

July 8, 2010  
Fremont, California

The regular monthly meeting of the Board of Directors of ALAMEDA COUNTY WATER DISTRICT was held on July 8, 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 (arrived at 6:20 P.M.), Gunther, Reynolds, Weed (arrived at 6:05 P.M.), and Koller

Staff members present: General Manager Walt Wadlow, Engineering Manager Bob Shaver, Acting Finance and Administration Manager Michael Yee, Operations Manager Steve Peterson, Human Resources Manager Altarine Vernon, Attorney Patrick Miyaki, and District Secretary Gina Markou.

President Martin Koller presided.

Mr. B.J. Bunting led in the Salute to the Flag.

3 – PUBLIC COMMENTS – None.

Mr. Steve Peterson welcomed and introduced Mr. Kwame Agyare who was recently hired as the Water Production Manager. Before joining the District, Mr. Agyare worked for the Arizona Department of Environmental Quality for 9 years. Mr. Agyare is licensed as a professional engineer both in the state of Arizona and California.

The Board of Directors welcomed Mr. Agyare to the District.

4 – CLOSED SESSION

President Koller adjourned the meeting to a closed session at 6:05 P.M. for a conference on the following item:

- 4.1 Public Employee Performance Evaluation Pursuant to Government Code Section 54957
  - Position: General Manager

The meeting reconvened at 7:18 P.M. Mr. Wadlow reported that the Board met with the General Manager in closed session on his performance and no action was taken.

Prior to the Board considering the Consent Calendar, Mr. Wadlow informed the Board of two corrections to Item 5.3 on the Consent Calendar. On Page 2 – Paragraph 2 there is a reference to a Water Resources Planning Intern deletion and it should read 1.0 FTE rather than 0.5 FTE. The second correction is in Paragraph 3 on the same page – Information Systems Analyst 2 is indicated at Range 133 and it should read 143.

5 – CONSENT CALENDAR

A motion was made by Director Gunther to add items 6.1 through 6.11 to the Consent Calendar, seconded by Director Weed.

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.

- 5.1 Approval of Minutes – Regular Meeting of June 10, 2010
- 5.2 Ratification of Payment of Audited Demands dated June 11, June 18, and June 25, 2010
- 5.3 Resolution Amending the FY 09/11 Personnel Budget and the Management/Confidential/Professional (MCP) FY 09/10 Compensation Schedule

RESOLUTION NO. 10-031

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
AMENDING FY 09/11 PERSONNEL BUDGET AND THE  
MANAGEMENT/CONFIDENTIAL/PROFESSIONAL (MCP) FY 09/10  
COMPENSATION SCHEDULE

- 5.4 Resolution Authorizing Michael Yee’s Facsimile Signature for Bank of the West

RESOLUTION NO. 10-032

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
AUTHORIZING MICHAEL YEE’S FACSIMILE SIGNATURE FOR BANK  
OF THE WEST

- 6.1 Resolution Accepting Completion of the 2010 Potable Water Storage Facility Cleaning
- 6.2 Authorization of Purchase Order for Cationic Polymer
- 6.3 Authorization to Enter an Agreement with T-Mobile West Corporation
- 6.4 Authorization of Purchase Order for Asphalt Repair Work at District Facilities
- 6.5 Authorization of Purchase Order for Wellfield Replacement Substation Transformer
- 6.6 Resolution Accepting Completion of the Alameda Reservoir Water Quality Enhancement Equipment Installation Project
- 6.7 Authorization of Change Order No. 2 for Newark Brackish Water Desalination Facility Expansion Project
- 6.8 Authorization of Purchase Order Amendment for Water Well Rehabilitation Services

- 6.9 Renewal of Workers' Compensation Insurance Coverage for Fiscal Year 10/11
- 6.10 Renewal of Property and Liability Insurance Coverage for Fiscal Year 10/11
- 6.11 Resolution Adopting the Amended and Restated Association of California Water Agencies Health Benefits Authority Bylaws and JPA Agreement and Appointing the ACWD Regular and Alternate Representatives

The motion was passed by the following vote:

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

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

6.1\* RESOLUTION ACCEPTING COMPLETION OF THE 2010 POTABLE WATER STORAGE FACILITY CLEANING

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The contract for cleaning and inspection of Patterson and Middlefield Reservoirs was awarded to DRS Marine, Inc. in the amount of \$123,000. The reservoir cleaning work has been completed and one area of concern was discovered as a result of the inspections. The lining at Middlefield Reservoir has small bubbles (blisters) on about half of the surface area submerged under water. Fortunately, the blisters are only on the outer surface (or layer) of the lining and currently, no leakage is occurring because of the blisters.

