

MINUTES OF THE BOARD OF DIRECTORS  
ZONE 7  
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT  
REGULAR MEETING  
May 21, 2008

Vice-President Palmer called the regular meeting to order at 7 p.m., with a salute to the flag. The following were present:

DIRECTORS: JOHN GRECI  
JAMES CONCANNON  
JAMES KOHNEN  
SARAH PALMER  
RICHARD QUIGLEY

DIRECTORS ABSENT: STEPHEN KALTHOFF  
WILLIAM STEVENS

ZONE 7 STAFF: JILL DUERIG, GENERAL MANAGER  
AMY NAAMANI, GENERAL COUNSEL  
KURT ARENDS, ASSISTANT GENERAL MANAGER, ENGINEERING  
VINCE WONG, ASSISTANT GENERAL MANAGER, OPERATIONS  
JOHN YUE, ASSISTANT GENERAL MANAGER, FINANCE & BUSINESS SERVICES  
DAVID LUNN, WATER RESOURCES MANAGER  
RHETT ALZONA, ASSOCIATE ENGINEER, WATER SUPPLY ENGINEERING  
BARBARA MORSE, BOARD SECRETARY

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**Item 3—Citizens Forum**—No comments.

**Item 4—Minutes of Regular Meeting of April 16, 2008**

On a motion by Director Greci with second by Director Quigley, the Board approved the minutes of the regular meeting of April 16, 2008.

**Item 5—Consent Calendar**

Director Greci moved for the approval of the consent calendar. The motion was seconded by Director Concannon, and the following resolutions were approved by a vote of 5-0.

Resolution No. 08-3157      Approving request for out of state travel expense reimbursement for Conrad Tona and Rhett Alzona to attend the 2008 AWWA Annual Conference and Exposition in Atlanta, Georgia, June 8-12, 2008. (Item 5a)

Resolution No. 08-3158      Approving contract amendment in amount of \$19,875 with Dependable Janitorial Service for custodian services at District water treatment plants and the Parkside Office. The total not-to-exceed contract amount is \$67,875, and the contract is extended through November 30, 2008. (Item 5b)

Resolution No. 08-3159	Approving amendment in an amount not-to-exceed \$75,000 to the professional services contract with DTN Engineers, Inc., for electrical engineering support services for FY 2008/2009. (Item 5c)
Resolution No. 08-3160	Approving professional services contract in the amount of \$211,700 with Kier & Wright Civil Engineers & Surveyors, Inc., for surveying support services for FY 2008/2009. (Item 5d)
Resolution No. 08-3161	Approving professional services contract in the amount of \$94,500 with Consolidated Engineering Laboratories for materials testing services for FY 2008/2009. (Item 5e)
Resolution No. 08-3162	Approving refund of connection fee to Harvest Properties in the amount of \$135,620. (Item 5f)
Resolution No. 08-3163	Accepting Quitclaim Easement from DSRSD for Turnout No. 5 (70098) (Item 5g)
Resolution No. 08-3164	Approval of License Agreement for DSRSD for use of the easement area in the vicinity of Turnout No. 5 (70098). (Item 5g)
Resolution No. 08-3165	Approving Amendment No. 1 to the Memorandum of Understanding with the Bay Area Clean Water Agencies to provide \$60,000 temporary bridge funding for the regional water conservation campaign. (Item 5h)
Resolution No. 08-3166	Approving Amendment No. 1 in the amount of \$31,500 to contract no. A08-48-HDR with HDR Engineering, Inc., for Stream Management Master Plan Development Impact Fee Engineering Study. (Item 5i)

**Item 6—Staffing Update: Introduction of New Employee**

Ms. Duerig introduced one new employee:

Ted Tang, Water Resources Technician I in the Flood Control Engineering Section.

**Item 7—Mountain House Golf Course Contract Reinstatement**

Mr. Arends gave a brief history of this item.

