

April 12, 2011
Fremont, California

The regular monthly meeting of the Board of Directors of ALAMEDA COUNTY WATER DISTRICT was held on April 12, 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, Senior Water Resources Engineer Thomas Niesar, Water Conservation Administrator Stephanie Nevins, Attorney Patrick Miyaki, and Assistant District Secretary Andrew Warren.

President Judy Huang presided.

Director Gunther 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 5.4 to the Consent Calendar, seconded by Director Sethy.

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 Sethy to approve the following items on the Consent Calendar as amended.

- 4.1 Approval of Minutes – Regular Meeting of March 10, 2011
- 4.2 Ratification of Payment of Audited Demands dated March 4, March 11, March 18, and March 25, 2011
- 4.3 Resolution Amending the FY 09/11 Personnel Budget

RESOLUTION NO. 11-019

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

- 5.1 Authorization of Purchase Order Amendment for Commercial Laboratory Services

- 5.2 Resolution Awarding Contract for the Warm Springs Main Extension Prune to Brown Project
- 5.3 Authorization of Purchase Order Amendment for Engineering Services for the Warm Springs Main Extension Prune to Brown Project
- 5.4 Authorization of Change Order No. 1 and Resolution Accepting Completion for the Kato Road Grade Separation Main Replacement Program

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* AUTHORIZATION OF PURCHASE ORDER AMENDMENT FOR COMMERCIAL LABORATORY SERVICES

An annual purchase order with MWH Laboratories for commercial laboratory services requires an increase of \$20,000 to cover laboratory services needed for the remaining balance of the fiscal year. The new total amount for the purchase order will be \$133,255. There is adequate funding in the Water Quality Laboratory budget to cover this increase.

Commercial laboratory support is necessary to sustain District operational and regulatory compliance monitoring programs. The District retains the services of a commercial laboratory for analyses for which either the District's in-house water quality laboratory is not certified, or it is not cost effective to perform the analyses in-house. The primary reasons for the purchase order amendment were for additional laboratory services to 1) obtain the California Department of Public Health permits necessary for reclassifying two Aquifer Reclamation Wells (Farwell and Bellflower) as drinking water source wells for the recently expanded Newark Desalination Facility (Desal Facility), and 2) for operational monitoring of the Desal Facility during facility startup in August and September 2010.

A motion was made by Director Gunther, seconded by Director Sethy to authorize a purchase order amendment in the amount of \$20,000 for commercial laboratory services to MWH Laboratories.

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 WARM SPRINGS MAIN EXTENSION PRUNE TO BROWN PROJECT

The Warm Springs Main Extension Prune to Brown Project consists of the installation of approximately 5,100 linear feet of 24-inch diameter welded steel pipe and is required to improve the transmission of water to the southern portion of the distribution system. The pipeline is also needed to provide water service to the planned Bay Area Rapid Transit District (BART) Warm Springs Station and to accommodate the San Francisco Public Utilities Commission (SFPUC) Bay Division Pipeline Nos. 3 and 4 Seismic Upgrades Project.

Although there are adequate funds in the CIP to complete the project, a budget transfer is needed for FY 10/11 to accommodate an accelerated project schedule.

The project was advertised for bids on February 7, 2011. On March 10, 2011, the District received and opened six bids. All bids were checked arithmetically and for compliance with the bidding requirements. Three bids contained arithmetic errors. Correction of these errors resulted in the first and second apparent low-bidders changing positions in the overall bidding order. Two bidders did not meet the specified minimum experience requirements and were determined to be nonresponsive. The totals for comparison ranged from \$1,999,405 to \$2,653,562. The Engineer's Estimate was \$2,103,900.

Ghilotti Construction Company of Santa Rosa, California, submitted the lowest bid. This firm has been in the contracting business under its present name for 18 years doing work similar to that required. References were checked and it was confirmed that the contractor has the necessary qualifications and experience to perform the work.

This project is being completed in accordance with the Cooperative Cost Sharing Agreement between the District and BART. The District will be reimbursed a total of approximately \$719,000 for the design and construction of the pipeline that fronts the BART property. There are adequate funds in the Capital Improvement Program for FY 11/12 to cover the forecast construction expenditures. However, because the project has been accelerated, to meet the schedule requirements of the SFPUC Bay Division Pipeline Nos. 3 and 4 Seismic Upgrades Project, a budget transfer in the amount of \$180,000 is required to cover the anticipated construction expenditures through the end of FY 10/11. There are surplus FY 10/11 budgeted funds in the completed Newark Desalination Facility Expansion Project, which may be transferred to this project.

