

August 12, 2010
Fremont, California

The regular monthly meeting of the Board of Directors of ALAMEDA COUNTY WATER DISTRICT was held on August 12, 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, Assistant General Manager-Engineering Bob Shaver, Acting Manager of Finance Michael Yee, Manager of Operations Steve Peterson, Manager of Administrative Services Altarine Vernon, Water Quality Manager Doug Chun, Attorney Patrick Miyaki, and Assistant District Secretary Andrew Warren.

President Martin Koller presided.

Director Huang led in the Salute to the Flag.

3 – PUBLIC COMMENTS

- Mr. Paul Sethy, a resident of Fremont addressed the Board and officially announced his candidacy to run for the District's Board of Directors.

4 – CONSENT CALENDAR

A motion was made by Director Gunther, to add items 5.1 through 5.4 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 July 8, 2010
- 4.2 Ratification of Payment of Audited Demands dated July 2, July 9, July 16, July 23, and July 30, 2010
- 4.3 Resolution Amending the FY 09/11 Personnel Budget

RESOLUTION NO. 10-036

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

- 5.1 Resolution Honoring Gary Leist upon his Retirement from District Service
- 5.2 Authorization of Purchase Order for Mobile Computing Laptop Computers
- 5.3 Authorization of Purchase Order for Electrical Testing Services
- 5.4 Resolution Accepting Completion of the Mayhew Reservoir Lining Replacement

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* RESOLUTION HONORING GARY LEIST UPON HIS RETIREMENT FROM DISTRICT SERVICE

Gary Leist will retire effective September 3, 2010, with 24 years of service with the District. Gary is a Facilities Maintenance Worker in the Operations Department.

Gary started with the District as a Facilities Maintenance Worker on September 2, 1986. Gary has extensive expertise in the field of industrial painting and has applied coatings to everything from million gallon water storage tanks to the District’s headquarters building. He has assisted Project Engineers in the selection of appropriate coatings and sealants for new capital projects such as steel water storage tanks, concrete reservoirs, pump stations, and piping systems located both above ground and in buried vaults. Gary’s responsibilities included reviewing coating and sealant specifications and performing inspections at construction sites to ensure that coatings were being applied correctly.

As capital projects were completed, Gary took on the responsibility of maintaining these new facilities. He kept detailed records of the coatings used for each facility and was responsible for inspecting and maintaining the coatings in good condition. Gary truly leaves his mark of professionalism on the District. He has provided excellent service to all departments throughout the District and is an acknowledged resource on all types of coating and sealant applications.

A motion was made by Director Gunther, seconded by Director Reynolds to adopt a resolution honoring Gary Leist and expressing appreciation for 24 years of service.

RESOLUTION NO. 10-037

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
HONORING GARY LEIST UPON HIS RETIREMENT FROM DISTRICT
SERVICE

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 MOBILE COMPUTING LAPTOP COMPUTERS

The Distribution Maintenance Division (DMD) is ready to fully implement a GIS-based mapping system that has been successfully piloted by DMD staff. Full implementation requires the purchase of 15 additional laptop computers that will be used by all field crews, supervisors, and by individuals on specific job assignments. The District received and opened two bids on July 13, 2010 for the purchase of Panasonic Toughbook laptop computers. Group Mobile submitted the lowest responsive bid in the amount of \$72,225.75.

The goals for implementing the GIS-based mapping system include improved field crew efficiencies and information accuracy. Having laptops with DMD staff working in the field provides access to up-to-date distribution maps and customer information. Additionally, it allows information such as map corrections and maintenance information to be uploaded directly from the laptops to the District's electronic database. The purpose of the pilot project was to evaluate three mapping software vendors and four laptop manufacturers to determine which system would best fit the needs of DMD. InfraMap software developed by iWater, Inc. was the software vendor selected and the Panasonic Toughbook was the laptop computer selected. Software selection and field testing were completed in FY 09/10 and full implementation with the laptop computers is scheduled for FY 10/11. A demonstration of the Panasonic Toughbook laptop operating with the InfraMap software was conducted at the May 2010 Operations and Water Quality Committee meeting.

A motion was made by Director Gunther, seconded by Director Reynolds to authorize a purchase order to Group Mobile to purchase 15 Panasonic Toughbook laptop computers with an extended three year warranty for \$72,225.75.

