AGENDA DATE: July 15, 2020

SUBJECT: General Manager’s Report

SUMMARY: The following highlights a few of the key activities which occurred last month. Also attached is a list of the General Manager (GM) contracts executed during June.

Operations and Maintenance:

Maintenance staff worked on several projects including support work for the Del Valle Water Treatment Plant (DVWTP) Ozonation Project, the Patterson Pass Water Treatment Plant (PPWTP) Expansion and Ozonation Project, and the Mocho Groundwater Demineralization Plant (MGDP) Concentrate Pipeline Cleaning project.

Road improvements around the west side of Lake I were completed. The road will now be usable during the rainy season. Staff worked with PG&E to trim vegetation underneath powerlines on various flood channels to protect power infrastructure and minimize fire danger.

Safety staff performed an inspection of the Del Valle Water Treatment Plant ozonation system. The inspection focused on trip and fall hazards, system labeling, and overall safety of the new facilities.

Administration and Outreach:

The FY 2020-22 Two-Year Budget was approved at the June 17, 2020 Regular Board Meeting.

The 2019 Annual Consumer Confidence Report (CCR) was issued and is crafted around a new theme, “The Wondrous World of Water.” The report is designed to be an easy-to-navigate report featuring graphics illustrating the sources, treatment, safety and testing of Zone 7 water. The report includes special sections on ozone water treatment technology and PFAS.

State Water Project (SWP) Activities:

Zone 7 representatives continue to serve on the Boards of the Delta Conveyance Design and Construction Authority (DCDCA) and the Delta Conveyance Finance Authority (DCFA). Minutes for the May 21, 2020 DCDCA meeting are attached to this report. The DCFA did not meet in May. Complete Board packets for both the DCDCA and the DCFA can be found at http://www.dcdca.org/#meetings.
Engineering and Water Quality:

**DVWTP Ozonation Project:** The project construction is nearly complete. Ozone systems are being functionally tested. The 30-day acceptance test of the ozone system, which signifies Substantial Completion, is scheduled to for mid-July.

**Patterson Pass Water Treatment Plant Upgrades and Ozonation Project – Construction Update:** Construction continues on the ozone generation building subgrade, ozone contactor roof deck, flash mix piping, filter structure slab and wash water channels (see photo), 5 MG clearwell concrete ring wall foundation, treated water pump station roof deck, 36-48 inch overflow pipe, and detention basin. The liquid oxygen tanks are expected to arrive the week of July 6, and the new emergency generator the following week. COVID-19 related social distancing protocols may have cost impacts to the project.

**Dougherty Reservoir Rehabilitation:** The reservoir recoating work is complete. The tank was disinfected, bacteriological tested and placed in service.

**Arroyo Mocho Stanley Reach Stabilization Project:** Approximately 1,000 feet long channel banks and bottom of Arroyo Mocho in Stanley Reach were damaged in the 2017 storms. Staff has been working with civil and environmental permitting consultants on a permanent design that is engineering sound, sustainable and environmentally sensible. A 90% plan set is complete and all three regulatory agencies’ permits (Regional Water Quality Control Board, United States Army Corps of Engineers and California Department of Fish and Wildlife) have been submitted. Staff and consultant are doing an Initial Study to assess environmental impacts of repair and any mitigation requirements. The permitting process is expected to take most of the year 2020 and the construction work is tentatively planned to start in April 2021.
Integrated Water Resources:

By participating in the Power and Water Resources Pooling Authority (PWRPA), Zone 7 has achieved energy cost savings of approximately $1 million in 2019 and nearly $2 million since the inception of the program in 2016. These estimates are based on comparing estimated PG&E costs to actual PWRPA costs incurred.

DWR made the final award announcement of a Prop 1, Round 1 grant to Bay Area Water Conservation of $4.2 million. This includes funding for 11 agencies, including about $80,000 towards Zone 7’s conservation program.

