NOTICE OF SPECIAL MEETING OF BOARD OF DIRECTORS

DATE:       Wednesday, March 7, 2018
TIME:       6:30 p.m. CLOSED SESSION
            7:00 p.m. OPEN SESSION (time approximate)
LOCATION:   Zone 7 Administration Building
            100 North Canyons Parkway, Livermore, California

Any member of the public desiring to address the Board on an item under discussion may do so upon receiving recognition from the President. After receiving recognition, please step to the podium and state your name and address.

In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available at the Zone 7 Administrative Building lot. If you are a person with a disability and you need disability-related modifications or accommodations to participate in this meeting, please contact the Zone 7 Acting Executive Assistant, Nzinga Arrington at (925) 454-5007 or fax (925) 454-5724. Notification 48 hours prior to the meeting will enable Zone 7 to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35, 104 ADA Title II)

AGENDA

1. Call Zone 7 Water Agency Meeting to Order

2. CLOSED SESSION – OPEN SESSION TO FOLLOW AT APPROXIMATELY 7:00 p.m.
   (a) Conference with Labor Negotiators pursuant to Government Code section 54954.5:
       Agency Negotiator: G. F. Duerig
       Employee Organizations: 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

   (b) Conference with Legal Counsel - Existing litigation pursuant to Government Code §54956.9(d)(1): 2 cases
       (1) Zone 7 v. Bhupinder Singh, et al., Alameda County case no. RG17862001 and related cross action
       (2) Edwin Belshe and Ginger Belshe v. Alameda County Flood Control and Water Conservation District, Zone 7, et al., Alameda County Superior Court Case No. RG17868354

   (c) Conference with Legal Counsel - Significant exposure to litigation pursuant to Gov't Code section 54956.9(d) (2): 3 cases

   (d) Conference with Legal Counsel - Potential litigation pursuant to Gov't Code section 54956.9(d) (4): 2 cases

   (e) Conference with Legal Counsel regarding retirement of General Manager pursuant to Government Code §54957

3. Open Session and Pledge of Allegiance

4. Report Out of Closed Session (approximate time: 7:00 p.m.)
5. Citizens Forum

   This is an opportunity for members of the public to speak on an item not listed on the agenda. The Board cannot deliberate or take action on a non-agenda item unless it is an emergency as defined under Government Code Section 54954.2.

6. Consent Calendar
   a. Authorize the General Manager to Negotiate and Execute Amendments to Professional Services Agreements Necessary to Issue JPA Revenue Bonds
   b. Request for Out-Of-State Travel for the JPA Revenue Bond Pricing in New York
   c. Amendment to Contract with Liebert Cassidy Whitmore for Human Resources and Labor-Related Legal Services

   **Recommended Action:** Adopt resolutions approving items as presented

7. Award of Construction Contracts for the DVWTP Ozonation Project

   **Recommended Action:** Adopt resolution

8. Project Coordination Agreement and Cost Share With the U.S. Army Corps of Engineers

   **Recommended Action:** Adopt resolution

9. Adjournment

10. Upcoming Board Schedule: (All meeting locations are in the Boardroom at 100 North Canyons Parkway, Livermore, unless otherwise noted.)

   a. Regular Board Meeting: March 21, 2018, 7:00 p.m.
   b. Special Board Meeting (if needed): April 4, 2018
AGENDA DATE: March 7, 2018

ITEM NO. 6a

SUBJECT: Authorize the General Manager to Negotiate and Execute Amendments to Professional Services Agreements Necessary to Issue JPA Revenue Bonds

SUMMARY:

- Pursuant to Resolution No. 16-144, the Board adopted budgets for FY 2016-17 and 2017-18, wherein the Board authorized staff to pursue debt financing for the construction of Ozone projects at the Del Valle and Patterson Pass Water Treatment Plants.

- On October 18, 2017, the Zone 7 Board adopted Resolution No. 17-85 authorizing the formation of the Livermore Valley Water Financing Authority to issue JPA revenue bonds for the ozone projects.

- On December 20, 2017, the Board approved Resolution No. 17-97 approving professional services contracts (cost of issuance) necessary to issue JPA revenue bonds.

- On January 17, 2018, the Board adopted Resolution No. 18-04 authorizing staff to pursue the JPA revenue bonds to finance the construction of ozone projects at the Del Valle and Patterson Pass Water Treatment Plants. The Board also authorized refinancing the Agency’s debt obligation with the Cawelo Water District (Cawelo) issued to fund capital costs of Zone 7’s share of its groundwater banking program.

