

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
WEST BASIN MUNICIPAL WATER DISTRICT
OCTOBER 27, 2008

A regular meeting of the Board of Directors of West Basin Municipal Water District was held on Monday, October 27, 2008 at 1:00 p.m. at 17140 S. Avalon Blvd., Suite 210, Carson, CA 90746.

President Dear called the meeting to order at 1:10 p.m. and presided thereover. He opened the meeting in honor of Dorothy Green, founder of Heal the Bay.

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

PLEDGE OF ALLEGIANCE. Bill Steele, United States Bureau of Reclamation (USBR), led the pledge.

10. FINANCIAL MARKET IMPACT Doug Brown and Steve O'Neill gave a status report regarding the Trust Agreement. Mr. Brown stated it needs to be amended and approved by a majority of the bond holders.

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.) Bill Steele, USBR presented West Basin with a check for \$300,000. Mr. Steele introduced his colleague, Ms. Jaime Buenolos. President Dear recognized Rajen Budhia and Veronica Govea for their efforts on the Army Corps Award.

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 reported he had a good Colorado River Inspection trip. Director Murray gave an update from a handout he distributed to the Board Members. He spoke about the Agricultural Water Program being phased out by 2013. Other topics he spoke about were Diamond Valley Lake, Chairman Election, and the Conservation Program. Director Wright commented on how it takes 3 days for water from Colorado River to get to the Inland Empire. He stated that some type of storage should be built to hold the water. He commented on Diamond Valley Lake being so low that it is below boat ramp level. Fernando gave an update on how March through September has been the driest on record in the Northern Sierras. He stated that Metropolitan put out a model ordinance. He spoke about a Reserve Policy and stated that West Basin would be involved in discussions regarding reserve rates.

5. UNITED WATER SERVICES UPDATE

Pat Shields provided the monthly update. He reported on:

- Communications – Meetings have been held with General Manager and Assistant General Manager.
- Staffing levels - Hyperion has 20 positions open due to retirement, six (6) UWS operators took their Certification tests.
- Capital Improvement Plan - Items were presented to West Basin.
- Safety - There have been no loss time accidents reported.
- Hyperion Water Quality - the overall water quality from Hyperion is bad and significantly effecting cost. The TDS and Chloride levels are higher than normal and will be difficult to fix. He spoke about Mr. Vardell's study highlighting recommendations on how improvement can be made. Director Kwan stated this needs to be brought to the attention of the City of Los Angeles. Director Smith asked if he could get a copy of the study.

6. **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 that he attended an ACWA Region 8 Conference and that our own Public & Governmental Affairs Manager, Ron Wildermuth was one of the speakers. Director Little reported that he attended the New Water Supply Conference in Austin, Texas. Director Kwan stated she attended the New Water Supply Conference and the WEFTEC Conference in Chicago, IL. She said there were 300 vendors there and picked up literature and samples and will give them to Assistant General Manager Shoenberger. She highly encouraged staff to attend this conference. Director Smith reported he attended the 2-day ACWA Region 8 Conference.

CONSENT CALENDAR

7. **APPROVAL OF MINUTES – AUGUST 25, 2008 (REGULAR), SEPTEMBER 2, 2008 (SPECIAL), SEPTEMBER 22, 2008 (REGULAR)**

8. FINANCIAL REPORT

A. **Demands** Demand Numbers 1252, 1253, and 33415 through 33608 for a total in the amount of \$11,006,520.70 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**

9. RECYCLED WATER CUSTOMER DEVELOPMENT PROJECT UPDATE

ACTION: Upon a motion duly made by Director Little and seconded by Director Kwan, the Board approved Consent Calendar Items 7, 8A, B, C, D, and 9, 10, and 11.

10. FINANCIAL MARKET IMPACT

11. EMPLOYEE EXPENSES OVER 90 DAYS OLD

ACTION CALENDAR

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

ACTION: Upon a motion duly made by Director Kwan and seconded by Director Smith, the Board approved Action Items 12, 15, 16, and 17 as recommended.

