

February 9, 2006
Fremont, California

The regular semimonthly meeting of the Board of Directors of ALAMEDA COUNTY WATER DISTRICT was held on February 9, 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, Operations Office Supervisor Andrew Joseph, Attorney Ray McDevitt, and Deputy District Secretary Gina Markou.

President Judy C. Huang presided.

Director Gunther 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 5.4 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 Gunther, to approve the following items on the Consent Calendar, as amended.

- 4.1 Approval of Minutes – Regular Meeting of January 26, 2006
- 4.2 Ratification of Payment of Audited Demands dated January 27, and February 3, 2006
- 4.3 Resolution Approving and Authorizing Execution of Contract with KIGFRE Fremont, LP, Extension of Water Main, Fremont Hub Fire Loop, Ref. T-1466

RESOLUTION NO. 06-008

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
APPROVING AND AUTHORIZING EXECUTION OF CONTRACT BETWEEN
ALAMEDA COUNTY WATER DISTRICT AND KIGFRE FREMONT, LP, FOR
EXTENSION OF WATER MAIN, FREMONT HUB FIRE LOOP, REF. T-1466

- 4.4 Resolution Appointing District Representatives for Small Claims Court and Rescinding Resolution No. 05-009

RESOLUTION NO. 06-009

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
APPOINTING DISTRICT REPRESENTATIVES FOR SMALL CLAIMS COURT
AND RESCINDING RESOLUTION NO. 05-009.

- 4.5 Resolution Authorizing the Deposit and Withdrawal of Monies in the Local Agency Investment Fund

RESOLUTION NO. 06-010

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
AUTHORIZING THE DEPOSIT AND WITHDRAWAL OF MONIES IN THE LOCAL
AGENCY INVESTMENT FUND

- 4.6 Resolution Appointing Andrew Joseph Assistant District Secretary of said District and Rescinding Resolution No. 94-056

RESOLUTION NO. 06-011

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
APPOINTING ANDREW JOSEPH ASSISTANT DISTRICT SECRETARY TO THE
BOARD OF DIRECTORS AND RESCINDING RESOLUTION NO. 94-056

- 4.7 Resolution Appointing Gina Markou as District Secretary of the District and Rescinding Resolution No. 04-044

RESOLUTION NO. 06-012

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
APPOINTING GINA MARKOU DISTRICT SECRETARY OF THE BOARD OF
DIRECTORS AND RESCINDING RESOLUTION NO. 04-044

- 4.8 Resolution Appointing Wilbert Ligh Treasurer of the District and Rescinding Resolution No. 99-033

RESOLUTION NO. 06-013

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
APPOINTING WILBERT LIGH TREASURER OF THE DISTRICT AND RESCINDING
RESOLUTION NO. 99-033

- 4.9 Resolution Appointing Michael Yee Assistant Treasurer of the District

RESOLUTION NO. 06-014

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
APPOINTING MICHAEL YEE ASSISTANT TREASURER OF THE DISTRICT

- 4.10 Resolution Appointing Michael Yee as Alternate Representative to the Southern Alameda County Geographic Information System Authority and Rescinding Resolution No. 01-011

RESOLUTION NO. 06-015

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
APPOINTING MICHAEL YEE AS ALTERNATE REPRESENTATIVE TO THE
SOUTHERN ALAMEDA COUNTY GEOGRAPHIC INFORMATION SYSTEM
AUTHORITY AND RESCINDING RESOLUTION NO. 01-011

- 5.2 Resolution Approving Statement of Investment Policy
- 5.3 Resolution Amending Procurement Policy Nos. 1, 2 and 3
- 5.4 Authorization of Contract Change Order No. 1 for Mayhew Reservoir Spillway Modifications

The motion was passed by the following vote:

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

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

5.1 RESOLUTION HONORING WILLIAM J. ZENONI UPON HIS RETIREMENT FROM
DISTRICT SERVICE

Mr. Piraino reported that William J. Zenoni will be retiring from the District on February 24, 2006 after nearly seven years of service.

