

January 13, 2011
Fremont, California

The regular monthly meeting of the Board of Directors of ALAMEDA COUNTY WATER DISTRICT was held on January 13, 2011 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 Weed, Gunther, Koller, Sethy, and Huang

Staff members present: General Manager Walt Wadlow, Assistant General Manager-Engineering Robert Shaver, Manager of Finance Shelley Burgett, Manager of Operations Steve Peterson, Manager of Administrative Services Altarine Vernon, Special Assistant to the General Manager Eric Cartwright, Financial Services Manager Michael Yee, Groundwater Resources Engineer Mikel Halliwell, Senior Water Resources Engineer Thomas Niesar, Water Quality and Regulatory Compliance Manager Douglas Chun, Attorney Patrick Miyaki, and District Secretary Gina Markou.

President Judy Huang presided.

Director Sethy led in the Salute to the Flag.

3 – PUBLIC COMMENTS

- Ms. Wynn Gr Eich, a resident of Hayward, addressed the Board and commented on recent articles concerning the reduction of fluoride levels in the drinking water.
- Mr. Wadlow read an e-mail received from Mr. Ken Nishimura, a resident of Fremont, requesting the possibility of the Board reopening Public Comment towards the end of the meeting for those individuals who due to traffic congestion or other reasons are unable to make the Public Comment which immediately follows the opening of the meeting. Mr. Wadlow stated that the Board always has the ability to revisit an item on the agenda.

4 – CONSENT CALENDAR

A motion was made by Director Gunther to add items 5.1 through 5.4 and items 5.6 through 5.7 to the Consent Calendar, seconded by Director Koller.

The motion was passed by the following vote:

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

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

4.1 Approval of Minutes – Regular Meeting of December 9, 2010

- 4.2 Ratification of Payment of Audited Demands dated December 3, December 10, December 17, and December 30, 2010
- 4.3 Authorization for Execution of Amendments to Tax Certificates for 2003 COPs and 2009 Refunding Revenue Bonds
- 5.1 Resolution Honoring Dennis Diemer upon his Retirement as General Manager from East Bay Municipal Utility District
- 5.2 Resolution Awarding Contract for the 2011 Potable Water Facilities Cleaning and Inspection Project
- 5.3 Authorization of Purchase Orders for District Vehicles
- 5.4 Authorization of Purchase Order Amendment for Fabricating and Installing Utility Truck Bodies
- 5.6 Resolution Adopting Findings for Purposes of the California Environmental Quality Act in Connection with Approval of the Warm Springs Main Extension Prune to Brown Project
- 5.7 Authorization of Purchase Order Amendment for Engineering Services for the Warm Springs Main Extension Prune to Brown Project

The motion was passed by the following vote:

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

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

5.1* RESOLUTION HONORING DENNIS DIEMER UPON HIS RETIREMENT AS GENERAL MANAGER FROM EAST BAY MUNICIPAL UTILITY DISTRICT

Dennis Diemer is retiring from the East Bay Municipal Utility District (EBMUD) after over 15 years of service as General Manager. Dennis has made major technical and policy contributions to the water and wastewater fields during his 36-year career.

Dennis has served as the General Manager of EBMUD since 1995. In addition to overall responsibility for water and wastewater services to 1.3 million customers, during his tenure, Dennis oversaw a \$1 billion, 5-year capital improvement program, a \$1 billion supplemental water supply program in partnership with the City and County of Sacramento, a 10-year, \$190 million seismic improvement program and master planning for a \$200 million wet weather program. In addition to his service to EBMUD customers, Dennis has worked actively on behalf of water agencies throughout the nation, including ACWD, on boards, as well as technical and policy committees of numerous water and wastewater organizations to advance the state of the water industry through his many professional efforts.

A motion was made by Director Gunther, seconded by Director Weed, to adopt a resolution extending congratulations and appreciation to Dennis M. Diemer for his many years of dedicated service.