- At its February 20, 2008 meeting, the Board authorized the suspension of the untreated water service to Mountain House Golf Course (MHGC) for repeated failures to pay for water services provided as required by the terms of its untreated water contract with Zone 7.
- Since that time, staff has been in discussions with MHGC regarding the financial requirements to allow re-establishment of service. These requirements include not only payment for water received but also reimbursement of permanent turnout design and other DWR charges.
- Mr. William Costanzo, General Manager of MHGC, has requested re-establishment of untreated water service to MHGC, including a commitment to submit sufficient payment to

return MGHC “in good standing” with Zone 7, and on May 5, 2008, he delivered two warrants to Zone 7 totaling \$34,260.90 to pay the outstanding account balance for water charges owed and to replenish the trust fund established to repay DWR for their costs associated with design of a permanent turnout.

- With this payment, MHGC has cured the breach of its Untreated Water Supply Contract.
- Since MHGC has now satisfied its outstanding payment obligations to Zone 7, staff recommends that the Board re-establish its untreated water service conditioned upon MHGC entering into a contract amendment with Zone 7 which provides that the General Manager, at her discretion, may immediately discontinue service if MHGC becomes delinquent in the future. Additionally, if the delinquency is cured, then service may be reinstated subject to such terms and conditions as she deems appropriate.

Mr. Arends noted that MHGC General Manager, Mr. William Costanzo, was present to answer questions.

Vice-President Palmer suggested adding wording which would impose a reconnection fee or penalty if this contract falls in arrears again.

Ms. Naamani stated that since she had become aware of this suggestion earlier in the day, she had prepared a revised resolution to include the suggested wording for a reinstatement fee of 15% of the delinquent payment. She then read the revised language in the resolution.

There was consensus to revise the resolution as suggested.

Director Concannon moved for the adoption of Resolution No. 08-3167 authorizing the re-establishment of untreated water service to MHGC and authorizing the General Manager to execute an amendment to the MHGC Untreated Water Contract providing that, at the General Manager’s discretion, water service may be immediately discontinued in the event MHGC becomes delinquent in its future payment obligations and if such delinquency is cured, to reinstate service upon such terms and conditions as she deems appropriate and upon payment to Zone 7 of a reinstatement fee equal to fifteen percent (15%) of the delinquent payment. The motion was seconded by Director Quigley and passed by a vote of 5-0.

**Item 8—Award of Contract to Fanfa, Inc., for Operated Equipment Supply Contract for As-needed Routine Maintenance and Emergency Work for Flood Control Facilities, Project No. 178-09**

Mr. Arends provided the following information regarding this project:

- Zone 7 has a continued need for specialized services through a contractor for routine maintenance and emergency flood control work. The current contract is in its third and final year and will expire on June 30, 2008.
- In March 2008, in accordance with the Public Contract Code, Zone 7 advertised a new 3-year contract for similar as-needed services. The engineer’s estimate for this contract is \$750,000 per year.
- Fanfa Inc., was the only contractor submitting a bid for the project with a bid of \$693,094 per year.

- The bid has been reviewed by Zone 7 staff and the General Counsel, and it was determined that Fanfa, Inc., has complied with all bid requirements.
- Staff recommends the award of contract to Fanfa, Inc., in an annual not-to-exceed amount of \$750,000 per year for three years.

Board questions:

Director Quigley asked if the work covered by this contract is in addition to the StreamWISE projects or will this become part of StreamWISE.

Mr. Arends responded that this is an annual flood control maintenance contract that is put in place each year to cover routine maintenance as well as emergency winter storm repairs if necessary. It is an on-going need regardless of whether StreamWISE happens or not.

In response to a question from Director Kohnen about whether there is money in this year's budget for this contract, Mr. Arends responded that funds are budgeted for this contract which is for the 2008-09 fiscal year and begins on July 1, 2008.

Director Kohnen was concerned because funding for this contract comes from property tax revenues in the General Fund and in the recent past, revenues were shifted by the state from this fund to pay for state budget shortfalls.

Mr. Yue confirmed that funds are budgeted for this project in the 08-09 budget. Additionally, even if the governor proposes another property tax shift, we have sufficient reserves to fund this work.

There were no further questions.

Director Quigley moved for the adoption of Resolution No. 08-3168 awarding the contract for Operated Equipment Supply Contract for As-needed Routine Maintenance and Emergency Work for Flood Control Facilities, Project No. 178-09, to Fanfa, Inc., for an annual not-to-exceed amount of \$750,000 per year for 3 years based on the unit prices bid in their proposal for Contract No.178-09. The motion was seconded by Director Greci and passed by a vote of 5-0.

