

August 9, 2007  
Fremont, California

The regular monthly meeting of the Board of Directors of ALAMEDA COUNTY WATER DISTRICT was held on August 9, 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 Gunther, Huang, Koller, and Lampert

Absent: Director Weed

Staff members present: General Manager Paul Piraino, Engineering Manager Bob Shaver, Finance and Administration Manager Will Ligh, Acting Operations Manager Doug Chun, Water Resources Planning Manager Eric Cartwright, Human Resources Manager Altarine Vernon, Attorney Patrick Miyaki and District Secretary Gina Markou.

President Arthur Lampert presided.

Director Gunther led in the Salute to the Flag.

3 - PUBLIC COMMENTS - None

4 - CONSENT CALENDAR

A motion was made by Director Lampert, seconded by Director Huang to add items 5.1 through 5.9 to the Consent Calendar.

The motion was passed by the following vote:

AYES: Directors Gunther, Huang, Koller, and Lampert

NOES: None

ABSENT: Director Weed

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

- 4.1 Approval of Minutes – Regular Meeting of July 12, 2007
- 4.2 Ratification of Payment of Audited Demands dated July 13, July 20, July 27, and August 3, 2007
- 4.3 Resolution Approving and Authorizing Execution of Contract with WL Homes Realty, LLC., Extension of Water Main, Tract 7735, Ref. T-1487

RESOLUTION NO. 07-034

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
APPROVING AND AUTHORIZING EXECUTION OF CONTRACT BETWEEN  
ALAMEDA COUNTY WATER DISTRICT AND WL HOMES REALTY, LLC,  
FOR EXTENSION OF WATER MAIN, TRACT 7735, REF. T-1487

- 4.4 Resolution Amending FY 07/09 Personnel Budget: Reclassification of Human Resources Assistant 2 to Human Resources Analyst 1; Salary Adjustment for Senior Human Resources Analyst Classification; Creation of Office Supervisor 1/2 Classification

RESOLUTION NO. 07-035

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
AMENDING FY 07/09 PERSONNEL BUDGET

- 4.5 Resolution for the Election of Directors to the Special District Risk Management Authority Board of Directors

RESOLUTION NO. 07-036

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
FOR THE ELECTION OF DIRECTORS TO THE SPECIAL DISTRICT RISK  
MANAGEMENT AUTHORITY BOARD OF DIRECTORS

- 5.1 Resolution Honoring Sue S. Sunder upon Her Retirement from District Service
- 5.2 Authorization of Participation in ACWA's California Water Public Education Program
- 5.3 Resolution Adopting the Agreement for Participation in the Alameda County Operational Area Emergency Management Organization
- 5.4 Resolution to Adopt and Integrate the National Incident Management System to Compliment the California Standardized Emergency Management System
- 5.5 Authorization of Purchase Order for WTP2 Ozone System Chiller Repairs
- 5.6 Resolution Accepting Completion of the Contract for the Northwest and Southwest Niles Cone Monitoring Wells Project
- 5.7 Authorization for Contract Change Order No. 1 for Alameda Creek Pipeline No. 1 Fish Screen Site Construction Project
- 5.8 Authorization of Contract Change Order No. 1 for Centerville 24-Inch Pipeline Relocation Project

5.9 Authorization of Purchase Order for Rehabilitation Services for Bellflower and Farwell Aquifer Reclamation Program Wells

The motion was passed by the following vote:

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

---

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

5.1\* RESOLUTION HONORING SUE S. SUNDER UPON HER RETIREMENT FROM DISTRICT SERVICE

---

Sue S. Sunder retired effective July 27, 2007, with close to 17 years of service with the District.

Sue started her career with the District on September 11, 1990 as an Instrument Technician I in the Operations Department. Her attention to detail was evident in her work, and she will be missed by all her friends at the District.

A motion was made by Director Lampert, seconded by Director Gunther to adopt a resolution honoring Sue S. Sunder and expressing appreciation for nearly 17 years of District service.

