

March 8, 2007
Fremont, California

The regular monthly meeting of the Board of Directors of ALAMEDA COUNTY WATER DISTRICT was held on March 8, 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, Huang, Koller, and Lampert

Absent: Director Gunther

Staff members present: General Manager Paul Piraino, Engineering Manager Bob Shaver, Finance and Administration Manager Will Ligh, Operations Manager Karl Stinson, Groundwater Resources Engineer Mikel Halliwell, Greg Watson, Project Engineer, Attorney Pat Miyaki, and District Secretary Gina Markou.

President Arthur Lampert presided.

Greg Watson and Sila Kiliccote led in the Salute to the Flag.

3 - PUBLIC COMMENTS – Greg Watson introduced Sila Kiliccote of Lawrence Berkeley Laboratory and Ingrid Bran of Global Energy Partners who presented the District with an award “in recognition for the leadership and continuing support to reduce loads on California’s electricity grid by participating in the Automated Critical Peak Pricing Pilot Study in 2006”. Ms. Kiliccote gave a brief presentation on last year’s automated demand response program and Ms. Bran briefed the Board on the highlights of the 2007 program.

Jean Holmes, member of the League of Women Voters, addressed the Board and in recognition of Sunshine Week (March 11 – 17) which is a national program that supports open government, thanked the Board for its support and applauded the Board for its commitment to facilitate public participation in local government. Ms. Holmes specifically acknowledged the Agendas and Minutes that are posted on the District’s user-friendly website. Ms. Holmes encouraged the Board to also include Staff Reports on the website to allow the public to review the material prior to the meetings. On behalf of the League, Ms. Holmes presented the Board with a poster celebrating Sunshine Week.

Wynn Grcich a resident of Union City addressed the Board and requested a map of the polybutylene pipes that were replaced within the District’s service area. Ms. Grcich once again expressed her concern over the use of chloramines in the treatment of water.

4 - CONSENT CALENDAR

A motion was made by Director Lampert to add Items 5.1 and 5.2 to the Consent Calendar, seconded by Director Weed.

The motion was passed by the following vote:

Minutes – March 8, 2007

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

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

- 4.1 Approval of Minutes – Regular Meeting of February 8, 2007
- 4.2 Ratification of Payment of Audited Demands dated February 9, February 16, February 23, and March 2, 2007
- 4.3 Resolution Approving and Authorizing Execution of Contract with Summerhill Dusterberry, LLC, Extension of Water Main, Tract 7666, Ref. T-1483

RESOLUTION NO. 07-006

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
APPROVING AND AUTHORIZING EXECUTION OF CONTRACT BETWEEN
ALAMEDA COUNTY WATER DISTRICT AND SUMMERHILL
DUSTERBERRY, LLC, FOR EXTENSION OF WATER MAIN, TRACT 7666,
REF. T-1483

- 4.4 Resolution Amending FY 06/07 Personnel Budget to Reflect Salary Placement – Storekeeper 1; Reallocation of Budgeted Utility Mechanic Position to Instrument Technician 1/2

RESOLUTION NO. 07-007

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

- 5.1 Authorization of Purchase Order for Amendment for Final Design and Bid Phase Services for Headquarters Facility Building Renovation Project
- 5.2 Authorization of Purchase Order Amendment for the Mission Boulevard 16-Inch Pipeline, Orchard to Mayhew Road

The motion was passed by the following vote:

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

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

5.1* AUTHORIZATION OF PURCHASE ORDER AMENDMENT FOR FINAL DESIGN AND BID PHASE SERVICES FOR HEADQUARTERS FACILITY BUILDING RENOVATION PROJECT

On November 14, 2002, the Board authorized a purchase order to Noll & Tam Architects (Noll & Tam) for final design services for the Headquarters Facility Building Renovation Project, in the amount not to exceed \$362,818. Two purchase order amendments, totaling \$146,300, have been issued to date. The design is currently at 95% complete and is undergoing a second submittal review for permits by the City of Fremont (City) building department.

At the District's request, Noll & Tam submitted a proposal in the amount of \$88,520 for the following additional work items: 1) perform additional evaluation of options for structural strengthening and incorporation of the as-built conditions exposed by the previously completed demolition work in the old lab area (\$19,820); 2) redesign the mechanical ducting and furniture layouts in the old lab area (\$13,600); 3) interconnect the graphic display capabilities in the new crew and multi-purpose rooms (\$5,900); 4) modify the HVAC and telecom utilities associated with the HR renovation work (\$13,200); 5) provide bid support services, which includes responding to contractor questions and addendum preparation during bidding (\$14,000); and 6) address City and District comments resulting from the 95% design review (\$22,000).