Zone 7 is currently actively pursuing water supply and reliability projects. Key activities are as follows:

- **Los Vaqueros Reservoir Expansion.** The Los Vaqueros Expansion (LVE) Legal Work Group has been developing a draft Joint Powers Authority (JPA) Agreement to memorialize the terms of agreement for LVE planning, design, construction, and operation and maintenance. The Department of Water Resources has been reviewing the project’s proposed operations and the potential benefits/impacts to the State Water Project. The Contra Costa Water District Board of Directors certified the Final Supplement to the Final EIS/EIR, adopted the findings, and approved the Phase 2 Expansion Project on May 13, 2020. The work plan and budget for the next phase of the project are being developed, with an amendment to the current agreement expected to go to the Zone 7 Board in August 2020.

- **Potable Reuse.** Contracts with EKI Environment & Water and Stetson Engineers have been executed for the Conjunctive Use Study and Water Supply Evaluation Update, and the Chain of Lakes Model Development. Both projects will support continued evaluation of potable reuse, along with other water supply options. Work on these projects will continue into the fall.

- **Regional Desalination.** One of the pilot water transfers being conducted under the Bay Area Shared Water Access Program—a project co-funded by water agencies (including Zone 7) and the U.S. Bureau of Reclamation—will help address water rights questions related to the transfer and storage of desalinated water over the next few months. Answering these questions is critical to determining the yield and costs of a regional desalination project.

- **Sites Reservoir.** The Sites Project Value Planning Alternatives Appraisal Report and the Amendment 2 Work Plan, which include the scope, schedule and budget for the next stage of the project through December 2021, have been approved. The Second Amendment to the Phase 2 Project Agreement will need to be executed by project participants by September 10, 2020. Staff plan to bring the Second Amendment to the Board for approval in July 2020, including approval of the recommended level of Zone 7’s participation (10,000 acre-feet in the current agreement) and funding share at $100 per acre-foot.
## Monthly List of GM Contracts

### June 2020

<table>
<thead>
<tr>
<th>Contracts</th>
<th>Amount</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associated Right of Way Services, Inc.</td>
<td>$49,000</td>
<td>Provide real property services for the Agency, deed checking, appraisals, ownership research, etc.</td>
</tr>
<tr>
<td>Yorke Engineering, LLC</td>
<td>$50,000</td>
<td>Provide guidance, support, and training related to Zone 7’s Environmental Compliance Programs that include; Air Quality Compliance, Water Quality Compliance, Industrial Hygiene/Safety, Hazardous Waste Management, and Hazardous Materials Management</td>
</tr>
<tr>
<td>TJC and Associates, Inc</td>
<td>$50,000</td>
<td>Provide as needed SCADA and Control System Services</td>
</tr>
<tr>
<td><strong>Total June 2020</strong></td>
<td><strong>$149,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
1. **CALL TO ORDER**

   The regular meeting of the Delta Conveyance Design and Construction Authority (DCA) Board of Directors was called to order remotely - Conference Access Information: Phone Number: 1 (916) 262-7278 Access Code: 1480112308# https://meetings.ringcentral.com/j/1480112308

2. **ROLL CALL**

   Board members in attendance were Tony Estremera, Richard Atwater, Sarah Palmer, and Steve Blois constituting a quorum of the Board.

   DCA staff members in attendance were Kathryn Mallon, Joshua Nelson, Nazli Parvizi and Katano Kasaine. DWR staff members in attendance included Carrie Buckman.

3. **PLEDGE OF ALLEGIANCE**

   President Tony Estremera convened the open session at approximately 2:00 p.m. and led all present in reciting the Pledge of Allegiance.

4. **PUBLIC COMMENT**

   President Estremera opened Public Comment, limiting speaking time to three minutes each.

   President Estremera closed Public Comment.

5. **APPROVAL OF MINUTES: April 16, 2020 Regular Board Meeting**

   Recommendation: Approve the April 16, 2020 Regular Board Meeting Minutes

   Move to Approve Minutes from April 16, 2020 as Amended: Blois
   Second: Palmer
   Yeas: Estremera, Palmer, Blois, Atwater
   Nays: None
   Abstains: None
   Recusals: None
   Absent: None
   Summary: 4 Yeas; 0 Nays; 0 Abstains; 0 Absent. (Motion passed as MO 20-05-01).
6. CONSENT CALENDAR

a. Joint Exercise Powers Agreement Amendment #2

Recommendation: Approve Joint Exercise Powers Agreement Amend #2

Move to Approve Joint Exercise Powers Agreement Amendment #2: Palmer
Second: Atwater
Yeas: Estremera, Palmer, Blois, Atwater
Nays: None
Abstains: None
Absent: None
Summary: 4 Yeas; 0 Nays; 0 Abstains; 0 Absent. (Motion passed as MO 20-05-02).

