ORIGINATING SECTION: Administration
CONTACT: Valerie Pryor

AGENDA DATE: March 18, 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 January.

Operations and Maintenance:

Maintenance staff worked on several projects including support work for the Del Valle Water Treatment Plant (DVWTP) Ozonation Project and support work for the Patterson Pass Water Treatment Plant (PPWTP) Expansion and Ozonation Project.

Administration and Outreach:

On February 25, 2020, Staff met with HighMark Capital Management for a quarterly review of the Agency Investment Portfolio. In the discussion, staff managed to negotiate and reduce by $20,000 the annual Investment Management Fee on our assets under management by HighMark Capital Management.

Untreated Water Rates: Staff engaged a consultant to support the Agency with a facilitated process with its untreated water customers and related stakeholders to establish untreated water rates for 2021 and beyond. Key steps include:

- March 4, 2020: A survey was emailed to Zone 7’s untreated water users and stakeholder groups including Friends of Open Space and Vineyards, Tri-Valley Conservancy Tri-Valley Winegrowers Association. The purpose of the survey is to better understand the untreated water users’ issues around rate setting and help inform the workshop agenda. The survey was mailed to 8 customers who did not have email addresses on file.

- April 21, 2020: The first Untreated Water Stakeholders Engagement Workshop.

Treated Water Rates: The Board approved the treated water rates per resolution no. 18.74 for calendar years 2019, 2020, 2021 and 2022. The Board also approved to revisit the water rates schedule for calendar years 2021 and 2022, through a public process, with any changes adopted by November 2020. The timeline for this process is:
• May 2020 – Staff meeting with Retailers
• August 2020 – Send post cards to businesses and residents
• August 2020 – Meeting between staff, Retailers and Rate Consultant
• August 2020 – Public presentation on the upcoming water rates (If necessary)
• September 2020 – Special Board Meeting on the Wholesale Water Rates Study
• September 2020 – Regular Board meeting to discuss and the board to provide
directions on the Wholesale Water Rates Study
• October 2020 – Regular Board Meeting to adopt the rates for calendar 2021 and 2022

Staff held a PFAS Legislative Briefing with representatives from Senator Feinstein,
Assemblymembers Bauer-Kahan and Quirk and State Senator Glazer.

Staff is promoting this year’s Fix a Leak Week contest. If you have a fourth grader in the
service area, make sure your child’s teacher knows about it. There are prizes to be won! More
info at https://www.zone7water.com/events-resources/kids-zone.

State Water Project (SWP) Activities:

On February 27, 2020, DWR conducted the third manual snow survey of 2020 at Phillips
Station. The manual survey recorded 29 inches of snow depth and a snow water equivalent
(SWE) of 11.5 inches, which is 47 percent of the March average for this location. The SWE
measures the amount of water contained in the snowpack, which provides a more accurate
forecast of spring runoff. “Right now, 2020 is on track to be a below-average year but we
could still see large storms in March and April that will improve the current snowpack,” said
Sean de Guzman, chief of DWR’s Snow Surveys and Water Supply Forecasting Section. “While
periods of dry conditions are expected in California, climate change has made them more
unpredictable and extreme which is why we must always use the water we have wisely.
Staff continues to participate in State Water Contract amendment negotiations with the State Department of Water Resources (DWR) related to the anticipated Delta Conveyance/single tunnel project. It is likely these negotiations will conclude in April. In general, the contract amendment negotiations would cover project participation amounts that would be used for cost allocation, and how the associated water supplies would be managed and accounted for.

At this time, it is anticipated that the contract amendment negotiations will result in an Agreement in Principal (AIP) that would include Contractor participated amounts and a commitment for those opting in the pay for planning and engineering costs over the next three years (estimated to be $350 million). Upon the conclusion of CEQA and with an identified project, Contractors that had approved the AIP and funded planning and engineering costs would have the option to approve the contract amendment and participate in the Delta Conveyance project. Contractors that did not approve the AIP and fund planning and engineering costs would not have the option to participate in the Delta Conveyance process.