### **Item 9—Establishment of Funding Assurances for the Endowment of Conservation Easement Management and Maintenance Related to the Altamont Water Treatment Plant and Pipeline Projects**

The Board heard a presentation from Mr. Rhett Alzona on the conservation easement and endowment funding required by regulatory permitting agencies (USFWS and CDFG) for the Altamont Projects.

- Biological assessment of Altamont Projects was completed in April 2006 and USFWS issued a Biological Opinion in February 2008
- In addition to preparing a Habitat Management Plan (HMP), Zone 7 acquired property from the Walker family to be used as a conservation easement.
- Zone 7 is now being required to provide an endowment or other funding mechanism for the HMP's perpetual management and maintenance of the conservation easement.
- Negotiations are taking place with CDFG over the terms of the final permit which are contingent upon the endowment being set up.

- Staff recommendation is that the Board authorize the General Manager to establish an escrow account or another funding mechanism for an amount up to \$1.5 million for an endowment to perpetually manage and maintain the Conservation Easement.

Questions from Directors:

Noting that the easement is close to the windmills, Director Greci asked if we would be subject to any additional costs because of raptor problems with the windmills. Can we expect any additional costs or problems because of our proximity to the windmills?

Mr. Alzona responded that our easement has nothing to do with the windmills. This is a conservation easement, and it is separate from the property where the windmills are located.

In response to further questioning on this concern, Mr. Alzona agreed to follow up with CDFG and confirm that the proximity of the windmills will have no affect on our easement.

Vice-President Palmer asked if the \$1.5 million is a set amount or could the cost go up in the future.

Mr. Alzona responded that our environmental consultant believes that it is a good estimate and that the amount will likely be up to \$1.5 million.

Asked to give examples of the maintenance which will be needed, Mr. Alzona responded that it would include activities such as weed abatement and star thistle control.

Mr. Arends added that the purpose of the HMP is to manage the property in the long term for proper maintenance of habitat and keep it in its natural state.

Discussion followed on the \$1.5 million. Directors were concerned with who would hold the money and where the money would come from. Have we budgeted for this expense? It was noted that if you put \$1.5 million in the bank and let it draw interest, the property could be maintained forever.

Mr. Alzona stated that this money was budgeted as part of the Altamont projects, and it will be held in an escrow account.

In response to a question from Director Kohnen on whether this will contribute to the 8% increase in the treated water rate, Ms. Duerig responded no, this funding will come from the Expansion fund. It has not yet been determined who will administer the \$1.5 million but CDFG wants assurances that the money will be paid.

In response to a question about how the proper amount will be determined, Ms. Duerig stated that the Alameda County Resource Conservation District (RCD) has drafted a plan which is under review. The RCD is very involved with plan development and monitoring, species habitat, etc. The amount of money needed will be determined, as will the entity that will hold the money. Among the possibilities are the RCD or CDFG—although it is not likely CDFG will be selected.

Vice-President Palmer reaffirmed that what the Board is approving this evening is the principle of creating an endowment. She asked if this will come back to the Board later when the details have been worked out.

Ms. Naamani responded no; if this is authorized this evening, the General Manager would be authorized to give further direction. Money has been budgeted for this purpose. CDFG wants Board approval as an extra layer of assurance that the money will be set aside.

Ms. Duerig added that in the past, there have been some agencies that have backed out of their obligation. CDFG wants this endowment so that the conservation easement will be maintained in perpetuity. They are in the driver's seat and can withhold the permit until we satisfy their requirements.

Director Quigley asked if the easement will be open to the public. The area has been grazed and has ranch roads through it. \$1.5 M sounds like a lot of money to protect habitat and allow a naturalist to count species. He was reluctant to give CDFG \$1.5 million or any 3<sup>rd</sup> party, for that matter.

Ms. Duerig confirmed that there are ranch roads out there. However, the conservation easement land will not be open to the public. The purpose is to protect the land from the public.

Director Quigley asked about guided tours for the public.

