MINUTES OF THE BOARD OF DIRECTORS
ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

REGULAR MEETING
June 17, 2009

President Palmer called the regular meeting to order at 7:00 p.m. The following were present:

DIRECTORS:	SANDY FIGUERS JOHN GRECI SARAH PALMER DICK QUIGLEY BILL STEVENS
DIRECTORS ABSENT:	STEVE KALTHOFF CHRIS MOORE
ZONE 7 STAFF:	JILL DUERIG, GENERAL MANAGER AMY NAAMANI, GENERAL COUNSEL KURT ARENDS, ASSISTANT GENERAL MANAGER, ENGINEERING VINCE WONG, ASSISTANT GENERAL MANAGER, OPERATIONS JOHN YUE, ASSISTANT GENERAL MANAGER, FINANCE TOM HUGHES, HUMAN RESOURCES MANAGER JARNAIL CHAHAL, SENIOR ENGINEER ATHENA WATSON, ASSOCIATE ENGINEER ROBYN NAVARRA, WATER CONSERVATION COORDINATOR DAVID HOUTS, STAFF ANALYST BARBARA MORSE, BOARD SECRETARY

Item 3—Citizens Forum: None

Item 4—Minutes of Regular Meeting of May 20, 2009

President Palmer noted that Director Moore's name was not listed on page one of the minutes under Directors that were present.

On a motion by Director Greci with second by Director Quigley, the minutes of the Regular Meeting of May 20, 2009 were approved as amended.

Item 5 —Consent Calendar

Director Figuers asked why Items 7, 8, 9, 10 and 11 are discussion items and not on the consent calendar.

Ms. Duerig responded that they could be on the consent calendar. However, the general rule is that if items are less than $200,000 and non-controversial, they are on consent. Those over $200,000 are listed as discussion items. In the case of the items Director Figuers mentioned, it is the dollar amount only which causes them to be listed as discussion items.

After a brief discussion, it was decided to leave Items 7 through 11 as discussion items.

On a motion by Director Figuers with second by Director Stevens, the Board approved Consent Items 5a and 5b. The following resolutions were approved:

Resolution No. 09-3310	Approving request of Director Quigley to continue to serve as an ACWA Region 5 Board Member for a second term; and approval of actual and necessary expenses associated with his participation in ACWA's semi-annual conferences and other regional meetings associated with membership on the Region 5 Board. (Item 5a)
Resolution No. 09-3311	Awarding FY 09-10 contract for Annual Electrical Services of Water Supply Facilities, Project No. 197-09 to C.E. Harris, Inc., dba Harris Electric, in not-to-exceed amount of $176,890.50. (Item 5b)

Item 6—Staffing Update

Ms. Duerig announced the retirement of two Zone 7 employees:

Ms. Phyllis May, Budget Analyst, retired on June 13, 2009, after 28 years of service with Alameda County.

Mr. Craig Mayfield, Associate Civil Engineer, retired on May 30, 2009, after more than 34 years of service with Alameda County.

We wish both Ms. May and Mr. Mayfield well in their retirements.

Item 7—Award of Contract to Bruce Balala Excavating for District-wide Embankment Slope Mowing Services

Mr. Arends provided the following summary of this proposed contract:

- Zone 7 has an existing annual contract with Bruce Balala Excavating to provide embankment slope mowing service for flood control facilities and the Chain-of-Lakes area.
- The existing contract authorized by the Board in 2006 is set to expire on June 30, 2009.
- In March 2009, Zone 7 issued a new request for proposals to select a contractor to provide district-wide embankment slope mowing services for flood control facilities and the Chain-of-Lakes area on an as-needed basis for an annual amount not-to-exceed $75,000 per year for the next three-year period for a three year total of $225,000.
- Bruce Balala Excavating was identified as the most qualified and had the lowest responsive responsible bid.
- Staff has been satisfied with the performance of Bruce Balala Excavating over the term of the existing contract.
- Staff recommends that a new contract be signed with Bruce Balala Excavating for a three-year term from July 1, 2009 to June 30, 2012 for an annual amount not-to-exceed $75,000 per year for the next three-year period for a three year total of $225,000.

There were no comments or questions from the Board or from the audience.