- Refinancing of the Cawelo capital payments was not in the original scope of the professional services contracts. While the additional costs are nominal, increases in the contract amounts are necessary to complete the work. The refinancing would also require some actions from the Cawelo Board and associated work performed by their Bond Counsel. Staff requests the following contract increases:

<table>
<thead>
<tr>
<th>Firm</th>
<th>Service</th>
<th>Board Approved Amount</th>
<th>New Amount</th>
<th>Change Amount</th>
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<tbody>
<tr>
<td>Orrick, Herrington &amp; Sutcliffe, LLP</td>
<td>Bond Counsel</td>
<td>$72,500</td>
<td>$92,500</td>
<td>$20,000</td>
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<td>Sperry Capital</td>
<td>Financial Advisor</td>
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<td>$48,000</td>
<td>$3,000</td>
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<td>Stradling Yocca Carlson &amp; Rauth, P.C.</td>
<td>Disclosure Counsel</td>
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<td>$50,000</td>
<td>$11,000</td>
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<tr>
<td>Nossaman LLP</td>
<td>Cawelo’s Bond Counsel</td>
<td>-</td>
<td>$10,000</td>
<td>$10,000</td>
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<tr>
<td>Wells Fargo Securities and Stifel, Nicolaus &amp; Company, Inc</td>
<td>Underwriting</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$356,500</strong></td>
<td><strong>$400,500</strong></td>
<td><strong>$44,000</strong></td>
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</tbody>
</table>

FUNDING
The cost of issuance is reimbursable from bond proceeds.

RECOMMENDED ACTION:
Adopt attached resolution

ATTACHMENTS:
Board resolution
ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

RESOLUTION NO

INTRODUCED BY
SECOND BY

Professional Services Agreements to Issue JPA Revenue Bonds

WHEREAS, the Agency intends to finance the construction of the Ozonation projects at the Del Valle and Patterson Pass Water Treatment Plants; and

WHEREAS, the Agency has formed the Livermore Valley Water Financing Authority to issue Joint Powers Authority Revenue Bonds; and

WHEREAS, the Board adopted Resolution No. 17-97 approving professional services contracts necessary to issue JPA revenue bonds; and

WHEREAS, the Board adopted Resolution No. 18-04 authorizing the refinancing of the Agency’s debt obligation with the Cawelo Water District (Cawelo) issued to fund capital costs of Zone 7’s share of its groundwater banking program; and

WHEREAS, refinancing of the Cawelo capital payments was not in the original scope of the professional services contracts.

NOW, THEREFORE, BE IT RESOLVED, that the Zone 7 Board of Directors authorize the General Manager to negotiate and execute amendments to the professional services agreements with Orrick, Herrington & Sutcliffe, LLP (Bond Counsel) for a new not-to-exceed amount of $92,500, Sperry Capital (Financial Advisor) for a new not-to-exceed amount of $48,000, Stradling Yocca Carlson & Rauth, P.C. (Disclosure Counsel) for a new not-to-exceed amount $50,000, Wells Fargo Securities (Underwriting Senior Manager) and Stifel, Nicolaus & Company, Inc. (Underwriting Co-Manager) for a not-to-exceed amount of $200,000 and Nossaman LLP (Cawelo’s Bond Counsel) for an amount not-to-exceed $10,000, all for work associated with issuing JPA Revenue Bonds and Cawelo capital payment refinancing.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on March 7, 2018.

By: ____________________________________
   President, Board of Directors
AGENDA DATE: March 7, 2018

SUBJECT: Request for Out-Of-State Travel for the JPA Revenue Bond Pricing in New York

SUMMARY:

- Pursuant to Resolution No. 16-144, the Board adopted budgets for FY 2016-17 and 2017-18, wherein the Board authorized staff to pursue debt financing for the construction of ozone facilities at the Del Valle and Patterson Pass Water Treatment Plants.

- On October 18, 2017, the Zone 7 Board adopted Resolution No. 17-85 authorizing the formation of the Livermore Valley Water Financing Authority to issue Joint Powers Authority (JPA) revenue bonds for the ozone projects.

- On December 20, 2017, the Board approved Resolution No. 17-97 approving professional services contracts necessary to issue JPA revenue bonds.

- On January 17, 2018, the Board adopted Resolution No. 18-04 authorizing staff to pursue the JPA revenue bonds to finance the construction of ozone projects at the Del Valle and Patterson Pass Water Treatment Plants and also authorized refinancing the Agency’s debt obligation with the Cawelo Water District (Cawelo).

- The Agency is moving forward with the debt financing and investor presentations and pricing of the bonds in New York are scheduled to occur March 25 through March 28, 2018.

- During the bond pricing, it is good due diligence for agency representatives to attend the investor conference calls, answer questions and be present for the actual pricing of the bonds especially when the Agency is unknown in the market. During the pre-pricing, the Underwriter (Wells Fargo Securities) will coordinate investor conference calls regarding the bond issuance with Agency staff and Financial Advisor (Sperry Capital, Inc).

