

November 9, 2006
Fremont, California

The regular monthly meeting of the Board of Directors of ALAMEDA COUNTY WATER DISTRICT was held on November 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 (arrived at 6:15 P.M.), Koller, Weed, and Huang

Staff members present: General Manager Paul Piraino, Engineering Manager Bob Shaver, Finance and Administration Manager Will Ligh, Operations Manager Karl Stinson, Project Engineer Toni Lyons, Groundwater Resources Engineer Michelle Myers, Financial Services Manager Michael Yee, Attorney Ray McDevitt, and District Secretary Gina Markou.

President Judy Huang presided.

Peggy Dolin led in the Salute to the Flag.

3 - PUBLIC COMMENTS – None

4 - CONSENT CALENDAR

A motion was made by Director Lampert at Director Koller's request to remove Item 4.6 from the Consent Calendar, seconded by Director Weed, and to add Items 5.4 through 5.8 to the Consent Calendar.

The motion was passed by the following vote:

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

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 October 12, 2006
- 4.2 Ratification of Payment of Audited Demands dated October 13, October 20, October 27, and November 3, 2006
- 4.3 Resolution Approving and Authorizing Execution of Contract with Santa Clara Development Co., a California corporation, Extension of Water Main, Tract 7518, Ref. T-1467

RESOLUTION NO. 06-070

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
APPROVING AND AUTHORIZING EXECUTION OF CONTRACT BETWEEN
ALAMEDA COUNTY WATER DISTRICT AND SANTA CLARA
DEVELOPMENT CO., FOR EXTENSION OF WATER MAIN, TRACT 7518,
REF. T-1467

- 4.4 Resolution Approving and Authorizing Execution of Contract with Regis Homes of Northern California, Extension of Water Main, Tract 7571, Ref. T-1476

RESOLUTION NO. 06-071

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
APPROVING AND AUTHORIZING EXECUTION OF CONTRACT BETWEEN
ALAMEDA COUNTY WATER DISTRICT AND REGIS HOMES OF NORTHERN
CALIFORNIA, FOR EXTENSION OF WATER MAIN, TRACT 7571, REF. T-
1476

- 4.5 Resolution Amending Personnel Budget: Creation of New Job Classification, Laboratory Technician 1/2

RESOLUTION NO. 06-072

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
AMENDING FY 06/07 PERSONNEL BUDGET

- 5.4 Authorization of Purchase Order for Design Services for Mission San Jose Water Treatment Plant Access Road Erosion Mitigation Project
- 5.5 Resolution Awarding Contract for Mission San Jose Water Treatment Plant Site Improvements
- 5.6 Resolution Approving the Alameda Creek Pipeline No. 1 Fish Screen Project
- 5.7 Authorization for Engineering Survey and Report in Conjunction with Replenishment Assessment
- 5.8 Resolution Amending Conflict of Interest Code

The motion was passed by the following vote:

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

Mr. Piraino introduced Altarine Vernon to the Board who is the new Human Resources Manager. Ms. Vernon previously worked for 19 years at the East Bay Municipal Utility District where she worked in all phases of human resources, and for the last ten years in labor relations as a Senior Human Resources Analyst. Ms. Vernon also worked for the City of Hayward for 10 years before that in community development and holds a Masters in Public Administration from Cal State Hayward.

The Board of Directors welcomed Ms. Vernon.

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

4.6 RESOLUTION AMENDING PERSONNEL BUDGET: RECLASSIFY A VACANT TREATMENT PLANT OPERATOR TRAINEE POSITION TO A TREATMENT FACILITIES OPERATOR POSITION AND TO ADD ONE ADDITIONAL TREATMENT FACILITIES OPERATOR POSITION

Mr. Piraino reported that five years ago when a staffing plan was developed for the Mission San Jose Water Treatment Plant, it was assumed it would be unmanned 12-hours per day.

Two years after start-up, Mission San Jose still requires staffing on a 24-hour/7-day a week basis, and the original plan to have the plant unmanned for 12-hours a day has not been implemented. Currently overtime is being used to make up a two operator deficit because two additional positions are required in order to adequately staff the 24/7 operation. Water Production staffs' consensus is it could be two years before the plant will be fully operational. It is anticipated that long-term staffing will return to the originally planned level once all issues with membrane operations have been rectified. Accordingly in two years, the two additional positions would be absorbed through future attrition.

