

June 12, 2008  
Fremont, California

The regular monthly meeting of the Board of Directors of ALAMEDA COUNTY WATER DISTRICT was held on June 12, 2008 at the hour of 6:03 P.M. in the Directors' Room of the District Office Building, 43885 South Grimmer Boulevard, Fremont, California.

Present: Directors Gunther (arrived at 6:06 P.M.), Huang, Koller, Lampert, and Weed.

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

President John Weed presided.

Director Huang led in the Salute to the Flag.

3 – PUBLIC COMMENTS – Ms. Wynn Grcich, a resident of Union City, addressed the Board and requested information on ways to remove ammonia from water. Ms. Grcich made several other requests and was asked by Director Weed to submit her inquiries in writing.

#### 4 – CONSENT CALENDAR

A motion was made by Director Lampert to add item 5.1 and items 5.4 through 5.14 to the Consent Calendar, seconded by Director Koller.

The motion was passed by the following vote:

AYES: Directors Gunther, Huang, Koller, Lampert, and Weed  
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 Ratification of Payment of Audited Demands dated June 6, 2008
- 4.2 Resolution Approving and Authorizing Execution of Contract with Tri-City Gardens II, LLC, Extension of Water Main, Tract 7759 and Tract 7822 (ACWD# 2006-0017)

#### RESOLUTION NO. 08-032

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
APPROVING AND AUTHORIZING EXECUTION OF CONTRACT  
BETWEEN ALAMEDA COUNTY WATER DISTRICT AND TRI-CITY

GARDENS II, LLC, FOR EXTENSION OF WATER MAIN, TRACT 7759  
AND TRACT 7822, REF. ACWD 2006-0117

- 4.3 Resolution Approving and Authorizing Execution of Contract with Stern and Company, Corp., Extension of Water Main, Tract 7733 (ACWD# 2004-0030)

RESOLUTION NO. 08-033

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
APPROVING AND AUTHORIZING EXECUTION OF CONTRACT  
BETWEEN ALAMEDA COUNTY WATER DISTRICT AND STERN AND  
COMPANY, CORP., FOR EXTENSION OF WATER MAIN, TRACT 7733,  
REF. ACWD 2004-0030

- 5.1 Resolution Honoring Jose T. Maldonado upon His Retirement from District Service
- 5.4 Authorization of a Reserve Appropriation for Purchase of Additional SFPUC Water in FY 07/08
- 5.5 Authorization of a Reserve Appropriation for Additional State Water Project Costs in FY 07/08
- 5.6 Authorization of Purchase Orders for Negotiated and Bid Water Treatment Chemical Proposals
- 5.7 Resolution Awarding Contract for PT-6 Well Pump Building at Peralta-Tyson Wellfield
- 5.8 Authorization of Purchase Order for Consultant Services for SCADA Systems Development Work
- 5.9 Authorization of Purchase Order for the Reuse of Water Treatment Plant Solids
- 5.10 Authorization of Purchase Order for the Transport of Water Treatment Plant Solids
- 5.11 Authorization of Purchase Order for Fuel
- 5.12 Authorization of Purchase Order to Furnish and Deliver ¾”, 1”, 1 ½”, and 2” Water Meters
- 5.13 Authorization to Exercise First Year Renewal Option for District Security Guard Services
- 5.14 Authorization of Purchase Order for Commercial Laboratory Services FY 08/09

The motion was passed by the following vote:

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

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

5.1\* RESOLUTION HONORING JOSE T. MALDONADO UPON HIS RETIREMENT FROM DISTRICT SERVICE

---

Jose T. Maldonado (Joe) will retire effective June 27, 2008, with over 31 years of service with the District.

Joe was hired on March 1, 1977. Prior to being hired by the District, Joe was an employee of the Citizens Utility Company prior to the District's purchase of that system in the mid-1970's. He was promoted to Utility Worker 2 in 1983, then to Utility Worker 3 in 1990. Due to Joe's vast knowledge of the District's distribution system, he was promoted to Utility Worker Leader on December 31, 2007. He has been a valuable asset to the District and will be missed by his many friends here.

A motion was made by Director Lampert, seconded by Director Huang, to adopt a resolution honoring Jose T. Maldonado and expressing appreciation for more than 31 years of service.

RESOLUTION NO. 08-034

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
HONORING JOSE T. MALDONADO UPON HIS RETIREMENT FROM  
DISTRICT SERVICE

The motion was passed by the following vote:

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

5.2 RESOLUTION APPROVING MID-CYCLE BUDGET AND CAPITAL IMPROVEMENT PROGRAM REVISIONS

---

Ms. Dustman and Mr. Ligh reported that on June 7, 2007, the Board of Directors adopted the two year budget for FY 07/08 and FY 08/09 and the 25-Year Capital Improvement Program (CIP). Current procedures provide for the Board to approve and adopt any revisions to the budget and CIP during the mid-cycle period of the two year budget.