- Staff recommends adoption of the attached resolution authorizing out of state travel for the General Manager and Treasurer/Assistant General Manager – Finance to New York, which are scheduled around March 25 through March 28, 2018.

FINANCIAL:

Airfare, parking, accommodations and meals, with a total cost estimated at $2,500 per person. Funds are available from Fund 100 - Water Enterprise.

RECOMMENDED ACTION:

Adopt attached resolution.
ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

RESOLUTION NO

INTRODUCED BY
SECONDED BY

AUTHORIZATION FOR OUT-OF-STATE TRAVEL FOR THE JPA REVENUE BOND SALE IN NEW YORK

WHEREAS, the Agency has authorized the issuance of Joint Powers Authority Revenue Bonds to construct ozone facilities at the Del Valle and Patterson Pass Water Treatment Plants; and

WHEREAS, the Agency is moving forward with the debt financing and investor presentations and pricing of the bonds in New York are tentatively scheduled at the end of March 2018; and

WHEREAS, it is good due diligence for agency representatives to attend the investor conference calls, answer questions and be present for the actual pricing of the bonds especially when the Agency is unknown in the market.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control & Water Conservation District does hereby authorize out-of-state travel for the General Manager and Treasurer/Assistant General Manager – Finance in New York, which tentatively scheduled March 25 through March 28, 2018; and

BE IT FURTHER RESOLVED that the General Manager and Treasurer/Assistant General Manager – Finance both be reimbursed for actual and necessary expenses associated with attendance at this event.

ADOPTED BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSENT:
ABSTAIN:

I certify that the foregoing is a correct copy of a resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on March 7, 2018.

By: ______________________________
President, Board of Directors
AGENDA DATE: March 7, 2018

SUBJECT: Amendment to Contract with Liebert Cassidy Whitmore for Human Resources and Labor-Related Legal Services

SUMMARY:
- Staff is requesting a contract amendment to Agreement Number A18-42-LIE with Liebert Cassidy Whitmore to add $50,000 to the original agreement.

- The original contract was for $50,000 for as-needed legal advice and services in connection with the Agency’s Human Resources and Labor activities for fiscal year 2017 - 18.

- Liebert Cassidy Whitmore’s performance under Agreement Number A18-42-LIE has been to the Agency’s satisfaction.

- Ongoing confidential human resources and labor activities require the addition of funds to the original agreement for the current fiscal year.

- Staff recommends that the Board authorize the General Manager to negotiate and execute a $50,000 contract amendment with Liebert Cassidy Whitmore for a new, not-to-exceed total amount of $100,000 for work associated with human resources and labor-related legal services.

FUNDING:
Funds are available in Fund 100 – Water Enterprise and Fund 200 – Flood Protection

RECOMMENDED ACTION:
Adopt attached resolution.

ATTACHMENT:
Board Resolution
Amendment to Contract with Liebert Cassidy Whitmore for Human Resources and Labor Related Legal Services

WHEREAS, in September 2017, the General Manager negotiated and executed Agreement Number A18-42-LIE with Liebert Cassidy Whitmore in the amount of $50,000 for as-needed legal advice and services in connection with human resources and labor-related legal services; and

WHEREAS, Liebert Cassidy Whitmore’s performance under Agreement Number A18-42-LIE has been to the Agency’s satisfaction; and

WHEREAS, additional funds are required for ongoing confidential human resources and labor-related legal services.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate and execute a $50,000 contract amendment with Liebert Cassidy Whitmore for a new, not-to-exceed total amount of $100,000 for work associated with human resources and labor-related legal services.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on March 7, 2018.

By: __________________________________________
President, Board of Directors
AGENDA DATE: March 7, 2018

SUBJECT: Award of Construction Contracts for the DVWTP Ozonation Project

SUMMARY:
- The DVWTP Ozonation Project’s primary goals are to improve the plant’s processes (such as coagulation, flocculation, clarification,) and to provide taste and odor improvements, reduce disinfection by-products, and provide a more effective tool for removal of cyanobacterial toxins and other emerging contaminants.
- The project scope under this contract includes addition of ozonation facilities, replacement and improvements to existing facilities such as the raw water pipeline, flow splitter structure, raw water screen, plant overflow systems, electrical system, chemical systems, soft water system and utility water pump station.
- Per CEQA guidelines, a Mitigated Negative Declaration was adopted and a Notice of Determination for the project was filed on October 23, 2017.
- In accordance with the California Public Contract Code, Zone 7 advertised and solicited bids for the Project. On February 22, 2018, five bids were received ranging from $34,361,000 to $40,588,000.
- Zone 7 staff has reviewed the bids and has determined C. Overaa & Co. to be the lowest responsive and responsible bidder with a bid of $34,361,000.
- The Engineer’s estimate for the project was $35,300,000.
- Staff recommends award of the construction contract to C. Overaa & Co. for $34,361,000 and authorizing the General Manager to execute change orders as and when needed in a total amount not-to-exceed $3,436,100 (10% of construction contract amount).
- To properly manage the construction, staff also recommends amendments to contracts with The Covello Group, Inc. for construction management and CDM Smith, Inc. for engineering support services during construction in amounts not-to-exceed $3,080,000 and $3,300,000, respectively (both include 10% contingencies).

