

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
WEST BASIN MUNICIPAL WATER DISTRICT
JUNE 23, 2008

A regular meeting of the Board of Directors of West Basin Municipal Water District was held on Monday, June 23, 2008 at 1:00 p.m. at 17140 S. Avalon Blvd., Suite 210, Carson, CA 90746.

President Dear called the meeting to order at 1:05 p.m. and presided thereover.

1. DETERMINATION OF QUORUM. The following Directors were present: Dear, Little, and Smith; Director Gray arrive at 1:10 p.m., Director Kwan arrived at 1:12 p.m. Also present was General Manager Nagel and District Counsel O'Neill.

PLEDGE OF ALLEGIANCE. Brian Steed, graduate student from Indiana University, 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.)

ACWA/JPIA OVERVIEW OF PROGRAMS

Andy Sells, CFO of ACWA/JPIA gave a PowerPoint presentation on the JPIA programs.

VERONICA GOVEA - MASTERS

The Board recognized Veronica for completing her Masters.

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

Staff presented information on the 5-Year Action Plan and an update on the Sepulveda Feeder shutdown.

President Dear moved Action Item 15 up on the agenda without objection.

15. SOUTH BAY CITIES COUNCILS OF GOVERNMENTS – SOUTH BAY ENERGY SAVINGS CENTER PARTNERSHIP AGREEMENT

RECOMMENDATION: That the Board authorizes the General Manager to:

1. Enter into a one-year agreement with the South Bay Cities Councils of Governments to promote West Basin's water conservation programs for Fiscal Year (FY) 2008-09 in an amount not-to-exceed \$125,000; and
2. Negotiate a two-year agreement for FY 2009-10 and FY 2010-11.

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

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 Smith reported that he attended the California Contract Cities Annual Seminar on May 29-31 in Indian Wells and that he had submitted a written report to the Deputy Secretary.

Director Gray left the meeting at 1:55 p.m.

CONSENT CALENDAR

6. **APPROVAL OF MINUTES** – APRIL 16, 2008 (Special); APRIL 21, 2008 (Special), APRIL 24, 2008 (Special), APRIL 28, 2008 (Regular), MAY 1, 2009 (Special), MAY 5, 2008 (Special), MAY 19, 2008 (Special), MAY 27, 2008 (Regular)

7. **FINANCIAL REPORT**

A. Demands Demand Numbers 1230, 1231, and 1233 and 32397 through 32676 (Excluding Demand Number Nos. 32399, 32400, 32585 through 32587, 32591, 32592, 32599, 32600, 32603 and 32630) for a total in the amount of \$6,976,564.08 including wire transfers to MWD and Union Bank of California.

B. Cash & Investment

C. Water Sales Statements

D. Recycled Water Revenue & Expense Summary

8. **RECYCLED WATER CUSTOMER DEVELOPMENT PROJECT UPDATE**

ACTION: Upon a motion duly made by Director Little and seconded by Director Smith, the Board approved the Consent Calendar. Director Gray was absent.

ACTION CALENDAR

President Dear requested a motion to approve Action Items 11 and 16.

ACTION: Upon a motion duly made by Director Kwan and seconded by Director Dear, the Board approved staff recommendations for Action Item 11 and 16.

9. **WATER QUALITY STUDY CONSULTANT AWARD**

RECOMMENDATION: That the Board authorizes the General manager to execute an agreement with Psomas for the Recycled Water Quality Study for an amount not-to-exceed \$97,690 plus a 10% contingency for a total of 4107,459.

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

Director Gray returned to the meeting at 2:00 p.m.