A motion was made by Director Gunther, seconded by Director Sethy to: 1) authorize a budget transfer from Project/CIP No. 06D15/ PH0203B Newark Desalination Facility Expansion Project (Job 6350) to Project/CIP No.11D46/ MM0201 Warm Springs Main Extension Prune to Brown Project (Job 6478) in the amount of \$180,000; and 2) adopt a resolution to award the contract for the Warm Springs Main Extension Prune to Brown Project to Ghilotti Construction Company in an amount of \$1,999,405, which is the total of unit price and lump sum payment items, Job 6478.

RESOLUTION NO. 11-020

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
ACCEPTING PROPOSAL OF, AND AWARDING CONTRACT TO
GHILOTTI CONSTRUCTION COMPANY, FOR JOB 6478

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 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 engineering services for design changes and construction support are required. 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 for engineering design services. One purchase order amendment in the amount of \$9,520 has been issued to date.

At the District's request, Winzler & Kelly revised the pipeline plan and profile drawings to accommodate the Bay Area Rapid Transit District's (BART) planned storm drain facility improvements along Warm Springs Boulevard. The design for the future BART Warm Springs Station is a work in progress. Winzler & Kelly submitted a proposal in the amount of \$7,050 for this extra work. Staff has evaluated Winzler & Kelly's request and found it to be fair and reasonable. The District will be reimbursed the entire cost of this design change in accordance with the terms of the Cooperative Cost Sharing Agreement between the District and BART.

Winzler & Kelly also submitted a cost proposal in the amount of \$32,103 for construction-related engineering services. The proposed scope of work includes submittal reviews; responses to requests for information from the contractor; preparation of design modifications or clarifications; site visits; and completion of project record drawings. Staff has reviewed this proposal and finds the scope of work and estimated level of effort appropriate for this project. The District will be reimbursed approximately \$4,878 by BART to cover their share of the construction support services.

A motion was made by Director Gunther, seconded by Director Sethy to authorize a purchase order amendment to Winzler & Kelly Consulting Engineers for additional engineering services in an amount not to exceed \$39,153 for the Warm Springs Main Extension Prune to Brown Project, Jobs 6477 and 6478.

The motion was passed by the following vote:

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

5.4* AUTHORIZATION OF CHANGE ORDER NO. 1 AND RESOLUTION ACCEPTING COMPLETION FOR THE KATO ROAD GRADE SEPARATION MAIN REPLACEMENT PROGRAM

The Board previously awarded a contract to J & M, Inc. to relocate a 12-inch and portions of an 18-inch steel pipeline to accommodate the City of Fremont (City) Kato Road Grade Separation Project. Change Order No. 1 has been prepared for additional required miscellaneous work. There is adequate funding in the budget for this expenditure. All work is now complete.

On September 9, 2010, the Board awarded the construction contract for the Kato Road Grade Separation Main Replacement Project to J & M, Inc. in the amount of \$260,675. The scope of work includes the installation of approximately 194 linear feet of 12-inch steel pipe; 22 linear feet of 18-inch steel pipe; 35 linear feet of 8-inch and 73 linear feet of 6-inch steel pipe for two new fire hydrants; valves; piping appurtenances; and miscellaneous pipe abandonment work.

Change Order No. 1 in the amount of \$11,310 has been prepared to cover the following work requested by the District: 1) remove a section of 12-inch pipe not shown on the drawings (\$3,887); 2) offset a 6-inch fire hydrant lateral to avoid conflict with an existing electrical line (\$3,420); 3) install additional concrete thrust restraint (\$2,707); 4) replace a 12-inch gate valve (\$696); and 5) install a curb to protect a fire hydrant located in a planting strip berm (\$600). Staff has reviewed the costs associated with the additional work and has determined they are fair and reasonable for the work performed. The total construction cost, including this change order and quantity adjustments for unit price items, is \$273,080.

All costs associated with the design and construction of this project will be shared in accordance with the terms of an existing cost sharing agreement between the City and the District. The City will reimburse the District approximately \$166,578 (61%) for the work completed under this contract.