The scope of work consisted of the removal of sediment in the bottoms of the two reservoirs and the inspection of the reservoir linings and columns. Patterson Reservoir cleaning and inspection began on January 29, 2010 and was completed 14 working days later on February 18, 2010. Middlefield Reservoir cleaning and inspection began on April 19, 2010 and was completed 16 working days later on May 10, 2010. The contract was completed on June 10, 2010 after receipt of both the final inspection report and DVD video of the cleaning and inspection conducted inside the two reservoirs.

In response to the discovery of the blisters in the lining at Middlefield Reservoir, staff will be contacting the fabricator of the product used in the installation of the lining even though the lining is beyond the warranty period and has been in-service for nine years. The discussion will include whether the blisters will have an effect on the performance and the life of the lining, and if repairs are recommended. Additionally, staff will be monitoring the performance of the lining on a more frequent basis including keeping track of the amount of water that seeps under the reservoir. Seepage that flows into the network of collection piping under Middlefield Reservoir is monitored regularly. Records show there has been no change in the rate of seepage over the past several years indicating there has been no change in the amount of leakage through the lining.

A motion was made by Director Gunther, seconded by Director Reynolds to adopt a resolution accepting the completion of the contract for the 2010 Potable Water Storage Facility Cleaning, Job 6439.

RESOLUTION NO. 10-033

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
ACCEPTING COMPLETION OF CONTRACT NO. 3666, DRS MARINE,  
INC., JOB 6439

The motion was passed by the following vote:

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

6.2\* AUTHORIZATION OF PURCHASE ORDER FOR CATIONIC POLYMER

The District's contract with Polydyne, Inc. for cationic polymer will expire on June 30, 2010. The District received and opened three bids on May 21, 2010 for cationic polymer for FY 10/11. Polydyne, Inc. submitted the lowest bid with a unit price of \$1,480 per ton. Adequate funds have been allocated to cover this expense in the FY 10/11 budget.

Cationic polymer is used at Water Treatment Plant No. 2 as a coagulant aid. The District advertised and subsequently opened bids for this chemical on May 21, 2010. All bids were checked for compliance with the bidding requirements. The bid from Nalco was not signed and was considered non-responsive. The new unit price represents a 5.7 % increase over the current unit price of \$1,400 per ton. The estimated cost of this chemical for FY 10/11 is \$84,360 based on the estimated usage rate.

A motion was made by Director Gunther, seconded by Director Reynolds authorizing a purchase order to Polydyne, Inc. for the purchase and delivery of cationic polymer for FY 10/11 at the unit price quoted.

The motion was passed by the following vote:

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

6.3\* AUTHORIZATION TO ENTER AN AGREEMENT WITH T-MOBILE WEST CORPORATION

The District was approached by representatives of T-Mobile West Corporation (T-Mobile) to construct a cellular communications facility at Whitfield Reservoir located at 42900 Paseo Padre Parkway in Fremont. The terms of the lease include provisions for the District to receive initial rent payments in the amount of \$2,000 per month with annual rent adjustments at a three percent rate of increase.

Currently, there are two cellular companies with facilities constructed at Whitfield Reservoir, Sprint and Nextel. The two companies (which have since merged) have been at Whitfield Reservoir since 2000 and 2001, respectively. The two companies share one antenna support structure called a monopole. Additionally, the District uses the existing monopole to support its own SCADA antenna at no cost.

In May 2009, representatives of T-Mobile contacted the District about establishing a cellular communications facility at Whitfield reservoir. T-Mobile is proposing to construct a second monopole in the configuration of a pine tree called a monopine. The process necessary for a communications company to construct a new facility on District property includes: 1) having the communications company prepare preliminary and final design drawings of the facility, 2) completing all California Environmental Quality Act (CEQA) documentation, if required, 3) obtaining a Conditional Use Permit from the City of Fremont for the project which may require obtaining City Planning Commission approval, 4) entering into an access agreement with the District that includes obtaining specified levels of insurance, 5) entering into a lease agreement with the District, and 6) paying an administrative fee of between \$5,000 and \$7,000 to the District to cover staff time to review submittal drawings and to prepare the lease agreement. Fremont's Planning Commission approved T-Mobile's project on March 25, 2010. District Legal Counsel and staff have reviewed the T-Mobile lease agreement and are satisfied that it meets the interests of the District.

A motion was made by Director Gunther, seconded by Director Reynolds authorizing the General Manager to sign the communications site lease agreement with T-Mobile West Corporation.

The motion was passed by the following vote:

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

#### 6.4\* AUTHORIZATION OF PURCHASE ORDER FOR ASPHALT REPAIR WORK AT DISTRICT FACILITIES

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Asphalt pavement at four of the District's water storage facilities has deteriorated and is in need of repair. The District received and opened five bids on June 3, 2010 for asphalt repair work at the four water storage sites. Galedrige Construction, Inc. of Alviso, California, submitted the lowest responsive bid of \$124,928. Additionally, staff is recommending authorization of a \$12,500 contingency (10% of the bid amount) to cover change order work for unforeseen asphalt repairs. There is sufficient funding in the budget for this expenditure.

