

November 18, 2010
Fremont, California

The regular monthly meeting of the Board of Directors of ALAMEDA COUNTY WATER DISTRICT was held on November 18, 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, Acting Manager of Engineering Steven Inn, Manager of Finance Shelley Burgett, Manager of Operations Steve Peterson, Acting Manager of Administration Ariz Naqvi, Special Assistant to the General Manager Eric Cartwright, Senior Water Resources Engineer Thomas Niesar, Well Ordinance Supervisor Michelle Myers, Distribution Maintenance Manager Leonard Pristia, Attorney Patrick Miyaki, and District Secretary Gina Markou.

President Martin Koller presided.

Director Reynolds 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 and item 5.9 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 Huang to approve the following items on the Consent Calendar as amended.

- 4.1 Approval of Minutes – Regular meeting of October 14, 2010
- 4.2 Ratification of Payment of Audited Demands dated October 8, October 15, October 22, October 29, and November 5, 2010
- 4.3 Resolution Approving and Authorizing Execution of Contract with Fremont Main Street Village, L.P, Extension of Water Main, ACWD #2010-0011

RESOLUTION NO. 10-057

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
APPROVING AND AUTHORIZING EXECUTION OF CONTRACT
BETWEEN ALAMEDA COUNTY WATER DISTRICT AND FREMONT

MAIN STREET VILLAGE, L.P., FOR EXTENSION OF WATER MAIN, REF.
ACWD 2010-0011

- 4.4 Authorization of Purchase Order Amendment for Financial Audit Services
- 4.5 Resolution Amending the FY 09/11 Personnel Budget

RESOLUTION NO. 10-058

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

- 5.1 Resolution Honoring Joseph Palma upon his Retirement from District Service
- 5.2 Resolution Amending Conflict of Interest Code
- 5.3 Authorization for Engineering Survey and Report on Groundwater Conditions in Conjunction with Replenishment Assessment
- 5.4 Resolution Finding the Removal, Disposal, and Installation of Filter Media Categorically Exempt from CEQA and Approving the Project
- 5.5 Authorization of Purchase Order Amendment for Engineering Services for Pipeline Relocations
- 5.9 Authorization of Purchase Order for Professional Services for Development Fees and Charges Study

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 JOSEPH PALMA UPON HIS RETIREMENT FROM
DISTRICT SERVICE

Joe Palma retired on November 2, 2010, with 23 years of service with the District. Joe was a Lead Gardener (Gardener 3) in the Operations Department.

Joe started with the District as a Grounds Maintenance Worker on November 2, 1987; bringing with him his extensive expertise in landscaping construction and maintenance after running his own landscaping design and construction company for many years. He made an immediate impact on the District with his broad experience by recommending and implementing efficient and cost effective changes in plant selection and irrigation system designs that greatly minimized landscaping maintenance costs. While he held the position of Lead Gardener, he was always the reliable, steadfast and conscientious individual that consistently provided leadership to his crew

in planning and scheduling the appropriate work that needed to be done. Joe was also instrumental in developing a weed and pest control approach that eliminated the use of herbicides and pesticides along Alameda Creek and District groundwater recharge facilities and greatly reduced the use of herbicides and pesticides elsewhere on District owned property.

Joe's dedication to public service, high quality work, and extensive job knowledge are recognized by everyone who worked with him. Joe will be truly missed by all of us at the District.

A motion was made by Director Gunther, seconded by Director Huang to adopt a resolution honoring Joseph Palma and expressing appreciation for 23 years of service.

RESOLUTION NO. 10-059

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
HONORING JOSEPH PALMA 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* RESOLUTION AMENDING CONFLICT OF INTEREST

California Government Code Section 87306.5 requires every local agency to review its Conflict of Interest Code in each even-numbered year and to amend the Code if necessary due to changed circumstances or changes in the law.

The District last amended its Conflict of Interest Code ("Code") in 2008 to update the employee classifications covered by the Code. At this time, the Code, in particular the Appendix of Designated Positions, needs to be updated to reflect the changes in positions due to the staff reorganization that has occurred since 2008. No changes to the Code are necessary due to changes in the law. The District must transmit the amended Code to the Alameda County Board of Supervisors no later than January 24, 2011.