RESOLUTION NO. 07-037

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
HONORING SUE S. SUNDER UPON HER 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\* AUTHORIZATION OF PARTICIPATION IN ACWA'S CALIFORNIA WATER PUBLIC EDUCATION PROGRAM

---

In support of the Governor's comprehensive water package, the Association of California Water Agencies (ACWA) and its members, including ACWD, have been working to educate legislators and opinion leaders in grassroots-style effort called the "The Time is Now." ACWA is now looking to launch a statewide effort to educate Californians about the water crisis confronting the state. The goal of the effort would be to develop a statewide public education program to increase awareness of the current and future problems with the statewide water infrastructure--including the deepening crisis in the Delta. The program would utilize paid advertising through TV, radio and print media, earned media (generated through public relations) and special events. ACWA will take the lead in

this effort in coordination with its member agencies. Likely themes will include the following:

- Our statewide storage and delivery system hasn't been improved in 30 years;
- Canals and levees are aging and need improvements;
- Climate change, population growth and natural disaster pose challenges;
- The Delta is broken;
- Water quality needs are not being met for people or the environment;
- We must make sure we can store and deliver the clean water we need--now and in the future;
- Solutions must include a strong commitment to restoring the Delta environment

Earlier this year, leaders of the state's business community embarked on an extensive research project to assess the public's knowledge of water issues and gauge support for potential projects to improve the state's water infrastructure to address these problems. The research revealed that there was very little understanding of or concern over the problems facing the state's water supply and quality. Quite simply, when Californians go to turn on the tap, water comes out. There is a clear need to educate the public about current and future water problems so they can make informed decisions about what should be done to ensure we have the reliable water system we will need tomorrow, next year and for decades to come.

This program has been discussed among the State Water Contractors Board of Directors, who felt that it would be appropriate to request voluntary assessments from the contractors to help fund the effort at \$1 per acre foot of Table A amounts. Based on this level of contribution, Kern County Water Agency has pledged \$1 million and Zone 7 \$80,000. ACWD's contribution would amount to \$42,000. Other state water contractors are expected to follow suit. The State Water Contractors Association will invoice the contractors for the voluntary assessments and would then forward the contributions to ACWA. A reserve appropriation would be required for this expenditure.

A motion was made by Director Lampert, seconded by Director Gunther to authorize an appropriation of \$42,000 from the General Fund Reserve and authorize the payment of \$42,000 to the State Water Contractors for the California Water Public Education Program.

The motion was passed by the following vote:

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

5.3\* RESOLUTION ADOPTING THE AGREEMENT FOR PARTICIPATION IN THE ALAMEDA COUNTY OPERATIONAL AREA EMERGENCY MANAGEMENT ORGANIZATION

---

The occurrence of emergency situations and/or natural disasters may directly impact the District's ability to fulfill its core mission objective to provide a safe and reliable supply of water to the

customers of Fremont, Newark, and Union City. To mitigate the risk from such events, the District maintains an active emergency response program. Pursuant to California’s Standardized Emergency Management System (SEMS), and the organizational structure requirements of the Governor’s Office of Emergency Services (OES), the District operates within the Alameda County Emergency Management Operational Area (Op Area). Under SEMS, all Alameda County agencies, cities, special districts, and other public benefit non-profit organizations are to coordinate with the Op Area office during a disaster. The District currently coordinates with the Op Area office for emergency-related information sharing, disaster exercise planning, and other emergency preparedness/response activities.

In February of 2005, the Alameda County Board of Supervisors approved an agreement creating the Alameda County Operational Area Emergency Management Organization (Organization). This agreement charges the Organization with enhancing preparedness efforts and disaster response capabilities throughout the Op Area. The agreement aims at capitalizing on the benefits that can be achieved through greater pre-disaster coordination and communications, exercises, and planning to ensure efficient sharing of resources among all public agencies in the Op Area during an emergency. Currently, the Organization has participation by all cities in the County and an effort is underway to gain participation from all special districts. In addition, there are plans in 2008 to reach out to private industries in Alameda County for participation. The District’s preparedness efforts will be well-served by adopting this agreement and actively participating in this organization. There are no direct costs to participate.