The facilities needing asphalt paving repairs are Patterson and Decoto Reservoirs, and Appian and Vineyard Heights Tanks. The condition of the paving and the methods used for repair will be different for each site. The methods that will be used for the repair work include removing the existing asphalt pavement and replacing it with new pavement, overlaying the existing pavement with two inches of new asphalt with a "Petromat" fabric and, filling cracks in the existing pavement with a hot applied asphalt sealant. Additionally, in paved areas with small cracks, a sealcoat will be applied to the existing surface to fill in the cracks to improve water resistance.

The District advertised and subsequently opened bids for the asphalt repair work on June 3, 2010. All bids were checked for compliance with the bidding requirements. The bid Alaniz Construction submitted failed to include proof of insurance and the non-collusion affidavit form with evidence of corporate authority, and was considered non-responsive. The bid Galedrige Construction, Inc. submitted did not contain the evidence of corporate authority attachment to the non-collusion affidavit form. The contractor subsequently submitted the attachment and because this deviation is minor, it may be considered as inconsequential and waived by the Board.

A motion was made by Director Gunther, seconded by Director Reynolds to 1) reject the bid by Alaniz Construction as non-responsive, 2) waive the minor irregularity in the bid by Galedrige Construction, Inc., 3) authorize a purchase order to Galedrige Construction, Inc. for asphalt repair work in the estimated amount of \$124,928, and 4) authorize a \$12,500 contingency to cover change order work for unforeseen asphalt repairs.

The motion was passed by the following vote:

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

#### 6.5\* AUTHORIZATION OF PURCHASE ORDER FOR WELLFIELD REPLACEMENT SUBSTATION TRANSFORMER

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One of the District's substation transformers at its Mowry and Peralta-Tyson Wellfields failed and must be replaced. The District received and opened five bids on June 17, 2010 for the purchase of a transformer to be installed at the Peralta-Tyson (PT) Wellfield. Virginia Transformer Company submitted the lowest responsive bid in the amount of \$158,328.05. There is adequate funding in the total budget for this expenditure; therefore, a reserve appropriation is not needed. However, Board authorization is required to transfer capital funds to the Wellfield Maintenance account since the amount needed exceeds the intra-budget adjustment limit of \$50,000 set by the Board.

The District owns and operates three substation transformers at its Mowry and PT Wellfields. One transformer is located and in-service at each wellfield. A spare (or backup) transformer is stored at the PT Wellfield should one of the in-service transformers fail. During maintenance testing in October 2009, the cast coil transformer at the Mowry Wellfield failed and was replaced with the spare. The original transformer coils are cast in resin, and cannot be repaired. Additionally, replacement coils are not available because the original manufacturer is out of business. Staff investigated several different replacement options and determined that a new transformer would be the most cost effective solution.

The District advertised and subsequently opened five bids for the replacement substation transformer on June 17, 2010. All bids were checked for compliance with the bidding requirements. All bids had discrepancies and three of the bids were deemed to be non-responsive. The bid summary identifies the reasons that three of the bids were deemed to be non-responsive. The bid submitted by Virginia Transformer Company did not include State sales

taxes. This deviation is minor and considered to be inconsequential. Virginia Transformer Company remained the lowest response bidder with the addition of State sales taxes to its bid.

Regarding the transfer of funds from the SCADA Systems Major Upgrades account, this transfer will not result in additional monies being added to the Capital Improvement Program because there are sufficient funds in next year's budget for the planned SCADA work.

A motion was made by Director Gunther, seconded by Director Reynolds to 1) reject the bids by MGM Transformer Company and Sierra Utility Sales-Federal Pacific Company as non-responsive, 2) waive the minor irregularity in the bid by Virginia Transformer Company, 3) authorize a purchase order to Virginia Transformer Company for one substation transformer and appurtenances for \$158,328.05, and 4) authorize the transfer of \$159,000 from the SCADA Systems Major Upgrades account to the Wellfield Maintenance account.

The motion was passed by the following vote:

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

NOES: None

ABSENT: None

6.6\* RESOLUTION ACCEPTING COMPLETION OF THE ALAMEDA RESERVOIR  
WATER QUALITY ENHANCEMENT EQUIPMENT INSTALLATION PROJECT

The Board previously awarded the installation, testing, and start up of water treatment equipment for the Alameda Reservoir Water Quality Enhancement Equipment Installation Project to Monterey Mechanical Company. The work is complete and the equipment is now fully functional.

On November 4, 2009, the Board awarded the construction contract for the Alameda Reservoir Water Quality Enhancement Equipment Installation Project to Monterey Mechanical Co. in the amount of \$223,600. The project consists of the installation, testing, and start-up of water treatment equipment previously purchased by the District as well as supporting equipment furnished by the Contractor. One contract change order was previously approved by the Board. The final contract cost is \$232,298.95.