Director Stevens moved for the adoption of Resolution No. 09-3312 approving a contract with Bruce Balala Excavating to provide District-wide embankment slope mowing services in the not-to-exceed amount of $75,000 per year for three years based on an hourly unit price bid of $160 per hour. The motion was seconded by Director Quigley and passed by a vote of 5-0.

Item 8—Award of Contract to California Landscape Dimensions, Inc., Livermore, to Provide Annual Excavation and Hauling Services for Water Supply Facilities

Mr. Wong provided the following summary of the proposed contract:

- There is an ongoing need for contractor's services to provide excavation and hauling services for water supply facilities on an as-needed basis.
- The current contract with Joe Shaver Backhoe Services to provide these services will expire on June 30, 2009.
- In the spring of 2009, Zone 7 advertised and solicited bids for a new annual contract to provide excavation and hauling services for water supply facilities on an as-needed basis.
- The Contract will allow payment to the Contractor for labor and equipment used based on time and materials unit prices in the Contractor's bid.
- The Contract will allow for extensions for two additional one-year periods (FY 2010/11 and FY 2011/12) with provisions for adjustments of bid prices based on changes in the Engineering News Record Construction Cost Index as published by McGraw-Hill Publishing Company (ENR CCI).
- The engineer's estimate for the projected level of work in FY 2009/10 is $305,000.
- The project was advertised and four bids were received on May 22, 2009
- California Landscape Dimensions, Inc., was identified as the lowest responsive responsible bidder with a Total Bid Price of $253,921.00.
- Staff recommends adoption of the attached resolution, which (1) authorizes the project; (2) approves the project specifications; (3) authorizes the General Manager to execute a contract with California Landscape Dimensions, Inc., for an amount not-to-exceed $253,921.00; (4) authorizes the General Manager to execute change orders as needed up to a maximum of 10% of the contract amount as needed, or to a total not-to-exceed amount of $279,313; and (5) authorizes the General Manager to extend the contract for two additional one-year periods and adjust the bid prices in accordance with the ENR CCI and execute the contracts.

Director Stevens commented that he could not remember a time when Shaver Backhoe Services did not get this contract. *(It was noted that Shaver's bid was third low this time around.)*

There were no further comments from the Board.

There were no comments from the audience.

Director Greci moved for the adoption of Resolution No. 09-3313 approving a contract with California Landscape Dimensions, Inc., Livermore, to Provide Annual Excavation and Hauling Services for Water Supply Facilities in the not-to-exceed amount of $279,313 for FY 09/10. The motion was seconded by Director Quigley and passed by a vote of 5-0.

Item 9—Consulting Contract with Telstar Instruments, Inc., for Instrumentation and Electrical Control Services for FY 2009/10

Mr. Wong provided the following background information:

- There is an ongoing need for instrumentation and electrical control services to supplement Zone 7 staff on an as-needed basis until two new Instrumentation Technicians can be hired, trained and equipped. The time frame for bringing these two techs on board is three to four months if provisional appointments are made.
- The current contract with Telstar Instruments, Inc., to provide these as-needed services will expire on June 30, 2009.
- In April 2009, Zone 7 sent out a Request for Proposal (RFP) to eleven consultant firms and two proposals were received.
- Telstar Instruments, Inc., in Concord was found to be able to best provide these services to Zone 7.
- Staff recommends adoption of the attached resolution, which authorizes the General Manager to negotiate and execute a professional services contract with Telstar Instruments, Inc., for an amount not-to-exceed $341,560.00 which is the estimate for a full year's services. Note that if the new Instrument Technicians are hired and trained within the year, the actual costs will be greatly reduced.

Director Quigley remarked that this is a large contract, and we should not forget that our intent is to bring down the costs of this work by hiring in-house instrument technicians.

There were no comments from the audience.

Director Greci moved for the adoption of Resolution No. 09-3314 approving a professional services contract with Telstar Instruments, Inc., for an amount not-to-exceed $341,560 for instrumentation and electrical control services for FY 2009/10. The motion was seconded by Director Figuers and passed by a vote of 5-0.

