

January 26, 2006  
Fremont, California

The regular semimonthly meeting of the Board of Directors of ALAMEDA COUNTY WATER DISTRICT was held on January 26, 2006 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 Lampert, Gunther, Koller, Weed, and Huang

Staff members present: General Manager Paul Piraino, Engineering Manager Robert Shaver, Finance and Administration Manager Bill Zenoni, Operations Manager Karl Stinson, Water Resources Planning Manager Eric Cartwright, Operations Office Supervisor Andrew Joseph, Attorney Ray McDevitt, and Deputy District Secretary Gina Markou.

President Judy C. Huang presided.

Director Weed 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 through 5.5 to the Consent Calendar. The motion was passed by the following vote:

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

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

- 4.1 Approval of Minutes – Regular Meeting of January 12, 2006
- 4.2 Ratification of Payment of Audited Demands dated January 6, January 13, and January 20, 2006
- 4.3 Resolution Approving and Authorizing Execution of Contract with Summerhill Linda Vista, LLC., Extension of Water Main in Tract 7569, Ref. T-1473

RESOLUTION NO. 06-004

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
APPROVING AND AUTHORIZING EXECUTION OF CONTRACT BETWEEN  
ALAMEDA COUNTY WATER DISTRICT AND SUMMERHILL LINDA VISTA,  
LLC., FOR EXTENSION OF WATER MAIN IN TRACT 7569, REF. T-1473

- 5.2 Authorization for Participation in the Weather-Based Irrigation Controller Incentive Program and Purchase Order for Installation Services
- 5.3 Authorization of Purchase Order for Consultant Services for the Security Upgrade Project
- 5.4 Authorization of Purchase Order for District Vehicles
- 5.5 Adopt Resolutions Vacating Easements, KIGFRE Fremont, LP

The motion was passed by the following vote:

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

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

5.1\* RESOLUTION HONORING ALBERTO HUEZO UPON HIS RETIREMENT AS  
NEWARK CITY MANAGER

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Mr. Piraino reported that Alberto T. Huezo retired as City Manager of the City of Newark on December 31, 2005 after more than thirty-one years of service as a Newark city employee, the last eight of which were served as City Manager.

Mr. Huezo has made many major contributions to the growth of the City and has promoted the development of facilities that have enhanced the quality of life for Newark residents. He has led Newark to be a well-balanced, fiscally sound and attractive community. During his tenure as both Assistant City Manager and as City Manager, Mr. Huezo has been a strong advocate on behalf of the independent special districts serving the Tri-City area, including Alameda County Water District. Mr. Huezo was present and thanked the Board for honoring him with the Resolution.

A motion was made by Director Lampert, seconded by Director Koller to adopt a resolution honoring Alberto Huezo upon his retirement from the City of Newark.

RESOLUTION NO. 06-005

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
OFFICIALLY EXPRESSING APPRECIATION TO ALBERTO T. HUEZO UPON  
HIS RETIREMENT AS CITY MANAGER OF THE CITY OF NEWARK

The motion was passed by the following vote:

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

NOES: None  
ABSENT: None

Director Huang adjourned the meeting for a short recess at 6:10 pm. The meeting reconvened at 6:12 pm.

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## 5.2 AUTHORIZATION FOR PARTICIPATION IN THE WEATHER-BASED IRRIGATION CONTROLLER INCENTIVE PROGRAM AND PURCHASE ORDER FOR INSTALLATION SERVICES

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Weather-based Irrigation Controllers (WBIC), also known as “ET” Controllers and “SMART” Controllers, are the latest technology for landscape water use efficiency. They are estimated to save approximately 20-30% in water usage compared to traditional controllers. Over watering of landscaped areas is a common water use efficiency problem because it can be difficult to determine exactly how much water is appropriate. The WBIC utilizes information such as local weather conditions, plant type, and soil moisture to determine the plant’s actual water needs, and then automatically adjusts the irrigation schedule accordingly.

On behalf of six Northern California water agencies, East Bay Municipal Utility District (EBMUD), submitted and received a Department of Water Resources (DWR) grant to conduct a three-year WBIC incentive program (“Program”). The intent of the Program is to increase landscape water use efficiency and transform the residential and commercial irrigation markets by installing approximately 2,600 WBIC’s in pre-qualified residential and commercial landscapes throughout the Bay Area. Participation in this regional Program is consistent with ACWD’s Integrated Resources Planning Study recommendations for reducing long-term residential and commercial water demands and the Memorandum of Understanding on Urban Water Conservation.

