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

REGULAR MEETING
June 17, 2020

The following were present:

DIRECTORS: SANDS FIGUERS
DENNIS GAMBS
SARAH PALMER
DICK QUIGLEY
ANGELA RAMIREZ HOLMES
OLIVIA SANWONG
MICHELLE SMITH MCDONALD

DIRECTORS ABSENT: NONE

ZONE 7 STAFF: VALERIE PRYOR, GENERAL MANAGER
OSBORN SOLITEI, TREASURER/ASSISTANT GENERAL MANAGER - FINANCE
CAROL MAHONEY, INTEGRATED WATER RESOURCES MANAGER
TAMI CHURCH, ASSISTANT PLANNER
JAVIA GREEN, FINANCIAL ANALYST
TOM ROOZE, ASSOCIATE HYDROGEOLOGIST
SAL SEGURA, ASSOCIATE ENGINEER
COLLEEN WINEY, ASSOCIATE GEOLOGIST
DONNA FABIAN, EXECUTIVE ASSISTANT
ALEXANDRA BRADLEY, COMMUNICATIONS SPECIALIST

COUNSEL: DAVID ALADJEM, DOWNEY BRAND

Item 1 – Call Meeting to Order

The meeting was called to order at 6:02 p.m. and the Board immediately went into Closed Session. Director Quigley joined the meeting at 6:15 p.m.

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/Osborn Solitei
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 Gov’t Code section
54956.9(d) (1): (1) City and County of San Francisco v. County of Alameda (Contra
Costa County Superior Court Action No. MSN18-0928), (2) County of Butte v.
California Department of Water Resources (California Supreme Court No. S258574,
(3) State Water Contractors v. California Department of Fish & Wildlife (Fresno
County Superior Court, filed April 29, 2020), (4) Thomason v. Morrow (Alameda
County Superior Court No. 18918041)

d. Conference with Legal Counsel – Potential initiation of litigation pursuant to Gov’t
Code section 54956.9(d) (4): 2 cases

e. Conference with Legal Counsel – Anticipated litigation pursuant to Gov’t Code
section 54956.9(d) (2): 2 cases

Item 3 – Roll Call and Report Out of Closed Session

The meeting was called back into session at 7:00 p.m., roll call was taken and all Board
Members were present. President Figures stated that the Board met with General Manager
Valerie Pryor for her annual Performance Evaluation and reported that Ms. Pryor met the
Board’s expectations. The Board has identified goals for the upcoming year, and the Board
would like to agendize an item for July’s Board Meeting to discuss Ms. Pryor’s compensation.

Item 4 – Citizens Forum

There was no public comment.

Item 5 – Minutes

David Aladjem, General Counsel, stated that Director Ramirez Holmes had three changes to
the minutes and that two of those changes were made and the revised minutes were
distributed to the Board and the public. Osborn Solitei, Treasurer/Assistant General Manager –
Finance, stated that Director Ramirez Holmes questioned the minutes from the May 20 Board
Meeting, Item 6, where Mr. Solitei stated that the cost for the new audit firm would be more in
the first year. Mr. Solitei confirmed that staff costs will be more in the first year due to staff
having to train the new auditors with our financial system and Agency operations.

Director Ramirez Holmes added that she also thought it wasn’t clearly stated why the Board
wanted to change the auditing firm. She stated that the previous Request for Proposal (RFP)
had only one response but the RFP from earlier this year had seven. Director Ramirez Holmes
asked that the approval of the minutes be continued to the next Board meeting so that those
minutes could be corrected.

There were no changes or comments on the minutes from the Special Board Meetings of
May 27. Items 5b and 5c were approved by a vote of 7-0.

Item 6 – Consent Calendar

Director Ramirez Holmes moved to approve Items 6a and 6b and Director Palmer seconded
the motion. Items 6a and 6b were approved by a roll call vote of 7-0.

Resolution No. 20-32 Personnel Action: Human Resources Manager, Zone 7 (Item 6a)

Resolution No. 20-33 Award of Contract for As-Needed Tree Trimming and Removal
Services (Item 6b)

Kameron Klotz, a local property owner, spoke during public comment in favor of the tree
trimming and removal services contract. Mr. Klotz spoke particularly in reference to the trees
along Highway 580 behind the Holiday Inn and Outback Steakhouse in Dublin. Mr. Klotz said
he will forward his contact information so that staff could respond to him.

Item 7 – Adoption of the 2020-2024 5-Year Strategic Plan

Valerie Pryor, General Manager, proposed the Board adopt the 2020-2024 Strategic Plan that
was discussed in detail at the May 27 and June 4 Strategic Plan Workshops. Those discussions
were incorporated into the draft plan.