A motion was made by Director Gunther, seconded by Director Sethy to: 1) approve Change Order No. 1 in the amount of \$11,310 to J & M, Inc. and 2) adopt a resolution accepting the completion of the Kato Road Grade Separation Main Replacement Project, Jobs 6431 and 6433.

RESOLUTION NO. 11-021

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
ACCEPTING COMPLETION OF CONTRACT NO. 3706, J & M INC., JOBS
6431 AND 6433

The motion was passed by the following vote:

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

5.5 PUBLIC HEARING ON PROPOSED REPLENISHMENT ASSESSMENT FOR FY 11/12

Mr. Wadlow informed the Board that as provided in the District's Replenishment Assessment Act, a public hearing must be held on the second Tuesday in April for the purpose of determining whether, and to what extent, the cost of replenishing groundwater supplies within the District during FY 11/12 will be funded by a replenishment assessment.

On November 18, 2010, the Board ordered the preparation of the 2011 Engineering Survey and Report on Groundwater Conditions (Survey Report) as provided in Section 7 of the District's Replenishment Assessment Act. On February 10, 2011, the Board: 1) received the completed report; 2) declared its intent to raise funds by a replenishment assessment in FY 11/12; and 3) scheduled a Public Hearing for April 12, 2011. On March 10, 2011, staff presented to the Board the report's findings and basis for the recommended replenishment assessment.

Mr. Wadlow reported that a notice of the time and place of the public hearing was published in The Argus newspaper, as required by the Replenishment Assessment Act. As required by Proposition 218, all affected well owners, operators, and owners of property with production wells were provided with 45 days prior written notice of the proposed 8% increase in the replenishment assessment rate. To date, no comments from the public have been received by the District.

At the hearing, all interested parties may be heard in support of, or opposition to, the proposed assessment, the Survey Report, or the Board's determinations. The hearing may be adjourned from time to time, but must be completed no later than the first Tuesday in May (May 3, 2011).

President Huang opened the public hearing at 6:04 P.M. There were no public comments. President Huang closed the public hearing at 6:06 P.M.

5.6 RESOLUTIONS SETTING THE REPLENISHMENT ASSESSMENT FOR FY 11/12

No public comments were received during the April 12, 2011, public hearing. As a result, there will not be a need for an additional Board meeting. Staff has prepared the remaining three resolutions for setting the replenishment assessment for FY 11/12.

For setting the replenishment assessment for the coming fiscal year, the Replenishment Assessment Act specifies the actions that must be taken, through Board resolution, no sooner than the close of the public hearing, but no later than the second Tuesday of May. The resolutions: 1) contain the findings that update groundwater conditions, and state the amount of replenishment assessment funds needed next fiscal year; 2) set the replenishment assessment rates (\$8.00 per acre-foot for agricultural and municipal recreation uses, and \$256.00 per acre-foot for all other uses); and 3) provide procedures and statement forms.

A motion was made by Director Koller, seconded by Director Gunther to adopt the resolutions required for the FY 11/12 Replenishment Assessment.

RESOLUTION NO. 11-022

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
STATING FINDINGS AND DETERMINING NEED FOR REPLENISHMENT
ASSESSMENT

RESOLUTION NO. 11-023

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
LEVYING A REPLENISHMENT ASSESSMENT

RESOLUTION NO. 11-024

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
PROVIDING PROCEDURES FOR PAYMENT OF REPLENISHMENT
ASSESSMENT

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 March 2, 2011: (1) Tank and Reservoir Cleaning Program; (2) Middlefield Reservoir Lining Condition Assessment
- Legal & Legislative Meeting of March 9, 2011: (1) Review of Proposed Legislation; (2) Ron Davis Advocacy
- Water Resources Planning Meeting of March 15, 2011: (1) Urban Water Management Plan Update
- Engineering & Capital Projects Meeting of March 17, 2011: (1) Update of Various Agency Projects and Development-Related Issues
- Administrative & Finance Meeting of March 22, 2011: (1) Retiree Medical Benefits – OPEB Reduction Option; (2) General Fund Reserve Balance Discussion
- Operations & Water Quality Meeting of April 6, 2011: (1) Metropolitan Water Quality Investigation (MWQI) Program Specific Project Agreement; (2) District Comments to SFPUC's Proposed Rate Setting Methodologies; (3) Overview of CALWARN