12. RESOLUTIONS FOR WATER RECYCLING CONSTRUCTION GRANT/LOAN APPLICATIONS

RECOMMENDATION:

1. Anza Recycled Water Lateral

- a. That the Board authorizes the President to sign Resolution No. 08-10-876 "A RESOLUTION OF THE BOARD OF DIRECTORS OF WEST BASIN MUNICIPAL WATER DISTRICT AUTHORIZING A FINANCIAL ASSISTANCE APPLICATION FOR A LOAN/GRANT FROM THE STATE WATER RESOURCES CONTROL BOARD, " included as Exhibit "A."
- b. That the Board authorizes the President to sign Resolution No. 08-10-877 "A RESOLUTION OF THE BOARD OF DIRECTORS OF WEST BASIN MUNICIPAL WATER DISTRICT AUTHORIZING WEST BASIN TO RECEIVE FUNDING REIMBURSEMENT FROM THE STATE WATER RESOURCES CONTROL BOARD".

2. Phase V Expansion

- a. That the Board authorizes the President to sign Resolution No. 08-10-878 "A RESOLUTION OF THE BOARD OF DIRECTORS OF WEST BASIN MUNICIPAL WATER DISTRICT AUTHORIZING A FINANCIAL ASSISTANCE APPLICATION FOR A LOAN/GRANT FROM THE STATE WATER RESOURCES CONTROL BOARD," included as Exhibit "A".
- b. That the Board authorizes the President to sign Resolution No. 08-10-879 "A RESOLUTION OF THE BOARD OF DIRECTORS OF WEST BASIN MUNICIPAL WATER DISTRICT AUTHORIZING WEST BASIN TO RECEIVE FUNDING REIMBURSEMENT FROM THE STATE WATER RESOURCES CONTROL BOARD".

13. WATER SHORTAGE ALLOCATION PLAN

RECOMMENDATION: That the Board approves the following policies as part of the West Basin Water Shortage Allocation Plan regarding assessment of enforcement penalties, and use of net penalty revenue collected from customer agencies:

1. Penalty Assessment Policy: Every unit of a customer agency's imported water usage above its individual allocation will be assessed according to the same penalty structure and penalty rates that West Basin is subject to in MWD's Water Supply Allocation Plan; and
2. Net Penalty Revenue Use Policy: Penalty revenue collected from customer agencies in excess of any obligation to the MWD will be applied towards investments in water reliability projects and programs that benefit the West Basin service area as a whole. Additionally, at the Board's discretion, funds may be used to first cover any West Basin water sales revenue shortfall (less than budget forecast) resulting from extraordinary conservation efforts within the service area.

ACTION: Upon a motion duly made by Director Little and seconded by Director Kwan, the Board approved staff recommendation.

14. CONSULTING SERVICES FOR WATER RESOURCES ASSESSMENT FOR LOCAL SUPPLY RELIABILITY

RECOMMENDATION: That the Board authorizes the General Manager to execute an agreement with Malcolm Pirnie for a Water Resources Assessment Study in the amount of \$74,908 plus a 10% contingency, for a total-not-to-exceed contract amount of \$82,398.

ACTION: Upon a motion duly made by Director Kwan and seconded by Director Dear, the Board approved staff recommendation, by the following roll call vote:

Dear	Aye
Kwan	Aye
Little	No
Smith	Aye
Gray	Absent

15. SODIUM HYDROXIDE CONTRACT

RECOMMENDATION: That the Board authorizes the General Manager to increase JCI Jones contract by an additional \$340,000 plus a 10% contingency, for an additional amount of \$374,000, for supply of sodium hydroxide for a total not-to-exceed contract amount of \$518,875.

16. BREWER DESALTER DISCHARGE-TO-WATER DESIGN: CONTRACT AMENDMENT

RECOMMENDATION: That the Board authorizes the General Manager to amend Contract No. W1935 to perform additional design services for the Brewer Discharge-to-Waste Project in the amount of

\$16,484, plus a 10% contingency, for an additional amount of \$18,133 and a total not-to-exceed contract amount of \$116,982.

17. OCEAN-WATER DESALINATION PROGRAM

RECOMMENDATION: That the Board authorizes the General Manager to:

1. Enter into a contract with Pall Corporation for an amount of \$114,000 to lease two (2) microfiltration units to be used at the ocean-water desalination pilot plant; and
2. Amend MWH's Agreement No. W1780 for an additional amount of \$303,483 for a total contract amount not-to-exceed \$3,937,626 to perform Proposition 50 stormwater monitoring and reporting work.

