

April 10, 2007
Fremont, California

The regular monthly meeting of the Board of Directors of ALAMEDA COUNTY WATER DISTRICT was held on April 10, 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: Acting General Manager Will Ligh, Engineering Manager Bob Shaver, Operations Manager Karl Stinson, Attorney Ray McDevitt, and District Secretary Gina Markou.

President Arthur Lampert presided.

Director Huang led in the Salute to the Flag.

3 - PUBLIC COMMENTS - Fremont resident B.J. Bunting addressed the Board and commented on the recent ruling which would close down the State Water Project pumps in 60 days and the impact of this potential action.

4 - CONSENT CALENDAR

A motion was made by Director Lampert to add Items 5.2 through 5.8 to the Consent Calendar, seconded by Director Weed.

The motion was passed by the following vote:

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

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

- 4.1 Approval of Minutes – Regular Meeting of March 8, 2007
- 4.2 Ratification of Payment of Audited Demands dated March 9, March 16, March 23, March 30, and April 6, 2007
- 5.2 Resolution Honoring Elizabeth Vogel upon her Retirement from District Service
- 5.3 Resolution Honoring Thomas Kenck upon his Retirement from District Service
- 5.4 Authorization of Purchase Order for Paving Services
- 5.5 Authorization of Purchase Order for Welding Services

- 5.6 Authorization of Purchase Order for Consulting Service for Deferred Compensation
- 5.7 Resolution Accepting Completion of Mission San Jose Water Treatment Plant Post Process Site Improvements
- 5.8 Authorization of Professional Services to Upgrade the Laboratory Information Management Systems

The motion was passed by the following vote:

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

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

5.1 PUBLIC HEARING ON PROPOSED REPLENISHMENT ASSESSMENT FOR FY 07/08

Mr. Shaver reported that the 2007 Engineering Survey and Report on Groundwater Conditions was mailed to the Board on February 22, 2007. On March 8, 2007, staff presented the report findings and the basis for the recommended replenishment assessment for FY 07/08. Accordingly, the Board declared its intent to establish a replenishment assessment for FY 07/08 and scheduled a public hearing for April 10, 2007.

As provided in the District's Replenishment Assessment Act, the public hearing must be held on the second Tuesday in April for the purpose of determining whether, and to what extent, the cost of replenishing groundwater supplies within the District during FY 07/08 will be funded by a replenishment assessment.

Any person interested, including any and all persons owning property within the District, may appear during the public hearing and present any and all matters in support of or in opposition to the proposed assessment, the Survey Report, or the Board's determinations. The hearing may be adjourned from time to time, but must be completed no later than the first Tuesday in May (May 1, 2007). The resolutions establishing a replenishment assessment are currently scheduled for consideration at the May 3, 2007 Board Meeting. Mr. Ligh indicated that the public hearing was properly noticed and that no comments have been received.

President Lampert declared the public hearing open at 6:05 p.m. and called for communications from the audience. There being no comments from the audience or in writing, the public hearing was closed at 6:06 p.m.

5.2* RESOLUTION HONORING ELIZABETH VOGEL UPON HER RETIREMENT FROM DISTRICT SERVICE

Elizabeth Vogel will retire effective April 7, 2007, with more than 24 years of service with the District.

Elizabeth started with the District as an Engineering Technician I on August 23, 1982. In 1995, Elizabeth was promoted to Engineering Technician II. Over the years, Elizabeth has attained tremendous knowledge and experience while mapping the District's distribution system, which she has generously imparted to co-workers. Her work ethic 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 Huang, to adopt a resolution honoring Elizabeth Vogel and expressing appreciation for more than 24 years of service.

RESOLUTION NO. 07-012

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
HONORING ELIZABETH VOGEL UPON HER RETIREMENT FROM
DISTRICT SERVICE

The motion was passed by the following vote:

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

5.3* RESOLUTION HONORING THOMAS KENCK UPON HIS RETIREMENT FROM
DISTRICT SERVICE

Thomas E. Kenck will retire effective May 18, 2007, with nearly 32 years of service with the District.