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 January 16 and February 6, 2020 DCDCA and the January 16, 2020 DCFA meetings are attached to this report. 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:** Filter underdrain installation on filters 1-4 is ongoing, with air testing of underdrains in filters 3 & 4 taking place through Friday. Startup activities for filters 5 - 8 are the major focus with testing of all the new and modified chemical systems (8 systems in all) in full automatic mode are being conducted, as well as SCADA tuning of the new flow control valves to the ozone contactor structure. Water is being recirculated within the treatment plant in order to do this. Programming and SCADA modifications are being checked to ensure system operability and reliability. The plant will be back in service in mid-March.
Integrated Water Resources:

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

- **Los Vaqueros Reservoir Expansion.** The Bureau of Reclamation and Contra Costa Water District published final environmental documents in late February for the project, which is a major milestone. The documents addressed all comments and identified all the mitigation and monitoring measures to fully address the project’s environmental impacts. Workgroup efforts continue on JPA formation, usage fees, cost allocation/service agreements, and South Bay Aqueduct capacity analysis. The current Multi-Party Agreement expires on June 30, 2020 and an amendment covering July 1, 2020 through December 31, 2021 is expected to be presented to the Zone 7 Board in April/May 2020 for consideration. The amendment’s scope of work would support Joint Powers Authority (JPA) formation and continued work related to planning, permitting, and preliminary design; the cost of the work—and its allocation to partners—are currently under development.

- **Potable Reuse.** In December 2019 and January 2020, DSRSD, Zone 7, and Livermore approved the negotiation and execution of a Task Order under the Tri-Valley Intergovernmental Master Services Agreement, which will allow collaborative studies and other efforts on potable reuse to proceed (e.g., desktop groundwater contaminant mobilization study, communications). Pleasanton is scheduled to seek City Council approval on March 17, 2020.

- **Regional Desalination.** Zone 7 and other interested agencies are developing a scope of work with a consultant to address the water rights issues of a Bay Area Regional Desalination Project using Contra Costa Water District’s water rights and using Los Vaqueros Reservoir to facilitate storage and water exchange.

- **Sites Reservoir.** Around May 2020, the Sites JPA is expected to seek another extension to the 2019 Sites Reservoir Project Agreement, extending the current phase’s end date from June 30, 2020 to August 31, 2020. This will allow more time to work through permitting issues with state agencies and address key questions regarding reservoir yield and cost, which will better inform water agencies’ decision-making regarding the next phase of the project. This next phase is expected to cover from September 1, 2020 through December 31, 2021 with a funding request estimated at $100/acre-foot. At a current participation level of 10,000 acre-feet, the cost to Zone 7 of the next phase is estimated at $1,000,000.

- **Water Transfers.** Staff has hired Provost & Pritchard Consulting Group for support on identification and evaluation of water transfer opportunities as recommended in the 2019 Water Supply Evaluation Update. A “Water Transfers 101 Workshop” is being scheduled with the Water Resources Committee.
# Monthly List of GM Contracts

## February 2020

<table>
<thead>
<tr>
<th>Contracts:</th>
<th>Amount</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maze &amp; Associates</td>
<td>$6,500</td>
<td>To perform an internal audit over purchasing cards (P-Cards).</td>
</tr>
<tr>
<td>Point Blue Conservation Science</td>
<td>$15,000</td>
<td>Preparing for the Storm Project originating from the San Francisco Bay Water Quality Improvement Fund – (“U.S. Environmental Protection Agency Grant”)</td>
</tr>
<tr>
<td>Tri-Valley Community Television Foundation</td>
<td>$29,932</td>
<td>Video Recording and TV Broadcasting of Zone 7 Water Agency’s Board Meetings</td>
</tr>
<tr>
<td><strong>Total February 2020</strong></td>
<td><strong>$51,432</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 in the Sacramento Public Library, Tsakopoulos Library Galleria, 828 I Street, Sacramento, CA 95814, at 2:00 p.m.

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, Carrie Buckman, Joshua Nelson, and Katano Kasaine.

