

ALAMEDA COUNTY WATER DISTRICT MEMORANDUM

DATE: March 1, 2011
TO: Board of Directors
FROM: Walt Wadlow
SUBJECT: STAFF REPORT, ACTION CALENDAR ITEMS FOR March 10, 2011

5.1* RESOLUTION AUTHORIZING ACTIONS RELATED TO THE DEFERRED COMPENSATION COMMITTEE

SUMMARY: There have been job title changes for members of the Deferred Compensation Committee and new members added since the four Committee members were defined in Resolution 06-063. The committee is currently comprised of the General Manager, Manager of Finance, Manager of Administrative Services, Financial Services Manager, Supervising Human Resources Analyst, and Human Resources Analyst. Resolution 06-063 is proposed to be modified by a new resolution to implement these changes.

RECOMMENDATION: By motion, adopt a resolution to: 1) update the composition of the Deferred Compensation Committee and 2) except as modified by this Resolution, retain Resolution 06-063 in full force and effect.

DISCUSSION: In January 1999, the Board adopted Resolution 99-011 that included the designation of a Deferred Compensation Committee to act as trustees for the District's deferred compensation plan. The Committee was comprised of the General Manager, Finance and Administration Manager, Senior Financial Analyst and Senior Human Resources Analyst.

In May 2000, the Board of Directors adopted Resolution 00-023 indemnifying the Deferred Compensation Committee members since they could potentially be held personally liable for service provided in administering the deferred compensation program.

In September 2006, the Board of Directors adopted Resolution 06-063 making technical updates regarding indemnification of the Deferred Compensation Committee.

This resolution modifies Resolution 06-063 to add two new members to the Deferred Compensation Committee and to update the employee titles of two other members on the Committee. The items in Resolution 06-063 that are not modified by this resolution will continue in full force and effect.

This item was discussed with the Administration and Finance Committee on February 22, 2011.

5.2* RESOLUTION ACCEPTING COMPLETION OF THE REHABILITATION OF DISTRICT WATER WELLS PT-2 AND PT-7

SUMMARY: The Board previously awarded the Rehabilitation of District Water Wells PT-2 and PT-7 Project to Layne Christensen Company in the amount of \$58,778. The contract work is

complete and the wells are ready to be equipped with new pump and motor assemblies.

RECOMMENDATION: By motion, adopt a resolution accepting completion of the contract for the Rehabilitation of District Water Wells PT-2 and PT-7 Project, Job 6481.

DISCUSSION: On December 9, 2010, the Rehabilitation of District Water Wells PT-2 and PT-7 Project was awarded to Layne Christensen Company in the amount of \$58,778. The project included sonar jetting, brushing, bailing the wells to their original depth, swabbing the well perforation, and development of the wells. The effectiveness of this work was evaluated by a five step drawdown pump test and a video camera survey. The five step drawdown test documented significant improvements in the specific capacity of the wells. During the post-rehabilitation video camera survey of the wells, a hole was observed in PT-2's casing towards the bottom of the well which was subsequently plugged with cement. The physical rehabilitation work was satisfactorily completed one month ahead of schedule. The total project cost was \$46,579.75.

5.3* RESOLUTION APPROVING THE TIER 2 DROUGHT IMPLEMENTATION PLAN
PURSUANT TO SECTION 3.11.C OF THE SAN FRANCISCO WATER SUPPLY
AGREEMENT

SUMMARY: ACWD is one of 26 agencies in San Mateo, Santa Clara and Alameda Counties, which purchase water from San Francisco pursuant to the Water Supply Agreement entered into in 2009. Section 3.11.C of the Water Supply Agreement authorizes the Wholesale Customers to adopt a Drought Implementation Plan for use when insufficient supplies are available from San Francisco to meet full demands, including a methodology for allocating the water which is collectively available to the 26 Wholesale Customers ("Tier 2 Plan"). Representatives from the Wholesale Customers, including ACWD, have developed a set of principles to serve as guidelines for an equitable allocation methodology, as well as formulas and procedures, to implement those principles. The Tier 2 Plan allocates the collective wholesale customer share of water among each of the 26 Wholesale Customers in a system-wide water shortage of up to 20% through December 31, 2018 to coincide with San Francisco's deferral of decisions about additional water supply until at least 2018. This item was previously reviewed with the Water Resources Planning Committee.

RECOMMENDATION: By motion, adopt a Resolution approving the Tier 2 Drought Implementation Plan Pursuant to Section 3.11.C of the San Francisco Water Supply Agreement.

DISCUSSION: In July 2009, in connection with adoption of the San Francisco Water Supply Agreement (WSA), the Wholesale Customers and San Francisco adopted a Water Shortage Allocation Plan to allocate water from the Regional Water System (RWS) to retail and Wholesale Customers during system-wide shortages of 20% or less (the Tier 1 Plan). The Tier 1 Plan replaced the prior Tier 1 Interim Water Shortage Allocation Plan, adopted in 2000 and expired in June 2009, which allocated water for shortages up to 20%. The provisions of the Tier 1 Plan allow wholesale customers to "bank" drought allocations and to voluntarily transfer them to each other and San Francisco. The Tier 1 plan also presents an updated schedule for actions preceding and during a drought.

