

March 11, 2010
Fremont, California

The regular monthly meeting of the Board of Directors of ALAMEDA COUNTY WATER DISTRICT was held on March 11, 2010 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 Huang, Gunther, Reynolds, Weed, and Koller

Staff members present: General Manager Walt Wadlow, Engineering Manager Bob Shaver, Finance and Administration Manager Will Ligh, Operations Manager Steve Peterson, Groundwater Resources Engineer Mike Halliwell, Attorney Patrick Miyaki, and District Secretary Gina Markou.

President Martin Koller presided.

Steve Peterson led in the Salute to the Flag.

3 – PUBLIC COMMENTS - None

4 – CONSENT CALENDAR

A motion was made by Director Gunther to add items 5.1 through 5.5 to the Consent Calendar, seconded by Director Reynolds.

The motion was passed by the following vote:

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

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

- 4.1 Approval of Minutes – Regular Meeting of February 11, 2010
- 4.2 Ratification of Payment of Audited Demands dated February 12, February 19, February 26, and March 5, 2010
- 5.1 Authorization of Purchase Order for Cyberlock Programmable Lock System
- 5.2 Authorization of Purchase Order for Consultant Services for California Accidental Release Prevention Program Compliance
- 5.3 Authorization of Agreement for Financial Audit Services
- 5.4 Resolution Accepting Completion of the Bunting Pond Fish Screen Project
- 5.5 Adopt a Resolution Vacating Portions of Easement, Robson Homes, LLC

The motion was passed by the following vote:

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

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

5.1* AUTHORIZATION OF PURCHASE ORDER FOR CYBERLOCK PROGRAMMABLE LOCK SYSTEM

The District’s current lock and key management system for facility access is outdated and in need of improvement to achieve better security and operational effectiveness.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.

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.

A motion was made by Director Gunther, seconded by Director Reynolds to 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.

The motion was passed by the following vote:

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

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

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.

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.

A motion was made by Director Gunther, seconded by Director Reynolds to 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.

The motion was passed by the following vote:

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

NOES: None

ABSENT: None

5.3* AUTHORIZATION OF AGREEMENT FOR FINANCIAL AUDIT SERVICES

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.

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

A motion was made by Director Gunther, seconded by Director Reynolds authorizing 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.

The motion was passed by the following vote:

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

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

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.

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.

A motion was made by Director Gunther, seconded by Director Reynolds to adopt a resolution accepting the completion of the Bunting Pond Fish Screen Project, Job 4313.1.

RESOLUTION NO. 10-014

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
ACCEPTING COMPLETION OF CONTRACT NO. 3633, INTAKE SCREENS,
INC, JOB 4313.1

The motion was passed by the following vote:

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

NOES: None

ABSENT: None

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

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.

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.

A motion was made by Director Gunther, seconded by Director Reynolds to 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.

RESOLUTION NO. 10-015

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
VACATING EASEMENT FOR WATER PIPELINE

The motion was passed by the following vote:

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

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

Mr. Shaver reported that 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.

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.

A motion was made by Director Weed, seconded by Director Reynolds to 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.

The motion was passed by the following vote:

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

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

Director Weed stated that as an owner of commercial property in the Niles District of Fremont located in close proximity to the project, he would, as required by law, recuse himself from any participation in or discussion of Item 5.7. Director Weed left the Director's Room at 6:04 P.M.

Mr. Shaver reported that 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).

On October 8, 2009, the Board authorized a purchase order to HMM 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 (HMM) 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.

A motion was made by Director Reynolds, seconded by Director Gunther to 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.

RESOLUTION NO. 10-016

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
FINDING THE NILES BOULEVARD PIPELINE PROJECT STATUTORILY
EXEMPT FROM CEQA AND APPROVING PROJECT, JOB 6438

The motion was passed by the following vote:

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

Director Weed returned to the Director's Room at 6:06 P.M.

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

Mr. Wadlow reported that 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.

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 baseman 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.

A motion was made by Director Gunther, seconded by Director Weed to adopt a resolution appointing Director Reynolds as a representative to the Southern Alameda County Geographic Information System Authority.

RESOLUTION NO. 10-017

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
AMENDING RESOLUTION NO. 00-044 APPOINTING DIRECTOR TO THE
SOUTHERN ALAMEDA COUNTY GEOGRAPHIC INFORMATION
SYSTEM AUTHORITY

The motion was passed by the following vote:

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

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

Mr. Wadlow reported that 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.

A motion was made by Director Weed, seconded by Director Reynolds to authorize attendance at and compensation for the ACWA 2010 Legislative Symposium for any interested Board member.

The motion was passed by the following vote:

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

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

Mr. Wadlow reported that 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.

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.

Responding to a previous inquiry to staff from Director Huang, Mr. Shaver summarized SB X7.2, The Safe, Clean, and Reliable Drinking Water Act of 2010, and presented staff's assessment of the amount of State funding that could potentially be made available to ACWD if the bond is approved by the voters on November 2, 2010.