A motion was made by Director Lampert, seconded by Director Gunther to adopt a resolution establishing the District’s participation in Alameda County Operational Area Emergency Management Organization, as it was approved by the Alameda County Board of Supervisors on February 15, 2005.

RESOLUTION NO. 07-038

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
ADOPTING THE AGREEMENT FOR PARTICIPATION IN THE ALAMEDA  
COUNTY OPERATIONAL AREA EMERGENCY MANAGEMENT  
ORGANIZATION

The motion was passed by the following vote:

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

5.4\* RESOLUTION TO ADOPT AND INTEGRATE THE NATIONAL INCIDENT  
MANAGEMENT SYSTEM TO COMPLIMENT THE CALIFORNIA STANDARDIZED  
EMERGENCY MANAGEMENT SYSTEM

In 2003, under Homeland Security Presidential Directive No.5, the President directed the Secretary of Homeland Security to develop and administer a National Incident Management System (NIMS). The NIMS system was released in 2004 and compliance schedules for all federal and state agencies

were outlined. All states were required to adopt and integrate NIMS by September 30, 2005. The NIMS principles were tailored around California's existing Standardized Emergency Management System (SEMS). California originally held that the state and all local governments (including special districts) who were already incorporating SEMS in their emergency response planning would be compliant with NIMS. However, as compliance with NIMS has evolved at both national and state levels, California's compliance through SEMS is no longer valid. As a special district, ACWD must adopt NIMS by resolution and complete the appropriate staff training by September 30, 2007.

NIMS adoption and integration is required to ensure the District retains the option to receive future federal disaster preparedness grant funding. All California state, local government, and tribal government agencies must now adopt and integrate NIMS into their emergency planning. Federal standards for the integration of NIMS are clearly outlined and require specific training for all levels of staff that may be involved in an emergency response or disaster recovery. California has developed and made available approved training modules which can be presented by District staff to satisfy this year's training requirements. Training of most District treatment plant staff was completed in late 2006 and NIMS training for all remaining District staff as appropriate is slated for August 2007. Additional training will be required in 2008.

A motion was made by Director Lampert, seconded by Director Gunther to adopt a resolution to adopt and integrate the National Incident Management System (NIMS) into the Alameda County Water District's emergency preparedness and response program.

RESOLUTION NO. 07-039

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT TO  
ADOPT AND INTEGRATE THE NATIONAL INCIDENT MANAGEMENT  
SYSTEM TO COMPLIMENT THE CALIFORNIA STANDARDIZED  
EMERGENCY MANAGEMENT SYSTEM

The motion was passed by the following vote:

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

5.5\* AUTHORIZATION OF PURCHASE ORDER FOR WTP2 OZONE SYSTEM CHILLER  
REPAIRS

The primary disinfectant at Water Treatment Plant No. 2 (WTP2) is ozone. The existing ozone system includes two Trane 120 ton capacity chillers used to cool the ozone generation and air preparation equipment and to cool the compressed air used in the manufacture of ozone gas. The chilled water system was designed with 100 percent redundancy, meaning each chiller is sized to meet the cooling water needs under maximum ozone demand. The existing ozone system has been in continuous service for 14 years since WTP2 first came on-line in 1993 and both chillers are beyond their expected service life. Currently, one of the chillers is out-of-service and is in need of repairs or replacement. Additionally, the District is planning to replace the ozone air preparation equipment (including the two chillers), with a liquid oxygen (LOX) system in 2008.

Because of reliability concerns associated with the one aging chiller still in operation and the lack of redundancy, District staff requested Trane to provide cost proposals for several alternatives for repairing or replacing the out-of-service chiller. The alternatives considered were: 1) repairing the existing chiller for \$77,700 (price does not include repairs to the Freon evaporator unit that could possibly be defective and reduce chiller capacity below 120 tons); 2) renting a similarly sized chiller for \$8,000/month plus \$18,000 for mobilization and installation costs (\$114,000 for one year); and 3) purchasing and installing a smaller 80 ton capacity chiller for \$145,000. The minimum chiller capacity required to support the ozone system during summer months is less than 80 tons.