A motion was made by Director Gunther, seconded by Director Reynolds to adopt a resolution accepting the completion of the Alameda Reservoir Water Quality Enhancement Equipment Installation Project, Job 6361.

RESOLUTION NO. 10-034

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
ACCEPTING COMPLETION OF CONTRACT NO. 3664, MONTEREY  
MECHANICAL COMPANY, JOB 6361

The motion was passed by the following vote:

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

6.7\* AUTHORIZATION OF CHANGE ORDER NO. 2 FOR NEWARK BRACKISH  
WATER DESALINATION FACILITY EXPANSION PROJECT

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The Board previously awarded the construction of the Newark Brackish Water Desalination Facility Expansion Project to C. Overaa & Company (Overaa). Change Order No. 2 is required to address miscellaneous concrete work, piping modifications, and electrical work requested by the District. There is sufficient funding in the budget for this expenditure.

On February 12, 2009, the Board awarded the construction contract to expand the production capacity of the desalination facility to Overaa in the amount of \$7,895,000. Change Order No. 1 in the amount of \$54,413.99 was previously authorized by the Board. Construction is approximately 85% complete.

Change Order No. 2 in the amount of \$48,721.96 has been prepared for the following work requested by the District: 1) upgrade the existing motor cables to meet the current electrical code requirements (\$17,076.22); 2) perform corrosion repair of stainless steel welds in existing reverse osmosis (RO) feed pump header, including installation of a new 24-inch stainless steel access flange (\$13,770.94); 3) replace concrete pads for the RO feed pumps and HVAC equipment (\$8,523.12); 4) install valves and stainless tubing to vent vertical manifold risers on the existing RO skids at 16 locations (\$4,534.25); 5) replace an existing instrumentation vault to accommodate new conductors (\$2,097.99); 6) perform corrosion repairs of welds in the existing stainless steel cartridge filter vessels and install a stainless steel sample tap on the 6-inch permeate blend line in the hypochlorite bay (\$2,071.19); 7) relocate the existing clearwell overflow support braces to allow installation of new vortex breaker (\$464.24); and 8) repair the existing clean-in-place polyvinyl chloride (PVC) process piping (\$184.01).

Staff has reviewed the costs for the additional work and has determined they are fair and reasonable. Overaa submitted time extension requests for this work. Staff is evaluating the basis of Overaa's time extension requests and will review the basis of any appropriate time extension requests at a future Board Meeting.

A motion was made by Director Gunther, seconded by Director Reynolds to approve Change Order No. 2 in the amount of \$48,721.96 to C. Overaa & Company for the Newark Brackish Water Desalination Facility Expansion Project, Job 6350.

The motion was passed by the following vote:

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

6.8\* AUTHORIZATION OF PURCHASE ORDER AMENDMENT FOR WATER WELL REHABILITATION SERVICES

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The District previously issued a purchase order and one purchase order amendment to Layne Christensen Company to perform well rehabilitation services for the Mowry 3 Well (Mowry 3). Although the work was completed on May 11, 2010, there were additional costs to complete the work. All work is now complete and the well is completely rehabilitated. There is adequate funding in the budget for this expenditure.

To maintain the efficiency of the District's production wells, a program to rehabilitate up to two wells per year is included in the Capital Improvement Program. This year, Mowry 3 was identified for rehabilitation because the production capacity has been decreasing and a recent video camera survey of the well confirmed that the well screen is partially plugged with incrustants.

On January 20, 2010, the General Manager authorized a purchase order to Layne Christensen Company to perform both physical and chemical rehabilitation services in the amount of \$43,604.74 on a time and expense basis. Staff selected Layne Christensen Company due to its specialized experience in the field of well rehabilitation, its familiarity with the District's production and Aquifer Reclamation Program wells, lower costs based on previous proposals, and the limited number of companies that can provide the required well rehabilitation services in this area.

The original scope for the well rehabilitation service work included sonar jetting, brushing, bailing the well to its original depth, employing the alternating use of acid and sodium hypochlorite mixtures, swabbing the well screen, airlifting, and development of the well. However, as the work progressed, it became apparent that fine materials were entering the well through the top portion of the screen. Typically, this is caused by either a hole in the screen or casing or the well's gravel pack settling over time. Therefore, staff suspended the rehabilitation work, evaluated alternatives to address the issue, and elected to procure the services of a specialty contractor (Welenco) to install a 10-foot stainless steel liner to block the upper portion of the screen. This work was satisfactorily completed by Welenco for a negotiated price of \$10,000.00 and Layne Christensen Company resumed the rehabilitation and development of the well. A purchase order amendment in the amount of \$18,574.00 was authorized by the Board on April 13, 2010, however additional time was required to properly develop the well and the work was completed on May 11. A purchase order amendment in the amount of \$1,532.62 is required for the completed rehabilitation work. A new pump and motor were installed in Mowry 3 on June 8. The well is now completely rehabilitated with a substantial improvement in performance. Staff has reviewed the costs for the additional work and has determined that they are fair and reasonable.