FUNDING: The estimated total project cost of $49.07 million is funded from Fund 120 – Renewal & Replacement/System-Wide Improvements. The planning and design phase in the amount of $3.5 million was funded by capital project reserves in Fund 120. Of the $45.58 million anticipated costs in the construction phase, approximately $38 million (construction cost plus 10% contingency for change orders) is anticipated to be secured through debt financing and the remainder through capital project reserves in Fund 120.

RECOMMENDED ACTION: Adopt three resolutions, attached.

ATTACHMENTS:
1. Memo providing additional background and discussion of agenda item
2. Resolutions (3)
Interoffice Memo

Date: March 7, 2018
To: Jill Duerig, General Manager
From: Brandon Woods, Associate Civil Engineer
Subject: Award of Construction Contracts for the DVWTP Ozonation Project

The following provides additional background and discussion on the above-referenced agenda item:

BACKGROUND:

The Del Valle Water Treatment Plant (DVWTP) was constructed in 1975 as a conventional (floculation/sedimentation/filtration) plant with a nominal capacity of 24 MGD. In 1989 the plant was converted to use Superpulsator clarifiers as both the flocculation and sedimentation processes and subsequently other process refinements expanded DVWTP to a nominal capacity of 40 MGD. In the recent years, treatment of the South Bay Aqueduct (SBA) water which supplies the plant has become increasingly difficult. High levels of organic matter, diurnal fluctuations in temperature and pH and high alkalinity have all contributed to this treatment difficulty. Currently, the treatment plant’s only available process response is to increase the amount of coagulant (ferric chloride) fed to the Superpulsators. This leads to effects on the other processes at the plant including a significant increase in solids loading, caustic demand and sludge generation. Other effects of this treatment strategy on SBA water include related chemical cost increases as well as higher potential formation of Trihalomethanes (THMs) due to the organic matter present in the raw water. Institution of ozone at DVWTP has been explored for a number of years and included in the Capital Improvement Plan as a viable means to reducing and inactivating the organic content in the water, reducing formation of THMs, and taste and odor improvements, as well as significantly reducing the coagulant usage, chemical costs and solids handling at the plant.

In 2008, Water Quality Treatment Solutions, Inc. (WQTS), completed pilot-scale testing of ozone at the DVWTP to determine out if ozone would be a viable option to treat both taste and odor (T&O) concerns of SBA water as well as to meet disinfection requirements. WQTS concluded through the pilot-study report that raw water ozonation greatly benefits coagulation, flocculation and clarification processes while also significantly reducing T&O issues and producing higher quality finished water. The pilot-study goes on to recommend further evaluation of either perozone or traditional ozone administered to the plant’s raw water. This additional evaluation took place in 2009 when WQTS completed a detailed report titled “Evaluation of Ozone and Peroxone for Water Quality Enhancement.” WQTS recommended in that report that raw water conventional ozonation be instituted at the DVWTP. This alternative was recommended to significantly improve the plant’s processes such as coagulation, flocculation, clarification, organic material removal, disinfection-by-product formation reduction, reduced chemical costs, T&O reduction and lower turbidity finished water. The raw water ozonation method was also recommended based on its track record in other water treatment facilities on the South Bay Aqueduct, annual operation and maintenance costs and general ease of operation.

In 2015, the U.S. Environmental Protection Agency published 10-Day Drinking Water Health Advisories (HAs) for the cyanobacterial toxins microcystins and cylindrospermopsin (algal toxins). Cyanobacterial toxins are naturally occurring and are found in some blue-green algae. When cyanotoxins were found in parts of Lake Del Valle, Zone 7 collaborated with other South Bay
Aqueduct contractors to evaluate algal toxin removal efficiency by different treatment technologies currently used by the SBA contractors. Although chlorination combined with other conventional treatment methods used at Zone 7 treatment plants is effective in removing some of the cyanobacterial toxins, the best technique identified by the Study was the use of ozone.