Item 10-- Amendment No. 4 to Contract with Karl Needham Enterprises Centrifuge Equipment Rental and Operation Services

Mr. Arends provided the following background information:

- Zone 7 has an existing contract with Karl Needham Enterprises (KNE) to provide centrifuge equipment rental and operations services for sludge dewatering equipment at the Del Valle and Patterson Pass Water Treatment Plants.
- The original contract dated July 1, 2006, allowed for up to two annual extensions by mutual agreement of KNE and Zone 7 providing for a total contract period of three years. The proposed Amendment No. 4 would extend the contract another six months past the current contract expiration date of June 30, 2009.
- This contract extension allows time for Zone 7 staff to assess our long term solids handling strategy.
- Staff recommends approval of the proposed amendment providing a six month extension to the contract with KNE for a not-to-exceed amount of $270,000.

Director Quigley stated he wanted to see some options for dealing with the sludge.

Ms. Duerig responded that the six-month extension is to give staff time to look at options and prepare a report to the Board on our findings.

Director Figuers moved for the adoption of Resolution No. 09-3315 approving Amendment No. 4 to extend the term of the contract with Karl Needham Enterprises, Inc., for Centrifuge Equipment Rental and Operations Services for an additional six month period in an amount not to exceed $270,000 for July 1, 2009 to December 31, 2009. The motion was seconded by Director Quigley and passed by a vote of 5-0.

Item 11-- SCADA System Support Services Contracts with Wunderlich-Malec Engineering

The Board heard a presentation by Mr. Jarnail Chahal, Senior Engineer, on Zone 7's Supervisory Control and Data Acquisition (SCADA) system. The existing SCADA system has been in operation for about 5 to 7 years. It was built at a cost of approximately $10 million and has the capability of controlling the entire Zone 7 water system from either of the two water treatment plants. The normal life span of the SCADA servers and node computers is 5 years, and many of its component parts are in need of replacement and/or upgrade.

- Zone 7 has a need for services to upgrade the existing SCADA system hardware/software, to provide SCADA design and programming support for various water supply projects and to provide on-going instrumentation and programming support until a new Instrumentation Technician and a new Associate Control System/Electrical Engineer can be hired, trained and equipped. The earliest this could occur would be 3 to 4 months if staff pursues provisional appointments and up to 12 months if normal hiring procedures are followed.
- Six proposals were received in response to Zone 7's request for proposals for SCADA support services. The selection committee determined Wunderlich-Malec Engineering (WME) to be the firm best qualified and competent to provide these services.
- WME has provided these services to Zone 7 for the past several years, and Zone 7 operations, maintenance and engineering staff have, therefore, worked closely with WME and have been pleased with their performance.
- Staff's estimate for these services is:
    1. $368,500 for SCADA system hardware\software upgrade (includes 10% contingency), and $297,700 for SCADA engineering support for water supply projects to be completed during FY 2009/10 (total of $666,200);
    2. $288,950 for instrumentation and programming support for the maintenance section. (The cost of this contract could go down if we're able to hire an in-house instrumentation technician.)
- Staff recommends authorizing the General Manager to negotiate and execute two contracts with WME:
    1. SCADA system hardware\software upgrade and engineering support services for water supply system projects planned for FY 2009/10 for a not-to-exceed amount of $666,200; and
    2. Instrumentation and programming support services for the maintenance section for a not-to-exceed amount of $288,950.

President Palmer commented that it looks as if parts Tasks B and C (support services for Engineering Section and Maintenance Section) will be done in-house once the appropriate staff has been hired.

Concerns/questions raised by Directors:

Cost of maintaining the SCADA system. *Ms. Duerig acknowledged that SCADA is expensive to maintain but necessary to our operations.*

Time delays associated with going through the county's normal hiring process. *Ms. Duerig stated that we have been advised that it will take from 9 to 12 months to go through the regular recruitment and hiring process. This has been very frustrating for staff. We have been hiring provisionally in order to fill positions in a more timely manner.*

Cost of equipment. *Mr. Chahal stated that equipment cost for the proposed upgrade is separate and is not included in the two contracts before the Board tonight. Estimates for hardware are $100,000 to $125,000; and $75,000 for software*.

In response to a question from Director Stevens, Mr. Chahal stated that the plants and distribution system can be operated manually if the SCADA system is down.

