

April 14, 2020  
Fremont, California

The regular monthly meeting of the Board of Directors of ALAMEDA COUNTY WATER DISTRICT was held on April 14, 2020, at the hour of 6:00 P.M.

Due to COVID-19 and in accordance with Governor Newsom's Executive Order N-25-20 which suspends portions of the Brown Act, this meeting was conducted by Zoom Webinar and Teleconference and members of the public were invited to participate.

Present: Directors Akbari, Gunther, Sethy, Weed, and Huang

Staff members present: General Manager Robert Shaver, Manager of Operations & Maintenance Kurt Arends, Manager of Finance Jonathan Wunderlich, Manager of Water Resources Laura Hidas, Manager of Engineering & Technology Services Ed Stevenson, General Counsel Patrick Miyaki, and Assistant District Secretary Andrew Warren.

President Judy Huang presided.

Director Akbari led in the Salute to the Flag.

3 – PUBLIC COMMENTS – None

4 – CONSENT CALENDAR

A motion was made by Director Gunther to add Items 5.1 through 5.5 to the Consent Calendar, seconded by Director Akbari.

The motion was passed by the following vote:

AYES: Directors Akbari, Gunther, Sethy, Weed, and Huang  
NOES: None  
ABSENT: None

A motion was made by Director Gunther, seconded by Director Sethy to approve the following items on the Consent Calendar as amended.

- 4.1 Approval of Minutes of Regular Board Meeting of March 12, and Special Board Meeting of March 26, 2020
- 4.2 Ratification of Payment of Audited Demands dated March 6, March 13, March 20, and March 27, 2020
- 4.3 Resolution Approving and Authorizing Execution of Public Water System Extension Agreement with TH-HW Enterprise LLC, Tract 8459, Compass Bay, ACWD No. 2019-0023

RESOLUTION NO. 20-019

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
APPROVING AND AUTHORIZING EXECUTION OF PUBLIC WATER  
SYSTEM EXTENSION AGREEMENT WITH TH WILLOW NEWARK  
INVESTORS LLC, TRACT 8459, COMPASS BAY, ACWD NO. 2019-0023

- 5.1 Authorization for Agreement for Consulting Services for Labor Relations and Negotiation Services
- 5.2 Amendment of Agreements for Operations Technology Services
- 5.3 Authorization of Amendment to Microsoft Enterprise Agreement Subscription from Dell, Inc.
- 5.4 Authorization for Software Update and Support Agreement for J.D. Edwards Software
- 5.5 Authorization of Amendment to Professional Services Agreement for Survey Services for Pit T-2 Slope Monitoring

The motion was passed by the following vote:

AYES: Directors Akbari, Gunther, Sethy, Weed, and Huang  
NOES: None  
ABSENT: None

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5 – ACTION CALENDAR

5.1\* AUTHORIZATION FOR AGREEMENT FOR CONSULTING SERVICES FOR  
LABOR RELATIONS AND NEGOTIATION SERVICES

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Labor relations and negotiations processes are complex and involve initiatives with significant and lasting impacts to the District's operations and organizational structure and well-being. To support these important efforts, the District utilizes a third-party labor relations negotiator with expertise in this field to help guide and manage appropriate labor relations activities and strategies.

In addition to aligning with human resources and industry best practices to maintain effective labor relations, utilizing a labor relations negotiator will help to support Strategic Plan Goal 4.2 – Maintain Employee Retention by Encouraging and Valuing Employee Work Efforts and Skills, as well as Goal 3.2 – Ensure Cost Reasonableness.

The District currently has two represented employee groups. Accordingly, the District negotiates labor contracts with both labor groups regarding the terms and conditions of employment and wages and compensation. The District has historically used a third-party labor negotiator to assist with this process, provide guidance to District staff and the Board regarding the formal labor relations and negotiation process, and provide research and advice into labor strategies and labor relations issues.

The District has used Industrial Employers and Distributors Association (IEDA) for labor negotiation services since 2003. Additionally, IEDA’s primary representative that was providing services for the District recently retired. Given the duration of time since the District solicited for labor negotiations services, the District conducted a new Request for Proposals which was released on December 23, 2019. Four proposals were received and the Human Resources and Risk Manager, Manager of Finance, and the General Manager evaluated each proposal and conducted a follow-up interview with the highest ranked proposer. IEDA submitted the highest ranked proposal based on the evaluation criteria set forth in the RFP.

The scope of services includes acting as the District’s chief spokesperson at the labor contract bargaining table, advising the District on labor strategies, assisting with the collection of research and data, formulating proposals, contracts language, and communications to the unions and staff, assisting with meet and confer matters through the term of the contract, and assisting with various District projects and initiatives related to or impacted by union and labor relations.