DISCUSSION:

In May 2016, CDM Smith, Inc. was selected through an RFP process to provide engineering and design services for the DVWTP Ozonation Project (Project).

The initial project scope consisted of planning, permitting, design and construction of new ozonation facilities and modifications to filters. During the design, it was determined that addition of a chlorine contact pipeline for backup CT compliance, installing of intervening electrical facilities to purchase power from the Power and Water Resources Pooling Authority (PWRPA) for one of the electric services at DWVTP, stand-by power generation for Ozone facilities; improvements to existing facilities such as the raw water pipeline, flow splitter structure, raw water screen, plant overflow systems, electrical system, chemical systems, and addition of new facilities such as a soft water system for dilution for chemical systems, and utility water pump station, is necessary either due to the age of these facilities or the inadequate size to accommodate ozone facilities. CDM Smith completed the design in early January 2018.

In June 2017, The Covello Group, Inc., was selected through an RFP process to provide construction management services for the project. Covello has been performing reviews of the design documents for biddability and constructability.

Per CEQA guidelines, a Mitigated Negative Declaration was adopted and a Notice of Determination for the project was filed on October 23, 2017.

In accordance with the California Public Contract Code, Zone 7 advertised and solicited bids for the Project. On February 22, 2018, the following five bids were received:

1. C. Overaa & Co., Richmond, CA $34,361,000
2. GSE Construction Co., Livermore, CA $34,594,000
3. Myers & Sons Construction, Sacramento, CA $34,705,000
4. Mountain Cascade, Inc., Livermore, CA $37,233,000
5. Western Water, Santa Rosa, CA $40,588,000

The Engineer’s Estimate for the project construction is $35,300,000. Staff reviewed the bids and found the bid submitted by C. Overaa & Co. to be fair and reasonable. Staff recommends the award of the contract to the lowest responsive and responsible bidder, C. Overaa & Co., in an amount not-to-exceed $34,361,000. Staff also recommends the Zone 7 Board authorize the General Manager to negotiate and execute change orders as necessary with C. Overaa & Co. for a not-to-exceed amount of $3,436,100 (10% construction contingency).

Engineering Services During Construction

Having performed the design, CDM Smith, Inc. is needed for engineering support services during construction. Tasks include submittal reviews, responses to Requests for Information (RFIs) from
the contractor, assistance on reviewing requests for change orders, specialty inspections, and SCADA programming/system integration of new facilities.

The SCADA programming/system integration services are part of the construction effort. When done as part of a construction contract project, it is the last effort to be completed and is often the most troublesome. Low-bid programmers provided by construction contractors can often leave unfinished work, software bugs, and very little documentation. Treatment plant staff also has minimal input as the SCADA system is developed by the contractor. This often leads to requests for modifications for better operational control and functional interface. However, at this point in time, the general contractor and programmer are typically out of time and money and are primarily motivated to wrap things up and leave.

On smaller Zone 7 projects, in-house Zone 7 staff undertakes this effort earlier on and throughout the project to ensure that the programming/system integration work is efficiently and effectively done. Under the DVWTP Ozonation Project this work will be done in a similar fashion. The contractor will be responsible for providing the SCADA system infrastructure but the programming/system integration work will be performed separately by CDM Smith as an extension of Zone 7 staff.

In order to properly manage these necessary activities, it is recommended that the Zone 7 Board authorize the General Manager to negotiate and execute an amendment to the contract with CDM Smith, Inc., for engineering support services during construction in an amount not-to-exceed $3,300,000 which includes approximately $990,000 for the SCADA programming/system integration work and a 10% contingency for the entire professional services contract.

Construction Management Services

The Covello Group, Inc., was selected through a Request for Proposal (RFP) process for construction management services. Covello was given an initial contract for $124,000 for biddability and constructability review of the Project. Covello has performed that service for an approximate amount of $100,000. Covello is now needed to perform construction management services for the Project. Tasks include coordinating project meetings, monitoring project schedule, negotiating change orders, performing daily inspections and maintaining project construction records and documents. In order to properly manage the construction, it is recommended that the Zone 7 Board authorize the General Manager to negotiate and execute a contract amendment to The Covello Group, Inc., for construction management services in an amount not-to-exceed $3,080,000 which includes a 10% contingency.