A review of the FY 08/09 budget indicates that adjustments to projected revenues and expenditures are required to more accurately reflect the District's anticipated financial activity during the next twelve-month period. Additionally, there are a number of revisions proposed for the CIP due to additions, deletions and rescheduled projects over the next 25 years to reflect updated information. Presented below is a discussion of the adjustments to the FY 08/09 budget. The net overall increase in the 25-Year CIP is \$28.4 million, including \$13.2 million in escalation. Details of the major changes proposed for the 25-Year CIP were presented at the Board meeting.

The FY 08/09 budget includes projected revenues of \$80,989,200. This includes General Fund revenue of \$74,366,800 and Facilities Improvement Fund revenue of \$6,622,400. It is proposed that total projected General Fund revenues be increased by \$270,500 due to higher State Water Contract tax revenues, reimbursements from interagency projects and reduced interest revenue as a result of lower projected ending reserve balances. Additionally, it is proposed that total Facilities Improvement Fund revenues be increased by \$4,800 resulting from additional reimbursements from interagency projects and partially offsetting reductions in interest revenue due to lower projected ending reserve balances.

The FY 08/09 budget provides for operating expenditures of \$52,788,800. All operating expenditures are funded from the District’s General Fund. The proposed revisions to the budget include an increase of \$3,157,200 in operating expenses, which is the net result of the following increases/(decreases):

Operations & Planning of Supply System	\$ 81,400
Maint of Pits & Creeks	160,000
Maint of Wells	71,000
Purchased Water – SBA	914,800
Purchased Water – SFWD	1,262,000
Ground Water Replenishment	(122,200)
Water Quality Technical Services	41,600
Operation of WTP2	6,000
Maint of Blending Facility	35,000
Maint of WTP2	22,000
Engineering of Distribution System	155,000
Operation of Distribution System	(10,000)
Maint of Reservoirs	255,000
Maint of Mains	69,000
Maint of Service Lines	84,000
Maint of Meters	6,100
Maint - Facilities Engineering	90,000
Administrative & General	231,200
Other Pay	5,300
Employees Retirement & Benefits	13,400
Other Admin & Gen'l Expense	5,500
Maint of HQ Buildings & Grounds	29,000
Ground Maint of Other Property	4,400
Expenses Transferred	<u>(252,300)</u>
 Total	 \$ 3,157,200

The approved capital budget for FY 08/09 totals \$14,948,200. Of this amount, \$11,096,100 represents projects funded from the General Fund and \$3,852,100 represents projects funded from the Facilities Improvement Fund. It is recommended that the capital budget for FY 08/09 be increased by \$7,912,700. This includes an increase of \$5,855,200 in General Fund capital expenditures and an increase of \$2,057,500 in capital expenditures funded from the Facilities

Improvement Fund. The total increase of \$7,912,700 is the net result of \$292,200 in rescheduled projects and \$7,620,500 in project costs which were not previously included in the FY 08/09 budget. A review of the major capital adjustments for FY 08/09 will be included in the 25-year CIP presentation. A detailed listing of the proposed capital budget adjustments is also included in the summary (Attachment 2 to the Resolution).

The proposed revenue and expenditure budget adjustments will result in an overall decrease in projected ending reserve balances of \$10,794,500 for FY 08/09. This amount consists of a decrease of \$8,741,800 in General Fund reserves and a decrease of \$2,052,700 in Facilities Improvement Fund reserves. A comparison of the adopted budget to the proposed revised budget for FY 08/09 is attached (Attachment 1 to the Resolution). This item was reviewed with the Administrative and Finance Committee on May 29, 2008.

A motion was made by Director Lampert, seconded by Director Huang, to adopt a resolution amending the budget for FY 08/09 and 25-Year Capital Improvement Program.

RESOLUTION NO. 08-035

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
AMENDING FY 08/09 BUDGET AND 25-YEAR CAPITAL IMPROVEMENT  
PROGRAM

The motion was passed by the following vote:

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

5.3 AUTHORIZATION OF GENERAL MANAGER TO NEGOTIATE AGREEMENT  
REGARDING PILOT QUAGGA AND ZEBRA MUSSEL PREVENTION PROGRAM  
AT LAKE DEL VALLE

Mr. Wadlow reported that on June 5, 2008, staff described for the Board a proposed pilot program for Quagga and Zebra Mussel prevention at Lake Del Valle. The program would include a boat inspection program at Lake Del Valle administered by East Bay Regional Parks District (EBRPD). It is anticipated that the pilot program would run from about July 4 through the remainder of this year's boating season (until December). The purpose of the pilot program is to prevent current infestation of Lake Del Valle by Quagga or Zebra Mussels, and to provide an opportunity to evaluate a long term approach to protecting this critical water supply for the South Bay Aqueduct (SBA) contractors. The potential consequences of an infestation at Lake Del Valle include damage to the aquatic ecosystem and reduction in recreational opportunity at the lake, impairment of South Bay Aqueduct capacity, fouling of water treatment plant intakes for Zone 7, Alameda County Water District (ACWD) and Santa Clara Valley Water District (SCVWD), impairment of hydropower generation for ACWD, and impairment of groundwater recharge operations throughout the contractors' systems. Prevention is the most cost effective approach because if infestation occurs, expensive, continuing maintenance and significant capital investments on the SBA and throughout the contractors' service areas would be required.