Staff has evaluated Noll & Tam's request and found it to be fair and reasonable. There is currently adequate funding in the budget for these expenditures.

A motion was made by Director Lampert, seconded by Director Weed to authorize a purchase order amendment to Noll & Tam Architects in the amount of \$88,520 for final design and bid phase services for Headquarters Facility Building Renovation Project, Job 6113.

The motion was passed by the following vote:

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

5.2* AUTHORIZATION OF PURCHASE ORDER AMENDMENT FOR THE MISSION BOULEVARD 16-INCH PIPELINE, ORCHARD TO MAYHEW ROAD

The widening of Route 238 (Mission Boulevard) in the City of Fremont is a State of California Department of Transportation (Caltrans) project funded and managed by the Alameda County Transportation Authority (ACTA). In September 1998, ACTA and the District entered into Utility Agreement No.1305.1 to incorporate the design, construction, and construction oversight of a new 16-inch District water main into the ACTA project. A purchase order in the amount of \$648,280 was prepared to cover the estimated cost for this work and the District's final cost is based on the actual cost for the pipeline installation plus 20% of actual construction costs to cover the design and construction oversight effort. The construction of the water main was completed in January 2006 and ACTA's final invoice for the work was received in January, 2007.

ACTA’s contractor’s (OC Jones/RM Harris, a Joint Venture) base bid for water main construction totaled \$701,990. The actual construction cost including adjustments for final quantities for the water main base bid items is \$702,472. The final water main construction cost, including change order work, is \$751,939.13. Change order work requested by the District included: change in steel pipe coating for the pipe in the Alameda Creek Bridge, conflicts due to unforeseen conditions, modification to a storm system to accommodate drainage from District-owned property on Dassel Lane, and the installation of a new 8” water line to the District Stockpile Site property on Mission Boulevard. The cost for design and construction oversight provided by ACTA is \$150,387.83. The District’s final cost for the work is \$902,326.96.

Staff has reviewed ACTA’s invoices for the work and has found them to be fair and reasonable. Because the budget and CIP were updated during FY 05/06 to reflect the likely actual cost of the project, there are sufficient funds budgeted for this expenditure.

A motion was made by Director Lampert, seconded by Director Weed to authorize an amendment to the purchase order to the Alameda County Transportation Authority in the amount of \$254,047 for Mission Boulevard 16-Inch Pipeline, Orchard to Mayhew Road, Project 99D36, Job 6034.

The motion was passed by the following vote:

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

5.3 AUTHORIZATION OF PURCHASE ORDER FOR ENGINEERING SERVICES AND RESERVE FUND APPROPRIATION REQUEST FOR DISTRIBUTION SYSTEM SEISMIC IMPROVEMENT PROGRAM STUDY

Mr. Shaver reported that the Hayward, Calaveras, and San Andreas Faults run through or in sufficient proximity to the District’s service area, such that a seismic event on any of these faults could cause significant damage to the District’s distribution system. The amount of damage is dependent on the magnitude of the earthquake, localized soil conditions, and the distance to the epicenter of the earthquake.

The purpose of this study is to analyze the distribution system and production wellfields, determine their vulnerability to the maximum credible earthquake that may occur on the Hayward Fault and, using a risk/benefit cost analysis approach, develop a comprehensive seismic improvement program to enable the system to return to an acceptable level of service within a reasonable amount of time after an earthquake.

The scope of work includes: 1) performance of a preliminary geological/seismic hazard assessment that includes evaluating the probability for ground movement due to fault rupture, creep, liquefaction, and landslides; 2) development of a field assessment plan to further confirm liquefaction susceptibility of critical District facilities; 3) evaluation of critical customers and assistance in determining goals for returning to service; 4) performance of a seismic evaluation of the District’s distribution system, including the wellfields, under a maximum credible seismic event;

5) development of distribution system improvement projects to achieve the return to service goals; 6) performance of a benefit/cost analysis for each seismic improvement program scenario; 7) development of a recommended timeframe and estimate of costs to implement the improvements; and 8) attend District workshops and meetings.

