

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

REGULAR MEETING
June 18, 2008

Beginning at 6:00 p.m., a reception was held to honor two retiring Board Members whose terms will conclude on June 30, 2008: Director Jim Concannon after 24 years on the Zone 7 Board and Director Jim Kohnen after four years on the Board.

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President Stevens called the regular meeting to order at 7:05 p.m., with a salute to the flag. The following were present:

DIRECTORS: JOHN GRECI
JAMES CONCANNON
STEPHEN KALTHOFF
JAMES KOHNEN
SARAH PALMER
RICHARD QUIGLEY
WILLIAM STEVENS

DIRECTORS ABSENT: NONE

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 & BUSINESS SERVICES
RICH PUTICH, ASSOCIATE ENGINEER, WATER SUPPLY ENGINEERING
ATHENA WATSON, ASSOCIATE ENGINEER, WATER SUPPLY ENGINEERING
STEVEN ELLIS, ASSISTANT ENGINEER, WATER SUPPLY ENGINEERING
BARBARA MORSE, BOARD SECRETARY

Item 3—Citizens Forum—No comments.

Item 4—Minutes of Regular Meeting of May 21, 2008

On a motion by Director Quigley with second by Director Palmer, the Board approved the minutes of the regular meeting of May 21, 2008. Director Kalthoff abstained from the vote.

Item 5—Consent Calendar

Several Directors commented on the length of tonight's consent calendar. It was noted that July 1 is the beginning of a new fiscal year, and most of the contracts on the consent calendar are for goods and services that are needed on an annual basis. Since this is the beginning of a new fiscal year, the contracts need to be renewed.

Director Quigley commented that there are approximately \$1.948 million worth of contracts on tonight's consent calendar.

There were no requests to pull items from the consent calendar.

President Stevens moved for the approval of the consent calendar. The motion was seconded by Director Kalthoff, and the following resolutions were approved by a vote of 7-0.

- Resolution No. 08-3170 Approving Amendment No. 2 to real property services contract with Associated Right-of-Way Services, Inc., in the not-to-exceed amount of \$66,000 for FY 2008-09. (Item 5a)
- Resolution No. 08-3171 Approving contract for information technology services with LanLogic, Inc., for the period July 1, 2008 through December 31, 2010, for a total not-to-exceed amount of \$524,548. (Item 5b)
- Resolution No. 08-3172 Authorizing removal of two fixed asset items from the Zone 7 inventory. (Item 5c)
- Resolution No. 08-3173 Approving contract for communications support services with Jones & Stokes Associates in the amount of \$108,550 for FY 2008-09. (Item 5d)
- Resolution No. 08-3174 Approving contract for public outreach services with Morrison & Associates in the amount of \$108,550 for FY 2008-09. (Item 5d)
- Resolution No. 08-3175 Approving contract amendment with ICF Jones & Stokes to expand the scope of work to provide Eastern Alameda County Conservation Strategy Phase 2 and 3 services for an amount not-to-exceed \$230,000 as well as any funding/reimbursement agreements or amendments associated therewith. (Item no. 5e)
- Resolution No. 08-3176 Approving contract with All Bay Electric for annual electrical services for Water Supply Facilities, Project No. 187-08, for a not-to-exceed amount of \$169,293.50 and authorizing the General Manager to execute change orders up to a maximum of 10% of the contract amount if needed. (Item 5f)
- Resolution No. 08-3177 Approving consulting services agreement with Kenneth R. Henneman, Water Resources Consultant, in the not-to-exceed amount of \$175,000 for FY 2008-09. (Item 5g)
- Resolution No. 08-3178 Approving consulting services agreement with Billy Ferguson, Civil Engineering Consultant, in the not-to-exceed amount of \$66,000 for FY 2008-09. (Item 5h)
- Resolution No. 08-3179 Approving consulting services agreement with Yan Kee Chan, Civil Engineering Consultant, in the not-to-exceed amount of \$113,000 for FY 2008-09. (Item 5i)