7. DISCUSSION ITEMS:

a. Stakeholder Engagement Committee Update

Ms. Nazli Parvizi provided an update on the April 22nd SEC meeting. The SEC discussed the issue of moving forward with the SEC meetings and ultimately decided that they would continue with the process. At this meeting, the SEC decided to have various ad hoc committees present an update to the Board each month. At the next SEC meeting on May 27th, there will be a presentation about tours of the facilities. In addition, how SEC feedback will be incorporated in future materials will be discussed. Ms. Parvizi mentioned that Congressman Garamendi has long proposed a plan for Delta Conveyance that utilizes the West Sacramento Port and Deep Ship channel. Recently, DWR and the DCA presented their preliminary findings of the plan to Congressman Garamendi and his staff.

Ms. Palmer felt that it is good to see folks in the SEC have such vigorous discussions in the meetings and that Nazli does a very good job at presenting how the process is going. Ms. Palmer was excited to see the presentations from the SEC members.

Ms. Barbara Keegan, DCA Alternate Director and SEC Vice Chair, noted the spirited discussions that happen at the SEC meetings and felt this is how we have real dialog and gain honest feedback. This can be challenging but ultimately will have a good outcome. Ms. Keegan looked forward to hearing the SEC representatives share their thought on the experience.

b. Stakeholder Engagement Committee Member Report Out

Mr. Jim Wallace, SEC Member representing history and heritage, thanked the Chair and Vice Chair of the SEC for their leadership and acknowledged the DCA and DWR for their presentation of data. Mr. Wallace shared his observations of the purpose of the committee, which Delta stakeholders are presented with details related to the design and construction of the project so that as informed stakeholders, they can provide meaningful recommendations that could improve the way the project benefits the Delta. This means that the SEC process carries tremendous expectations, not only for stakeholders but also for the DCA. Mr. Wallace commented on the extent of engagement that the SEC members have contributed, despite skepticism and frustration. Many times, during these
presentations, the DCA provided great granular details about specific project elements which has led to nuanced understanding of the project and more in-depth questions and feedback. Mr. Wallace addressed that it is difficult for the SEC to comment on site specific locations due to the personal connection they have with the Delta and its residence. There is not much way for the SEC to identify benefits from the project based on what has been presented to them thus far. Mr. Wallace felt that more road and more railroads should not be claimed as a benefit. Mr. Wallace asked why are ancient water management practices like river diversion and tunnels still being proposed as solutions to 21st century problems. Another difficulty presented was that the DCA could not address project operations at the same level of detail as they can address construction and design. Ultimately, there are no design or construction changes that adequately address the negative impacts of the conveyance project on Delta heritage and certainly no mutual benefits.

Mr. Wallace proposed that there might be a way to move this process forward by addressing the expectations that have been unmet. He suggested we start at a macro project level of assuming the project passed and would move forward in order to hone in on micro project effects lead to discussion about project benefits, if any. This approach would lead to a process which provides DCA with the types of input that leads to changes and would not conflict with CEQA process and would not require individual SEC member input. This allows the DCA to pointedly ask the SEC how this project can provide benefits to the Delta communities. Mr. Wallace emphasized that the SEC must be more than a check box on DCA public participation. Finally, from history and heritage stakeholders, whether the Conveyance Project is constructed or not, it is asked that the tunnels history not become part of the heritage which has defined the Delta as a place.

Ms. Lindsey Liebig, SEC member representing agriculture across the Delta region, thanked the Board and staff for the outreach opportunities that they have not had before. Ms. Liebig noted how impressed she was with the amount of detailed information that has been provided to the SEC that she has been able to pass along to her constituents. Regardless of her stance on the project, Ms. Liebig is grateful to be able to know exactly what the project entails including the footprint and construction elements. Ms. Liebig felt that it has been an asset being able to interact with the diverse members on the committee. Ms. Liebig reiterated that it is difficult to give feedback on site specific locations or get feedback from the ag community because they view the idea of mutual benefits as a joke. She does not feel that there will be a way to reinvigorate the agricultural economy that will be lost if this project moves forward. Ms. Liebig gave her impression of the topics that arise in the SEC meetings as being narrow and limited where they can’t explore at a greater compacity and would like a more open Q&A discussions.