RESOLUTION NO. 11-001

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
HONORING DENNIS M. DIEMER UPON HIS RETIREMENT AS GENERAL
MANAGER FROM THE EAST BAY MUNICIPAL UTILITY DISTRICT

The motion was passed by the following vote:

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

5.2* RESOLUTION AWARDING CONTRACT FOR THE 2011 POTABLE WATER
FACILITIES CLEANING AND INSPECTION PROJECT

The District has an ongoing program to conduct regular cleaning and inspection of all its treated water tanks and reservoirs. The goal of the program is to clean and inspect each of these types of facilities at least once every five years as recommended by the California Department of Public Health. Requests for proposals to clean and inspect two storage facilities (Canyon Heights Tank and Alameda Reservoir) were issued November 29, 2010, and five bids were received and opened on December 15, 2010. The lowest bid was submitted by Liquivision Technology, Inc. (Liquivision) for \$55,380. There is adequate funding in the budget for this expenditure.

The District typically requires the cleaning of its potable water storage facilities to be performed using a method involving underwater divers. Cleaning of tanks and reservoirs in this manner saves millions of gallons of water that would otherwise be lost if storage facilities were required to be drained for cleaning. Additionally, this method provides the District the flexibility of putting tanks and reservoirs back into service within a few days after the work is completed and the water has been sampled and has passed bacteriological testing. Regular cleaning of storage facilities limits the amount of sediments in the distribution system, thus improving water quality.

The lowest bid was submitted by Liquivision of Klamath Falls, Oregon. The bid was checked for compliance with bidding requirements and was determined to be responsive. The Engineer's Estimate for the work was \$113,000. Liquivision has been in the tank and reservoir cleaning and inspection business for 15 years. References were contacted and found to be excellent. Additionally, Liquivision has successfully cleaned and inspected multiple storage facilities owned by the District within the last four years including the cleaning of Decoto Reservoir in 2008.

A motion was made by Director Gunther, seconded by Director Weed, to adopt a resolution accepting the proposal and awarding the contract for the 2011 Potable Water Facilities Cleaning and Inspection Project, Job 6439.1, to Liquivision Technology, Inc. in an amount not to exceed \$55,380 which is the total of the lump sum payment items.

RESOLUTION NO. 11-002

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
ACCEPTING PROPOSAL OF, AND AWARDING CONTRACT TO
LIQUIVISION TECHNOLOGY, INC., FOR JOB 6439.1

The motion was passed by the following vote:

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

5.3* AUTHORIZATION OF PURCHASE ORDERS FOR DISTRICT VEHICLES

The current budget includes funding for the purchase of various District vehicles. On November 30, 2010, the District received bids from six dealers for the purchase of five replacement trucks manufactured by Ford Motor Company (two Ford F-150s, two Ranger 4x4s and one F-250 model truck with a service body). There is sufficient funding for these items in the budget.

Requests for quotations for five vehicles were sent to twelve Ford dealers and six of the dealers submitted bids. Four of the vehicles are replacing existing vehicles that meet established District criteria for vehicle replacement (e.g., vehicle age over 10 years, mileage over 100,000 miles or high maintenance costs). The fifth vehicle (a Ranger 4x4 model truck), is replacing a vehicle damaged in an automobile accident. The vehicle was rear-ended and the District has initiated a claim regarding this accident.

A motion was made by Director Gunther, seconded by Director Weed, to: 1) authorize a purchase order to San Francisco Ford Lincoln Mercury in an amount of \$23,758.65 for one F-150XLT model truck; 2) authorize a purchase order to Hansel Ford Lincoln Mercury in an amount of \$62,150.24 for one F-150XL model truck and two Ranger 4x4 model trucks; and 3) authorize a purchase order to Serramonte Ford in an amount of \$28,814.83 for one F-250 model truck with a service body.

The motion was passed by the following vote:

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

5.4* AUTHORIZATION OF PURCHASE ORDER AMENDMENT FOR FABRICATING
AND INSTALLING UTILITY TRUCK BODIES

On April 13, 2010, the Board authorized a purchase order to Scelzi Enterprises, Inc. (Scelzi) for the fabrication and installation of utility truck bodies on five Ford F-650s for \$285,843.88. On September 9, 2010, the Board authorized a purchase order amendment in the amount \$59,815 for the estimated cost to modify the truck bodies to better meet the needs of District field staff. The actual cost of these improvements totaled \$62,008.75 and a second purchase order amendment is needed to cover the final cost. There is sufficient funding in the budget for this expenditure.