Based on the grant requirements, EBMUD will serve as the lead agency for this Program. As lead agency, EBMUD will have direct reporting responsibility to DWR for the other six participating agencies as well as responsibility for the disbursement of DWR grant funds to the participating agencies. The Program is scheduled to end October 15, 2008, pending an extension recently submitted to DWR by EBMUD on behalf of the cooperating water agencies. ACWD’s allotment of controllers, per the grant agreement, is 124 controllers: 36 residential, 57 small commercial and 31 large commercial controllers.

As part of this Program, ACWD will retain a contractor to install the controllers at the customers’ sites. In 2005, ACWD issued a request for proposal (RFP) to eight firms with experience in installing irrigation controllers. Two firms submitted proposals, with ConserVision Consulting submitting the most cost-competitive proposal at \$47,192.

Based on the ConserVision proposal, the total cost for the three-year Program in ACWD’s service area is estimated to be \$170,512. Of this total, approximately \$47,192 will be for installation costs, and \$123,320 will be for rebates and other costs related to the program. Approximately 50% of the total Program costs (\$86,899) will be funded by the DWR and the balance will be funded by ACWD (\$83,613). Sufficient funds are contained in the FY 05/06 budget to cover ACWD’s cost of this

program.

A motion was made by Director Lampert, seconded by Director Koller to 1) approve ACWD's participation in the Weather-Based Irrigation Controller Program with total three-year ACWD costs not to exceed \$83,613 and 2) authorize a Purchase Order to ConserVision Consulting in an amount not to exceed \$47,192, over a three year period for controller installations and related fees for the Program.

The motion was passed by the following vote:

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

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### 5.3 AUTHORIZATION FOR PURCHASE ORDER FOR CONSULTANT SERVICES FOR THE SECURITY UPGRADE PROJECT

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As required by the Bioterrorism Act of 2002, the District completed and submitted its Vulnerability Assessment (VA) to the Environmental Protection Agency in March 2003. The VA identified both the District's most critical facilities and critical assets. Since that time, the District has put measures in place to address the most immediate security risks at these critical facilities. The VA also calls for development of a plan to implement long term physical security system improvements at these sites. To facilitate the development of cost-effective designs that will provide optimal protection from potential threats, staff identified three sites to serve as pilot facilities for the development of physical security improvements that can then be duplicated at other similar facilities. Experienced water system security consulting firms were solicited to provide the design engineering (Phase 1) and construction services (Phase 2) for security improvements at these pilot facilities.

Requests for Qualifications were sent to fifteen consulting firms with experience in water system security, and the District received five letters of interest. All five of the responding firms were interviewed and found to have the appropriate qualifications and experience to submit proposals for the project. Two of these firms, CH2M Hill and Stantec Consulting, subsequently signed the required non-disclosure agreements and submitted formal written proposals.

The District's selection team assessed both the written proposals and formal presentations by the consultants. Both proposals included estimated consulting costs for Phases 1 and 2 of the project. CH2M Hill's estimate was \$297,315 and Stantec Consulting submitted an estimate of \$234,496, for both phases of the project.

Stantec Consulting was determined to be the best qualified firm to complete this work. Stantec has considerable experience in design and construction of security improvement at other water agencies and exhibited the most complete and knowledgeable approach to address all anticipated challenges relating to the project. The District has budgeted adequate funds to complete Phases 1 and 2 of the work as proposed.

A motion was made Director Lampert, seconded by Director Koller to 1) authorize a purchase order to Stantec Consulting in an amount not to exceed \$153,312 for Phase 1 consulting services for the Critical Facilities Security Upgrade Project, Job 6294; and 2) authorize the General Manager to execute a services agreement.

The motion was passed by the following vote:

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

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#### 5.4\* AUTHORIZATION OF PURCHASE ORDER FOR DISTRICT VEHICLE

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The Board of Directors approved funding in the current two year budget for the purchase of vehicles. One additional Operations Pool vehicle is budgeted for purchase in FY 06/07.

The retirement of the Water Supply Engineer in late 2006, and the early hiring of his replacement has resulted in a need for an additional vehicle to carry out training activities and to ensure a smooth transition of duties. It is proposed that one of the vehicles in next year's budget be purchased now to cover this need. The vehicle would then revert to its previously intended use after November 2006. Although a reserve fund appropriation would be required to purchase the vehicle this year, next year's budget would be reduced by the same amount.