Ms. Liebig stated that without knowing what the operations will look like, it is hard for Ag stakeholders to make adequate comments on the project. Ms. Liebig’s biggest concern was the potential loss of permanent crops such as orchards and vineyards and the way this will affect the agricultural economy. Additionally, this will result in a loss of farm worker jobs. Ms. Liebig discussed her concerns regarding dewatering and what this will look like and the impact this will cause on the greater area. The increased traffic and construction during the process is another issue that was brought up as well as questions about RTM storage and whether the material will be safe for reuse. Ms. Liebig suggested that moving forward, fostering a discussion more about what stakeholders are feeling would be helpful and wondered if there was a way for this committee to facilitate these broader discussions in a controlled format, often there is not enough time to have an open Q&A or process thoughts because there is so much material to present at meetings. In addition, it would be helpful to clarify what a mutual benefit is versus mitigation measures because she does not feel they
are the same. Ms. Liebig would like to see continued outreach with the individual stakeholder groups, post SEC process.

Ms. Karen Mann, SEC member representing South Delta local businesses, thanked the Board for the opportunity to share their thoughts and concerns. Ms. Mann provided her background of playing, working, and living in the Delta since she was a child and is currently an active member of three different boat clubs. Ms. Mann commended the DCA’s ability of explaining the engineering components to the committee but felt that the DCA was not responsive to SEC concerns. Ms. Mann spoke about the intake locations and their placement being the same locations as the WaterFix project and felt that this would adversely affect the Legacy communities. Ms. Mann said SEC members have recommended alternative solutions but does not feel like these have been considered. Ms. Mann emphasized that the Central Corridor route is not a preferred option. It was noted that the Independent Technical Review (ITR) team hired by the DCA said that the Central Corridor was not feasible and that there are no benefits to eastern Contra Costa County. This route will affect the wells, the Sandhill cranes, and will go through a heavily used recreation area and the National Heritage area. Ms. Mann is concerned about the Real Estate Acquisition Plan moving forward if the tunnel route has yet to be determined. Ms. Mann presented statement letters provided by the General Manager of Discovery Bay and the Fire Marshall representing the East Contra Costa County Fire Protection District, about the adverse impact of Discovery Bay, Byron businesses and residences (estimated at roughly 25,000-50,000) that would be put into jeopardy. Ms. Mann was concerned about the layout of the Byron maintenance shaft being within only 1000 feet of residences. Ms. Mann said that having only three fire stations covering 250 miles is not enough and noted that the Fire Marshal was very concerned that he hasn’t been consulted early on in this process. Ms. Mann had not seen project benefits yet and feels that this will be a lose-lose situation for anyone that lives in the Delta.

Mr. Michael Moran, Ex-Officio member on the SEC and representative of East Bay Regional Park District, thanked everyone that has been involved in the process and felt that the DCA Board and DCA staff have been very professional, gracious and kind. This process has resulted in a sense of empathy and connection between the DCA and stakeholders, what was missing in past iterations of this project. Mr. Moran spoke about the well-presented information provided and that the attitude of DCA has been transparent and sincere. Mr. Moran would like to see the tangible ways that the SEC’s input is applied to the project and believes this is a great opportunity to broaden audiences and begin a foundational understanding of the ‘why’ around the project. Mr. Moran said that we need to go beyond mutual facilities benefits and discuss how to best maintain, restore, or improve Delta character and to do this you need to have the engaged community. In addition, those benefits should be immediate, mid-range, long range, and continues benefits throughout the lifespan of the project. Mr. Moran feels that education and outreach are key components that must go on as long as the project does.

Ms. Palmer explained that it is important for the Board to know these feelings that the SEC have. Ms. Palmer referenced the “why” to the project that Mr. Moran brought up and says that we will work on improving this definition.

