

January 11, 2007
Fremont, California

The regular monthly meeting of the Board of Directors of ALAMEDA COUNTY WATER DISTRICT was held on January 11, 2007 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 Weed, Gunther, Huang, Koller, and Lampert

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

President Arthur Lampert presided.

Ray McDevitt led in the Salute to the Flag.

3 - PUBLIC COMMENTS – None

5.3 PUBLIC HEARING TO CONSIDER AMENDING SCHEDULE OF DISTRICT RATES AND CHARGES; CONSIDERATION AND ADOPTION OF RESOLUTION AMENDING RATES AND CHARGES

Mr. Piraino reported that at the meeting of November 9, 2006, the Board received staff recommendations and called for a Public Hearing on January 11, 2007, to receive and consider comments on proposed revisions to certain District rates and charges.

Postcards were mailed to all property owners within the District notifying them of a proposed 9 percent water rate increase. In addition to two legal notices published in The Argus, notice of the public hearing was also posted at the city hall and main library of each of the Tri-Cities and on the District's web site. Additionally, an article with respect to rate increases was published in The Argus on January 10, 2007. Mr. Piraino indicated that two written comments were received opposing the proposed water rate increase. The comments were reviewed with the Board. Mr. Piraino indicated that the written comments were received from V-A-H Marketing and Tri-City Economic Development Corporation.

Mr. Yee presented a brief summary of the following rates and charges for which a change is recommended:

	<u>Current*</u>	<u>Proposed</u> <u>Eff. 2/1/07</u>
1. Bimonthly 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

	<u>Current</u>	<u>Proposed Eff. 2/1/07</u>
2. After-Hours Connection Charge:	\$175	\$185
3. Annexation Charge:	\$1,600	\$1,680
4. Backflow Prevention Device Testing Fee:	\$49	\$51
5. Engineering Fees Minimum:	\$6,400	\$6,600
6. Well Administration Fees:		
<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
	<u>Adopted Eff 1/1/07</u>	<u>Proposed Eff. 1/1/08</u>
7. Standard Acreage Charge:	\$1,787	\$1,912
8. 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

In regard to all changes to the District's rates and charges, an exemption is allowed from the

applicability of the California Environmental Quality Act, Section 21080(b)(8) of the Public Resources Code if the Board finds that the rate changes are for the purpose of: (1) meeting operating expenses; (2) purchasing or leasing supplies, equipment, and materials; (3) meeting financial reserve requirements; or, (4) obtaining funds for capital projects necessary to maintain services and system reliability within existing service areas.

Upon Board adoption, the consolidated master Rate and Fee Schedule will be updated with the proposed changes. The Board resolution will authorize all rates and charges as shown in the updated consolidated schedule.

President Lampert opened the public hearing at 6:11 P.M. and called for comments on the proposed revisions to the District rates and charges.

Comments were received from three residents, Wynn Gercich, Paul Whitman, and Jackson Chang who voiced their opposition to the rate increase. Mr. Yee reiterated that over one-third of the rate increase was necessary to cover the increased cost of purchased water from the San Francisco Public Utilities Commission and the State Water Project as well as increased operating expenses and capital project costs.

There being no other comments from the audience on the proposed changes, President Lampert closed the public hearing at 6:29 P.M.

A motion was made by Director Koller, seconded by Director Weed, to 1) make the finding that the rate changes are for one or more of the purposes listed above in regard to the California Environmental Quality Act, and authorize the General Manager to file a Notice of Exemption with the County Clerk; and 2) adopt the resolution implementing the recommended revisions to the rates and charges:

RESOLUTION NO. 07-001

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
MODIFYING VARIOUS RATES AND CHARGES

The motion was passed by the following vote:

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

President Lampert adjourned the meeting at 7:16 P.M. for a short recess. The meeting reconvened at 7:35 P.M.

4 - CONSENT CALENDAR

A motion was made by Director Gunther to remove Item 4.4 from the Consent Calendar, seconded by Director Huang, and to add Item 5.1 to the Consent Calendar.

The motion was passed by the following vote:

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

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

- 4.1 Approval of Minutes – Regular Meeting of December 14, 2006
- 4.2 Ratification of Payment of Audited Demands dated December 8, December 15, and December 22, 2006
- 4.3 Resolution Approving and Authorizing Execution of Contract with Robson Homes, LLC, Extension of Water Main, Tract 7471, Ref. T-1481

RESOLUTION NO. 07-002

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
APPROVING AND AUTHORIZING EXECUTION OF CONTRACT BETWEEN
ALAMEDA COUNTY WATER DISTRICT AND ROBSON HOMES, LLC, FOR
EXTENSION OF WATER MAIN, TRACT 7471, REF. T-1481

- 5.1 Resolution Honoring Steven J. Coppin upon his Retirement from District Service

The motion was passed by the following vote:

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

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

- 4.4 AUTHORIZATION FOR DIRECTOR WEED TO ATTEND ASSOCIATION OF CALIFORNIA WATER AGENCIES 2007 WASHINGTON D.C. LEGISLATIVE CONFERENCE

Mr. Piraino advised the Board that Director Weed has attended the ACWA Washington D.C. Legislative conference for the past several years. He is requesting reimbursement for anticipated expenses related to this conference, which is scheduled for February 13 through February 15, 2007. The Board Guidelines on Compensation and Expense Reimbursement provide that a Director may receive compensation for attending this conference as a pre-approved meeting, and that the cost of registration (\$515) will be paid by the District. However, the guidelines further require Board pre-approval for reimbursement of any other travel-related expenses. The expenses are estimated at \$1,000 for airfare, hotel (3 nights), meal expenses and ground transportation costs for the three days of the conference. There is sufficient funding for this expenditure.