Staff recommends an initial two-year contract, from April 14, 2020 through June 30, 2022, for a total amount of \$49,288 during the base, with the option to extend in one-year increments for up to a total of five years, through June 30, 2025. The total not to exceed amount, over the potential five-year term, would be \$122,652.

A motion was made by Director Gunther, seconded by Director Sethy to authorize the General Manager to execute a professional services agreement with Industrial Employers and Distributors Association for a two-year base term in an amount of \$49,288 and to execute up to three one-year extensions for a total not-to-exceed amount of \$122,652 over five years.

The motion was passed by the following vote:

AYES: Directors Akbari, Gunther, Sethy, Weed, and Huang  
NOES: None  
ABSENT: None

#### 5.2\* AMENDMENT OF AGREEMENTS FOR OPERATIONS TECHNOLOGY SERVICES

The District relies on agreements with technology service providers for technical expertise and support for operations in the areas of Citrix application delivery, server and database support, and cybersecurity. In January 2019, the District issued a solicitation to provide those services and received four bids from which two providers were selected for a term of two years. Staff recommends authorizing amendments to the agreements with the two selected providers, Packard Consulting, LLC and Zag Technical Services, for new totals of \$120,000 and \$65,000, respectively. Authorization of these amendments provides staff the ability to access services for development and maintenance of cybersecurity and operations technology but does not obligate the District to spend the full authorized amount. The proposed amendments were discussed with the Operations and Water Quality Committee on April 1, 2020 and there are adequate funds in the Fiscal Year 2019/20 budget. Board approval of these agreement amendments will assist the District in achieving its Strategic Plan Goal 1.1 – Efficiently Manage and Maintain Our Infrastructure to Ensure Reliability and Goal 1.3 – Continuously Improve Emergency Preparedness and Response Capabilities.

The District relies on agreements with technology service providers for technical expertise and support for operations in the areas of Citrix application delivery, server and database support, and cybersecurity. Specifically, these service providers supplement District staff and provide additional expertise in the areas of SCADA cybersecurity, infrastructure development, virtualization, and on-going technical support. In January 2019, the District issued a solicitation to provide these services and received four bids from which two providers were selected. Initial agreements with the two selected firms, Packard Consulting, LLC (Packard Consulting) and Zag Technical Services (Zag Technical), were issued in the amounts of \$25,000 and \$15,000, respectively, for a two-year agreement term which started in March 2019. Due to the increased threat of cyberattacks, an amendment of \$20,000 to Packard Consulting was authorized by the General Manager in October 2019 to fortify and enhance cybersecurity for the District’s SCADA system.

Based on additional business needs and the demonstrated capabilities of these service providers to support the integration of updated infrastructure, connectivity, and security improvements for the District’s SCADA systems, staff recommends increasing the existing agreements with Packard Consulting and Zag Technical by \$75,000 and \$50,000, respectively. This would result in total agreement amounts not to exceed \$120,000 and \$65,000, respectively. The two-year term of the agreements would remain unchanged. The District is not obligated to spend the full authorized amount and will only pay for services provided as needed in accordance with the terms of the agreements. These agreements also support the business continuity efforts of both Operations and Information Technology should internal resources be limited.

A motion was made by Director Gunther, seconded by Director Sethy to authorize the General Manager to execute amendments to the operations technology support services agreements with Packard Consulting, LLC and Zag Technical Services in the amounts of \$75,000 and \$50,000, respectively.

The motion was passed by the following vote:

AYES: Directors Akbari, Gunther, Sethy, Weed, and Huang  
NOES: None  
ABSENT: None

**5.3\* AUTHORIZATION OF AMENDMENT TO MICROSOFT ENTERPRISE AGREEMENT SUBSCRIPTION FROM DELL, INC.**

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The District recently entered into a three-year Microsoft Enterprise Agreement (Enterprise Agreement) with Dell, Inc. for Microsoft’s cloud-based software-as-a-service (SaaS) offering for office productivity, email, and document management. The Enterprise Agreement also allows the District to purchase other Microsoft products at a lower overall cost as compared to other competitive procurement options currently used by the District. An amendment to the Enterprise Agreement would be required in order for the District to purchase such products at a lower cost through this procurement option. There are adequate funds in the current two-year budget to cover this expense and future budgets will include amounts necessary to maintain the subscriptions and procure the necessary software. This item was reviewed with the Engineering

and Information Technology Committee on March 18, 2020. Board authorization of this amendment will help meet the District’s Strategic Plan Goal 3.2 – Ensure Cost Reasonableness.

