

September 10, 2009
Fremont, California

The regular monthly meeting of the Board of Directors of ALAMEDA COUNTY WATER DISTRICT was held on September 10, 2009 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 Koller, Huang, Reynolds, Weed and Gunther

Staff members present: General Manager Paul Piraino, Development Services Manager Ed Stevenson, Finance and Administration Manager Will Ligh, Operations Manager Walt Wadlow, Human Resources Manager Altarine Vernon, Emergency Response/Environmental Services Supervisor Steve Dennis, Attorney Patrick Miyaki and Assistant District Secretary Andrew Warren.

President James Gunther presided.

Director Koller led in the Salute to the Flag.

3 – PUBLIC COMMENTS – No public comments

4 – CONSENT CALENDAR

A motion was made by Director Huang to add Items 5.1 through 5.5 to the Consent Calendar, seconded by Director Koller.

The motion was passed by the following vote:

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

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

- 4.1 Approval of Minutes – Special Meeting of August 11, and Regular Meeting of August 13, 2009
- 4.2 Ratification of Payment of Audited Demands dated August 14, August 21, August 28, and September 4, 2009
- 4.3 Resolution Amending FY 09/11 Personnel Budget Salaries for Electrician and Laboratory Technician 2 Classifications

RESOLUTION NO. 09-042

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
AMENDING FY 09/11 PERSONNEL BUDGET

- 5.1 Authorization of Purchase Order for Dump Trucks
- 5.2 Authorization of Purchase Order for Consultant Services for SCADA Systems Development Work
- 5.3 Resolution Approving and Authorizing the Designation of Certain Products by Specified Brand or Trade Name
- 5.4 Authorization of Change Order No. 3 and Resolution Accepting Completion for Bellflower and Farwell ARP Well Site Upgrade Project
- 5.5 Resolution Setting Amount to be Collected for Certain Fiscal Year 09/10 Property Taxes

The motion was passed by the following vote:

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

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

5.1* AUTHORIZATION OF PURCHASE ORDER FOR DUMP TRUCKS

The Board of Directors approved funding in the current budget for the purchase of two ten-wheel replacement dump trucks.

The District has a replacement policy of ten years and 100,000 miles, along with an assessment of the mechanical condition of the vehicles. Additionally, the new California Air Resources Board regulations require the replacement or retrofit of vehicles in particular categories of engine make. The two vehicles in question meet these requirements. Three bidders responded to the requests for quotation. The low bidder was Golden Gate Truck Center of Oakland in an amount of \$268,527.40. A bid summary is attached. There is sufficient funding in the budget for this expenditure.

A motion was made by Director Koller, seconded by Director Huang to authorize a purchase order to Golden Gate Truck Center in an amount of \$268,527.40 for the purchase of two dump trucks.

The motion was passed by the following vote:

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

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

The District has historically utilized consulting services to assist with the customization of the Supervisory Control and Data Acquisition (SCADA) software which is used to control the District's water treatment and distribution facilities. Consulting services have also been used to

provide water quality database development and general support services for the District's production facilities.

Over the next year, the District has the following SCADA and database projects which need to be completed and which will require consultant support: development of SCADA system and database modifications to support the Newark Desalination Facility Expansion Project; SCADA and database integration for the District's groundwater recharge facilities; and SCADA system and database modifications to support the Mission San Jose Water Treatment Plant Upgrades Project. In addition, the following anticipated general support activities will also require consultant services: support for SCADA and databases for other facilities; modifications to existing water quality databases required by regulatory changes; development of a database replication system to provide backup and security; training of District staff, security upgrades, and troubleshooting of various SCADA system problems. Staff proposes to utilize the services of Steven K. Schaffer, Business Technology Consultant, to perform the above-described work. Mr. Schaffer is currently under contract performing similar work and has been satisfactorily performing SCADA software and database work for the District for the past 16 years.