Because customers of all four agencies would benefit from a mussel prevention program at Lake Del Valle, staffs from EBRPD, Zone 7, SCVWD and ACWD have developed a coordinated approach which would be funded by a four way agreement. The estimated cost of the pilot program is \$175,000. Each agency would contribute one quarter of the cost (\$43,750). EBRPD anticipates charging boaters to recover a portion of their additional costs over and above their proportional share.

The EBRPD Board authorized \$150,000, use of personnel, and contract services for mussel prevention pilot programs at their facilities, including Lake Del Valle, at their June 3 Board meeting. Zone 7 and SCVWD staff anticipate approaching their Boards on June 18 and June 24 respectively.

Discussion ensued and staff responded to inquiries from the Board.

A motion was made by Director Lampert, seconded by Director Huang, to authorize the General Manager to negotiate a four way agreement among EBRPD, Zone 7, SCVWD, and ACWD to fund a pilot Quagga and Zebra Mussel prevention program for Lake Del Valle.

The motion was passed by the following vote:

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

#### 5.4\* AUTHORIZATION OF A RESERVE APPROPRIATION FOR PURCHASE OF ADDITIONAL SFPUC WATER IN FY 07/08

---

In response to the low State Water Project (SWP) allocation of 35% for 2008 due to dry hydrologic conditions and pumping cutbacks to protect the Delta smelt, the District increased water deliveries from the San Francisco Public Utilities Commission (SFPUC) to maximize the use of the SFPUC supply. This action was taken to minimize use of groundwater during the spring to reserve it for 1) meeting peak summer production demands, and 2) ensuring the availability of local supply in the event of SWP delivery interruptions or prolonged dry conditions later this year. SFPUC water has also been reserved for use during June as a contingency for use should a Delta pumping shutdown occur. Additional SFPUC water was available since the FY 07/08 budget included plans for use of less than the District's annual contractual amount available.

The FY 07/08 budget included \$8,446,100 for SFPUC water purchases. As a result of using additional SFPUC water for the purposes described above, the District plans to purchase up to 95% of the contractual amount available (15,400 AF), at an additional cost of up to \$240,000. Under normal operations, staff anticipates that the additional cost will be on the order of \$200,000 or less. A reserve appropriation is needed to cover these costs.

A motion was made by Director Lampert, seconded by Director Huang, to authorize a reserve appropriation of up to \$240,000 for additional FY 07/08 SFPUC water costs that were incurred in anticipation of dry conditions and Delta pumping cutbacks.

The motion was passed by the following vote:

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

5.5\* AUTHORIZATION OF A RESERVE APPROPRIATION FOR ADDITIONAL STATE WATER PROJECT COSTS IN FY 07/08

---

During FY 07/08, the variable rate for delivery of water from the State Water Project (SWP) via the South Bay Aqueduct has increased from the projected rates due to increases in power and operations and maintenance costs.

The FY 07/08 budget included \$5,214,500 for SWP water purchases, including both fixed and variable costs. Although there has been a slight decrease in fixed costs over the fiscal year from the budgeted amount, it is not enough to cover the increase in variable costs resulting from the increased variable rate. A reserve appropriation is needed to cover these costs, which are estimated to be \$400,000 or less by the end of the fiscal year, depending on water use during May and the final variable rates applied to water deliveries for April and May. The total budget for SWP purchased would be increased up to \$5,614,500 for FY 07/08 by making this adjustment. Some of these costs will be recouped by an increase in tax revenues from the SWP special lien, but these revenues are expected to be on the order of \$125,000 or less.

A motion was made by Director Lampert, seconded by Director Huang, to authorize a reserve appropriation of up to \$400,000 for additional SWP water costs for FY 07/08.

The motion was passed by the following vote:

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

5.6\* AUTHORIZATION OF PURCHASE ORDERS FOR NEGOTIATED AND BID WATER TREATMENT CHEMICAL PROPOSALS

---

Funds are authorized each year for the purchase of chemicals used for water treatment. The existing purchase agreements approved by the Board in June 2007 include an option to renew for three additional years. This is the first year for considering whether or not to renew these agreements. Each existing agreement (i.e., contract) was evaluated considering economic factors (proposed price increase and overall cost), level of service provided (supply reliability and dependable delivery), and compliance with contract documents (product meets chemical specifications).