The Ford F-650 is a new vehicle in the District's fleet which also required staff to develop a new utility body for the truck. As required by the contract, Scelzi submitted shop fabrication drawings for the new utility body design based on the specifications provided by the District. However, the District's review of the drawings revealed that several items necessary to improve worker safety and work efficiency in the field were needed. These items included the relocation of where a jackhammer is stored on the truck, installation of a powered air hose reel instead of a manual hose reel, strobe caution lights for improved safety, and a tie down system to better secure the items in the truck bed. Fabrication of the utility bodies has been completed and the District took delivery of the trucks in December 2010.

A motion was made by Director Gunther, seconded by Director Weed to authorize a purchase order amendment to Scelzi Enterprises, Inc., for the fabrication and installation of additional items on five utility truck bodies in the amount of \$2,193.75.

The motion was passed by the following vote:

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

5.5 RESOLUTION AWARDING CONTRACT FOR THE PERALTA-TYSON SITE UPGRADE PROJECT

Mr. Shaver reported that the District has commenced a program to convert several of the submersible pumps at the Peralta-Tyson (PT) Wellfield to above ground line-shaft well pumps because line-shaft wells are more reliable and less expensive to maintain in this application. Permanent buildings are required for the line-shaft pumps to provide weather protection, motor noise reduction, and security. Although conversion of the PT-2 and PT-7 wells are included in this year's budget, a budget transfer will be required to complete the project.

The scope of the Peralta-Tyson Site Upgrade Project consists of the installation of the following: District-furnished line-shaft pumping equipment, two new pump enclosure buildings, a new flow meter, piping modifications, and new concrete pump pedestals and building slabs. Four (4) bids were received and opened on December 7, 2010. The bid totals for comparison ranged from a low of \$371,800 to a high of \$452,100. The engineer's estimate for the work was \$404,000. The total, for purposes of comparison, included the base bid (Schedule A) with contingency items for the replacement of existing 2400V power conductors (Schedule B).

Blocka Construction Inc. of Fremont, California, submitted the lowest bid. This firm has been in the contracting business under its present name for 17 years. References were checked and it was confirmed the contractor has the necessary experience and has satisfactorily performed similar work.

In order to be in compliance with the revised California Waterworks Standards, the project scope was broadened to include extension of the existing well casings and replacement of the existing pump pedestals. Staff also believes that additional inspection and construction management beyond the original estimated level of effort in the FY 2010/11 budget for this capital project expenditure will be required. Therefore, a budget transfer in the amount of \$245,000 is required.

However, there are surplus FY 2010/11 budgeted funds in the completed ARP Well Upgrades & Site Improvements for Desal, Phase 2 Project which may be transferred to this project. The Board previously approved the project and adopted a resolution finding the project categorically exempt from the California Environmental Quality Act (CEQA).

Director Sethy voiced his concern about low water demand relative to previous years and asked what the consequences would be if this project was delayed until the next fiscal year. Mr. Shaver informed Mr. Sethy that it has been the District's past practice at the beginning of the summer season is to ensure that all the wells and pumps are available for service primarily to meet demand but also for reliability purposes. Mr. Shaver stated that this is the District's major source of local production capacity in the event that there is an outage in the State Water Project or the Hetch Hetchy System. The District would run the risk of not being able to meet its demands because it would not have the amount of local groundwater available to meet hot weather days.

A motion was made by Director Gunther, seconded by Director Weed, to: 1) authorize a budget transfer from Project/CIP No. 06G03/GA5001A ARP Well Upgrades & Site Improvements for Desal, Phase 2 Project (Job 4311) to Project/CIP No. 10D11/PW0353 Peralta-Tyson Site Upgrade Project (Job 6464) in the amount of \$245,000; and 2) adopt a resolution to award the contract for the Peralta-Tyson Site Upgrade Project to Blocka Construction Inc. in an amount of \$358,750, which is the total of the unit price and lump sum payment items for the base bid (Schedule A), Jobs 6464 and 6459.

