

November 10, 2005  
Fremont, California

The regular semimonthly meeting of the Board of Directors of ALAMEDA COUNTY WATER DISTRICT was held on November 10, 2005 at the hour of 6:00 P.M. in the Directors' Room of the District Office Building, 43885 South Grimmer Boulevard, Fremont, California.

Present: Directors Huang, Gunther, Lampert, Weed, and Koller

Staff members present: General Manager Paul Piraino, Engineering Manager Robert Shaver, Finance and Administration Manager Bill Zenoni, Operations Manager Karl Stinson, Senior Water Resources Planner Eric Cartwright, Water Quality Manager Doug Chun, Emergency Services Supervisor Steve Dennis, Water Quality Supervisor Michael Lanier, Project Engineering Manager Steve Peterson, Attorney Ray McDevitt, and Deputy District Secretary Gina Markou.

President Martin L. Koller presided.

Director Huang led in the Salute to the Flag.

3 - PUBLIC COMMENTS – None

4 - CONSENT CALENDAR

A motion was made by Director Lampert, seconded by Director Gunther, to add Items 5.2, 5.3, 5.4 and 5.6 to the Consent Calendar. The motion was passed by the following vote:

AYES: Directors Huang, Gunther, Lampert, Weed, and Koller  
NOES: None  
ABSENT: None

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

- 4.1 Approval of Minutes – Regular Meeting of October 27, 2005
- 4.2 Ratification of Payment of Audited Demands dated October 28 and November 4, 2005
- 4.3 Resolution Amending Personnel Budget – Retitle Senior Water Resources Planner Position to Water Resources Planning Manager, Reclassification of Water Resources Engineer Position to Senior Water Resources Engineer, Reclassification of Vacant Conservation Specialist 2 Position to Administrative Office Assistant 1/2, and Deletion of Vacant Clerical Intern Position
- 4.4 Authorization of Purchase Order for Payroll Development Consulting Services

- 5.2 Authorization of Contract Change Order No. 1 for Northwest and Southwest Niles Cone Monitoring Wells Projects
- 5.3 Authorization for Engineering Survey and Report in Conjunction with Replenishment Assessment
- 5.4 Resolution Awarding Contract for Paseo Padre Parkway Grade Separation 12-Inch Main Replacement
- 5.6 Resolution Awarding Contract for Mayhew Reservoir Spillway Modifications

The motion was passed by the following vote:

AYES: Directors Huang, Gunther, Lampert, Weed, and Koller  
NOES: None  
ABSENT: None

---

5 - ACTION CALENDAR (*Consent Calendar Items are indicated with an asterisk*)

5.1 RESOLUTION OFFICIALLY EXPRESSING APPRECIATION TO MICHAEL O. LANIER UPON HIS RETIREMENT FOR SERVICES AS AN EMPLOYEE OF ACWD

Michael O. Lanier will retire effective December 30, 2005, with more than 24 years of service with the District.

Michael started with the District as a Supervising Chemist on June 1, 1981, and was reclassified in 1996 into his current position as Water Quality Supervisor. He is well recognized by his peers in the water industry, having served for many years as Chair of the Water Quality Analysis Committee of the CA-NV Section AWWA, as well as Chair of the Laboratory Directors' Subcommittee of the Bay Area Water Resources Council. Michael has been instrumental in both the planning and design of the original headquarters laboratory and the just completed new Water Quality Laboratory. During his many years of service, Michael has been an asset to the District and has performed his duties in a competent and professional manner. He will be missed by his many friends at the District. Mr. Lanier was present and thanked the Board for its support of the laboratory over the years.

A motion was made by Director Lampert, seconded by Director Huang to adopt a resolution honoring Michael O. Lanier and expressing appreciation for his 24 years of service with the District.

RESOLUTION NO. 05-047

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
OFFICIALLY EXPRESSING APPRECIATION TO MICHAEL O. LANIER UPON  
HIS RETIREMENT FOR SERVICES RENDERED AS AN EMPLOYEE OF THE  
ALAMEDA COUNTY WATER DISTRICT

The motion was passed by the following vote:

AYES: Directors Huang, Gunther, Lampert, Weed, and Koller  
NOES: None  
ABSENT: None

---

5.2\* AUTHORIZATION OF CONTRACT CHANGE ORDER NO. 1 FOR NORTHWEST AND SOUTHWEST NILES CONE MONITORING WELLS PROJECTS

On October 13, 2005, the Board awarded the contract for the Northwest and Southwest Niles Cone Monitoring Wells Projects to Maggiora Bros. Drilling, Inc., in the amount of \$404,850. Construction is scheduled to begin on November 1, 2005.