A motion was made by Director Gunther, seconded by Director Reynolds authorizing a purchase order amendment to Layne Christensen Company for rehabilitation services for Mowry 3 in an amount not to exceed \$1,532.62, Job 6388.

The motion was passed by the following vote:

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

6.9\* RENEWAL OF WORKERS' COMPENSATION INSURANCE COVERAGE FOR  
FISCAL YEAR 10/11

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The renewal date for the District's Workers' Compensation insurance coverage is July 1, 2010.

The District is a member of the Special Districts Risk Management Authority (SDRMA), a Joint Powers Insurance Authority (JPIA), which provides its membership the ability to pool their risk and to spread that risk out over its members. By doing so, each member reduces their liability and in turn reduces the costs of Workers' Compensation insurance premiums.

The District's current no-deductible insurance policy provides for the highest level of coverage with no risks beyond the initial premium cost. The premium is based on annual payrolls for each of the Workers' Compensation classification codes, the code rates, and the District's experience modifier (ExMod). Additionally, the District can receive up to a 15% rate reduction through the SDRMA Credit Incentive Program. In February 2010, the SDRMA Board of Directors voted to keep the workers' compensation insurance premium rates at the FY 09/10 levels, to help the membership through the financial hardships of the past few years. As a result, the FY 10/11 insurance premium is expected to be \$635,275. Staff anticipates that the Credit Incentive Program will be near the same level as FY 09/10 or an estimate of \$95,275. Therefore, the FY 10/11 premium total is expected to be approximately \$540,000.

The District continues to review and analyze the feasibility of our Workers' Compensation insurance program to ensure cost effectiveness for the program and will continue to place savings from our program (as a result of the Credit Incentive Program) into a reserve, in anticipation of a move to a high-deductible program in the near future. Currently, \$551,519 in premium savings has been placed into the reserve fund.

This item was reviewed with the Administrative and Finance Committee on June 22, 2010. There are sufficient funds in the FY 10/11 adopted budget for the cost of the insurance coverage.

A motion was made by Director Gunther, seconded by Director Reynolds accepting the Special District's Risk Management Authority's proposal for renewal of FY 10/11 Workers' Compensation insurance coverage.

The motion was passed by the following vote:

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

6.10\* RENEWAL OF PROPERTY AND LIABILITY INSURANCE COVERAGE FOR FISCAL YEAR 10/11

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The renewal date for the District’s property and liability insurance coverage is July 1, 2010.

The District participates in the Special District Risk Management Authority (SDRMA) Property and Liability Insurance Program. The SDRMA program provides property and general liability, commercial automobile, employment practices and employee benefits liability, and public officials’ errors and omissions and personal injury coverage of up to \$10 million per occurrence. The District has an additional \$10 million in excess liability coverage, for a total coverage limit of \$20 million per occurrence, to provide the District with further protection in the event of a major catastrophic event. SDRMA has submitted their insurance premium renewal quote for FY 10/11 in the amount of \$699,761, an increase of 9.2% over the base premium paid last year. This increase was primarily due to increased District operating expenses such as increased supply water cost and chemical cost. The renewal premium will be reduced by a refund of \$17,186 that will be earned by the District in FY 09/10 under the Credit Incentive Program. The Credit Incentive Program provides the District with the opportunity to save up to an additional 15 percent in basic liability premiums based on policies and safety-related programs implemented by the District during the previous fiscal year.

In addition to the Credit Incentive Program, the District will also continue to realize additional savings with its deductible level at \$50,000. Based on the average of premiums and cost of claims paid over the past seven years, this deductible level will provide the District with the optimal balance between potential premium savings and the higher costs that could be paid by the District under the other higher deductible limits. The \$50,000 deductible level will result in a discount of \$131,682 and further reduce the FY 10/11 base premium to \$550,893. Staff will continue to perform an analysis at fiscal year end to determine the net premium savings to the District. Based on this year-end review, the District will have the option to retain or increase the deductible level or return to its previous deductible levels. Since inception of the higher deductible limits beginning with the 07/08 policy year, premium savings net of claims paid through April 30, 2010 total approximately \$188,427.

This item was reviewed with the Administrative & Finance Committee on June 22, 2010. There are sufficient funds in the FY 10/11 adopted budget for the cost of the insurance coverage.

A motion was made by Director Gunther, seconded by Director Reynolds accepting the Special District’s Risk Management Authority’s proposal for renewal of FY 10/11 property and liability insurance coverage.