Ms. Duerig responded there will be no public access. It is part of the mitigation for other projects in which we are participating (e.g., SBA expansion). We need to set some land aside which will remain undisturbed and record the easement against the title of the property so that nothing will go on there. There are no other options available, and the final permit will be withheld until we authorize the endowment.

Audience comments:

Noting that he had extensive involvement and experience in this area, Mr. Carl Morrison, Morrison & Associates, stated that once the agreement is signed, Zone 7 will be off the hook. Even if something goes sour, the Zone's involvement will have been completed. There will be no worries about how to manage the easement, and there is no time bomb waiting to go off.

Director Greci thanked Mr. Morrison for his comments and said that they reassured him that setting up this endowment fund would free Zone 7 of future obligations in this area.

There were no further comments.

Director Greci moved for the adoption of Resolution No. 08-3169 approving establishment of funding assurances for the endowment of Conservation Easement Management and Maintenance related to the Altamont Water Treatment Plant and Pipeline Projects. The motion was seconded by Director Concannon and was approved by a vote of 5-0.

### **Item 10—Annual Review of Sustainable Water Supply**

Ms. Duerig began by giving a brief update on new legal requirements which affect the Delta.

- Court decisions and regulatory actions, i.e., Wanger; Salmon, Longfin, and Delta smelt rulings, restrict the north to south flow of water as a requirement to protect listed fish species under the ESA and CESA, particularly where it causes flow reversals.

- OCAP Negotiations
- Bay Delta Conservation Plan
  - CUWA
  - Interim actions, i.e., flood and levee improvements; Franks Tract pilot project for WQ and smelt; demo fish screen at Clifton Court Forebay; short term ecosystem habitat proposal.
- After 2016 move on with project.
- Series of scoping meetings: initial preferred project is a dual conveyance to enhance the route of water through the Delta. An around-the-Delta-conveyance would allow flexible management so that fish and people can coexist.

Director Palmer asked if the breeding cycles of longfin smelt and Delta smelt coincide.

Ms. Duerig responded no, the Delta smelt is Dec – June and the longfin smelt is Oct – June, thus extending the amount of time that pumping might be restricted.

Director Greci talked about the theory held by bass fishermen that the lack of water hyacinths this year contributes to the diminished Delta smelt population because there is no place for the fish to hide and, thus, they get eaten by the bass.

Ms. Duerig commented that everything is interrelated with all activities dependent on the others—farmers, urban water users, fishermen, agriculture, etc. The BDCP looks at the Delta as a whole with the preservation of the ecosystem balanced with needs of the stakeholders.

Mr. Lunn then gave a presentation on Zone 7's sustainable water supply and the impact of no solution in the Delta right now. The presentation looked at Zone 7's water supply picture: supply and demands; 2015 operation; and Delta pumping restrictions.

Highlights of presentation:

Assumptions used for water supply modeling:

- Reduction in supply from State Water Project of 7,700 AF as a result of the Delta smelt ruling.
- Other supplies, e.g., BBID and recycled water, remain the same.
- Demands unchanged (100% reliability policy unchanged and no additional conservation).
- Assume no Delta fix.
- Result: Supply not sufficient to meet projected demands past 2015.

Effects of Climate change on the SWP supply.

Water Supply Operations:

- Import excess SWP water and recharge in local groundwater basin in wet years.
- Capture winter runoff in Lake del Valle then route to streams for recharge.
- In dry years withdraw groundwater in storage for municipal use.
- In dry years stop stream recharge program and use all surface water for demands.

## Livermore-Amador Valley Water Supply:

- Total Sustainable supply: 81,200 AFA
- Total Projected demand at buildout: 87,200 (Shortage of 6,000 AF)

## Buildout Operations:

- Zone 7 can meet demands with existing water supplies and projected increased demands through 2015.
- Zone 7 does not have sufficient supply to meet projected buildout demands.
- Zone 7 will need to either:
  - Obtain more water supplies.
  - Reduce demand or
  - Change reliability policy and not provide 100% of demands.

## Board questions/comments:

Vice-President Palmer wondered about the impact on the cities and whether building will need to be deferred.