- Resolution No. 08-3180 Approving contract with Bruce Balala Excavating for District-wide embankment slope mowing services for FY 2008-09 in the not-to-exceed amount of \$75,000. (Item 5j)
- Resolution No. 08-3181 Approving refund of water connection fees to Avalon Bay in the amount of \$154,994.40. (Item 5k)
- Resolution No. 08-3182 Authorizing Alameda County Auditor’s Office to administer payroll deductions for commute mileage reimbursements from Agency employees assigned vehicles for residential garaging as authorized by the General Manager. (Item 5l)
- Resolution No. 08-3183 Approving temporary lab support contract with On Assignment Staffing Services, Inc., to provide laboratory technician services in an amount not-to-exceed \$102,500. (Item 5m)
- Resolution No. 08-3184 Approving one position of Manager of Human Resources and Safety along with a salary schedule. (Item 5n)
- Resolution No. 08-3185 Approving two positions of Safety Technician I/II along with salary scheduled. (Item 5o)
- Resolution No. 08-3186 Approving one position of Senior Procurement & Contracts Specialist along with salary schedule. (Item 5p)
- Resolution No. 08-3187 Approving Zone 7 participation in a joint funding agreement to fund a pilot Quagga and Zebra Mussel prevention program for Lake Del Valle for a not-to-exceed cost to Zone 7 of \$45,000. (Item 5q)
- Resolution No. 08-3188 Approving consulting services contract with Water Quality & Treatment Solutions, Inc., to provide a supplemental evaluation of the Altamont Water Treatment Plant for a total cost not-to-exceed \$175,000. (Item 5r)

Item 6—Staffing Update: Introduction of New Employee

Ms. Duerig introduced one new employee:

Maria Overly, provisional Secretary, on assignment to the Human Resources Department

Item 7—Altamont Water Treatment Plant and Pipeline Project - Hearing on the Resolution of Necessity to Clarify Prior Resolution of Necessity No. 07-2932 which Determined that the Public Interest and Necessity Require the Acquisition of Certain Real Property

The Board heard a brief introduction from Mr. Rich Putich, Project Manager, for the Altamont Pipeline Project who displayed maps of the locations of the properties under discussion this evening: Baca Property owned by Mr. Dennis Baca, Assessor’s Parcel Number 099-0100-037-01; and property owned by Braddock & Logan Venture Group (“Braddock & Logan”), Assessor’s Parcel Number 099-0100-030-02. He then introduced Mr. David Skinner of the firm Meyers, Nave, Riback, Silver & Wilson (Meyers Nave) to discuss the required action.

Mr. Skinner stated that the purpose of the Resolutions of Necessity (RONs) for this project is to “clarify prior resolutions that the Board has already adopted. In any eminent domain case prior to a public entity filing a complaint in eminent domain, the board needs to adopt a resolution of necessity. In these two cases, we are acquiring temporary construction easements and pipeline easements. Part of the reason we’re asking you to clarify the prior resolutions is because of a trial we had in one eminent domain case about two months ago where the opposition argued that the scope of the easements that we were acquiring were much more restrictive than, in fact, they were. We argued that at trial, and we prevailed on that argument but to try to avoid any additional arguments for the cases ahead, should these cases go to trial, we’re just asking the Board to clarify that. The resolutions themselves and the findings themselves make it clear that these are non-exclusive, temporary construction easements and that the Board of Zone 7 would certainly work with any development plans that would come in and do not reasonably interfere with our project. That’s the first part.

“The second part of the resolution we’re asking you to adopt relates to one of the properties, and that’s the Baca property. In any large public project we plan and acquire property interests based on the knowledge we have at the time. In the first Resolution of Necessity hearing we thought the temporary construction easement would be needed for an 18-month term and as it turns out we need it for a longer term so we’re asking the Board to clarify that we’re seeking, in the Baca case, a longer temporary construction easement until Dec. 31 of 2010. I do want to say that, at least on the Baca case, there has been an objection letter by Baca’s attorney. I don’t know how many of you saw that. I have myself reviewed the letter. I have reviewed the law and want you to know that I don’t have any concerns at all about the propriety of what we’re doing tonight. In fact, we’re required under the law to do what we’re doing tonight when we extend the temporary construction easement. The arguments made in the letter, in my view, lack merit, and I believe the Board should go forward and adopt the resolutions clarifying the prior resolutions. Are there any questions?”

Regarding the letter which had been received, Director Greci noted that the concern on the Baca property from their attorney was a statement on the duration of the temporary construction easement. That’s been done?

Mr. Skinner responded yes.

There were no further questions from the Board.