The motion was passed by the following vote:

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

5.3* AUTHORIZATION OF PURCHASE ORDER FOR ELECTRICAL TESTING SERVICES

Yearly testing of electrical distribution equipment rated 480 Volts and above is part of the District's asset management program. Requests for proposals were sent to four electrical testing contractors for the testing work planned for FY 10/11. The District received and opened only one bid from Apparatus Testing & Engineering, Inc. of Livermore, California, on June 30, 2010. Adequate funds have been allocated to cover this expense in the FY 10/11 budget.

In addition to being a part of the District's asset management program, electrical testing is required to meet the Occupational Safety and Health Administration (OSHA) and the National Fire Protection Association (NFPA) codes and standards. Periodic testing is also required to comply with PG&E's requirements for generators paralleled to its utility systems. This condition exists with the power generation facility at Water Treatment Plant No 2. Electrical testing can detect abnormal conditions (e.g., overheating due to loose connections or lower resistance readings from worn insulation), that can result in corrective measures being taken prior to an equipment failure which improves the reliability of District facilities by preventing unplanned power outages.

The electrical testing included in the scope of work will require the full or partial shutdown of individual production or distribution facilities. Because close coordination of facility shutdowns with water production requirements will be necessary, the scheduling of the testing work needs to be flexible. Contracting the testing work on a time and material basis provides the District with the needed scheduling flexibility and is the most cost effective approach to performing the work.

The District advertised and subsequently opened one bid for electrical testing on June 30, 2010. The bid was checked arithmetically and for compliance with the bidding requirements. Since only one bid was received, staff reviewed published current hourly wage rates and reviewed hourly wage rates from previous time and material electrical contracts, and concluded that the hourly rates quoted by Apparatus Testing & Engineering, Inc are reasonable.

A motion was made by Director Gunther, seconded by Director Reynolds to authorize a purchase order to Apparatus Testing and Engineering, Inc. to perform electrical testing work for FY 10/11, on a time and materials basis, for an amount not to exceed \$75,000.

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 MAYHEW RESERVOIR LINING REPLACEMENT

The Board previously awarded the installation of a new liner for the Mayhew Reservoir Liner Replacement Project to FD Thomas, Inc. (FD Thomas). The contract work is complete and the reservoir is fully functional.

On September 11, 2008, the construction contract for the Mayhew Reservoir Lining Replacement Project was awarded to FD Thomas in the amount of \$546,000. The project included the installation of approximately 56,000 square feet of a new elastomeric polyurethane lining system over the existing asphalt panels and miscellaneous improvements to the reservoir roof. The total project cost, including quantity adjustments for unit cost items, is \$545,148.

Upon completion of the liner work, the reservoir was placed into service at the end of January 2009. Flow through the reservoir underdrains required FD Thomas, on two separate occasions, to conduct underwater inspections to identify pinholes and material folds to be repaired. The reservoir was last drained in November 2009 and was off-line for approximately 30 days while the required repairs were made. A flow of 0.15 gpm was detected in the underdrain system after the reservoir was placed back into service. However, a sample of the underdrain water was analyzed and it was determined the water collected was groundwater and not from the reservoir. Therefore, the liner work is satisfactorily complete.

A motion was made by Director Gunther, seconded by Director Reynolds to adopt a resolution accepting completion of the contract for the Mayhew Reservoir Lining Replacement Project, Job 6363.

RESOLUTION NO. 10-038

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
ACCEPTING COMPLETION OF CONTRACT NO. 3605, FD THOMAS, INC.,
JOB 6363

The motion was passed by the following vote:

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

5.5 PUBLIC HEARING TO RECEIVE COMMENTS ON THE DRAFT “ALAMEDA COUNTY WATER DISTRICT REPORT ON WATER QUALITY RELATIVE TO PUBLIC HEALTH GOALS 2007-2009”

President Koller opened the public hearing at 6:05 P.M. Mr. Wadlow gave a brief overview of the subject matter pertaining to the public hearing. He noted that the public hearing had been properly noticed in the local newspaper.

Mr. Chun reported to the Board that in response to California Health and Safety Code Section 116470 (2)[b]), a draft report titled “Alameda County Water District Report on Water Quality Relative to Public Health Goals 2007-2009” has been prepared by staff. The purpose of the report is to inform consumers of constituents in their drinking water that exceeded a Public Health Goal (PHG) or a Maximum Contaminant Level Goal (MCLG) during the calendar years of 2007, 2008 and 2009. The report is intended to provide the public with water quality information beyond what is included in the annual Consumer Confidence Report (CCR) and help consumers understand the cost of achieving higher water quality over and above regulatory requirements. The report was reviewed with the Operations and Water Quality Board Committee on June 2, 2010.