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: December 19, 2019 Regular Board Meeting**

Recommendation: Approve the December 19, 2019 Regular Board Meeting Minutes

Move to Approve Minutes from December 19, 2019 as Amended: Atwater

Second: Palmer

Yeas: Estremera, Atwater, Palmer, Blois

Nays: None

Abstains: None

Recusals: None

Absent: None

Summary: 4 Yeas; 0 Nays; 0 Abstains; 0 Absent. (Motion passed as MO 20-01-01).
6. **CONSENT CALENDAR**
   
a. None.

7. **DISCUSSION ITEMS:**
   
a. **Report out from Stakeholder Engagement Committee Meeting**
   
Ms. Mallon gave an update on the next SEC meeting schedule which will be January 22, 2020 from 3pm-6pm at Belle Vie Vineyards in Rio Vista. At this meeting there will be a follow up round table discussion regarding the previous meeting topics and to answer any question. Ms. Buckman will be presenting the Notice of Preparation (NOP) and what it means for the DCA. The discussion topics of this meeting will be about the proposed Northern Delta facilities and intakes. Ms. Mallon noted that the committee have been very helpful through this process.

Ms. Palmer commented that she felt the last SEC meeting went well and mentioned that committee members are becoming more comfortable with expressing their feelings.

Mr. Estremera reminded everyone that the SEC meetings are welcome to the public and the meeting is live streamed in case anyone cannot attend in person.

b. **January DCA Monthly Report**

Ms. Mallon briefly spoke about the budget, forecasting just under 50Mil at the end of this fiscal year. There have been no new requests for permissions for procurement. A task order has just been signed to initiate development of the DCA’s new website which will take about 4-6 months. Ms. Palmer requested a demo of the website to learn how to navigate around it.

b. **Consider Passing the Resolution to Amend the DCA Bylaws**

Recommendation: Pass the Resolution to Amend the DCA Bylaws

Mr. Nelson presented the proposed amendment to the DCA Bylaws to clarify how the Executive Director can delegate her authority. The current Bylaws are silent on this topic therefore we would like to explicitly lay out how authority may be delegated. The proposal is to have Ms. Mallon be able to delegate her authority to any other staff person that she felt was appropriate, as long as the delegation was in writing and forwarded to the Board.

Move to Pass the Resolution to Amend the DCA Bylaws,
as Noted: Atwater
Second: Palmer
Yeas: Estremera, Atwater, Palmer, Blois
Nays: None
Abstains: None
Recusals: None
Absent: None
Summary: 4 Yeas; 0 Nays; 0 Abstains; 0 Absent. (Motion passed as Resolution 20-01).
d. 980 9th Street DCA Build-out Update

Ms. Mallon briefed the Board on the move in schedule for the new building which is set for January 27th. Ms. Mallon introduced the DCA Facilities Manager, Jennifer Malone, to give a presentation on the new building.

Ms. Malone spoke about the January 27th move in date for the 24th floor as well as the 23rd floor in late February and then the 1st floor in late March. We anticipate the first Board meeting in the new Board room will be for the month of April. Ms. Malone presented some pictures of the space to show the progress including all of the collaboration areas. There are 100 work station, 7 meeting rooms that have different types of technology driven equipment as well as 12 open flexible work spaces. The 23rd floor holds the majority of the meeting rooms including the Engineering War Room with Avicore system that allows for touch screen use. This floor will hold additional desking areas as our team grows. Among these conference rooms there are also phone booths, mud rooms, & a wellness room. The first floor is where the main Board room is and reception area as well as a few additional conference rooms. The dais will seat up to 11 Board members with 65 seats for the public.

Ms. Palmer requested a tour of the new offices which Ms. Mallon indicated that could be arranged.

Ms. Mallon mentioned the purpose for the high-tech facility is to give the capability of integrating staff across the world.

8. STAFF REPORTS AND ANNOUNCEMENTS:

a. General Counsel’s Report
A written report was provided in the Board package. Mr. Nelson highlighted that due to it being the year of 2020, there is a new round of form 700’s. Mr. Nelson indicated that the Board should have received an email directing them to file this electronically which are due April 1st.