Change Order No. 1 in the amount of \$50,000 has been prepared for the installation of an additional monitoring well at the District's "Site A" in Newark. This well is needed to collect geologic and hydrogeologic data to evaluate the Centerville-Fremont Aquifer in the vicinity of "Site A" as a potential source of water for the Newark Desalination Facility Phase 2 project. Staff has reviewed the costs for the additional work and determined that they are fair and reasonable. There is adequate funding in the Desalination Facility Phase 2 project budget for this work.

Maggiora Bros. Drilling has also provided notice that 21 calendar days will be required to complete the additional work and has requested a 21 calendar-day project extension. Staff has reviewed the request for additional time and has determined that it is fair and reasonable.

A motion was made by Director Lampert, seconded by Director Gunther, to 1) approve Change Order No. 1 in the amount of \$50,000, which is the total of unit price payment items; and 2) grant a time extension of 21 calendar days to Maggiora Bros. Drilling, Inc. for the Northwest and Southwest Niles Cone Monitoring Wells Projects, Job 6269.

The motion was passed by the following vote:

AYES: Directors Huang, Gunther, Lampert, Weed, and Koller  
NOES: None  
ABSENT: None

---

5.3\* AUTHORIZATION FOR ENGINEERING SURVEY AND REPORT IN CONJUNCTION WITH REPLENISHMENT ASSESSMENT

The Replenishment Assessment Act requires the Board to order an Engineering Survey and Report on Groundwater Conditions no later than the second Tuesday in February if it wishes to establish a replenishment assessment for the coming fiscal year. This report must be presented to the Board for consideration by the second Tuesday in March.

District staff has historically begun the process of collecting information and preparing data for the report during the month of November so it can be completed by the March deadline date.

A motion was made by Director Lampert, seconded by Director Gunther, to order an Engineering Survey and Report on Groundwater Conditions.

The motion was passed by the following vote:

AYES: Directors Huang, Gunther, Lampert, Weed, and Koller  
NOES: None  
ABSENT: None

---

5.4\* RESOLUTION AWARDDING CONTRACT FOR PASEO PADRE PARKWAY GRADE SEPARATION 12-INCH MAIN REPLACEMENT

---

The City of Fremont is constructing a grade separation at Paseo Padre Parkway that will require the relocation of an existing 12-inch steel main. This project consists of the installation of approximately 1,800 feet of 12-inch steel main.

Four bids for the subject project were received and opened on October 26, 2005. The bid totals ranged from a low of \$532,680 to a high of \$744,000. The total for comparison was an evaluated total which included a contingency item for extended overhead for delays beyond the contractor's control. All bids were checked arithmetically and for compliance with the bidding requirements. The engineer's estimate was \$765,000. A summary of the bids is attached.

MJB Pipeline Inc. of Hayward, California submitted the lowest bid. This firm has been in the contracting business under its present name for 29 years. References were checked and it was confirmed that the contractor has the necessary experience and has prior satisfactory work performance. MJB Pipeline has previously installed District water mains including, most recently, the 16-inch pipeline on Mission Blvd for the Route 238/Mission Blvd Widening Project for ACTA. There is adequate funding in the current budget for this work.

A motion was made by Director Lampert, seconded by Director Gunther, to adopt a resolution accepting the proposal and awarding the contract for Paseo Padre Parkway Grade Separation 12-Inch Main Replacement, Job 6270, to MJB Pipeline Inc., for the base bid amount of \$526,680, which is the total of the non-contingency unit price and the lump sum payment items.

RESOLUTION NO. 05-048

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
ACCEPTING PROPOSAL OF, AND AWARDDING CONTRACT TO MJB  
PIPELINE, INC., FOR JOB 6270

The motion was passed by the following vote:

AYES: Directors Huang, Gunther, Lampert, Weed, and Koller  
NOES: None  
ABSENT: None

5.5 RESOLUTION AWARDING CONTRACT FOR PATTERSON RESERVOIR LINING REPLACEMENT

---

Mr. Shaver reported that the Patterson Reservoir was constructed in 1962, and has a capacity of approximately 15-million gallons. In October 2004, Aqua-Tech Co. of Carmichael, California was requested to perform an underwater inspection of the reservoir and their inspection report confirmed that the reservoir lining had achieved its useful life. The scope of this project includes the installation of approximately 110,000 square feet of a new reservoir lining system over the existing asphalt panel liner.