Ms. Duerig responded that it is a good question but premature. We have enough water through 2015. At build out in 2030, we are only 6 AF short, and solutions are available to fill the gap. We will be meeting with the retailers and cities, and we will stay engaged in the BDCP process and in conservation planning. The shortfall is not that great and could be made up from a variety of sources, including conservation and additional water supply acquisitions. We continue to have faith in the BDCP process where participants from the regulatory agencies, CDFG, non-governmental entities, urban water agencies, etc., all work together to satisfy environmental and water supply needs.

Vice-President Palmer agreed that we need to keep everyone involved.

Ms. Duerig noted that staff would be making a presentation at the next retailer group (TVWRG) meeting.

Director Kohnen asked what position the Board should take regarding water conservation. EBMUD has recently instituted mandatory conservation. What message should we be sending to the public?

Ms. Duerig responded that we are asking for 10% voluntary water conservation even though we have adequate supplies until 2015. 10% is not much, and with the uncertainty in the Delta it makes sense to conserve. EBMUD does not have reserves so they need to adopt more stringent measures. We have been communicating to the public with press releases, advertising and other forms of outreach.

She continued and stated that Staff Report Item 15d describes a conservation program we are co-sponsoring for the 2008 Family Film Festival at Regal Cinemas in Dublin, June 17 through August 13. This will provide a venue for some key water conservation messages in the form of banners and on-screen messages as well as other outreach materials. Additionally, Regal is using Zone 7's \$3,000 sponsorship contribution to help pay for the installation of 15 waterless urinals at the theater. These fixtures are expected to conserve 1.5 acre-feet of water per year. She noted that a waterless urinal is on display in the adjoining conference room in case anyone wants to take a look.

Director Kohnen called attention to the letter that Board Members had received from EBMUD stating their position on water conservation. This is an important commitment and the Zone 7 Board should consider doing the same. He also noted that a 10% reduction in water use means a 10% reduction in revenue. We need to call attention to the impact of this lost revenue to our over all operation.

Director Quigley stated that he would like to see the 100% reliability policy revisited.

Ms. Duerig stated that has been considered but we'll need to take a collaborative approach and talk to the retailers. Conservation makes sense. We don't know but the housing slowdown may extend the 2015 date into the future. We don't want to waste the water we have.

Vice-President Palmer suggested a future agenda item on how the decreased revenue will affect Zone 7's financial picture.

Ms. Duerig responded that the 2008-09 budget has 10% water conservation built into it. The Board made the decision to use reserves to soften the impact on rates.

Director Greci stated that he is uncomfortable with a lower percentage of reliability. He felt it was more important that Zone 7 look for additional water to purchase.

Ms. Duerig commented that the BDCP is a long term fix and that's why we support it and stay involved.

It was noted that the Board had received copies of a letter from the League of Women Voters expressing appreciation for the hard work Zone 7 has done to assure water reliability, enhanced water quality and environmentally sensitive flood control for the Valley.

Mr. Randy Werner, City of Livermore, reminded everyone that water is critical in the city of Livermore over the next 18-24 months. Zone 7 recently awarded the contract for the Altamont Pipeline, Livermore Reach. The location of this facility is very important. Achieving 10% conservation is difficult in some areas of the city. East side residents are in a sensitive location, and a pump shutdown could mean serious problems. If the Patterson Pass WTP shuts down, it will put significant pressure on Livermore, and there may be no supply to east Livermore. East Livermore takes the brunt under certain scenarios. We need the Altamont, Livermore Reach pipeline.

Audience member Dale Myers commented on the BDCP process. He stated that the 10% drop in water supply was anticipated as a result of the BDCP; however, it will mean greater reliability in the Delta and help reduce the variability in the amount of water we get. It will also improve the ecosystem in the Delta.

- We have plenty of water until 2015—we have time to sort this out.
- 10% is a reasonable conservation effort. With back to back dry years, it is very prudent to ask for 10% conservation.

Re the theories expressed by the bass fishermen on a reason for the reduced number of smelt (as related earlier by Director Greci), Mr. Myers stated that the water hyacinth reduces turbidity in the Delta, and that is where the fish hide. They hide in the turbidity and find food there. Without the water hyacinths, the smelt have no turbidity to hide in and reduced food supply.