Mr. Randy Werner, City of Livermore, noted that the main SCADA tower in the Valley, the one used by Zone 7, belongs to the City of Livermore. A security upgrade project on that facility is nearly complete.

Director Figuers wondered, since Zone 7 and the retailers use SCADA, if support services and resources couldn't be shared. It might result in lowered costs. *It was noted that while Zone 7 and the retailers all use SCADA, each system is slightly different. Additionally, each retailer has its own experts, and there is no down time to share. However, it is possible to share the transmission towers.*

There were no further questions or comments.

Director Stevens moved for the adoption of Resolution No. 09-3316 approving the following two contracts with Wunderlich-Malec:

> 1) SCADA System hardware\software upgrade and engineering support services for water supply system projects planned FY 2009/10 for a not-to exceed amount of $666,200, and
>
> 2) Instrumentation and programming support services for the maintenance section for FY 2009/10 for a not-to-exceed amount of $288,950.

Director Figuers seconded, and the motion passed by a vote of 5-0.

<u>Item 12—Chain of Lakes Wells 1 and 2—Facilities & Sitework Project and El Charro Pipeline, Phase 1 Status Report</u>

The Board heard a presentation by Ms. Athena Watson, Project Manager, that provided an update on the Chain of Lakes Wells 1 and 2—Facilities and Sitework Project and El Charro Pipeline, Phase 1. The presentation included a summary of contracts awarded to date and the status of each. The substantial completion date is September 2009.

Contracts:

1. Construction Contract Awarded to Conco West, Inc., in August 2008 for $7,367,655 for the Chain of Lakes Wells 1 & 2 – Facilities & Sitework Project. (This project expected to be substantially complete by September 2009.)
2. Construction Contract Awarded to Marques Pipeline, Inc., in June 2008 for $2,195,925 for the El Charro Pipeline – Phase 1. (This project is substantially complete.)

The presentation included many photographs of construction highlights, including:

Completion of Well Site 1 and 2 walls and roofs.
Pump and pump columns installation at both sites.
Installation of underground piping for the well sites.
Installation of PG&E conduits and transformer foundation pads.
El Charro Pipeline installation.

President Palmer thanked Ms. Watson for the presentation.

Item 13—Award of Contract to SpotWater Management for Large Landscape Water Use Surveys

The Board heard a presentation by Ms. Robyn Navarra, Water Conservation Coordinator, on the expanded water conservation plan which has been developed in response to the Board's declaration of support the conservation principles developed by the Association of California Water Agencies.

- The Zone 7 Water Conservation Program
    - ACWA Policy Principles on Water Conservation and Water Use Efficiency.
    - Kennedy/Jenks evaluation of Best Management Practices (BMPs)
    - Governor's goal of 20% conservation by 2020.

- How Spending Plan was developed:
    - Evaluation of current Zone 7 and retailer programs, e.g., high efficiency washer and toilet rebates, water-wise gardening website, public outreach programs and school education programs.
    - Identification of target audience.
    - Review of studies on technical, e.g., installation of efficient plumbing fixtures, and behavioral, e.g., taking shorter showers, potential of various conservation programs/practices.
    - Selection of programs to create a roadmap for the next ten years.

- Major Focus of Spending Plan for 2009-2010 Expanded Conservation Program:
    - Education
        - GreenPlumbers training
    - Residential
        - Expand high efficiency washer rebate program to include multi-family;
        - Weather based irrigation controller incentives
    - Commercial, Industrial & Institutional Sector (CII)
        - Large landscape water use surveys
        - Irrigation system hardware incentives
        - High efficiency toilet and urinal incentives

- Schools
    - Indoor water use surveys & plumbing device replacement
    - Large landscape water use survey and irrigation system hardware replacement

- CII Sector identified as the area with the largest potential for water savings. Therefore, large landscape water use surveys was selected as the first program to incorporate into the first year's efforts under the proposed expanded conservation plan. The initial target audience will be the golf course industry followed by the top 10 percent large landscape high water users in the Zone 7 service area.
- A Request for Proposal to provide large landscape audits and related services was sent to 24 consultants. Five consultants responded.
- Staff reviewed the proposals and selected SpotWater Management as the most qualified to perform this work. SpotWater Management has proposed a budget of $84,000 to complete the anticipated work. Given the uncertain number of estimated surveys that will be requested, staff recommends adding a 12% contingency of $10,000 to this budget.
- Staff recommends approving the spending framework for an expanded program. Then, within that framework, staff recommends authorizing the General Manager to negotiate a contract with SpotWater Management for a total, not-to-exceed amount of $94,000.