18. WATER & ENERGY RETROFIT PROGRAM VENDOR RECOMMENDATION

RECOMMENDATION: That the Board authorizes the General Manager to enter into a two-year agreement with BottomLine Utility Solutions, Inc., in the amount of \$773,000, plus a contingency of \$46,380 (6%) for unforeseen conditions associated with the marketing and installation of devices, for a total contract amount not-to-exceed \$819,380.

ACTION: Upon a motion duly made by Director Little and seconded by Director Kwan, the Board approved staff recommendation.

19. OCEAN-FRIENDLY GARDEN WORKSHOPS VENDOR RECOMMENDATION

RECOMMENDATION: That the Board authorizes the General Manager to enter into a four-year agreement with G3 Los Angeles to develop Ocean-Friendly Garden curriculum and to teach the workshops for an amount not-to-exceed of \$40,000.

ACTION: Upon a motion duly made by Director Kwan and seconded by Director Little, the Board approved staff recommendation.

20. SECURITY GUARD SERVICES

RECOMMENDATION: That the Board authorizes the General Manager to amend contract W1858 with PacWest Security Services to change the hourly rate to \$22.89 and \$34.34 (straight time and overtime, respectively) and add language to the contract providing an annual rate increase equal to CPI but no greater than 5% as of November of each year.

ACTION: Upon a motion duly made by Director Little and seconded by Director Kwan, the Board approved staff recommendation.

21. DIRECTOR ATTENDANCE AT CITY OF CARSON 40TH ANNIVERSARY GALA – REQUESTED BY DIRECTOR SMITH

Item 21 was pulled from the agenda.

22. POLITICAL ACTIVITIES AND CLEAN ACCOUNTABLE GOVERNMENT

Director Kwan asked to refer this item to the November 24, 2008 Board meeting so that Director Gray could participate in the discussion.

INFORMATION ITEMS FOR DISCUSSION

President Dear ordered Information Items 23, 24, 26, 27, 29, 30, 31, 32, 34, 36, and 38 received and filed without objection.

- 23. MWD CERTIFICATIONS OF ASSESSED VALUATIONS, MEMBER AGENCY PERCENTAGE PARTICIPATION, VOTING AND DIRECTOR ENTITLEMENT**
- 24. GRANT PROGRAM UPDATE**
- 26. HARBOR/SOUTH BAY PROJECT UPDATE**
- 27. SOLAR POWER GENERATION SYSTEM UPDATE**
- 29. SALT MANAGEMENT GUIDE**
- 30. PIPELINE CORROSION CONTROL IMPLEMENTATION**
- 31. CONSTRUCTION AWARENESS PROJECT**
- 32. LOCAL RESOURCES STRATEGIC PLAN**
- 34. INTERNET BASED E-PROCUREMENT SYSTEM**
- 36. "RECIRC AND SAVE" CUSTOMER CONTACTS**
- 38. LEGISLATIVE UPDATE**

Staff provided brief updates on Information Items 25, 28, 33, 35, 37, and 39. These Items were received and filed; no action was taken.

- 25. ZERO-RUNOFF STREET MEDIAN CONSERVATION PROGRAM**
- 28. WEST COAST BARRIER EXPERT PANEL**
- 33. GROUNDWATER MODELING CONSULTING SERVICES**
- 35. INFORMATION TECHNOLOGY STRATEGIC PLAN**
- 37. SOLAR CUP 2009**
- 39. WATER HARVEST RECAP – ORAL REPORT**
- 39.1 RECYCLED WATER SERVICE TO TESORO REFINERY – ORAL REPORT**

The Board entered into a discussion and Director Little requested this item to be turned into an Action Item.

ACTION: Upon a motion duly made by Director Little and seconded by Director Dear, the Board approved making Item No. 39.1 an Action Item.

ACTION: Upon a motion duly made by Director Little and seconded by Director Kwan, the Board approved authorizing \$25,000 for consultant, SPI to develop an RFP to provide recycled water to Tesoro Refinery.