Twelve chemical supply contracts were evaluated. Nine contracts were determined to be appropriate for consideration for renewal and three contracts were advertised for bids. The nine corresponding chemical suppliers whose contracts were considered for renewal negotiations were then requested to submit formal pricing for the upcoming year. Suppliers were requested to submit prices for six-month and twelve-month contract periods. For the three bid contracts,

bidders were requested to submit prices for six-month and 18-month periods. The reasons for considering six and 18-month periods that would end in the month of December are: 1) six month contract periods may reduce cost contingencies added to fixed unit prices for chemicals during the current pricing instability in the commodities market; 2) shifting chemical contracts to a calendar year basis instead of the current fiscal year basis reduces the risk for process upsets at treatment plants when changes in chemical suppliers are made. Treatment risks would be reduced because necessary process adjustments would be made during low demand periods in winter as opposed to high demand periods in summer; and 3) the latest pricing information would be made available for preparing or updating cost estimates for the following fiscal year’s budget.

For the negotiated contracts, each supplier submitted either a lower or an equal unit price for the six-month period than for the twelve-month period. Because of the prices submitted and because of the reasons provided above for shifting chemical contracts to a calendar year basis, staff recommends approval of six-month contracts (July 1 through December 31, 2008) for the following chemical suppliers.

<b>Item No.</b>	<b>Vendor</b>	<b>Chemical</b>	<b>Estimated Quantity</b>	<b>Unit Price Jul–Dec 08</b>	<b>Previous Unit Price</b>
1	Hill Brothers Chemical Co.	Aqua Ammonia (112 bulk tons, 19% NH <sub>3</sub> )	21.28 dry tons	\$1,090.23 per dry ton	\$785.25 per dry ton
2	Linde Inc.	Carbon Dioxide	191 tons	\$187.00 per ton	\$173.00 per ton
3	Brenntag	Citric Acid (2-275 gal. totes)	550 gal	\$5.68 per gal	\$4.15 per gal
4	Basic Chemical Solutions	Liquid Caustic Soda (35 bulk tons, 25% NaOH)	8.75 dry tons	\$729.77 per dry ton	\$411.47 per dry ton
5	Kemira Water Solutions Inc.	Ferric Chloride (678 bulk tons)	291.54 dry tons	\$585.00 per dry ton	\$469.00 per dry ton
6	Nalo Inc.	Anti-Scalant (1-2,000 gal load)	2,000 gal	\$17.11 per gal	\$15.59 per gal
7	SNF Polydyne	Cationic Polymer	26 wet tons	\$1,340.00 per wet ton	\$1,270.00 per wet ton
8	Ashland Inc.	Nonionic Polymer (2-55 gal drums)	2 drums	\$315.00 per drum	\$283.50 per drum
9	Univar USA Inc.	Calcium Hypochlorite (tablets)	1,050 pounds	\$2.79 per pound	\$2.73 per pound

The District received and opened seven bids on May 7, 2008 for three water treatment chemicals (hydrofluorsilicic acid, caustic soda at 50% sodium hydroxide concentration, and sodium hypochlorite). A summary of the bids is attached. All bids were checked arithmetically and for compliance with the bidding requirements. There were no irregularities in any of the low bidders’ proposals.

However, there were irregularities in some of the other proposals. The third low bidder for hydrofluorsilicic acid (Item 10 below), LCI, did not hold either NSF or UL certificates for its product as required. The second low bidder for sodium hypochlorite (Item 12 below), Sierra Chemical, had an arithmetic error in its bid. Correcting this error did not change the ranking of bidders for sodium hypochlorite. Additionally, the third low bidder for sodium hypochlorite, Basic Chemical Solutions, failed to include a California Pesticide/Mill assessment charge in its quote. Nor did correcting this error change the ranking of bidders for sodium hypochlorite.

Bidders for the three chemical contracts were requested to submit prices for six-month and 18-month periods. For each chemical, the low bidder for the six-month period was also the low bidder for the 18-month period. The lowest unit price for hydrofluorsilicic acid corresponded to a six-month period, while the lowest unit prices submitted for caustic soda (Item 11 below) and sodium hypochlorite corresponded to an 18-month period. Therefore, staff recommends approval of a six-month contract (July 1 through December 31, 2008) for hydrofluorsilicic acid, and eighteen-month contracts (July 1, 2008 through December 31, 2009) for caustic soda and sodium hypochlorite as shown in the table below.

Item No.	Vendor	Chemical	Estimated Quantity	Unit Price	Previous Unit Price
10	Solvay Fluorides	Hydrofluorsilicic Acid (127 bulk tons, 23% H <sub>2</sub> SiF <sub>6</sub> )	29.21 + dry tons	\$2,630.43 + per dry ton	\$1,823.91 per dry ton
11	Olin Corporation	Liquid Caustic Soda (2,932 bulk tons, 50% NaOH)	1,466 ++ dry tons	\$589.90 ++ per dry ton	\$360.55 per dry ton
12	Olin Corporation	Sodium Hypochlorite (12.5% Cl <sub>2</sub> )	2,614 ++ wet tons	\$155.88 ++ per wet ton	\$136.00 per wet ton

+ Six-month contract (Jul – Dec '08)

++ Eighteen-month contract (Jul '08 – Dec '09)

The total composite cost of the 12 chemicals listed above for the six-month period between July 1 and December 30, 2008, is \$812,526 based on the estimated usage rate. For comparison purposes, the corresponding annual cost assuming the same unit costs and usage rates would be \$1,625,052. The FY 08/09 budget includes \$1,649,714 for water treatment chemicals. There is adequate funding in the FY 08/09 budget to cover the initial six-month contracts as well as the first 12 months of the 18-month contracts. This item was reviewed with the Operations and Water Quality Committee on May 20, 2008.