President Stevens opened the public hearing on the Resolution of Necessity for the Baca property.

Ms. Naamani stated that the Baca’s attorney, Mr. Scott E. Jenny, has requested that the letter be made part of the administrative record for this hearing. This is the same letter that we copied to the Board.

There were no further comments, and President Stevens closed the public hearing.

Director Kalthoff moved to adopt Resolution No. 08-3189, Resolution of Necessity for the Baca property (APN 099-0100-037-01) which clarifies the scope of use of the Permanent Easement (PE), the exclusive PE and the Temporary Construction Easement (TCE); provides a termination date for the TCE in Baca; and allows for the deposit of additional funds, if any, or disbursement to the property owners, for the TCEs based upon the new termination dates. The motion was seconded by Director Greci and passed by a vote of 7-0.

President Stevens opened the public hearing for the Resolution of Necessity for the Braddock & Logan property.

There were no comments, and President Stevens closed the public hearing.

Director Greci moved to adopt Resolution No. 08-3199, Resolution of Necessity for the Braddock & Logan property (APN 099-0100-030-02) which clarifies the scope of use of the Permanent Easement (PE), the exclusive PE and the Temporary Construction Easement (TCE). The motion was seconded by Director Greci and passed by a vote of 7-0.

Item 8—El Charro Pipeline Phase 1, Project No. 181-08

a. Award of Construction Contract to Marques Pipeline, Inc., for Construction of El Charro Pipeline Phase 1, Project 181-08

The Board heard a presentation from Ms. Athena Watson, Project Manager, giving the Board a status update on how this project fits into the Well Master Plan.

Highlights of Ms. Watson's presentation:

- The Well Master Plan (WMP) was completed in 2003, and the EIR was certified in 2005.
- Projects:
 - Chain of Lakes Wells No. 1 & 2; total of 8 mgd. (completed)
 - El Charro Pipeline (award of project on tonight's agenda)
 - Chain of Lakes Wells No. 1 & 2 – Facilities & Sitework (bid opening next month)
- El Charro Pipeline
 - The El Charro Pipeline Phase 1 will connect the new Chain of Lakes Wells No. 1 & 2 to Zone 7's existing Cross Valley Pipeline at El Charro Road and Interstate 580.
 - The El Charro Pipeline Phase 1 consists of approximately 4,347 feet of 36-inch pipeline and 1,994 feet of 14-inch pipeline (including a bore/jack under the Arroyo Mocho).
 - The Engineer's Estimate for this construction contract is \$2,800,000.
 - Zone 7 advertised and solicited bids for the Project, and on June 10, 2008 bids were received from nine bidders.
 - The lowest responsive and responsible bidder is Marques Pipeline, Inc., at \$2,195,925. (The Engineers Estimate was \$2.8 million.)
 - The estimated completion is spring 2009.
- Recommendation: Award contract to Marques Pipeline, Inc., for the amount of \$2,195,592.

In response to a question from Director Kalthoff, Ms. Watson stated that Marques Pipeline is located in Sacramento, California.

There were no further questions.

Director Quigley moved for the adoption of Resolution No. 08-3191 awarding the contract for construction of El Charro Pipeline Phase 1, Project 181-08, to Marques Pipeline, Inc., for the bid amount of \$2,195,592. The motion was seconded by Director Greci and passed by a vote of 7-0.

b. Award of Contract to ECO:LOGIC for Engineering Support Services during Construction of the El Charro Pipeline Phase 1 and Chain of Lakes No. 1 & 2, Facilities and Site Work Project

Ms. Watson then described the support services that will be necessary for the El Charro Pipeline Project being awarded tonight and for the Chain of Lakes Wells No. 1 & 2 – Facilities and Site Work Projects with bid opening next month.