Since the least cost of the three alternates is to repair the existing chiller, staff recommends repairing the existing chiller. Because the existing 120 ton chiller is oversized, a nominal reduction in chiller capacity can be tolerated should chiller efficiency be reduced because of a defective evaporator unit. The price submitted by Trane for the repair work includes parts, labor, taxes and freight. Because funding to repair the chiller is not included in the budget, an appropriation from the General Fund reserve in the amount of \$78,000 is needed.

A motion was made by Director Lampert, seconded by Director Gunther to 1) authorize an appropriation from the General Fund reserve in the amount of \$78,000, and 2) authorize a purchase order to Pacific Coast Trane Service, Inc., for the repair of the WTP2 ozone system chiller in the amount of \$77,700.

The motion was passed by the following vote:

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

5.6\* RESOLUTION ACCEPTING COMPLETION OF THE CONTRACT FOR THE NORTHWEST AND SOUTHWEST NILES CONE MONITORING WELLS PROJECT

On October 13, 2005, the construction contract for the Northwest and Southwest Niles Cone Monitoring Wells project was awarded to Maggiora Bros. Drilling, Inc. in the amount of \$404,850. The purpose of the Northwest and Southwest Niles Cone Monitoring Wells project was to obtain a better understanding of the aquifers along the western edge of ACWD's boundary. A major portion of the project's funding came from two Local Groundwater Management Assistance Program grants that were previously awarded to ACWD from the California Department of Water Resources (DWR).

The project's scope of work included the installation of ten monitoring wells in four locations (two locations in both of the northwest and southwest areas of the Niles Cone Groundwater Basin). Three change orders, totaling \$324,425 for six additional monitoring wells were subsequently authorized by the Board. The project was determined to be substantially complete on May 17, 2007, the date ACWD was informed by DWR that it had satisfactorily completed and met all of its obligations under the two Local Groundwater Management Assistance Program grants. The total project cost, including all change orders and adjustments for final quantities was \$623,136.50 and a total of \$342,386.90 was received from DWR grants for this project.

A motion was made by Director Lampert, seconded by Director Gunther to adopt a resolution accepting completion of the contract for the Northwest and Southwest Niles Cone Monitoring Wells Project, Job 6269.

RESOLUTION NO. 07-040

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
ACCEPTING COMPLETION OF CONTRACT NO. 3458, MAGGIORA BROS.  
DRILLING, INC, JOB 6269

The motion was passed by the following vote:

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

5.7\* AUTHORIZATION FOR CONTRACT CHANGE ORDER NO. 1 FOR ALAMEDA  
CREEK PIPELINE NO. 1 FISH SCREEN SITE CONSTRUCTION PROJECT

The Alameda Creek Pipeline No. 1 Fish Screen Project is comprised of two elements. The first element, fabrication and installation of four cylindrical fish screens, was awarded to Intake Screens, Inc. (ISI) on December 5, 2006, in the amount of \$722,910. The second element, the sitework required to accommodate the fish screen installations, was awarded to Mitchell Engineering on April 10, 2007, in the amount of \$1,694,000.

The principal construction items of the sitework-related construction contract includes: 1) temporary water diversion facilities within the Alameda Creek Flood Control Channel; 2) 213 linear feet of 66-inch diameter pipe; 3) reinforced concrete water diversion structures and slide gate assemblies; and 4) electrical work.

After consulting with the fish screen fabricator (ISI) and the site contractor (Mitchell Engineering), staff recommends modifying the interface design between the slide gate assemblies and the piping manifold to ensure a watertight connection at each of the four fish screen units. Change Order No. 1 in the amount of \$18,560 has been prepared to cover the incremental shop fabrication and installation costs for the pipe and slide gate modifications. Staff has reviewed the costs associated with the additional work and has determined that it is fair and reasonable. There is adequate funding in the current budget for this expenditure.

Mitchell Engineering has indicated that there is a time delay associated with the additional work that cannot be quantified at this time. Because the change order includes work by a subcontractor to Mitchell Engineering, the issuance of a change order without an extension is recommended. The terms of the change order stipulate that Mitchell Engineering must submit supporting documentation to support its claim for additional time by September 28, 2007; otherwise, the claim will be waived.