A motion was made by Director Lampert, seconded by Director Huang, to authorize the purchase orders to furnish and deliver the various treatment chemicals as described above.

The motion was passed by the following vote:

AYES: Directors Gunther, Huang, Koller, Lampert, and Weed

NOES: None

ABSENT: None

5.7\* RESOLUTION AWARDING CONTRACT FOR PT-6 WELL PUMP BUILDING AT PERALTA-TYSON WELLFIELD

---

PT-6 is a line shaft pump installation coupled with a 2300 volt motor and housed inside a weather-tight and sound insulated pump building. The construction of a new steel frame building is only part of the modifications being performed at PT-6. The complete scope of modifications includes the construction of a new well pump building, and the purchase and installation of a new pump discharge head and transformer, as well as modifications to the pump discharge piping. The purpose of these modifications is to develop a prototype well installation to test the use of a lower voltage (460 volt) motor against the existing 2300 volt motors. Lower voltage motors are more readily available, are less expensive to purchase and repair, have approximately the same efficiency as 2300 volt motors, and are smaller and shorter in size which will permit the use of a shorter pump building. There is an additional benefit to reducing the size of the PT-6 pump building as a response to a neighbor's complaint regarding its current size. The PT-6 well pump building is located adjacent to the neighbor's property line.

The new pump building was designed by District staff and was recently advertised for bids. A total of three bids were received and opened on May 22, 2008. All bids were checked arithmetically and for compliance with the bid documents. The totals for comparison ranged from \$53,672 to \$65,781. The engineering estimate for the work was between \$50,000 and \$65,000. T. E. Services of Modesto, California, submitted the lowest bid. References were checked and it was confirmed that the contractor has the necessary qualifications and experience to perform the work. T.E. Services has furnished the last four well pump buildings installed at the Peralta-Tyson Wellfield.

There were two minor irregularities, which have been corrected, in the proposal submitted by T.E. Services. The irregularities consisted of a missing signature of the second corporate officer, and the broker's name was used in place of the firm providing the bonding. In previous similar circumstances, District counsel has informed staff that these types of irregularities would not materially affect the proposal and may be waived.

A motion was made by Director Lampert, seconded by Director Huang, to adopt a resolution awarding the contract for Job 6347, "PT-6 Well Pump Building" to T. E. Services in the lump sum amount of \$53,672.

RESOLUTION NO. 08-036

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
ACCEPTING PROPOSAL OF, AND AWARDING CONTRACT TO T.E.  
SERVICES, FOR JOB 6347

The motion was passed by the following vote:

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

5.8\* AUTHORIZATION OF PURCHASE ORDER FOR CONSULTANT SERVICES FOR SCADA SYSTEMS DEVELOPMENT WORK

---

The District utilizes semi-customizable Supervisory Control and Data Acquisition (SCADA) software to control its five main treatment and distribution facilities. The District has previously used consultants to perform development and support services for these five SCADA systems. Additionally, consultants have also been used to perform water quality database development and support services for the District's production facilities.

Over the next 15 months, the District has several SCADA and database projects which need to be completed. In order to complete these projects the services of a consultant will be required. The scope of consultant service includes the development of SCADA system and database modifications to support the expansion of the Desalination Facility, SCADA and database integration for the District's groundwater recharge facilities, and general SCADA and database support services for other facilities. The general support services include modifications to existing water quality databases required by regulatory changes, development of a database replication system to provide backup and security, and troubleshooting of various SCADA system problems.

Staff proposes to utilize the services of Steven K. Schaffer, Business Technology Consultant, to perform the work. Mr. Schaffer has been performing SCADA software and database work for the District for the past 15 years.

Staff is proposing to single source the work to Mr. Schaffer for the following reasons:

- Familiarity with the District's SCADA system and databases. Mr. Schaffer has been an integral part of the development of the software for every District SCADA system and database. This familiarity allows him to "hit the ground running" with no wasted time learning what someone else has set up. District staff time to supervise and assist in the development work is greatly reduced since he already knows the District's standards and requirements.
- Reasonable cost. Staff contacted the vendor of the District's SCADA software (Automation Onspec) to discuss its rates to perform SCADA software configuration. Automation Onspec stated that it could do the work but the rates would be significantly higher than Mr. Schaffer's. Staff also contacted a local systems house (Krug, Bixby, and Long) that performs similar SCADA configuration work, about performing configuration work on the District's SCADA software. This firm responded it would also have a difficult time matching Mr. Schaffer's hourly rate and additionally would have to spend extra time learning the software.
- Availability. Since Mr. Schaffer has been working for the District he has been available to help by phone or over the internet to help troubleshoot and correct SCADA system and database problems, even while he has been on vacation.
- Security. Having another vendor perform work on the system poses additional security risks.