RESOLUTION NO. 11-003

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
ACCEPTING PROPOSAL OF, AND AWARDING CONTRACT TO BLOCKA
CONSTRUCTION, INC., FOR JOB NO. 6464

The motion was passed by the following vote:

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

5.6* RESOLUTION ADOPTING FINDINGS FOR PURPOSES OF THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT IN CONNECTION WITH APPROVAL OF THE
WARM SPRINGS MAIN EXTENSION PRUNE TO BROWN PROJECT

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 PT Blending Facilities. The project was included in the District's 1996-2001 Capital Improvement Program (Program) and is subject to the California Environmental Quality Act (CEQA).

The project consists of approximately 5,100 linear feet of 24-inch diameter welded steel pipeline on Warm Springs Boulevard from Prune Avenue to Brown Road in Fremont. The project was included in the District's Program and an Environmental Impact Report (EIR), dated May 15,

1998, was certified by Board Resolution No. 98-054 on August 27, 1998. Subsequent to the EIR certification, the District’s Program was approved and the corresponding Mitigation Monitoring and Reporting Program were adopted by Board Resolution No. 98-055 on August 27, 1998.

Staff and legal counsel have reviewed the information in the Final EIR and have determined that since the EIR was finalized, there have been no substantial project changes and no substantial changes in project circumstances that would require major revisions to the Final EIR and no feasible alternative or additional feasible mitigation measures have been identified that would substantially lessen or avoid any significant effect the project would have on the environment.

A motion was made by Director Gunther, seconded by Director Weed, to adopt a resolution which: 1) adopts the CEQA findings contained in District Resolution No. 98-055 including the Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program related to the District’s 1996-2001 Capital Improvement Program, 2) approve the Warm Springs Main Extension Prune to Brown Project, and 3) authorize the General Manager to prepare and file a Notice of Determination for the project, Job 6478.

RESOLUTION NO. 11-004

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
ADOPTING FINDINGS FOR PURPOSES OF THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT IN CONNECTION WITH APPROVAL
OF THE WARM SPRINGS MAIN EXTENSION PRUNE TO BROWN
PROJECT

The motion was passed by the following vote:

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

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

The Board previously authorized a purchase order to Winzler & Kelly Consulting Engineers (Winzler & Kelly) for engineering design services for the Warm Springs Main Extension Prune to Brown Project. Additional design services are required to connect the proposed 24-inch diameter transmission main to existing 12-inch diameter mains on Warm Springs Boulevard. There is adequate funding in the budget for this expenditure.

On August 12, 2010, the Board authorized a purchase order to Winzler & Kelly in the amount of \$214,000 to design and prepare bid documents to construct approximately 5,100 linear feet of 24-inch diameter welded steel pipeline along Osgood Road and Warm Springs Boulevard from Prune Avenue to Brown Road in Fremont. This work is approximately 90% complete. Construction is scheduled to begin in April 2011.

At staff's request, Winzler & Kelly submitted a cost proposal in the amount of \$9,520 to modify the construction bid documents to include the design of two 12-inch diameter pipe interconnections between the proposed new 24-inch main and two existing 12-inch water mains. Eliminating two existing "dead-ends" in the system will improve water quality in the distribution piping along Warm Springs Boulevard. Staff has reviewed the costs for the additional work and has determined they are fair and reasonable.

A motion was made by Director Gunther, seconded by Director Weed, to authorize a purchase order amendment to Winzler & Kelly Consulting Engineers for additional design services in an amount not to exceed \$9,520 for the Warm Springs Main Extension Prune to Brown Project, Job 6477.

The motion was passed by the following vote:

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

5.8 ADOPTION OF THE 2011 CALENDAR OF REGULAR BOARD MEETINGS

Mr. Wadlow reported that the Alameda County Water District Rules of the Board state that regular meetings of the Board shall be held on the second Thursday of each month at the hour of 6:00 pm. In a couple of instances each year, scheduled external events or other District requirements create conflicts which can most easily be resolved by rescheduling the Board meeting to an alternate date. In order to provide advance notice to the public and allow Board members and staff to plan their annual schedules, staff is proposing the attached schedule for Board discussion and adoption.

Director Weed requested that the American Water Works Association meetings be included on the calendar to avoid conflicts.

A motion was made by Director Gunther, seconded by Director Koller, to adopt the proposed 2011 calendar of regular meetings of the Board of Directors.