Three bids for the project were received and opened on October 26, 2005. The bids ranged from a low of \$819,000 to a high of \$1,710,752. The Engineer's estimate was \$1,200,000. A summary of the bids is attached.

All bids were checked arithmetically and for compliance with the bidding requirements. The high bidder, IMR Contractor Corp., submitted its proposal without a proper and current contractor license and does not meet the minimum qualifying experience under its present business name. Due to these irregularities, IMR Contractor Corp., is non-responsive and its bid should not be considered.

The second-low bidder, Jeffco Painting and Coating, Inc., submitted its proposal without a completed preliminary construction schedule. Historically, the District has considered the omission of the schedule as an insubstantial irregularity which may be waived.

F.D. Thomas, Inc., of Central Point, Oregon submitted the lowest bid. This firm has been in the contracting business under its present name for 14 years and has satisfactory references. F.D. Thomas' proposal contained one irregularity: The non-collusion affidavit was signed and notarized, but the evidence of corporate authority was not attached. District Counsel has advised that this may be considered a minor irregularity which may be waived provided satisfactory evidence of corporate authority is promptly received. The omitted evidence of corporate authority has been received by the District since the bid opening.

There is adequate funding in the project budget for this expenditure.

Director Lampert requested staff to briefly explain the condition of the current lining and what was involved in replacing the lining and how long it would last. Discussion ensued.

A motion was made by Director Lampert, seconded by Director Gunther, to adopt a resolution accepting the proposal and awarding the contract for Patterson Reservoir Lining Replacement, Job 6254.2, to F.D. Thomas, Inc., in the amount of \$819,000, which is the total of the unit price and lump sum payment items.

RESOLUTION NO. 05-049

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
ACCEPTING PROPOSAL OF, AND AWARDING CONTRACT TO F.D.  
THOMAS, INC., FOR JOB 6254.2

The motion was passed by the following vote:

AYES: Directors Huang, Gunther, Lampert, Weed, and Koller  
NOES: None  
ABSENT: None

---

5.6\* RESOLUTION AWARDED CONTRACT FOR MAYHEW RESERVOIR SPILLWAY MODIFICATIONS

---

Mayhew Reservoir is a cut and fill reservoir with embankments under the jurisdiction of the Division of Safety of Dams (DSOD). After seismic analyses by both the District and DSOD, four feet of reservoir freeboard to accommodate earth movement is required. As a result, staff requested Geotechnical Consultant Harlan Tait and Associates to evaluate options for providing the required freeboard, and permanently lowering the reservoir spillway was the most cost-effective alternative. Spillway modifications will include construction of a new overflow siphon structure within the reservoir, a new overflow pipeline, and discharge area improvements.

Three bids for the project were received and opened on October 27, 2005. The totals for comparison of proposals ranged from a low of \$189,140 to a high of \$299,293. The Engineer's estimate was \$124,000. The difference between the engineer's estimate and the low bid is primarily due to changes required by DSOD after the project was advertised, including modifications to the design of the spillway structure and overflow pipeline. A summary of the bids is attached.

All bids were checked arithmetically and for compliance with the bidding requirements. The low bidder, McGuire and Hester, Inc., of Oakland, submitted a proposal with an incomplete Preliminary Construction Schedule, but has subsequently provided the completed schedule. References were checked and indicated that previous performance of McGuire and Hester, Inc., has been satisfactory. The firm has been in the contracting business under its present name for 79 years doing work similar to that required. Because there are insufficient funds in the FY 05/06 Budget for this capital project expenditure, a reserve appropriation in the amount of \$74,000 is required.

A motion was made by Director Lampert, seconded by Director Gunther, to 1) authorize a reserve appropriation in the amount of \$74,000; and 2) adopt a resolution accepting the proposal and awarding the contract for the Mayhew Reservoir Spillway Modifications, Job 6262, to McGuire and Hester, Inc., in the amount of \$189,140, which is the total of the unit price and lump sum payment items.