PHGs are established by Cal-EPA’s Office of Environmental Health Hazard Assessment (OEHHA) and are based solely on public health risk considerations. OEHHA establishes PHGs

at levels that pose little or no threat to human health. In determining PHGs, OEHHA does not consider any of the practical risk-management factors that are considered by the USEPA or the California Department of Public Health (CDPH) in setting drinking water Maximum Contaminant Levels (MCLs), such as analytical detection capability, treatment technology availability, benefits and costs. The PHGs are not enforceable and public water systems are not required to comply with them. MCLGs are the federal equivalent of PHGs and similarly, are not enforceable and public water treatment systems are not required to comply with them.

A draft report has been prepared for the triennial reporting period because three constituents (lead, copper, and bromate), exceeded their respective PHGs. Compliance for lead and copper is monitored “at-the-tap” of customer homes and businesses in accordance with USEPA regulations. The 90th percentile values for lead and copper samples collected “at-the-tap” in 2009 were above the PHGs of 0.2 micrograms per liter (µg/L) for lead and 0.3 mg/L for copper, but were below the Action Levels of 15 µg/L for lead and 1.3 mg/L for copper. The 90th percentile value for lead during the reporting period was 5.6 µg/L. The 90th percentile value for copper during the reporting period was 0.7 mg/L.

Compliance for the California drinking water standard for bromate is based on a running annual average (RAA) of 12 monthly samples. The Alameda County Water District (ACWD) is in full compliance with the State drinking water standard for bromate of 10 µg/L, but bromate was detected above the PHG level of 0.1 µg/L. The highest RAA value reported from 2007-2009 was 5.8 µg/L.

Another requirement of the PHG Report is to estimate the aggregate cost and the cost per customer of reducing the levels of detected constituents down to the PHG. For reducing the lead level, ACWD estimates that it would cost approximately \$9.9-26.5 million dollars to replace brass fixtures in 66,345 homes. For reducing both lead and copper levels, ACWD examined the economic feasibility of installing point of use (POU) units such as reverse osmosis devices. ACWD assumed that only one unit per household would be installed (under the kitchen sink), and that the annual operating expenses would be according to the manufacturer’s recommendations. Reverse osmosis (RO) devices range in price from \$175 to \$400. Assuming that each household installs a single POU device, ACWD estimates that it would cost approximately \$11.6-26.5 million dollars to supply the RO POU devices, not including installation costs. In addition, there would be a total annual cartridge replacement cost of \$3.3-6.6 million.

In order to reduce bromate close to its PHG, pre-chloramination ahead of ozonation should be used routinely at ACWD’s Water Treatment Plant No. 2 which uses ozone as the primary disinfectant. The pre-chloramination strategy is expected to result in a savings of \$268,770 per year compared to the commonly-used pH suppression strategy, representing an 18% reduction in the annual plant chemical budget.

Discussion ensued and Mr. Chun responded to questions from the Board.

The Board provided an opportunity for public comments on the “Alameda County Water District Report on Water Quality Relative to Public Health Goals 2007-2009.”

Mr. B.J. Bunting, a resident of Fremont addressed the Board regarding his concerns over the use of fluoride in drinking water. Mr. Bunting requested information on the cost and the quantity of fluoride ACWD uses.

There being no further comments, Director Koller closed the public hearing at 6:50 P.M.

5.6 RESOLUTION APPROVING FIRST AMENDMENT TO THE WATER SERVICE AGREEMENT WITH NEW UNITED MOTOR MANUFACTURING, INC.

Mr. Shaver reported that the District and New United Motor Manufacturing, Inc. (NUMMI) have an existing Water Service Agreement that establishes responsibilities for costs associated with certain relocations of the dedicated water main which serves water to the NUMMI facility from the District's San Francisco Public Utilities Commission (SFPUC) supply. With the closure of the NUMMI facility, NUMMI has determined that the Phase 2 relocations included in the agreement are not necessary, and has requested that the agreement be amended accordingly.

On December 9, 2004, the Board approved the execution of Water Service Agreement No. 3424 with NUMMI to establish responsibilities for costs associated with two planned relocations of the District's 12-inch dedicated water main serving SFPUC water to the NUMMI site. In order to protect the District from making unnecessary capital investments, this agreement requires that NUMMI share in the costs associated with the pipeline relocations in the event NUMMI were to cease operations or stop purchasing SFPUC water from the District. The relocations were required to make way for two transportation related construction projects. One of the projects, the I-880 / Route 262 (Mission Boulevard) interchange, was completed in 2004 following the Phase 1 relocation of the dedicated main in accordance with the agreement.