The motion was passed by the following vote:

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

5.9 RESOLUTION AUTHORIZING THE EXECUTION OF A COOPERATIVE AGREEMENT WITH THE BAY AREA RAPID TRANSIT DISTRICT FOR THE WARM SPRINGS MAIN EXTENSION PRUNE TO BROWN PROJECT

Mr. Shaver reported that the District's Capital Improvement Program includes the design and construction of a 24-inch diameter pipeline along Warm Springs Boulevard from Prune Avenue to Brown Road (approximately 5,100 linear feet). This pipeline is required to improve the transmission of water to the southern portion of the distribution system. Additionally, the

pipeline is needed to provide water service to the planned Bay Area Rapid Transit District (BART) Warm Springs Station and is needed to accommodate the San Francisco Public Utilities Commission (SFPUC) Bay Division No. 3 and 4 Seismic Upgrades Project.

To accelerate the construction of the pipeline to meet the schedule requirements of the SFPUC project, the District plans to construct the pipeline before BART commences its Warm Springs Station Project. However, District staff negotiated an agreement with BART that requires BART to assume essentially the same cost sharing obligations had BART been required to install the pipeline consistent with the terms that the District imposes on property developers. The proposed agreement principles were reviewed with the Engineering and Capital Projects Committee on December 16, 2010.

The planned BART Warm Springs Station, located at the intersection of Grimmer and Warm Springs Boulevards in Fremont, would normally require a 1,550 linear feet, 12-inch diameter water main extension to serve the property. BART recently approached District staff and requested that the District design and install the water main. Normally, this work is performed by the property developer as stipulated in District Resolution No. 81. However, in this case, the District already planned a 5,100 linear feet, 24-inch diameter transmission water main along Warm Springs Boulevard that is required to improve water service to the southern portion of the distribution system. Additionally, the pipeline allows the District to more cost-effectively accommodate the construction of the SFPUC Bay Division No. 3 and 4 Seismic Upgrades Project. Accordingly, staff negotiated an agreement with BART that, although is structured differently than a typical Water Main Extension Agreement, essentially imposes the same cost obligations on BART had the pipeline been installed under the terms and conditions of Resolution 81. BART will reimburse the District for 100% of the design costs and will appropriately share the actual construction costs for the segment of water main that fronts the BART property. The District will fund the remaining construction costs. The estimated total project cost is \$2,900,000 and BART's estimated share is \$750,000, or approximately 27% of the total project cost. Construction is currently scheduled to be completed in September 2011.

Mr. Sethy pointed out that the Environmental Impact Report (EIR) was conducted in the spring of 1998 and approved by the Board in the fall and inquired as to the validity of that report. Mr. Shaver confirmed that the EIR that was previously performed for the pipeline project was done several years ago. Staff reviewed the project and determined there have been no changes in the scope of the project or any potential environmental implications. Mr. Miyaki confirmed that EIR does not expire and a more current EIR is not required. It was appropriate for staff to review the EIR given the passage of time and this was done in coordination with legal counsel.

Director Weed inquired if any city agencies were involved in this project in order to assure that the project is completed and fully financed. Mr. Shaver informed the Board that the BART train station is being fully funded by BART. The District is unaware of any redevelopment funds being appropriated for this project.

Director Weed asked if the area around the BART station, which is not within the District's boundaries, is going to be incorporated. Mr. Shaver confirmed that the property would be incorporated into the District and all the appropriate fees for annexation will be applied. Director Weed asked if it would be appropriate to approach private property owners in the area to ensure

that the District has that area covered for water service. Mr. Shaver stated that he will pursue this inquiry with LAFCo and will report back to the Board at a later time.

A motion was made by Director Weed, seconded by Director Koller, to adopt a resolution authorizing the General Manager to execute a cooperative agreement with the Bay Area Rapid Transit District for cost sharing for the Warm Springs Main Extension Prune to Brown Project, Job 6478.