The cost submitted by Mr. Schaffer to perform the work is \$75,000. The work will be performed on a time and material basis as directed by the District. There is adequate funding in the various applicable project budgets for this expenditure.

A motion was made by Director Lampert, seconded by Director Huang, to 1) authorize a purchase order to Steven K. Schaffer, Business Technology Consultant, in an amount not to exceed \$75,000 for SCADA software and database development services, and 2) authorize the General Manager to enter into a services agreement.

The motion was passed by the following vote:

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

5.9\* AUTHORIZATION OF PURCHASE ORDER FOR THE REUSE OF WATER  
TREATMENT PLANT SOLIDS

---

Funds are authorized each year for the disposal and reuse of solids removed from the District's two water treatment plants. The factors for determining which landfill to utilize include: 1) the cost for disposing of solids (price per ton); 2) landfill availability during adverse weather conditions; 3) the cost of testing solids for regulatory environmental compliance; 4) regulatory permit fees; and 5) transportation costs.

The District currently has a contract with Republic Services, Inc., of Livermore, California, for the disposal of solids at its Vasco Road Landfill. The District has utilized the Vasco Road Landfill for the last 15 years and the current agreement with Republic Services will expire on June 30, 2008.

Bid documents were sent to two companies that operate landfills, (Allied Waste Services of Milpitas, California, and Republic Services). Republic Services submitted the only bid. Republic Services submitted a unit price of \$22 per ton for solids disposal delivered at the Vasco Road Landfill for reuse as an "alternative daily cover." The new unit price represents a 12% decrease from the previous unit price of \$25 per ton and corresponds to an approximate decrease of \$5,400 in the annual cost for disposing solids at the Vasco Road Landfill. The total annual estimated cost for FY 08/09 is \$39,600 based on 1,800 tons of solids. There are adequate funds in the FY 08/09 budget for this expenditure.

A motion was made by Director Lampert, seconded by Director Huang, to authorize a purchase order to Republic Services, Inc., for the disposal and reuse of solids from the District's two water treatment plants for FY 08/09.

The motion was passed by the following vote:

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

5.10\* AUTHORIZATION OF PURCHASE ORDER FOR THE TRANSPORT OF WATER TREATMENT PLANT SOLIDS

---

Funds are authorized each year for the hauling of solids removed from the District's two water treatment plants. The solids from Water Treatment Plant No. 2 (WTP2) are created from a mechanical dewatering process (filter press) and are transported on a regular basis to a landfill. The solids from the Mission San Jose Water Treatment Plant (MSJWTP) are created from drying solids in drying beds and are removed and transported on an annual basis to a landfill. Additional contractual services included in the scope of work consist of the mixing and turnover of solids at the MSJWTP drying beds to facilitate the drying of solids and having a vacuum truck available to transport solids from WTP2 during emergencies and plant outages.

The current agreement for transporting solids will expire on June 30, 2008. Accordingly, District staff prepared new contract documents and advertised the transportation work for bids. The bid documents include options for extending the contract for two additional 12-month periods.

Bid documents for transporting solids were sent to nine transportation companies. On May 12, 2008, the District received and opened only one bid which was from Alhambra Environmental Services, Inc. of El Sobrante, California. There were no irregularities in the bid submitted by Alhambra. The District currently has a solids transportation agreement with Alhambra and the firm has been providing satisfactorily solids transportation services to the District for the last eleven years.

Alhambra bid an hourly rate for transporting solids at \$78 per hour which represents a 4% increase in cost above the previous rate of \$75 per hour. There are adequate funds in the FY 08/09 budget for this expenditure.

A motion was made by Director Lampert, seconded by Director Huang, to authorize a purchase order to Alhambra Environmental Services, Inc., for the transport of solids from the District's two water treatment plants for FY 08/09.

The motion was passed by the following vote:

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

5.11\* AUTHORIZATION OF PURCHASE ORDER FOR FUEL

---

Funds are authorized each year for the purchase of unleaded regular gasoline and No. 2 clear diesel fuel to operate the District's fleet of vehicles and No. 2 red dye diesel fuel to operate stationary generators. During FY 07/08, the fuel purchases were approximately \$271,000.

The bid for unleaded regular gasoline and No. 2 diesel fuel was awarded to Valley Oil Company on June 22, 2006 for the period July 2006 through June 30, 2007, with the provision for up to two annual extensions. Valley Oil Company has agreed to the second and final extension of the current contract until June 30, 2009, with no change to the adjustment factor used last year. The adjustment factor is applied to the daily average rack price for fuel posted in Oil Price

Information Service (OPIS) PAD 5. The adjustment quoted will be firm for the term of the contract. The products and service provided by Valley Oil Company have been satisfactory; therefore, staff recommends extending the contract for another year. The following shows the constant margin over or under the posted OPIS average rack price in effect on the day of delivery.