The second project, the Warren Avenue Grade Separation, is currently in the design phase. In order to continue the delivery of SFPUC water to the NUMMI site, the existing 12-inch dedicated main would need to be relocated in Warren Avenue along with other planned relocation work currently being designed by the District. The existing agreement would require that NUMMI reimburse the District for 50% of the Phase 2 pipeline relocation costs, which are estimated at between \$350,000 and \$400,000.

With the recent closure of the NUMMI facility, NUMMI has determined that the dedicated water main serving the NUMMI site does not need to be relocated with the Warren Avenue Grade Separation and has requested that the existing agreement be amended to remove this relocation. With Board approval of the amendment to the agreement, the District will not relocate the main, but will maintain water service to the NUMMI site by connecting the portion of the main fronting the NUMMI site to an adjacent 20-inch water distribution system main near Warren Avenue.

Discussion ensued and Mr. Shaver responded to questions from the Board.

A motion was made by Director Reynolds, seconded by Director Gunther to adopt a resolution amending Agreement No. 3424 with New United Motor Manufacturing, Inc. to delete the relocation of the Phase 2 12-inch pipeline in Warren Avenue, and its associated cost provisions, from the agreement.

RESOLUTION NO. 10-039

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
APPROVING FIRST AMENDMENT TO THE WATER SERVICE
AGREEMENT WITH NEW UNITED MOTOR MANUFACTURING, INC.

The motion was passed by the following vote:

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

5.7 AUTHORIZATION OF PURCHASE ORDER FOR ENGINEERING SERVICES FOR
THE WARM SPRINGS MAIN EXTENSION, PRUNE TO BROWN

The Warm Springs Main Extension, Prune to Brown, Project is required to improve the transmission of water to the southern portion of the distribution system from the Water Treatment Plant No. 2 and P-T Blending Facilities. Engineering services for the design of approximately 4,300 linear feet of 24-inch diameter welded steel pipeline are required. There is adequate funding in the budget for this expenditure.

The Warm Springs Main Extension, Prune to Brown, Project was identified in the 1996 – 2001 Engineering Report and is required to maintain adequate pressure in the southern portion of Zone 1. Additionally, recent hydraulic modeling performed by staff has confirmed that the project will enable the District to keep the Alameda Reservoir in service when a portion of the 30-inch inlet/outlet pipeline to Alameda Reservoir is relocated to accommodate the construction of the San Francisco Public Utilities Commission Bay Division Pipeline Nos. 3 & 4 Seismic Upgrades Project.

Five qualified consultants were invited to submit proposals for the design of the pipeline. Four consultants submitted proposals to perform the work based on information and requirements presented by District staff at project briefing meetings. Based on a comprehensive evaluation of the proposals, Winzler & Kelly was the firm determined to have the qualifications, staff, and proposed approach that best meets the District's needs. Winzler & Kelly's estimated cost based on a time and expense basis for the work is \$214,000. Staff has reviewed the costs and has determined that they are fair and reasonable.

Consistent with the District's development policies, a portion of the project will be funded by Bay Area Rapid Transit (BART) because the main will serve the future Warm Springs BART Station. Staff plans to request approval of a cost sharing agreement with BART at a future Board Meeting.

A motion was made by Director Gunther, seconded by Director Weed to 1) authorize a purchase order to Winzler & Kelly for engineering services in an amount not to exceed \$214,000; and 2) authorize the General Manager to execute a services agreement with Winzler & Kelly for this work, Job 6477.

The motion was passed by the following vote:

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

5.8 RESOLUTION AWARDING CONTRACT FOR THE NILES BOULEVARD PIPELINE 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 5.8. Director Weed left the Director's Room at 7:20 P.M.

Mr. Shaver then reported that the Niles Boulevard Pipeline Project includes the installation of approximately 2,000 feet of 12-inch pipeline on Niles Boulevard in Fremont. The project was advertised for construction and the District received and opened eight (8) bid proposals.

MDF Pipeline General Engineering Contractors, Inc. (MDF) of Dublin, California submitted the lowest bid in the amount of \$458,180 (after the apparent low bidder's mathematical error was corrected). However, MDF's bid was deemed non-responsive because the contractor does not meet the minimum experience requirements. MDF's attorney submitted a protest to the determination that MDF's proposal was non-responsive.

The second low bidder was D&D Pipelines, Inc. (D&D Pipelines) of San Francisco, California with a corrected bid total of \$458,250. D&D Pipelines' bid contained a minor irregularity which may be waived. D&D Pipelines' references were checked, and it was confirmed that the contractor has the necessary qualifications and experience to perform the work. There is adequate funding in the current budget for this work.