The motion was passed by the following vote:

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

6.11\* RESOLUTION ADOPTING THE AMENDED AND RESTATED ASSOCIATION OF CALIFORNIA WATER AGENCIES HEALTH BENEFITS AUTHORITY BYLAWS AND JPA AGREEMENT AND APPOINTING THE ACWD REGULAR AND ALTERNATE REPRESENTATIVES

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ACWD participates in the Association of California Water Agencies Health Benefits Authority (HBA) to purchase ancillary benefits (dental and vision care). In 2009 the medical and dental programs offered through HBA were converted to a self-funded platform which increased the fiduciary responsibilities of the Trustees and the advisory bodies. Accordingly, the HBA Bylaws and Joint Powers Agreement were redrawn to reflect proposed changes for strengthening the HBA structure to fulfill its fiduciary responsibility to the participating membership. On May 4, 2010, the Trustees adopted the amended and restated Bylaws and JPA Agreement. These documents are now being presented to the membership of the HBA for ratification. Additionally, each member agency must designate a regular and alternate representative.

Over the years HBA has sponsored and provided administrative services for employee benefit coverage with insurance carriers for medical, dental, vision, disability, life, and employee assistance programs. ACWD purchases dental and vision (ancillary benefits) through HBA. Until 2009, these programs were all fully insured. In 2009, after having established sufficient reserves in the medical PPO program and maintaining large group enrollment numbers in the medical and dental PPO programs, these programs were converted to a self-funded platform.

The introduction of the self-funded platform has increased the fiduciary responsibilities of the Trustees and the advisory bodies of the Trustees. The existing structure of the Trustee board requires that each Trustee participate in at least one HBA sponsored program. In order to strengthen the HBA structure to fulfill its fiduciary responsibility to the participating membership, the Trustees directed that the HBA Bylaws and JPA Agreement be restated and amended. The Trustees adopted the amended and restated Bylaws and JPA Agreement on May 4, 2010. The documents must now be ratified by the member agencies. The agencies must also designate an Agency Membership Regular Representative (the General Manager or Board President) and an Agency Membership Alternate Representative. The agency may also identify staff who would be willing to serve on the Health Benefits Program Committee, the Ancillary Benefits Program Committee, or the Finance and Audit Committee. Staff proposes to submit Bonnie Roland-Williams, Supervising Human Resources Analyst as a member of the Ancillary Benefits Program Committee and Michael Yee, Financial Services Manager as a member of the Finance and Audit Committee. Staff is not proposing to have representation of the Health Benefits Program Committee because ACWD does not purchase medical benefits through HBA.

A motion was made by Director Gunther, seconded by Director Reynolds to 1) adopt a resolution to ratify the Amended and Restated Association of California Water Agencies Health Benefits Authority Bylaws and JPA Agreement and 2) appoint the General Manager as the Agency Regular Member Representative and the Human Resources Manager as the Agency Alternate Member Representative.

RESOLUTION NO. 10-035

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
AUTHORIZATION TO RATIFY THE AMENDED AND RESTATED  
ASSOCIATION OF CALIFORNIA WATER AGENCIES HEALTH BENEFITS  
AUTHORITY (ACWA HBA) BYLAWS AND JOINT POWERS AUTHORITY  
AGREEMENT AND DESIGNATE ACWA HBA MEMBERSHIP  
REPRESENTATIVES

The motion was passed by the following vote:

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

6.12 AUTHORIZATION OF PURCHASE ORDER FOR WELL PUMPING EQUIPMENT

Mr. Shaver reported that the existing pumping equipment installed within Peralta Tyson Wells 2 and 7 has reached the end of its serviceable life. Accordingly, two new line-shaft pump and motor assemblies complete with discharge heads, column pipe, sole plates and ancillary equipment are required. Sufficient funding is available in the project budget for this expenditure.

The pumping equipment was advertised on May 19, 2010, and two (2) bids were received and opened on June 8, 2010. Both bids were checked arithmetically and for conformance with the bidding requirements. The bid submitted by Weir Floway, Inc. was deemed as non-responsive due to substantial errors on the bid form and significant exceptions to the purchase documents (e.g., liquidated damages, noise pressure level, and inclusion of its standard terms and conditions).

Pump Repair Service Company, Inc. of San Francisco, California, submitted a bid in the amount of \$141,711.31 and noted in its proposal that submittal data would be provided in the pump manufacturer's standard format in lieu of the submittal format specified in the purchase documents. This deviation is minor and considered to be inconsequential.

Pump Repair Service Company, Inc. has provided similar pump equipment to the District in the past and has performed satisfactorily.

The engineer's estimate for the equipment was \$184,580.

Discussion ensued and staff responded to questions from the Board.

A motion was made by Director Reynolds, seconded by Director Gunther to 1) reject the bid by Weir Floway, Inc. as non-responsive, 2) waive minor irregularities in the one responsive bid; and 3) authorize a purchase order to Pump Repair Service Company, Inc. in an amount not to exceed \$141,711.31 for the Peralta Tyson Wells 2 and 7 Well Pumping Equipment Project, Job 6464.1.