A bid solicitation was recently conducted for a budgeted truck replacement that also meets the required specifications for the additional vehicle - a Ford F150 Supercab 4x4 pickup truck. The request for quotations was sent to fifteen Ford dealers and there were three responsive bidders. The low bidder was S&C Ford of San Francisco, who has agreed to allow the purchase of the additional vehicle at the same price of \$20,288.40.

A motion was made by Director Lampert, seconded by Director Koller to authorize 1) a reserve fund appropriation in the amount of \$20,288.40 and 2) a purchase order to S&C Ford in an amount of \$20,288.40 for a F150 Supercab 4x4 pickup truck.

The motion was passed by the following vote:

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

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#### 5.5\* ADOPT RESOLUTIONS VACATING EASEMENTS, KIGFRE FREMONT, LP

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KIGFRE FREMONT, LP is the developer of Fremont Hub Shopping Center Renovation, Phase 1B, located at Walnut Avenue and Argonaut Way in Fremont. The site was previously developed by another owner who granted easements to the District and extended water mains into portions of the property. KIGFRE's renovation project required the relocation of a portion of a previously installed

water main which spanned all of District easement No. 120 and a portion of District easement No. 130.

KIGFRE has completed the water system modifications and has granted the District a new easement covering the newly relocated main. KIGFRE is requesting that the District quitclaim all of District easement No. 120 and the portion of District easement No. 130 that is no longer needed.

Staff finds no objection to the quitclaim request.

A motion was made by Director Lampert, seconded by Director Koller to adopt resolutions vacating District easement No. 120 and a portion of District easement No. 130 and authorizing the execution of quitclaim deeds for these easements to KIGFRE FREMONT, LP.

RESOLUTION NO. 06-006

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
VACATING EASEMENT FOR WATER PIPELINE

RESOLUTION NO. 06-007

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
VACATING EASEMENT FOR WATER PIPELINE

The motion was passed by the following vote:

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

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6 - REPORTS

6.1 BOARD COMMITTEE REPORTS

- Operations & Water Quality Meeting of January 4, 2006: (1) Review of Safety and Health Program
- Engineering & Capital Projects Meeting of January 10, 2006: (1) Status of the Alameda Reservoir Water Quality Enhancement Project
- Water Resources Planning Meeting of January 18, 2006: (1) Alameda Creek Fisheries Update; (2) Water Conservation – Weather Based Irrigation Controller Program; (3) Expanded Los Vaqueros Reservoir Project Update; (4) Semitropic Program Update; (5) Delta Levees Update

6.2 OPERATIONAL REPORTS

- Investment Report

### 6.3 STAFF REPORTS

#### 6.3.1. South Delta Improvement Program Update

Mr. Stinson stated that on November 10, 2005 the California Department of Water Resources and the U.S. Bureau of Reclamation released the Draft Environmental Impact Statement/Environmental Impact Report for the South Delta Improvements Program (SDIP).

The SDIP includes:

1. Replacing four seasonal rock barriers with permanent operable gates on Old River, Grantline Canal, Middle River and on Old River where it leaves the San Joaquin River. This will protect salmon and improve water levels and quality in the South Delta;
2. Conducting limited dredging of Middle River and Old River and modifying up to 24 local agricultural diversions. This will improve flows in Delta channels, provide better access to irrigation water, and limit the use of the operable gates at times that could harm fish, and
3. Increasing the maximum diversion limit at existing SWP facilities in the South Delta from 6,680 cfs to 8,500 cfs to provide more water for communities, businesses and agricultural users south of the Delta, including the South Bay, when it is environmentally sound to do so.

The program has been separated into two stages. Stage 1 addresses the proposed physical/structural improvements which include the new operable gates, dredging and agricultural modifications. Stage 2 addresses the proposed operational component to increase water deliveries south of the Delta and would begin only after the implementation of Stage 1 and resolution of the pelagic fish decline recently observed in the Delta.

Implementation of Stage 1 will eliminate the current annual expenditure of \$6 million per year to install and remove temporary barriers. It will also facilitate SWP and CVP compliance with South Delta water quality standards. The two projects recently received a cease and desist order for the violation of water quality standards in the South Delta.

Implementation of Stage 2, once the environmental issues are resolved, will increase annual deliveries of water from the South Delta by about 3 to 5 percent. This increase in pumping will result in a slight increase in salinity in Delta exports.