10. FULL-SCALE OCEAN-WATER DESALINATION PROJECT CONSULTING SERVICES

RECOMMENDATION: That the Board authorizes the General Manager to:

1. Execute an agreement with C.H. Elliott & Associates to provide property development consulting services to assist in the planning and valuation of West Basin's full-scale ocean water desalination facility for a not-to-exceed amount of \$101,025.
2. Execute an agreement with RBF Consulting to provide planning and site assessment services for the development of West Basin's full-scale ocean water desalination facility in the amount of \$249,900 plus 10% contingency for a total not-to-exceed amount of \$274,890.
3. Execute an agreement with Lucast Consulting to perform strategic consulting services for the evaluation and development planning of West Basin's full-scale ocean-water desalination facility in the amount of \$50,000 plus 10% contingency for a total not-to-exceed contract amount of \$55,000;
4. Utilize the services of Strategic Council under Agreement W1929 to provide CEQA legal review and California Coastal Commission consulting services for the evaluation and development planning of West Basin's full-scale ocean-water desalination facility at no additional costs.
5. Execute an agreement with Red Willow Energy to provide power consulting services to assist in the planning and valuation of West Basin's full-scale ocean-water desalination facility in the amount of \$60,000 plus 10% contingency for a total not-to-exceed contract amount of \$66,000; and
6. Execute an agreement with SPI, Inc. to provide conceptual process design services for the planning and valuation of West Basin's full-scale ocean-water desalination facility in the amount of \$50,000 plus 10% contingency for a total not-to-exceed contract amount of \$55,000.

ACTION: Upon a motion duly made by Director Little and seconded by Director Gray, the Board approved staff recommendations 1 through 6.

11. TEMPORARY OCEAN-WATER DESALINATION DEMONSTRATION PROJECT MODIFIED 30% DESIGN SERVICES

RECOMMENDATION: That the Board authorizes the General Manager to:

1. Amend Contract No. W1780 to perform the modified 30% design and CEQA/EIR updating for the Temporary Ocean-Water Desalination Demonstration Project in the amount of \$243,406 plus 10% contingency for a total not-to-exceed contract amount of \$3,658,484; and
2. Amend Contract No. W1781 to perform the modified 30% membrane and process design for the Temporary Ocean-Water Desalination Demonstration Project in the amount of \$66,410 plus 10% contingency for a total not-to-exceed contract amount of \$316,531.

Action Item 11 was approved earlier on the agenda.

12. CAPITAL IMPLEMENTATION MASTER PLAN – CONSULTANT SELECTION

RECOMMENDATION: That the Board authorizes the General Manager to enter into an agreement with Carollo Engineers to perform professional engineering services in the amount of \$765,804 plus 10% contingency for a total not-to-exceed contract amount of \$842,384.

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

13. FINAL DRAFT-FISCAL YEAR (FY) 2008-09 BUDGET ADOPTION

RECOMMENDATION: That the Board adopts the final FY 2008-09 Budget

ACTION: Upon a motion duly made by Director Little and seconded by Director Gray, the Board adopted the FY 2008-09 Budget.

14. CODE OF CONDUCT REVISIONS

RECOMMENDATION: That the Board ratifies the Code of Conduct with the recommended revisions.

ACTION: Upon a motion duly made by Director Little and seconded by Director Gray, the Board ratified the Code of Conduct.

15. SOUTH BAY CITIES COUNCIL OF GOVERNMENTS – SOUTH BAY ENERGY SAVINGS CENTER PARTNERSHIP AGREEMENT

Action Item 15 was approved earlier on the Agenda.

16. CONTRACT AMENDMENT FOR WEBSITE DESIGN AND MAINTENANCE SERVICES

RECOMMENDATION: That the Board approves the amendment with the City of Torrance for West Basin's portion of the pipeline construction for the Artesia Lateral for a total reduced contract amount not-to-exceed \$304,082.

Action Item 16 was approved earlier on the Agenda.

INFORMATION ITEMS FOR DISCUSSION

President Dear ordered Information Items 18, 20, and 21 received and filed without objection.

17. MEMBERSHIP TO THE CLIMATE ACTION REGISTRIES

Staff presented an overview of the Registries' programs. This item was received and filed.

