

August 14, 2008
Fremont, California

The regular monthly meeting of the Board of Directors of ALAMEDA COUNTY WATER DISTRICT was held on August 14, 2008 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, Lampert, and Weed (arrived at 6:04 P.M.).

Staff members present: General Manager Paul Piraino, Finance and Administration Manager Will Ligh, Operations Manager Walt Wadlow, Water Resources Planning Manager Eric Cartwright, Human Resources Manager Altarine Vernon, Project Engineering Supervisor Anna Lloyd, Attorney Patrick Miyaki, and Assistant District Secretary Andrew Joseph.

President John Weed presided.

Director Lampert led in the Salute to the Flag.

3 – PUBLIC COMMENTS – Mr. John Ryan, Jr. with CH2MHill encouraged the Board to continue to invest in maintaining the District's infrastructure.

4 – CONSENT CALENDAR

A motion was made by Director Lampert to add items 5.1 through 5.8 to the Consent Calendar, seconded by Director Huang.

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 Gunther to approve the following items on the Consent Calendar as amended.

- 4.1 Approval of Minutes – Regular Meeting of June 12, Special Meeting of June 23, Regular Meeting of July 10, Special Meetings of July 15 and July 23, 2008
- 4.2 Ratification of Payment of Audited Demands dated July 3, July 11, July 18, July 25, August 1, and August 8, 2008
- 4.3 Amend Memorandum of Understanding for Procurement of Reverse Osmosis Equipment to Include Applicable Sales Tax
- 5.1 Authorization of Purchase Order for a Dump Truck
- 5.2 Authorization of Purchase Order for Water Meter Test Benches
- 5.3 Authorization of Purchase Order for Replacement Computers

- 5.4 Authorization of Purchase Order Amendment for Consulting Services for the Vallecitos Channel Condition Assessment Project
- 5.5 Authorization of Purchase Order for Design Services for the Bunting Pond Fish Screen Project
- 5.6 Authorization of Change Order No. 1 for the Alameda Reservoir Water Quality Enhancement Project
- 5.7 Resolution Approving and Authorizing the Designation of Certain Products by Specified Brand or Trade Name
- 5.8 Resolution Authorizing the General Manager to Enter into a Letter of Understanding with the Alameda Creek Watershed Council

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* AUTHORIZATION OF PURCHASE ORDER FOR A DUMP TRUCK

The Board of Directors approved funding in the current budget for the replacement purchase of a ten wheel dump truck.

The District purchased a dump truck in March 2008 following a formal bid process. This current request is based on the results of the previous bid process. The requests for quotation were sent to four (4) Freightliner dealers. Two dealers responded. The successful bidder was Golden Gate Truck Center of Oakland in an amount of \$131,185.23. They have agreed to keep the same price for this truck. There is sufficient funding in the budget for this purchase.

A motion was made by Director Lampert, seconded by Director Gunther to authorize a purchase order to Golden Gate Truck Center in an amount of \$131,185.23 for the purchase of a dump truck.

The motion was passed by the following vote:

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

5.2* AUTHORIZATION OF PURCHASE ORDER FOR WATER METER TEST BENCHES

The District currently has approximately 79,100 metered connections in its service area and the total metered revenue as of December 2007 was approximately \$51.4 million. Water meters vary in size from 5/8” (smallest residential meter) to 10” (largest industrial meter). For convenience,

water meters are typically grouped into three size ranges, small, medium and large. Small meters range from 5/8” to 1” in size and account for 54.4% of metered revenue. Medium meters range from 1 ½” to 2” in size and account for 30.7% of metered revenue. Large meters range from 3” to 10” in size and account for 14.9% of metered revenue.

Over the last few years, District staff has been evaluating various ways of improving the efficiency of its meter testing and maintenance operation for the purpose of reducing unaccounted for water losses (lost revenue), and reducing annual meter testing and maintenance costs. The evaluation concluded that more timely and accurate testing of large-sized meters could save the District up to \$200,000 annually. However, to have this level of accuracy, the approach to the testing and calibration work and the testing equipment utilized needs to change. Currently, all large sized meters are tested for accuracy in the field by an outside service provider, either annually or once every three years depending on meter size, and the annual cost for this service is approximately \$30,000. It is proposed that this testing activity now be performed by existing District staff, and that the criteria for testing be revised. The new criteria for testing would be based on the volume of water metered, as opposed to a time cycle basis. Meters with higher water consumption rates would be calibrated more frequently. This would be similar to having scheduled automobile maintenance based on odometer readings.