Questions/comments from Directors:

President Palmer noted that the draft resolution only authorizes the contract with SpotWater Management; it doesn't say anything about approving the framework for an expanded conservation program.

Ms. Duerig responded that the Board already gave approval for the expanded conservation program when it approved the budget earlier this spring. The Large Landscape Water Use Surveys contract is the first expenditure of the expanded program, and we'd like the Board to concur that we're on the right track.

Director Quigley stated he is excited to hear about this program. He thought there is great potential for water savings by working with the large landscapers, e.g., golf courses, schools, parks, etc. The typical high school is on 50 acres of land. He thought the academic community would be excited by this program. Grants are probably available.

Ms. Duerig stated that staff is working on grant applications through the State to be submitted this fall. However, because of the state's budget crisis, some grant payments are being held up.

Director Figuers was not in favor of programs of this type. These concepts have been talked about for the past 15-20 years whereby large water users such as parks and schools would cut their water use through better irrigation practices. However, based on his observations, the cities and industrial parks still engage in practices such as planting too much grass and wasting water with sprinklers that water median strips instead of plants. Additionally, he didn't believe there had been any identifiable reduction in water usage that could be attributed to low flow toilets.

Director Figuers stated his belief that the best way to encourage water conservation is to hit people in their pocketbook; for example look at gas prices. He felt conservation programs sound good but ultimately will not change anything.

Ms. Duerig responded that a CUWA study shows a reduction through the use of conservation programs—especially in Southern California. She believed that this pilot program is a good first step to see what we can achieve. We don't have a lot of choice because the state legislature is likely to force us to achieve 20 percent conservation by 2020—that is 20 percent based on 2005 levels.

Mr. Steve Cusenza, City of Pleasanton, stated that 10 to 20 years ago conservation programs did little to reduce demand. However, in the last 10 years, the City of Pleasanton has looked seriously at conservation programs. As an example, he cited Hacienda Business Park's expenditure of $150,000 to improve their irrigation practices. Additionally, the City has spent $120,000 on irrigation rebates to the 50 top water users that cut their water use. The City has also seen wastewater flows going down because of low flow toilets, showers, etc. The City of Pleasanton supports the Large Landscape Water Use Survey Program.

In response to a question from President Palmer about the GreenPlumber program, Mr. David Houts, Staff Analyst, stated that the GreenPlumber program is an accredited, national training program that assists plumbers in understanding their role in the environment and public health. A professional plumber may have as many as 600 contacts per year with the general public, and it is felt this is a cost effective outreach and education effort. The cost for the series of five classes is $4,000 per class. The cost estimate for one series of five classes plus program administration is $29,650.

Director Quigley wondered if there had been any contact with Las Positas College regarding the possibility of offering the program.

Director Figuers stated that the best place for this type of program would be in the plumbers apprentice program; then it doesn't cost anybody anything. He felt that some of these ideas are good but the approach is not well thought out.

Director Stevens moved for the adoption of Resolution No. 09-3317 authorizing the General Manager to negotiate and execute a contract with SpotWater Management in an amount not to exceed $94,000 for a Large Landscape Water Use Survey Program. The motion was seconded by Director Quigley.

President Palmer had one more question about the cost-benefit ratio which is listed after each of the programs in the Expanded Conservation Plan Detail attached to the staff report.

Ms. Navarra stated that was a way of ranking the desirability of each of the programs. The present value of the benefits were divided by the present value of the costs to come up with a ranking. Programs with ratios greater than 1.0 are more cost effective. President Palmer noted that this was actually a benefit-cost ratio if calculated that way.

There were no further questions and Director Stevens' motion was then voted upon.

Resolution 09-3317 passed by a roll call vote of 4-1-0. Director Figuers voted no.