He further noted that the distribution system capability is a problem on the east side of Livermore. The problem will be resolved in the next year and a half after the Altamont Pipeline, Livermore Reach, is built and comes on line.

Ms. Duerig stated that DWR reports that there will be no pump shutdown this year. Because the Board approved setting up the requested endowment earlier on tonight's agenda (Item No. 9), it means that we can move forward with the Livermore reach of the Altamont Pipeline.

There were no further questions.

**Item 11—Public Hearing to Adopt an Ordinance to Increase the Compensation of Members of the Board of Directors of Zone 7 of Alameda County Flood Control and Water Conservation District**

Vice-President Palmer opened the public hearing on this item.

Ms. Duerig read the following statement regarding DSRSD Board compensation and benefits from Mr. Bert Michalczyk, General Manager of Dublin San Ramon Services District, who was unable to attend tonight's meeting: (This statement refers to the attachment to Item No. 11 from the April 16, 2008 board meeting.)

“For DSRSD the Board compensation and benefit information you show on the attachment to the staff report for Item 11 is correct in the sense of the maximum allowable meetings per month and the amount per meeting. The Board's per meeting compensation was last changed in 1998. In FYE 2007 District Board members have actually been paid for an average only 4.37 days of service per month (average cost per Boardmember is thus \$681/month) which generally consist of two Board meetings and two committee meetings per month. This pattern has been in place for the last 5 years and the trend is approximately the same for FYE 2008. In FYE 2007 the average cost per Board member for health, dental, vision and life was \$1080. Beginning in calendar year 2008 the District no longer pays the full cost of health insurance for Board members. All Board travel must be approved by the full Board.”

There were no comments from the audience.

Board comments:

Director Greci believed that the amount under consideration is minimal. He noted that he is not here for the money. He did not want a raise. We should set an example. He was opposed to the raise.

Vice-President Palmer stated that she was neutral. The amount is small but it keeps us at the level of other boards.

In response to a question from Director Kohnen, Ms. Naamani stated that since there are only five directors present, a majority of those present is needed for this to pass. The motion will need three “aye” votes in order to pass.

There were no other comments.

Vice-Chairman Palmer closed the public hearing.

Director Quigley moved for the adoption of Ordinance 2008-01 setting Board Member compensation for Fiscal Year 2008-2009 and Fiscal Year 2009-2010 at \$159.99 per meeting with a maximum of four meetings per month. The motion was seconded by Director Kohnen and passed by a vote of 4-1. Director Greci voted no.

### **Item 12—Committees**

There were no committee meetings during the past month.

### **Item 13—Items for Future Agendas—Directors**

Ms. Duerig stated that the energy policy was slated to come back to the Board in June. With the Board's approval, she requested that we delay that item until July because of the upcoming June election and the potential for new board members.

There was consensus to delay the energy policy until July.

### **Item 14—Reports—Directors**

Vice-President Palmer announced that Director Kohnen has been elected to the Board of Directors of the California Special District's Association (CSDA).

Director Kohnen stated that he was excited to have received that appointment. He then spoke about some of his activities during the past month:

**CSDA Legislative Day (May 12)**—This was held before the governor's budget announcement so much of the talk was about the dire straits the state budget is in and the governor's proposal to make up the short fall through the lottery. Director Kohnen reminded that if that doesn't work, the fall back position is to get it from the special districts again. He predicted that this could mean another raid on property tax revenues in non-enterprise funds, e.g., Zone 7's General Fund.

Director Kohnen recommended that the Board and staff be aware and watch this subject closely and be prepared to take action before next fiscal year to make adjustments as necessary.

**CSDA Board Member Certification**—Director Kohnen stated that he had achieved this certification through his attendance at CSDA classes geared toward special district board and staff members. He thanked the Board for sending him to the classes.

In his role as President of the Mosquito Abatement District Board of Directors, he noted that the recent \$5 per parcel special assessment put to a public vote was passed by the landowners of Alameda County. We may be considering something similar to provide funding for StreamWISE projects.