A motion was made by Director Gunther, seconded by Director Huang to adopt a resolution amending the District's Conflict of Interest Code.

RESOLUTION NO. 10-060

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
AMENDING THE DISTRICT'S CONFLICT OF INTEREST CODE

The motion was passed by the following vote:

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

**5.3* AUTHORIZATION FOR ENGINEERING SURVEY AND REPORT ON
GROUNDWATER CONDITIONS IN CONJUNCTION WITH REPLENISHMENT
ASSESSMENT**

The Replenishment Assessment Act requires the Board to order an Engineering Survey and Report on Groundwater Conditions as the first step in the process to establish a replenishment assessment for next fiscal year. This report must be presented to the Board for consideration in February to meet subsequent deadlines set forth by Proposition 218 and the Replenishment Assessment Act.

The Replenishment Assessment Act (“the Act”) of the Alameda County Water District was established by the State of California in Chapter 1942 of the Statutes of 1961, and amended by Chapter 947 of the Statutes of 1970 and Chapter 828 of the Statutes of 1974. The Act gives ACWD the authority to take measures to ensure the quantity and quality of groundwater for the benefit of all users of the groundwater basin. Such measures include importing supplemental water for groundwater recharge, requiring metering of wells, and levying a replenishment assessment. The Act also requires that ACWD annually prepare an Engineering Survey and Report on Groundwater Conditions. District staff has historically begun collecting information and preparing data for the report during the month of November so it can be completed in time for submittal to the Board in February.

A motion was made by Director Gunther, seconded by Director Huang to order an Engineering Survey and Report on Groundwater Conditions.

The motion was passed by the following vote:

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

**5.4* RESOLUTION FINDING THE REMOVAL, DISPOSAL, AND INSTALLATION OF
FILTER MEDIA CATEGORICALLY EXEMPT FROM CEQA AND APPROVING
THE PROJECT**

Water Treatment Plant No. 2 was constructed in 1993 and is equipped with six filter beds. Filter media replacement in Filters 4, 5, and 6 was successfully completed in May 2010. Filters 1, 2, and 3 still contain the original media, which has reached the end of its useful life. Replacing the media in Filters 1, 2, and 3 is subject to California Environmental Quality Act (CEQA) and meets the Class 1 Categorical Exemption requirements under CEQA Section 15301.

The current media in Filters 1, 2, and 3 consists of a 30-inch layer of small diameter anthracite, a 5 inch layer of sand, and a 6 inch layer of gravel. The recently installed media in Filters 4, 5, and

6 consists of a 42-inch deep layer of large diameter anthracite and a 9 inch layer of sand. The new larger sized and deeper bed media has resulted in significantly improved performance (reduced backwash frequencies) in Filters 4, 5, and 6. Funds for the project were allocated in FY 10/11 adopted budget. Staff is currently preparing bid documents for this project and the work is scheduled to be completed this winter.

Certain project categories have been identified by CEQA to have no significant effects on the environment. CEQA Section 15301 addresses Class 1 Categorical Exemptions and states “Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination.” Section 15301 provides specific examples of Class 1 Categorical Exemption to include, “Restoration or rehabilitation of deteriorated or damaged structures, facilities, or mechanical equipment to meet current standards of public health and safety.” Replacing the media in Filters 1, 2, and 3 meets the definition of the Class 1 Categorical Exemption.

A motion was made by Director Gunther, seconded by Director Huang to 1) adopt a resolution finding the Removal, Disposal, and Installation of Filter Media in Filters 1, 2, and 3 at Water Treatment Plant No. 2 Project qualifies for CEQA Section 15301 Class 1 Categorical Exemption, and 2) approve the project, Job 6483.