Section 3.11.C of the WSA authorizes the Wholesale Customers to adopt a methodology for allocating the water which is collectively available to the 26 Wholesale Customers among each individual Wholesale Customer (the "Tier 2 Plan"). The previous Tier 2 Plan was adopted in 2000 and expired in June 2009. The WSA also commits the SFPUC to honor allocations of water unanimously agreed to by all Wholesale Customers or, if unanimous agreement cannot be achieved, water allocations that have been adopted by the Board of Directors of the Bay Area Water Supply and Conservation Agency ("BAWSCA"). The WSA also provides that the SFPUC can allocate water supplies as necessary during a water shortage emergency if no agreed upon plan for water allocation has been adopted by the 26 Wholesale Customers or the BAWSCA Board of Directors.

Commencing in October 2009, Appointed Water Management Representatives of each of the Wholesale Customers have been meeting to develop a set of principles to serve as guidelines for an equitable allocation methodology, as well as formulas and procedures, to implement those principles.

These principles include:

- Providing certainty of drought allocations with consistent and pre-determined rules for calculation;
- Providing sufficient amounts of water for basic needs of customers;
- Creating an incentive for water conservation at all times and the development and management of alternative water supplies;
- Avoiding preventable, adverse economic impacts;
- Avoiding reallocation of water supply assets and investments among agencies without mutual consent and compensation; and
- Recognizing inherent differences in land use and climate.

The Tier 2 Plan will establish an allocation formula that will determine how the available water from the RWS will be allocated among the individual Wholesale Customers in system-wide shortages up to 20%.

In general, the allocation formula can be described as follows:

- 33.3% weight applied to individual agency's Individual Supply Guarantee (with slight variations for Hayward, San Jose, and Santa Clara who do not have an Individual Supply Guarantee)
- 66.6% weight applied to a Base/Seasonal calculation using 3 year average monthly production values for all supply sources
- 10% minimum cutback and maximum cutback equal to no more than the average cutback plus 20%
- Guaranteed sufficient supply of water to East Palo Alto to meet health and safety needs for its community

Each wholesale customer must adopt the Tier 2 Plan by resolution for inclusion into their respective 2010 Urban Water Management Plans (UWMP); the scheduled completion date for ACWD's 2010 UWMP is June 2011. If all Wholesale Customers have not adopted the Tier 2 Plan by June 30th of 2011, then all of the resolutions adopting the Tier 2 Plan will not take effect

and will automatically expire.

5.4 ADOPTION OF RESOLUTIONS AUTHORIZING THE EXECUTION OF TWO AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF FISH AND GAME FOR GRANTS FOR CONSTRUCTION OF THE RUBBER DAM NO. 1 FISH LADDER AND DESIGN OF FISH SCREENS AT THE SHINN AND KAISER DIVERSIONS

SUMMARY: District staff applied for and secured two grants with the California Department of Fish and Game (DFG) in the amount of \$1,445,875. The first grant, in the amount of \$1,000,000, will help fund construction of the Rubber Dam No. 1/BART Weir Fish Ladder (RD 1 Fish Ladder), and the second grant, in the amount of \$445,875, will be applied to design of the fish screens at the Shinn and Kaiser Diversions. The District must enter into agreements with DFG for each of the projects to receive the grant funding.

RECOMMENDATION: By motion, 1) adopt a resolution authorizing the General Manager to execute a grant agreement with the California Department of Fish and Game for construction of the Rubber Dam No. 1/ BART Weir Fish Ladder, and 2) adopt a resolution authorizing the General Manager to execute a grant agreement with the Department of Fish and Game for design of the Shinn and Kaiser Fish Screens, Jobs 4315 and 4316.

DISCUSSION: District staff has been actively pursuing grant funding for the Alameda Creek fishery restoration projects and has received \$2.6 million to date. These two additional DFG grants, totaling \$1,445,875, bring the total grant funding to \$4,045,875. The total estimated cost of all the fishery projects is over \$20 million.

In order to receive the grant funding, the District must enter into agreements with DFG that provide the terms and conditions associated with each grant. District staff and legal counsel have reviewed the agreements and found the terms to be acceptable.

5.5 AUTHORIZATION OF CHANGE ORDER NO. 2 AND RESOLUTION ACCEPTING COMPLETION FOR THE NILES BOULEVARD PIPELINE PROJECT

SUMMARY: The Board previously awarded the construction contract for the Niles Boulevard Pipeline Project to D&D Pipeline, Inc. (D&D Pipeline). During construction, the contractor encountered several major unforeseen subsurface conditions and utility conflicts. Change Order No. 2 has been prepared in the amount of \$69,366 to cover the resulting additional costs. All work is now complete.

RECOMMENDATION: By motion, 1) approve Change Order No. 2 in the amount of \$69,366; 2) authorize a reserve appropriation of \$69,366 and; 3) adopt a resolution accepting the completion of the Niles Boulevard Pipeline Project, Job 6443.