The motion was passed by the following vote:

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

**6.13 AUTHORIZATION OF PURCHASE ORDER AMENDMENT FOR ENGINEERING SERVICES FOR HEADQUARTERS RENOVATION PROJECT**

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Mr. Shaver reported that in 2007, the District deferred completion of the Headquarters Renovation Project to FY 2010/2011. A purchase order amendment to Noll & Tam Architects (Noll & Tam) is required to complete the final design and construction bid documents. There is adequate funding in the budget for this expenditure.

On November 14, 2002, the Board authorized a purchase order to Noll & Tam for final design services for the Headquarters Building Renovation Project in an amount not to exceed \$362,818. Three purchase order amendments, totaling \$234,820 have been issued to date. The current scope of work includes the renovation of the former water quality laboratory into a new crew room and office area, renovation of the Human Resources (HR) area, installation of a new emergency operations center console, renovation of the headquarters training room to include upgraded audio/visual equipment, installation of various upgrades to conform with the Americans with Disabilities Act (ADA) requirements, installation of seismic improvements to the existing Supervisory Control and Data Acquisition (SCADA) antenna, and installation of additional trees in the employee parking lot.

At the District's request, Noll & Tam submitted a proposal in the amount of \$84,680 for the following items: 1) design refinements to the renovation of the HR and future Crew Room areas; 2) develop temporary quarters to accommodate the temporary relocation of HR to the Headquarters Training Room while construction is in progress; 3) review and update the audio/visual equipment specifications for the headquarters training room; 4) finalize the construction bid documents; and 5) provide bid support services, which include responding to contractor questions and addendum preparation during bidding. Staff has reviewed the costs associated with the additional work and has determined they are fair and reasonable.

A motion was made by Director Reynolds, seconded by Director Gunther authorizing a purchase order amendment to Noll & Tam Architects for additional final design engineering services in an amount not to exceed \$84,680 for the Headquarters Renovation Project, Job 6113.

The motion was passed by the following vote:

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

6.14 AUTHORIZATION OF PURCHASE ORDER AMENDMENT FOR DESIGN SERVICES FOR PIPELINE RELOCATIONS

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Mr. Shaver reported that the Board previously authorized a purchase order to URS Corporation (URS) to analyze the feasibility of relocating two existing 30-inch and 12-inch District water mains to accommodate the San Francisco Public Utility Commission (SFPUC) Bay Division Pipeline (BDPL) Nos. 3 & 4 Seismic Upgrade Project. URS' analysis concluded that the existing two District water mains could be relocated within the Mission Boulevard right-of-way and be adequately hardened to minimize the likelihood of damage during a major earthquake. The findings of the study were presented to SFPUC and its Technical Advisory Panel (TAP) and SFPUC has no objections to the proposed design. Additionally, SFPUC is agreeable to incorporating the relocation work into the BDPL Nos. 3 & 4 Seismic Upgrade Project.

A purchase order amendment to URS is required for final design services. There is sufficient funding in the budget for this expenditure.

The SFPUC BDPL Nos. 3 and 4 Seismic Upgrade Project includes seismic modifications to the existing 78-inch BDPL No. 3 and 96-inch BDPL No. 4 at the Hayward Fault crossing, located at South Mission Boulevard and I-680 in Fremont. The BDPL No. 3 project includes the construction of a new 78-inch pipeline within a new 20' x 20' x 330' articulating concrete vault that is designed to accommodate a 6.5 feet earthquake-induced displacement. SFPUC's design, which is being performed by URS Corporation, is approximately 75% complete and the total project cost estimate is \$50 million. Two District water mains will be impacted by the SFPUC project: a 30-inch Zone 1 transmission main that serves Alameda Reservoir and a 12-inch Zone 2 main. SFPUC is planning to advertise the construction of the BDPL Nos. 3 & 4 Seismic Upgrade Project in September, 2011.

On January 14, 2010, the Board authorized a purchase order to URS, in an amount not to exceed \$59,500, to conduct a pipeline relocation feasibility study. URS has satisfactorily completed this work.

The findings of the study were presented to SFPUC and its TAP on April 28, 2010. SFPUC staff has no objections to the proposed alignment of the two relocated water mains and is agreeable to including the relocation work in the construction contract for the SFPUC BDPL Nos. 3 & 4 Seismic Upgrade Project. Performing the SFPUC and District work under one contact is beneficial, as it will facilitate construction coordination.

URS submitted a proposal, in an amount not to exceed \$178,000, for the required engineering services. The scope of URS' work includes preparing the water main construction drawings for inclusion into the SFPUC project, technical specifications, a construction cost estimate, and performing permit acquisition support. Staff has evaluated URS' proposal and found it to be fair and reasonable.