Mr. Blois asked if the FPPC figured out how they can report multiple Boards on one submission. Mr. Nelson responded that he believes you need to file separately for each office.

b. Treasurer’s Report
A written report was provided in the Board package. Ms. Kasaine spoke about the December report mentioning the 522K remaining in the DCA funds. Ms. Kasaine referenced the advance that was requested because the DCO could not pay for advanced deposits which is why the funds are low until we receive those advanced funds. We are submitting our annual financial transaction report to the State next week for the DCA.

c. DWR Environmental Manager’s Report
A written report was provided in the Board package. Ms. Buckman presented information on the recent release of the Proposed Negative Declaration on Soil Investigation to help inform the geological study on Delta Conveyance and alternatives. The DWR has received 22 comment letters so far on the ISMND that was released in November. These comments are coming from tribes, local governments, state and local agencies, non-governmental organizations and individuals. In addition, the Notice of Preparation (NOP) was released on January 15th for the Delta Conveyance project to initiate the environmental review process. Comments are due on March 20th and there will be
scoping meetings in February mostly in the Delta. Ms. Buckman stated that the NOP was filed with the State Clearinghouse and 36 county clerks. Ms. Buckman wanted to signify the amount of people that DWR is trying to reach with this update. 1400 thousand post cards were mailed along with 45 notification letters to State and Federal agencies. 155 notifications letters were sent to disadvantages communities’ representatives, 177 letters to tribal representatives, and an electronic distribution list equaling to over 8000 recipients. A press release also came out and the DWR website was updated with this information. There were 7 published legal notices as well as copies of the NOP placed at over 100 libraries. Ms. Buckman discussed how the NOP described the project objective which includes an overview of the proposed project as a basis for comments and seeks input on the scope of the environmental analysis and potential alternatives.

Ms. Palmer found the Q&A very helpful that was released. Ms. Palmer asked why there was no mention of the development of the DCA in the NOP. Ms. Buckman clarified that DWR is the CEQA lead agency and the NOP is describing their action as the potential lead agency. The DCA is acting as the DWR agent.

Ms. Osha Meserve, Local Agencies of the North Delta, commented on the names of the conference rooms that she did not agree with. Ms. Meserve spoke about her disappointed of the NOP having the same intakes and locations as the previous project. She feels that the NOP does not address the operational impacts that they are so concerned about with up to 7500 cfs. Ms. Meserve feels that there has been no interest with addressing better alternative that would meet the export water contractors’ concerns.

d. Verbal Reports
Ms. Palmer references the monthly report, pg. 10, regarding the schedule and wanted to have folks take a look at this to see how the project is progressing. Another useful area of the report is slide 8 which is the planned cash flow.

9. FUTURE AGENDA ITEMS:
Ms. Palmer requested to have more of a Board discussion of the NOP. In addition, Ms. Palmer would like to take a look at some succession planning in terms of people moving in and out of the project.

10. ADJOURNMENT:

President Estremera adjourned the meeting at 2:27p.m., in the Sacramento Public Library, Tsakopoulos Library Galleria, 828 I Street, Sacramento, CA.
1. CALL TO ORDER

The special meeting of the Delta Conveyance Design and Construction Authority (DCA) Board of Directors was called to order in the Park Tower, 980 9th Street, Second Floor Conference Center, Sacramento, CA 95814, at 4:30 p.m. Teleconference Locations: 546 Lagrange Ln. Livermore, CA 94550; 5707 Ocean View Blvd, La Cañada Flintridge, CA 91011; Valley Water, 5500 Almaden Expressway, San Jose, CA 95118

2. ROLL CALL

Board members in attendance were Tony Estremera, Richard Atwater and Sarah Palmer constituting a quorum of the Board. Steve Blois was not in attendance.

DCA staff members in attendance were Kathryn Mallon, Nazli Parvizi and Joshua Nelson.