FUNDING:

The estimated total project cost of $49.07 million is funded from Fund 120 – Renewal & Replacement/System-Wide Improvements. The planning and design phase in the amount of $3.5 million was funded by capital project reserves in Fund 120. Of the $45.58 million anticipated costs in the construction phase, $38 million (construction cost plus 10% contingency for change orders) is anticipated to be secured through debt financing and the remainder through capital project reserves in Fund 120.
### Table 1. Actual and Estimated Project Costs

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<thead>
<tr>
<th>Component</th>
<th>Total Amount</th>
<th>Description/Comments</th>
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</thead>
<tbody>
<tr>
<td><strong>Planning and Design Phase</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zone 7 Staff</td>
<td>$497,000</td>
<td>project management; support from WQE, IP, O&amp;M staff</td>
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<tr>
<td>Design Consultant (CDM Smith, Inc. Inc.)</td>
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<td>planning &amp; design</td>
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<tr>
<td>Environmental (ESA)</td>
<td>$53,000</td>
<td>CEQA documentation, permitting, &amp; mitigation planning</td>
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<td>Technical Support Consultant (WQTS)</td>
<td>$78,000</td>
<td>design review &amp; technical support</td>
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<tr>
<td>Construction Management (Covello)</td>
<td>$124,000</td>
<td>constructability review (firm to be determined)</td>
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<tr>
<td>Permits and Other Fees</td>
<td>$23,000</td>
<td>DDW, CEQA, NPDES, ACDEH, &amp; misc. (printing, etc.)</td>
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<tr>
<td>PG&amp;E</td>
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<td>PG&amp;E new infrastructure</td>
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<td><strong>Subtotal</strong></td>
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<tr>
<td><strong>Construction Phase</strong></td>
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<tr>
<td>Zone 7 Staff</td>
<td>$1,000,000</td>
<td>project management; support from WQE, IP, O&amp;M staff</td>
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<tr>
<td>Construction Management (Covello)</td>
<td>$3,080,000</td>
<td>construction management, inspection, document control</td>
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<td>Design Consultant (CDM Smith)</td>
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<td>engineering support during construction</td>
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<td>Programming Consultant (CDM Smith)</td>
<td>$990,000</td>
<td>programming services of new facilities, SCADA support</td>
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<td>Environmental Consultant (CDM Smith)</td>
<td>$50,000</td>
<td>pre-construction surveys, biological monitoring</td>
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<td>Materials Testing (TBD)</td>
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<td>Permits and Other Fees</td>
<td>$15,000</td>
<td>DDW, NPDES, ACDEH, &amp; misc. (printing, etc.)</td>
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<tr>
<td>PG&amp;E</td>
<td>$310,000</td>
<td>Construction for new PG&amp;E infrastructure</td>
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<td>Construction Contract</td>
<td>$37,797,100</td>
<td>Includes 10% construction contingency</td>
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<td><strong>Subtotal</strong></td>
<td><strong>$45,577,100</strong></td>
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<td><strong>Total Estimated Project Cost</strong></td>
<td><strong>$49,066,100</strong></td>
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</table>

**SCHEDULE:**

Construction is expected to commence in April 2018. Substantial completion of the project is anticipated in March 2020. Final completion of the project which includes training, transfer of project files and record drawings, and completion of punch list work is anticipated in May, 2020.

**RECOMMENDED ACTION:**

Staff recommends that the Board adopt the following three Resolutions:

**Resolution No. 1:** a) Approve plans, specifications, appendices, and addenda; b) Accept the bid and award a contract to C. Overaa & Co. as the lowest responsive and responsible bidder
for the bid amount of $34,361,000; Authorize the General Manager to negotiate and execute the contract with C. Overaa & Co. in an amount not-to-exceed $34,361,000; and d) Authorize the General Manager to issue change orders as and when needed in an amount not-to-exceed $3,436,100 (10% of contract amount); and

**Resolution No. 2:** Authorize the General Manager to negotiate and execute an amendment to the contract with CDM Smith, Inc., for engineering support services in an amount not-to-exceed $3,300,000 (includes 10% contingency); and

**Resolution No. 3:** Authorize the General Manager to negotiate and execute an amendment to the contract with The Covello Group, Inc., for construction management services in an amount not-to-exceed $3,080,000 (includes 10% contingency).
Award of Construction Contract for the DVWTP Ozonation Project

WHEREAS, Zone 7 of the Alameda County Flood Control and Water Conservation District’s Capital Improvement Program (CIP) includes the construction of the DVWTP Ozonation Project; and

WHEREAS, a Notice of Exemption per the California Environmental Quality Act (CEQA) guidelines was prepared and filed for the project; and

WHEREAS, the Project plans, specifications, appendices, and addenda were developed and advertised for bids in accordance with the California Public Contract Code; and

WHEREAS, five bids were received and publicly read by the Zone 7 General Manager’s authorized representatives at the Zone 7 Administration Office, 100 North Canyons Parkway, Livermore, California, on February 22, 2018, at 2:00 p.m.; and

WHEREAS, the lowest responsive and responsible bid received for this project is the bid by C. Overaa & Co., with a bid of $34,361,000.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby approve the plans, specifications, appendices, and addenda for the DVWTP Ozonation Project; and

BE IT FURTHER RESOLVED that the bid of the lowest responsive and responsible bidder, C. Overaa & Co., be accepted, and that the contract for the work be awarded to C. Overaa & Co. in an amount not-to-exceed $34,361,000; and

BE IT FURTHER RESOLVED that the General Manager be authorized to negotiate and execute the contract with C. Overaa & Co. in an amount not-to-exceed $34,361,000; and

BE IT FURTHER RESOLVED that the General Manager be authorized to negotiate and execute change orders as and when needed in a total amount not-to-exceed $3,436,100.
ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on March 7, 2018.