Thomas was hired on September 2, 1975, as one of the District's first Treatment Plant Operators at the time that Mission San Jose Water Treatment Plant was commissioned. Thomas was promoted to Senior Water Treatment Plant Operator on July 1, 1996, and has worked in that capacity until his retirement. He will be missed by his many friends at the District.

A motion was made by Director Lampert, seconded by Director Huang, to adopt a resolution honoring Thomas E. Kenck and expressing appreciation for nearly 32 years of service.

RESOLUTION NO. 07-013

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
HONORING THOMAS E. KENCK UPON HIS RETIREMENT FROM DISTRICT
SERVICE

The motion was passed by the following vote:

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

5.4* AUTHORIZATION OF PURCHASE ORDER FOR PAVING SERVICES

As part of the construction and maintenance activities performed by the District, it is necessary to cut city streets and excavate for installations or repairs of facilities. In order to comply with various city requirements for street work, permanent paving is required to restore street surfaces. It is also necessary to have this work done in a timely manner to avoid customer complaints and comply with permit requirements.

Paving services were competitively bid last year and El Camino Paving, Inc. was the successful bidder. The purchase order allows for two annual extensions if conditions and services are satisfactory to both parties, and it is proposed that the District exercise its option to extend this contract for an additional year.

Work included in this contract includes: patch paving for trench cuts throughout the service area, patch paving and overlays for planned service lateral replacements, valve pot adjustments for customer jobs and annual city street overlay projects.

El Camino's current quotation is 13.4% higher than last year's quote, due to the significant increased costs of both petroleum and disposal fees. Accordingly, the quotation is considered to be reasonable. El Camino has performed satisfactorily on all aspects of the current specifications. They also have an excellent knowledge of the District's operations and have a very good working relationship with the cities within ACWD's service area. Cost for paving services in FY 07/08 are estimated at \$900,000. Sufficient funds are budgeted for this expenditure.

A motion was made by Director Lampert, seconded by Director Huang, to authorize a purchase order to El Camino Paving, Inc. for paving services for FY07/08 at the prices quoted.

The motion was passed by the following vote:

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

5.5* AUTHORIZATION OF PURCHASE ORDER FOR WELDING SERVICES

ACWD relies on a welding service to fulfill pipeline and shop welding needs. These needs include field welding of pipe joints to construct fire lines, service lines, hydrant laterals, meter services, and equipment repairs and fabrication at the shop. Welders must also be available for after-hours emergency work.

Welding services were competitively bid last year and Ferguson Welding was the successful bidder. The purchase order allows for two annual extensions if conditions and services are satisfactory to both parties. Staff recommends that the District exercise its option to extend that contract for an additional year.

Ferguson Welding Service has ten field welding trucks and a large, well-equipped shop. They have satisfied ACWD's needs for more than 25 years and have welders available 24 hours a day for our emergency needs. They have satisfactorily performed as required during this time. Ferguson's

current quotation is 9.2% higher than last year's quote. Based on last year's quotations, Ferguson's hourly rates are significantly lower than other local welding vendors. The cost of fuel has been cited as reason for the increase.

The cost for welding services for FY 07/08 is expected to be under \$100,000. Historically, 86% is billed to customer jobs for which the District is fully reimbursed. Sufficient funds are budgeted for this expenditure.

A motion was made by Director Lampert, seconded by Director Huang, to authorize a purchase order to Ferguson Welding Service for welding services for FY 07/08 at the prices quoted.

The motion was passed by the following vote:

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

5.6* AUTHORIZATION OF PURCHASE ORDER FOR CONSULTING SERVICES FOR DEFERRED COMPENSATION PROGRAM REQUEST FOR PROPOSALS

The District currently offers its employees both 457 and 401(a) deferred compensation plans. Participation in the deferred compensation program is voluntary. The five year contract with our current provider, Lincoln Financial Group, will be ending on December 1, 2007.

