

ALAMEDA COUNTY WATER DISTRICT MEMORANDUM

DATE: March 4, 2010
TO: Board of Directors
FROM: Walt Wadlow
SUBJECT: STAFF REPORT, ACTION CALENDAR ITEMS FOR MARCH 11, 2010

5.1* AUTHORIZATION OF PURCHASE ORDER FOR CYBERLOCK PROGRAMMABLE LOCK SYSTEM

SUMMARY: The District's current lock and key management system for facility access is outdated and in need of improvement to achieve better security and operational effectiveness. District staff has evaluated various approaches on improving the current lock and key management system and has determined that a programmable lock system, manufactured by CyberLock and sold by Mach Security Solutions, best meets the District's needs. The CyberLock system will replace existing mechanical lock cylinders with programmable lock cylinders at all publicly accessible critical facilities.

RECOMMENDATION: By motion, authorize a purchase order to Mach Security Solutions in an amount not to exceed \$75,142 for the purchase of a CyberLock programmable lock system.

DISCUSSION: The implementation of a new lock and key management system is one of the security improvement items included in the District's FY 09/10 and FY 10/11 adopted budgets. The current locks at District facilities vary in age from 12 years (the last time that padlocks were changed out) to 23 years (for locksets at the District's headquarters facility). Misplaced, lost and stolen keys have potentially undermined the overall effectiveness of the current lock and key management system.

The CyberLock system provides complete control over facility access through the use of programmable locks and electronic keys. The new key management system will provide a single key to each District employee and the ability to designate which locks can be accessed by an employee based on time of day and operational need. Lost or stolen keys can be easily deactivated from the system which will eliminate the need to rekey or replace locks. The system also includes the ability to audit lock use by each employee (or a temporary key holder such as a contractor) and to generate access control reports. The CyberLock system was first introduced in 2000 and is currently used by several regional municipalities including the Cities of Hayward and San Jose.

5.2* AUTHORIZATION OF PURCHASE ORDER FOR CONSULTANT SERVICES FOR CALIFORNIA ACCIDENTAL RELEASE PREVENTION PROGRAM COMPLIANCE

SUMMARY: The District is subject to California Accidental Release Prevention Program (CalARP) requirements because the volume of ammonium hydroxide stored at each of the District's four water

treatment facilities exceeds the specified threshold amounts for the ammonia solutions. Technical services from a consultant are needed to perform the risk analyses, prepare the necessary reports and assist the District with public outreach and communications, as necessary. Five firms were evaluated and Risk Management Professionals, Inc. was ranked as the best consultant for this work. There is adequate funding in the budget for this expenditure.

RECOMMENDATION: By motion, 1) authorize a purchase order to Risk Management Professionals, Inc. in an amount not to exceed \$24,490 for consulting services for CalARP compliance; and 2) authorize the General Manager to execute a consulting services agreement.

DISCUSSION: The (CalARP) is a State program that is administered locally by Certified Unified Program Agencies (e.g. the City of Fremont Fire Department and the Alameda County Hazardous Materials Division) under Title 19 of the California Code of Regulations. CalARP was established to help prevent the accidental release of airborne substances to the atmosphere that can cause serious harm to the public and the environment, and to satisfy community right-to-know laws. The threshold volume for having to comply with CalARP regulations is 343 gallons for a 19% ammonium hydroxide solution. The District stores a 19% solution of ammonium hydroxide (aqueous ammonia) in bulk quantities above this threshold amount at each of its four water treatment facilities and therefore, must comply with CalARP regulations. Aqueous ammonia is primarily used in the water treatment process to provide chloraminated drinking water to the distribution system. District staff evaluated proposals from five consultants to provide the technical services needed based on the consultant's approach to the project, responses to questions, team experience, and ability to meet the project schedule.

5.3* AUTHORIZATION OF AGREEMENT FOR FINANCIAL AUDIT SERVICES

SUMMARY: The District's current agreement for financial audit services with Caporicci and Larson, Certified Public Accountants, ended with the completion of their audit for the fiscal year 08/09. The firm of Macias, Gini & O'Connell, LLP (MG&O) was selected as the firm best qualified to conduct the financial audit for the next three fiscal years, beginning with the fiscal year ending June 30, 2010. There is adequate funding in the budget for the first audit.