3. PLEDGE OF ALLEGIANCE

President Tony Estremera convened the open session at approximately 4:30 p.m. and led all present in reciting the Pledge of Allegiance.

4. PUBLIC COMMENT

President Estremera opened Public Comment, however there were no public comments received.

President Estremera closed the Public Comment.

5. DISCUSSION ITEMS:

a. Consider Passing Resolution to Appoint DCA Stakeholder Engagement Committee (SEC) Member

Recommendation: Pass Resolution to Appoint DCA SEC Member

Ms. Parvizi provided a summary of the applications received for the SEC Recreation vacancy. After careful review and consideration of the applications received, Mr. Peter Robertson was selected as the Recreation candidate for the SEC. Ms. Parvizi made the recommendation to the Board to appoint Mr. Robertson as the new SEC Recreation member.
Move to Pass Resolution to Appoint DCA Stakeholder Engagement Committee Member,
As Noted: Palmer
Second: Atwater

Vote by Roll Call
Yea: Estremera, Atwater, Palmer
Nay: None
Abstain: None
Recusal: Blois
Absent: None
Summary: 3 Yeas; 0 Nays; 0 Abstains; 1 Absent. (Motion passed as MO 20-02-01).

6. FUTURE AGENDA ITEMS

a. None.

7. ADJOURNMENT:

President Estremera adjourned the meeting at 4:42 p.m., in the Park Tower, 980 9th Street, Second Floor Conference Center, Sacramento, CA.
1. CALL TO ORDER

The regular meeting of the Delta Conveyance Finance Authority (Finance Authority) Board of Directors was called to order by Vice President Kremen at the Sacramento Public Library, Tsakopoulos Library Galleria, 828 I Street, Sacramento, CA, at 11:00 a.m.

2. PLEDGE OF ALLEGIANCE

Director Pryor led the Pledge of Allegiance.

3. ROLL CALL

Board members in attendance were Robert Cheng, Dwayne Chisam, Kathy Cortner, Jeff Davis, Mark Krause, Gary Kremen, Valerie Pryor, Paul Sethy, and Matt Stone.

Board members absent were Randy Record and Doug Headrick.

Staff members in attendance were Brian Thomas, Katano Kasaine, and Steve O’Neill.

4. PUBLIC COMMENT

Vice President Kremen declared public comment open, limiting speaking time to three minutes.

No members of the public requested time to speak, therefore Vice President Kremen closed public comment.

5. OTHER MATTERS

5.a. None.

6. CONSENT CALENDAR:

6.a. Approval of the minutes from the meeting of October 17, 2019.

Motion: Approve the minutes from the meeting of October 17, 2019
Move to Approve: Kathy Cortner
Second: Valerie Pryor
Yeas: Robert Cheng Dwayne Chisam, Kathy Cortner, Jeff Davis, Gary Kremen, Mark Krause, Valerie Pryor, and Matt Stone
Nays: None
Abstains: Paul Sethy
Recusals: None
Absent: Randy Record, Doug Headrick
Summary: 8 Yeas; 0 Nays; 1 Abstains; 2 Absent. (Motion passed as MO 20-01-01)

7. SCHEDULED ITEMS

7.a. Election of board officers and appointment of Treasurer/Controller

Director Kremen discussed the election of board officers and the appointment of the Treasurer/Controller and suggested that the election and appointment be taken care of in two motions, with the election of the officers first. He noted that each of the current officers had offered to serve one more year at the Board’s discretion.

Motion: That the Board Officers continue their service for another term.
Move to Approve: Valerie Pryor
Second: Kathy Cortner
Yeas: Robert Cheng Dwayne Chisam, Kathy Cortner, Jeff Davis, Gary Kremen, Mark Krause, Valerie Pryor, Paul Sethy and Matt Stone
Nays: None
Abstains: None
Recusals: None
Absent: Randy Record, Doug Headrick
Summary: 9 Yeas; 0 Nays; 0 Abstains; 2 Absent. (Motion passed as MO 20-01-02)

Director Kremen noted he would accept a motion to appoint Ms. Katano Kasaine, MWD’s current Chief Financial Officer and DC Finance’s current treasurer as DC Finance’s treasurer.

