

ALAMEDA COUNTY WATER DISTRICT

MEMORANDUM

DATE: February 4, 2008
TO: Board of Directors
FROM: Paul Piraino
SUBJECT: STAFF REPORT, ACTION CALENDAR ITEMS FOR February 14, 2008

5.1* RESOLUTION HONORING JOHNNY C. MUSSER UPON HIS RETIREMENT FROM DISTRICT SERVICE

BACKGROUND: Johnny Musser will be retiring on February 29, 2008 after more than 21 years of service with the District.

DISCUSSION: Johnny started his professional career with the District on February 17, 1987 as a Programmer Analyst. In January 1989, he was promoted to his current position as Information Systems Supervisor. Johnny has contributed significantly to the growth and success of the District and has always performed his duties with the highest level of competence, integrity and dedication. He will be greatly missed by his many friends at the District.

RECOMMENDATION: By motion, adopt a resolution honoring Johnny C. Musser and expressing appreciation for his 21 years of dedicated service to the District.

5.2* RESOLUTION APPROVING STATEMENT OF INVESTMENT POLICY

BACKGROUND: The investment of public funds is governed by Section 53600 of the California Government Code which specifies the types of investments permitted and identifies investment objectives as well as reporting requirements. One of the provisions of the Government Code is that the legislative body of a public agency must annually approve a statement of investment policy. The Board of Directors last approved the District's Investment Policy on February 8, 2007.

DISCUSSION: During the past year, there have been no modifications to the section of the Government Code which governs the investment of public funds. The Administrative and Finance Committee reviewed the District's current Investment Policy on January 22, 2008 and concurred with staff's recommendation that no changes to the policy are required at this time. In accordance with the provisions of the California Government Code which require the annual approval of an investment policy, it is recommended that the current policy be approved for the next twelve month period. The investment policy is attached to the Board resolution as Exhibit A.

RECOMMENDATION: By motion, adopt a resolution approving the Statement of Investment Policy.

5.3* AUTHORIZATION OF RESERVE APPROPRIATION FOR PURCHASE OF DIESEL PARTICULATE FILTER RETROFITS FOR COMPLIANCE WITH FLEET RULE FOR PUBLIC AGENCIES AND UTILITIES

BACKGROUND: The California Air Resources Board (CARB) Fleet Rule for Public Agencies and Utilities became law in December, 2006. The rule establishes fleet-based diesel emission limits for medium and heavy duty diesel engines spanning model years 1960 to 2006. The rule applies to municipalities and includes special districts. The compliance schedule extends from 2007 through 2011 and requires a percentage of a public agency's heavy duty vehicle fleet to either be retired or retrofitted with the Best Available Control Technologies (BACT) in order to reduce diesel emissions. Ultimately, by 2011 the objective of the rule is to have all public agency fleets compliant with established lower diesel emission limits. The District must retrofit four heavy duty diesel engines at this time with diesel emission controls to comply with this rule.

DISCUSSION: The District investigated the options available for installation of BACT diesel emission filters on four service trucks. Two types of approved technologies currently exist for compliance with the rule – “passive” and “active” emission filters. Passive filters require a minimum normal operating temperature from the engine in order to function. Active filters utilize an external power supply to achieve their effectiveness. Typical operating temperatures of the District engines to be retrofitted require the installation of “active” diesel particulate filter systems. The CARB approved and recommended “active” BACT diesel particulate filter is the Cleaire Horizon Electrical Regenerated filter system. Quotes were solicited from the only three California vendors marketing the Cleaire system. The following quotes include materials, equipment, and an estimate of the labor to install the devices on four vehicles:

| | |
|----------------------------|----------|
| Cummins West | \$73,665 |
| AZ Bus Sales | \$61,851 |
| Ironman Parts and Services | \$57,191 |

Since the number of vehicles requiring retrofit and type of BACT needed was unknown, the FY07/08 budget did not include an allocation of funds for this expense. Therefore, a reserve appropriation is required.

RECOMMENDATION: By motion, 1) authorize a reserve appropriation in the amount of \$57,191; and 2) authorize a purchase order to Ironman Parts and Services in an amount \$57,191 for the installation of four Cleaire diesel particulate filter systems on four District vehicles.

