

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
WEST BASIN MUNICIPAL WATER DISTRICT
And
SPECIAL BOARD MEETING OF THE BOARD OF DIRECTOS
WEST BASIN FINANCING CORPORATION

NOVEMBER 24, 2008

A regular meeting of the Board of Directors of West Basin Municipal Water District was held in conjunction with a Special meeting of West Basin Financing Corporation on Monday, November 24 2008 at 1:00 p.m. at 17140 S. Avalon Blvd., Suite 210, Carson, CA 90746.

President Dear called the meeting to order at 1:25 p.m. and presided thereover.

1. DETERMINATION OF QUORUM. The following Directors were present: Dear, Gray, Little, Smith, and Kwan. Also present was General Manager Nagel and District Counsel O'Neill.

PLEDGE OF ALLEGIANCE. Willard H. Murray led the pledge.

2. PUBLIC COMMENT AND PRESENTATIONS. (Members of the public are invited to present comments to the board on matters within the District's jurisdiction but not on the agenda. The public may present comments on agenda items when the matter is called.) Staff made a presentation to the Board for achieving the 100 billionth gallon of recycled water served.

President Dear moved agenda item no. 29 up on the agenda without objection.

29. OPERATIONS PERFORMANCE UPDATE

Staff provided an update on operations at the water recycling facilities. Pat Shields of United Water provided a brief update.

3. ITEMS TOO LATE TO BE AGENDIZED (Determine the need to discuss and/or take action on item(s) introduced that came to the attention of the District subsequent to the posting of the agenda.) None.

4. METROPOLITAN WATER DISTRICT ACTIVITIES UPDATE

Director Little stated that Metropolitan had approved \$53,000 for the City of El Segundo's water conservation street banners. Director Murray gave a brief update on Metropolitan activities and provided a written report. Fernando Paludi provided an update on the Allocation Plan, Long-Range Financial Plan, and the Bay-Delta Project. He also gave a PowerPoint presentation on the Water Supply Outlook.

5. AB 1234 REPORTING COMPLIANCE. Members of the legislative body shall provide brief reports (written or oral) on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

Director Dear reported on his attendance at the Potable Reuse Conference and suggested that West Basin consider a Recycled Water Customer of the Year award. Director Smith reported that he attended

the Potable Reuse Conference and that it provided new perspectives and how to enhance public understanding and acceptance. Director Kwan reported that she had attended the POWER Conference.

CONSENT CALENDAR

6. FINANCIAL REPORT

A. Demands Demand Numbers 1257, 1258, and 1260, and 33609 through 33832 excluding Demand No. 33715 for a total in the amount of \$11,128,081.74 including wire transfers to MWD, Union Bank of California, and Citibank New York.

B. Cash & Investment

C. Water Sales Statements

D. Recycled Water Revenue & Expense Summary

7. RECYCLED WATER CUSTOMER DEVELOPMENT PROJECT UPDATE

8. FISCAL YEAR 2008-09 BUDGET TO ACTUALS

9. DRAFT JFA AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR JUNE 30, 2008

10. DRAFT WEST BASIN AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR JUNE 30, 2008

ACTION: Upon a motion duly made by Director Smith and seconded by Director Gray, the Board approved Consent Calendar Items 6-10.

ACTION CALENDAR

11. WEST BASIN MUNICIPAL WATER DISTRICT RESOLUTION NO. 11-08-880 APPROVING THE EXECUTION AND DELIVERY OF AMENDMENT NO. 1 TO TRUST AGREEMENT WITH RESPECT TO ADJUSTABLE RATE REFUNDING REVENUE CERTIFICATES OF PARTICIPATION, SERIES 2008A AND THE FIRST AMENDMENT TO STANDBY CERTIFICATE PURCHASE AGREEMENT, APPROVING AN AMENDMENT TO INVESTMENT POLICY AND CERTAIN OTHER MATTERS IN CONNECTION THEREWITH.

RECOMMENDATION: That the Board approves, adopts and authorizes the President to sign Resolution No. 11-08-880.