The Niles Boulevard Pipeline Project consists of the 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 replace the existing 6-inch water main to accommodate the City of Fremont's Niles Boulevard Roadway Improvement Project. On March 11, 2010, the Board adopted a resolution approving and finding the project statutorily exempt from the California Environmental Quality Act. The project was subsequently advertised and on Monday, July 12, 2010, the District received and opened eight (8) bid proposals.

A. Staff Evaluation of Bids

D&D Pipelines submitted the apparent low bid. However, D&D Pipelines' bid contained a mathematical error, and when corrected, D&D Pipelines became the second low bid.

MDF submitted the next apparent low bid in the amount of \$458,180. However, MDF's bid was deemed non-responsive because MDF does not meet the minimum experience requirements. The bid documents specify that the contractor shall have a minimum of five (5) years of experience in pipeline contracting work under its present business name and contractor license.

MDF has been in business under its present name for only 2 years. Additionally, MDF did not submit any information that shows that MDF has completed 3 PVC and 3 welded steel pipeline projects within the last 5 years. The only experience submitted with the bid was work completed by MJB Pipeline, which is a different company with a different contractors license number.

In addition to the mathematical unit price error, which was corrected, D&D Pipelines' bid stated that it had 10 years of experience under its present business name and license, which is not correct; the California State License Board web site shows a license issue date of November 19, 2004. However, D&D Pipelines has been in the contracting business under its present business name and license for approximately 6 years doing work similar to that required by the contract documents. Because the contractor does meet the minimum experience requirements, this irregularity may be waived.

B. MDF Protest

On August 3, after MDF was informed of the staff recommendation to reject MDF's bid as non-responsive, MDF's legal counsel submitted a letter concluding that "MDF's bid should not be rejected on the ground that it was non-responsive."

Staff and District Legal Counsel thoroughly evaluated MDF's protest letter and recommend that the protest be denied.

Section B.10 of the specifications unambiguously establishes the minimum experience and qualification requirements for this project. Section B.10 provides in part as follows:

"The determination of sufficiency of experience will be based on verification that the Bidder and/or its subcontractor possesses the following required licenses and meets each of the following minimum experience requirements:

- A. Bidder must possess a Class A or C-34 contractor license issued by the State of California at the time of submission of the bids. The License shall be in the name of the firm submitting the bid and the firm must have been in business under its present business name for no less than five (5) years. Compliance will be based on the number of years the license has been in place since the license was issued under the present business name.
- B. Bidder must have at least five (5) years of experience in pipeline contracting work under its present business name and contractor license, and have installed a minimum of three (3) PVC pipelines in the last five (5) years. Each of the three (3) PVC pipeline projects must have been sized 8 inches in diameter or greater and had a length of at least five hundred (500) feet.
- C. Bidder must have at least five (5) years experience in pipeline contracting work under its present business name and contractor

license, and have installed a minimum of three (3) welded steel pipelines in the last five (5) years. Each of the three (3) welded steel pipeline projects must have been sized 8 inches in diameter or greater and had a length of at least 500 feet.”

MDF’s protest letter states that MDF had its contractors license when it submitted its bid, that the license was originally issued to Manuel De Freitas as an individual in 1985, and that the license was reissued to MDF, the corporation, with Mr. De Freitas as the RMO (Responsible Managing Officer). Staff does not disagree with these statements. This contractors license was issued to “Manuel Marquez De Freitas” as a sole owner in 1985, and this license was reassigned to MDF in 2008. The California Secretary of State website specifies that MDF filed its corporate documents in August 2008. MDF was formed as a corporation in 2008, and MDF as a corporation held its contractors license starting in 2008. Therefore, MDF did not meet the minimum requirement to have been in business under its present business name for no less than five years.

MDF’s protest letter provides information about the substantial experience and qualifications of Manuel De Freitas, the RMO and President of MDF, when he was associated with MJB Pipeline. MDF’s bid included a list of projects completed by MJB Pipeline. However, MJB is a different company with a different contractors license. MJB Pipeline did not submit the bid for this project and the District will not be entering into a contract with MJB Pipeline. MDF’s bid did not include a single pipeline project that MDF completed. Furthermore, the Certification of Records obtained from the Contractors State License Board states that this contractors license had an “Exception from Workers’ Compensation” that was effective July 2003 and that was replaced with the Certificate of Workers’ Compensation Insurance effective May 2010. We interpret this to mean that the holder of the license, both Manual De Freitas as sole owner and MDF the corporation, did not have any employees until 2010. Therefore, MDF did not meet the requirements in the specifications that the bidder, MDF, have completed at least three PVC and three welded steel pipelines in the last five years.