	<u>Unleaded Regular Gasoline</u>	<u>No. @ Diesel Clear</u>	<u>No. 2 Diesel Red Dye</u>
Estimated Annual Usage	32,000 Gallons	53,000 Gallons	1,000 Gallons
Adjustment to Daily Average Rack Price per Gallon in OPIS PAD 5	-\$0.0050	+\$0.0140	+\$0.0700

Based on current prices, the estimated annual fuel cost for FY 08/09 is \$250,000. Funding will be made available in the final FY 08/09 Budget.

Additionally, staff requests a reserve appropriation to cover the variance in the current budget in an amount of \$75,485. This is based on last year’s estimate of \$213,500 and the current budget overage, as well as an anticipated purchase (of unleaded fuel) by the end of FY 07/08.

A motion was made by Director Lampert, seconded by Director Huang, to 1) authorize a purchase order to Valley Oil Company for unleaded regular gasoline and No. 2 diesel fuel for FY 08/09 and 2) authorize a reserve appropriation in an amount of \$75,485 for fuel purchased in FY 07/08.

The motion was passed by the following vote:

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

5.12\* AUTHORIZATION OF PURCHASE ORDER TO FURNISH AND DELIVER ¾”, 1”, 1 ½” AND 2” WATER METERS

The District requests bids annually for water meters. These bids are based on the anticipated meter needs for the upcoming year and are used for cost comparison. Meter specifications include both plastic and lead free brass water meters. The District meter standard was revised in 2003 to adopt the ¾" meter as the standard residential meter, replacing the 5/8" meter. Last year the bid requirements were changes to include all meters from ¾” to 2” as a single bid item and to allow for yearly extensions up to a total of three extensions providing that pricing and servicing are satisfactory to both parties

The District went out to bid in 2007 and Elster AMCO Water, Inc. (Formerly AMCO Water Metering Systems, Inc. was the successful bidder. The purchase order allows for three annual extensions if conditions and services are satisfactory to both parties. For FY 08/09 meter prices have risen by 11.97% due to increases in raw materials costs based on the London Metals Exchange (LME) price index. This increase in raw materials is across the board, impacting

similar meter companies and their pricing. The price increase is therefore considered acceptable and competitive. The District wishes to exercise its option to extend that contract for a second year at a total estimated cost of \$221,741.79.

A motion was made by Director Lampert, seconded by Director Huang, to authorize purchase order to Elster AMCO Water, Inc. for the purchase and delivery of ¾", 1", 1 ½", and 2" lead-free brass water meters at the prices quoted for FY 08/09.

The motion was passed by the following vote:

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

5.13\* AUTHORIZATION TO EXERCISE FIRST YEAR RENEWAL OPTION FOR DISTRICT SECURITY GUARD SERVICES

The District uses contract services to provide after-hours security patrols at headquarters, critical distribution system facilities, and the Alameda Creek recharge facilities. The current contract with Overton Security Services for this work expires on June 30, 2008.

The security services provided by Overton Security include nightly and weekend site patrols of District treatment, production, and distribution system facilities (18 locations), headquarters property patrols and building walk-throughs, vehicle lockups, and response to alarm call-outs. Overton was originally awarded this security contract in FY 07/08, and the District has the option of extending the contract for three additional twelve-month terms if conditions and service are satisfactory. Overton Security Services has performed in a responsive and reliable manner under the current contract. Overton Security has quoted a price for FY 08/09 of \$117,425.77, which represents an approximate 11.6% increase over the current yearly purchase order pricing of \$105,167.55. However, the FY 08/09 proposed pricing still represents a \$26,463 savings compared to the FY 06/07 security patrol contract costs and \$13,606 less than the next lowest responsive bidder to Overton in FY 07/08. Staff therefore recommends extension of the contract under the terms proposed. There are sufficient funds in the FY 08/09 budget for this expenditure.

A motion was made by Director Lampert, seconded by Director Huang, to 1) authorize exercising the first year renewal option for security services to be provided by Overton Security Services and 2) authorize a purchase order to Overton Security Services in an amount not to exceed \$117,425.77 with an option to renew for a maximum of two additional years.

The motion was passed by the following vote:

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

5.14\* AUTHORIZATION OF PURCHASE ORDER FOR COMMERCIAL LABORATORY SERVICES FY 08/09

---

The District employs commercial laboratories for chemical, radiological and bacteriological analyses for which either the District Water Quality Laboratory (WQL) is not certified or it is not cost-effective for the District to perform in-house.

Seventeen commercial laboratories were invited to bid on a Request for Proposal (RFP) in April 2008. Six responses were received. The laboratories were evaluated based on their responses to a list of mandatory items and to additional proposal criteria that covered both economic and non-economic factors. Bidders that provided responses to all mandatory items were further evaluated on their responses to additional proposal criteria that were assigned points. It is recommended that the contract be awarded to the bidder with the highest score.