Item 14—Committees

No committee meetings were held this month. However, meetings scheduled for the future are Finance Committee on July 2, 3 p.m.; and Liaison Committee with DSRSD on July 9, 4 p.m.

Director Figuers noted that he would not be able to attend the Finance Committee meeting on July 2.

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President Palmer stated that she would like to see the strategic planning effort expedited.

Ms. Duerig called upon Mr. Carl Morrison, Morrison & Associates, to give an update on the strategic planning process.

Mr. Morrison provided an update on the schedule for development of a strategic plan:

Phase 1 development: 9 month effort which should be finished by December 2009.
Phase 2 implementation: 6 month effort

Mr. Morrison continued that currently all Zone 7 staff is being asked to answer an on-line questionnaire. Interviews will be conducted with approximately 22 staff members as well as executive staff and Directors.

An all-day board/executive staff workshop will be held on August 18.

A draft plan should be available by October. The draft will be shared with the retailers for their input. The draft plan will go to the Strategic Planning Committee in November for review and then to the full Board in December for adoption. Phase 2 implementation will begin in January.

President Palmer stated that we need to keep in mind that this is a dynamic document, and it will change. We need to make sure it is something people can use. She suggested short term goals (one year) and long term goals (five years). She hoped that on August 18 something substantial will be accomplished.

<u>Item 15—Items for Future Agendas—Directors</u>

None.

<u>Item 16—Reports—Directors</u>

a. Written report by Director Quigley
b. Verbal reports--None

<u>Item 17—Staff Reports</u> (Information items. No action taken.)

a. General Manager's Report
b. Recent & Upcoming Public Outreach Activities
c. State Legislative Update

<u>Item 17d—Verbal Reports</u>

Ms. Duerig called attention to a report, "Global Climate Change Impacts in the United States" by the U. S. Global Change Research Program, which had been handed out to the Board prior to the meeting.

In reference to the General Manager's report, President Palmer asked why the solar project is so far behind.

Ms. Duerig confirmed that it should have been installed by the end of December 2008, so the delay is disappointing. Since the federal rebate program was extended at the end of last year, there is no incentive for RTI to be on time with the installation.

Mr. Yue noted that there is some peripheral work being done in preparation for the solar array installation.

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The Board then took a short break before reconvening in Closed Session at 8:45 p.m.

Item 18—CLOSED SESSION

a) Conference with Legal Counsel - Existing litigation pursuant to Subdivision (a) of Government Code Section 54956.9: 2 cases

ACFCWCD, Zone 7 vs. Legacy Pleasanton Land, LLC et al.; Alameda County Superior Court Case No: VG07353303

Central Delta Water Agency and South Delta Water Agency vs California Department of Water Resources, et al.; Sacramento County Superior Court Case No: 34-2009-80000255

b) Conference with Legal Counsel –Significant exposure to litigation pursuant to Subdivision (b) of Government Code Section 54956.9: 3 cases

c) Conference with Labor Negotiators:
Agency Negotiator: G.F Duerig
Employee Organization: Alameda County Management Employees Association; Alameda County Building and Construction Trades Council, Local 342, AFL-CIO; International Federation of Professional and Technical Engineers, Local 21, AFL-CIO; Local 1021 of the Service Employees International Union, CTW; Unrepresented Management

d) Government Code Section 549547: Public Employee Performance Evaluation
Title: General Manager

Open Session and Report Out of Closed Session

President Palmer stated that while in closed session, the Board unanimously adopted the following resolutions:

Resolution No. 09-3318	Approving Supplemental Agreement to Memorandum of Understanding with the Alameda County Building and Construction Trades Council, Local 342, AFL-CIO, extending current MOU through June 27, 2010, with exceptions as set forth in the resolution.
Resolution No. 09-3319	1) Approving finding that based on the General Manager's performance for the period May 2008-May 2009 has been satisfactory, and, 2) approving a base salary increase of 1% effective June 14, 2009.

Upcoming Board Schedule
(All meeting locations are 100 North Canyons Parkway, Livermore, unless otherwise noted)

a. Finance Committee Meeting: July 2, 2009, 3:00 p.m.
b. Regular Board Meeting: July 15, 2009, 7:00 p.m.

There was no further business, and the meeting was adjourned at approximately 9:50 p.m.