Finally, MDF’s protest letter refers to legal authority that allows the District to waive minor deviations in the bid. Staff agrees that minor irregularities in the bid may be waived. However, staff does not believe that the deviations from the minimum qualifications requirements set forth above are minor irregularities. Moreover, the law permits, but does not require, the District to waive minor irregularities.

A motion was made by Director Gunther, seconded by Director Reynolds to 1) deny the protest submitted by MDF Pipeline General Engineering Contractors, Inc.; 2) reject the bid of MDF Pipeline General Engineering Contractors, Inc. as non-responsive; 3) waive the minor irregularity in the second low bid submitted by D&D Pipelines, Inc.; and 4) adopt a resolution to award the contract for the Niles Boulevard Pipeline Project to D&D Pipelines, Inc. in the amount of \$458,250, which is the total of the unit price and lump sum payment items, Job 6443.

RESOLUTION NO. 10-040

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
ACCEPTING PROPOSAL OF, AND AWARDING CONTRACT TO D&D
PIPELINES, INC., FOR JOB 6443

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 7:25 P.M.

5.9 AUTHORIZATION OF CHANGE ORDERS TO MCGUIRE & HESTER AND
BUDGET TRANSFERS 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 to perform pipeline relocation work required to accommodate the San Francisco Public Utilities Commission (SFPUC) Bay Division Pipeline (BDPL) No. 5 Project. The contractors' work supplements the relocation work being performed by District forces. Two of the contracts were awarded to McGuire & Hester (Agreement Nos. 3674B and 3674C).

While performing water main relocations at two locations in Newark (intersection of Enterprise Drive and Wells Avenue and on Wintergreen Drive near Oleander Drive), McGuire & Hester encountered unforeseen subsurface conditions. Two separate Change Orders in the amounts of \$5,180.81 and \$6,398.76 have been prepared to cover the additional work that was required.

The cumulative amount of effort required by both District forces and the two contractors to relocate the 19 pipelines has been considerably greater than initially projected and two budget transfers for a total amount of \$850,000 are required to cover cost increases.

On January 14, 2010, the Board awarded two construction contracts (Agreement Nos. 3674B and 3674C) for Water Main Relocations to Accommodate the San Francisco Public Utilities Commission Bay Division Pipeline No. 5 Project to McGuire & Hester in the amounts of \$128,000 and \$134,000, respectively. Change Order No. 1 (Agreement No. 3674B) was previously authorized by the Board in the amount of \$99,500 to install two 14-inch valves at Moores Avenue near Wintergreen Drive in Newark. Change Order No. 1 (Agreement No. 3674C) was previously authorized by the Board in the amount of \$75,000 to install one 12-inch valve at Enterprise Drive near Wells Avenue in Newark.

During relocation of two water mains at the intersection of Enterprise Drive and Wells Avenue and at Wintergreen Drive near Oleander Drive, the contractor encountered unforeseen subsurface soil conditions due to high groundwater. As a result, it was not possible for conventional

aggregate backfill to be compacted adequately. Staff therefore directed the contractor to backfill the excavations with control density fill (CDF) to prevent settlement of the streets.

Change Order No. 2 (Agreement No. 3674C) in the amount of \$5,180.81 has been prepared to cover the additional work at the intersection of Enterprise Drive and Wells Avenue. Similarly, Change Order No. 2 (Agreement No. 3674B) in the amount of \$6,398.76 has been prepared to cover the additional required work on Wintergreen Drive near Oleander Drive. Staff has reviewed the costs for the additional work and has determined that they are fair and reasonable.

The current estimated cost to complete all 19 main relocations to accommodate the SFPUC project is \$2,400,000, which is significantly greater than the total amount budgeted (\$1,550,000). Although most of the additional costs are attributable to required deep excavations, high groundwater levels, and unstable soil conditions, there were also additional costs associated with minimizing water service outages to industrial and commercial customers.

To address the funding shortfall, two intra-budget transfers for a total amount of \$850,000 are required: \$500,000 from the Rubber Dam No. 2 Decommission & Foundation Modification Project (CIP Project No. GG4201) and \$350,000 from the Bunting Pond Screen Project (CIP Project No. GG1201). The transfer is appropriate because both the Rubber Dam No. 2 Decommissioning and Foundation Modification and the Bunting Pond Screen Projects were recently completed under budget.