Pending the outcome of the November, 2010 election, the legislation authorizes \$11.14 billion in general obligation bonds to be sold by the State Treasurer for specific purposes. However, no more than \$5.57 billion may be sold before 2015. Other specific provisions of the legislation include the following:

- Up to 5% may be applied for the bonds' administrative costs.
- Up to 10% of expenditures may be for planning and monitoring of Projects.
- No funds may be used for environmental compliance, except when performed as part of projects. However, funds may be used for environmental enhancement projects.
- Funds may not be used for a Delta conveyance facility.
- Administering State agencies may limit the dollar amount of grants to be awarded.

Mr. Shaver described the various funding categories contained within the legislation and the amount of funding within each category that potentially could be made available to ACWD. In summary, the result of staff's analysis is that ACWD would be eligible to compete with other entities for the following State funding:

Statewide Revolving Fund Loan - \$72M

Statewide Grants - \$2,550B

Local (San Francisco Bay Area-Specific) Grants - \$118M

Although the balance of bond funding would not be directly available to ACWD, Mr. Shaver indicated that the District's ratepayers would receive significant benefits, such as improved water supply reliability from the State Water Project, from the projects included in the legislation.

The District currently has programmed \$44M in Capital Improvement Projects that could be eligible for funding under the terms of legislation.

Following Mr. Shaver's presentation, discussion ensued which included the following:

Director Reynolds asked if a failing septic system in Sunol, part of the Alameda Creek Watershed, would qualify for a small community waste water treatment grant. Mr. Wadlow stated that San Francisco has indicated that they intend to live up to their responsibilities to the Sunol area. That was put on their plate in discussions with Alameda County and they have agreed that they are going to go in and do substantial revamping of the fire system.

Director Weed stated that San Francisco currently has put in a water system but they need to upgrade it. They don't have anything to do at all currently with waste water. Mr. Wadlow concurred with Director Weed and added that it was his understanding that the County has also tried to put that on San Francisco's plate as well.

Director Reynolds inquired if the old chemical factory in Niles is a super fund site. Mr. Shaver responded that he did not believe the chemical factory meets the criteria.

Director Weed inquired if there was a potential that NUMMI may become a super fund site.

Director Huang stated there is a scoring sheet process and NUMMI would have to really score high to be in super fund which is very possible for NUMMI if contamination is found. The State would have to agree to the listing.

Director Weed stated that within the recycled water world there are two elements. One of them being the processing itself and the other the piping and the network. Director Weed inquired if the District has experience or any background on being able to request funding for putting in the appropriate pipe in a system. Mr. Shaver responded, stating he did not see any limitations in terms of type of infrastructure included in the legislation.

Director Weed inquired if, once in place, the network of purple pipe could bring raw ground water. Mr. Shaver responded that was potentially the case.

Director Huang stated that for every acre foot of recycled water the District used, the District would actually receive credit as a reduction in its water use. So in that sense, it has an advantage over raw ground water because the District would not receive credit for using raw ground water. On top of that recycled water would provide additional reliability as far as local water supplies.

Mr. Weed commented that recycled water would come at a remarkably high cost. Mr. Shaver indicated that the grant funding might help if the District decides to go in that direction.

Director Reynolds inquired as to who would administer this grant money because the Federal stimulus money was administered by the Department of Health Services who distributed that money by targeting small awards to more utilities. Mr. Shaver stated that it was too early to tell and that there are multiple administering agencies and organizations for each type of funding.

Mr. Weed stated that Prop. 50 was the District's other prior experience where voters actually passed a bond for primarily conservation work. Some things spun out of that including a determination that only public agencies could avail themselves of the bond money. Mr. Weed believed that both public and private water agencies will be able to put in applications for using the funds. Mr. Wadlow pointed out that this question has actually been raised and, as Mr. Shaver said, everybody from State Board to DWR to DPH will be involved along with many other administering agencies. The question as to which model they will use has also been asked. Mr. Wadlow informed the Board that he has heard it in several different forms and the response has been that it will be the Prop. 84 model which occurred subsequent to Prop. 50.

Mr. Wadlow informed the Board that on the advice of counsel, additional language would be added to the Resolution. The additional language would read as follows "that no District funds or resources will be used to campaign for the water bond ballot measure".

A motion was made by Director Gunther, seconded by Director Weed to adopt a resolution supporting the Safe, Clean and Reliable Drinking Water Supply Act of 2010 on the November, 2010, ballot.