ACTION: Upon a motion duly made by Director Gray and seconded by Director Kwan, the Board unanimously adopted Resolution No. 11-08-880

RECESS TO

President Dear recessed the West Basin Municipal Water District Board meeting to the West Basin Financing Corporation Special Board meeting at 2:39 p.m. without objection.

FINANCING CORPORATION AGENDA

A. DETERMINATION OF QUORUM – WEST BASIN FINANCING CORPORATION

The following Directors were present: Dear, Gray, Little, Smith, and Kwan. Also present was General Manager Nagel and District Counsel O'Neill.

B. PUBLIC COMMENT. None.

ACTION CALENDAR

C. WEST BASIN FINANCING CORPORATION RESOLUTION NO. 11-08-012 APPROVING THE EXECUTION AND DELIVERY OF AMENDMENT NO. 1 TO TRUST AGREEMENT WITH RESPECT TO ADJUSTABLE RATE REFUNDING REVENUE CERTIFICATES OF PARTICIPATION, SERIES 2008A AND THE FIRST AMENDMENT TO STANDBY CERTIFICATE PURCHASE AGREEMENT, AND CERTAIN OTHER MATTERS IN CONNECTION THEREWITH.

RECOMMENDATION: That the Board approves, adopts, and authorizes the President to sign Resolution No. 11-08-012.

ACTION: Upon a motion duly made by Director Gray and seconded by Director Kwan, the Board unanimously adopted Resolution No. 11-08-012.

ADJOURNMENT TO

WEST BASIN MUNICIPAL WATER DISTRICT REGULAR BOARD MEETING

There being no further business to come before the West Basin Financing Corporation, President Dear adjourned the meeting at 2:40 p.m. without objection.

WEST BASIN MUNICIPAL WATER DISTRICT

AGENDA CONTINUED

President Dear reconvened the West Basin Municipal Water District regular Board meeting at 2:40 p.m.

President Dear requested a motion to approve Action Items 12, 15, 16, 17, 18, and 19.

ACTION: Upon a motion duly made by Director Smith and seconded by Director Gray, the Board unanimously approved Action Items 12 and 15-19.

12. PROCUREMENT POLICY REVISIONS

RECOMMENDATION: That the Board approves modifying the Procurement Policy to reflect the following changes (as shown in Exhibit "A") to:

1. Revise the initial approval threshold for the procurement of supplies, goods, and equipment from \$1,000 to \$5,000 and to modify the Procurement Policy language accordingly for consistency between transaction types, and
2. Revise the Small Dollar Procurement threshold from \$100 to \$500 and to modify the Procurement Policy language accordingly, and
3. Revise the Local Business Enterprise Program to provide a price based evaluation method for the evaluation of service proposals.

13. EDUCATION RETORFIT DEVICE KIT PROGRAM

RECOMMENDATION: That the Board authorizes the General Manager to:

1. Award a 2-year contract to Resource Action Programs for educational services from December 1, 2008 to August 31, 2010 for a total contract amount not-to-exceed \$159,000; and
2. Award a 2-year contract to the Science Discovery Center for educational services from December 1, 2008 to August 31, 2010 for a total contract amount not-to-exceed \$92,000.

ACTION: Upon a motion duly made by Director Kwan and seconded by Director Gray, the Board unanimously approved staff recommendations.

14. OCEAN-FRIENDLY PROGRAM – PARTNERSHIP AGREEMENT

RECOMMENDATION: That the Board authorizes the General Manager to conduct the following:

1. Enter into a four-year Agreement with Surfrider Foundation to implement the deliverables as stated in the attached Exhibit "A" for an amount of \$46,376 plus a 10% contingency for a total not-to-exceed contract amount of \$51,014; and
2. Direct staff to issue a "Request for Proposals" for the implementation of the irrigation controllers and water run-off study components of the program.

ACTION: Upon a motion duly made by Director Smith and seconded by Director Gray, the Board unanimously approved staff recommendations.

15. TOYOTA WATER QUALITY TREATMENT

RECOMMENDATION: That the Board authorizes:

- 1) The General Manager to execute an agreement with WCTI to purchase the WCTI Treatment System for Toyota for an amount of \$103,678, plus a 10% contingency for a total not-to-exceed contract amount of \$114,046.
- 2) Amending the Fiscal Year 2008-09 Operations Budget in the amount of \$114,046.