RECOMMENDATION: By motion, authorize the General Manager to execute a services agreement with Macias, Gini & O'Connell, LLP to provide financial audit services for the fiscal years ending June 30, 2010, 2011 and 2012 at a total cost not to exceed \$139,050 with an option for an additional two-year extension.

DISCUSSION: The District utilizes the services of an outside accounting firm to conduct an annual audit of the District's financial records. At the Board meeting of December 13, 2007, the Board authorized a two year extension of an agreement with Caporicci and Larson (C&L), Certified Public Accountants, to provide financial audit services for the fiscal years ending June 30, 2008 and 2009. The final year of C&L's extended agreement ended with the completion of the audited financial statements and accompanying reports for the fiscal year ending June 30, 2009 which the Board accepted at their November 12, 2009 meeting.

In January 2010, staff sent Requests for Proposal (RFP's) for financial audit services to five accounting firms with experience in auditing the financial statements of governmental entities. All

five firms submitted proposals to the District. The proposals were evaluated by staff utilizing criteria that included compliance with the requirements of the RFP, understanding of the engagement and District needs, relevant governmental auditing experience of the firm and assigned staff, proposed audit approach, hours to be devoted to the audit, and total fees charged. Based upon the evaluation, subsequent interviews with the top two firms and reference checks, the Certified Public Accounting firm of MG&O was selected as the firm best suited to conduct the District's annual financial audit. This firm has previously performed satisfactory financial audit services for the District and is familiar with the District's operations, policies, procedures and guidelines and has worked well with District staff. The firm is currently providing audit services to a number of governmental clients including City of San Jose (including Water Department) and Sonoma County Water Agency. It is proposed that the District execute a three-year agreement with MG&O with the option for an additional two-year extension. The total not to exceed fees proposed by MG&O are as follows:

For the fiscal year ending:	June 30, 2010	\$ 45,000
	June 30, 2011	46,350
	June 30, 2012	<u>47,700</u>
	Total	\$ 139,050

5.4* RESOLUTION ACCEPTING COMPLETION OF THE BUNTING POND FISH SCREEN PROJECT

SUMMARY: Fabrication and installation of the Bunting Pond Fish Screen equipment was previously awarded to Intake Screens, Inc. (ISI) in the amount of \$291,250. This work is substantially complete and the equipment is now fully functional.

RECOMMENDATION: By motion, adopt a resolution accepting the completion of the Bunting Pond Fish Screen Project, Job 4313.1.

DISCUSSION: The Bunting Pond Fish Screen Project was completed under two separate contracts. The sitework component of the project was awarded to Valentine Corporation on April 14, 2009, as part of the Bunting Pond Fish Screen Site Construction Contract and Rubber Dam 2 Decommissioning and Foundation Modification Projects Contract. The final construction cost was \$882,790.51 and Valentine Corporation's work was accepted by the Board on January 14, 2010.

The Bunting Pond Fish Screen Fabrication Contract, consisting of the fabrication, installation, and startup of one cylindrical fish screen, was awarded to Intake Screens, Inc. (ISI) on March 12, 2009, in the amount of \$291,250. Fabrication and installation of the fish screen was substantially completed on February 17, 2010. There were no change orders associated with the work performed by ISI.

5.5* ADOPT A RESOLUTION VACATING PORTIONS OF EASEMENT, ROBSON HOMES, LLC

SUMMARY: A residential developer is seeking to change the building footprints on several of the homes to be constructed within a new development. Some of the proposed footprints extend into a water line easement that was previously granted to the District by the developer. In order to change

the building footprints, the District needs to quitclaim those portions of easement that conflict with the building footprints.

RECOMMENDATION: By motion, adopt a resolution vacating portions of District Easement No. 933 and authorizing the execution of a quitclaim deed for this easement to Robson Homes, LLC.

DISCUSSION: Tract 7862 is located at 42055 Blacow Road in Fremont. The developer, Robson Homes (Robson), previously granted an easement to the District (District Easement No. 933), extended water mains into the property, and is in the process of constructing residential units. The portions of District Easement No. 933 that are within the boundaries of lots 7, 8, 10, 11, 13, 14 and 15 include all of the lot areas except for the footprints of proposed buildings. Robson is proposing to revise building footprints within these lots. Accordingly, Robson is requesting that the District quitclaim the portions of District Easement No. 933 that will conflict with revised building footprints.

Staff has reviewed the request and determined that the referenced portions of District Easement No. 933 do not contain public water facilities and are not required.

