

NOTICE OF SPECIAL MEETING OF BOARD OF DIRECTORS

BOARD WORKSHOP

DATE: Wednesday, April 3, 2024

TIME: 6:00 p.m.

LOCATION: Zone 7 Administration Building

100 North Canyons Parkway, Livermore, California

VIDEO/TELECONFERENCE:

<https://us02web.zoom.us/j/82062454408>

(669) 444-9171, Meeting ID: 820 6245 4408

LIVE STREAMING:

Comcast Channel 29

AT&T U-Verse Channel 99 (Livermore)

Streaming Live at tv29live.org

Any member of the public wishing to address the Board on an item under discussion may do so upon receiving recognition from the President. If the public wishes to provide comment before the meeting, please email publiccomment@zone7water.com by 2:00 p.m. on Wednesday, April 3rd.

In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available at the Zone 7 Administrative Building lot. If you are a person with a disability and you need disability-related modifications or accommodations to participate in this meeting, please contact the Executive Assistant, Donna Fabian, at (925) 454-5000 or fax (925) 454-5723. Notification 48 hours prior to the meeting will enable Zone 7 to make reasonable arrangements to ensure accessibility to this meeting. {28 CFR 35.102-35, 104 ADA Title II}.

AGENDA

1. Call Meeting to Order
2. Pledge of Allegiance

3. Roll Call of Directors

4. Public Comment on Non-Agenda Items

The Public Comment section provides an opportunity to address the Board of Directors on items that are not listed on the agenda, or informational items pertinent to the agency's business. The Board welcomes your comments and requests that speakers present their remarks in a respectful manner, within established time limits, and focus on issues which directly affect the agency or are within the jurisdiction of the agency. The Board will not be able to act on matters brought to its attention under this item until a future board meeting.

5. Energy Policy Development

Recommended action: Discuss and Provide Direction

6. Adjournment

7. Upcoming Board Schedule: (All meeting locations are in the Boardroom at 100 North Canyons Parkway, Livermore, unless otherwise noted.)

- a. Finance Committee Meeting: April 11, 2024, 11:00 am
- b. Regular Board Meeting: April 17, 2024, 7:00 pm



100 North Canyons Parkway
Livermore, CA 94551
(925) 454-5000

ORIGINATING SECTION: Integrated Planning
CONTACT: James Carney/Ken Minn

AGENDA DATE: April 3, 2024

SUBJECT: Energy Policy Development

SUMMARY:

- To support Zone 7 Water Agency's (Zone 7) mission to deliver safe, reliable, efficient, and sustainable water and flood protection services, Zone 7 is developing an Energy Policy and an Energy Master Plan (EMP) for the board's consideration. This action supports Strategic Plan Goal E – Effective Operations and is to implement Strategic Plan Initiative #16: Develop and Implement an Energy Strategy.
- The key objective of the energy policy is to outline Zone 7's goals and priorities regarding energy management. Accordingly, this policy will allow staff to identify, prioritize, and recommend projects that are compatible with the EMP.
- The EMP will define Zone 7's energy strategy and identify priorities of energy-related activities, projects, and capital investments that are consistent with the agency's mission, strategic goals, and energy policy. It will comprise four main components: 1) baseline energy assessment; 2) development of a Zone 7 energy policy; 3) project identification, screening, and prioritization; and 4) monitoring and reporting.
- The purpose of this Special Board Meeting is to present the recommended energy policy framework and seek the Board's input and direction on energy policy development.
- As part of the baseline energy assessment, the project team analyzed relevant federal, state, and local regulatory energy targets, conducted research, and interviewed staff, the management team, and retailers. Based on the information gathered during the assessment, staff identified policy statement focus areas to seek the Board's input and direction. Attachment A summarizes these focus areas and provides recommendations for the Board discussion and consideration during the Special Board Meeting.
- Following this Special Board Meeting, the project team will prepare a draft Energy Policy based on the Board's input and submit it for the Board's consideration at a future regular Board meeting.

- Once the policy has been adopted, the next step is to screen and prioritize potential energy projects that will achieve the policy's objectives. These prioritized energy projects will then be included in the EMP and the future budget planning.
- Through investment in energy management and implementation of energy projects, Zone 7 expects to achieve benefits with respect to operational efficiency, energy cost, and sustainability. At this preliminary stage, staff projects that priority energy projects will have payback periods of approximately 5 to 15 years to fully recover the costs.

FUNDING:

No funding is requested at this time.

RECOMMENDED ACTION:

Discuss and Provide Directions

ATTACHMENT:

Attachment A - Energy Policy Development Framework

Attachment A – Energy Policy Development Framework

Energy Policy Research

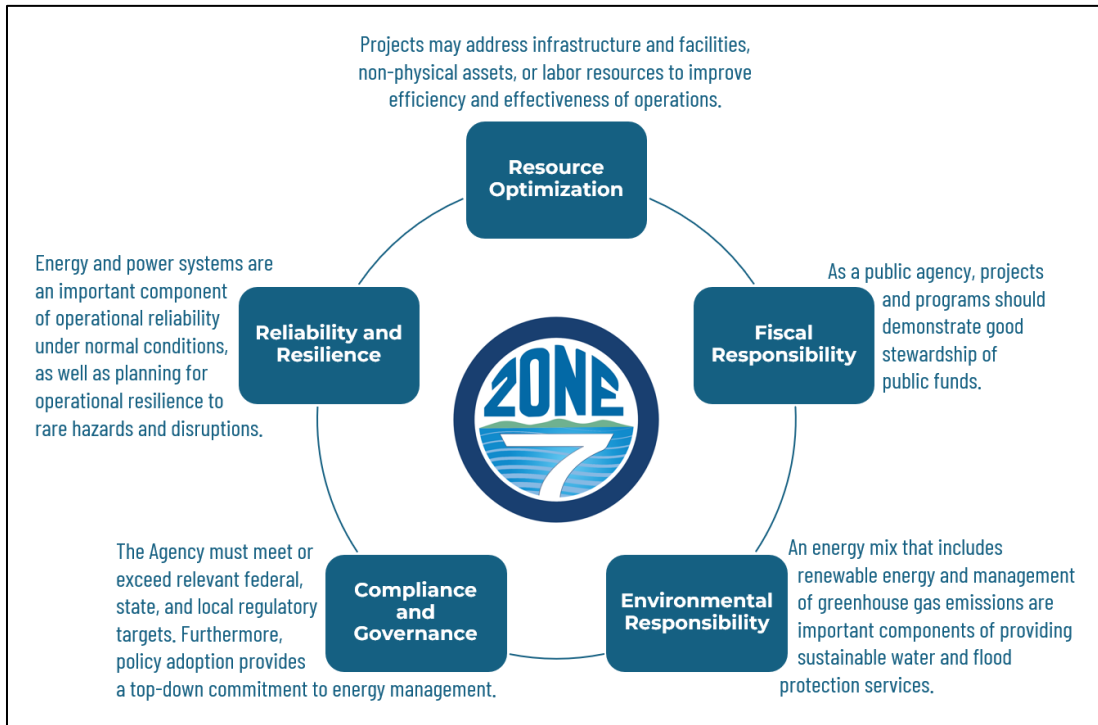
To understand common strategies and practices in energy policy development, the project team reviewed available information from academic institutions, state and federal agencies/entities, and other California water agencies, as well as current Zone 7 policies for consistency. The project team found that the characteristics of energy policies vary significantly depending on a given entity’s mission, services, and values. For example, energy usage and generation opportunities are different for water and wastewater utilities.

Energy Policy Scope

The energy policy applies to direct Zone 7 operations and facilities and is to implement Zone 7 Strategic Plan Initiative #16: Develop and implement an Energy Strategy. The scope does not cover indirect operations such as vendors and the State Water Project.

Policy Statement Focus Areas

The development of an energy policy should include the identification of policy statement focus areas. The purpose of these focus areas is to ensure that the adopted policy addresses all the issues that were identified as important to the Agency. The project team conducted interviews with staff, management, and retailers to understand concerns and priorities with respect to energy management. This feedback was categorized into several policy statement focus areas, as illustrated below. These focus areas guide the development of specific policy terms. Zone 7’s energy policy is to address all the identified focus areas.



Energy Policy Focus Areas and Recommendations

[Focus Area: Fiscal Responsibility]

- Zone 7 will strive to make fiscally responsible energy investments in support of the Agency's water and flood protection services.
- Achieve cost savings or avoid expected future costs, reduce the Agency's exposure to energy price volatility, and leverage available energy procurement and funding opportunities to maximize the cost-effectiveness of investments in energy management.
- Zone 7 will strive for a payback period of 15 years to recover the costs of energy projects.

[Focus Area: Reliability and Resilience]

- Increase the energy reliability and energy resilience associated with Zone 7 services and operations, supporting effective service delivery during normal conditions, and promoting preparedness for emergency conditions and energy disruptions.
- Adopt energy efficient operational practices.
- Incorporate energy efficiency into the design of facilities.

[Focus Area: Resource Optimization]

- Advance and continue to implement energy conservation operational practices, programs, projects, and initiatives that promote good stewardship of public funds and make efficient use of Agency staff resources.
- Maintain a diverse energy portfolio.

[Focus Area: Environmental Responsibility]

- Implement projects and programs that are aligned with the Agency's values of environmental sensitivity and collaboration to promote energy-related investments that foster community and regional stewardship while minimizing impacts to the environment and promoting sustainable practices.
- Procure renewable energy and reduce greenhouse gas emissions as much as feasible.

[Primary Focus Area: Compliance and Governance]

- Set the Agency to meet or exceed federal, state, and local energy and greenhouse gas emission regulatory targets in a manner that maintains quality of service and aligns with other Zone 7 policies.
- Achieve regulatory compliance for the Zone 7 fleet.

Examples of How Projects Would Comply with an Energy Policy

Electrification of the fleet:

- Regulatory compliance
- Reduce greenhouse gas emissions

Onsite Solar Projects:

- Achieve cost savings or avoid expected future costs
- Reduce energy consumption
- Reduce greenhouse gas emissions

Electrical System Improvements:

- Increase energy reliability and energy resilience
- Reduce energy consumption and improve efficiency

Pump Optimization:

- Increase energy reliability and energy resilience
- Reduce energy consumption and improve efficiency

Battery Energy Storage System to Store Excess Power for Use during Peak Periods

- Increase energy reliability and energy resilience
- Achieve cost savings or avoid expected future costs
- Reduce greenhouse gas emissions