Staff believes that there is an opportunity to improve overall service and to enhance plan features of the District's deferred compensation program by conducting a Request for Proposal to select the best possible vendor in the market at this time. Due to the complex and time-consuming nature of this process, it is proposed that a consulting firm be hired to work with staff on this project. SST Benefits Consulting of Los Altos is a nationally recognized leader in the area of deferred compensation plan consulting. They successfully assisted the District in 2002 with the complex consolidation of multiple vendors into one, and have been a valuable resource to staff since then on a number of issues. Staff requested a proposal from SST Benefits Consulting to provide assistance in preparing a detailed analysis of the current deferred compensation plan, creating participant communications, developing and distributing a Request for Proposal, analyzing proposals received, and assisting District staff during the transition to the selected provider. The consultant's proposal to complete this work is \$36,400. Sufficient funds are available in the budget for this expenditure. This item was reviewed with the Administrative & Finance Committee on March 27, 2007.

A motion was made by Director Lampert, seconded by Director Huang, to 1) authorize a purchase order to SST Benefits Consulting in an amount not to exceed \$36,400 for deferred compensation program consulting services, and 2) authorize the General Manager to execute a services agreement.

The motion was passed by the following vote:

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

5.7* RESOLUTION ACCEPTING COMPLETION OF MISSION SAN JOSE WATER TREATMENT PLANT POST PROCESS SITE IMPROVEMENTS

On November 10, 2006, the construction contract for the MSJWTP Post Process Site Improvements project was awarded to Pacific Underground Services for \$94,825.80. The work consisted of the construction of a retaining wall around an electrical vault, installation of drain pipe at the raw water meter vault, paving, and other minor site improvements.

Change Order No. 1 in the amount of \$2,680.14 was previously authorized by the General Manager for the following work items: 1) removal of rock encountered during the excavation of the retaining wall footing (\$687.49); and 2) unforeseen conditions associated with existing site utilities (\$1,992.65). The total project cost, including Change Order No. 1 and quantity adjustment for unit priced items, is \$98,369.94. The final cost represents an increase of \$3,544.14 (3.7%) to the awarded contract amount. The contract work was completed on March 16, 2007. There is adequate funding in the budget for this expenditure.

A motion was made by Director Lampert, seconded by Director Huang, to adopt a resolution accepting completion of the MSJWTP Post Process Site Improvements, Job 6288.

RESOLUTION NO. 07-014

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
ACCEPTING COMPLETION OF CONTRACT NO. 3505, PACIFIC
UNDERGROUND SERVICES, JOB 6288

The motion was passed by the following vote:

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

5.8* AUTHORIZATION OF PROFESSIONAL SERVICES TO UPGRADE THE LABORATORY INFORMATION MANAGEMENT SYSTEMS

A capital project was approved for FY 06/07 to purchase a new server for the Water Quality Laboratory (WQL) Laboratory Information Management System (LIMS). The new server will allow the WQL to upgrade its LIMS software, enabling more powerful and efficient use of the LIMS database. Outside professional services are required to migrate data to the new server and to install/configure the new version of the LIMS software.

Only two consultants were considered for the project because of the specialized experience requirements for the District's proprietary LIMS software. The firms were ThermoElectron Corporation, the LIMS software publisher; and Taratec Development Corporation, a consulting company that the WQL has used for a previous LIMS configuration project.

Because of their previous satisfactory work for the District, Taratec is already familiar with the District's organizational structure, personnel, and work requirements. For these reasons, Taratec Development Corporation is recommended to perform the work to upgrade the WQL LIMS at the

cost of \$44,000, which is also lower than the quotation submitted by ThermoElectron. Sufficient funds are budgeted for this expenditure.

A motion was made by Director Lampert, seconded by Director Huang, to 1) authorize a purchase order to Taratec Development Corporation for consulting services not to exceed \$44,000, and 2) authorize the General Manager to execute a services agreement, Job 1502.

The motion was passed by the following vote:

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

5.9 AUTHORIZATION OF PURCHASE ORDER AMENDMENT FOR CONSULTANT SERVICES FOR THE SECURITY UPGRADE PROJECT

Mr. Stinson report that in January 2006, the District contracted with Stantec Consulting to evaluate the existing physical security and to design appropriate security improvements at three critical prototype facilities. The scope of work includes security improvements that could be expanded to all District facilities as security improvements are made at those facilities.