By ____________________________
                 President, Board of Directors
Engineering Support Services Contract for the DVWTP Ozonation Project

WHEREAS, Zone 7 of the Alameda County Flood Control and Water Conservation District’s Capital Improvement Program (CIP) includes the construction of the DVWTP Ozonation Project; and

WHEREAS, CDM Smith has completed the design for the DVWTP Ozonation Project; and

WHEREAS, procuring engineering support services during construction for the DVWTP Ozonation Project is necessary.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate and execute an amendment to the contract with CDM Smith, Inc., for engineering support services during construction in an amount not-to-exceed $3,300,000, which includes a 10% contingency, increasing the total contract to a not-to-exceed amount of $5,964,000.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on March 7, 2018.

By __________________________________________

President, Board of Directors
ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

Construction Management Services Contract for the DVWTP Ozonation Project

WHEREAS, Zone 7 of the Alameda County Flood Control and Water Conservation District’s Capital Improvement Program (CIP) includes the construction of the DVWTP Ozonation Project (Project); and

WHEREAS, The Covello Group, Inc., was selected through a request-for-proposals (RFP) process to provide biddability and constructability review during the design phase and construction management services during the construction phase of the Project.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District does hereby authorize the General Manager to negotiate and execute an amendment to the contract with The Covello Group, Inc., for construction management services in an amount not-to-exceed $3,080,000, which includes 10% contingency, increasing the total contract to a not-to-exceed amount of $3,204,000.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on March 7, 2018.

By ____________________________

President, Board of Directors
AGENDA DATE: March 7, 2018

ITEM NO. 8

SUBJECT: Project Coordination Agreement and Cost Share With the U.S. Army Corps Of Engineers

SUMMARY:
- The storms of January and February 2017 resulted in significant damage to Zone 7 flood control facilities. Flood emergencies for these storms were declared at the federal, state, and local levels, including a Local State of Flood Emergency by the Zone 7 Board on March 15, 2017 (Resolution No. 17-10).

- As of the end of May 2017, 208 damaged sites have been documented on channels owned by Zone 7, primarily along the Arroyo de la Laguna, Alamo Creek / Canal, Arroyo Mocho, South San Ramon Creek, Chabot Canal, Tassajara Creek, Pleasanton Canal and Line F-4 (old South San Ramon Creek).

- Zone 7 applied for US Army Corps of Engineers (USACE) rehabilitation assistance to repair the damage in these reaches through the PL 84-99 program.

- 26 sites were deemed eligible for USACE rehabilitation assistance.

- Under the PL 84-99 program, USACE contributes project design and execution, federal permitting, and 80% of the construction costs. The applicant (Zone 7) must obtain state permits and contribute 20% of the construction costs (including contingency and administration). The cost estimate may be modified slightly by USACE.

- USACE have estimated the total cost to be $15,063,348; therefore, Staff recommends that the Board authorize the General Manager to negotiate and execute a Project Coordination Agreement with USACE and to take all necessary steps to assure the 20% cost share contribution of Zone 7’s for an amount not-to-exceed $3.5 million, which includes a 15% contingency.

FUNDING:
Fund 200 – Flood Protection Operations.

RECOMMENDED ACTION:
Adopt the attached resolution.

ATTACHMENTS:
Map, Memorandum and Resolution
Interoffice Memo

Date: March 7, 2018
To: Jill Duerig, General Manager
From: Joe Seto, Principal Engineer, Flood Protection Section
Subject: Project Coordination Agreement and Cost Share with the U.S. Army Corps of Engineers

BACKGROUND:

The storms of January and February 2017 resulted in significant damage to Zone 7 flood control facilities. Flood emergencies for these storms were declared on the federal, state and local levels, including a Local State of Flood Emergency by the Zone 7 Board of Directors on March 15, 2017 (Resolution No. 17-10). As of the end of May 2017, 208 damaged sites have been documented on channels owned by Zone 7 – primarily along the Arroyo de la Laguna, Alamo Creek / Canal, Arroyo Mocho, South San Ramon Creek, Chabot Canal, Tassajara Creek, Pleasanton Canal and Line F-4 (old South San Ramon Creek). Some areas where the embankments continue to slump and fall away can threaten utility lines and infrastructure. This is in contrast to other recent years, as Zone 7 had previously experienced only eight to ten bank slides annually. The attached figure shows the approximate locations of sites included in this request.