RESOLUTION NO. 11-005

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
AUTHORIZING THE EXECUTION OF A COOPERATIVE AGREEMENT
WITH THE BAY AREA RAPID TRANSIT DISTRICT FOR THE WARM
SPRINGS MAIN EXTENSION PRUNE TO BROWN PROJECT, JOB NO. 6478

The motion was passed by the following vote:

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

5.10 RESOLUTION AWARDED CONTRACT FOR THE REMOVAL, DISPOSAL, AND
INSTALLATION OF FILTER MEDIA AT WATER TREATMENT PLANT NO. 2

Mr. Shaver reported that Water Treatment Plant No. 2 (WTP 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.

The project to replace the media in Filters 1, 2, and 3 was advertised and the District received one bid proposal from ERS Industrial Services, Inc. (ERS) in the amount of \$126,020.87. There is adequate funding in the current budget for this work.

After performing pilot testing to determine the optimum configuration for the filters at WTP No. 2, the District replaced the filter media in Filters 4, 5, and 6 with a 42-inch deep layer of large diameter anthracite and a 9-inch layer of sand in May 2010. This new filter media configuration has resulted in significantly improved performance. Accordingly, staff proposes to similarly replace the current filter media (30 inches of anthracite, 5 inches of sand, and 6 inches of gravel) in Filters 1, 2, and 3.

The project was advertised on November 15, 2010, and ERS submitted the only bid proposal in the amount of \$126,020.87 on December 7, 2010. The Engineer's Estimate was \$190,000 to \$200,000. ERS has been in the contracting business under its present name for 18 years. References were checked and it was confirmed the contractor has the necessary experience and has satisfactorily performed similar work. Additionally, the previous installation of media in Filters 4, 5, and 6 was completed successfully by ERS.

Staff contacted the three other potential bidders that attended the mandatory pre-bid meeting to determine why additional bids were not submitted. Factors included: 1) the District's requirement for contractors to have possessed a valid Class A license under the current business name for five years; 2) the District's requirement to have performed two filter media installations within the past five years; and 3) an extremely competitive bidding environment. The Board previously approved the project and adopted a resolution finding the project categorically exempt from the California Environmental Quality Act (CEQA).

A motion was made by Director Sethy, seconded by Director Gunther, to adopt a resolution to award the contract for the Removal, Disposal, and Installation of Filter Media in Filters 1, 2 and 3 at Water Treatment Plant No. 2 to ERS Industrial Services, Inc., in the amount of \$126,020.87, which is the total of the unit and lump sum payment items, Job 6483.

RESOLUTION NO. 11-006

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
ACCEPTING PROPOSAL OF, AND AWARDING CONTRACT TO ERS
INDUSTRIAL SERVICES, INC., FOR JOB NO. 6483

The motion was passed by the following vote:

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

5.11 AUTHORIZATION OF PURCHASE ORDER AMENDMENT FOR ENGINEERING
SERVICES FOR HEADQUARTERS RENOVATION PROJECT

Mr. Shaver reported that the Board previously authorized a purchase order to Noll & Tam Architects (Noll & Tam) to perform final design services related to the Headquarters Renovation Project. Subsequently, the District reduced the project's overall budget and scope and deferred construction to FY 2010/11. Now that design work is almost complete, a purchase order amendment is required to implement additional improvements that were identified in the recently completed Information Technology Master Plan and to modify the contract bid documents to accommodate recent organizational and staffing changes in the Administrative Services and Operations Departments. 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 project in an amount not to exceed \$362,818. Four (4) purchase order amendments, totaling \$319,500, have been issued to date. These amendments were required to address the additional level of design effort associated with reducing the overall project budget and scope (e.g., eliminating the new building wing), implementing a phased construction approach, conforming to City of Fremont (City) permitting requirements, and upgrading the existing Emergency Operations Center and the multi-purpose conference/training room. The current scope of work also includes the renovation of the former water quality laboratory into a new crew room and office area, renovation of the Human Resources area, installation of various upgrades to conform to the Americans with Disabilities Act requirements, and installation of

additional trees in the employee parking lot. Additionally, seismic improvements to the existing Supervisory Control and Data Acquisition (SCADA) antenna are also planned.