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

The Board previously authorized Change Order No. 1 in the amount of \$81,000 for work requested by the District to bring the water services on F Street up to District standards by installing a new 6-inch water main and appurtenances where there had previously been none.

The Niles District is one of the oldest areas of Fremont and during construction, the contractor encountered several major unforeseen subsurface conditions and utility conflicts. Such conflicts included a telephone duct bank running the length of Niles Boulevard which was shallower and wider than expected and encased in concrete. In order to avoid the duct bank while installing service lines to customers, the contractor was required to trench across the street (as opposed to bore across), and install protective concrete caps over the resulting shallow service lines. This resulted in additional costs including piping modifications, pavement sawcutting, trench excavation, shoring and backfill, additional asphalt concrete pavement, and additional traffic control costs.

The contractor also encountered a moisture barrier fabric (used to minimize surface water infiltration) in the existing roadway pavement that was not accepted by the local disposal site. The contractor incurred extra trucking and dump fees associated with disposal of this material.

Change Order No. 2 in the amount of \$69,366 has been prepared to cover the following work: 1) additional cost to install service laterals via open trench method (\$34,559); 2) additional trench paving beyond the conform line as required by the City of Fremont (\$11,200); 3) concrete cap over the service laterals crossing above the telephone duct bank (\$8,148); 4) additional pavement sawcutting and moisture barrier fabric disposal (\$7,888); 5) piping modification of the 12-inch steel pipe tie-in at Sullivan Underpass due to telephone duct conflict (\$5,251); and 6) relocate an air valve on D Street (\$2,320). Staff has reviewed and evaluated the costs associated with the change order as fair and reasonable for the work performed. The total construction contract cost, including all change orders and quantity adjustments for unit price items, is \$599,916. Because this additional work was not budgeted, a reserve appropriation in the amount of \$69,366 is required.

The District will be reimbursed approximately \$85,000 (9% of the total project costs) in accordance with the First Amended and Restated Agreement Regarding Redevelopment-Related Water Facility Relocation Costs between the District and the City of Fremont Redevelopment Agency.

5.6 HEADQUARTERS RENOVATION PROJECT

SUMMARY: On February 10, 2011, the Board requested staff to add the Headquarters Renovation Project to the March 10, 2011, Board Meeting agenda to reevaluate the project scope and schedule. To assist the Board, staff plans to make a presentation, which will include 1) a historical overview of the project, including previous scope modifications and District commitments, and 2) the current construction project elements, costs, and benefits.

RECOMMENDATION: By motion, provide direction regarding the Headquarters Renovation Project scope and schedule as appropriate, Job 6484.

DISCUSSION: On November 21, 2000, the Board authorized a comprehensive assessment of the existing headquarters building (space utilization, code review, etc.), including space

programming for future needs. The resulting report identified several issues, including office space deficiencies to accommodate projected staffing needs, American Disabilities Act (ADA) compliance deficiencies for both customers and staff, Emergency Operations Center (EOC) facility inadequacies, and required additional laboratory space and functionality to meet changing water quality regulatory requirements. On October 25, 2001, the Board reviewed the results of the assessment and a Building Renovation Master Plan was subsequently prepared, which included provisions for a new administrative wing, a new Water Quality Laboratory, ADA-related upgrades throughout the building, and renovations to the EOC, lobby, Finance, Engineering, and Operations areas. This work was subsequently incorporated into the District's Capital Improvement Program (CIP) to be implemented in a phased, multi-year approach.

On December 13, 2001, the Board approved services agreements with Michael Willis Architects and Noll & Tam Architects (Noll & Tam) to design the new Water Quality Laboratory and renovations to the Headquarters Lobby, respectively. Both projects were completed in 2005.

On November 14, 2002, the Board approved Noll & Tam to design Phase 2 of the project, which included construction of the new administrative wing (lunch room, EOC, additional administrative offices, and a library) and renovations to the former Water Quality Laboratory and EOC areas. However, staff revisited the project priorities early in design and determined that eliminating the new administrative wing from Phase 2, eliminating Phases 3 and 4 completely, and instead, performing more focused renovations to meet critical needs would be the most cost-effective approach. The project's overall budget and scope of work for Phase 2 were subsequently reduced.

Final design was completed in 2007. However, after evaluating priorities and available resources and subsequently conferring with the Board, staff deferred construction of the project to FY 2010/11 and revised the CIP accordingly. This also allowed several elements that were identified in the Information Technology Master Plan to be incorporated into the project. On February 7, 2011, an invitation to submit bids was issued to eight prequalified general contractors to perform the headquarters renovation work. An addendum to postpone the bid opening was issued on April 12, 2011, to accommodate the Board's request to reevaluate the project scope and schedule.

The current scope of work includes the renovation of the former Water Quality Laboratory into a crew room and office space, renovation of the Human Resources (HR) area, installation of a new EOC console, renovation of the headquarters training room to serve as an extension of the EOC, installation of various upgrades to conform with ADA requirements, and installation of additional trees in the employee parking lot to meet City of Fremont requirements.

Attachments

cc: Executive Staff