A motion was made by Director Lampert, seconded by Director Gunther to approve Change Order No. 1 in the amount of \$18,560 to Mitchell Engineering for the Alameda Creek Pipeline No. 1 Fish Screen Site Construction Project, Job 6279.2.

The motion was passed by the following vote:

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

5.8\* AUTHORIZATION OF CONTRACT CHANGE ORDER NO. 1 FOR CENTERVILLE 24-INCH PIPELINE RELOCATION PROJECT

On March 8, 2007, the Board awarded the construction contract for the Centerville 24-Inch Pipeline Relocation Project to Mountain Cascade in the amount of \$1,234,567.

Change Order No. 1, in the amount of \$45,467, has been prepared to address: 1) a conflict between the new pipeline and existing AT&T fiber optic lines near the Paseo Padre Parkway Underpass; 2) the installation of an additional pumping ell and blow-off assembly at a pipeline low point; and 3) increase the conduit diameter for the cathodic protection system under the UPRR right-of-way. This project is included in the Settlement and Utility Cost Sharing Agreement between the District, the City of Fremont, and BART. The District's share of the change order cost is \$19,969.11. There is adequate funding in the budget for this expenditure.

A motion was made by Director Lampert, seconded by Director Gunther to approve Change Order No. 1 in the amount of \$45,467 for the Centerville 24-Inch Pipeline Relocation, Job 6327.

The motion was passed by the following vote:

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

5.9\* AUTHORIZATION OF PURCHASE ORDER FOR REHABILITATION SERVICES FOR BELLFLOWER AND FARWELL AQUIFER RECLAMATION PROGRAM WELLS

The Bellflower and Farwell Aquifer Reclamation Program (ARP) wells were constructed in 1974 and will be used as the supply wells for the Newark Desalination Facility Phase 2 Project. Bellflower was last rehabilitated in 2000 and Farwell in 2002. The wells were recently video logged and evaluated by staff. Physical rehabilitation, consisting of brushing, swabbing, airlifting, and well development, followed by a five-step step-drawdown test, is needed to restore the efficiency of the wells. After the wells are rehabilitated, a final video log will be performed to document and assess the results.

Last year, contract bid requests were developed for similar well rehabilitation work for the PT-4 and PT-6 wells at the Peralta Tyson Wellfield and two bids were received. Layne Christensen Company (Layne Christensen) was the low bidder, the Board awarded the work on February 23, 2006, and all work was satisfactorily completed on April 13, 2006. Because of Layne Christensen's recent experience performing similar work for the District, the specialized equipment involved, and the limited scope of this work, staff requested a proposal on a time-and-expense basis for rehabilitating the Bellflower and Farwell Wells from Layne Christensen. Layne Christensen Company's estimated

cost for performing the rehabilitation work on the Bellflower and Farwell wells is \$52,618 based on a time-and-expense basis. The proposal and estimate have been evaluated by staff as appropriate for the work required and the recommended authorization includes a ten percent contingency. There is sufficient funding in the budget for this work.

A motion was made by Director Lampert, seconded by Director Gunther to authorize a purchase order to Layne Christensen Company for Rehabilitation Services for the Bellflower and Farwell Aquifer Reclamation Program Wells in an amount not to exceed \$57,880, Job 4310.

The motion was passed by the following vote:

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

#### 5.10 AUTHORIZATION TO EXECUTE AGREEMENT FOR DEFERRED COMPENSATION PLAN SERVICES

---

Mr. Ligh reported that the District offers its employees both 457 and 401(a) deferred compensation plans. The five year contract with our current plan provider, Lincoln Financial Group, will be ending December 1, 2007. Taking this as an opportunity to obtain the best possible vendor in the current market, the District's Deferred Compensation Committee recommended to the Board that a Request for Proposal process be conducted this year. Accordingly, the Board of Directors, on April 10, 2007, authorized execution of a consulting services agreement with SST Benefits Consulting to assist staff with this process.