Staff prepared and sent letters requesting expressions of interest to eight (8) qualified consulting firms that performed similar distribution system seismic vulnerability studies for other agencies. Of the eight firms, one indicated that they were unwilling to take on additional work at this time due to high workload. The remaining firms collaborated to form four consultant teams, each of whom submitted a responsive letter of interest. The District then conducted project briefings with each team to further explain the project scope of work, overall project schedule and proposal requirements and each of the four teams submitted written proposals on January 18, 2007.

G&E Engineering Systems, Inc. (G&E) was evaluated to be the consultant that best meets the District's needs. G&E has been the prime consultant on more than 40 seismic improvement program studies for water utilities, including the San Francisco Public Utilities Commission, East Bay Municipal Utility District, Zone 7 Water Agency, Santa Clara Valley Water District, and the California Department of Water Resources.

Staff has reviewed G&E's cost proposal for the work (\$237,500) and has found it to be fair and reasonable for the level of effort required. A reserve fund appropriation in the amount of \$71,600 will be required for this expenditure, primarily as a result of the inclusion of the wellfields into the scope of the study.

A motion was made by Director Huang, seconded by Director Weed, to 1) authorize a reserve fund appropriation in the amount of \$71,600; 2) authorize a purchase order to G&E Engineering Systems, Inc. for engineering services in an amount not to exceed \$237,500; and 3) authorize the General Manager to execute a services agreement, Job 6203.

The motion was passed by the following vote:

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

5.4* ADOPTION OF RESOLUTION OF INTENTION FOR FY 07/08 REPLENISHMENT ASSESSMENT

On November 9, 2006, the Board of Directors ordered the preparation of the 2007 Engineering Survey Report on Groundwater Conditions as provided in Section 7 of the District's Replenishment Assessment Act. The report has been completed and copies were mailed to the Board on February 22, 2007. A copy of the report is also on file at the Office of the Secretary of the Board of Directors, and is available for public inspection.

The following actions are required to establish the replenishment assessment for FY 07/08.

- March 8, 2007. The Board must declare, through adoption of a resolution, its intent to establish a replenishment assessment in FY 07/08. A second resolution must also be adopted to

extend the deadline for metering of certain non-metered wells for which annual water production would not result in revenues justifying the costs to install meters. Prior to these actions, staff will provide a presentation to facilitate the Board's review of the Survey Report.

- April 10, 2007. Special Board Meeting, Public Hearing.
- May 3, 2007. Regular Board Meeting, adoption of resolutions establishing the replenishment assessment for FY 07/08.

Additional work sessions on the Survey Report can be held at the Board's discretion. The Public Hearing, which must begin April 10, 2007, may be adjourned from time to time, but must be completed no later than May 1, 2007. The resolutions tentatively scheduled for adoption on May 3, 2007, may not be acted upon until completion of the Hearing, but must be adopted prior to May 8, 2007.

Groundwater Resources Engineer Mikel Halliwell reviewed the findings of the Survey Report on Groundwater Conditions, which recommends an assessment on the production of groundwater from the groundwater supplies within the District during FY 07/08. A public hearing will be held on April 10, 2007, regarding the Replenishment Assessment.

A motion made by Director Weed, seconded by Director Koller, to 1) adopt a resolution declaring that funds will be raised by a replenishment assessment in FY 07/08 and calling for a Public Hearing on April 10, 2007; and 2) adopt a resolution extending the deadline for installation of measuring devices on wells.

RESOLUTION NO. 07-008

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
DECLARING THAT FUNDS SHALL BE RAISED TO REPLENISH THE
GROUNDWATER SUPPLIES WITHIN THE DISTRICT DURING FY 07/08 AND
CALLING A PUBLIC HEARING

RESOLUTION NO. 07-009

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
EXTENDING DEADLINE FOR INSTALLATION OF MEASURING DEVICES
ON WELLS

The motion was passed by the following vote:

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

5.5 AUTHORIZATION OF AGREEMENT WITH THE CITY OF FREMONT RELATED TO THE UNION PACIFIC RAILROAD LONGITUDINAL PIPELINE ENCROACHMENT AGREEMENT ASSOCIATED WITH THE CITY OF FREMONT'S GRADE SEPARATION PROJECT

Mr. Shaver reported that the relocation of approximately 2,017 feet of the Centerville 24-Inch Pipeline (Pipeline) between Paseo Padre Parkway and Union Street is required to accommodate the City of Fremont's (City) Grade Separation Project. The Settlement and Utility Cost Sharing Agreement between ACWD, the City and BART states that the City will secure on behalf of the District the necessary temporary construction easements or permits for the Pipeline relocation. A portion (approximately 1,600 feet) of the Pipeline will be relocated to the existing Union Pacific Railroad (UPRR) right-of-way.