These two limited term positions could be created by reclassifying a vacant Treatment Plant Operator Trainee position to a Treatment Facilities Operator position, and an additional Treatment Facilities Operator position could be added. After two years, the one position would return to a Plant Operator Trainee and the other position eliminated once both became vacant through attrition.

Under these terms, the net impact on rates for this proposal would be minimal (0.01%), since there would also be significant offsetting overtime savings of approximately \$50,000 by July 2007. This proposal was reviewed by the Operations and Water Quality Committee on October 4, 2008.

Director Koller inquired on whether the 2 operators that are hired will remain as operators until the positions are vacated. Mr. Piraino confirmed that would be the case.

A motion was made by Director Weed, seconded by Director Koller, to adopt a resolution amending the FY 06/07 Personnel Budget to reclassify a vacant Treatment Plant Operator Trainee position to a Treatment Facilities Operator position and to add one additional Treatment Facilities Operator position to assist with the additional staffing needs at the Mission San Jose Water Treatment Plant through FY 07/08.

RESOLUTION NO. 06-073

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
AMENDING FY 06/07 PERSONNEL BUDGET

The motion was passed by the following vote:

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

5.1 RESOLUTION HONORING MARGET DOLIN UPON HER RETIRMENT FROM DISTRICT SERVICES

Mr. Ligh reported that Margaret (Peggy) Dolin will retire effective November 17, 2006 with more than 24 years of service with the District.

Peggy started with the District as a temporary Customer Account Assistant on July 19, 1982. She became a permanent employee 4 months later. In 1987, Peggy was promoted to Customer Account Representative II. Over the years, Peggy has worked at every desk in Customer Service including the drive up window cashier at the Old Headquarters building. She has attained tremendous knowledge and experience which she has generously imparted to co-workers. Peggy has also provided excellent service to the District's customers. Her work ethic and near perfect attendance record has made her a valuable asset to ACWD. She will be missed by her many friends at the District.

A motion was made by Director Lampert, seconded by Director Koller, to adopt a resolution honoring Margaret (Peggy) Dolin and expressing appreciation for more than 24 years of service.

RESOLUTION NO. 06-074

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
HONORING MARGARET (PEGGY) DOLIN UPON HER RETIREMENT FROM DISTRICT SERVICE

The motion was passed by the following vote:

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

Director Huang presented a resolution to Ms. Dolin. Comments were received by Ms. Dolin and Directors.

5.2 RESOLUTION HONORING JAMES REYNOLDS UPON HIS RETIREMENT FROM DISTRICT SERVICES

Mr. Stinson reported that James R. Reynolds will retire effective December 30, 2006, with more

than 36 years of service with the District.

Jim started with the District as an Engineering Technician 1 on November 4, 1970, and subsequently was promoted to increasingly more responsible positions as a Junior Engineer, Assistant Engineer, and then Associate Engineer in the Engineering Department. In August 1979, Jim became a licensed professional engineer in civil engineering. In July of 1990, Jim transferred to the Operations Department and his position was reclassified to Water Supply Supervisor. In this role, Jim principally supervised Alameda Creek watershed monitoring and day-to-day groundwater recharge operations, prepared short and long-range water delivery schedules, administered imported water contracts (that currently have a combined annual budget of over \$12 million), and served as a valuable resource and acknowledged in-house expert on a variety of water issues.

Jim has rendered service to his country as well, completing active-duty training as an Aircraft Maintenance Specialist and then serving as an Airman in the Air Force Reserve early in his career. In addition, he has capably represented the District to the community having been an officer with the Fremont Jaycees and been honored as State Jaycee of the Year in the late 1970's. Most recently, Jim served as President of the South Bay Engineers Club and was awarded the President's Plaque in 2005.

During his many years of service, Jim has been an asset to the District and has performed his duties in a competent and professional manner. In even the most challenging times, Jim has kept his cool demeanor and stayed focused on the task at hand. His solid engineering skills, dedication to the job, leadership in safe work practices, and mentoring of junior members of the staff have been exemplary. He will be missed by his many friends at the District.