16. CONSULTING SERVICES FOR GROUNDWATER MODELING FOR THE WEST COAST BASIN BARRIER

RECOMMENDATION: That the Board authorizes the General Manager to execute an agreement with Geoscience for groundwater modeling services for the West Coast Basin Barrier in the amount of \$50,197 plus \$15,000 for calibration allowances, for a total not-to-exceed contract amount of \$65,197.

17. CONSULTING SERVICES FOR GEOGRAPHICAL INFORMATION SYSTEM (GIS) GEODATABASE DEVELOPMENT

RECOMMENDATION: That the Board authorizes the General Manager to execute an agreement with DCSE for GIS geodatabase development in the amount of \$97,077 plus a 10% contingency, for a total not-to-exceed contract amount of \$106,785.

18. SERVICE CONNECTION WB-26B MODIFICATIONS

RECOMMENDATION: That the Board authorizes the General Manager to pay MWD for services for modifying service connection WB-26B after funds are received from Los Angeles County. Estimated cost of services is \$250,000.

19. EQUIPMENT PURCHASE FOR WATER RECYCLING

RECOMMENDATION: That the Board authorizes the General Manager to purchase a mixer from Siemens Water Technologies and a mixer from Mastrrr Company in an amount not-to-exceed of \$64,784, plus 10% for contingencies for a total not-to-exceed amount of \$71,262.

20. LOCAL GOVERNMENTAL AFFAIRS CONSULTANTS

RECOMMENDATION: That the Board considers the following:

1. Amending the term of the current Local Government Affairs Consultant's contract to expire on December 31, 2009 that include the following:

Dave Cunningham & Associates

Harold Williams

John Parsons

Southwest Management

Strategic Counsel

Carl Haglund; and

2. Add Kerman Maddox, Dakota Communications as a new Local Government Affairs Consultant.

ACTION: Upon a motion duly made by Director Gray and seconded by Director Smith, the Board unanimously approved recommendations 1 and 2.

21. PROFESIONAL SERVICES WITH WOODWORTH & HAGLUND AMENDMENT NO. 2

This item was considered under Item No. 20; no action was taken on this item.

22. POLITICAL ACTIVITIES AND CLEAN ACCOUNTABLE GOVERNMENT

RECOMMENDATION: That the Board considers adopting a policy for participation in Political Activities including fundraising as outlined below:

Political Fundraising

West Basin's facilities, buildings, equipment and employees will not be used for political activities including fundraising as it is a distraction from West Basin business and threatens the integrity of clean and accountable government service.

There will be no soliciting or accepting political contributions on West Basin property including face-to-face meetings, use of West Basin facilities, soliciting contributions on personal phones or computers while on West Basin property, or sending correspondence from the West Basin using stationary or postage.

Board members and employees will not direct consultants (e.g. governmental affairs consultants) to host a specific fundraising event.

If a Board member or their agent request a contact list of vendors/consultants it will be provided because it is a public record. The Board member(s) or their agents can use the vendor/consultant contact list to send them an invitation to the fundraising event.

Board Members are precluded from promising promotions as rewards for aiding a candidate or cause, or conversely threatening employees for failure to support a candidate or cause.

Participation during Work Hours and on Work Site

To avoid potential conflict of issues, West Basin employees will not support, participate, fund or conduct any activities relating to political fundraising for current West Basin Board members or candidates, or any political candidate during work hours or at the work site. West Basin employees will not use their name on behalf of West Basin in fundraising or elections of current West Basin Board members or candidates, or any political election.

The General Manager and designee can attend events, at no cost to the West Basin, sponsored by incumbents and candidates for offices dealing with the West Basin.

Participation outside Work Hours and Work Site

West Basin employees however may attend political fundraising events for political candidates.

West Basin employees may send an invitation letter or make phone calls inviting vendors/consultants to the fundraising events.

District Sponsored Events

Staff can send a letter inviting vendors/consultants to sponsor a District event (such as the annual Water Harvest festival).

Other Considerations

It is unlawful for any employee or elected official to be dismissed, reprimanded, retaliated against or otherwise intimidated for complying with or reporting violations of this Board policy.