Bill was hired as the District's Finance and Administration Manager/Treasurer on April 19, 1999. He is retiring with over thirty years of public service, including tenures as Controller for the City of Oakland, Finance Director for Contra Costa Water District and the City of Alameda, as well as Assistant Finance Director for the cities of San Leandro and Vallejo and an accountant for the City of Richmond. He began his professional career as an accountant for the General Motors Plant (now NUMMI) here in Fremont. During his service as Finance Manager, Bill has implemented many programs and improvements, both within his Department and District-wide, which have reduced costs, increased efficiency and accountability and improved customer service. He has always approached his duties with enthusiasm, energy and with the highest level of competence and

integrity. He will be greatly missed by his friends and associates here at the Water District. The Board of Directors expressed their appreciation to Mr. Zenoni for his years of service. Mr. Zenoni accepted the Resolution and expressed his gratitude to the Board for honoring him.

A motion was made by Director Gunther, seconded by Director Weed, to adopt a resolution honoring William J. Zenoni upon his retirement from District Service.

RESOLUTION NO. 06-016

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
HONORING WILLIAM J. ZENONI UPON HIS RETIREMENT FROM DISTRICT
SERVICE

The motion was passed by the following vote:

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

5.2 RESOLUTION APPROVING STATEMENT OF INVESTMENT POLICY

The investment of public funds is governed by Section 53600 of the California Government Code which specifies the types of investments permitted and identifies investment objectives as well as reporting requirements. One of the provisions of the Government Code is that the legislative body of a public agency must annually approve a statement of investment policy. The Board of Directors last approved the District's Investment Policy on February 10, 2005.

During the past year, there have been no modifications to the section of the Government Code which governs the investment of public funds. The Administrative and Finance Committee, on January 24, 2006, reviewed the District's current Investment Policy and concurred with staff's recommendation that no changes to that policy are required at this time. In accordance with the provisions of the California Government Code which require the annual approval of an investment policy, it is recommended that the current policy be approved for the next twelve month period. The investment policy is attached to the Board resolution as Exhibit A.

A motion was made by Director Lampert, seconded by Director Gunther, to adopt a resolution approving a Statement of Investment Policy.

RESOLUTION NO. 06-017

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
APPROVING STATEMENT OF INVESTMENT POLICY

The motion was passed by the following vote:

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

5.3 RESOLUTION AMENDING PROCUREMENT POLICY NOS. 1, 2 AND 3

The Board of Directors has adopted the following three policies governing the District's procurement activities:

- Procurement Policy No.1 - Procurement of Materials, Supplies, Outside Services and Equipment
- Procurement Policy No.2 - Procurement of Contract Services
- Procurement Policy No.3 - Procurement of Consulting Services

These procurement policies were last reviewed in detail by staff and adjusted by the Board of Directors in October 1999, with minor adjustments to Procurement Policy Nos. 1 and 2 approved by the Board in 2000 and 2004. A recent thorough review of the three procurement policies by District Counsel and staff found that the three separate policies contained repetitive language, and administrative items which would be more appropriately addressed in a staff procedural guideline. Based upon that review, the current three separate policies were consolidated into one comprehensive document which clearly addresses policy issues related to procurements. Other administrative/procedural items were removed from the policy statement and have been incorporated into staff's procedural guidelines. For example, provisions identifying specific contract requirements and specifying who among District staff must take particular actions at different phases of the procurement process have been deleted from the policy.

Since the procurement limits were last adjusted in 1999, staff is recommending an increase to the limits on procurements requiring Board approval from \$25,000 per line item to a \$50,000 aggregate procurement limit for materials, supplies, equipment and routine services; from \$20,000 to \$25,000 for professional services; and from \$25,000 to \$50,000 for construction projects. These proposed amendments to the procurement policy were reviewed with the Administrative and Finance Committee on November 29, 2005. The Committee concurred that the proposed revisions appeared reasonable.

A motion was made by Director Lampert, seconded by Director Gunther to adopt a resolution amending and consolidating Procurement Policy Nos. 1, 2 and 3 into a revised Board Procurement Policy.