A motion was made by Director Lampert, seconded by Director Weed, to adopt a resolution expressing appreciation to James R. Reynolds for 36 years of dedicated service to the District.

RESOLUTION NO. 06-075

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
HONORING JAMES R. REYNOLDS 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

Director Huang presented a resolution to Mr. Reynolds. Comments were received by Mr. Reynolds and Directors.

Director Huang called a five minute recess at 6:25 P.M. The meeting reconvened at 6:30 P.M.

5.3 RESOLUTION ADOPTING ANTI-FRAUD POLICY

Mr. Ligh stated that, during their previous fiscal year audit, the District’s financial auditors, Caporicci and Larson, had observed that the District did not have a formal written policy on fraud prevention. Accordingly, they recommended that the District formally adopt and implement written fraud policies and procedures to ensure that District personnel are aware of fraud risk areas.

The Statement on Auditing Standards (SAS) No. 99, *Consideration of Fraud in a Financial Statement Audit*, places the responsibility on auditors to design and plan their audits based on their assessment of the risk of material misstatement of the financial statements due to fraud. The auditor’s review of our internal control policies and procedures and level of awareness by District personnel of fraud risk areas are critical factors in formulating their assessment of this risk.

The Anti-Fraud Policy identifies fraudulent acts and describes the responsibilities of District personnel and procedures to follow if fraud is suspected. District’s legal counsel had provided significant input in developing and streamlining this policy. The policy was also reviewed with the Administrative and Finance Committee at their meeting on October 24, 2006. Once the policy has been adopted by the Board, it would then be incorporated into an Administrative Guideline for use by District staff.

A motion was made by Director Lampert, seconded by Director Gunther, to adopt a resolution, approving the Anti-Fraud Policy.

RESOLUTION NO. 06-076

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
APPROVING ANTI-FRAUD POLICY

The motion was passed by the following vote:

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

5.4* AUTHORIZATION OF PURCHASE ORDER FOR DESIGN SERVICES FOR MISSION
SAN JOSE WATER TREATMENT PLANT ACCESS ROAD EROSION MITIGATION
PROJECT

Rains from the past few seasons have undermined approximately 50 feet of the embankment along the MSJWTP access road. Although embankment fill has been placed as a temporary slope stabilization measure, implementation of permanent repairs to stabilize the eroded embankment and to mitigate the potential for future erosion is required. Additionally, an assessment of the overall condition of the road is required.

The project is subject to CEQA and it is anticipated that permits from the U.S. Army Corps of Engineers, Regional Water Quality Control Board, and Department of Fish and Game will be required due to the stream that flows adjacent to the roadway. Environmental Science Associates has been retained to provide assistance with CEQA.

Staff sent letters requesting expressions of interest to eight (8) consulting firms that either performed prior work for the District or are on the District's rotating consultant list for minor facility improvement projects. Three firms expressed interest in the project and met with staff to tour the project site and two firms submitted proposals for the work. The remaining firms indicated that they were unwilling to take on additional work at this time due to high workloads.

Wilsey-Ham submitted a proposal in the amount of \$80,000 which includes civil, surveying, and geotechnical work for analysis of drainage issues; development and evaluation of alternatives to repair and stabilize the eroded slope and mitigate future erosion; final design, preparation of construction bid documents and an engineer's cost estimate for the selected alternative; and coordination with the District's environmental consultant to mitigate CEQA issues. The scope also includes assessment of the access road pavement and development of recommendations and a cost estimate of rehabilitating the roadway.

Wilsey-Ham has over 60 years of experience with both private and public sector clients. For the past four years the firm has been selected to provide engineering services, including slope embankment evaluation and repair, analysis of drainage issues, and pavement rehabilitation, for the City of Mill Valley's pavement rehabilitation program. All members of the proposed project team have worked directly on the Mill Valley project. References contacted stated that the firm's work has been satisfactory. Design services will be performed on a time and expense basis as directed by the District.

Staff has reviewed the cost proposal for the work and has found it to be fair and reasonable for the level of effort required. There is sufficient funding in the current budget for this expenditure.