Mr. Stinson advised that the SDIP, an element of the overall Delta Improvements Package, is a responsible and balanced plan to better utilize and integrate existing water management infrastructure in the Delta while also protecting the environment.

The SDIP is supported by a statewide, broad coalition of water, agriculture, business, planning organizations, and local government officials including the State Water Contractors, ACWA, California Chamber of Commerce, California Business Properties Association and Western Growers Association. The State Water Contractors Association is urging all contractors to submit letters of support to DWR during the public comment period which ends on February 7, 2006. Discussion ensued. Mr. Piraino advised that staff intends to submit a letter of support and that a copy would be shared with the Board.

#### 6.3.2 Delta Levees Update

Mr. Stinson reviewed recent activities related to Delta levees that were in addition to the information provided in the minutes of the January 18 Water Resources Planning Committee meeting.

On January 18, the State Water Contractors (SWC) met to define the SWC principles related to the Delta Visioning process. The contractors have a three pronged focus:

- Emergency Preparedness/Response Planning
- Near-Term Delta Levee Actions
- Long-Term Delta Vision and Plan

Draft Delta principles are being prepared by the SWC group with the fundamental objective of improving the reliability of Delta water supplies. Also on January 18, the State Water Contractors policy group met with Department of Water Resources (DWR) Director Snow to discuss DWR's Delta levee-related activities. Director Snow indicated that he was leaning toward creating a blue-ribbon Delta Vision Committee to be co-chaired by Resources Director Chrisman and Business, Housing and Transportation Secretary McPeak. The committee would consist primarily of business leaders. The SWC plans to support efforts to keep this process moving.

DWR's activities related to Delta emergency preparedness and response thus far have seemed to focus on policy development which states the limit of its response. For example, DWR won't automatically repair all levee breaks, certain levee breaks would be armored on either side of the break but the levee would not be restored. The SWC emphasized the need for a timely completion of a Delta emergency preparedness and response plan and will keep the pressure on DWR to complete the plan.

Discussion ensued. Mr. Piraino advised that staff will be recommending positions to the Board in the near future.

#### 6.4 GENERAL MANAGER'S REPORTS - None

#### 7 - DIRECTORS' COMMENTS AND/OR AGENDA ITEM REQUESTS

Director Weed attended a Bay Area Water Supply and Conservation Agency Region 5 Board Meeting on January 25, 2006 and reported that San Francisco is about to go out for a \$554 million Bond Issue, \$154 million to pay off outstanding commercial paper and \$400 million for capitalized interest. Mr. Weed also reported that the City is preparing RFP's for three projects for design consultant work. The projects are the Irvington Tunnel, the Alameda Siphons and Crossbay Tunnel.

Director Weed advised that he was attending the Association of California Water Agencies (ACWA) Board Meeting in Sacramento on January 26 and January 27, 2006, and that the next Region 5 Meeting will be held in Scotts Valley on April 2 -3, 2006.

Director Koller reported that the Legal and Legislative Committee had recently reviewed the legislation (SB 1166 and AB 1839), which is intended to implement the water-related aspects of the Governor's recently proposed Strategic Growth Initiative. Concern was expressed over a proposal to create a Water Resources Investment Fund that would fund both statewide and regional water resources projects by charging retail water customers a monthly charge ranging from \$3/month for residential customers to \$10/month for industrial customers. Mr. Piraino advised that staff will be closely following this legislation and will report back to the Board a recommended position on the legislation.

Director Lampert reported that he attended a luncheon for former and current Fremont City Council members on January 23, 2006. Director Lampert advised that he spoke individually with Councilman Dominic Dutra and City Manager Fred Diaz regarding planning for a major catastrophe such as an earthquake and called for local agencies to come together in preparing for this event on a regional basis within the Tri-City area. Councilman Dutra will be meeting with City Manager Diaz next month and will respond to his suggestion.

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President Huang adjourned the meeting to a Closed Session at 6:56 p.m. for a conference on the following items:

- 8.1 Conference with Legal Counsel – Existing Litigation (Pursuant to Government Code Section 54956.9(a))
  - City of Fremont vs. West Coast Venture Capital, et. al., Alameda County Superior Court No. RG04141644

The meeting reconvened at 7:40 p.m. President Huang reported that the Board provided direction to staff and counsel.

Minutes – January 26, 2006

There being no further business to come before the Board, the meeting was adjourned at 7:41 p.m.

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Gina Markou, Deputy District Secretary

Attest:

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Judy C. Huang, President