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

- Familiarity with the District's SCADA systems 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. During the preparation of last year's SCADA consulting services contract, staff contacted the vendor of the District's SCADA software (Automation Onspec) to discuss their availability and cost to perform SCADA software configuration. They stated that they could do the work but that their rates would be significantly higher than Mr. Schaffer's. Staff also contacted a local systems consulting firm about performing configuration work on the District's SCADA software. They responded that they also would have a difficult time matching Mr. Schaffer's hourly rate and in addition would have to spend extra time learning the software. In preparation for this year's contract staff again contacted Automation Onspec and the systems consulting firm to verify costs. Both firms stated that even though their hourly rates have not increased, they would still be significantly higher than Mr. Schaffer's hourly rate. Mr. Schaffer's hourly rate for this year's contract has increased 5% from last year's contract (\$100/hr to \$105/hr).
- Availability. Mr. Schaffer has consistently been available to provide assistance by phone or over the internet to help troubleshoot and correct SCADA system and database problems.
- Security. Having another vendor perform work on the system poses potential additional security risks.

The estimated cost submitted by Mr. Schaffer to perform the work is \$95,000. 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 Koller, seconded by Director Huang to 1) authorize a purchase order to Steven K. Schaffer, Business Technology Consultant, in an amount not to exceed \$95,000 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 Koller, Huang, Reynolds, Weed, and Gunther
NOES: None
ABSENT: None

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

Annually, District staff prepares a list of standardized components for public works projects planned for the upcoming fiscal year. 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 a public agency to either single source or sole source a specific make or model of material or equipment that is publicly bid or specified in a public works contract if it makes a finding that is included in the invitation for bids that the particular material or piece of equipment is required 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 09/10, there are several capital projects that include instrument and control equipment that District staff desires to standardize. These projects include, the Alameda Reservoir Water Quality Enhancement Project, Blending Facility Chemical Feed Upgrades Project, and Water Treatment Plant No. 2 Liquid Oxygen Conversion Project and Process Upgrades Project.

A resolution has been prepared, with a table attached that lists the instruments and control devices recommended for standardization. The table includes 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). The changes made to last year's list are shown in bold italics.

All of the devices listed have been previously evaluated as best meeting the District's needs based on equipment performance (accuracy and repeatability), reliability, purchase and

maintenance costs, parts and service availability, and function applicability. This list is also used for purchasing instrumentation and control equipment that is not associated with capital projects.

This approach and the list of standardized components were reviewed with the Engineering and Capital Projects Committee on August 20, 2009, and the Committee concurred with staff's recommendations.

A motion was made by Director Koller, seconded by Director Huang 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 09/10.

RESOLUTION NO. 09-043

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 Koller, Huang, Reynolds, Weed, and Gunther
NOES: None
ABSENT: None

5.4* AUTHORIZATION OF CHANGE ORDER NO. 3 AND RESOLUTION ACCEPTING
COMPLETION FOR BELLFLOWER AND FARWELL ARP WELL SITE UPGRADE
PROJECT

On October 9, 2008, the construction contract for the Bellflower and Farwell ARP Well Site Upgrade Project was awarded to JMB Construction, Inc. in the amount of \$832,865. The scope of work includes the demolition of existing equipment and the installation of piping, pump houses, control equipment, and District-furnished pumping equipment and electrical switchgear. Change Order Nos. 1 and 2 totaling \$10,096 were previously authorized by the Board. All work is now complete.

Change Order No. 3, in the amount of \$1,544 has been prepared to furnish and install security door locksets and door closures requested by the District. Staff has reviewed the costs associated with the additional work and has determined that they are fair and reasonable. There is adequate funding in the budget for this expenditure.

A motion was made by Director Koller, seconded by Director Huang to 1) approve Change Order No. 3 in the amount of \$1,544; and 2) adopt a resolution accepting completion of the contract for the Bellflower and Farwell ARP Well Sites Upgrade Project, Job 4311.

RESOLUTION NO. 09-044

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
ACCEPTING COMPLETION OF CONTRACT NO. 3609, JMB
CONSTRUCTION, INC, JOB 4311

The motion was passed by the following vote:

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

5.5* RESOLUTION SETTING AMOUNT TO BE COLLECTED FOR CERTAIN FISCAL YEAR 09/10 PROPERTY TAXES

Beginning in Fiscal Year 78/79 and each year thereafter, the Board of Directors has levied a tax for payment of the groundwater portion of the District's State Water Contract Costs.