RESOLUTION NO. 10-061

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT FINDING THE REMOVAL, DISPOSAL, AND INSTALLATION OF FILTER MEDIA CATEGORICALLY EXEMPT FROM CEQA AND APPROVING PROJECT, JOB 6483

The motion was passed by the following vote:

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

5.5* AUTHORIZATION OF PURCHASE ORDER AMENDMENT FOR ENGINEERING SERVICES FOR PIPELINE RELOCATIONS

URS Corporation is currently performing engineering services to design and prepare bid documents to relocate and improve the seismic performance of two District water lines (a 30-inch and 12-inch) where they cross the San Francisco Public Utility Commission (SFPUC) Bay Division Pipeline (BDPL) Nos. 3 and 4 and the Hayward Fault.

Additional design services are required to extend the seismic improvements of the District water lines beyond the pipeline crossing with SFPUC. 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 also being performed by URS Corporation, is approximately 95% complete and the total project cost estimate is \$50 million. SFPUC is planning to advertise the construction of the BDPL Nos. 3 & 4 Seismic Upgrade Project in September 2011. The two District water mains impacted by the SFPUC project are a 30-inch Zone 1 steel transmission main with gasketed joints that serves Alameda Reservoir and a 12-inch Zone 2 PVC water main.

On January 14, 2010, the Board authorized a purchase order to URS, in an amount not to exceed \$59,500, to conduct a feasibility study to relocate the District pipelines impacted by the SFPUC project. URS has satisfactorily completed this work.

Based on the results of the feasibility study, the Board subsequently authorized an amendment to the purchase order in an amount not to exceed \$178,000 to design and prepare bid documents to relocate and improve the seismic performance of the two District pipelines where they cross the primary fault rupture zone of the Hayward Fault. The bid documents for the District work will be incorporated into the SFPUC project. Performing the SFPUC and District work under one contract is beneficial, as it will facilitate construction coordination.

It has been determined, through further seismic analysis by URS, that the two District water lines will need to be seismically hardened through the Mission Boulevard/Curtner Road intersection to prevent the existing gasketed pipe joints from pulling out during the design seismic event. Both pipelines need to be replaced with thick-walled steel pipe beyond the fault zone. At staff's request, URS submitted a proposal in an amount not to exceed \$60,000 for additional field surveying, design of a 30-inch and 12-inch jack and bore cased pipe crossings, and traffic control plan revisions. Staff has evaluated URS' proposal and found it to be fair and reasonable.

Staff is coordinating with legal counsel 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.

A motion was made by Director Gunther, seconded by Director Huang to authorize a purchase order amendment to URS Corporation for additional engineering services in an amount not to exceed \$60,000 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

5.6 ACCEPT PACIFIC GAS AND ELECTRIC COMPANY INCENTIVE PAYMENT FOR THE NEWARK DESALINATION FACILITY EXPANSION PROJECT

Mr. Inn reported that the Non-Residential New Construction (NRNC) program is offered by Pacific Gas and Electric Company (PG&E) to encourage energy efficiency measures to be incorporated into the design of certain projects. Because of the measures incorporated into the design of the Newark Desalination Facility Expansion Project, the District is eligible to receive a PG&E NRNC incentive payment in the amount of \$229,170.

In June 2008, the District entered into an agreement with PG&E to analyze the energy savings that could be achieved by incorporating the latest energy efficiency technologies into the Newark Desalination Facility Expansion Project. PG&E hired a consultant, Nexant, to determine the potential electricity savings associated with the installation of high efficiency equipment such as variable frequency drive controls, premium efficiency motors, energy recovery turbines, low pressure reverse osmosis membranes, and high efficiency heat pumps. These measures were incorporated into the design of the facility and, as a result, the operating electricity costs could be reduced by as much as approximately \$300,000 annually with associated reduced annual greenhouse gas emissions of approximately 1,660 tons per year. For the Newark Desalination Facility Project, the sum of the eligible NRNC incentives for the various installed energy efficiency measures is \$229,170.

A motion was made by Director Gunther, seconded by Director Reynolds to accept the PG&E Non-Residential New Construction incentive payment in the amount of \$229,170.

Mr. Bill McLaren Senior Account Manager of Pacific Gas and Electric Company presented President Koller with the check and informed the Board that the District can look forward to saving approximately \$283,000 a year as a result of the energy efficiency measures that were installed. He also gave a brief summary of the environmental benefits.