Engineering Support Services:

- The El Charro Pipeline Phase 1 Project includes the installation of approximately 4,347 feet of 36-inch diameter pipeline and 1,994 feet of 14-inch diameter pipeline. It also includes a bore and jack operation under the Arroyo Mocho.
- The Chain of Lakes Well Numbers 1 & 2 – Facilities and Sitework Project, which will be brought to the Board for award in the near future, includes the construction of two pump stations, a chloramination facility, site work, fiber optic lines, and two SCADA antennas.
- The services of the design engineer are needed during the construction phase to support the construction activities for both projects.
- Examples of tasks include:
 - Attend pre-construction and weekly project meetings.
 - Provide additional design services as needed.
 - Review shop drawings, submittals, RFI's.
 - Assist with change orders, startup.
 - Record drawings.
 - Prepare SOP's.
- Staff recommends adopting the attached resolution approving a contract with ECO:LOGIC Engineering for a consulting services agreement to provide engineering support services during the construction of the El Charro Pipeline Phase 1 and the Chain of Lakes Well Numbers 1& 2 – Facilities and Sitework Projects for a total not-to-exceed amount of \$902,571 which includes a 10% contingency.

Director Stevens stated that based upon his experience with engineering support services contracts, the cost of this one seems high when compared with the cost of the actual contract itself.

Ms. Duerig responded that the engineering support services contract covers both this project and the one that follows—that's why the percentage seems high. Both this contract and the construction management services contract are within the standard range. She then noted that Mr. Todd Cody, Principal at ECO:LOGIC was present to answer questions.

There were no further questions or comments.

Director Quigley moved for the adoption of Resolution No. 08-3192 approving a consultant services contract with ECO:LOGIC Engineering to provide engineering support services during the construction of the El Charro Pipeline Phase 1 and the Chain of Lakes Well Numbers 1& 2 – Facilities

and Sitework Projects for a total not-to-exceed amount of \$902,571 which includes a 10% contingency. The motion was seconded by Director Palmer and passed by a vote of 7-0.

Construction Management Services:

c. Award of Contract to Covello Group for Construction Management Services during Construction of the El Charro Pipeline Phase 1 and Chain of Lakes No. 1 & 2, Facilities and Site Work Project

- The El Charro Pipeline Phase 1 Project includes installation of approximately 4,347 feet of 36-inch diameter pipeline, 1,994 feet of 14-inch diameter pipeline, and a bore and jack operation under the Arroyo Mocho.
- The Chain of Lakes Well Numbers 1 & 2 – Facilities and Site Work Project, which will be brought to the Board for award in the near future, includes the construction of two pump stations, a chloramination facility, site work, fiber optic lines, and two SCADA antennas.
- The services of a Construction Manager are needed during the construction phase of both projects.
- Examples of tasks include:
 - Construction Contract Administration
 - On-Site Construction Observation and Inspection
 - Progress Meetings Facilitation and Project Coordination
 - Assistance with Project Cost Control and Change Orders
 - Assistance with Dispute Resolution
 - Post Construction Assistance
- Staff recommends adoption of the attached resolution approving a contract with The Covello Group, Inc., for a consulting services agreement to provide Construction Management services during the construction of the El Charro Pipeline Phase 1 and the Chain of Lakes Well Nos. 1& 2 – Facilities and Site Work Projects.

There were no questions.

Director Palmer moved for the adoption of Resolution No. 08-3193 approving a consulting services contract with The Covello Group, Inc., to provide Construction Management services during the construction of the El Charro Pipeline Phase 1 and the Chain of Lakes Well Nos. 1& 2 – Facilities and Site Work Projects for a total not-to-exceed amount of \$1,006,720 which includes a 10% contingency. The motion was seconded by Director Concannon and passed by a vote of 7-0.

Item 9—Award of Contract to Sanco Pipelines for the Former Camp Parks Pipeline Lining & Connections, Project No. 184-08

The Board heard a presentation from Mr. Steve Ellis, Assistant Engineer, Water Supply Engineering, which included an update on the Mocho groundwater demineralization project as well as background on the subject project.

- The Mocho Groundwater Demineralization Plant is being constructed on the northwest corner of Santa Rita Road and Stoneridge Drive in Pleasanton.
- Reverse Osmosis (RO) membrane technology will be used to treat up to 7.7 mgd of groundwater pumped from Zone 7's existing Mocho wells, and produce about 6.1 mgd of treated water (permeate) of less than 5 mg/L hardness for blending with pumped groundwater or a stream of distribution system water for delivery to retailers through the Zone 7 water system.
- The RO process will create a waste stream (brine) which will be disposed via brine disposal pipeline to the Dublin San Ramon Services District Export Pipeline.
- In May 2007, the Zone 7 Board approved a contract with GSE Construction for the construction of the Mocho Groundwater Demineralization Plant, and construction began in July 2007. Construction is currently ahead of schedule. If the current progress continues, we anticipate startup testing in late October and delivery to the Zone 7 system in late December 2008 or early January 2009.