The amount of funding required this fiscal year to fund the groundwater portion of the State Water Contract cost is \$2,594,700. This amount must be reported to the Alameda County Auditor so that it can be collected on the FY 09/10 property tax rolls. The amount required is based upon cost projections provided by the State of California Department of Water Resources and is less than the \$3,153,300 amount estimated in the FY 09/10 budget due to adjustments for actual tax collections during FY 08/09 and the actual State Water Contract cost payments in FY 08/09.

A motion was made by Director Koller, seconded by Director Huang to adopt a resolution setting the amount of taxes to be collected for FY 09/10 to pay the State Water Contract costs at \$2,594,700.

RESOLUTION NO. 09-045

**OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
SETTING AMOUNT TO BE RAISED BY TAXATION FOR GROUND
WATER DIVISION'S PAYMENTS TO THE STATE WATER PROJECT FOR
FISCAL YEAR 09/10**

The motion was passed by the following vote:

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

5.6 ADOPTION OF RESOLUTION RELATING TO THE 2009 WATER SYSTEM REFUNDING REVENUE BONDS

Mr. Ligh reported that on August 13, 2009, the Board authorized staff to proceed with the preparation of the legal documents, resolutions and other related documents to implement a negotiated sale to refinance the District's outstanding 1998 refunding revenue bonds. In addition, the Board authorized the General Manager to execute services agreements with investment banker and bond counsel to assist District staff with the refinancing.

The District will issue new bonds in an amount sufficient to refund the outstanding 1998 refunding bonds, establish the required reserve fund for the new bonds and to pay the costs of issuance. The actual sale of the bonds will depend on whether market conditions at the time of

issuance will allow for an overall net present value savings in debt service payments over the life of the bonds of at least 5% of the principal amount of the outstanding bonds, or about \$1.5 million.

In order to proceed with the refunding process, the Board must adopt a resolution which approves the sale of the 2009 Water System Refunding Revenue Bonds, and authorizes:

- a. Approval of a Preliminary Official Statement which provides relevant information to potential investors, and provisions for the approval of a final Official Statement which will be delivered to the actual purchasers of the bonds.
- b. Approval as to form and execution and delivery of the following documents:
 - i. the Bond Indenture which sets forth the provisions and covenants under which the bonds will be issued, including that the District will covenant to fix and collect charges, fees and rates which shall be at least sufficient to yield net revenues equal to 1.25 times the required debt service during each fiscal year plus any amount necessary to maintain the Bond Reserve Fund requirements; net revenues for this purpose means all revenues collected in the District (excluding revenues from property taxes), less all operating and maintenance expenses; the District is already complying with such covenants in connection with the District's 2003 Certificates of Participation which will remain outstanding;
 - ii. an Escrow Agreement between the District and third party trustee which governs purchase of U.S. government obligations with proceeds of the bonds which will be applied to redeem the 1998 Bonds;
 - iii. a Bond Purchase Contract between the District and the underwriter which contains provisions for the sale of the bonds by the District and the purchase of the bonds by the underwriter; and
 - iv. a Continuing Disclosure Certificate which provides that the District will prepare and file with a specified repository, updated financial and operating information on an annual basis for the benefit of the bondholders.
- c. Approval of certain other matters in connection with the sale of the bonds.

The District's Financial Advisor, Tom Lockard of Stone & Youngberg, LLC addressed the Board and pointed out that the District has the highest bond credit rating of AAA with Standard & Poors, and an AA3 rating with Moodys Investor Services, which has the potential to increase in the future. Mr. Lockard credited the District's efforts in regards to the high bond credit ratings.

Also in attendance was Bond Counsel, John Wang.

Discussion ensued and staff answered questions from the Board.

A motion was made by Director Weed, seconded by Director Koller to 1) adopt a Resolution approving the sale of 2009 Water System Refunding Revenue Bonds, and 2) approve the execution of the required documents related to the sale as described above.

