize the pursuit of debt financing using revenue bonds through the JPA instead of SRF loans to finance the construction of ozone projects at the Del Valle and Patterson Pass Water Treatment Plants, and to refinance the Cawelo debt.

There was some discussion on reducing the Agency's costs by refinancing the Cawelo debt. Staff stated that the Cawelo debt is an exchange agreement with the Cawelo Water District. Refinancing could potentially lower the current interest rate of 4.46% down to around 3% and save at least \$300,000 every year through the payoff in 2035.

There was further discussion on the timing of the projects going out to bid. Staff is already advertising bids for the DVWTP Ozone project. However, the PPWTP Ozone project is part of a much larger plant expansion project. That project is currently at about 30% design, and is not anticipated to go out to bid at this time. A question was asked about the possibility of separating the projects out and pursuing the SRF. Staff responded that the possibility was explored, but the issue is the Agency is paying 50% of the PPWTP in cash from the expansion fund. This is a tax legal issue. Since we have Cal Water – which is municipal private entity - we have to finance at least 25% with cash to maintain eligibility for nontaxable tax bonds. The DVWTP project is not increasing capacity at all so will have no cash contribution from the expansion fund. By bundling them together, the cash contribution requirement is met. SRF projects make more sense for a smaller project, when we have adequate cash to be able to support a reimbursement-type loan.

President Greci asked for public comment. None was received.

Director Palmer moved to approve Item 9 and Director Quigley seconded the motion. The item was passed by a roll call vote of 6-0 with Director McGrail absent.

**Resolution No. 18-04** Authorized the issuance of JPA revenue bonds to finance the Ozone Projects and to refinance the Cawelo debt (Item 9)

#### **Item 10 – Temporary Adjournment/Continuance of Zone 7 Water Agency Meeting**

President Greci temporarily adjourned the meeting at 7:22 p.m.

#### **Items 11 – 16**

[See “Minutes of the Board of Directors, Livermore Valley Water Financing Authority, Regular Meeting, January 17, 2018”]

#### **Item 17 – Call Zone 7 Water Agency Meeting to Order**

President Greci called the meeting of the Zone 7 Water Agency back into session at 7:24 p.m.

#### **Item 18 – Committees: Liaison Committee Meeting – January 9, 2018 - notes**

President Greci reported that there was a very large turnout at the Liaison Committee meeting. The minutes are in the agenda packet. Ms. Duerig clarified that these are very much draft minutes because only three of the four agencies present provided input prior to the agenda package being posted. Ms. Duerig also noted that there was a mistake on one of the slides that ACWD presented, namely, on the second slide (the first substantive slide) it erroneously states that the Corps of Engineers had constructed Del Valle Dam. Actually, the Department of Water Resources (DWR) constructed Del Valle Dam 50 years ago, and we recently celebrated that construction anniversary.

No other comments were received.

**Item 19 - Reports - Directors**

- a. Verbal comments by President
- b. Written report by Director Palmer
- c. Written report by Director Quigley
- b. Verbal reports

Director Figuers reported that he had the privilege to attend the Department of Water Resources (DWR's) two-day safety inspection tour conducted by the Division of Safety of Dams (DSOD). The safety inspection included Bethany Forebay, Clifton Court, and the Del Valle Dam and was fascinating.

Director Palmer reported that in light of the discussion from last month's board meeting and in order to save money for the Agency, she has decided to withdraw her request to travel to the ACWA conference in Washington, D.C. She will request approval to attend ACWA's spring conference coming up in May 2018 to be held in Sacramento instead.

Director Quigley reported that he attended the Liaison Committee meeting regarding recreation on January 9<sup>th</sup> and on January 10<sup>th</sup> saw many of the same attendees at the Alameda County chapter of the California Special Districts Association (CSDA) meeting. He stated there is a lot of interest on Lake Del Valle. He mentioned that Alameda County will be embarking on a mass water balance study. As an advocate of mass water balance, he asked Staff to pass along any information they receive on the subject as it becomes available.

**Item 20 - Items for Future Agenda – Directors**

None.

**Item 21 - Staff Reports** (Information items. No action will be taken.)

- a. General Manager's Report
- b. Legislative Update
- c. Outreach Activities
- d. Water Inventory and Water Budget Update
- e. Updates on Water Supply Projects
- f. Verbal reports

Ms. Duerig invited any questions on the staff reports. None were received.

Ms. Duerig introduced Colonel Phil Stage, Chair of the San Francisco Bay Chapter of the Employer Support of the Guard and Reserve (ESGR), an agency of the Department of Defense. Colonel Stage presented the Patriot Employer Award to Joe Seto, Principal Engineer in the Flood Protection section. Mr. Seto was nominated for the award by one of Zone 7's employees, Andrew Chamberlain, and reflects the high level of support he has shown for employees serving in the United States Armed Forces Guard and Reserve. After receiving a standing ovation, Mr. Seto said that on behalf of the Board of Directors, the executive management team and Zone 7 staff, it is an honor and a privilege to be receiving the Patriot Employer Award. He added that we are extremely grateful to all the men and women serving in the military for their service and dedication to this great country. Mr. Chamberlain further expressed his deep appreciation to Zone 7 and Mr. Seto for their support during his military career.

President Greci stated that an alternate Liaison Committee member will need to be chosen for the upcoming March 1, 2018 Liaison Committee meeting at the City of Livermore as Director Quigley will be in flight to the ACWA DC conference and President Greci will not be able to take his place. At Director Ramirez Holmes' recommendation, President Greci said that Director McGrail will be contacted to ascertain if he will be available as a substitute.

**Item 22 - Adjournment**

The meeting was adjourned at 7:56 p.m.