Additionally, the evaluation showed that significant savings could also be realized if the testing and calibration work were performed at the meter shop with a large meter test bench. This could be done economically by swapping out old meter components from inside the meter body with new components while leaving the meter body in place in the field. This would eliminate the time and expense required for removing and reinstalling each meter tested. The existing, older meter components would be taken to the meter shop and tested inside a “slave” meter body installed on the large test bench. Because the District does not own a large meter test bench, staff investigated the various models, sizes and costs of test benches from several manufacturers. However, the District does own a small manually operated meter test bench that has been in service for more than 20 years. The study also showed that a new, computer automated small test bench would reduce the amount of staff time required to test small and medium sized meters.

In response to the meter testing and maintenance study, staff investigated three potential manufacturers who could fabricate both large and small meter test benches and meet the AWWA standards for meter testing accuracy. Only one firm, MARS Company, of Ocala, Florida manufactures the test benches in the sizes and features needed by the District. The other two firms considered only manufacture small test benches. A quote of \$399,961.99 was submitted by MARS Company and includes fabrication, tax and delivery of two meter test benches (one large and one small) start-up and training services. The price quoted by MARS Company appears to be fair and reasonable. This item was reviewed with the Operations and Water Quality Committee on August 6, 2008.

The MARS Company has been in the business of manufacturing meter test benches for 22 years. References checked indicated that the quality of the testing equipment manufactured and the technical support services provided by MARS Company were satisfactory. Sufficient funding for the purchase of this testing equipment is included in the current capital budget.

A motion was made by Director Lampert, seconded by Director Gunther to authorize a purchase order to MARS Company for large and small meter test benches and ancillary equipment in an amount not to exceed \$399,961.99.

The motion was passed by the following vote:

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

5.3* AUTHORIZATION OF PURCHASE ORDER FOR REPLACEMENT COMPUTERS

The District has established a program for the orderly replacement of personal computers as they reach the end of their useful life. Based upon the amount of time that personal computers are used on a daily basis at the District, the average useful life of a personal computer is four to five years after which time they become inadequate to run the District’s software applications and also begin to experience operating problems.

Over the past nine years, the District has standardized on Dell Computers for its personal computing needs. Dell was selected over other computer manufacturers due to its high product quality and performance, excellent service support, and low price. The computers are purchased directly from the government sales representative of the manufacturer, Dell Computer Corporation. The District also has the ability to purchase Dell Computers through the State of California utilizing a California Multiple Annual Schedule or a Western State Contracting Alliance contract. The prices offered direct from Dell Computer Corporation are lower than either of the other alternatives. The FY 08/09 budget includes funding for the purchase of 42 replacement computers which will replace computers which are between five and six years old. Of the 42 computers to be purchased, 40 will be desktop computers and 2 will be laptop computers.

<u>Quantity</u>	<u>Brand/Model</u>	<u>Unit Price</u>	<u>Total</u>
40	Dell Optiplex 755	\$1,526	\$61,040
2	Dell Latitude D530	\$1,540	\$3,080
	Total		\$64,120

Sufficient funds are budgeted for this expenditure

A motion was made by Director Lampert, seconded by Director Gunther to authorize a purchase order to Dell Computer Corporation in an amount not to exceed \$64,120, plus applicable tax and shipping costs, for the purchase of replacement personal computers.

The motion was passed by the following vote:

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

5.4* AUTHORIZATION OF PURCHASE ORDER AMENDMENT FOR CONSULTING SERVICES FOR THE VALLECITOS CHANNEL CONDITION ASSESSMENT PROJECT

The Board previously authorized Wilsey Ham to provide consulting services in the amount of \$29,299 to perform a condition assessment for the Vallecitos Channel. Wilsey Ham's scope of work included an assessment of short- and long-term repairs necessary to maintain the channel and access road in a safe and serviceable condition.

During the course of the project field work and draft report preparation, more areas in need of evaluation for maintenance and repair work were identified than originally assumed for the project. In addition, more specific permitting information was requested for inclusion in the final report to provide the necessary background for future phases of work. In order to complete the final report for the project to an appropriate level of detail for the entire channel, Wilsey Ham has requested an additional \$8,000 to complete the project work, which would result in a total project cost of \$37,299. Staff has evaluated the request and determined that the estimated level of effort and cost are appropriate. There is sufficient funding in the budget for this expenditure.

A motion was made by Director Lampert, seconded by Director Gunther to authorize a purchase order amendment for additional consulting services for the Vallecitos Channel Condition Assessment Project to Wilsey Ham in the amount of \$8,000, Job 1200.