RESOLUTION NO. 09-046

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ALAMEDA COUNTY WATER DISTRICT RELATING TO THE ALAMEDA COUNTY WATER DISTRICT 2009 WATER SYSTEM REFUNDING REVENUE BONDS IN AN AMOUNT NOT TO EXCEED \$29,000,000, AND APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE, AN ESCROW AGREEMENT, A BOND PURCHASE CONTRACT AND A CONTINUING DISCLOSURE CERTIFICATE IN CONNECTION WITH SUCH BONDS AND APPROVING A PRELIMINARY OFFICIAL STATEMENT AND PROVIDING FOR THE APPROVAL OF AN OFFICIAL STATEMENT FOR SUCH BONDS AND APPROVING CERTAIN OTHER MATTERS IN CONNECTION WITH SUCH BONDS

The motion was passed by the following vote:

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

NOES: None

ABSENT: None

5.7 AUTHORIZATION FOR PARTICIPATION IN THE ASSOCIATION OF BAY AREA GOVERNMENTS (ABAG) MULTI-JURISDICTIONAL LOCAL HAZARD MITIGATION PLAN

Mr. Dennis reported to the Board that the federal Disaster Mitigation Act of 2000 (DMA 2000) outlines the requirements for state and local governments to qualify for both pre- and post-disaster hazard mitigation grant assistance programs administered by the Federal Emergency Management Agency (FEMA). To be eligible to apply for and receive these grants, a local agency must complete and submit a Local Hazard Mitigation Plan (LHMP). The LHMP must include hazard maps and descriptions of the hazards posing risk to the local agency (i.e. earthquake, flood, landslide, etc.). An outline of mitigation strategies that may be undertaken by the jurisdiction to address the identified risks is also required. In 2005, ABAG produced a Multi-Jurisdictional Local Hazard Mitigation Plan which outlines the natural and manmade hazards facing local governments and special districts within the San Francisco Bay Area. The ABAG plan provides an opportunity for all local governments and jurisdictions to submit agency-specific LHMP annexes for inclusion into their plan, thereby satisfying the mitigation planning requirements under DMA 2000.

ABAG is currently preparing the 2010 Multi-Jurisdictional LHMP and ACWD has been participating in a regional water utility stakeholder group supporting the development of this plan. The core objective of the stakeholder group has been to assist ABAG with the annex preparation process so that it can be more universally implemented by water utilities throughout the Bay Area. At this time, the process of developing an ACWD annex to the ABAG LHMP is underway and expected to be completed for inclusion into the 2010 ABAG plan. Once the 2010

ABAG plan is approved by FEMA, ACWD will be positioned to apply for pre- or post-disaster mitigation grants. Having an approved LHMP will also result in an increase in Federal disaster cost reimbursement levels to a minimum of 75%, as well as in a waiver of the 6.25% local match California requires for public assistance damage reimbursement.

The annex application process requires the opportunity for public comment on the District's current and planned mitigation strategies. ACWD will encourage these comments through the public meeting forum as well as through posted information on the ACWD internet site.

Mr. Paul Sethy, a resident of Fremont addressed the Board and asked questions regarding the plan. Discussion ensued and Mr. Dennis answered questions from Mr. Sethy and the Board.

A motion was made by Director Weed, seconded by Director Reynolds to authorize staff to proceed with preparation and submission of the ACWD annex to the ABAG Multi-Hazard Local Hazard Mitigation Plan.

The motion was passed by the following vote:

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

- Director Weed excused himself for the duration of the Board meeting at 6:45 P.M. to attend a previously scheduled meeting.

5.8 RESOLUTION AUTHORIZING A COOPERATIVE AGREEMENT WITH THE ALAMEDA COUNTY DEPARTMENT OF ENVIRONMENTAL HEALTH AND THE CITY OF NEWARK – GROUNDWATER PROTECTION PROGRAM

Mr. Stevenson reported that since 1988, the District has had a cooperative relationship with the cities of Fremont, Newark, and Union City and the California Regional Water Quality Control Board (Regional Board) to provide technical oversight of soil and groundwater investigation and remediation at Leaking Underground Fuel Tank sites and Spills, Leaks, Investigation, and Cleanup sites. This relationship has been very successful and was formalized in cooperative agreements with the Regional Board in 1996 and with each of the cities in 1997.