6.2 OPERATIONAL REPORTS

- Rainfall Report
- Quarterly Groundwater Recharge Report
- Water Production Report
- Quarterly Directors' Expense Report
- Investment Report

6.3 STAFF REPORTS

- Urban Water Management Plan and SBX7-7 Compliance Review – Mr. Niesar presented to the Board key elements of the Draft Urban Water Management Plan 2010-2015 (UWMP) including essential water supply and demand data as well as changed reporting requirements in the water code since the last UWMP was published. Staff reported that ACWD will be able to meet normal year demands for water under current projected demands and water supply assumptions, but that shortages of 5% to 10% can be expected during single, critically dry years and individual year shortages during extended multiple dry year periods of up to 5%.

Ms. Nevins presented to the Board the District's demand management program and status regarding compliance with the Best Management Practices (BMPs) as outlined in the California Urban Water Council's (CUWCC) Memorandum of Understanding (MOU). Ms. Nevins reported that ACWD is continuing to implement all locally cost-effective water conservation BMPs. In addition the District is on track to comply with CUWCC requirements under the Gallons Per Capita Per Day (GPCD) compliance method which will be used for the District's reporting to CUWCC. Staff will continue to track the District's progress under this method.

Mr. Niesar also presented results of District analyses of The Water Conservation Act of 2009 (SBX7-7). Staff reported that compliance Method 4 developed by the DWR was the most logical choice for ACWD but that staff will continue to evaluate the alternative methods prior to the 2015 UWMP, at which point the District can change methods if so desired. Staff reported that ACWD demand forecast and population growth suggest that the District will be able to comply with SBX7-7 target throughout the duration of the UWMP 25 year outlook.

6.4 GENERAL MANAGER'S REPORTS

- Mr. Wadlow distributed to the Board updated publications and water education materials from the Water Education Foundation.

Mr. Wadlow informed the Board that a student has been selected to receive the Clair A. Hill Scholarship sponsored by ACWA. The candidate has been informed but will remain anonymous until announced at the ACWA conference the second week of May. Mr. Wadlow expressed appreciation for Frank Jahn's efforts and thanked the Board for their participation in selecting the finalists for the scholarship.

Mr. Wadlow distributed a response to questions from Director Sethy regarding radionuclide testing in our drinking water supply. Mr. Peterson informed the Board that information had previously been posted to the District's website to inform our customers that our water supply is not threatened by radioactivity. The District monitors our drinking water for radionuclides in accordance to CDPH regulations, which is once every six years. The next scheduled test will be in 2012. Due to the disaster in Japan, the District is coordinating with other agencies, as well as EPA and CDPH to gauge whether supplemental or additional testing is warranted at this time. Currently there is no need to perform any additional testing.

Mr. Wadlow reviewed a Press Release regarding Governor Brown's 12-Point Pension Reform Plan proposal with the Board. He also distributed an opinion piece that appeared on April 11, 2011 in the L.A. Times by reporter George Skelton.

Mr. Wadlow announced confirmed dates for budget workshops with the Board. The first will be May 31, 2011 at 6:00 P.M. and the second, June 2, 2011 at 6:00 P.M. It will be determined at the May 31 meeting if the second meeting will be needed.

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

- Directors Koller, Weed, and Huang reported on their attendance at the ACWA Legislative Symposium on March 16, 2011, all noting disappointment with the event. They indicated there was a lack of information regarding any developing legislation but a great deal of discussion regarding transparency in local government.
- Director Weed and Director Huang reported on their attendance at the Cal-Nevada AWWA Spring Conference in Long Beach, CA, March 28, 2011 through March 31, 2011. Director Huang noted attendance of a session regarding 1,2,3-Trichloropropane (1,2,3-TCP). She asks staff to keep aware of this due to the current Office of Environmental Health Hazard Assessment (OEHHA) public health goal (PHG) established as 0.0007-µg/L for 1,2,3-TCP. This guideline begins the early steps of the regulatory process.
- The Board requested that staff invite participants of AWWA Spring Conference Top Ops, Meter Madness, and Hot Flare competitions to a future Board meeting so they can recognize their effort and participation.

8 – ADJOURNMENT

There being no further business to come before the Board, President Huang adjourned the meeting at 8:00 P.M.

Andrew Warren, Assistant District Secretary

Attest:

Judy C. Huang, President