RESOLUTION NO. 05-050

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
ACCEPTING PROPOSAL OF, AND AWARDED CONTRACT TO MCGUIRE  
AND HESTER, INC., FOR JOB 6262

The motion was passed by the following vote:

AYES: Directors Huang, Gunther, Lampert, Weed, and Koller  
NOES: None  
ABSENT: None

---

## 5.7 PRESENTATION OF ACWD AUDIT FOR FY 04/05

---

Mr. Zenoni reported that on March 10, 2005, the Board of Directors authorized execution of a three-year agreement for financial audit services with the firm of Caporicci & Larson.

Caporicci & Larson has completed its audit of the District's financial records for the fiscal year ended June 30, 2005. This audit, which was conducted in accordance with generally accepted auditing standards, included a review of the accounting principles used by the District, as well as a review of various financial transactions and the District's system of internal controls. The auditors have completed their review and the following four documents are submitted for the Board's review:

- Independent Auditor's Report

This letter states that based upon the auditors review, the District was, as of June 30, 2005, in compliance with the required financial commitments and covenants included in the 1998 and 2003 debt issues.

- Appropriations Limit Schedule and Independent Accountants' Report

This report indicates that no discrepancies were found in the process followed for calculating the annual Appropriations Limit.

- Recommendations to Management

This report is typically referred to as the 'Management Letter' and is the means by which the auditor communicates to the Board of Directors and management any comments or recommendations regarding the District's accounting and internal control procedures. The auditor noted no areas of weakness in internal control but did include two recommendations for further consideration. The first recommendation is that the District adopt and implement formal written fraud policies and procedures to ensure that staff is aware of fraud risk areas. Staff concurs with this recommendation and will develop fraud policies and procedures for review by the Board of Directors prior to the end of the current fiscal year. The second recommendation addresses new governmental accounting requirements which will require the reporting of post-employment benefit obligations. Staff is aware of these reporting requirements and will comply with the new reporting disclosure as required.

- Comprehensive Annual Financial Report

This report provides information on the District's operating and financial activities for the fiscal year ended June 30, 2005. The Introductory Section provides an overview of the District and describes significant events and accomplishments for the last fiscal year. The Financial Section of the report includes an unqualified audit opinion which indicates that the financial statements fairly represent the financial position of the District and that the results of the District's operations are reported in conformity with generally accepted accounting principles. In addition, the Financial Section of the report provides an analysis of the District's financial performance during the previous two fiscal years and presents the District's audited financial statements, including a Statement of Net Assets (balance sheet), Statement of Activities and Changes in Net Assets (income statement) and a Comparative

Statement of Cash Flows for the fiscal year ended June 30, 2005. Finally, the Statistical Section of the report provides key historical financial data.

The auditor reviewed the above reports with the Administrative & Finance Committee on October 25, 2005.

A motion was made by Director Lampert, seconded by Director Gunther, to accept the Audited Financial Statements and accompanying reports for the fiscal year ended June 30, 2005.

The motion was passed by the following vote:

AYES: Directors Huang, Gunther, Lampert, Weed, and Koller  
NOES: None  
ABSENT: None

#### 5.8 REVIEW OF EMERGENCY PREPAREDNESS AND DISASTER MITIGATION PLANNING ACTIVITIES AND PROGRAMS

---

Staff prepared a briefing for the Board on the current status of the District's disaster preparedness/response capabilities as well as a review of capital projects, both in place and planned, to mitigate the potential impacts of a major natural disaster.

The District's Emergency Response/Environmental Compliance Supervisor made a comprehensive presentation on preparedness and response capabilities, and the Engineering Project Manager reviewed existing and future capital projects and programs designed to mitigate the effects of a potential seismic event on ACWD facilities. A proposed expanded distribution system reliability study was also discussed. The Board was given an opportunity to provide comments on planned programs, as well as on issues related to coordination among agencies within the Tri-Cities area, and provide direction to staff.

President Koller adjourned the meeting for a 5 minute recess at 8:21 pm. The meeting reconvened at 8:26 pm.

With respect to emergency preparedness Director Lampert stated that the Board's primary duty is to prepare and implement the most effective program possible in dealing with the effects of a major earthquake in terms of the District but also implicit is that this Board has no authority to tell other agencies how to do their jobs.