Former Camp Parks Pipeline Lining & Connections Project

- The Former Camp Parks Pipeline Lining & Connections Project is required to provide a brine disposal pipeline for the Mocho Groundwater Demineralization Plant Project which is currently under construction. The pipeline needs to be in service by late October/early November 2008.
- Components of this project are:
 1. Installing a lining in the former Camp Parks Pipeline (which is over 60 years old).
 2. Connecting the Camp Parks Pipeline to the Dublin San Ramon Services District's Clean Water Revival Pipeline (CWR).
 3. Connecting the CWR pipeline to DSRSD's export pipeline.
 4. Installation of several air valves along the CWR pipeline alignment.
 5. Installation of several access manholes along the former Camp Parks pipeline alignment.
- Bids were received from two bidders on June 5, 2008.
- The lowest responsible responsive bidder was Sanco Pipelines, Inc., with a bid of \$1,487,865 (engineer's estimate was \$900,000). The bid was reviewed by staff and General Counsel and found to be in order.
- Staff recommends adoption of the attached resolution authorizing the General Manager to execute a contract in a total amount of \$1,487,865 with Sanco Pipelines, Inc. and to negotiate and issue change orders as and when required by the contract for an amount not to exceed \$148,786.50 (10% of contract amount)

Mr. Ellis stated that Mr. Doug Smith of the design engineering firm of Jacobs, Carter, Burgess was present to answer questions.

Director Palmer questioned the condition of the pipeline since it has not been used for a while.

Mr. Ellis responded that a video inspection of the pipeline indicates that it is in good shape. The joints are a potential problem area. Also, a lining will be used since the cast iron pipe will be carrying brine. He noted that after construction, DSRSD will take over the pipeline.

In response to a question regarding which agency is responsible for repairs, Mr. Ellis stated that once the pipeline has been constructed and has been accepted, Zone 7 is no longer liable for repairs of the facility.

In response to more questions on the video inspection, Mr. Ellis said that it is fairly certain that the pipeline is continuous. If there are breaks, they will be taken care of as part of the bid items.

In response to other concerns, Mr. Arends confirmed that additional contingencies were built into the project. Also, the same subcontractor is being used for both the demineralization project and this project.

There were no further questions.

Director Concannon moved for the adoption of Resolution No. 08-3193 awarding the construction contract to Sanco Pipelines, Inc., for the Former Camp Parks Pipeline Lining & Connections, Project No. 184-08. The motion was seconded by Director Quigley and passed by a vote of 7-0.

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Before moving on, Ms. Duerig noted that the next five items are annual contracts that are needed to support the Operations and Maintenance Sections. Mr. Vince Wong will give a brief description of each contract and answer any questions Board Members may have. It was also noted that Mr. Conrad Tona, Production Manager, and Mr. Barry Ivy, Maintenance Supervisor, were in attendance and could answer questions related to these items.

Item 10—Award of Contract to GSE Construction Company for Maintenance and Emergency Work for Water Supply Facilities, Project No. 185-08.

Mr. Wong provided the following background information:

- Zone 7 has an ongoing need for routine maintenance and emergency work for water supply facilities on an as-needed basis. The current contract is with GSE Construction Company, and will expire June 30, 2008.
- Zone 7 advertised and solicited bids for a new annual contract for routine maintenance and emergency work services on an as-needed basis. The project was advertised and bid out in accordance with the Public Contract Code.
- GSE Construction Company, Inc. (GSE) was the only contractor that submitted a bid for the project with a bid of \$466,232.00.
- Staff recommends adoption of the draft resolution which authorizes the project, approves the project specifications, and authorizes the General Manager to execute a contract with GSE for an amount not-to-exceed \$376,000, the amount that has been budgeted for these activities in FY 08/09. The not-to-exceed contract amount of \$376,000 is less than GSE's bid price but the bids were used solely to establish unit prices and for comparison purposes. Work will be on an as-needed basis and payable on an actual time and materials basis.

Mr. Wong further stated that the Maintenance Section monitors activities and assigns work to the contractor. Because this is an on-going need, we may need to think about staffing up and shifting some of this work to our own forces.