At the District's request, Noll & Tam submitted a cost estimate in the amount of \$140,000 to design additional improvements that were identified in the recently completed Information Technology Master Plan, which include HVAC upgrades and the replacement of the fire suppression system in the existing computer server room and the installation of a new Uninterruptable Power Supply equipment to accommodate future power loads. Additionally, modifications to the construction bid documents are required to incorporate recent organizational and staffing changes in the Administrative Services and Operations Departments. Noll & Tam's cost is based on the estimated level of effort; the design services costs will be based on actual time and expenses incurred. Staff has reviewed the costs associated with the additional work and has determined they are fair and reasonable. A building permit for the work was recently issued by the City. The project is scheduled to be advertised for construction bids during January 2011 and staff plans to issue construction change orders to complete the computer server room system modifications in order to expedite the work.

A motion was made by Director Gunther, seconded by Director Koller, to authorize a purchase order amendment to Noll & Tam Architects for additional final design engineering services in an amount not to exceed \$140,000 for the Headquarters Renovation Project, Jobs 6113, 6455, 6456, and 6457.

The motion was passed by the following vote:

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

6 – REPORTS

6.1 BOARD COMMITTEE REPORTS

- Operations & Water Quality Meeting of December 7, 2010: (1) Greenhouse Gas Reduction and Climate Registry for Carbon Emissions
- Water Resources Planning Meeting of December 15, 2010: (1) Alameda Creek Fisheries Update
- Engineering & Capital Projects Meeting of December 16, 2010: (1) San Francisco Public Utilities Commission Bay Division Nos. 3 and 4 Seismic Improvement Project; (2) BART Warm Springs Extension Project Update; (3) East-West Connector Project Update; (4) California Statewide Groundwater Elevation Monitoring Program

6.2 OPERATIONAL REPORTS

- Rainfall Report
- Water Production Report

- Quarterly Groundwater Recharge Report

Director Sethy noted that the December groundwater recharge numbers were extremely high and asked if this was a normal experience for this time of the year. Mr. Peterson explained that due to the wet winter the District took advantage of utilizing the water that was available in Alameda Creek for recharge purposes. That coupled with the lower demands in the winter time has reduced groundwater pumping, raising the groundwater levels.

- Investment Report

6.3 STAFF REPORTS

- Presentation Regarding Non-Potable Water Applications: Evaluation of Implications for ACWD – Mr. Halliwell gave a presentation updating the Board on staffs’ assessment of non potable water applications (primarily for irrigation) with specific emphasis on the most recent regulatory and scientific developments in this area. The presentation included how the community can avail itself to the potential benefits that these non potable water applications have to offer but in ways that will not degrade the District’s potable water supplies.

Discussion ensued and staff responded to inquiries from the Board.

- Presentation Regarding Joint ACWD/USD Recycled Water Feasibility Study – Mr. Cartwright briefly provided context on how recycled water has historically fit into the District’s overall water supply portfolio. Mr. Cartwright acknowledged the presence of Mr. Sami Ghossain of Union Sanitary District and reminded the Board that Union Sanitary District has funded 50% of the cost of the study. Mr. Cartwright also acknowledged the presence of Senior Water Resources Engineer, Mr. Niesar, who has been very involved in the study. Mr. Randy Raines and Ms. Carrie Del Boccio of RMC gave a detailed presentation of the results of the recycled water study.

Discussion ensued and staff and the consultants responded to inquiries from the Board.

6.4 GENERAL MANAGER’S REPORTS

- Mr. Wadlow shared with the Board the Association of California Water Agencies’ (ACWA) Century of Leadership book which was sent to the District as part of the Silver Level Sponsorship of ACWA’s Centennial. The book will be available to the Board to peruse and will be located in the Conference Room in proximity of the Board Room.
- Mr. Wadlow discussed with the Board recent information that he has forwarded to the Board relative to the State Budget. Staff is beginning to evaluate the potential impacts on the District of the budget proposal that Governor Brown has made. In particular, the potential reallocation of property taxes by the County of Alameda and the proposal to eliminate redevelopment as an approach in California.
- Mr. Wadlow asked Mr. Peterson to report on several items.