Two bidders were rejected for not responding to all mandatory items. The remaining four bidders were evaluated on their responses to the additional proposal criteria. Montgomery Watson Harza (MWH) Laboratories was ranked first, having scored the highest number of points. Please refer to the summary below:

1. MWH Laboratories (Score: 153; Quotation: \$86,280)
  - a. Highest score on the addition criteria items.
  - b. >90% of analytical work to be done in house and in a single location.
  - c. Largest instrumentation inventory to assure continuous coverage.
  - d. Only bidder to provide summary 'hits' report on detected analytes.
  - e. Only bidder to provide all requested analytical protocols for review.
  - f. One of two bidders with acceptable issue resolution protocol.
  - g. Lowest bid.
2. TestAmerica Laboratories (Score: 120; Quotation: \$86,565)
  - a. 30% of analytical work to be done by primary corporate laboratory.
  - b. One of two bidders with acceptable issue resolution protocol.
  - c. Second lowest bid.
3. Alpha Analytical Laboratories (Score: 98; Quotation: \$134,722)
  - a. Not responsive to all additional criteria items.
  - b. Highest bid.
4. BC Laboratories (Score: 93; Quotation: \$102,391)
  - a. Not responsive to all additional criteria items.

ACWD used MWH Laboratories from 1998 to 2006 and was very satisfied with the high level of service they provided during that time. MWH Laboratories was always responsive to the District's needs with respect to expediting analyses and reporting. They consistently provided high quality service. ACWD has already retained MWH Laboratories for its Unregulated Contaminant Monitoring (UCMR2), which is slated for calendar year 2009. Retaining a single primary commercial laboratory to fulfill all District analytical needs beyond WQL capabilities will also allow for efficient tracking for external analytical support by the WQL and will simplify contract administration.

The estimated numbers of analyses on the bid quotation form were for bid evaluation purposes only and may not reflect the actual amount of work that will be sent out. Staff recommends a not-to-exceed limit of \$100,000 to cover both expected and unanticipated work. There are sufficient funds in the FY 2008/09 budget for this expenditure. The purchase order would allow for two annual extensions if conditions and service are satisfactory to both parties.

A motion was made by Director Lampert, seconded by Director Huang, to authorize a purchase order for chemical, radiological, and bacteriological laboratory services to MWH Laboratories for an amount not to exceed \$100,000 for FY 08/09 at the unit prices quoted.

The motion was passed by the following vote:

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

---

## 6 – REPORTS

### 6.1 BOARD COMMITTEE REPORTS

- Administrative & Finance Meeting of May 29, 2008: (1) Mid-Cycle Budget Revisions; (2) Capital Improvement Program Update

### 6.2 OPERATIONAL REPORTS

- Water Production Report

### 6.3 STAFF REPORTS - None

### 6.4 GENERAL MANAGER'S REPORTS

- Mr. Piraino reported that Governor Schwarzenegger proclaimed a State of Emergency existing within Central Valley counties and to take action to address urgent water needs as a result of the United States Bureau of Reclamation announcing unexpected water reductions in its water supply allocations. Kern County also declared a water supply emergency due to their low allocation from the State Water Project and other issues with surface water supplies.

## 7 – DIRECTOR'S COMMENTS AND/OR AGENDA ITEM REQUESTS

- Director Lampert asked staff to explain what was being done to minimize the chance of mussels invading the Delta. Mr. Wadlow advised the Board that the State of California has approached the Quagga/Zebra mussel program from an emergency management prospective and under the standardized emergency management system that California uses staff have been mobilized from the Department of Water Resources and the Department of Fish and Game. A Rapid Response Plan has been put together. This lengthy document outlines activities in all areas aimed at

protecting important waterways in California including the Delta. A monitoring system has been installed in various waterways including many different areas of the Delta to ensure early detection of mussels. A process is being developed on dealing with the boat inspection issue.

- Director Lampert asked staff to brief the Board on how the mussel issue will be handled with respect to Quarry Lakes. Mr. Wadlow advised that East Bay Regional Parks is taking the lead on this issue and more information will be brought to the Board at the July meeting.
- Director Weed advised that he will be attending a meeting in Sacramento on June 20, 2008, as a member of the finance committee for the Association of California Water Agencies. He also advised that on July 11, 2008, the Association of California Water Agencies will be holding a strategic planning briefing at the District and encouraged staff and Board members to attend.

---

President Weed adjourned the meeting to a Closed Session at 7:24 P.M. for a conference on the following item:

8 – CLOSED SESSION

- 8.1 Conference with Labor Negotiator Pursuant to Section 54957.6(a) of the Government Code
- Agency Negotiators: Paul Piraino and Bonnie Roland-Williams
  - Employee Organization: Operating Engineers Local 3

President Weed reconvened the meeting at 8:34 P.M. and reported that the Board provided direction to its negotiators relative to Item 8.1.

---

There being no further business to come before the Board, the meeting closed at 8:35 P.M.

---

Gina Markou, District Secretary

Attest:

---

John H. Weed, President