Director Ramirez Holmes stated that there were a couple of items that were discussed but
weren’t included in the Plan and she would like to discuss those omissions. Further, Director
Ramirez Holmes stated that the Board discussed adding the word “fiscal” in the first bullet on
page 12. It was agreed to add “fiscally feasible.”

Director Ramirez Holmes stated that on page 14 the Board agreed to add, "Continue to meet
all applicable water quality goal standards and regulations." And on page 22 Director Ramirez
Holmes asked that the word “join” be changed to “implement” on the last bullet. And lastly on
page 25, the Board agreed to add a water quality regulations bullet under Initiative 23. Ms.
Pryor stated that those changes would be made. Ms. Pryor also stated that a footnote will be
added to page 10 stating the initiatives are not in any particular order.

There was discussion on how to track the progress of the initiatives, and Mr. Pryor responded
that staff will provide an annual update.

Director Palmer moved to approve the Strategic Plan with the discussed changes and Director
Ramirez Holmes seconded the motion. The 2020-2024 5-Year Strategic Plan was adopted by a
roll call vote of 7-0.

Resolution No. 20-34 Adoption of the 2020-2024 5-Year Strategic Plan (Item 7)
Item 8 – Commendation for Director Richard “Dick” Quigley

President Figuers read a resolution commending Director Richard “Dick” Quigley on his years of service on the Zone 7 Board. President Figuers added that he has been on the Board with Dick for many years and greatly appreciated his reporting back after various meetings and conferences. Director Gambs thanked Dick for his energy and enthusiasm that he brought to the agency and how he kept Zone 7 involved with other agencies like the Association of California Water Agencies (ACWA). Director Gambs also appreciated Director Quigley’s concern with energy, and in particular, the Del Valle Water Treatment Plant’s solar panels, and his advocacy for trails. Director Palmer stated that she has enjoyed working with Dick all the years she’s been on the Board and that he is highly passionate about his approach and has been very much involved in the education of young people. Director Ramirez Holmes also thanked Dick for his service. Director Ramirez Holmes stated that she and Dick were sometimes the lone and strongest voice for public access and transparency. Director Sanwong stated that she appreciated Dick for his advocacy for trails. Director Smith McDonald thanked Dick for his 16-year commitment and dedication to the community.

Director Quigley stated that he appreciated the comments from everyone. Director Quigley added that he is proud of his legacy and commitment to connecting trails within the three Tri-Valley cities, and his advocacy for energy savings. Director Quigley thanked staff and the Board for their support throughout his 16 years on the Board.

President Figuers asked if staff could explore the possibility of naming the trail at the Del Valle property, “The Dick Quigley Trail.” Valerie Pryor, General Manager, said that she would contact the Livermore Area Recreation and Park District (LARPD) and inquire.

Linda Kelly, a Pleasanton resident, thanked Director Quigley for welcoming her the first time she appeared before the Board and the Finance Committee, and that working with him has been a delight.

The Resolution of commendation was unanimously approved by the Board.

Resolution No. 20-35 Commendation for Director Richard “Dick” Quigley (Item 8)

Item 9 – Proposed Two-Year Budget: Fiscal Years 2020-21 and 2021-22

Osborn Solitei, Treasurer/Assistant General Manager – Finance, gave a presentation on the proposed two-year budget. He summarized the changes the Board directed staff to make from the May 20, 2020 Budget Workshop.

Mr. Solitei stated that there would be no increase in treated and untreated water rates for 2021. Mr. Solitei said for the State Water Project (SWP), based on the Board’s direction, property taxes will be increased by $1 million for 2021 and $1 million for 2022 due to the SWP costs that are increasing at an average of 10% per year.
Director Sanwong asked how property owners are notified of the property tax increase. Mr. Solitei responded that they will be notified by the County Tax Collector’s office. Director Ramirez Holmes added that a $1 million increase will be about $13 annually on a million dollar property’s assessed value. Director Ramirez Holmes stated that the most important point is that we are still subsidizing the property tax payment for the SWP. The $1 million increase does not cover the increased amount that Zone 7 is paying. Director Ramirez Holmes added that it is important to note that the County does the assessment, or the evaluation, and Zone 7 lets the County how much it needs to pay the state water property bill and the County then makes the assessment.

Ms. Pryor added that Zone 7 will give the County the revenue amount, in this case $1 million, and when the County has the assessed valuation, it will divide the amount, so not knowing what the assessed valuation is going to be, it could be that for many homeowners they would not see an increase in their property taxes.