The District routinely purchases new software licenses and license renewals for software applications as required to support its business operations. On December 12, 2019, the Board authorized the execution of a three-year Microsoft Enterprise Agreement from Dell, Inc. in the amount of \$255,240 for Microsoft’s cloud-based SaaS offering for office productivity, email, and document management. For this procurement, the District utilized the 2019 County of Riverside cooperative purchase agreement which was based on a competitive bidding process.

For other Microsoft software purchases, the District has used Microsoft Select, a competitive procurement option available to government agencies. Software purchased under Microsoft Select include desktop and server operating systems, database software, and applications such as Microsoft Visio and Microsoft Project. However, with the recent addition of the Microsoft Enterprise Agreement as a procurement option, the District can now purchase such Microsoft products from Dell, Inc. at a lower overall cost as compared to Microsoft Select. The Enterprise Agreement must be amended in order to be used to purchase these products.

Based on the number of licenses and subscriptions that could be added to the Enterprise Agreement over its three-year term, an amendment in the amount of \$260,000 would be required, resulting in a new total agreement amount of \$515,240. This amendment and use of the Enterprise Agreement rather than the Microsoft Select procurement option, would result in an estimated savings of \$56,000 over the three-year life of the agreement.

A motion was made by Director Gunther, seconded by Director Sethy to authorize the General Manager to execute an amendment to the three-year Microsoft Enterprise Agreement subscription from Dell, Inc. in the amount of \$260,000.

The motion was passed by the following vote:

AYES: Directors Akbari, Gunther, Sethy, Weed, and Huang  
NOES: None  
ABSENT: None

#### 5.4\* AUTHORIZATION FOR SOFTWARE UPDATE AND SUPPORT AGREEMENT FOR J.D. EDWARDS SOFTWARE

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The District utilizes Oracle Corporation’s (Oracle) J.D. Edwards software (JDE) as its core financial and enterprise business software. The District’s existing five-year Software Update License and Support Agreement with Oracle will end in May 2020. To continue receiving technical support, software updates, and fixes, the District needs to enter into a new Software Update License and Support Agreement with Oracle. By entering into a five-year support agreement with Oracle, the District will avoid the expected annual cost increases to the agreement. The total cost for a new five-year support agreement will be \$516,662.90 and will be billed quarterly. There are adequate funds in the current two-year budget to cover this expense and future budgets will include the necessary amounts to maintain licensing and support under the agreement. This item was reviewed with the Engineering and Information Technology

Committee on March 18, 2020. Board authorization of this agreement will help meet the District’s Strategic Plan Goal 1.1 – Efficiently Manage and Maintain our Infrastructure to Ensure Reliability.

JDE is the District’s core financial and enterprise business software supporting several critical business functions. Continued technical support is required to ensure optimal operation of the software. The Software Update License and Support Agreement guarantees program updates critical to resolving issues or augmenting existing functionality as well as access to new software releases containing enhancements and new functionality. In addition, tax, legal, and regulatory updates which are necessary for payroll and other financial functions are also provided under the agreement. Technical support provides District staff with continuous access to Oracle support to help resolve functional and technical issues at no additional cost.

The cost of the Software Update License and Support Agreement is based on the software modules purchased and the costs are typically subject to an annual increase, which is generally 3%-5% of the prior year’s cost. However, Oracle offers incentives to customers for entering into longer-term agreements. Customers that enter into a longer-term agreement are not subject to the typical annual increases in cost. The District previously entered into a five-year Software Update License and Support Agreement with Oracle which expires in May 2020. To continue receiving technical support, software updates, and fixes, the District needs to enter into a new agreement with Oracle.

Staff anticipates that the District will continue to utilize JDE as the core financial and enterprise business software for the next five years. A five-year support agreement poses minimal risk to the District since Oracle has committed to continuing to support its JDE platform well beyond the five-year term of the agreement. The total cost for a new five-year support agreement will be \$516,662.90 and will continue to be billed quarterly as in the past.

A motion was made by Director Gunther, seconded by Director Sethy to authorize the General Manager to enter into a new five-year Software Update License and Support Agreement with Oracle in the total amount of \$516,662.90.

The motion was passed by the following vote:

AYES: Directors Akbari, Gunther, Sethy, Weed, and Huang  
NOES: None  
ABSENT: None

5.5\* AUTHORIZATION OF AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT FOR SURVEY SERVICES FOR PIT T-2 SLOPE MONITORING

Land survey services are typically required to support District project designs, prepare base maps, prepare plats and legal descriptions for easement acquisitions, confirm property boundaries, and complete other survey related work. The District maintains a multi-year services agreement with a licensed land surveyor to provide these services as well as to monitor for ground movement at several District facilities. Such as-needed survey services are added to the agreement by amendment when required. Survey services are now needed to support

ongoing monitoring of Pit T-2 for sloughing and erosion during calendar years 2020 and 2022. There is adequate funding in the budget for this expenditure. Approval of this amendment will help meet the District's Strategic Plan Goal 1.1 – Efficiently Manage and Maintain our Infrastructure to Ensure Reliability.