Ms. Keegan thanked the SEC members for their kind comments and critical points that were brought up. She appreciated the professionalism of both staff and SEC. Ms. Keegan is glad to be a part of a change in the way things had been done in the past and felt that we will be able to look back on this process and be proud of our participation.
Mr. Atwater thanked Ms. Palmer and Ms. Keegan for their participation on the SEC and the great leadership that they show. Mr. Atwater was pleased with how this process has moved forward and encouraged continued engagement, listening, and participation as much as we can.

Mr. Blois echoed the comments of his colleagues, grateful for the extent of participation. He recognized that we will not agree on everything but we have a job to do which is to come up with the best project that works for everyone, both locally and statewide. Mr. Blois said that sincere and honest input will help us in our mission.

Ms. Osha Meserve, Local Agencies of the North Delta, appreciated the stakeholders giving their own report. Ms. Meserve gave her impression of why the SEC decided to continue with the last meeting which was because the DCA made it appear as if stakeholder didn’t continue with the SEC meeting, they couldn’t give input on the engineering. Ms. Meserve reference Pg. 5 of the Board report and wanted to clarify that ‘critical’ infrastructure project is different than ‘essential’ infrastructure project, future water projects are not essential. Ms. Meserve believed there was wrong information in the presentation provided to Congressman Garamendi in regards to why the Western Delta couldn’t be considered as an alternative in the EIR. She felt that this should not be dismissed preliminarily. Lastly, Ms. Meserve felt the topics of the committee are too narrow and we are not getting the full value of the SEC by doing this.

Mr. Estremera wanted to thank each SEC member for their presentations. Right away there is an improvement by having them meet directly with the Directors. Mr. Estremera explained that once we get to know the project more intimately and have a closer understanding about construction variables, we will begin discussing topics of community benefits and effective alternatives. Mr. Estremera emphasized how important it is to find win-wins from the project and knows we are headed in that direction because of the group of community people that have shown their commitment.

c. DCA’s Transition Back to the Office

Ms. Marcie Scott, DCA HR Manager, referenced Governor Newson’s Four (4) phase plan for re-opening California. As we are currently in Phase Two (2), the DCA continues to work in a telework status. IT systems that were brought on in January have fully supported an immediate pivot to remote work. This pivot occurred right before the April footprint deadline. The DCA continues to meet deliverables to DCO. Both Board and SEC meeting are continuing to work remotely. With relaxation of restriction, the DCA office will be available to workers on a voluntary basis. The DCA will revise the office layout to accommodate for social distancing requirements and prepare for protocols of behaviors required to work in the office.

d. Draft DCA Budget for Fiscal Year 20/21

Ms. Mallon gave an overview of the draft DCA Budget for Fiscal Year 20/21 and plans to come for final approval at the June Board meeting. Overall budget is approximately $34M. Most of the work next year revolves around the engineering needed to support DWR on the CEQA documentation. Ms. Mallon would like to get the field work started. It is important that Geotech exploration be done as it can help answer common questions related to dewater and pile driving. This will also help to refine the construction and design of the project. Ms. Mallon budgeted for SEC monthly meetings to
continue and would like to find ways to open up the SEC process more. Ms. Mallon would like to reallocate money into field work for additional boreholes and field studies when possible which will help the engineering.

e. **May DCA Monthly Report**

Ms. Mallon referenced a new item in the Board report which was the procurement of General Counsel services permanently, added as new commitment.

8. **STAFF REPORTS AND ANNOUNCEMENTS:**

a. **General Counsel’s Report**

A written report was provided in the Board package. Mr. Nelson noted that based on Ms. Scott’s presentation about Stage 2 commencing, his report is outdated. Mr. Nelson expressed his appreciation for the Board’s approval of the JEPA amendment.

b. **Treasurer’s Report**

A written report was provided in the Board package. Ms. Kasane said that we ended with 978K at the end of April.

c. **DWR Environmental Manager’s Report**

A written report was provided in the Board package. Ms. Buckman noted the 850 comments they received. DWR is working on documenting these into the scoping summary report which is expected to be completed late June/early July.

d. **Verbal Reports**

9. **FUTURE AGENDA ITEMS:**

None.

10. **ADJOURNMENT:**

President Estremera adjourned the meeting at 3:07p.m., remotely - Conference Access Information:

Phone Number: 1 (916) 262-7278 Access Code: 1480112308#

https://meetings.ringcentral.com/j/1480112308