RESOLUTION NO. 10-018

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
SUPPORTING THE SAFE, CLEAN AND RELIABLE DRINKING WATER
SUPPLY ACT OF 2010

The motion was passed by the following vote:

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

6 – REPORTS

6.1 BOARD COMMITTEE REPORTS

- Operations & Water Quality Meeting of March 9, 2010: (1) Water Supply Forecast Update; (2) Current Technologies for Controlling Quagga Mussels

- Legal & Legislative Meeting of March 10, 2010: (1) Update on Introduced Legislation; (2) Update on PVC Pipe Lawsuit
- Water Resources Planning Meeting of March 17, 2010: (1) Alameda Creek Fisheries Update
- Engineering & Capital Projects Meeting of March 18, 2010: (1) Non-Potable Water Use; (2) San Francisco Public Utilities Commission Bay Division Pipeline Projects Update; (3) Mission San Jose Water Treatment Plant Update
- Administrative & Finance Meeting of March 23, 2010: (1) Collection Agency Agreement Renewal

6.2 OPERATIONAL REPORTS

- Rainfall Report
- Water Production Report
- Investment Report
- Quarterly Budget & Expense Report

6.3 STAFF REPORTS

- Mr. Halliwell reviewed the findings of the Survey Report on Groundwater Conditions, which recommends an assessment on the production of groundwater from the groundwater supplies within the District during FY 10/11. A public hearing will be held on April 13, 2010, regarding the Replenishment Assessment. Discussion ensued and staff responded to questions from the Board.

President Koller announced that the District needs to reschedule its regular board meeting from April 8, 2010 to April 13, 2010, to accommodate the Replenishment Assessment public hearing.

A motion was made by Director Reynolds, seconded by Director Gunther to reschedule the regular board meeting from April 8, 2010 to April 13, 2010.

The motion was passed by the following vote:

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

6.4 GENERAL MANAGER'S REPORTS

- Mr. Wadlow advised the Board that the 2010 legislative water package placed into statute a requirement that urban areas reduce their per capita water use 20% by 2020. In that package there were three methods specified for computing whether or not an agency had achieved its 20% by 2020. A fourth method was left to be determined by the Department of Water Resources by this coming December. The workshop process for determining

that fourth method kicked off on March 8, 2010 and the District submitted both written comments and Mr. Thomas Niesar appeared in Sacramento to participate in that workshop. Positive feedback was received from other parties on Mr. Niesar's presentation. Mr. Wadlow noted that appropriate consideration of brackish groundwater desalination was a central point that Mr. Niesar made in his comments as part of the Department of Water Resources workshop. It was noted that the District is making every effort to have that recognized.

- Mr. Wadlow distributed a Summary of Introduced Water Legislation in Sacramento to the Board which was previously distributed to the Legal and Legislative Committee. Some individuals forecast last year that because of all the work done on the water package, this would be a light year for water legislation. Mr. Wadlow pointed out that there have been a large number of bills on California water introduced into this legislative session. The report from Jennifer West, the District's Sacramento representative, groups legislation by type. The Association of California Water Agencies State Legislative Committee meets in Sacramento on March 12, 2010 and Mr. Wadlow will be representing the ACWA Region 5 and Alameda County Water District at that meeting. The staff analysis of the bills, not including the actual language, runs 90 pages. The actual legislative language itself runs many more and there are still a number of spot bills to be dealt with.
- Mr. Wadlow distributed a letter he signed on March 11, 2010, in support of Assembly Bill 1929 by Hall having to do with invasive species. This item was discussed at the Legal and Legislative Committee on March 10, 2010. This is an Assembly Bill which in essence says that if you are a water operator and you are doing the best you can to prevent the introduction of zebra or quagga mussels into your water bodies, that should these invasive species end up in your water bodies, you should not be held criminally or civilly liable for the appearance of those mussels. Under current Fish & Game Code you could be cited for the introduction of invasive species and held criminally liable. That seems unreasonable to many of the water operators in the State so the District is joining many other agencies in expressing support for an Assembly Bill which would remove that civil and criminal liability should zebra or quagga mussels appear despite the District's best efforts.

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

- Director Weed informed the Board that the Association of California Water Agencies will be holding its Region 5 meeting at Vandenberg Air Force on April 10 and April 11, 2010. Director Weed announced that Region 5 has two openings on its Federal Affairs Committee. Director Reynolds indicated that he would be interested.
- Director Weed also reminded the Board about the upcoming Alameda County Special Districts Association dinner on March 25, 2010.

- Directors Huang and Koller gave a brief report on the California Water Policy 19 Conference they attended in Los Angeles on March 3 through March 5, 2010.
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8 – CLOSED SESSION

President Koller adjourned the meeting to a closed session at 7:30 P.M. for a conference on the following item:

8.1 Public Employee Performance Evaluation pursuant to Government Code Section 54957

- Position: General Manager

Director Koller reported that the Board evaluated the performance of the General Manager. No action was taken in the closed session.

There being no further business to come before the Board, President Koller adjourned the meeting at 9:00 P.M.

Gina Markou, District Secretary

Attest:

Martin L. Koller, President