On July 24, 2008, the City of Newark began the process of decertifying the Newark Fire Department as a Certified Unified Program Agency (CUPA) and effective February 1, 2009, the responsibility for oversight of the CUPA programs was transferred from the City of Newark to the Alameda County Department of Environmental Health. Since the CUPA agency is responsible for coordinating and enforcing local, state, and federal hazardous materials management and environmental protection programs, the existing June 26, 1997 Cooperative Agreement with the City of Newark needs to be updated.

An updated Cooperative Agreement between the District, the City of Newark, and the Alameda County Department of Environmental Health has been drafted and is acceptable to the staffs at each agency. The updated Agreement is very similar to the original Agreement with the City of

Newark, except for the inclusion of the Alameda County Department of Environmental Health throughout the Agreement.

The updated Cooperative Agreement between the District, the City of Newark, and the Alameda County Department of Environmental Health continues the interagency coordination and cost-effective implementation of groundwater protection within the City of Newark. The updated Cooperative Agreement does not change any major aspect of the District's current groundwater protection program. The updated Cooperative Agreement specifies that the term of the agreement will continue until an agency terminates it by providing at least 90 days advance written notice.

Discussion ensued and staff answered questions from the Board.

A motion was made by Director Huang, seconded by Director Reynolds to adopt a resolution approving the Cooperative Agreement between the District, the City of Newark, and the Alameda County Department of Environmental Health and authorizing the General Manager to sign the Agreement.

RESOLUTION NO. 09-047

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
AUTHORIZING THE GENERAL MANAGER TO EXECUTE A
COOPERATIVE AGREEMENT WITH THE ALAMEDA COUNTY
DEPARTMENT OF ENVIRONMENTAL HEALTH AND THE CITY OF
NEWARK

The motion was passed by the following vote:

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

5.9 AUTHORIZATION OF STRUCTURAL MODIFICATIONS TO COMPLETE METER
TEST BENCH INSTALLATION

Mr. Stevenson reported that on August 14, 2008, the Board authorized the purchase of two water meter test benches to: 1) provide in-house capability to test large water meters; 2) replace an existing small manually-operated test bench that has been in service for more than twenty years; and 3) improve meter calibration and testing accuracy for the purpose of reducing unaccounted for water losses (i.e., lost revenue) and annual meter testing and maintenance costs. The equipment is ready for shipment; however structural and electrical modifications to the meter shop are required to accommodate equipment installation.

In order to expedite the work, staff requested cost proposals for the structural modification work from the two qualified and experienced Contractors currently under contract with the District. The lowest responsive proposal in the amount of \$47,369 was submitted by Valentine Corporation, the contractor currently engaged for the Bunting Pond Fish Screen Site Construction and Rubber Dam No. 2 Decommissioning Projects. The structural modification work includes construction of reinforced concrete foundations for a tank, skid mounted pumps,

floor mounted crane, and extension of security fencing around the exterior meter shop work area. Staff has evaluated Valentine’s proposal and determined it to be fair and reasonable. The work will be accomplished through a change order to the existing contract.

Staff is also currently preparing construction drawings to install conduit and wiring to provide power to the new equipment. Since the construction cost for the electrical work is estimated to be less than \$25,000, a purchase order will be issued for this work on a time and material basis.

The total cost for the structural and electrical modification work, including material testing, engineering support and permitting is estimated to be \$89,700. Although the CIP has funding for purchase of the meter shop test equipment, funding for the structural and electrical modification work is not included in the current budget, and a reserve appropriation is required.

A motion was made by Director Reynolds, seconded by Director Koller to 1) authorize a reserve appropriation in the amount of \$89,700; and 2) approve Change Order No. 2 in the amount of \$47,369 to Valentine Corporation for Bunting Pond Fish Screen Site Construction and Rubber Dam No. 2 Decommissioning Projects, Jobs 4313.2 and 6320, to complete the meter shop test bench installation.