Linda Kelly, a Pleasanton resident, asked that there be notification to the public that Zone 7 is not raising rates and that property taxes will be changing. Mr. Pryor stated that Zone 7 will send out an e-newsletter, a press release and it will be posted on Zone 7’s website.

Director Ramirez Holmes moved to approve the proposed Budget and Director Palmer seconded the motion. The item passed by a roll call vote of 7-0.

Resolution No. 20-36 Proposed Two-Year Budget: Fiscal Years 2020-21 and 2021-22 (Item 9)

Item 10 – Proposed Treated Water Rate for Calendar Years 2021-2022

Osborn Solitei presented the proposed treated water rates for 2021. Mr. Solitei stated that staff recommend no treated water rate increase for calendar year 2021 in light of the fiscal hardship caused by the COVID-19 pandemic on the community and the rate payers. Mr. Solitei added that calendar year 2021 treated water rates will remain the same as calendar year 2020, and calendar year 2021 adopted rates per Resolution No. 18-74 dated October 17, 2018, will shift to calendar year 2022.

Director Palmer made a motion to approve the treated water rates for 2021 and 2022 and Director Ramirez Holmes seconded the motion. The item passed by a roll call vote of 7-0.

Resolution No. 20-37 Proposed Treated Water Rate for Calendar Years 2021-2022 (Item 10)

Item 11 – Proposed Untreated Water Rate for Calendar Year 2021

Osborn Solitei presented the proposed untreated water rate for 2021. Mr. Solitei stated that staff recommend no untreated water rate increase for calendar year 2021 in light of the fiscal hardship caused by the COVID-19 pandemic on the community and the rate payers. Mr. Solitei added that calendar year 2021 untreated water rates will remain the same as calendar year 2020.
Director Gambs made a motion to approve the untreated water rates for 2021 and Director Quigley seconded the motion. The item passed by a roll call vote of 7-0.

Resolution No. 20-38 Proposed Untreated Water Rate for Calendar Year 2021 (Item 11)

Item 12 – Grant Project Overview and Contract for 2022 Update to Alternative Groundwater Sustainability Plan

Tom Rooze, Associate Hydrogeologist, presented the 2022 Update to the Alternative Groundwater Sustainability Plan for the Livermore Valley Groundwater Basin. Mr. Rooze shared a map of Livermore Valley showing the basin broken down into three different components; the main basin, the fringe basin and the upland basin.

Mr. Rooze stated that Zone 7 submitted a grant proposal earlier this year that addressed recommendations from the Department of Water Resources (DWR) and the Tri-Valley Nature Conservancy. Zone 7 added a few other items that needed to be addressed. The total amount came up to $666,700. $500,000 would be covered by the grant and the remaining 25% would be covered by Zone 7.

Mr. Rooze stated that Zone 7 sent out RFPs to the Board’s pre-approved consultants for groundwater management with three consultants responding. Staff selected EKI who had the best proposal, the best technical expertise of the three, and experience with proposition 68 grants. Mr. Rooze requested the Board approve the resolution to enter into contract with EKI for $546,000 to assist Zone 7 with the 2022 Update of the Alternative Groundwater Sustainability Plan.

Director Gambs asked why Zone 7 is investigating the fringe basins. Mr. Rooze responded that Zone 7 has the responsibility to do so as the basin’s manager, and there are other potential users that will be affected. Director Gambs added that it is a good thing Zone 7 is getting a grant because it would not be appropriate to use rate payers money to investigate something that doesn't benefit them.

President Figuers asked how far into the uplands is this analysis going to go. Mr. Rooze replied that it has yet to be determined. President Figures asked if staff has any information about the contribution of the bedrock groundwater into the surrounding basins. Mr. Rooze replied no.

Director Sanwong asked how the information is going to be saved as she prefers the data be more dynamic as opposed to be static. Mr. Rooze responded that he wants to be sure that Zone 7 has an appropriate database and appropriate program that staff can use to create cross sections and update past cross sections, and part of the Grant will allow staff to identify and purchase the appropriate software for that reason. Director Sanwong asked what the frequency of updates would be, and Mr. Rooze responded that staff would most likely evaluate it every five years.

Director Ramirez Holmes moved to approve the item and Director Palmer seconded the motion. The item passed by a roll call vote of 7-0.
Colleen Winey, Associate Geologist, presented an update to the 2014 Lake Use Evaluation for the Chain of Lakes. Ms. Winey stated that the identified uses for the Chain of Lakes were divided into primary and secondary uses based on how they fit into Zone 7’s mission. The primary uses that staff identified for the Lake Use Evaluation, are storm water management, groundwater recharge, and surface water storage and conveyance. Ms. Winey added that one potential change in the future could be the inclusion of purified water for potable reuse.