Subsequent to issuance of the purchase order for this work, staff requested Stantec to provide a revised consulting cost estimate for adding two additional sites (ACWD Headquarters and the Mowry Wellfield) to the original scope. It was also requested that Stantec augment the concept design for the security communications system to accommodate sufficient bandwidth to support District SCADA communications and other District-wide operational data communications.

The design cost for this additional work is \$90,940. This cost increase is considered to be reasonable for the scope of work involved. There are sufficient funds budgeted for this expenditure.

A motion was made by Director Koller, seconded by Director Weed, to 1) authorize an amendment to the existing Stantec Consulting purchase order in an amount not to exceed \$90,940; and 2) authorize the General Manager to execute an amended services agreement, Job 6294.

Director Lampert suggested that staff look into applying for FEMA grants with respect to security upgrades.

The motion was passed by the following vote:

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

5.10 RESOLUTION AWARDING CONTRACT FOR ALAMEDA CREEK PIPELINE NO. 1 FISH SCREEN SITEWORK PROJECT

Mr. Shaver reported that the Alameda Creek Pipeline No. 1 Fish Screen Project is comprised of two elements. The first element, fabrication and installation of the fish screens, was awarded to Intake

Screens, Inc. on December 5, 2006, in the amount of \$722,910. The second element comprises the sitework required to accommodate the fish screen installations and contains the following principal construction items: 1) temporary water diversion facilities within the Alameda Creek Flood Control Channel; 2) 213 linear feet of 66-inch pipe; 3) reinforced concrete water diversion structures and slide gate assemblies; and 4) electrical work.

The sitework project was advertised for bid on February 28, 2007, and six bids were received and opened on March 15, 2007. The bids ranged from a low of \$1,694,000 to a high of \$2,029,269. The Engineer's estimate was \$1,727,400. All bids were checked arithmetically and for compliance with the bidding requirements. The low bid contained one incorrect slide gate model number shown on an equipment data sheet. The data sheet has since been corrected and resubmitted by the bidder. The contract documents for the project state that the District reserves the right to waive the requirement for strict conformity with the specified requirements in the received proposals. The District has previously allowed this type of minor irregularity to be corrected by the bidder after the bid opening.

Mitchell Engineering of San Francisco, California submitted the lowest bid. This firm has previously performed satisfactory work for the District on the Paseo Padre Parkway SFPUC Supply Pipeline Project and has been in the contracting business for 9 years under its present business name. References were checked and the contractor's performance has been satisfactory. There is adequate funding in the current and proposed budgets for this work.

Directors Lampert and Weed inquired about current District policies and legal requirements concerning projects that are not awarded. Discussion ensued. Staff indicated that the matter would be further explained with the Engineering and Capital Projects Committee at a future date.

A motion was made by Director Gunther, seconded by Director Huang, to adopt a resolution to award the contract for Alameda Creek Pipeline No. 1 Fish Screen Site Construction Project to Mitchell Engineering in the amount of \$1,694,000 which is the total unit price and lump sum payment items, Job 6279.2.

RESOLUTION NO. 07-015

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
ACCEPTING PROPOSAL OF, AND AWARDING CONTRACT TO MITCHELL
ENGINEERING, FOR JOB 6279.2

The motion was passed by the following vote:

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

5.11 AUTHORIZATION OF PURCHASE ORDER AMENDMENT FOR DESIGN SERVICES
DURING CONSTRUCTION OF THE ALAMEDA CREEK PIPELINE NO. 1 FISH
SCREEN PROJECT

Mr. Shaver reported that the Board previously authorized CH2M Hill, Inc. (CH2M Hill) to perform

preliminary and final design services in the amount of \$288,047 for the construction of a fish screen on Alameda Creek Pipeline No. 1.