5.6 AUTHORIZATION OF CHANGE ORDER NO. 1 FOR WATER MAIN RELOCATIONS TO ACCOMMODATE THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION BAY DIVISION PIPELINE NO. 5 PROJECT

SUMMARY: The Board previously awarded three separate construction contracts to two different contractors for the Water Main Relocations to Accommodate the San Francisco Public Utilities Commission (SFPUC) Bay Division Pipeline (BDPL) No. 5 Project. District forces are providing support for the contractors' work by installing isolation valves. However, one location requires deep excavations under high groundwater conditions, thus making it appropriate for McGuire & Hester, the contractor that is already working in the vicinity, to perform the valve installations. There is adequate funding in the budget.

RECOMMENDATION: By motion, approve Change Order No. 1 in the amount of \$99,500 to McGuire and Hester to furnish and install two 14-inch valves for Crossing No. 9, Water Main Relocations to Accommodate the San Francisco Public Utilities Commission Bay Division Pipeline No. 5 Project, Job 6401.

DISCUSSION: On January 14, 2010, the Board awarded the construction contract for Water Main Relocations to Accommodate the San Francisco Public Utilities Commission Bay Division Pipeline No. 5 Project to two separate contractors: R.J. Gordon in the amount of \$254,450 and McGuire & Hester in the amount of \$262,000. To facilitate the work by the District's contractors and to reduce the potential of prolonged service outages to District customers in the event the SFPUC contractor inadvertently damages an ACWD pipeline, District forces are installing isolation valves on both sides of the SFPUC right of way.

Installation of the isolation valves for the 14-inch water main located on Moores Avenue near Wintergreen Drive in Newark requires 15-foot deep excavations with an anticipated high groundwater level (5 feet below the surface). Because of the depth, likely challenging subsurface conditions, and specialized equipment and shoring requirements, the District would typically utilize

a contractor to perform this work.

Staff has prepared Change Order No. 1 in the amount of \$99,500 to cover the requested additional work. This work includes the installation of two isolation valve assemblies, each consisting of the following: 1) perform excavation, shoring, and continuous dewatering; and 2) furnish and install 15-feet of 14-inch steel pipe, a 14-inch butterfly valve, a reinforced concrete thrust restraint, a 14-inch transition coupling, and cathodic protection. District staff has confirmed that McGuire and Hester possesses the equipment, shoring, and expertise to perform this work. Staff has reviewed the costs for the additional work and has determined that they are fair and reasonable.

5.7 RESOLUTION APPROVING THE NILES BOULEVARD PIPELINE PROJECT AND FINDING THE PROJECT STATUTORILY EXEMPT FROM CEQA

SUMMARY: The Niles Boulevard Pipeline Project includes the installation of approximately 2,000 linear feet of 12-inch water main on Niles Boulevard in Fremont. The project meets the statutory exemption requirements under the California Environmental Quality Act (CEQA).

RECOMMENDATION: By motion, adopt a resolution that 1) approves the Niles Boulevard Pipeline Project, Job 6438, and 2) finds the project is exempt from CEQA pursuant to California Public Resources Code Section 21080.21.

DISCUSSION: On October 8, 2009, the Board authorized a purchase order to HMH for the pipeline design and related construction support services for the Niles Boulevard Pipeline Project. The project consists of installation of approximately 2,000 linear feet of a new 12-inch water main and appurtenances, miscellaneous pipe abandonment work, and replacement of service lines. The purpose of the project is to relocate and replace the existing 6-inch water main to accommodate the City of Fremont's Niles Boulevard Roadway Improvement Project. The contract documents are being prepared by a consultant (HMH) and are approximately 90% complete. Staff plans to procure the services of an outside contractor by using the District's standard construction bid process. Construction is scheduled to begin during July 2010.

California Public Resources Code Section 21080.21 provides that any project for the installation of new pipeline or maintenance, repair, restoration, removal, or demolition of an existing pipeline that is less than one mile in length and within a public right of way is statutorily exempt from CEQA. The Niles Boulevard Pipeline Project qualifies for this Statutory Exemption because the length of new pipeline is less than one mile and it is within a public right of way. By finding the project exempt from CEQA, the statute of limitations for a CEQA-related challenge to the project is 35 days from the date that the Notice of Exemption is filed.