A Request for Proposal (RFP) was distributed to 33 deferred compensation plan providers with the goal of seeking key improvements to the current program, including a reduction of overall fees, improvement of fund options and performance returns, simplification of program administration and enhancement of services. Proposals were received on June 1, 2007 from the following twelve deferred compensation plan providers: AIG VALIC, Diversified Investment Advisors, John Hancock, Hartford, ICMA Retirement Corporation, ING, Lincoln Financial Group, MasterPlan, Principal, Prudential, Standard, and TIAA-CREF. Proposals were evaluated based on the primary criteria as shown below:

- Historical rate of investment return of proposed funds;
- All fees and charges for funds and administration;
- Record keeping services, tax and accounting services and types of information provided to participants and to the District; and
- Education services provided to participants and to the District.

Based upon the above criteria, two proposals (ICMA Retirement Corporation and ING) were selected for further consideration. The incumbent provider, Lincoln Financial Group, did not submit a competitive bid as measured by the above criteria. The two finalists were evaluated based on customer services, information and reporting capabilities, transition services, performance standards and guarantees and references. Interviews were conducted with the two finalist firms on July 20, 2007. Based on these interviews, it is recommended that ICMA Retirement Corporation (ICMA-

RC) be selected as the new provider of the District's deferred compensation program. When compared to ING, the ICMA-RC proposal provides excellent Stable Value fund returns, with the lowest fees, and highest credit quality; has the lowest average expense ratio for both mutual funds and asset allocation funds; and offers a significant reduction in overall fees to plan participants when compared to the current Lincoln plan. ICMA-RC also provided very unique and impressive disclosures of their fund fee structure.

Although ICMA-RC's proposal includes extremely competitive mutual fund offerings, they are very willing to work with the District's consultants over the next few weeks to further improve on their overall fund offerings for participants. In addition, a self-directed brokerage account option with more than eighteen thousand investment alternatives will be offered for any participant wishing to invest in a fund not included in the basic fund offerings by ICMA-RC.

The ICMA-RC proposal offers a high level of customer service including participant education, financial planning, internet account access and comprehensive statements. Personal account information can be downloaded into Quicken or Microsoft Money type programs. They offer administration of hardship withdrawals, which currently takes significant staff time to administer. ICMA-RC has also included a new feature to the District's program by offering the full administration of a loan program for participants to borrow from their own accounts if they so desire.

ICMA-RC has agreed to defined performance standards and measures with financial penalties if they are not met. ICMA-RC and District staff will survey all participants after six months and annually thereafter to assure the program is operating effectively. In addition, fund performance will be closely monitored to ensure that all investment options continue to meet or exceed benchmark standards and that changes are implemented in a timely manner.

Throughout this selection process, staff has made a diligent effort to keep all deferred compensation plan participants apprised of the process being followed. Three separate memorandums were issued to all deferred compensation plan participants (current employees, former employees and retirees) during the months of April, July and early August which explained the status of the selection process and solicited input/comments.

Once the Board acts on the recommendation to select ICMA-RC as the District's deferred compensation provider, the next step in this process will be to finalize and execute the services agreement and related documents and for ICMA-RC staff to conduct individual and group workshops to explain the transition process and to respond to any questions. Separate workshops will be held for retirees. It is anticipated that the transition to ICMA-RC will be completed by January 15, 2008. The month and a half period between the current Lincoln contract termination date of December 1, 2007 and January 15, 2008 will provide additional time for the completion of normal calendar year end capital gains and dividend distribution activity before the transition. Both ICMA-RC and Lincoln have stated that this transition date is acceptable. The RFP process and finalist recommendation was reviewed with the Administrative & Finance Committee on July 24, 2007. The term of this agreement will be five years with the provision for early termination by the District with one year's advance notice. Once the agreement has been executed, staff will work with ICMA-RC to finalize an updated plan document and investment policy. The updated plan document will be presented to the Board for approval in the early fall.

Mr. Ligh introduced Paul Hackleman of SST Benefits Consulting who presented the Board with an overview of the proposed 457 Deferred Compensation/401(a) proposal and selection process. Discussion ensued.