At the District's request, CH2M Hill submitted a proposal in the amount of \$74,914 to provide design services during construction and to perform additional design work to integrate the operation of Rubber Dam 3 into the design of the fish screens. The design services during construction include: 1) shop drawing reviews; 2) construction meetings and site visits; 3) responses to contractor requests for information; and 4) preparation of contract change orders as required. Staff has evaluated the proposal and has determined that the estimated level of effort and costs for this work is appropriate. There is adequate funding in the budget for this expenditure.

A motion was made by Director Koller, seconded by Director Huang, to authorize a purchase order amendment for additional design services for Alameda Creek Pipeline No. 1 Fish Screen Project to CH2M Hill in the amount of \$74,914, Job 6279.

The motion was passed by the following vote:

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

6 - REPORTS

6.1 BOARD COMMITTEE REPORTS

- Operations & Water Quality Meeting of March 7, 2007: (1) EPA Groundwater Rule Update
- Engineering & Capital Projects Meeting of March 13, 2007: (1) Water Service to New Development; (2) Irvington 48-Inch Bypass Pipeline and Outlets
- Administrative & Finance Meeting of March 27, 2007: (1) Deferred Compensation Program Update; (2) GIS JPA Memo Follow-Up
- Water Resources Planning Meeting of March 28, 2007: (1) Delta Outreach Update; (2) Alameda Creek Fisheries Update; (3) Semitropic Groundwater Banking Program

6.2 OPERATIONAL REPORTS

- Rainfall Report
- Quarterly Groundwater Recharge Report
- Water Production Report
- Quarterly Directors' Expense Report

- Investment Report

6.3 STAFF REPORTS

6.3.1 Presentation of Gift from Bayou Liberty Water Association

Mr. Stinson presented the Board with an original oil painting by World Champion Wildlife artist, Phil Galatas, received from the Bayou Liberty Water Association in appreciation for the efforts of the Alameda County Water District staff who volunteered during Hurricane Katrina storm recovery. The oil painting will be displayed at the District's headquarters.

Director Lampert advised the Board that a thank you letter would be sent to Bayou Liberty Water Association on behalf of Alameda County Water District.

6.4 GENERAL MANAGER'S REPORTS

- Mr. Ligh advised the Board that the District would be participating in the Tri-Cities Emergency Services Association Emergency Preparedness Fair on Saturday, April 14, 2007, and encouraged everyone to attend.

Mr. Ligh reminded the Board that the next regular board meeting would take place on Thursday, May 3, 2007.

7 - DIRECTORS' COMMENTS AND/OR AGENDA ITEM REQUESTS

- Director Huang gave a brief report on the Association of California Water Agencies State Legislative Symposium that was recently attended in Sacramento.
- Director Weed advised staff and Board members of a Region 5 meeting that would take place on April 15th in Livermore at White Crane Winery. He also advised that on April 16th a conference meeting will take place at Dublin San Ramon Services District with presentations by Dublin San Ramon Services District, Zone 7 as well as researchers from Lawrence Livermore Laboratory discussing the latest research in water supply.
- Director Weed advised the Board of an e-mail that was circulated reporting that San Francisco was experiencing the 4th driest year since 1919 in the Hetch Hetchy Valley.

President Lampert adjourned the meeting to a Closed Session at 6:45 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))
 - Watershed Enforcers v. California Department of Water Resources (Alameda County Superior Court Case No. RG06292124)
- 8.2 Conference with Legal Counsel – Anticipated Litigation
Initiation of litigation pursuant to Government Code Section 54956.9(c): One Case

Minutes – April 10, 2007

President Lampert reconvened the meeting at 7:42 P.M. and District Counsel advised that with respect to Item 8.1 the Board received a report from staff on the status of the Watershed Enforces v. California Department of Water Resources. With respect to Item 8.2 District Counsel reported that the Board also received a report from staff and did not decide to authorize initiation of any litigation but did authorize staff to execute a total agreement in the case that was discussed under certain circumstances.

There being no further business to come before the Board, President Lampert adjourned the meeting at 7:43 P.M.

Gina Markou, District Secretary

Attest:

Arthur Lampert, President