Utilities requiring relocation of pipelines onto Union Pacific property and which run parallel to UPRR tracks are required by UPRR to enter into a longitudinal pipeline encroachment agreement. UPRR's standard longitudinal pipeline encroachment agreement allows UPRR to terminate such agreements and require the pipelines to be removed on short notice. Because of this risk and as a condition by the District for awarding a contract for the relocation of the Pipeline, the City has agreed to pay all costs incurred by the District in relocating the Pipeline. This would entail moving from the existing UPRR corridor in the event UPRR terminates the longitudinal pipeline encroachment agreement for the Pipeline prior to the City's acquisition of title to the corridor, or otherwise requires the District to remove this Pipeline from the UPRR corridor.

As part of the City's Grade Separation Project, as soon as the Pipeline is relocated, the City's Grade Separation Project contractor will remove the abandoned Pipeline where it is in conflict with the new UPRR and future BART railroad corridors. Once the Pipeline and the railroad have been relocated and title to the existing UPRR right-of-way has been transferred from UPRR to the City, the City will provide a new 15-foot wide non-exclusive easement for the Centerville 24-Inch Pipeline at no cost to the District. The Fremont City Council will be requested to authorize the City Manager to sign this agreement at its March 6, 2007 meeting.

A motion was made by Director Koller, seconded by Director Huang, to authorize the General Manager to sign the Memorandum of Agreement with the City of Fremont related to the Union Pacific Railroad Longitudinal Pipeline Encroachment Agreement associated with the City of Fremont's Grade Separation Project, Job 6224.

The motion was passed by the following vote:

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

5.6 RESOLUTION AWARDED CONTRACT FOR CENTERVILLE 24-INCH PIPELINE RELOCATION PROJECT

Mr. Shaver reported that relocation of approximately 2,017 linear feet of the Centerville 24-Inch Pipeline between Paseo Padre Parkway and Union Street is required to accommodate the City of Fremont's Grade Separation Project.

The pipeline relocation project was advertised for bids on January 29, 2007 and five bids were received and opened on February 15, 2007. The bids ranged from a low of \$1,234,567 to a high of \$1,630,305. The engineer's estimate was \$1,811,000. All bids were checked arithmetically and for compliance with the bidding requirements. The third low bid contained a mathematical error that did not affect the order of the bids.

Mountain Cascade, Inc., of Livermore, 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 qualifications and experience to perform the work.

There is sufficient funding in the budget for this project. This project is included in the Settlement and Utility Cost Sharing Agreement between the District, BART, and the City of Fremont and each agency's share of the cost is approximately 44%, 32%, and 24%, respectively.

A motion was made by Director Weed, seconded by Director Huang, to adopt a resolution to award the contract for the Centerville 24-Inch Pipeline Relocation, to Mountain Cascade, Inc, in the amount of \$1,234,567, which is the total of the unit price and lump sum payment items, Job 6327.

RESOLUTION NO. 07-010

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
ACCEPTING PROPOSAL OF, AND AWARDED CONTRACT TO MOUNTAIN
CASCADE, INC, FOR JOB 6327

The motion was passed by the following vote:

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

5.7 RESOLUTION AWARDED CONTRACT FOR THE ROBERTS AVENUE AND
WASHINGTON BOULEVARD GRADE SEPARATION MAIN REPLACEMENTS

Mr. Shaver reported that the Washington Boulevard Grade Separation Main Replacement Project (Washington Project) was previously incorporated into the City of Fremont Grade Separation Project (City Project). The City opened bids in December 2006 and decided to reject all bids and re-advertise their project in January 2007. Subsequently, staff determined that the best course of action would be to remove all the District's pipeline work from the City Project and to combine the work with the Roberts Avenue Main Replacement (Roberts Project), a planned water main replacement project in the vicinity of the Washington Project. The Washington Project consists of the installation of approximately 210 linear feet of 12-inch pipe, the replacement of service lines and fire hydrants, and miscellaneous abandonment work. The Roberts Project consists of the installation of approximately 327 linear feet of 8-inch main and the replacement of service lines and fire hydrants.