A multi-year professional services agreement with BKF Engineers (BKF) was awarded on June 8, 2017, in the initial amount of \$49,450.50 for ground survey monitoring of District facilities, including reservoir embankment monitoring in accordance with California Department of Water Resources Division of Safety of Dams (DSOD) requirements, and other survey related work required in support of various District projects. The agreement, which resulted from a competitive procurement process, provides the District with the option to receive survey services from BKF as needed at set rates over an 18-month period with the option to exercise up to three additional one-year extensions. Amendment No. 1 to the Professional Services Agreement, in an amount not to exceed \$166,806.00, was previously approved by the Board on September 28, 2017, for survey work necessary to support multiple District projects, including Pit T-2 Slope Monitoring. Amendment Nos. 2 and 3 for the Central Newark Pipeline Improvement Project were approved by the Board on March 8, 2018, for \$233,452.00 and on September 13, 2018, for \$28,308.00, respectively. The General Manager previously authorized the execution of Amendment Nos. 4, 5, and 6 totaling \$98,550.06 for ground monitoring of several District facilities, including jurisdictional embankment monitoring for calendar years 2019 and 2020 as required by DSOD, establishing survey benchmarks at Vineyard Heights tank, and developing plats and legal descriptions for several easements and quitclaims. The present amendment is to be the seventh amendment.

The Pit T-2 Slope Monitoring Project includes conducting bi-annual surveys that are compared to monitor for any sloughing, erosion, or ground movement over time. The District has been monitoring Pit T-2 for many years, with the last survey conducted in October 2017. Staff requested BKF to submit a proposal for the scope of work to include two additional surveys of Pit T-2 through calendar year 2022. The additional work will be completed for a fixed fee of \$30,192 in accordance with the terms of the existing agreement and will result in a new total agreement amount not to exceed \$606,758.56. Staff has evaluated BKF's proposal, and determined that the proposed approach, estimated level of effort, and cost are appropriate for the work.

A motion was made by Director Gunther, seconded by Director Sethy to authorize the General Manager to execute an amendment to the professional services agreement with BKF Engineers in an amount not to exceed \$30,192, for survey services for the Pit T-2 Slope Monitoring Project for calendar years 2020 and 2022, Job 21167.

The motion was passed by the following vote:

AYES: Directors Akbari, Gunther, Sethy, Weed, and Huang  
NOES: None  
ABSENT: None

5.6 AUTHORIZATION OF AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT FOR ENGINEERING SERVICES FOR THE ALVARADO-NILES PIPELINE SEISMIC IMPROVEMENT PROJECT, PHASE 2

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Director Gunther announced that he holds an interest in a property in proximity to the project and recused himself, as required by law, from any participation in or discussion of Item 5.6. Director Gunther exited the Zoom webinar at 6:16 P.M. The Assistant District Secretary verified Director Gunther's microphone and camera were turned off.

Due to technical issues at her physical location, President Huang requested Vice President Akbari to direct the discussion of Item 5.6 and was not present for the discussion and vote on Item 5.6.

Mr. Stevenson reported that the Alvarado-Niles Pipeline Seismic Improvement Project (Project) will improve the District's water transmission and distribution system reliability and enhance the Alvarado-Niles Pipeline's ability to withstand seismic forces and liquefaction-induced ground deformation. The Project will replace existing older asbestos-cement and steel pipe of various diameters and is being implemented in two phases. Design of Phase 1 is complete, and construction is expected to commence within the next few weeks. Design of Phase 2 is underway and additional engineering design services are required to complete the Phase 2 design. In addition, engineering services in support of construction of both phases are required. There is adequate funding in the approved two-year budget for the current fiscal year expenditures, and the FY 2020/21 budget will include amounts necessary to complete the Project. The Project, which is part of the District's Main Renewal and Seismic Upgrades Program, was most recently reviewed with the Engineering and Information Technology Committee on January 15, 2020. This Project will help meet the District's Strategic Plan Goal 1.1 – Efficiently Manage and Maintain our Infrastructure to Ensure Reliability.