5.4* RESOLUTION AWARDED CONTRACT FOR THE 2008 POTABLE WATER STORAGE FACILITY CLEANING

BACKGROUND: The District has an ongoing program to conduct regular cleaning and inspection of all treated water tanks and reservoirs. The goal is to clean and inspect all tanks and reservoirs once every five years as recommended by the California Department of Public Health. The preferred method of cleaning is to use underwater divers who specialize in cleaning potable water storage facilities. Cleaning tanks and reservoirs this way saves millions of gallons of water that otherwise would be lost if storage facilities were drained for cleaning. In addition, this method

provides the District the flexibility of putting tanks and reservoirs back into service within a few days in the event of an emergency.

DISCUSSION: Requests for proposals to clean and inspect Decoto Reservoir were issued December 14, 2007. On January 24, 2008 only one bid was received in the amount of \$89,360. The bid was submitted by Liquivision Technology Diving Services of Klamath, Oregon. The bid was checked for compliance with bidding requirements and was determined to be responsive. The Engineer's Estimate for the work was \$92,192. Liquivision Technology Diving Services has been in the tank and reservoir cleaning and inspection business for 12 years. References were contacted and found to be excellent. In addition, Liquivision Technology Diving Services has successfully cleaned and inspected multiple storage facilities owned by the District within the last four years including the cleaning of Whitfield Reservoir and Appian Tank last year.

Subsequent to the bid opening, staff contacted potential bidders and was informed that they were unwilling to take on additional work at this time due to currently high workloads. Staff considers the one bid received as reasonable because it is below the Engineer's Estimate and the bid is comparable to the cost of the reservoir cleaned last year, considering escalation and the size of the reservoir. There is adequate funding in the budget for this expenditure.

RECOMMENDATION: By motion, adopt a resolution accepting the proposal and awarding the contract for 2008 Potable Water Storage Facility Cleaning, Job No.6343 to Liquivision Technology Diving Services in the amount of \$89,360 which is the total of the lump sum payment items.

5.5* AUTHORIZATION OF PURCHASE ORDER FOR SINGLE SOURCE PURCHASE OF LARGE REVENUE METERS

BACKGROUND: The Finance Department had previously conducted a Meter Replacement Study. One of the recommendations of that study was that the District's older large (3" and above) revenue meters should be replaced. These meters represent approximately 0.5% of the total meters in the distribution system yet account for about 15% of the total metered water revenue. Based on the study and industry research, a new large meter strategy has been implemented. The intent of the new strategy is not only to increase revenues, but to also streamline and minimize the costs of installation and maintenance of large meters by incorporating a component exchange strategy. This strategy involves field testing for meter accuracy, and intervening prior to failure with interchangeable components exchanged in the field rather than in the shop. Utilizing this component exchange strategy does require that ACWD standardize its large meters to the greatest extent possible.

DISCUSSION: To minimize costs and inventory, District staff sought to find a meter manufacturer whose product is compatible with the component exchange strategy. While there are several meter manufacturers that produce large meters, only a few are familiar with this newer concept. The manufacturer's product must have several key meter components that can be used with several various large meter sizes and whose lay lengths are compact enough to decrease the meter vault footprint, which will result in lower overall cost and a more efficient installation.

Badger Meter Company is the recommended choice for supplying large meters because of their

compact design and interchangeability of components. For the past few years, ACWD has been employing 3” Badger hydrant meters for construction use. Badger’s components, main rotor and housing, can be interchanged with most of the various size ranges including the District’s existing 3” hydrant meters.

Badger’s costs are comparable to other manufacturers and they have demonstrated consistency in prompt delivery and technical support of the large meters previously purchased. Sufficient funds are budgeted for this expenditure.

RECOMMENDATION: By motion, 1) approve Badger Meter Company as the single source providers for the District’s large meters, provided that quality, compatibility, cost, and availability remain acceptable to ACWD; and 2) award a purchase order to Badger Meter Company for \$60,500, including sales tax, for the purchase of 28 large meters.