Two bids for the combined project were received and opened on February 20, 2007. The bids ranged from a low of \$384,128 to a high of \$465,719. The engineers estimate was \$490,690. All bids were checked arithmetically and for compliance with the bidding requirements. An error was made

in the bid item extension of the low bid but the discrepancy did not affect the Total for Comparison of Proposals. MJB Pipeline submitted the lowest bid.

MJB has been in the contracting business for 30 years and has previously satisfactorily performed work for the District. The Contractor has the experience to perform the work.

A motion was made by Director Weed, seconded by Director Huang, to adopt a resolution to award the contract for the Roberts Avenue Main Replacement and the Washington Boulevard Grade Separation Main Replacement to MJB Pipeline, for \$384,128, which is the total of the lump sum and unit price payment items; Jobs 6306 and 6327, respectively.

RESOLUTION NO. 07-011

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
ACCEPTING PROPOSAL OF, AND AWARDING CONTRACT TO MJB
PIPELINE, FOR JOB 6306

The motion was passed by the following vote:

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

6 - REPORTS

6.1 BOARD COMMITTEE REPORTS

- Operations & Water Quality Meeting of February 7, 2007: (1) ARP/Desalination Plant NPDES Permit Update; (2) Facilities Maintenance Staff Reclassification Proposal
- Engineering & Capital Projects Meeting of February 13, 2007: (1) Status of Alameda Creek Pipeline No. 1 Fish Screen Project; (2) South Bay Aqueduct Seismic Reliability
- Legal & Legislative Meeting of February 14, 2007: (1) Update on State Legislation; (2) State Legislative Representation
- Water Resources Planning Committee Meeting of February 21: (1) Semitropic Groundwater Banking Program Update; (2) Update on Los Vaqueros Reservoir Expansion Project; (3) Alameda Creek Fisheries Update
- Administrative & Finance Meeting of February 27, 2007: (1) Insurance Renewal Update; (2) Bill Payment Security; (3) Storekeeper 1 Salary

6.2 OPERATIONAL REPORTS

- Rainfall Report
- Water Production Report
- Investment Report
- Quarterly Budget & Expense Report

6.3 STAFF REPORTS - None

6.4 GENERAL MANAGER'S REPORTS

- Mr. Piraino reminded the Board that the next regular Board Meeting would be held on Tuesday, April 10, 2007, in order to accommodate the Public Hearing for the Replenishment Assessment.

7 - DIRECTORS' COMMENTS AND/OR AGENDA ITEM REQUESTS

- Director Koller informed the Board that he will be attending the Alameda County Chapter California Special Districts Association Annual Dinner Meeting on March 29, 2007.
- Director Huang informed the Board that she attended the Alameda Creek Fish Screen public meeting on February 27, 2007, and complimented staff on a job well done. Director Huang requested that the District comply with Ms. Holmes' request of posting Staff Reports on the website and was assured by Mr. Piraino that it would be done.
- Director Weed informed the Board that the Association of California Water Agencies was conducting a tour of potential location sites for reservoirs on March 23, 2007.
- Director Lampert inquired if Director Huang and Director Koller would be meeting with representatives at the upcoming Legal & Legislative Symposium in Sacramento. Mr. Piraino advised that they will be meeting with the legislators regarding the presentations the three South Bay Aqueduct agencies have been making to editorial boards with respect to Delta issues ensuring that they understand that we are part of the Delta issues and the importance of the Delta as a Bay Area water supply. Mr. Piraino informed the Board that a meeting held with the Contra Costa Times editorial board on March 8, 2007, went very well.

President Lampert adjourned the meeting to a Closed Session at 7:55 P.M. for a conference on the following item:

- 8.1 Conference with Legal Counsel – Existing Litigation (Pursuant to Government Code Section 54956.9(a))

- Bay Area Rapid Transit District v. City and County of San Francisco, Alameda County Water District, et. al., Alameda County Superior Court Case No. HG03099024

President Lampert reconvened the meeting at 8:23 P.M. Mr. Piraino reported that the Board convened in closed session to confer with legal counsel pursuant to California Government Code Section 54956.9(a) in connection with existing litigation – BART v. City and County of San Francisco, Alameda County Water District, et. al. In the closed session, the Board authorized the General Manager to execute the Consent and Estoppel Certificate in a final form approved by the General Manager, Engineering Manager, and Attorney. Because final approval of the Consent rests with another party, the substance of the Consent will not be disclosed at this time.

There being no further business to come before the Board, President Lampert adjourned the meeting at 8:25 P.M.

Gina Markou, District Secretary

Attest:

Arthur Lampert, President