A motion was made by Director Koller, seconded by Director Huang to authorize the General Manager to negotiate and execute the necessary agreements with ICMA Retirement Corporation to administer the District’s deferred compensation program.

The motion was passed by the following vote:

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

5.11 RESOLUTION AUTHORIZING AGREEMENT WITH THE ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT FOR THE DEVELOPMENT OF PRELIMINARY DESIGN OF A FISH PASSAGE FACILITY IN THE ALAMEDA CREEK FLOOD CONTROL CHANNEL

---

Mr. Cartwright reported that the Alameda Creek Flood Control Channel, constructed by the United States Army Corps of Engineers in 1972, extends from San Francisco Bay approximately 12 miles inland to the vicinity of Niles Canyon. The Alameda County Flood Control and Water Conservation District (County) owns and maintains the constructed channel including a drop structure, commonly referred to as the “BART Weir”. This drop structure is directly downstream of ACWD’s middle rubber dam in the flood control channel. Both ACWD and the County are participants in the Alameda Creek Fisheries Restoration Workgroup, established in early 1999 (Workgroup). The Workgroup has commissioned several reports which have identified several barriers to steelhead migration into the Alameda Creek watershed, including the drop structure and ACWD’s middle rubber dam (when inflated). Conceptual design for a single fish passage facility that would provide for fish passage past both the drop structure and middle rubber dam (Fish Passage Facility) has previously been prepared by consultants for ACWD and Flood Control. To facilitate further development of this concept, an agreement between the District and County is proposed.

Under the proposed agreement, ACWD and the County will work cooperatively to develop the preliminary design of the Fish Passage Facility and to jointly pursue grant funding opportunities for the construction of the Fish Passage Facility. ACWD will be responsible for contracting with a consultant to provide the preliminary design services, and both agencies will equally share in the consultant costs, up to a maximum of \$150,000 each. The agreement does not include roles and responsibilities for additional tasks required for full implementation of the Fish Passage Facility, including final design, CEQA documentation, permitting, construction, operation and maintenance, cost allocations, and securing a water supply required for operation of the Fish Passage Facility. These items will need to be addressed under a future agreement with the County. Board approval for a consulting services agreement and purchase order will be requested at a later date once staffs from both agencies have reached agreement on recommendations for a consultant and scope of work. The Alameda County Board of Supervisors approved the agreement at its meeting on July 31, 2007.

A motion was made by Director Gunther, seconded by Director Huang to adopt a resolution authorizing an agreement with the Alameda County Flood Control and Water Conservation District for the development of preliminary design of a fish passage facility in the Alameda Creek Flood Control Channel.

RESOLUTION NO. 07-041

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
AUTHORIZING EXECUTION OF AGREEMENT WITH THE ALAMEDA  
COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT FOR  
THE DEVELOPMENT OF PRELIMINARY DESIGN OF A FISH PASSAGE  
FACILITY IN THE ALAMEDA CREEK FLOOD CONTROL CHANNEL

The motion was passed by the following vote:

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

---

6 – REPORTS

6.1 BOARD COMMITTEE REPORTS

- Operations & Water Quality Meeting of July 5, 2007: (1) Water Supply/Production Operations Update; (2) South Bay Aqueduct Pipe Purchase for Seismic Reliability
- Engineering & Capital Projects Meeting of July 10, 2007: (1) Update on Cedar 2 ARP Well Intertie Pipeline Project; (2) Update on Alameda Creek Pipeline No. 1 Fish Screen Project; (3) Review Revised ACWD Approved Materials List
- Legal & Legislative Meeting of July 11, 2007: (1) Review of State and Federal Legislation
- Water Resources Planning Meeting of July 18, 2007: (1) Sacramento Regional County Sanitation District (SRCSD); (2) Water Conservation Program Update; (3) Alameda Creek Fisheries Update; (4) San Francisco Water Supply Improvement Program Update; (5) Delta Water Supply Update
- Administrative & Finance Meeting of July 24, 2007: (1) Deferred Compensation Provider – Request for Proposal; (2) Review of Human Resources Division Organization/Responsibilities; (3) Quarterly Review of Claims; (4) Quarterly Review of Investments Portfolio