In response to a question from President Stevens, Mr. Wong stated that he did not know why only one bid was received for this work. However, GSE currently does this work for us and is familiar with our needs.

Director Quigley moved for the adoption of Resolution No. 08-3195 awarding the contract to GSE Construction Company for Maintenance and Emergency Work for Water Supply Facilities, Project No. 185-08, in the total not-to-exceed amount of \$376,000 based on unit prices in GSE's bid proposal. The motion was seconded by Director Greci and passed by a vote of 7-0.

Item 11—Award of Contract to Joe Shaver Backhoe Services for Excavation and Hauling Services for Water Supply Facilities, Project No. 186-08

Mr. Wong provided the following background information:

- Zone 7 has 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, which will expire on June 30, 2008, is with Joe Shaver Backhoe Services.
- 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 allows payment to the Contractor for labor and equipment used based on time and materials unit prices in the Contractor's bid.
- The project was advertised and bid in accordance with the Public Contract Code, and two bids were received.
- Joe Shaver Backhoe Service (Joe Shaver) was identified as the lowest responsive responsible bidder with a Total Bid Price of \$278,247.
- 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 Joe Shaver for an amount not-to-exceed \$278,247; and (4) authorizes the General Manager to execute change orders thereto up to a maximum of 10% of the contract amount (\$27,824) as needed.

It was noted that Mr. Shaver has provided backhoe services to Zone 7 for some years now, and we have been very pleased with the quality of his work.

Director Quigley moved for the adoption of Resolution No. 08-3196 awarding the contract to Joe Shaver Backhoe Services for Excavation and Hauling Services for Water Supply Facilities, Project No. 186-08. The motion was seconded by Director Kalthoff and passed by a vote of 7-0.

Item 12—Amendment No. 2 to Contract with Telstar for Instrumentation Services

Mr. Wong provided the following background information:

- The amendment before the Board tonight is the second extension of an annual contract originally awarded to Telstar Instrumentation Service for instrumentation services for FY 06-07.
- At that time, Telstar Instrument, Inc., was found to be able to best provide these services to Zone 7, and an annual contract was awarded for FY 06/07 in an amount of \$190,000, with options for two annual renewals for a total of up to three years.
- Amendment No. 1 was approved by the Board on June 20, 2007, and extended the term of the contract for FY 07/08 in an amount not to exceed \$267,750.
- Amendment No. 2, before the Board tonight, provides a second one-year extension to the agreement (Agreement A06-130-TEL) with Telstar Electrical Contracting, Instrumentation Sales and Service, for troubleshooting, maintenance, calibration, modification and installation services for Zone 7's water treatment, production, and delivery systems.
- All work will be performed on an as needed basis, with itemized billing for time and materials, not to exceed \$293,590 for FY 2008-09.
- Telstar has performed Instrumentation services work satisfactorily to date.
- Staff recommends approval of the amendment.

Mr. Wong noted that in the coming year staff will be looking into staffing alternatives with the intention of doing more of this work in-house. One of our strategic planning goals is to look at the maintenance needs of the Agency and determine whether it would be cost effective to add permanent staff to perform this work.

Director Quigley stated he was in favor of looking to see if permanent staff would be a more cost effective way to get this work done. Additionally, we would be helping the local economy by providing jobs.

Director Quigley moved for the adoption of Resolution No. 08-3197 approving Amendment No. 2 to Contract A06-130-TEL with Telstar Instrument, Inc., for instrumentation services for FY 2008-09 for a total not-to-exceed amount of \$293,590. The motion was seconded by Director Palmer and passed by a vote of 7-0.

Item 13—Amendment No. 4 to Professional Services Agreement with Wunderlich-Malec Engineering for SCADA Systems Maintenance

Mr. Wong provided the following background information:

- The amendment before the Board tonight is the Fourth Amendment to an annual contract originally awarded to Wunderlich-Malec Engineering (WME), for Supervisory Control and Data Acquisition (SCADA) systems maintenance for FY 06-07. The original contract amount was \$145,000 for FY 2006-07.
- Amendments No. 1, 2 and 3 extended the agreement through June 30, 2008 for a not-to-exceed total of \$197,250 for FY 2007-08
- Amendment No. 4, which is before the Board tonight, is the last optional one-year extension to agreement (Agreement A06-112-WUN) with WME for the maintenance of the water production (SCADA) system. The current not-to-exceed amount of the agreement is \$197,250, and this amount will be completely expended in FY 2007-08.
- WME has performed SCADA maintenance work to date satisfactorily.