The motion was passed by the following vote:

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

5.5* AUTHORIZATION OF PURCHASE ORDER DESIGN SERVICES FOR THE BUNTING POND FISH SCREEN PROJECT

Bunting Pond Fish Screen Project is located at the south embankment of the Alameda Creek Flood Control Channel directly adjacent to Rubber Dam No. 3. On September 14, 2006, the Board authorized a purchase order with Hanson Environmental to prepare a Mitigated Negative Declaration (MND) as required by the California Environmental Quality Act for the installation of the fish screen. The MND is scheduled to be issued for public comment in August 2008. The District has been notified that a \$600,000 Proposition 50 Grant Funding Award has been approved for this project.

Because CH2M Hill, Inc. (CH2M Hill) satisfactorily completed the design and construction support services for the Alameda Creek Pipeline No. 1 Fish Screen Project and is familiar with the technical background and the design requirements to complete the Bunting Pond Fish Screen project, staff requested CH2M Hill to submit a cost proposal on a time-and-expense basis to perform design services for this project. The design elements include: 1) modification to the existing water diversion intake, and 2) installation of a fish screen similar to the screens installed at the water diversion intakes for the Alameda Creek Pipeline No. 1 Fish Screen. CH2M Hill's estimate for the design services is \$212,093. Staff evaluated CH2M Hill's proposal and cost

estimate and has found them to be appropriate for the work required. There is adequate funding in the budget for this expenditure.

A motion was made by Director Lampert, seconded by Director Gunther to 1) authorize a purchase order to CH2M Hill for preliminary and final design services in an amount not to exceed \$212,093 for Bunting Pond Fish Screen Project, Job 6323; and 2) authorize the General Manager to execute a services agreement.

The motion was passed by the following vote:

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

5.6* AUTHORIZATION OF CHANGE ORDER NO. 1 FOR THE ALAMEDA RESERVOIR WATER QUALITY ENHANCEMENT PROJECT

On April 8, 2008, the Board awarded the contract for the Alameda Water Quality Enhancement Project to E. E. Gilbert Construction, Inc. (Contractor) in the amount of \$311,779.

Change Order No. 1, in the amount of \$9,180, has been prepared to cover the following additional work items requested by the District: 1) an additional \$9,394 for additional required site electrical work; 2) a \$1,764 credit due to a roofing system material change; and 3) an additional \$1,550 for leak proofing.

The Contractor also has submitted a request for a time extension of five (5) calendar days due to the additional work, including lead time required for material procurement. Staff has reviewed the time extension and the costs associated with the additional and modified work items and has determined that they are fair and reasonable. There is adequate funding in the current budget for this expenditure.

A motion was made by Director Lampert, seconded by Director Gunther to 1) approve Change Order No. 1 in the amount of \$9,180; and 2) grant a time extension of five (5) calendar days to E. E. Gilbert Construction Inc. for the Alameda Reservoir Water Quality Enhancement Project, Job 6328.

The motion was passed by the following vote:

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

5.7* RESOLUTION APPROVING AND AUTHORIZING THE DESIGNATION OF CERTAIN PRODUCTS BY SPECIFIED BRAND OR TRADE NAME

The specifying of standardized components allows the opportunity for substantial cost savings in reduced spare parts inventory and staff training on the operation and repair of equipment. Public

Contract Code Section 3400 allows public agencies to either single source or sole source material and equipment that is publicly bid or specified in a public works contract provided specific requirements are met.

Public Contract Code Section 3400 allows the District, to procure equipment by designating the specific make or model by making a finding that is included in the invitation for bids for the particular material or piece of equipment for any of the following purposes:

1. To test a product to determine its suitability for future use.
2. To match other products in use (i.e. standardize) on a public improvement either completed or proposed.
3. To obtain a necessary item that is only available from one source.
4. To respond to an emergency declared by the local agency.

For FY 08/09, there are several capital projects that include instrument and control equipment that District staff desires to standardize. These projects include the Newark Desalination Facility Phase 2, Alameda Reservoir Water Quality Enhancement Project, Bellflower/Farwell ARP Well Upgrades and Site Improvements, Blending Facility Chemical Feed Upgrades, and Vineyard Heights Tank Seismic Improvements.

Attached to the Resolution proposed to be adopted to implement staff's recommendation is a table listing the instrument and control devices that District staff desires to standardize. The table lists the instrument and control devices, the manufacturer, makes and/or models, and the justification for standardizing (e.g. matches other products or test for future use).

All of the devices listed have been previously evaluated as best meeting the District's needs based on equipment performance (i.e. accuracy, repeatability), reliability, purchase and maintenance costs, parts and service availability, and function applicability. In addition, this list is used for purchasing instrumentation and control equipment that is not associated with capital projects.

A motion was made by Director Lampert, seconded by Director Gunther to adopt a resolution finding that the identified instrument and control equipment will be designated by specific manufacturer or make/model for public works projects advertised during FY 08/09.