Mr. Wadlow thanked PGE for the cooperative working relationship that has been established.

The motion was passed by the following vote:

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

5.7 AUTHORIZATION OF LEASE AMENDMENT WITH THE CITY OF FREMONT FOR MARKSMANSHIP TRAINING

Mr. Inn reported that the City of Fremont (City) has been using a portion of the District's Patterson Reservoir property for police officers' outdoor marksmanship training since 1969. The lease agreement between the City and the District has expired and a new ten year lease amendment that fully protects the District's interests and requires the City to maintain the common access road has been developed.

The City of Fremont currently leases a portion of the District's Patterson Reservoir property for marksmanship training and as a firing range for one dollar a year. The City has requested to

continue using the District's property for marksmanship training and recognizes its obligation to ultimately address all existing and future contamination as a result of its use of the property. An environmental assessment completed in 1996 estimated the cost of site remediation at \$270,000; however, this estimate was recently updated to a new cost estimate of \$425,000.

District staff and legal counsel have developed a new ten year lease amendment with the ability to extend the agreement by amendments authorized by the Board. The lease amendment establishes a new schedule for addressing all contamination before the City vacates the property or at the end of the lease period on December 31, 2020. Additionally, the lease amendment requires that the City maintain sufficient available funds equaling the total estimated cost to remediate the District's property in the City's Capital Projects Fund and as a separate line item in the City's budget. The cost to remediate the District's property must be reevaluated at least once every two years. If the total estimated remediation cost increases by at least 10%, the City must increase amounts held in the Capital Projects Fund for the site cleanup project. The City cannot reduce or eliminate the amount of funds held for the remediation of the District's property without prior written consent of the District. Every year, the City must provide the District with a certificate signed by the City's Finance Director stating that the City has sufficient funds to remediate the property.

Staff recently evaluated the property and determined that it is highly unlikely that any contamination will be transported through storm water runoff. However, if this situation changes, the City will be responsible for implementing all required interim remediation. Ultimately, the City must provide the District with a copy of a "no further action letter" from the appropriate regulatory agency to confirm the completion of site investigation and remedial actions.

The City's obligations related to the maintenance of the common access road to the firing range and Patterson Reservoir were also clarified in the lease amendment. For example, the City is required to grade the unpaved access road at least once a year and to repair the road at any time the road is damaged. The City will also be responsible for following all of the District's protocols for security and protection of the property.

Either party may terminate the agreement by providing at least 180 days prior written notice. The City Council authorized the City Manager to execute the ten year lease amendment at the Council's meeting on October 26, 2010.

A motion was made by Director Gunther, seconded by Director Reynolds authorizing the General Manager to sign the lease amendment with the City of Fremont for the use of a portion of District's Patterson Reservoir property for marksmanship training.

Sergeant Patrick Epps, Range Master and Tactical Commander for the SWAT Team of the Fremont Police Department, thanked the Board on behalf of the City of Fremont and the police department for the continued good working relationship.

The motion was passed by the following vote:

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

5.8 AUTHORIZATION OF PURCHASE ORDER FOR PROFESSIONAL SERVICES FOR WATER CONSERVATION RATE STUDY

Mr. Niesar reported that the purpose of the Water Conservation Rate Study (Study) is to assess and evaluate ACWD's existing water rate and provide recommendations for a conservation rate structure, especially in light of the need to comply with water savings targets as established under recent legislation (SB7). The broad objective of the Study is to promote water conservation and water use efficiency within all customer classes to help meet SB7 savings targets, while adequately funding water operations, capital costs and other District costs, and providing revenue stability. Staff is recommending the selection of Raftelis Financial Consultants Inc. (RFC) to provide professional services to conduct the Study at a cost not to exceed \$113,415. There are adequate funds in the FY10/11 budget for this expenditure.

Recent legislation (SB7) set an overall goal for the State of California of reducing per capita urban water use by 20% by December 31, 2020, and by at least 10% by December 31, 2015. Over the next few months, staff will be analyzing ACWD's specific reduction requirements as part of this statewide initiative as well as a variety of conventional conservation methods to achieve those targets. One highly effective method of promoting water conservation and water use efficiency while adequately funding operations and providing revenue stability is through implementation of a water conservation rate structure. A well designed conservation rate structure sends a price signal to customers who use water inefficiently, provides sufficient revenue income, and improves rate stability.