- Staff recommends adoption of attached resolution approving an amendment to extend the agreement with WME for the maintenance of water production SCADA system for FY 2008-09 for a not-to-exceed amount of \$261,643.
- The Contract will allow payment to the Contractor for labor and equipment actually used based on time and materials unit prices in the Contractor's bid.

It was noted that the SCADA system is getting old and there is a backlog of work to be done to bring it up to modern standards. Amendments 1, 2 and 3 mentioned earlier added money to this contract for the continuing updating and maintenance needs.

Mr. Wong noted that this is another contract which will be examined to see if the work could be performed more cheaply with permanent employees.

Director Greci remarked that he remembered when we went to the SCADA system. At that time we were told that the cheapest part of the project was acquiring the SCADA; maintaining it becomes expensive. Will this system always be expensive to maintain?

Ms. Duerig responded that, while we need to maintain the SCADA system, we do try to balance replacement of the hardware and software upgrades. Right now, what we are using is two versions behind the most current. The need for upgrades and replacements will not go away; it's a permanent need. One way to reduce the cost is to hire our own instrumentation technicians and do this maintenance and upgrade work in-house. That is something we will be looking at in the near future.

Director Quigley agreed with Ms. Duerig. Based on what he's heard from vendors at the ACWA conferences, it is estimated that most technology is obsolete within three years.

Director Kalthoff moved for the adoption of Resolution No. 08-3198 approving Amendment No. 4 to Contract A06-112-WUN with Wunderlich-Malec Engineering for SCADA systems maintenance for FY 2008-09 for a total not-to-exceed amount of \$261,643. The motion was seconded by Director Palmer and passed by a vote of 7-0.

Item 14—Amendment No. 3 to Contract with Karl Needham Enterprises for Centrifuge Equipment Rental and Operation Services

Mr. Wong provided the following background information:

- Zone 7 has an existing agreement (A06-114-KNE) with Karl Needham Enterprises (KNE) to provide centrifuge equipment and operation services to dewater sludge generated at the Del Valle and Patterson Pass Water Treatment Plant.
- The original contract dated July 1, 2006, allowed amendments for up to two annual extensions up to a total period of three years, by mutual agreement of KNE and Zone 7. The amendment before the Board tonight will bring the contract term out to the three year limit.
- The proposed amendment provides a one-year extension to the agreement with KNE for a not to exceed amount of \$540,000 for FY 2008-09.
- KNE has performed centrifuge services work satisfactorily to date.
- Staff recommends adoption of attached resolution approving the agreement amendment.

Mr. Wong further advised that as with the previous contracts, Zone 7 will re-evaluate timing of equipment purchase and alternative staffing options when deciding how to handle this work in the future.

Noting that the cost of this temporary service is very high, President Stevens wondered if it isn't time to move forward with a more permanent system to dewater sludge.

Ms. Duerig responded that it has always been felt that the need for dewatering would decrease after the Altamont WTP comes on line. However, the slow economic climate creating a slowdown in building may lead to a delay in construction of the Altamont WTP by a few years. In that case, we may want to look at purchasing dewatering equipment rather than renting it.

There were no further comments.

Director Palmer moved for the adoption of Resolution No. 08-3199 approving Amendment No. 3 to Contract A06-114-KNE with Karl Needham Enterprises for centrifuge equipment rental and operation services for FY 2008-09 for a total not-to-exceed amount of \$540,000. The motion was seconded by Director Quigley and passed by a vote of 7-0.

Item 15—Committees

There were no committee meetings during the past month.

Item 16—Items for Future Agendas—Directors

Director Palmer stated that with new Directors coming on board next month, we may want to schedule another retreat.

Ms. Duerig responded that the Board Secretary is working on getting a location and would be contacting current Directors and Directors-elect soon to find out schedules. We hope to hold the retreat in late July or early August.

Item 17—Reports—Directors

President Stevens offered congratulations to the three winners in the recent Zone 7 Board election: Dick Quigley (currently on the Board), Dale Myers and Sandy Figuers.

Item 18—Staff Reports (Information items. No action taken.)