A motion was made by Director Lampert, seconded by Director Koller, to 1) authorize a purchase order to Wilsey-Ham for design services in an amount not to exceed \$80,000; and 2) authorize the General Manager to execute a services agreement for design services for Mission San Jose Access Road Erosion Mitigation Project, Job 6322.

The motion was passed by the following vote:

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

5.5* RESOLUTION AWARDED CONTRACT FOR MISSION SAN JOSE WATER TREATMENT PLANT SITE IMPROVEMENTS

The Mission San Jose Water Treatment Plant Post Process Site Improvements project consists of the construction of a retaining wall around an existing electrical vault, installation of drain pipe at the raw water meter vault, paving, and other minor site improvements. This work is unrelated to the process-related issues that are occurring at the plant.

Four construction bids were received and opened on October 18, 2006. The bids ranged from a low of \$94,825.80 to a high of \$153,945. The engineer's estimate was \$175,000. All bids were checked arithmetically and for compliance with the bidding requirements. The second and third low bids

contained minor irregularities that did not affect the order of the bids.

Pacific Underground Services of Martinez, California, submitted the lowest bid. This firm has been in the contracting business under its present name for 11 years. References were checked and it was confirmed that the contractor has the necessary qualifications and experience to perform the work. In January 2001, Pacific Underground Services satisfactorily completed the Lowry Road 16-Inch PVC Pipeline for the District.

There is adequate funding in the budget for this expenditure.

A motion was made by Director Lampert, seconded by Director Koller, to adopt a resolution to award the contract for MSJWTP Post Process Site Improvements, to Pacific Underground Services in the amount of \$94,825.80, which is the total of the unit price and lump sum payment items, Job 6288.

RESOLUTION NO. 06-077

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
ACCEPTING PROPOSAL OF, AND AWARDING CONTRACT TO PACIFIC
UNDERGROUND SERVICES, FOR JOB 6288

The motion was passed by the following vote:

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

5.6* RESOLUTION APPROVING THE ALAMEDA CREEK PIPELINE NO. 1 FISH SCREEN PROJECT

On June 8, 2006, the Board adopted the Mitigated Negative Declaration and the Mitigation and Monitoring Plan for the Alameda Creek Pipeline No. 1 Fish Screen Project.

On October 9, 2006, the Department of Fish and Game (DFG) issued a Draft Streambed Alteration Agreement with terms acceptable to staff. In order for DFG to execute the agreement, a Notice of Determination (NOD) must be filed with the Alameda County Clerk's Office. Approval of the project is required in order to file a NOD.

The fish screen project is scheduled for construction next summer. Staff is currently negotiating with Intake Screens Incorporated of Sacramento, California for the fabrication and installation of the fish screens and will report to the Board on December 14, 2006.

A motion was made by Director Lampert, seconded by Director Koller, to adopt a resolution approving the Alameda Creek Pipeline No. 1 Fish Screen Project, CIP 06G09; Jobs 6277, 6278, 6279.1 and 6279.2.

RESOLUTION NO. 06-078

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
APPROVING THE ALAMEDA CREEK PIPELINE NO. 1 FISH SCREEN
PROJECT AND DIRECTING THE FILING OF A NOTICE OF
DETERMINATION

The motion was passed by the following vote:

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

5.7* 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 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 Koller, to order an Engineering Survey and Report on Groundwater Conditions.

The motion was passed by the following vote:

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

5.8* RESOLUTION AMENDING CONFLICT OF INTEREST CODE

California Government Code Section 87306.5 requires every local agency to review its Conflict of Interest Code in each even-numbered year and to amend the Code if necessitated by changed circumstances.

The District last amended its Conflict of Interest Code in 2004 to update the employee classifications covered by the Code in the Appendix of Designated Positions. At this time, the Appendix needs to be updated to incorporate job title changes that have occurred since 2004. The District must transmit the amended Code to the Alameda County Board of Supervisors no later than December 29, 2006.

A motion was made by Director Lampert, seconded by Director Koller, to adopt a resolution amending the District's Conflict of Interest Code.