Director Quigley activities:

April 17: Toured the Chain of Lakes area with Director Palmer and Zone 7 staff members. The Quarry Lakes still under private ownership dwarf Shadow Cliffs. Ultimately they will be conveyed to Zone 7 and may provide a flood plain safety valve.

April 3: Attended the regional annual CSDA dinner meeting where he networked with the boards and staffs of other special district. There was a keen interest in Delta issues and StreamWISE.

April 17: Toured the demineralization plant construction project in Pleasanton with Director Palmer, staffs of Zone 7 and DSRSD and DSRSD board members.

Friends of Shadow Cliffs: This is a new group that may be a source of potential ways to use renewable energy.

ACWA Conference in Monterey, May 6-9. Highlights:

- Keynote speech on climate change and the need to incorporate global warming trends in our planning.
- Energy Committee-heard presentation on floatovoltaic energy (floating photovoltaic cells) and a demo project on Lake Almaden.
- Tribute to the late David Kennedy who was a former Director of DWR and a champion of the peripheral canal which he believed was necessary for water quality and water stewardship reasons.
- Panel of mayors giving the cities' perspective on the importance of water to their communities in terms of economic issues and quality of life issues. Vice-Mayor John Marchand of Livermore participated.
- He wrapped up his comments with a statement about how valuable the ACWA conferences are. He urged other Board Members to attend.

Vice-President Palmer thanked staff for the tours of the Chain of Lakes area and the demineralization plant construction project.

**Item 15—Staff Reports** (Information items. No action taken.)

- a. General Manager's Report
- b. Recent & Upcoming Public Outreach Activities
- c. Zone 7 Water Conservation Activities and Proposed Water Use Efficiency Planning Support Water Conservation Program
- d. Conservation Program Co-Sponsorship of 2008 Family Film Festival at Regal Cinemas, Dublin
- e. Recent Employee Activities
- f. Third Quarter Financial Report
- g. StreamWISE Project Status Report
- h. Update on Ballot Propositions
- i. Verbal Reports

There were no questions from the Board on the Staff Report items. However, Ms. Duerig pointed out pictures on display at the back of the room representing Item 15e, Recent Employee Activities:

- Take Our Children to Work Day on April 24, in which 13 children and their sponsoring adult participated.
- Service Recognition Awards on May 9, which recognized employees with milestone anniversaries with Alameda County. Awards were given for 5-year, 10-year, 15-year, 20-year and 30-year anniversary dates. Thirty-year awards were presented to Margaret Chun, Accounting Manager; Peter Cruttenden, Water Resources Technician III; and Barbara Morse, Sr. Management Assistant.

## **Item 16—Closed Session**

- a) Conference with Legal Counsel - Existing litigation pursuant to Subdivision (a) of Government Code Section 54956.9: 5 cases

Watershed Enforcers v. California Department of Water Resources et al., Alameda County Superior Court  
Case No: RG06292124

Alameda County Flood Control & Water Conservation District, Zone 7 et al. v. Department of Water Resources et al., Sacramento County Superior Court Case No: 05AS01775.

Alameda County Flood Control & Water Conservation District, Zone 7 v. McNealy & Fragulia et al., Alameda County Superior Court Case No: VG06293136

Alameda County Flood Control & Water Conservation District, Zone 7 v. Schmidig Family Limited Partnership/The Ferrari Family Limited Partnership, Alameda County Superior Court Case No: VG06292840

Alameda County Flood Control & Water Conservation District, Zone 7 v. Land Factors, Inc. et al.  
Alameda County Superior Court Case No. VG06293120

- b) Government Code Section 549547: Public Employee Performance Evaluation  
Title: General Manager

## **Item 17—Open Session and Report Out of Closed Session**

Ms. Naamani announced that there was nothing to report out of Closed Session.

## **Item 18—Consideration of General Manager Merit Compensation and Amendment to Contract**

Ms. Duerig announced that this item would be continued to the June meeting when it is expected that the full Board will be in attendance.

## **Upcoming Board Schedule**

There is no need for a special meeting this month.

- a. Regular Board Meeting: June 18, 2008, 7:00 p.m.

There was no further business and the meeting was adjourned at 9:10 p.m.