- a. General Manager's Report
- b. Recent & Upcoming Public Outreach Activities
- c. Annual Report for the Groundwater Management Program for 2007 Water Year
- d. Status of Bills of Interest for Zone 7 Water Agency
- e. Verbal reports

Ms. Duerig stated that there were no verbal reports.

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The Board recessed for a short break at 8:20 p.m., before going into closed session.

Item 19—Closed Session

- a) Conference with Legal Counsel - Existing litigation pursuant to Subdivision (a) of Government Code Section 54956.9: 6 cases
 - i. Watershed Enforcers v. California Department of Water Resources et al., Alameda County Superior Court Case No: RG06292124
 - ii. Alameda County Flood Control & Water Conservation District, Zone 7 v. Dennis Baca, et al., Alameda County Superior Court Case No. VG06292844
 - iii. Alameda County Flood Control & Water Conservation District, Zone 7 v. Braddock & Logan Venture Group, et al., Alameda County Superior Court Case No. VG06293101
 - iv. Alameda County Flood Control & Water Conservation District, Zone 7 v. The Schmidig Family Partnership, et al., Alameda County Superior Court Case No. VG06292840
 - v. Alameda County Flood Control & Water Conservation District, Zone 7 v. Alameda County Flood Control & Water Conservation District, Zone 7 vs. Pacific Bell Telephone Company, et al., Alameda County Superior Court Cases No. VG06893110; VG06292839; VG06293188
 - vi. Alameda County Flood Control & Water Conservation District, Zone 7 v. Alameda County Flood Control & Water Conservation District, Zone 7 vs. Robert Vieux, et al., Alameda County Superior Court Cases No. VG06292839
- b) Conference with Legal Counsel –Significant exposure to litigation pursuant to Subdivision (b) of Government Code Section 54956.9: 3 cases
- c) Conference with Real Property Negotiator pursuant to Government Code Section 54956.8
 - Property: APN 904-0005-003-29 (in or about Airway Blvd/Kitty Hawk)
 - Agency Negotiator: Jill Duerig, General Manager
 - Negotiating Party: San Francisco Bay Area Rapid Transit
 - Under Negotiations: Price & terms
- d) Conference with Labor Negotiators:
 - Agency Negotiator: Jill Duerig
 - Employee Organization: Alameda County Management Employees Association
- e) Government Code Section 549547: Public Employee Performance Evaluation
Title: General Manager

Item 20—Open Session and Report Out of Closed Session

Ms. Naamani gave the following report out of closed session:

1. The Board of Directors by unanimous vote, approved the acquisition of real property from San Francisco Bay Area Rapid Transit for the Altamont Pipeline project in the amount of \$409,000.
2. The Board of Directors by unanimous vote, passed a resolution approving an amendment to Appendix A. Footnote to Salary Schedule, Section 4.2, Human Resources and Safety Departments.

3. The Board of Directors having conducted the General Manager's performance for the period May 2007-May 2008, unanimously finds that her performance has been satisfactory and therefore pursuant to the terms of the General Manager's employment contract, her Base Salary shall be increased by 3% effective June 15, 2008.

Item 21—Consideration of General Manager Merit Compensation and Amendment to Contract

President Stevens stated that the Board of Directors has conducted Ms. Duerig's performance for the period May, 2007 - May 2008 and has found her performance to be outstanding which warrants granting Ms. Duerig merit compensation in the amount of 2% of her 2007 Base Salary.

A motion to adopt Resolution 08-3202 to grant the General Manager 2% of her 2007 Base Salary as merit compensation, was moved by Director Palmer and seconded by Director Quigley. The vote was unanimous in favor of adopting the resolution.

Ms. Duerig thanked the Board for the vote of confidence represented by the offer of a 2% merit bonus but declined to accept, citing the tight economic times and the need for agency frugality.

A motion to amend the General Manager's employment contract to clarify the date for annual performance evaluations and the roles of the General Manager/Board of Directors was moved by Director Palmer and seconded by Director Quigley. The vote was unanimous in favor of approving Amendment No. 1 to Contract No. A07-44-DUE.

Upcoming Board Schedule

There is no need for a special meeting this month.

- a. Regular Board Meeting: July 16, 2008, 7:00 p.m.

There was no further business and the meeting was adjourned at 9:40 p.m.