

October 11, 2007
Fremont, California

The regular monthly meeting of the Board of Directors of ALAMEDA COUNTY WATER DISTRICT was held on October 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 (arrived at 6:10 P.M.), 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, Water Resources Planning Manager Eric Cartwright, Attorney Ray McDevitt and District Secretary Gina Markou.

President Arthur Lampert presided.

Director Koller 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 approve the following items on the Consent Calendar as amended.

- 4.1 Approval of Minutes – Regular Meeting of September 13, 2007
- 4.2 Ratification of Payment of Audited Demands dated September 14, September 21, September 28, and October 5, 2007
- 4.3 Authorization of Purchase Order for a Yard Loader
- 4.4 Resolution Amending FY 07/09 Personnel Budget – Reclassification of Vacant Project Engineering Manager Position to Engineering Supervisor 1/2

RESOLUTION NO. 07-048

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

The motion was passed by the following vote:

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

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

5.1 AUTHORIZATION OF PURCHASE ORDER AMENDMENT FOR HYDRAULIC ANALYSIS WORK FOR RUBBER DAM NO. 2 DECOMMISSIONING AND FOUNDATION MODIFICATION PROJECT

Mr. Shaver reported that, to decommission Rubber Dam No. 2 (RD2) and modify the dam foundation to improve steelhead migration in Alameda Creek, approvals and permits from the Alameda County Flood Control and Water Conservation District (ACFCWCD) and the U.S. Army Corps of Engineers (Army Corps) are required to complete the work.

As originally envisioned, a “notch” would be placed in the RD2 concrete foundation to provide for fish passage during relatively low creek flows. It was subsequently determined that removal of the entire dam foundation may be preferred, as it would eliminate the requirement to keep the notch clear of silt and debris, a possible long-term maintenance concern. Although both ACFCWCD and the Army Corps have expressed conceptual support for either the foundation notch or removal concept as a means to enhance low flow fish passage, hydraulic analysis is required to demonstrate that the current level of flood protection and overall maintenance requirements of the flood control channel, both upstream and downstream of the RD2 foundation, are not adversely impacted. Accordingly, the General Manager authorized a purchase order on June 15, 2007, in the amount of \$24,800 to WRECO, a water resources engineering company, to assess the impacts of the RD2 foundation modification/removal on the flood control channel hydraulic characteristics. The scope of work included: 1) reviewing channel survey data provided by ACFCWCD; 2) performing field reconnaissance and assessment; 3) performing a hydraulic analysis; 4) evaluating long-term sediment impacts; and 5) preparing a technical memorandum. Although the results of the analyses concluded that removal of the dam foundation will not significantly change the flood conveyance capacity and maintenance requirements of the flood control channel under most conditions, ACFCWCD requested that additional hydraulic analysis work be performed to confirm the channel’s hydraulic characteristics during a low flow storm event.

At the District’s request, WRECO submitted a proposal to perform additional hydraulic analysis work. Staff evaluated WRECO’s proposal in the amount of \$10,120 and has determined that the estimated level of effort and costs for the work is appropriate. There is adequate funding in the budget for this expenditure.

Staff responded to questions from the Board regarding the estimated cost for the two alternatives under study and reason for the Flood Control District’s request for an evaluation of the low flow storm event.

A motion was made by Director Koller, seconded by Director Huang to authorize a purchase order amendment for hydraulic analysis work to WRECO in the amount of \$10,120 for the Rubber Dam No. 2 Decommissioning and Foundation Modification Project, Job 6319.

The motion was passed by the following vote:

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

5.2 ADOPTION OF RESOLUTION AUTHORIZING THE PURCHASE OF DRY YEAR WATER OPTIONS

Mr. Cartwright stated that, due to the dry hydrologic conditions in the 2006-07 water year, together with likely cutbacks in Delta water supplies as a result of a recent federal court ruling, the State Water Project Contractors Authority (SWPCA) is coordinating a program to purchase dry year supplies next year. The purpose of this program is to provide a means for SWPCA member agencies, including ACWD, to purchase dry year supplies to supplement other available supplies.

Under the proposed program, the SWPCA will manage the program and work with SWPCA member agencies to broker deals with willing sellers. It is envisioned that the typical water seller will be agricultural interests in the Sacramento Valley. Over the next several months the SWPCA will attempt to secure “options” to purchase specified quantities of water in the spring of 2008, for delivery to participating agencies in the summer and fall of 2008. Under the proposed program, participating agencies will be required to pay to the SWPCA an initial deposit (\$15/AF) that will be used to procure an option to purchase the water in 2008. The total cost for the options, as well as the final purchase price will be determined at a later date. If the agency chooses not to purchase the option, then only a portion of the initial payment will be refunded. If the participating agency purchases the option and subsequently exercises the option next year, then the agency will also be responsible for the purchase price of the water (to be specified in the option agreement).

Participation in the option program would allow the District to secure additional water supplies in the event that SWP supplies are significantly cutback next year. These additional supplies would supplement existing dry year supplies from the Semitropic Banking program and from carry-over in the San Luis Reservoir. The additional supplies would also help to ensure sufficient local groundwater reserves should the dry conditions continue through next year and beyond. In the event that ACWD’s existing supplies are adequate for next year, the District may choose not to exercise the options (and forego the options payment), or to purchase the water to enhance storage in either the Niles Cone Groundwater Basin or ACWD’s account in the Semitropic Groundwater Banking Program. Given the uncertainties in the availability of SWP supplies next year, staff is recommending that ACWD secure dry year options for 5,000 acre-feet of additional supplies at an initial cost of \$75,000 for a deposit to the SWPCA. There is sufficient funding in the FY 07/08 Supplemental Dry Year Supply budget for this expenditure.