Staff is coordinating with legal counsel and others to determine the appropriate cost-sharing and construction-related responsibilities for the relocation work. The basis for the overall cost-sharing responsibilities and the terms of a proposed agreement with SFPUC will be presented to the Board for approval at a future Board Meeting.

Discussion ensued and staff responded to questions from the Board.

A motion was made by Director Weed, seconded by Director Gunther authorizing a purchase order amendment to URS Corporation for final design services in an amount not to exceed \$178,000 for the Water Main Relocations to Accommodate the San Francisco Public Utility Commission Bay Division Pipeline Nos. 3 & 4 Seismic Upgrade Project, Job 6473.

The motion was passed by the following vote:

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

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## 7 – REPORTS

### 7.1 BOARD COMMITTEE REPORTS

- Operations & Water Quality Meeting of June 2, 2010: (1) 2009 Consumer Confident Report (CCR); (2) Update on Public Health Goals (PHGs)
- Legal & Legislative Meeting of June 9, 2010: (1) Update on State Legislation; (2) Update on Existing Litigation – Hyatt Thermalito
- Water Resources Planning Meeting of June 16, 2010: (1) Recycled Water Supply Update; (2) Alameda Creek Fisheries Update
- Engineering & Capital Projects Meeting of June 17, 2010: (1) Updater on Pipeline Relocation Projects
- Administration & Finance Meeting of June 22, 2010: (1) Property & Liability Insurance Policy Renewal; (2) Workers' Compensation Policy Renewal; (3) Fringe & Overhead Rate Discussion Follow-up; (4) Board Reserve Policy; (5) BP Oil Spill Affects ACWD BP Bond Investment

### 7.2 OPERATIONAL REPORTS

- Water Production Report
- Quarterly Directors' Expense Report
- Investment Report

### 7.3 STAFF REPORTS – None

### 7.4 GENERAL MANAGER'S REPORTS

- Mr. Wadlow informed the Board that the District has been named in one of two lawsuits which involve State Water Contractors and the Monterey Agreement. The Board will be updated in closed session at a future date.
- Mr. Wadlow referred to a memorandum addressed to California Special Districts Association (CSDA) members, dated June 15, 2010, regarding CSDA committee participation and inquiring as to whether or not member agencies are interested in

participating and contributing to one or more of the committees. The deadline is September 3, 2010, if any of the board members are interested.

- Mr. Wadlow referred to a memorandum from Mr. Shaver addressed to Mr. Wadlow regarding the Niles Canyon National Historic District. There is a segment that is approximately 11 ½ miles of the Transcontinental Railroad as it passes through Niles Canyon, Sunol Valley and Arroyo de la Laguna. Director Weed brought this matter to the District's attention as there is an effort currently underway to identify a Niles Canyon Transcontinental Historic District. He inquired if this would have any potential impact on the District. Mr. Shaver researched the matter and based on his review of "California Office of Historic Preservation Technical Assistance Series #10, California State Law and Historic Preservation and Protection of Cultural and Historical Resources," listing of the Niles Canyon Transcontinental Railroad Historic District is not likely to result in a direct impact to the District because the property is owned by the County of Alameda. However, there could be CEQA-related issues associated with District-proposed projects that may be visible from the Niles Canyon Transcontinental Railroad. Since the District currently has no planned projects that meet this criterion, District staff will simply prepare a letter outlining the District's interests.
- Mr. Wadlow informed the Board of the upcoming Newark Days Parade which will take place on September 18, 2010.

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#### 8 – DIRECTOR'S COMMENTS AND/OR AGENDA ITEM REQUEST

- Director Koller informed the Board that Mr. Wadlow was recently interviewed by the Channel 7 News regarding a former gas station site and leaking underground fuel tank program. Mr. Thomas Roman of Channel 7 was working on a story that was looking at a statewide program whereby the state will step in when a responsible party for a piece of property is either unable or will not meet their responsibilities in terms of clean up. The State will fund a local agency, in this case, ACWD, to undertake an investigation and remediation of the site.
- The Board of Directors all expressed their enjoyment in participating in the Fremont Fourth of July Parade.
- Director Reynolds attended a presentation by the Board of Directors of the East Bay Municipal Utility District on June 16, 2010.
- Director Weed informed the Board that he and Mr. Shaver attended a Tri-Valley Democratic Meeting where they spoke on the Water Bond.
- Director Huang suggested that in light of the upcoming Lampert Knoll memorial dedicated to former Director Art Lampert at Quarry Lakes – the District should display a sign at Quarry Lakes that 1) shows ownership and 2) provides a better linkage to the Lampert Knoll. Mr. Wadlow will contact East Bay Regional Park District to determine when the dedication will be made.

Minutes – July 8, 2010

There being no further business to come before the Board, President Koller adjourned the meeting at 8:10 P.M.

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Gina Markou, District Secretary

Attest:

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Martin L. Koller, President