RESOLUTION NO. 06-079

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
AMENDING THE DISTRICT'S CONFLICT OF INTEREST CODE

The motion was passed by the following vote:

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

5.9 REVIEW OF PROPOSED RATES AND CHARGES FOR CALENDAR YEAR 2007 AND
SETTING PUBLIC HEARING

Mr. Yee reported that annually, the District's revenue requirements are determined by updating the long range Financial Planning Model (FPM). The FPM looks at projected revenues and expenditures over the next twenty-five year period, which is based on the Integrated Resources Plan and Capital Improvement Program. Information from the FPM is primarily utilized to calculate the commodity rate and development charges necessary to operate the District. The District's various other rates and charges are also analyzed periodically and revised to recover the costs of providing the service for which the rate or charge is assessed. The District's rates and charges were last adjusted by the Board of Directors in January 2006.

During the past several months, staff has completed a detailed review of projected revenues, operating expenses and capital expenditures over the next several years. That information has been incorporated into the FPM to determine necessary water rate adjustments. The proposed adjustments to the District's various water rates and charges are described below.

COMMODITY RATE

It is proposed that the base commodity rate for customers within the District's service area be increased by 9.0 % effective February 1, 2007 to help recover the cost of increased operating expenses as well as to help fund capital projects needed to comply with state and federal drinking water regulations and to maintain the reliability of the water system. Over one-third of the proposed rate increase is due to a significant increase in the cost of water purchased from the San Francisco Public Utilities Commission that went into effect on July 1, 2006 (approximately 20%). Staff has also projected less water demand in the future than previously projected due to such factors as a reduction in commercial and industrial development. The base commodity rate increase approved for last year was 5.0%. Staff also proposes the same 9% increase for those few customers who are outside the District's boundaries, as well as for those few customers who use San Francisco Water exclusively.

For the ten-year period from 1998 through 2007, inclusive of the above-proposed increase, the commodity charge will have increased at an average annual rate of 5.1%. The proposed base commodity rates are summarized below.

	<u>Current*</u>	<u>Proposed Eff. 2/1/07</u>
Base Commodity Charge (per HCF):		
Inside District	\$ 2.096	\$ 2.285
Outside District	2.410	\$ 2.627
San Francisco Water Service	2.102	\$ 2.292

*Excludes 6.5% Supplementary Temporary Water Rate Increase

By using the 6.5% Supplementary Temporary Water Rate Increase (STWRI), the District should fully recover by December 31, 2006 the \$5.6 million lost in property tax revenues diverted by the State for the last two years. Therefore the STWRI will no longer be applied after the end of the year.

The reason for the proposed February 1, 2007 effective date is to allow for adequate time to comply with Proposition 218 notification requirements (discussed below), and to also allow time to familiarize a potential newly elected Board member with District finances before having to vote on any rate changes. This has been the District's practice whenever there has been a competitive election.

BIMONTHLY SERVICE CHARGE

The bimonthly service charge is set to recover certain fixed costs, including meter reading and customer service, meter and service line maintenance and replacement, and partial annual debt service on bonds issued to finance Water Treatment Plant No. 2 capital costs. The bimonthly service charge was last adjusted in January 2006. It is proposed that the bi-monthly service charges not be revised for 2007.

COST COMPARISON - AVERAGE WATER BILL

The net effect of the proposed increase to the base commodity rate, deletion of the STWRI, and leaving the service charge unchanged, would increase the total bi-monthly water bill (commodity and service charge) for an average residential customer who uses 28 units of water (approximately 350 gallons per day) by 2.0% or \$1.48 from \$72.58 to \$74.06. This would mean a 74 cents increase per month. This would place the District's average residential water bill near the lower third of the 30 other Bay Area agencies surveyed. However, note that this is comparing the District's proposed rates for next year with the current rates of all the other surveyed agencies.

PROPOSITION 218 NOTIFICATION

The California Supreme Court has determined that water rates are subject to the property owner notification provisions of Proposition 218. Accordingly, it is proposed that a postcard notification of the proposed rate increase be mailed to all property owners in the District. The postcard mentions both the current and proposed commodity rates, the ending of the STWRI, the net effect on an average residential customer's bill, and reasons for the increase. Staff is requesting authorization from the Board to send out the postcards to give property owners 45 days notice before the January 11, 2007 proposed public hearing, which is the amount of notice required by Proposition 218. A separate mailing is also proposed to be sent to those approximately 200 property owners who are either outside the District boundaries or exclusive users of San Francisco water.