Motion: That the Treasurer continue their service for another term.
Move to Approve: Kathy Cortner
Second: Valerie Pryor
Yeas: Robert Cheng Dwayne Chisam, Kathy Cortner, Jeff Davis, Gary Kremen, Mark Krause, Valerie Pryor, Paul Sethy and Matt Stone
Nays: None
Abstains: None
Recusals: None
Absent: Randy Record, Doug Headrick
Summary: 9 Yeas; 0 Nays; 0 Abstains; 2 Absent. (Motion passed as MO 20-01-03)

7.b. Executive Committee appointments

Director Kremen discussed the election of Executive Committee members. He noted that the DC Finance Executive Committee is comprised of the three officers and Director Sethy and Director Pryor, and that each of the current committee had offered to serve one more year.
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Motion: That the Executive Committee members continue their service for another term.

Move to Approve: Jeff Davis
Second: Robert Cheng
Yeas: Robert Cheng Dwayne Chisam, Kathy Cortner, Jeff Davis, Gary Kremen, Mark Krause, Valerie Pryor, Paul Sethy and Matt Stone
Nays: None
Abstains: None
Recusals: None
Absent: Randy Record, Doug Headrick
Summary: 9 Yeas; 0 Nays; 0 Abstains; 2 Absent. (Motion passed as MO 20-01-04)

7.c. Report from Kathryn Mallon, Executive Director for the Delta Conveyance Design & Construction Authority [Information]

Ms. Mallon discussed recent DCA events. She noted that draft engineering reports are currently planned for submittal in July 2020 to DWR. She noted that DCA is currently about five months behind schedule and is ramping up staffing to get back on schedule. She noted that the Notice of Preparation (NOP) had been released on January 15. With the release of the NOP, the project has now been defined as a 6,000 cfs tunnel project and includes two corridors to study, with descriptions of the facilities to develop a tunnel alternative. A stakeholder engagement committee has been established, which comprises 20 members that represent a variety of interests in the Delta. Two meetings have been held to date and were mostly foundational in nature. Future meetings will be focused on going through the NOP and looking at the intakes. The committee has been a collaborative and respectful process and DCA staff are appreciative that committee members have been willing to commit as much time as they have to help ensure what is put in the engineering documents respects their concerns and addresses them in a way that helps reduce effects in a manner that is mutually beneficial. Ms. Mallon discussed the preliminary budget and schedules that are currently being drafted, consistent with the JEPA. DCA is on target budget-wise and the budget will cover the DCA and DWR planning phases.

8. REPORTS AND ANNOUNCEMENTS

8.a. Executive Director Report

Mr. Thomas discussed activities he participated in during the last month, including meetings at ACWA and ongoing discussions with the Delta Conveyance Design & Construction Authority (DCA), State Water Project Contractors, and Department of Water Resources. In addition, he described needed administrative activities including submitting the audited financials to the State Controller’s Office and acquiring insurance for the Authority were completed. Finally, Mr. Thomas reported on working with General Counsel to draft amendments to the JPA Agreement.

8.b. General Counsel Report

Mr. O’Neill reported on activities which occurred during the last month. He noted his recent activity involved working on revisions to the JPA and drafting a model resolution to share with member agencies. Mr. O’Neill discussed with the Board the anticipated
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timeline for revision and approval of the revised JPA as well as changes to the language contained in the revised JPA.

8.c. Treasurer's Report

Ms. Katano Kasaine reported on the quarterly financial statements for quarter ending December 31, 2019 for the DC Finance Authority. She noted that activities were within budget.

9. FUTURE AGENDA ITEMS

There were no future agenda items.

10. CLOSED SESSION

10.a. Conference with legal counsel pursuant to Government Code section 54956.9, potential litigation: one case.

Mr. O’Neill noted discussion of one item, with no formal action taken in closed session.

11. ADJOURNMENT:

Vice President Kremen adjourned the meeting at 12:10 p.m.