5.6 AUTHORIZATION OF PURCHASE ORDER FOR BELLFLOWER AND FARWELL LINE SHAFT PUMPING EQUIPMENT

BACKGROUND: To expand the capacity of the Newark Desalination Facility, the Bellflower and Farwell Aquifer Reclamation Program wells will be used to supply brackish water to the facility. Because the existing pumps and motors were originally designed to pump brackish groundwater to adjacent flood control channels, new pumping equipment is required to supply sufficient pressure for the brackish water to reach the desalination facility. Previously, one bid to furnish the pumping equipment in the amount of \$465,878 was rejected by the Board. Staff subsequently evaluated the factors that led to only one high bid being submitted, modified the bid documents, and advertised the work on November 27, 2007.

DISCUSSION: Two bids were received and opened on December 19, 2007. Both bids contained exceptions to the terms of the purchase document. The bids were checked arithmetically and the totals for comparisons of proposals were \$266,916 and \$324,554. The engineer’s estimate for two deep well turbine pumps and line shaft motors was \$356,318. A bid summary is attached.

Weir Floway, Inc., of Fresno, CA submitted the lowest bid, with a bid total of \$266,916. Weir Floway’s exceptions were either rescinded or have been resolved through clarifications of the terms of the contract documents. The revised purchase documents now meet the District’s interests from both a technical and legal perspective and the original bid amount remains unchanged.

Weir Floway has provided pumping equipment to the District in the past and the equipment has performed satisfactorily. References were checked and Weir Floway’s performance for others has also been satisfactory. There is adequate funding in the project budget for this expenditure.

RECOMMENDATION: By motion authorize a purchase order to Weir Floway, Inc. in an amount not to exceed \$266,916 for the Bellflower and Farwell Line Shaft Pumping Equipment, Job 4305.

5.7 DELIVERY OF 2008 SURVEY REPORT AND ADOPTION OF RESOLUTIONS OF INTENTION FOR FY 08/09 REPLENISHMENT ASSESSMENT

BACKGROUND: On November 8, 2007, the Board of Directors ordered the preparation of the 2008 Engineering Survey Report on Groundwater Conditions as provided in Section 7 of the District's Replenishment Assessment Act. The report has been completed as directed, and includes a recommendation for a 5% increase in the Replenishment Assessment rate. This proposed increase has been determined to be subject to public notification requirements that were established through Proposition 218.

DISCUSSION: The following actions are required to establish the Replenishment Assessment for FY 08/09.

- February 14, 2008. Regular Board Meeting. The Board must declare, through adoption of a resolution, its intent to establish a replenishment assessment in FY 08/09. A resolution must also be adopted at this meeting 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.
- February 15, 2008. To ensure compliance with Proposition 218 notification requirements, notices of the proposed rate increase will be mailed to owners and operators of wells producing water for purposes other than agricultural and municipal recreation.
- March 13, 2008. Regular Board Meeting. Staff will provide a presentation to assist the Board in its review of the Survey Report.
- April 8, 2008. Rescheduled Regular Board Meeting. Public Hearing and adoption (tentative) of resolutions establishing the replenishment assessment for FY 08/09.
- No later than May 13, 2008. Board must adopt resolutions in order to establish a replenishment assessment in FY 08/09.

Additional work sessions on the Survey Report can be held at the Board's discretion. The Public Hearing, which must begin April 8, 2008, may be adjourned from time to time, but must be completed no later than May 6, 2008. The resolutions tentatively scheduled for adoption on April 8, 2008, may not be acted upon until completion of the Hearing, but must be adopted prior to May 13, 2008.

RECOMMENDATION: Receive the Survey Report, and by motion, 1) adopt a resolution declaring that funds will be raised by a replenishment assessment in FY 08/09 and calling for a Public Hearing on April 8, 2008; and 2) adopt a resolution extending the deadline for installation of measuring devices on wells.

Attachments

cc: Executive Staff

BID SUMMARY

**BELLFLOWER & FARWELL LINE SHAFT PUMPING EQUIPMENT
Job No. 4305
Bid Opened December 19, 2007**

Total Bids Received (2)

Responsive Bidders (2)

TOTAL FOR COMPARISON

Weir Floway, Inc.

\$266,916.00

Pump Repair Service

\$324,553.59

Non-Responsive Bidders (0)

None.