A motion was made by Director Weed, seconded by Director Koller to 1) authorize the General Manager to execute an agreement with the State Water Project Contractors Authority (SWPCA) to secure the purchase options for up to 5,000 Acre-feet of 2008 dry year supplies, and 2) authorize a purchase order to the SWPCA in an amount not to exceed \$75,000 for a deposit for these dry year purchase options.

RESOLUTION NO. 07-049

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN
AGREEMENT WITH THE STATE WATER PROJECT CONTRACTORS
AUTHORITY TO SECURE THE PURCHASE OF DRY YEAR WATER
OPTIONS

The motion was passed by the following vote:

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

5.3 RESOLUTION AUTHORIZING ENTERING INTO AN OPERATING AGREEMENT
WITH EAST BAY REGIONAL PARK DISTRICT FOR THE ALAMEDA CREEK
QUARRIES

Mr. Stinson indicated that the District entered into an Operating Agreement with East Bay Regional Park District (EBRPD) and City of Fremont in 1976 for the joint operation of recreation and water supply activities at Alameda Creek Quarries, which included Shinn, Kaiser and Bunting Ponds. The 1976 agreement has expired and a new agreement has been developed between the District and EBRPD for the Alameda Creek Quarries, which now includes only Shinn and Kaiser Ponds. EBRPD and City of Fremont have executed a separate agreement to address access issues that are unrelated to District operations.

The new Operating Agreement between the District and EBRPD includes the same standards for water quality protection that are contained in the Coordinated Operating Agreement that was developed for the Quarry Lakes Regional Recreation Area, which is a significant improvement over the 1976 agreement. Swimming continues to be prohibited in both ponds. Protection of District facilities has been improved in the new agreement by prohibiting fishing within 50 feet of ACWD structures. The term of the new agreement is for 10 years, but can be terminated at any time with three months written notice. The insurance requirement for EBRPD was also increased from \$5 million to \$10 million dollars. The agreement has been reviewed and approved by District Counsel and has already been approved by the EBRPD Board. The agreement was also reviewed with the Operations & Water Quality Committee on October 3, 2007.

Staff responded to questions from the Board regarding the Agreement. Staff will contact the City of Fremont to discuss possible changes in the existing agreement with the City regarding Grau and Snell Ponds to make it consistent with this Agreement.

A motion was made by Director Huang, seconded by Director Koller to adopt a resolution authorizing the General Manager to execute a new Operating Agreement with East Bay Regional Park District for the Alameda Creek Quarries, which includes the areas of Shinn and Kaiser Ponds.

RESOLUTION NO. 07-050

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN
OPERATING AGREEMENT WITH EAST BAY REGIONAL PARK
DISTRICT FOR THE ALAMEDA CREEK QUARRIES

The motion was passed by the following vote:

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

6 – REPORTS

6.1 BOARD COMMITTEE REPORTS

- Operations & Water Quality Meeting of September 5, 2007: (1) Delta Operations Contingency Plan
- Engineering & Capital Projects Meeting of September 11, 2007: (1) Construction Site Tour of the Alameda Creek Pipeline No. 1 Fish Screen Project
- Legal & Legislative Meeting of September 14, 2007: (1) Review of State and Federal Legislation; (2) Review of Potential Legislative Proposal Relating to Well Construction and Destruction in the District's Service Area
- Water Resources Planning Meeting of September 19, 2007: (1) Alameda Creek Fisheries Update; (2) SFPUC Water Supply Improvement Program Draft EIR Update; (3) Delta Water Supply Update; (4) Recycled Water Update
- Administrative & Finance Meeting of September 25, 2007: (1) Review of Human Resource Activities

6.2 OPERATIONAL REPORTS

- Rainfall Report
- Quarterly Groundwater Recharge Report
- Water Production Report
- Investment Report

6.3 STAFF REPORTS – None

6.4 GENERAL MANAGER'S REPORTS

- 6.4.1 Update on Special Legislative Session – Water Bond Legislation. Mr. Piraino advised that neither the Governor's nor Senator Perata's versions of a water bond passed out of the Legislature, and that there is a possibility that both could be on the February or November 2008 ballot as competing initiatives.

7 – DIRECTORS’ COMMENTS AND/OR AGENDA ITEM REQUESTS

- 7.1 Directors Weed and Koller provided reports on the proceedings of the ACWA Region 5 Meeting, held on September 16 – 17, 2007
- 7.2 Director Koller provided a report on his attendance at the California Special Districts Association Annual Conference from October 1 – 4, 2007

8 – CLOSED SESSION

President Lampert adjourned the meeting to a Closed Session at 7:30 P.M. for a conference on the following items:

- 8.1 Conference with Real Property Negotiator (Pursuant to Government Code Section 54956.8
 - APN 507-675-4: Deer Road, Fremont
 - Agency Negotiators: Robert Shaver and Paul Piraino
 - Negotiating Parties: ACWD and Greenbriar Homes, Inc.
 - Under Negotiation: Price and terms of sale

President Lampert reconvened the meeting at 8:13 P.M.

9 – POSSIBLE ACTION TO AMEND THE PURCHASE AGREEMENT BETWEEN ACWD AND GREENBRIAR HOMES, INC.

A motion was made by Director Koller, seconded by Director Weed to approve Amendment Number 6 to the Purchase Agreement with Greenbriar Homes, extending the term of the Agreement to October 31, 2007.

The motion passed by the following vote:

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

There being no further business to come before the Board, President Lampert adjourned the meeting at 8:15 P.M.

Gina Markou, District Secretary

Attest:

Arthur Lampert, President