The Study will be based on a comprehensive review of ACWD's water rates, fees and budgets, Capital Improvement Program, customer classes, current and historical usage data, projected future water demands, conservation programs, and any other information deemed necessary.

Five consultants submitted proposals to perform the work based on information and requirements presented by District staff. A five member review panel evaluated the proposals and invited the top three consultants to interview. After the interviews and a survey of references, RFC was selected by the panel as the best fit for the District's needs.

RFC is an independent finance consulting firm located in Pasadena, California and well experienced with the most challenging of water conservation rate structures. RFC's estimated cost for the work on a time and expense basis is \$113,415. This total includes a contingency amount requested by District staff for additional workshops with staff and the Board, should they be needed pending initial findings of the Study. This item was reviewed with the Water Resources Planning Committee on October 20, 2010.

Mr. Niesar gave a brief presentation to the Board. Discussion ensued and staff responded to questions from the Board.

A motion was made by Director Gunther, seconded by Director Reynolds to 1) authorize a purchase order to Raftelis Financial Consultants, Inc. for professional services in an amount not to exceed \$113,415; and 2) authorize the General Manager to execute a services agreement with Raftelis Financial Consultants, Inc. for this work.

The motion was passed by the following vote:

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

5.9* AUTHORIZATION OF PURCHASE ORDER FOR PROFESSIONAL SERVICES FOR DEVELOPMENT FEES AND CHARGES STUDY

The Development Fees and Charges Study (Study) is required to ensure that the District's development-related fees and charges and their application are fair, adequate, justifiable, and sustainable. The Study will focus on the District's Installer's Reimbursement Account, the fees and charges that fund it, and the application methodologies of those and other development-related fees and charges. The Study will also review the District's current development-related policies, including Resolution 81, in the context of redevelopment and recycled water infrastructure funding. Professional services for the Study, which include a survey of industry standard practices, are required. There is adequate funding in the FY10/11 budget for this expenditure.

Originally adopted in 1955, and revised most recently in 1991, the District's Resolution 81 sets forth policies related to extensions of the District's water distribution system, including a system of fees and charges designed to recover the District's costs associated with such extensions. Resolution 81 also established an Installer's Reimbursement Account (IRA) which provides a mechanism for developers to be reimbursed for their costs associated with water system improvements that benefit others. This system of fees and charges was intended to ensure that the developments that benefitted by extensions to the distribution system paid their share of the cost of those extensions, and that the overall water production, storage, transmission, and distribution related costs associated with development were borne by such development and not by the District's existing customers.

The system of fees and charges established under Resolution 81 include the Facilities Connection Charge (FCC), Facilities Acreage Charge (FAC), Standard Acreage Charge (SAC), Annexation Charge, and Front Foot Charges (FFCs). The FCC and FAC, which fund the growth related components of the District's Capital Improvement Program, were reviewed in the District's 1998 study of development-related fees and charges which was conducted by Hilton Farnkopf & Hobson, LLC. Neither the SAC nor FFCs, which fund reimbursements to other developers, nor the Annexation Charge, were reviewed in significant detail in the District's 1998 review which focused on ensuring adequate funding of the District's own growth related costs.

The Study will provide a detailed review of the IRA account and the SAC and FFC charges that fund it. The Study will also review the District's Engineering Fee, Storage Connection Charges and Service Elevation Charge. In addition to reviewing the basis and amounts of the charges, the Study will review the District's methods of assessing these charges, and its management of the

IRA fund to ensure they are fair, equitable, justifiable, efficient and consistent with District policies and the law. The Study will also include a review of the development-related policies and procedures of other water agencies and will compare the District's practices to industry standards.

Finally, because the nature of development within the District's service area continues to change from development of agricultural and open space to redevelopment, intensification, and infill, a review of the District's policies and funding mechanisms is required to ensure consistency with current development trends. The Study will review existing fees and charges in the context of such redevelopment and will provide recommendations regarding charges related to redevelopment and recycled water infrastructure funding.