RESOLUTION NO. 08-040

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
APPROVING AND AUTHORIZING THE DESIGNATION OF CERTAIN
PRODUCTS BY SPECIFIED BRAND OR TRADE NAME

The motion was passed by the following vote:

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

5.8* RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A LETTER OF UNDERSTANDING WITH THE ALAMEDA CREEK WATERSHED COUNCIL

The Alameda Creek Watershed Council was formed recently with a goal of protecting and enhancing water-related beneficial uses and resources in the Alameda Creek Watershed. The Council is a voluntary, non-regulatory stakeholder group that includes watershed residents, landowners and land managers, organizations, and local agencies.

The purpose of the Letter of Understanding (LOU) is to formally document the Council's mission, goals, process by which it functions, and scope of its activities. The Council's proposed activities include, but are not limited to: tracking projects within the watershed; supporting urban planning and design practices that make streams a community resource; encouraging Council Members to attend and participate in regional watershed forums and training programs; and working to secure funding, such as grants, to support the activities of the Council and/or its members.

The term of the LOU extends through the year 2012; however, any signatory may withdraw from the LOU at any time by giving 30 days written notice to the other members. Potential benefits for ACWD's participation with the Council as a signatory to the LOU include providing a forum for ACWD to track upstream projects and to discuss concerns regarding projects that may adversely impact ACWD's local supplies. Current signatories include Zone 7 Water Agency, Alameda County Flood Control and Water Conservation District, Alameda County Resource Conservation District, and East Bay Regional Park District.

A motion was made by Director Lampert, seconded by Director Gunther to adopt a resolution authorizing the General Manager to enter into a Letter of Understanding for participation in the Alameda Creek Watershed Council.

RESOLUTION NO. 08-041

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A LETTER
OF UNDERSTANDING FOR PARTICIPATION IN THE ALAMEDA CREEK
WATERSHED COUNCIL

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

- Operations & Water Quality Meeting of July 2, 2008: (1) Completion of South Bay Aqueduct Watershed Effort; (2) Quagga/Zebra Prevention Pilot Program for Quarry Lakes
- Engineering & Capital Projects Meeting of July 8, 2008: (1) Update on the Removal of Rubber Dam No. 2
- Water Resources Planning Meeting of July 16, 2008: (1) Bay Delta Conservation Plan Update; (2) Alameda Creek Watershed Council; (3) Water Supply Assessment Update; (4) Water Conservation Program Update
- Administrative & Finance Meeting of July 22, 2008: (1) Workers' Compensation Program Update; (2) Quarterly Review of Claims; (3) Quarterly Review of Investment Portfolio
- Legal & Legislative Meeting of July 31, 2008: (1) Review of State and Federal Legislation; (2) Proposed Legislation – Groundwater Protection Act

6.2 OPERATIONAL REPORTS

- Quarterly Projects Review – Director Lampert inquired about the impact of the agreement to purchase membrane equipment directly from Membrane Systems Inc. for the Newark Desalination Phase 2 Expansion project on equipment warranties. Ms. Lloyd responded that warranties on equipment are held by the District.
- 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 informed the Board that a workshop has been scheduled for October 2, 2008 at 5:30 P.M. to discuss the Seismic Improvement Program.

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

- Director Weed announced an ACWA Region 5 Membership Meeting "Managing Water on the Coast," to be held on September 18 and 19, 2008 in Half Moon Bay.

President Weed adjourned the meeting to a Closed Session at 6:12 P.M. for a conference on the following items:

8 – CLOSED SESSION

- 8.1 Conference with Labor Negotiator Pursuant to Section 54957.6(a) of the Government Code
- Agency Negotiators: Paul Piraino and Altarine Vernon
 - Employee Organization: Operating Engineers Local 3
- 8.2 Public Employees Performance Evaluation Pursuant to Section 54957 of the Government Code
- Title: General Manager

President Weed reconvened the meeting at 6:40 P.M.

Mr. Piraino stated that with respect to item 8.1, the Board unanimously approved a 5-year Memorandum of Understanding (MOU) with Operating Engineers Local 3 that will be in effect until April 1, 2013. Terms of the new MOU include:

- A 4% annual salary increase
- Implementation of a flexible spending cafeteria plan for medical benefits effective January 1, 2009
- Implementation of a reduced retiree health benefit for employees hired after January 1, 2009
- Improvements to: standby pay; fatigue time; career service pay; bilingual pay; overtime meal allowance; and safety shoe allowance
- Upgrades to the dental plan and long-term disability insurance plan, and modifications to the tuition reimbursement program

Regarding item 8.2, Mr. Piraino stated that the Board conducted the appraisal of the General Manager's performance.

There being no further business to come before the Board, the meeting closed at 6:42 P.M.

Andrew Joseph, Assistant District Secretary

Attest:

John H. Weed, President