18. SERVICE CONTRACTS FOR EDWARD C. LITTLE WATER RECYCLING FACILITY

19. PROCUREMENT OUTREACH

Staff gave a brief update on this item and informed the Board that an information item regarding a procurement workshop for local business would be discussed at the July Finance Committee meeting. This item was received and filed.

20. METROPOLITAN WATER DISTRICT'S PUBLIC SECTOR PROGRAM UPDATE

21. BUS TRANSPORTATION "REQUEST FOR PROPOSALS"

22. "IT'S TIME TO GET SERIOUS" MODEL ORDINANCE UPDATE

Staff provided an update on the draft model ordinance. The Board directed the General Manager to forward the draft model ordinance to the West Basin Cities excluding the Rolling Hills, Rolling Hills Estates, Palos Verdes Estates, and Rancho Palos Verdes and plan for a meeting with the Cities at the Carson office and invite the South Bay Cities Councils of Governments. This item was received and filed.

23. EDUCATION SCHOLARSHIPS

24. UNITED WATER SERVICES UPDATE –ORAL REPORT

Staff provided brief updates on Information Items 23 and 24; these Items were received and filed.

President Dear recessed to Closed Session at 3:50 p.m.

President Dear reconvened the meeting at 4:10 p.m.

See District Counsel's Closed Session report under Item No. 31.

25. CONJUNCTIVE USE UPDATE – ORAL REPORT

Staff gave brief report on Information Item 25; this Item was received and filed.

26. LEGISLATIVE UPDATE – ORAL REPORT

Staff presented an update on Assembly Bill (AB) 2175 and AB 885.

ACTION: Upon a motion duly made by Director Dear and seconded by Director Little, the Board approved adding AB 885 to the Agenda and an Action Item.

ACTION: Upon a motion duly made by Director Little and seconded by Director Kwan, the Board voted unanimously to take an oppose position on AB 885

Director Gray was excused at 4:15 p.m.

27. CITY OF EL SEGUNDO BANNER SPONSORSHIP – ORAL REPORT

Staff gave brief report on Information Item 27; this Item was received and filed.

COMMENTS

28. GENERAL MANAGER'S REPORT ON DISTRICT ACTIVITIES. General Manager Nagel reported that the Becerra Luncheon would be held on Monday, June 30 at 12:00 p.m. at Olvera Street. He also reported that he would be out of the office on June 25 and 26 and that the Board Secretary would be out from June 30 through July 4.

29. GENERAL COUNSEL'S REPORT. There was no report.

30. DIRECTOR'S COMMENTS. Director Dear asked staff to look into hosting Chamber mixers. Director reported that she had attended California Contract Cities Seminar and that they had waived her registration fee because she only attended one day.

CLOSED SESSION

31. PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (a) PENDING LITIGATION – 1 ITEM – WEST BASIN vs. RICE FINANCIAL; 54956.9 (b) and (c) POTENTIAL LITIGATION – 3 ITEMS; 54956.8 – REAL PROPERTY NEGOTIATIONS – 2 ITEMS - NRG EL SEGUNDO OPERATIONS, INC., 301 VISTA DEL MAR, EL SEGUNDO, CA 90245 AND 21029 E. WILMINGTON AVE., CARSON, CA 90745 – DISTRICT NEGOTIATOR RICH NAGEL; AND 54957 1 ITEM – GENERAL MANAGER'S PERFORMANCE EVALUATION.

District Counsel reported that the Board met in Closed Session regarding two potential litigation matters and that no formal action was taken; staff was given direction.

ACTION: He also reported that the Board on motion of Director Gray and seconded by Director Smith, the Board voted 4-0 (Little was absent) to add Resolution No. 5-08-874 to the agenda authorizing the General Manager to develop an agreement with the City of Los Angeles regarding recycled water, on the grounds the need to take action arose subsequent to the posting of the agenda.

ADJOURNMENT. There being no further business to come before the Board, President Dear adjourned the meeting at 4:30 p.m.

President

ATTEST:

Secretary

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