The Project consists of the replacement of approximately 3.5 miles of 14-inch to 18-inch diameter asbestos cement and steel pipe and replacement of all water service laterals, valves, fire hydrants, and interconnections with other pipelines and branch connections along the Alvarado-Niles Road corridor in Union City. The work will be implemented in two phases in order to accommodate long lead times and required permitting. Phase 1 includes the installation of approximately 1.7 miles of 14-inch and 16-inch diameter seismically-designed welded steel pipe and all appurtenances within Smith Street and Alvarado-Niles Road, between Union City Boulevard and Santa Maria Drive, and within Alvarado-Niles Road, between Almaden Boulevard and Central Avenue. The Board awarded the Phase 1 construction contract in February 2020 and construction is expected to commence shortly. Phase 2 will include the installation of approximately 1.7 miles of 16-inch and 18-inch diameter seismically designed welded steel pipe and all appurtenances within Alvarado-Niles Road, between Santa Maria Drive and Almaden Boulevard, and between Central Avenue and Desoto Road. The existing pipelines to be replaced will be removed from service and protected in place for potential future use.

A professional services agreement with BKF Engineers (BKF) was awarded on September 13, 2018, for engineering services in support of the design of Phase 2. The agreement, which resulted from a competitive procurement process, included a scope of work for engineering services in the amount of \$163,266. At the time of award, design of the Union Pacific Railroad

(UPRR) track crossing and Dry Creek crossing was deferred and not included in the scope. Corrosion control system design was also deferred pending completion of the Phase 1 design. The General Manager authorized Amendment No. 1 to BKF's design scope in the amount of \$78,220 to provide peer review and design assistance of Phase 1 and for an evaluation of design alternatives for the required railroad crossing in accordance with UPRR requirements. Amendment No. 2 in the amount of \$13,175 was authorized for design of the impressed current cathodic protection system of the pipeline for Phase 1. Additional engineering services are now needed for the design of deferred components of Phase 2, and for construction phase support services during both Phases 1 and 2.

Staff requested BKF to submit a proposal to perform the remaining scope of work. BKF's cost proposal for the additional engineering work, based on an estimated level of effort, is \$196,976, which would result in a new total agreement amount not to exceed \$451,637. The scope of work includes design of the pipeline crossing of the UPRR corridor and the crossing of Dry Creek, as well as cathodic protection system design for Phase 2. The scope of work also includes construction phase services for both project phases. The additional engineering work will be completed on a time and expense basis. Staff has evaluated BKF's proposal and determined that the proposed approach, estimated level of effort, and cost are appropriate for the work.

A motion was made by Director Sethy, seconded by Director Weed to authorize the General Manager to execute an amendment to the professional services agreement with BKF Engineers in an amount not to exceed \$196,976 for engineering services for the Alvarado-Niles Pipeline Seismic Improvement Project, Job 21192.

The motion was passed by the following vote:

AYES: Directors Akbari, Sethy, and Weed  
NOES: None  
ABSENT: Director Gunther and Huang

President Huang was able to participate in the Zoom webinar at approximately 6:28 P.M. Director Gunther returned to the Zoom webinar at 6:29 P.M.

5.7 AUTHORIZATION TO ENTER INTO PURCHASE AGREEMENTS FOR WATER TRANSFER BETWEEN SELLER AND BUYERS, AGREEMENTS AMONG THE DEPARTMENT OF WATER RESOURCES, SELLERS, AND THE ALAMEDA COUNTY WATER DISTRICT FOR CONVEYANCE OF TRANSFER WATER, FOR THE FILING OF NOTICES OF EXEMPTION UNDER CEQA, AND FOR A RESERVE APPROPRIATION FOR EXTRAORDINARY DRY YEAR WATER SUPPLY EXPENSES

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Ms. Hidas reported that water year 2020 is one of the driest years in the District's 106-year history. The District has enough supplies to meet projected demands for calendar year 2020 as well as to prepare for a potentially dry 2021. However, dry year operations require utilization of the District's more expensive water supplies; consequently, staff is requesting a reserve appropriation of \$2.1M to cover the extraordinary dry year expenses for the end of FY 2019/20. In order to minimize these extraordinary costs as well as to maintain storage in the Niles Cone

groundwater basin, staff further recommends that the Board authorize the General Manger to sign agreements to purchase and take delivery of additional, lower cost water supply from the State Water Contractors' (SWC) 2020 Dry Year Transfer Program (Program). This proposed action was reviewed with the Water Resources & Conservation Committee meeting on March 25, 2020.

Ms. Hidas provided the Board up-to-date information that the District has reserved 2,700 AF of additional water from North of Delta agriculture interests, at a unit cost of \$350/AF, resulting in a total cost of \$945,000. Considering Delta transfer losses, which range from 25 to 30 percent, this will result in approximately 2,000 AF of additional water supply for the District. These numbers are subject to change until all agreements are finalized, but staff anticipates that this water will help offset expenses that would otherwise be incurred for the purchase of more expensive water supplies during this dry year.