A motion was made by Director Gunther, seconded by Director Reynolds to 1) approve Change Order No. 2 in the amount of \$5,180.81 to McGuire & Hester, Agreement No. 3674C, Job 6399; 2) approve Change Order No. 2 in the amount of \$6,398.76 to McGuire & Hester, Agreement No. 3674B, Job 6400; and 3) authorize two budget transfers in the amounts of \$500,000 from the Rubber Dam No. 2 Decommissioning and Foundation Modification Project (CIP Project No. GG4201) and \$350,000 from the Bunting Pond Screen Project (CIP Project No. GG1201) to Main Relocations to the SFPUC Bay Division Pipeline No. 5 Project (CIP Project No. MM4005).

Discussion ensued and Mr. Shaver responded to questions from the Board.

The motion was passed by the following vote:

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

5.10 CLAIR A. HILL SCHOLARSHIP SELECTION PROCESS

Mr. Wadlow reported that as the recipient of the 2010 Clair A. Hill Water Agency Award for Excellence, ACWD has the opportunity to present a \$5,000 Clair A. Hill scholarship, funded by CH2MHill, to a deserving student during the ACWA 2011 Spring Conference. ACWD is responsible for marketing the scholarship opportunity, screening all applicants, and selecting three finalists to forward to ACWA's Scholarship Subcommittee by early March 2011. ACWA will choose the scholarship recipient from the three finalists.

As part of the selection process, ACWD must form a Scholarship Committee for the purpose of determining the scope of the marketing campaign, evaluating applications, and selecting the three finalists. The Board's role in this process can take one of several forms:

- An existing Board committee can serve as the ACWD Scholarship Committee.
- A new ad hoc committee can be formed that will serve as the ACWD Scholarship Committee.
- The full Board can act as the ACWD Scholarship Committee.

Staff will provide support to the Scholarship Committee in conducting the outreach and selection process.

Below is a proposed schedule for the selection of a recipient for the scholarship.

August, 2010	ACWA to provide list of California public colleges and universities, along with contact information for financial aid departments, to ACWD.
August 12, 2010	Selection Process chosen by the Board.
September, 2010	ACWD Scholarship Committee meets to determine the scope of the marketing campaign (regional or statewide, specific colleges and universities, public and/or private, etc.).
September, 2010	Post scholarship information on ACWD website.
September, 2010	Issue press release regarding scholarship.
September, 2010	Post scholarship information on FastWeb, an online scholarship clearinghouse.
September 30, 2010	Deadline (self imposed) for submitting scholarship information to financial aid offices of California colleges and universities.
February 1, 2011	Deadline for submission of applications to ACWD (postmark date).
February 7-28, 2011	ACWD Scholarship Committee evaluates applications and selects top three finalists.
March 1, 2011	Submit the top three finalists to the ACWA Scholarship Subcommittee.
March, 2011	ACWA Scholarship Subcommittee selects scholarship recipient and notifies ACWD of its decision.
April, 2011	ACWD decides how to recognize scholarship recipient (e.g. presentation ceremony at a Board Meeting, pay for recipient to attend the ACWA Spring Conference, etc.).

May 10-13, 2011 ACWA Spring Conference in Sacramento.

After a brief discussion, Director Koller designated himself and Director Huang to serve on an ad hoc Scholarship Committee. They will recommend candidates for the Board's consideration. Mr. Wadlow explained candidates for the scholarship must be attending a four-year university, in their junior or senior year, and indicate intent on a degree in a water related field.

6 – REPORTS

6.1 BOARD COMMITTEE REPORTS

- Operations & Water Quality Meeting of July 7, 2010: (1) Update on District Response to the On-Road Public Fleet Rule; (2) California Accidental Release Program (CalARP)
- Legal & Legislative Meeting of July 14, 2010: (1) Update on State Legislation; (2) Monterey Plus Lawsuits
- Engineering & Capital Projects Meeting of July 15, 2010: (1) Patterson Reservoir Lease Agreement Amendment
- Water Resources Planning Projects Meeting of July 21, 2010: (1) Urban Water Management Plan Update; (2) Water Conservation Update – SBX7-7 Compliance
- Administration & Finance Meeting of July 27, 2010: (1) Quarterly Review of Claims; (2) Quarterly Review of Investment Portfolio; (3) BP Bond Sale

6.2 OPERATIONAL REPORTS

- Quarterly Projects Review
- Quarterly Well Level Report
- Investment Report
- Quarterly Personnel Report
- Water Production Report