5.8 RESOLUTION APPOINTING REPRESENTATIVE TO THE SOUTHERN ALAMEDA COUNTY GEOGRAPHIC INFORMATION SYSTEM AUTHORITY

SUMMARY: The District is a member of the Southern Alameda County Geographic Information System Authority (Authority). The enabling Joint Powers Agreement requires a representative from each member agency to serve on the Board of Directors of the Authority. The District has an opportunity to appoint a Director as the District's representative to the Authority.

RECOMMENDATION: Consider nominations and by motion, adopt a resolution appointing a Director as a representative to the Southern Alameda County Geographic Information System Authority.

DISCUSSION: The Authority was formed in April 2000 under a Joint Powers Agreement and is responsible for ongoing use, operation and maintenance of a Geographic Information System (GIS) covering the tri-city area. In addition to ACWD, other members of the Authority include the City of Fremont, City of Newark, City of Union City and Union Sanitary District. The District utilizes GIS applications to query various GIS layers of municipal infrastructure, aerial photos, location of water mains, valves, and basemap data such as parcel information, addresses, street and centerlines.

The Authority is governed by a Board of Directors consisting of a representative from each member agency. The Authority Board is required to meet at least once annually, usually on the third Wednesday in May, and additional meetings may be called as required. The Joint Power Agreement requires each member agency to appoint one person, who must be a current member of its legislative body, to serve on the Authority Board of Directors. On July 13, 2000, the Alameda County Water District Board of Directors adopted Resolution No. 00-044, which appointed a Director and Alternate to serve on the Authority Board of Directors.

5.9 BOARD MEMBER ATTENDANCE AT ASSOCIATION OF CALIFORNIA WATER AGENCIES LEGISLATIVE SYMPOSIUM

SUMMARY: The Board's "Policy Governing Compensation of Board Members" and "Policy for Expense Reimbursement of Board Members" authorize attendance at and compensation for ACWA's annual State Legislative Conference (Legislative Symposium) for Board members of the Legal and Legislative Committee without specific pre-approval. Given the potential this legislative session for many pieces of water legislation important to the District's interests, staff recommends that the Board authorize attendance by any interested Board member at this year's ACWA Legislative Symposium.

RECOMMENDATION: By motion, authorize attendance at and compensation for the ACWA 2010 Legislative Symposium for any interested Board member.

5.10 ADOPTION OF RESOLUTION SUPPORTING THE SAFE, CLEAN AND RELIABLE DRINKING WATER SUPPLY ACT OF 2010

SUMMARY: The Safe, Clean and Reliable Drinking Water Supply Act of 2010 (2010 Water Bond) is an \$11.14 billion general obligation bond measure targeted for the November, 2010 ballot. If approved by voters, the measure would provide funding for California's water infrastructure as well as projects and programs to improve water supply reliability and ecosystem health in the Delta. It is anticipated that these projects and programs would improve the reliability of the District's State Water Project supplies in future years. Additionally, the District has about \$44 million of currently programmed projects to improve water supply reliability and quality in the service area which could potentially compete for funding from the bond should it pass.

RECOMMENDATION: By motion, adopt a resolution supporting the Safe, Clean and Reliable Drinking Water Supply Act of 2010 on the November, 2010, ballot.

DISCUSSION: The 2010 Water Bond is part of a legislative package on water approved by the California Legislature and signed by Gov. Arnold Schwarzenegger in November, 2009. The package addressed long-term improvements in statewide water management, water reliability and ecosystem health.

Staff shared information and responded to questions regarding both the legislative package and the proposed bond in the Legal and Legislative Committee meetings and Board meetings in November, December, January, and February. Counsel also provided the Board (and District employees) with guidance on permissible activities related to the 2010 Water Bond. It is permissible for the Board to formally adopt a position on the 2010 Water Bond.

The Board also requested that staff prepare an analysis of the major areas of funding within the 2010 Water Bond and the potential eligibility of District projects for such funding. In summary, ACWD has about \$44 million in currently programmed projects which could potentially compete for \$2.74 billion of the \$11.14 billion in the bond. About \$2.67 billion of the available funding is identified as grants and about \$72 million as loans.

Additional District projects, not yet programmed, in the areas of recycled water, interconnections with other Bay Area water agencies, groundwater cleanup, conservation, and fish passage may also be eligible to compete for funding from the bond. The District's ability to obtain funding would depend not only on the passage of the bond, but the eligibility criteria established by the state agencies administering the funding, and the competitiveness of the District's projects in the selection process. A section-by-section analysis of the bond and the potential for available funding is included in the attached analysis.

Attachments

cc: Executive Staff