A motion was made by Director Lampert for this Board to 1) direct staff to meet with other local agencies staff (i.e. 3 cities, 3 school districts, special districts such as Washington Hospital, Union Sanitary District, Ohlone College, Alameda County, PGE and SBC) to consider the feasibility of conducting a series of public forums in which each agency would present its program for dealing with the effects of a major earthquake; and 2) for this Board to direct staff to meet with other local staff to determine the feasibility of establishing a formal organization of local agencies to prepare for and deal with the occurrence of a major earthquake in the Tri-City area.

The motion failed for lack of a second.

Director Weed recommended working within the existing structure rather than trying to create a duplicate structure or overlying structure.

Director Gunther recommended using the Tri-City Emergency Services Association (TESA) as a vehicle to achieve the goals.

Director Huang concurred with Director Gunther that TESA should be used to achieve these goals. TESA should be the organization that initiates the public forum process since that it is one place where all the agencies are represented. Director Huang recommended that we notify our customers what our priorities are after an emergency and what we expect our customers to do to help us accomplish these priorities.

Director Koller agreed with Directors Gunther and Huang that TESA is the organization to be utilized. Director Koller recommended that the Board politically put pressure on the various communities and districts to encourage them to get involved.

#### 5.9 REVIEW OF 2006 THROUGH 2010 DRAFT URBAN WATER MANAGEMENT PLAN AND SETTING PUBLIC HEARING

---

Mr. Cartwright reported that California's Urban Water Management Planning Act requires all urban suppliers (which supply more than 3,000 acre-feet of water annually, or have more than 3,000 customers) to prepare and adopt an urban water management plan. These plans are to be updated every five years. ACWD's last urban water management plan was adopted by the Board in 2001.

Staff has prepared a draft Urban Water Management Plan in accordance with the Urban Water Management Planning Act requirements. Staff reviewed the draft Plan with the Board. Staff distributed the draft Plan to Alameda County, Union Sanitary District, and the Cities of Newark, Union City and Fremont for review and comment. Copies of the draft Plan have also been provided to the local libraries, District headquarters and District web-site for public review. Staff proposes to hold a public hearing on December 15, 2005 to receive public comments.

A motion was made by Director Lampert, seconded by Director Gunther, to set a public hearing for Thursday, December 15, 2005 at 6:00 pm to receive comments on the District's 2006-2010 Urban Water Management Plan.

The motion was passed by the following vote:

AYES: Directors Huang, Gunther, Lampert, Weed, and Koller  
NOES: None  
ABSENT: None

#### 6 - REPORTS

6.1 BOARD COMMITTEE REPORTS

- Water Resources Planning Meeting of October 21, 2005: (1) Semitropic Program Update; (2) Urban Water Management Plan Update; (3) Alameda Creek Fisheries Update; (4) EBMUD Bayside Program
- Administrative & Finance Meeting of October 25, 2005: (1) Review of FY 04/05 Financial Audit; (2) Quarterly Review of Investment Portfolio; (3) Quarterly Review of Claims; (4) Review of General Manager’s Office Staffing
- Legal & Legislative Meeting of October 26, 2005: (1) Review of Proposed Change to Account Establishment Charge; (2) Review of Comments on SFPUC Notice of Preparation for the Water Supply Improvement Program; (3) Review of State Legislation

6.2 OPERATIONAL REPORTS

- Rainfall Report
- Quarterly Well Level Report

6.3 STAFF REPORTS - None

6.4 GENERAL MANAGER'S REPORTS

Mr. Piraino stated that the Board already received a fairly extensive e-mail and resolution of the issue on the Bayside Groundwater Project with East Bay Municipal Utility District. Mr. Piraino felt it was a very positive resolution in that the District was given the guarantees that it needed to allow the project to move forward.

7 - DIRECTORS' COMMENTS AND/OR AGENDA ITEM REQUESTS

- Director Weed recommended that next year the District encourage individuals to participate in ACWA committees.

\_\_\_\_\_

President Koller adjourned the meeting to a Closed Session at 9:13 p.m. for a conference on the following items:

- 8.1 Conference with Legal Counsel – Anticipated Litigation (Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(b)): One Case

The meeting reconvened at 10:10 p.m. President Koller reported that the Board provided direction to its counsel.

\_\_\_\_\_

Minutes – November 10, 2005

There being no further business to come before the Board, the meeting was adjourned at 10:11 p.m.

---

Gina Markou, Deputy District Secretary

Attest:

---

Martin L. Koller, President