Staff has re-optimized the District's production and supply management strategies for the calendar year and projects that we will reduce operating expenses by \$2M as compared to previously anticipated dry year expenses. At the same time, the District will be able to maintain healthy levels in the Niles Cone Groundwater Basin and be prepared for 2021 should conditions continue into a second dry year.

Ms. Hidas reported that since the water transfers through this program will be completed within one year, they are considered exempt under the California Environmental Quality Act (CEQA). The District will be named as a responsible party in the CEQA documents filed by the individual sellers and will need to file a Notice of Exemption as noted in the staff report.

Board authorization of this item tonight will help meet the District's Strategic Plan Goal 2.3. - Evaluate New and Innovative Water Management Concepts, as well as Goal 3.2 – Ensure Cost Reasonableness.

As of April 1, the Department of Water Resources indicates that water year 2019-2020 has been the third driest in its operational history. The currently projected State Water Project allocation for calendar year 2020 is at 15% of Table A supplies, providing sufficient capacity to return 13,500 AF of water from Semitropic Groundwater Bank, supply from the San Francisco Public Utilities (SFPUC) Regional Water System (RWS) is at full contract availability, and the District has over 10,000 AF of carryover storage in San Luis reservoir. Through past investments in reliability and the integrated management of District supplies, the District will have sufficient supply to meet the projected demand for water in 2020 as well as to be prepared for a potentially dry 2021. However, the dry year water supply strategy for 2020 requires the use of the District's more expensive water supplies, resulting in a budget exceedance of approximately \$5.9 M for the calendar year, requiring a reserve appropriation of \$2.1M for FY 2019/20. The remaining extraordinary dry year cost for July 1 through December 31, 2020, will be addressed in the mid-cycle budget review.

To reduce operating cost and to enhance local storage in the Niles Cone groundwater basin in preparation for 2021, staff has requested additional Sacramento-San Joaquin Delta-based supply from the SWC 2020 Dry Year Transfer Program. The SWC administers the Program during

years when the projected Table A allocation is expected to be appreciably below average. In the Program, the SWC acts as a broker and acquires transfer water from willing sellers on behalf of interested members of the SWC. Sellers are a collection of agricultural water districts, agencies, and companies in the Sacramento Valley, north of the Sacramento-San Joaquin River Delta. Transfer water is comprised of a variety of sources and ranges from source substitutions to crop fallowing. Pricing is derived through negotiations between the sellers and buyers and is driven by free market principles of supply and demand. Because the water is purchased north of the Delta, it is subject to conveyance losses. The supply is not State Water Project supply and therefore subject to all transfer restrictions through the Delta.

Through the Water Supply and Production Optimization Team, staff analyzed the District's available supplies, offsite reserves, costs, and anticipated demands for water in 2020 as well as minimum carryover storage needed to prepare for a potential dry year in 2021. Staff is pursuing a quantity of water from the Program which will allow the District production facilities to run in an optimal mode, to meet minimum "normal year" groundwater storage levels, and to reduce the additional, extraordinary dry year operating costs as compared to meeting water supply requirements with the District's existing available supplies.

The District began participation in the 2020 Dry Year Transfer Program in February when the Board passed resolution 20-015 authorizing the General Manger to execute an agreement with the SWC for the initial negotiation phase of the Program. In order to purchase and receive water from the Program, the District must now sign a purchase agreement for water transfer between seller and buyer with each of the sellers in the Program as well as an agreement among the Department of Water Resources, sellers, and the Alameda County Water District for the Conveyance of Transfer Water for each water type being transferred. Since the water transfers will be completed within one year, they are considered exempt under the California Environmental Quality Act (CEQA); the District will be named as a responsible party in the CEQA documents filed by the individual sellers and will need to file a Notice of Exemption. The exact cost and quantity of available supply from the Program remain the subject of negotiations at the time of this report preparation.

A motion was made by Director Sethy, seconded by Director Gunther to authorize the General Manager to: 1) enter into Purchase Agreements for Water Transfer between Seller and Buyers; 2) enter into an Agreement Among the Department of Water Resources, Sellers, and the Alameda County Water District for the Conveyance of Transfer Water for each water seller and water type; 3) file a Notice of Exemption under the California Environmental Quality Act; and 4) authorize a reserve appropriation of \$2,100,000 to cover extraordinary dry year water purchase expenses for FY 2019/20.