Fourteen qualified consultants were invited to attend a mandatory pre-proposal meeting, and four consultants attended. Two consultants submitted proposals to perform the work based on information and requirements presented by District staff. Based on a comprehensive evaluation of the proposals, interviews with both consultants, and a survey of references, Bartle Wells Associates was the firm determined to have the qualifications, staff, and proposed approach that best meets the District's needs. Bartle Wells Associates is an independent public finance consulting firm located in Berkeley, California. Bartle Wells Associates' estimated cost for the work on a time and expense basis is \$75,225. This total includes a contingency amount requested by District staff for additional review of alternatives to acreage based charges, pending initial findings of the Study. This item was reviewed with the Administrative and Finance Committee on September 28, 2010.

A motion was made by Director Gunther, seconded by Director Huang to 1) authorize a purchase order to Bartle Wells Associates for professional services in an amount not to exceed \$75,225; and 2) authorize the General Manager to execute a services agreement with Bartle Wells Associates for this work, Job 2301.

The motion was passed by the following vote:

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

5.10 AUTHORIZATION OF CHANGE ORDER NO. 1 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 5.10. Director Weed left the meeting at 6:31 P.M.

Mr. Inn reported that the Board previously awarded the construction contract for the Niles Boulevard Pipeline Project to D&D Pipeline, Inc. During construction, it was discovered that two residential services on F Street are connected to the existing water main on Niles Boulevard. The installation of a 6-inch water main on F Street will bring the water services on F Street to current District standards and will accommodate a future water main to be installed on Iron Horse Lane, if needed.

Change Order No. 1 has been prepared to address the additional required work and to grant a contract time extension. Additional funding in the amount of \$81,000 is requested to cover the change order, as well as the associated design, inspection, and construction support work to be performed by District staff.

On August 12, 2010, the construction contract for the Niles Boulevard Pipeline Project was awarded to D&D Pipeline, Inc. in the amount of \$458,250. The Niles Boulevard Pipeline Project consists of the installation of approximately 2,000 linear feet of 12-inch water main and appurtenances and the replacement of service lines on Niles Boulevard to accommodate the City's Niles Boulevard Street Improvement Project. Work is approximately 20% complete.

Change Order No. 1 in the amount of \$67,000 has been prepared for the following items requested by the District: 1) installation of 185 linear feet of 6-inch PVC water main on F Street, 45 linear feet of steel offsets to clear underground utilities; two air valves, two 6-inch gate valves, two service lines, and a permanent blow off; 2) pressure and leakage testing; 3) disinfection; 4) surface restoration; 5) survey work; and 6) traffic control. The contractor submitted a request for a time extension of ten (10) calendar days due to the additional work. Staff has reviewed the time extension request and costs associated with the extra work and have determined that they are fair and reasonable. Because this additional work was not budgeted, a reserve appropriation of \$81,000 is required.

A motion was made by Director Reynolds, seconded by Director Gunther to 1) approve Change Order No. 1 in the amount of \$67,000; 2) grant a time extension of ten (10) calendar days to D&D Pipeline, Inc.; and 3) authorize a reserve appropriation of \$81,000 for the Niles Boulevard Pipeline Project, Job 6443.

The motion was passed by the following vote:

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

6 – REPORTS

6.1 BOARD COMMITTEE REPORTS

- Operations & Water Quality Meeting of October 6, 2010: (1) Non-Revenue, Unaccounted-for-water
- Legal & Legislative Meeting of October 13, 2010: (1) ACWD Legislative Representation in Sacramento
- Water Resources Planning Meeting of October 20, 2010: (1) Proposed Water Conservation Rate Study; (2) Update on Alameda Creek Fishery Issues
- Engineering & Capital Projects Meeting of October 21, 2010: (1) Ordinance and Standards for Wells, Exploratory Holes, and other Excavations within the Cities of Fremont, Newark, and Union City; (2) Non-Potable Water Applications; (3) Union City

Housing Element; (4) Water Service Agreement Between the Alameda County Water District and New United Motor Manufacturing, Inc.