RESOLUTION NO. 06-018

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
AMENDING AND CONSOLIDATING PROCUREMENT POLICY NOS. 1, 2
AND 3

The motion was passed by the following vote:

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

5.4 AUTHORIZATION OF CONTRACT CHANGE ORDER NO. 1 FOR MAYHEW RESERVOIR SPILLWAY MODIFICATIONS

The construction contract for the Mayhew Reservoir Spillway Modifications project was awarded to McGuire and Hester on November 10, 2005 in the amount of \$189,140. The Notice to Proceed was issued on December 7, 2005, and the construction project is approximately 32% complete.

On November 14, 2005, a windstorm severely damaged the roof above the monitor portion of the reservoir and steps to temporarily cover and secure the facility were immediately taken by District staff. Because McGuire and Hester was already mobilized on-site and performing spillway modifications, staff requested a lump sum quotation to perform the following additional work items: 1) install wind and seismic ties on the existing trusses and rafters to improve resistance to lateral and uplift conditions, 2) replace damaged wooden rafters, and 3) install plywood sheathing over the reservoir monitor in preparation for a new corrugated metal roof to be installed during Spring 2006 as a separate project.

Staff has reviewed McGuire and Hester's submitted quotation of \$16,600 for the cost of the additional work and has determined that it is fair and reasonable. A transfer of funds in the amount of \$16,600 from Expense Account 8421 to the Capital Projects Budget, Job 6262, will be required for this expenditure.

A motion was made by Director Lampert, seconded by Director Gunther to 1) approve Change Order No. 1 in the amount of \$16,600; and 2) authorize a transfer of funds in the amount of \$16,600 from Expense Account 8421 to Job 6262.

The motion was passed by the following vote:

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

6 - REPORTS

6.1 BOARD COMMITTEE REPORTS

- Administrative & Finance Meeting of January 24, 2006: (1) Quarterly Review of Claims; (2) Quarterly Review of Investment Portfolio; (3) Annual Review of Investment Policy; (4) Update on Customer Billing Enhancements; (5) Discussion of CalPERS Actuarial Information

- Legal & Legislative Meeting of January 25, 2006: (1) Review of State and Federal Legislation
- Operations and Water Quality Meeting of February 1, 2006: (1) Review of Whitfield Reservoir Landscaping

6.2 OPERATIONAL REPORTS

- Rainfall Report
- Quarterly Well Level Report
- Quarterly Projects Review

6.3 STAFF REPORTS - None

6.4 GENERAL MANAGER'S REPORTS

Mr. Piraino informed the Board of the passing of former District Secretary Ruth Evans. Ms. Evans served as District Secretary from March 15, 1969, to December 30, 1993, and consistently demonstrated a high degree of professionalism, loyalty, and integrity to the DISTRICT.

Mr. Piraino advised the Board of an upcoming Alameda County Special District Selection Committee Meeting that will convene on April 5, 2006 for the purpose of electing representatives to the Special District non-enterprise and alternate seat on the Local Agency Formation Commission. Chair Huang advised that Vice Chair Lampert will attend. Mr. Piraino advised that nominations for the alternate seat, if any, would need to be made by the March 23, 2006 Board Meeting.

7 - DIRECTORS' COMMENTS AND/OR AGENDA ITEM REQUESTS - None

President Huang adjourned the meeting to a Closed Session at 6:26 p.m. for a conference on the following items:

- 8.1 Conference with Real Property Negotiator (Pursuant to Government Code Section 54956.8)
- a) APN 486-0024-001: 918 D Street, Union City
Agency Negotiator: Craig Hill
Negotiating Parties: Nena Bains
Under Negotiation: Price and terms of sale
 - b) APN 507-527-20: Mission Boulevard, Fremont
Agency Negotiator: Craig Hill
Negotiating Parties: N/A
Under Negotiation: Price and terms of sale

8.2 Conference with Legal Counsel – Anticipated Litigation (Initiation of Litigation Pursuant to Subdivision (c) of Government Code Section 54956.9): One Case

The meeting reconvened at 8:05 p.m. With respect to Item 8.1 President Huang reported that the Board provided direction to its Agency Negotiator. With respect to Item 8.2 President Huang reported that the Board provided direction to staff and counsel.

There being no further business to come before the Board, the meeting was adjourned at 8:06 p.m.

Gina Markou, Deputy District Secretary

Attest:

Judy C. Huang, President