DEVELOPMENT RELATED FEES AND CHARGES

The facilities acreage and connections charges are collected from developers and deposited into the Facilities Improvement Fund to pay for the growth related portion of new capital facilities. The Facilities Connection Charge (FCC), Facilities Acreage Charge (FAC), Standard Acreage Charge (SAC), and Front Foot Charges (FFC) are typically set one year in advance to enable developers to budget fee changes well in advance of the effective date. Charges effective January 1, 2007 were previously adopted by the Board on December 15, 2005. This included no increase to the Facilities Acreage Charge and Facilities Connection Charge. Again, this year staff is not proposing any change to the FCC or FAC for the calendar year beginning January 1, 2008.

However, staff is proposing increases to the District’s Standard Acreage Charge and Front Foot Charges. These charges were last adjusted in 2005. The revenues from both these charges are deposited into the Installers’ Reimbursement Account (IRA) to reimburse previous installers of oversized mains or water mains that benefit others. Staff is proposing a 6% increase to the Front Foot Charges and a 7% increase to the Standard Acreage Charge, based on increased construction costs and to ensure that installers receive their entitled reimbursements. These adjusted charges would become effective on January 1, 2008. The standard acreage charge will be \$1,787.00 per acre, effective January 1, 2007, and proposed to be \$1,912.00 per acre effective January 1, 2008, with a minimum charge of \$20.00. The already adopted 2007, and proposed Front Foot Charges for 2008 are as follows:

Front Foot Charges (50% Utilization - One Side)

<u>Main Size</u>	<u>Adopted Eff 1/1/07</u>	<u>Proposed Eff. 1/1/08</u>
6 inch	\$ 19.80/ft	\$ 21.00/ft
8 inch	23.10/ft	24.50/ft
10 inch	28.60/ft	30.30/ft
12 inch	38.50/ft	40.80/ft
14 inch	41.80/ft	44.30/ft
16 inch	51.70/ft	54.80/ft
18 inch	66.00/ft	70.00/ft

WELL STANDARDS ORDINANCE ADMINISTRATION FEE

The District charges permit fees for the construction or destruction of production wells, monitoring wells, cathodic protection wells and exploratory holes. These fees were last adjusted in 2006. In order to make the fee more representative of the work done, the only change proposed this year is the addition of a permit fee of \$50 per each additional exploratory hole over four in number, for both geotechnical and chemical investigations. The proposed new schedule is as follows:

<u>Permit Class of Work</u>	<u>Current</u>	<u>Proposed Eff. 2/1/07</u>
Well (Production) Construction	\$ 500	\$ 500
Repair or Reconstruction of Existing Well	350	350
Well (Production) Destruction	500	500
Monitoring Well Destruction	500	500
Cathodic Protection Wells	500	500
Geotechnical Investigation:		
Exploratory Holes (4, or less)	350	350
Exploratory Holes (over 4, each)	--	50
Monitoring Well	500	500
Chemical Investigation:		
Exploratory Holes (4, or less)	350	350
Exploratory Holes (over 4, each)	--	50
Monitoring and Extraction Wells	500	500

OTHER FEES AND CHARGES

Staff has reviewed the relevant cost data for other fees and charges for the last fiscal year, as well as various operational and process issues. Based on these items, a few additional revisions to the Rate and Fee Schedule are proposed. Changes shown below are proposed to become effective February 1, 2007.

After-Hours Connection Charge: It is proposed that the charge be increased from \$175 to \$185.

Annexation Charge: It is proposed that the charge be increased from \$1,600 per acre of land to \$1,680 per acre.

Backflow Prevention Device Testing Fee: It is proposed that the charge be increased from \$49.00 to \$51.00 for any size device.

Engineering Fees Minimum: It is proposed that the minimum amount for this fee be increased from \$6,400 to \$6,600.

Discussion ensued and staff responded to questions from the Board.

A motion was made by Director Weed, seconded by Director Koller, to (1) set January 11, 2007, at 6:00 p.m. as the date and time for a public hearing for consideration and adoption of revisions to District’s rates and charges; and (2) authorize staff to mail notifications of the proposed commodity charge revisions and public hearing details to all property owners in the District.