6.3 STAFF REPORT – None

6.4 GENERAL MANAGER'S REPORTS

- Mr. Wadlow reported the Engineering & Capital Projects Committee Meeting has been canceled for the month of August and any items on the agenda will be deferred to the September meeting.
- Mr. Peterson informed the Board of water treatment chemical price reductions. In May 2010 the District, along with eight other agencies and municipalities formed the Bay Area Chemical Consortium for the purpose of bidding for chemicals as a group. This will attract more supplier interest, increase competition and obtain lower unit prices. The

approach was to try this first on a commonly used chemical, Sodium Hypochlorite. The District's current supplier of Sodium Hypochlorite was the lowest bidder. This meant the District did not have to enter into a new contract but simply accept a new and lower price. The price is 7% lower than our existing price and beginning January 1, 2011, the price will be reduced by 4%, resulting in an 11% decrease over current costs. Over the next 11 months, the District will save approximately \$30,000.

- Mr. Peterson also reported that the California Department of Public Health (CDPH) gave the District verbal approval to supply water from the newly expanded Desalination facility to the distribution system. After testing is complete and 30 days of continuous operation, the District will submit necessary documentation to CDPH to issue the official permit amendment to operate the facility.
- Mr. Peterson reported that late Director Art Lampert's dedication at Quarry Lakes has been postponed by Mrs. Lampert. The dedication will take place sometime in spring 2011. The park district has chosen a picnic site for the dedication which is currently under construction.

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

- Director Weed informed the Board of his attendance at a Region 5 committee meeting held at Byron Bethany Irrigation District on August 8. A tour was conducted of the State Water Project's J.E. Skinner Delta Fish Protective facility and the Banks Pumping Plant as well as the Bureau of Reclamation's Jones Pumping Plant and the Tracy Fish Collection Facility.
- Director Weed requested an item be included on the September Board meeting agenda regarding compensation and expense reimbursement for attendance to the California Special Districts Association Annual Conference, September 20 – 23, 2010. Currently the event is not on the pre-approved events list in the Board Rules.
- Director Koller thanked Director Weed for the valuable information he brings to the Board from his work with BAWSCA.
- Director Koller informed the Board of his desire to attend the Contra Costa-Alameda County Cattlemen's Association Annual BBQ in an official capacity. He received the announcement for the BBQ after the Board Meeting agenda was posted, therefore a provision in the Brown Act allows the item to be added to the agenda and brought forward for a vote.

A motion was made by Director Gunther, seconded by Director Reynolds to 1) approve a need for immediate action, 2) that the need for immediate action arose after the Board Meeting agenda was posted, and 3) the Board deems the Contra Costa-Alameda County Cattlemen's Association Annual BBQ an event that the Board of Directors are entitled for compensation and expense reimbursement.

The motion was passed by the following vote:

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

- Director Koller also informed the Board of his desire that ACWD be involved in crafting the Water Bond, which was deferred to 2012. Director Koller asks the Board for support in following the formation of the 2012 Water Bond.

8 – CLOSED SESSION

President Koller adjourned the meeting to a closed session at 7:47 P.M. for a conference on the following items:

- 8.1 Conference with Legal Counsel – Anticipated Litigation Pursuant to Government Code Section 54956.9(c) Initiation of Litigation: One Potential Case
- 8.2 Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(a) United States, The State of California, et al. ex rel. Hendrix v. JM Manufacturing Company, Inc. (Case No. EDCV 06-0055 GW)
- 8.3 Conference with Legal Counsel - Existing Litigation Pursuant to Government Code Section 54956.9(a) Central Delta Water Agency, et al. v. California Department of Water Resources, et al. (Sacramento Superior Court Case No. 35-2010-80000561); Rosedale-Rio Bravo Water Storage District, et al. v. California Department of Water Resources, et al. (Kern County Superior Court Case No. S-1500-CV-270635-KCT); and Central Delta Water Agency, et al. v. Kern County Water Agency, et al. (Kern County Superior Court Case No. S-1500-CY-270965)

Mr. Wadlow reported that the Board took action by unanimous vote on Item 8.1 to initiate litigation. Defendants and other particulars regarding the litigation will be furnished to interested parties after the litigation has commenced. In regard to Item 8.2 and Item 8.3, the Board was briefed by counsel and no action was taken.

There being no further business to come before the Board, President Koller adjourned the meeting at 9:42 P.M.

Andrew Warren, Assistant District Secretary

Attest:

Martin L. Koller, President