Zone 7 has applied to the Federal Emergency Management Agency (FEMA), the State Office of Emergency Services (OES), and to the U.S. Army Corps of Engineers (USACE) under Public Law 84-99 (PL 84-99) for disaster financial assistance. PL 84-99, Flood Control and Coastal Emergencies, authorizes the USACE Chief of Engineers to undertake emergency management activities including rehabilitation of flood control works threatened or destroyed by flood. Of the 208 damaged sites, Zone 7 decided to complete seven repairs immediately that were critical to construct before the 2017/18 rainy season and to pursue federal funding for the remaining sites. USACE will repair 26 sites this year, and the remaining repairs are being designed with a consultant and may be considered for USACE assistance at a later time.

DISCUSSION:

On March 8, 2017, Zone 7 submitted a request to USACE for rehabilitation assistance. On March 27 and 28 and April 17 and 20, 2017, Zone 7 and USACE teams inspected the damaged sites that are in the PL 84-99 program. The majority, although not all, of the 208 damaged sites are located in reaches under this program; damaged lines included in the PL 84-99 program include Alamo Canal, Alamo Creek, Altamont & Vasco Creek, Arroyo de la Laguna, Arroyo Valle, Arroyo Mocho Downstream, Arroyo Mocho Upstream, Big Canyon, Chabot Canal, South San Ramon Creek, and Tassajara Creek. Of the sites visited, it was determined that 26 critical sites in Pleasanton (exhibit 1) on Arroyo Mocho, Alamo Canal, and Arroyo de la Laguna are eligible for USACE assistance.

Eligibility for USACE funding is determined by a facility’s standing in the PL 84-99 program and the benefit-cost ratio (BCR) of repairs. USACE calculated the BCR of the 26 eligible sites to be 2.6,
which, being greater than 1, justifies their repair. Under the PL 84-99 program, USACE is responsible for the design, federal permits, construction advertisement, award, and management of the repair work, and 80% of the construction cost. Zone 7 is responsible for any state and local permits, long-term monitoring, and 20% of the construction cost.

As of the last week of February 2018, USACE incorporated Zone 7 and internal comments into their repair designs and notified Zone 7 that the current engineer’s estimate for the project is $15,063,348, which includes construction costs, contingency, and supervision/administration. Minor modifications to the estimate are expected; therefore, Zone 7’s 20% non-federal cost share would be $3,012,670 and has been rounded by staff to a requested not-to-exceed amount of $3.5 million, which includes approximately a 15% contingency.

USACE staff expect to issue a Notice to Proceed to the Contractor on July 1, 2018. USACE’s South Pacific Division can provide assistance with flood fighting if it is needed during the winter to protect the 26 eligible damaged sites until they can be repaired.

Staff recommends that the Board approve and authorize the General Manager to negotiate and execute a Project Coordination Agreement with USACE and to take all necessary actions to contribute the required 20% cost share, not-to-exceed $3,500,000, which includes a 15% contingency.

**FUNDING:**
Fund 200 – Flood Protection Operations

**RECOMMENDED ACTION:**
Authorize the General Manager to negotiate and execute the Project Coordination Agreement with USACE and to take all necessary actions to contribute the required 20% cost share, not-to-exceed $3,500,000, which includes a 15% contingency.
ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

Project Coordination Agreement and Cost Share with the U.S. Army Corps of Engineers

WHEREAS, the storms of January and February 2017 have resulted in significant damage to Zone 7 flood control facilities resulting in a Staff estimate of $44 million in damages to Zone 7 facilities; and

WHEREAS, funding opportunities exist through the US Army Corps of Engineers (USACE) for facilities in the PL 84-99 program; and

WHEREAS, 26 damaged sites were deemed eligible for USACE assistance; and

WHEREAS, USACE requires the applicant to contribute 20% of construction costs and sign a Project Coordination Agreement; and

WHEREAS, USACE engineers have provided an engineer’s estimate for the project costs at $15,063,348 and estimated Zone 7’s cost share to be $3,012,670, but recommend a contingency to account for minor changes in costs prior to final agreement;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 does hereby authorize the General Manager to negotiate and execute the Project Coordination Agreement with USACE and to take all necessary actions to pay Zone 7’s 20% cost share in an amount not-to-exceed $3,500,000, which includes roughly a 15% contingency.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on March 7, 2018.

By: ________________________________
    President, Board of Directors