The motion was passed by the following vote:

AYES: Directors Akbari, Gunther, Sethy, Weed, and Huang  
NOES: None  
ABSENT: None

## 5.8 PUBLIC HEARING AND RESOLUTIONS ON REPLENISHMENT ASSESSMENT FOR FY 2020/21

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President Huang reported that as provided in the District's Replenishment Assessment Act, a public hearing must be held on the second Tuesday in April for the purpose of determining whether, and to what extent, the cost of replenishing groundwater supplies within the District during FY 2020/21 will be funded by a replenishment assessment.

Ms. Hidas reported that staff is proposing a 5.4% increase in the replenishment assessment rate for uses other than agricultural and municipal-recreational in FY 2020/21. This would increase the rate from \$460 to \$485 per acre-foot of groundwater pumped.

As the Board may wish to act immediately following the April 14, 2020, public hearing, staff has prepared the remaining three resolutions required for the replenishment assessment for FY 2020/21. Approval of this item is consistent with Strategic Goal 2.1 – Maintain and enhance sustainability and reliability of local and regional water supplies and Strategic Goal 3 – Improve the District's financial stability and transparency.

On November 14, 2019, the Board ordered the preparation of the 2020 Survey Report on Groundwater Conditions (Survey Report) as provided in Section 7 of the District's Replenishment Assessment Act. As a result, the following actions took place:

- On January 16, 2020, letters were sent to all interested parties identified as part of the Sustainable Groundwater Management Act informing them that the Board would be discussing and considering items pertaining to the Replenishment Assessment Act at the February 13, March 12, and April 14, 2020, regular Board of Directors meetings.
- On February 13, 2020, the Board: 1) received the completed Survey Report and the 2019 Groundwater Monitoring Report; 2) declared its intent to raise funds by a replenishment assessment in FY 2020/21; and, 3) scheduled a Public Hearing for April 14, 2020.
- As required by Proposition 218, affected well owners, operators, and owners of property with production wells were provided written notice of the proposed increase in the replenishment assessment rate for purposes other than agricultural and municipal-recreational uses at least 45 days prior to the public hearing. The notice was also posted on the District's website. In addition to information on the proposed increase, the notice included the date, time, and location of the public hearing.
- On March 12, 2020, staff presented to the Board the report's findings and basis for the recommended replenishment assessment.
- Notice of the time and place of the public hearing was published in the newspaper (*The East Bay Times*), as required by the Replenishment Assessment Act.

As of April 14, 2020, the District had not received any written comments.

For setting the replenishment assessment for the coming fiscal year, the Replenishment Assessment Act specifies the actions that must be taken, through Board resolution, no sooner than the close of the public hearing, but no later than the second Tuesday of May. The resolutions 1) contain the findings that update groundwater conditions, and state the amount of replenishment assessment funds needed next fiscal year; 2) set the replenishment assessment

rates (\$8.00 per acre-foot for agricultural and municipal recreation uses, which is the maximum allowed under the Replenishment Assessment Act; and \$485 per acre-foot for all other uses) and finding that the modifications to the Replenishment Assessment are exempt from the California Environmental Quality Act; and 3) provide procedures and statement forms.

Should the Board wish to extend the hearing or take additional time to consider the resolutions, the Board may schedule a special Board meeting(s) in order to meet the deadlines stipulated in the Replenishment Assessment Act; i.e., the public hearing must be completed on or before the first Tuesday in May (May 5) and the resolutions adopted on or before the second Tuesday in May (May 12).

President Huang opened the public hearing at 6:41 P.M. to receive comments from the public on the proposed replenishment assessment for FY 2020/21. Being no public comment, President Huang closed the public hearing at 6:44 P.M.

Further discussion ensued.

A motion was made by Director Akbari, seconded by Director Gunther to adopt the following required resolutions: 1) Stating Findings and Determining Need for Replenishment Assessment; 2) Levying a Replenishment Assessment and finding the Replenishment Assessment exempt from the California Environmental Quality Act; and 3) Providing Procedures for Payment of Replenishment Assessment.

RESOLUTION NO. 20-020

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
STATING FINDINGS AND DETERMINING NEED FOR REPLENISHMENT  
ASSESSMENT

RESOLUTION NO. 20-021

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
LEVYING A REPLENISHMENT ASSESSMENT AND FINDING THE  
REPLENISHMENT ASSESSMENT EXEMPT FROM THE CALIFORNIA  
ENVIRONMENTAL QUALITY ACT

RESOLUTION NO. 20-022

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
PROVIDING PROCEDURES FOR PAYMENT OF REPLENISHMENT  
ASSESSMENT

The motion was passed by the following vote:

AYES: Directors Akbari, Gunther, Sethy, Weed, and Huang  
NOES: None  
ABSENT: None