Director Lampert expressed his concerns as to the benefit this conference has for the District. Discussion ensued.

A motion was made by Director Gunther, seconded by Director Koller, to authorize reimbursement to Director Weed for travel-related expenses to attend the Association of California Water Agencies Washington, D.C. Legislative Conference.

The motion was passed by the following vote:

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

5.1 RESOLUTION HONORING STEVEN J. COPPING UPON HIS RETIREMENT FROM DISTRICT SERVICE

Mr. Stinson reported that Steven J. Coppin retired effective December 29, 2006 with more than 17 years of service with the District.

Steve started with the District as a Facilities Maintenance Worker on April 3, 1989, and worked in that capacity until his retirement. Steve came to the water district with many years of experience as a journey-level carpenter, and was known for his high quality work and reliability. He will be missed by his many friends at the District.

A motion was made by Director Gunther, seconded by Director Huang, to adopt a resolution honoring Steven J. Coppin and expressing appreciation for more than 17 years of service.

RESOLUTION NO. 07-003

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
HONORING STEVEN J. COPPIN UPON HIS RETIREMENT FROM DISTRICT
SERVICE

The motion was passed by the following vote:

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

5.2 ASSESSMENT OF MONTHLY MEETING SCHEDULE

Mr. Piraino reported that on June 22, 2006, the Board of Directors adopted a resolution authorizing a pilot monthly meeting schedule during the period from July through December 2006. The resolution set the date and time for the monthly meeting at 6:00 P.M. on the second Thursday of each month, and also provided for the scheduling of a second meeting, if needed, on the fourth Thursday of the month. The resolution further provides that the monthly meeting schedule be evaluated for continuance by January 11, 2007.

Since the implementation of the pilot monthly meeting schedule, meetings have averaged one hour and forty-eight minutes in length, ranging from a low of fifty minutes (August) to a high of three hours and seven minutes (December). During this time, it has not been necessary to convene a second semi-monthly meeting to conduct necessary District business. Depending on the outcome of the Board's discussions on this matter, a resolution would need to be adopted at the next regular meeting of the Board either continuing the pilot schedule or returning to a semi-monthly meeting schedule.

Public comment was received by B.J. Bunting who indicated that one meeting per month was acceptable. Discussion ensued amongst the Board members.

A motion was made by Director Weed, seconded by Director Huang, to continue the monthly meeting schedule and to no longer refer to the schedule as a pilot program.

The motion was passed by the following vote:

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

6 - REPORTS

6.1 BOARD COMMITTEE REPORTS

- Operations & Water Quality Meeting of December 6, 2006: (1) Lead and Copper Rule (LCR) Compliance Overview – Director Lampert requested clarification on the results of the triennial tap samplings. Director Lampert was concerned with the 5% of the samples that exceeded the action level. Discussion ensued and staff responded to Director Lampert's concerns.
- Engineering & Capital Projects Meeting of December 12, 2006: (1) Groundwater Monitoring Update; (2) Status of the Headquarters Facility Expansion Project, Phase 2. Director Lampert inquired if the revised corrective action plan to address the MTBE contamination in the Newark aquifer is available. Mr. Shaver advised Director Lampert that the Groundwater Resources staff have the plan and are currently evaluating it and will report back to the Board.
- Water Resources Planning Meeting of December 20, 2006: (1) Water Conservation Program Update
- Administrative & Finance Meeting of December 27, 2006: (1) Deferred Compensation Program Review; (2) Fiscal Year 05/06 Audit Report Follow Up

6.2 OPERATIONAL REPORTS

- Rainfall Report

- Quarterly Groundwater Recharge Report
- Investment Report

6.3 STAFF REPORTS - None

6.4 GENERAL MANAGER'S REPORTS

- Mr. Piraino reviewed a joint letter from the water district and Union Sanitary District that President Lampert will be requested to sign to Alameda County Local Agency Formation Commission expressing the Districts' concerns with respect to the proposal that LAFCo has made that the District indemnify them for actions taken in which the District may be the applicants for an annexation.

7 - DIRECTORS' COMMENTS AND/OR AGENDA ITEM REQUESTS

- Director Huang requested that staff look into the possibility of starting an e-mail group list to accommodate public outreach so that the District could e-mail notices to whoever signed up. Director Huang also requested that the District set up an e-mail account for the Board to enable the public access to e-mailing the Directors directly.
- Director Weed informed the Board of a Region 5 Board Meeting at Santa Clara Valley Water District on January 12, 2007. He also informed the Board that the Water Education Foundation has scheduled a tour of the Hetch Hetchy System and encouraged any members that haven't already been on the tour to attend.
- Director Lampert informed the Board that he met Assemblyman Torrico's office manager who will forward the General Manager the name and e-mail address of a staff member to whom to address water issues.
- Director Lampert asked staff for a brief summary as to why the District decided to pursue separate construction contracts for pipeline relocation work for a portion of the Washington/Paseo Padre Grade Separation Project rather than have the City of Fremont include this work in its planned re-bidding of the project work recently authorized by the City Council. Mr. Shaver provided a brief overview and justification for the District's decision.

President Lampert adjourned the meeting to a Closed Session at 8:17 P.M. for a conference on the following item:

8.1 Conference with Legal Counsel – Anticipated Litigation

Initiation of litigation pursuant to Government Code Section 54956.9(c): Two Cases
President Lampert reconvened the meeting at 9:22 P.M. Mr. Piraino reported that the Board met in closed session and provided direction to staff and counsel.

Minutes – January 11, 2007

There being no further business to come before the Board, President Lampert adjourned the meeting at 9:23 P.M.

Gina Markou, District Secretary

Attest:

Arthur Lampert, President