The motion was passed by the following vote:

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

6 – REPORTS

6.1 BOARD COMMITTEE REPORTS

- Operations & Water Quality Meeting of August 5, 2009: (1) Title 22 Compliance Update and Groundwater Rule Implementation
- Water Resources Planning Meeting of August 19, 2009: (1) Alameda Creek Fisheries Update; (2) Dumbarton Quarry Project; (3) Union City Flatlands Development Project
- Engineering & Capital Projects Meeting of August 20, 2009: (1) Update on Proposed New Developments; (2) Replenishment Assessment Guidelines; (3) Impacts of Sea Level Rise n Niles Cone Groundwater Basin
- Administrative & Finance Meeting of August 25, 2009: (1) Bond Refinancing; (2) Public Facilities Financing Corporation

6.2 OPERATIONAL REPORTS

- Investment Report
- Quarterly Budget & Expense Report
- Annual FY Employee Reimbursement Required by AB 1542 (UMBERG)

- Annual Revenue & Expenditure Report
- Annual Meter Installation Report
- Annual Dwelling Unit Report
- Water Production Report

6.3 STAFF REPORTS – NONE

6.4 GENERAL MANAGER’S REPORTS

- Mr. Piraino reported that the District’s Public Facilities Financing Corporation (PFFC) was formed in 1992 for the purpose of leasing Certificates of Participation. The 1992 and 1995 Certificates of Participation were refinanced as Water Revenue Bonds in 1998. The District does have outstanding Certificates of Participation in the amount of 24 million dollars as a result of the 2003 issuance for water system planned upgrades and the desalination facility. Accordingly, the PFFC will need to remain in existence for the next 18 years, at which time the Certificates of Participation will be retired. Currently, the PFFC is comprised of three members, all of whom are former District Board of Directors. A vacancy will need to be filled with the passing of former Director, Harry Brumbaugh. The remaining Directors of the PFFC are former Directors Clark Redeker and Frank Borgi. The vacancy should be filled before the next meeting scheduled on January 19, 2010.

Mr. Piraino informed the Board of ways the vacancy can be filled. These include: appointing a former Director living in the District’s service area who is interested in filling the vacancy; having a current Board member serve on the PFFC; or amending the PFFC’s bylaws before the 2010 meeting date to allow the five current Board of Directors to serve as the PFFC. The latter requires both approval of the current Board and the current members of the PFFC, essentially dissolving the current structure of the PFFC.

The Board directed Mr. Piraino to request former Director, Phil Utic serve on the PFFC.

- Mr. Piraino informed the Board that the Pre-Approved Board Member Meeting List should be reviewed and revised since it has not been done so in a number of years. Board members are encouraged to provide input and Mr. Piraino will discuss any recommended changes with the Board at a future meeting. Directors Reynolds and Koller expressed a desire to attend the AWWA California-Nevada Section Conference in October, 2009. Since this conference will occur before the next Board meeting on October 8, 2009, the Board President will act on this request.

7 – DIRECTOR’S COMMENTS AND/OR AGENDA ITEM REQUESTS - NONE

8 – CLOSED SESSION

President Gunther adjourned the meeting to a closed session at 7:11 P.M. for the following item:

- Conference with Labor Negotiators Pursuant to Government Code Section 54957.6
 - Agency Negotiators: Directors Gunther and Koller
 - Unrepresented Employee: Walter L. Wadlow

The meeting reconvened at 7:26 P.M. President Gunther reported that the Board met in Closed Session to review the terms and conditions contained in an employment agreement between Walter L. Wadlow and the District. The Agreement would be effective on November 2, 2009 and would include the following compensation provisions:

- Starting salary at Step 3 of Range 328, amounting to \$227,976 per year
- An additional 40 hours of annual vacation leave accrual to be used in the year accrued
- A deferred compensation plan contribution equivalent to 5% of annual base pay

9 – POSSIBLE ACTION TO ADOPT A RESOLUTION TO APPROVE AN EMPLOYMENT AGREEMENT BETWEEN THE DISTRICT AND WALTER L. WADLOW, EFFECTIVE NOVEMBER 2, 2009

A motion was made by Director Koller, seconded by Director Huang to adopt a resolution to approve an employment agreement between the District and Walter L. Wadlow, effective November 2, 2009.

RESOLUTION NO. 09-048

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
AUTHORIZING THE PRESIDENT TO EXECUTE AN EMPLOYMENT
AGREEMENT BETWEEN THE DISTRICT AND WALTER L. WADLOW

The motion was passed by the following vote:

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

With there being no further business to come before the Board, President Gunther called the meeting adjourned at 7:30 P.M.

Andrew Warren, Assistant District Secretary

Attest:

James G. Gunther, President