Ms. Winey stated that secondary uses are uses that have been requested by external entities, such as retailers, members of the public, or recreation agencies. These uses can potentially be compatible with Zone 7’s primary uses of the lakes, but do not directly support Zone 7’s mission. The secondary uses evaluated are recycled water storage, habitat conservation, active recreation, and passive recreation.

Tami Church, Assistant Planner, went over the results of the update to the lake use evaluation. Ms. Church stated that based on the updated information and understanding of lake conditions, staff refined some of the scoring criteria and added some additional criteria to better differentiate the ability of each lake to support a given use. Ms. Church briefly went over the uses that have changed from the 2014 evaluation.

Director Ramirez Holmes stated that since there is no current plan before the City of Pleasanton, staff should remove any mention of the proposed trail alignment, and also the East Pleasanton Specific Plan area. Director Ramirez Holmes stated that decisions at Zone 7 should be made without regard to any plans that staff assumes will happen with any proposed plan or development.

Director Gambs mentioned that as Zone 7 has a recreational use agreement with the City of Pleasanton for a trail on a portion of Lake I, and that if the City approves an extension to the trail, Zone 7 staff would need to evaluate the proposal making sure it doesn’t impact Zone 7’s use of the property.

Director Sanwong stated that she attended a few of the East Pleasanton Specific Plan meetings years ago, and one agency that wasn’t always mentioned was East Bay Regional Parks. Director Sanwong added that she wanted to mention them so that they are also considered a part of this conversation. Director Sanwong stated that she agreed with Director Ramirez Holmes’ point to not have the trails part included in Zone 7’s documentation. Director Sanwong said she thinks it would be good to include Shadow Cliffs as part of the plan because of the existing recreation. Director Sanwong also asked if there was a plan for the chain of lakes in terms of a potential flood and due to what happened on Stanley Blvd. during the storms of 2017. Director Ramirez Holmes stated that one of the planned uses for Cope Lake was stormwater detention.
Director Ramirez Holmes requested to bring the item back to the Board and remove the trail alignment references and to add back what Zone 7 thinks are appropriate uses like passive recreation or educational purposes at Cope Lake.

Valerie Pryor suggested bringing the report back to the Board at the August meeting as the July meeting already has a full agenda. The Board agreed.

**Item 14 – Water Supply Operations Plan Update**

Sal Segura, Associate Engineer, presented an informational item to the Board on Zone 7’s water supply plan for 2020. Mr. Segura stated that the State Water Project (SWP) is the main source of water supply for Zone 7 and this year Zone 7 was allocated 20%, or 16,100 acre-feet, which is a significant reduction from the 2019 allocation of 75%, or 64,200 acre-feet. Mr. Segura added that Zone 7 will pump additional groundwater, purchase Yuba Accord water, and pursue a water transfer with another SWP contractor. Mr. Segura stated that water supply costs for 2020 will be around $4 million.

Director Quigley asked if East Bay Regional Parks was okay with not being able to use the siphon for Shadow Cliffs. Mr. Segura responded that in just the last few days Zone 7 has agreed to release additional water for them and siphon the water into Shadow Cliffs at least through the end of July.

Director Gambs asked who is the other SWP contractor. Mr. Segura responded that the current effort is to negotiate with the City of Napa, who has tentatively agreed to transfer 5,000 acre-feet to Zone 7.

Director Sanwong asked where she could find information on the request from the City of Pleasanton for additional water. Mr. Segura replied Zone 7 started out the year 2020 with the plan of producing 10,000 acre-feet of groundwater, and following staff discussions with the City of Pleasanton, it was agreed that we would bump up groundwater production to 11,000 acre-feet to shore up additional demand that we hadn't planned for earlier on.

**Item 15 – Reports – Directors**

President Figuers had nothing to report and there were no written reports. Directors Palmer, Sanwong and Ramirez Holmes gave verbal reports.

**Item 16 - Items for Future Agenda – Directors**

There were no items for a future agenda.

**Item 17 – Staff Reports**

a. General Manager’s Report  
b. Legislative Update  
c. May Outreach Activities  
d. Monthly Water Inventory and Water Budget Update
e. FY 2019-20 Unaudited Third Quarter Revenue and Expenditure Report
f. Investment Report as of March 31, 2020
g. Verbal Reports

Valerie Pryor, General Manager, highlighted two items. The first is that we are in the home stretch on the Del Valle Water Treatment Plant ozonation project and the plant should be fully operational by the end of July. Ms. Pryor also mentioned that the Annual Consumer Confidence Report will be out on June 19th.

Item 18 – Adjournment

President Figuers adjourned the meeting at 9:05 p.m.