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

- Operations & Water Quality Meeting of October 4, 2006: (1) Staffing Update for the Water Quality Laboratory; (2) MSJWTP Staffing
- Engineering & Capital Projects Meeting of October 10, 2006: (1) Status of the MSJWTP Upgrade Project; (2) Status of Alameda Creek Pipeline No. 1 Fish Screen Project
- Water Resources Planning Meeting of October 18, 2006: (1) SFPUC Water Supply Improvement Program Update; (2) Review of Proposed Revisions to the California Urban Water Conservation Council's Best Management Practices
- Administrative & Finance Meeting of October 24, 2006: (1) Update on Disaster Planning Efforts for Emergency Drinking Water; (2) Quarterly Review of Claims; (3) Quarterly Review of Investment Portfolio; (4) Anti-Fraud Policy; (5) Preliminary Review of Rates and Charges; (6) Fremont Redevelopment Agency Plan Amendment Proposal
- Legal & Legislative Meeting of October 25, 2006: (1) State Legislation; (2) Patterson Reservoir Firing Range Lease

6.2 OPERATIONAL REPORTS

- Rainfall Report
- Quarterly Well Level Report
- Quarterly Projects Review – Mr. Shaver updated the Board on the activity with well destruction efforts on the former Cargill property out in the bay. There were 56 wells in the Baumberg Ponds area, 47 of those were Cargill's responsibility to destroy and 9 were the District's. All the wells have been destroyed to the satisfaction of the District. There were 12 wells in the Upper Eden Landing portion of the Bay and they have all been destroyed by the Department of Fish and Game. Mr. Shaver thanked Steven Inn and Michelle Myers for their effort on this particular project and he also thanked the Board for understanding the importance of this well destruction effort and also demonstrating the commitment to doing this important work.

Mr. Shaver also updated the Board on the Lower Alameda Creek Fishery Restoration Project. The District has received the proposal from Intake Screens, Incorporated for a fabricated fish screen. Staff is currently reviewing the proposal.

Mr. Shaver informed the Board that staff will be presenting proposed scope and approach for a distribution system seismic evaluation at a future board meeting to solicit Board input on the approach before a consultant is selected.

- Investment Report
- Quarterly Personnel Report

6.3 STAFF REPORTS

- Status of MSJWTP Upgrade Project – Ms. Lyons gave a brief review of the plant process followed by a comprehensive financial report of costs associated with the plant and its ongoing issues. Discussion ensued and staff responded to questions from the Board.
- U.S. EPA’s Abandoned Wells Project – Ms. Myers provided the Board with a brief overview of the project for which the District received a \$75,000 contract award. Discussion ensued and staff responded to questions from the Board.

6.4 GENERAL MANAGER'S REPORTS

- Mr. Piraino acknowledged Mr. Shaver who has successfully completed the requirements to receive a Certificate in Special District Administration with the California Special Districts Institute.
- Mr. Piraino informed the Board that he will be on vacation from November 10th until November 20th and then again from November 21st until November 28th and Acting General Manager will be Mr. Shaver.

7 - DIRECTORS' COMMENTS AND/OR AGENDA ITEM REQUESTS

- Director Weed advised the Board that the City of Fremont maybe proposing to bring to the City Council a request for an extension of the funding cap for the Redevelopment Agency, which he indicated would require unanimous agreement from all affected public agencies. He also stated that the proposed “baseball village” is in a redevelopment area, and encouraged staff to be proactive in looking at water supply options to avoid the potential that stringent timelines would make it difficult to accomplish necessary reviews.
- Director Lampert referred to an article forwarded to the Board by Director Koller on dam safety and evacuation planning in the Bay Area, and on the potential effects on the cities in the District’s service area in the event of a failure of Del Valle (operated by the Department of Water Resources), San Antonio or Calaveras Dams (both operated by the San Francisco Public Utilities Commission). Discussion ensued on the need to develop a systematic approach to deal with such catastrophic events. It was requested that staff raise this issue with the Tri-Cities Emergency Services Association for further discussion.

Minutes – November 9, 2006

There being no further business to come before the Board, the meeting was adjourned at 8:35 P.M.

Gina Markou, District Secretary

Attest:

Judy Huang, President