Mr. Peterson informed the Board of two reports that were recently published by the Department of Water Resources on how well zebra and quagga mussels would survive at various State Water Project facilities in Northern California including Lake Oroville and the Feather and Sacramento Rivers. The criteria used to determine survival levels for both adults and veligers were the calcium concentrations in the water and the pH levels of the water. Mr. Peterson thanked Director Sethy for information he provided from a company called Zequanox that is conducting research on an environmentally safe, microbial-based technology for selective control of invasive dreissenid mussels.

Mr. Peterson reported on a statement issued by the Environmental Protection Agency (EPA) in response to a study on chromium-6 released by the Environmental Working Group on December 20, 2010. EPA's statement identified several actions it would be taking to address chromium-6 in drinking water. One of the actions was to issue guidance recommendations to public water systems on how to enhance monitoring and sampling programs specifically for chromium-6. The purpose of the enhanced monitoring is to allow public water systems to provide better information to customers about any presence of chromium-6 in the drinking water, and to assess the degree to which existing treatment affects levels of chromium-6 in drinking water.

Mr. Peterson updated the Board on recent actions regarding fluoride. The current finished water regulatory dosage range is between 0.7 and 1.2 ppm. The EPA and the Department of Health and Human Services are proposing a single value of 0.7 ppm. Currently, the District targets a 1.0 ppm residual at its production facilities. A notice of the proposed recommendation will be published in the Federal Register soon, and the Department of Health and Human Services will then be accepting comments from the public and stakeholders for 30 days. Once the EPA and CDPH change the regulated levels for fluoride in drinking water, the District will immediately initiate the steps necessary to meet the new levels.

Mr. Peterson commented on the Board Room's new audio/visual equipment and thanked Mr. Doug Chun who was responsible for the task. Mr. Chun gave the Board a brief presentation on the new equipment.

Mr. Wadlow distributed information to the Board (compiled by Karl Stinson and Laura Hidas) in response to a question raised by President Huang on how the District pays for its State Water Project water. The document explains in detail how the District is actually billed and pays. The District is not actually paying for water from the State; it is paying for the cost of the infrastructure, and the operation and maintenance associated with delivering that water to the District.

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

7.1 Appointment of Directors to Standing Committees of the Board

President Huang indicated that Director Sethy would take over former Director Reynolds' two committees and the other Board members would remain on their existing committees. The Board did not raise any objections.

7.2 Authorization for Director Weed to Attend Association of California Water Agencies 2011 Washington D.C. Legislative Conference

Mr. Wadlow informed the Board of the costs associated with the attendance of this conference.

A motion was made by Director Gunther, seconded by Director Koller, authorizing Director Weed to attend Association of California Water Agencies 2011 Washington D.C. Legislative Conference.

The motion was passed by the following vote:

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

7.3 Authorization for Directors to Attend the California Water Policy 19: State of Turbulence Conference in Los Angeles, CA on March 3–4, 2011

A motion was made by Director Weed, seconded by Director Koller, authorizing Directors to attend the California Water Policy 19: State of Turbulence Conference in Los Angeles, CA.

The motion was passed by the following vote:

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

7.4 Authorization for Directors to Attend the Water Education Foundation 2011 Executive Briefing in Sacramento, CA on March 24–25, 2011

A motion was made by Director Weed, seconded by Director Gunther, authorizing Directors to attend the Water Education Foundation 2011 Executive Briefing in Sacramento, CA.

The motion was passed by the following vote:

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

- Director Koller suggested that the aforementioned conferences be added in the Board Policy and will place an agenda item request at the February Board meeting.
- Director Weed informed the Board that on May 22–23, 2011, the Board will have the opportunity to tour Freeport Regional Water Project located in Elk Grove hosted by ACWA Region 5. Director Weed also informed the Board of the upcoming AWWA

Conference being held in Long Beach on March 28-31.

- Director Sethy informed the Board that they will be receiving a copy of the presentation from Marrone Bio Innovations regarding the invasion of quagga and zebra mussels and suggested the possibility of the District being a test site if there was ever a break out in the District.
- Director Koller informed the Board that he and Director Weed attended the Alameda County Special District's Association meeting and had the opportunity of listening to Karen Engel, the executive director of East Bay Economic Development Alliance.

There being no further business to come before the Board, President Huang adjourned the meeting at 8:55 P.M.

Gina Markou, District Secretary

Attest:

Judy C. Huang, President