- Administration & Finance Meeting of October 26, 2010: (1) Quarterly Review of Claims; (2) Quarterly Review of Investments; (3) Audit Overview; (4) Rates and Charges Status Update
- Operations & Water Quality Meeting of November 3, 2010: (1) Maintenance of Fire Hydrants; (2) Operational Reports for the Board
- Special Engineering & Capital Projects Meeting of November 9, 2010: (1) History of Joint Efforts on Recycling; (2) Background on Current Project – Purpose, Scope and Objectives. Water Supply, Environmental and Community Benefits of Recycled Water; (3) Study Summary: Market Assessment, Regulations Impacting Recycling, Treatment, and Project Options; (4) Costs of Providing Recycled Water; (5) Other Issues: Groundwater Protection, Water Quality, Wet Weather Flow Diversion; (6) Potential Funding Opportunities; (7) Factors to Consider in Whether to Proceed with a Project

6.2 OPERATIONAL REPORTS

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

6.3 STAFF REPORTS

- Presentation Regarding an Ordinance of the Alameda County Water District to Regulate Wells, Exploratory Holes, and other Excavations within the Cities of Fremont, Newark, and Union City – Ms. Myers provided an overview of the proposed Ordinance and described how it provides a guide for implementing the enforcement and regulatory authority provided in the Alameda County Water District Groundwater Protection Act.

Discussion ensued and staff responded to questions from the Board.

- Maintenance of Fire Hydrants – Mr. Pristia gave a brief presentation on fire hydrant maintenance and the costs related to maintain the hydrants under the existing agreements with the cities of Fremont, Newark and Union City. The District owns all hydrants on public property and is responsible for mechanical maintenance. The existing agreements state that the cities are responsible for the cost of initial hydrant installation and future non-mechanical maintenance such as painting. Mr. Pristia informed the Board that as of July 2010 the Alameda County Fire Department provides fire protection services for Newark and Union City and will be meeting with them in the near future to discuss fire hydrant maintenance. Discussion ensued and staff responded to questions from the Board.

Mr. B.J. Bunting, a resident of Fremont, addressed the Board and inquired as to the color of the hydrant that was shown in Mr. Pristia's presentation. Mr. Pristia advised Mr.

Bunting that the color is caterpillar orange which is the current standard color. Mr. Bunting asked if the color of the curb painting, to indicate a “no parking zone”, will change and asked what the length of the painted curb is. Mr. Pristia advised Mr. Bunting that the curb painting will remain red and the length is usually 15 feet. Mr. Bunting inquired as to why the hydrants are not painted red. Director Koller informed Mr. Bunting that yellow is preferred by fire departments because the color is more visible at night.

6.4 GENERAL MANAGER’S REPORTS

- Mr. Wadlow distributed a memorandum to Association of California Water Agencies (ACWA) public agency members from the ACWA President Paul Kelley describing a General Session Membership Meeting which will be held at the upcoming ACWA conference. The District needs to designate a representative to attend the meeting and the Board President has designated the Board’s Vice President to fulfill that responsibility.
- Mr. Wadlow informed the Board that the newly-elected Director, Paul Sethy, will be seated at the December Board Meeting. The election of the board officers for 2011 will be agendized during that same meeting.

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

- President Koller thanked Mr. Frank Price, who was present at the meeting, for his candidacy in the recent election.
- Director Reynolds thanked staff, the public and his fellow Board members for the opportunity to work together as a team. Directors Gunther, Huang, and Koller thanked Director Reynolds for his service and expressed appreciation for the knowledge that he brought to the District.

8 – CLOSED SESSION

President Koller adjourned the meeting to a closed session at 7:31 P.M. for a conference on the following item:

- 8.1 Conference with Legal Counsel – Anticipated Litigation Pursuant to Government Code Section 54956.9(c) Initiation of Litigation: One Potential Case

President Koller reconvened the meeting at 8:34 P.M. Mr. Wadlow reported that the Board met in closed session and took no action.

There being no further business to come before the Board, President Koller adjourned the meeting at 8:35P.M.

Gina Markou, District Secretary

Attest:

Martin L. Koller, President