## 6 – REPORTS

### 6.1 BOARD COMMITTEE REPORTS

- Operations & Water Quality Committee Meeting of March 4, 2020: 1) Update on Agreements for Technology Services; 2) 2019 Consumer Confidence Report (CCR)
- Legal, Intergovernmental & Community Affairs Meeting of March 10, 2020: 1) Update on State Legislation; 2) Public Outreach Update; 3) AB 401 Report: Recommendations for a Statewide Low-Income Water Rate Assistance Program
- Finance Meeting of March 17, 2020: 1) Other Post-employment Benefits Actuarial Valuation; 2) Income & Budget Statements; 3) Moody’s Investors Service Credit Rating Review
- Engineering & Information Technology Meeting of March 18, 2020: 1) Update on Advanced Metering Infrastructure Project; 2) Update on Clean Energy Program; 3) JD Edwards Maintenance Agreements; 4) Microsoft Enterprise Agreement Amendment
- Water Resources & Conservation Meeting of March 25, 2020: 1) Water Supply Outlook; 2) Participation in the State Water Contractors’ 2020 Dry Year Transfer Program; 3) Water Efficiency Master Plan Customer Survey

### 6.2 OPERATIONAL REPORTS

- Rainfall Report
- Quarterly Groundwater Recharge Report
- Water Production Report
- Quarterly Directors’ Expense Report
- Investment Report
- Distribution System Monthly Hardness Map

### 6.3 STAFF PRESENTATIONS

- Mr. Wunderlich reported that to comply with financial reporting requirements, the District is mandated to complete an actuarial valuation of its Retiree Healthcare Program on a biannual basis. Data from June 2019 was used to complete the actuarial valuation report which was presented to the Board by Kevin Watts of MacLeod Watts.

Further discussion ensued and Mr. Watts and staff responded to inquiries from the Board.

### 6.4 GENERAL MANAGER’S REPORTS

- Mr. Shaver provided the Board with an update on the District’s response to the COVID-19 pandemic. Mr. Shaver reported that the District’s objectives were to keep employees safe, continue to provide essential services to customers, and support employees and their families experiencing challenges as a result of the COVID-19 pandemic. Staff will continue to provide regular updates to the Board as appropriate.

Further discussion ensued and staff responded to inquiries from the Board.

7 – DIRECTOR’S COMMENTS, REPORTS ON MEETINGS ATTENDED, AND AGENDA ITEM REQUESTS

- Director Weed reported on his attendance at the Association of California Water Agencies Washington D.C. conference held on February 25-27, 2020 in Washington D.C.
- Director Sethy requested an update on discussions between city and District staff regarding the aesthetic maintenance of fire hydrants throughout the District at a future Board meeting.

8 – CLOSED SESSION

Mr. Shaver announced that the Board will convene in closed session to discuss the following items:

- 8.1 Pursuant to California Government Code Section 54956.9 (d)(4)  
Conference with Legal Counsel – Anticipated Litigation  
Initiation of Litigation  
One Potential Case
- 8.2 Pursuant to California Government Code Section 54956.9(d)(1)  
Conference with Legal Counsel – Existing Litigation  
Name of Case: Bonnie Kessner and Andrea McCartney-Page, individually and on behalf of all others similarly situated, and on behalf of the general public, et al. v. City of Santa Clara, Alameda County Water District, et al, Complaint for Damages and Equitable Relief, Petition for Writ of Mandate, Case No. 20CV364054
- 8.3 Pursuant to California Government Code Section 54956.8  
Conference with Real Property Negotiators  
Property: N3 Cattle Company, consisting of 131 parcels and approximately 50,535 acres in Alameda County, Santa Clara County, San Joaquin County, and Stanislaus County – Assessor’s Parcel Nos. were furnished by Owners’ Representative  
Agency Negotiators: Robert Shaver and Ed Stevenson  
Negotiating Parties: N3 Cattle Company, LLC; REN, Jr.; and REN, Jr., TR  
Under Negotiation: Price and Terms of Payment

President Huang adjourned the meeting to closed session at 8:01 P.M. and reconvened the meeting at 11:50 P.M.

Mr. Shaver reported that in closed session, regarding Item 8.1, no action was taken by the Board. Regarding Item 8.2, no action was taken, and the Board provided instruction to General Counsel. Regarding Item 8.3, no action was taken, and direction was given to agency negotiators.

Minutes – April 14, 2020

There being no further business to come before the Board, the meeting adjourned at 11:51 P.M.

/s/ ANDREW WARREN  
Andrew Warren, Assistant District Secretary

Attest:

/s/ JUDY C. HUANG  
Judy C. Huang, President