## 6.2 OPERATIONAL REPORTS

- Quarterly Projects Review
- Quarterly Well Level Report
- Investment Report
- Quarterly Personnel Report
- Water Production Report

## 6.3 STAFF REPORTS - None

## 6.4 GENERAL MANAGER'S REPORTS

- Mr. Piraino reported to the Board that the alternate special district representative on the Alameda County Local Agency Formation Commission, Herb Crowle, whose term ends in 2010, has resigned. There is an opportunity for individual boards to nominate one of their members for the alternate seat should they be interested.
- Mr. Piraino reported that Alameda Superior Court Judge Bonnie Sabraw had approved the settlement agreement and signed the Judgment with respect to an ongoing court case between BART and the City and County of San Francisco which affects a particular piece of property in which the District has a 24-inch pipeline easement related to the Washington Boulevard/Paseo Padre Parkway overpass/underpass project that is currently underway. For the District, this means the current San Francisco revocable permit for the 24-inch pipeline will be replaced with a grant of water line easement from BART to ACWD and ACWD and San Francisco will execute a consent estoppels certificate which has previously been approved by the Board. Overall this is considered a very positive outcome and the Judge, on the record, thanked all the participants for their hard work and specifically expressed thanks to engineering staff from the agencies who participated in the various aspects of the settlement.
- Mr. Piraino attended a meeting of the East Bay Economic Development Alliance which has expanded to include both corporate and public entities from both Alameda and Contra Costa counties. The specific item on the agenda was to hear a presentation from the President of the Contra Costa Council with respect to delta levees and regional advocacy for water project funding under Prop 84 and Prop 1E.

## 7 - DIRECTORS' COMMENTS AND/OR AGENDA ITEM REQUESTS

- Director Lampert inquired as to any alternatives the District could take with respect to water supply pending the ruling by a federal judge limiting the amount of water that can be pumped out of the San Joaquin-Sacramento River Delta. Discussion ensued.

8 – CLOSED SESSION

President Lampert adjourned the meeting to a Closed Session at 7:06 P.M. for a conference on the following items:

8.1 Conference with Labor Negotiator Pursuant to Section 54957.6 of the Government Code

- Agency Negotiators: Altarine Vernon and Paul Piraino
- Employee Organization: Management/Confidential/Professional Employees (Unrepresented Group)

8.2 Conference with Real Property Negotiators (Pursuant to Government Code Section 54956.8)

- APN 507-676-4: Deer Road, Fremont
- Agency Negotiators: Robert Shaver and Craig Hill
- Negotiating Parties: ACWD and Greenbriar Homes, Inc
- Under Negotiation: Price and terms of sale

President Lampert reconvened the meeting at 7:40 P.M.

9 – POSSIBLE ACTION TO AMEND FY 07/08 MANAGEMENT CONFIDENTIAL PROFESSIONAL EMPLOYEE COMPENSATION SCHEDULE

A motion was made by Director Koller, seconded by Director Huang to Amend the Fiscal Year 07/08 MCP Compensation Schedule and accompanying Administrative Guideline on hours of work and time reporting to conform to Fair Labor Standards Act provisions governing staff that are covered under executive, administrative and professional exemptions to overtime requirements.

The motion was passed by the following vote:

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

10 – POSSIBLE ACTION TO AMEND PURCHASE AGREEMENT WITH GREENBRIAR HOMES, INC., APN 507-676-4; DEER ROAD, FREMONT

A motion was made by Director Koller, seconded by Director Huang to authorize the Board President to execute Amendment Number 5 to the August 12, 2004 Purchase and Sale Agreement between ACWD and Greenbriar Homes Communities, extending the terms and conditions of the existing agreement until October 12, 2007.

Minutes – August 9, 2007

The motion was passed by the following vote:

AYES: Directors Gunther, Huang, Koller, and Lampert

NOES: None

ABSENT: Director Weed

---

There being no further business to come before the Board, President Lampert adjourned the meeting at 7:42 P.M.

---

Gina Markou, District Secretary

Attest:

---

Arthur Lampert, President