

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
WEST BASIN MUNICIPAL WATER DISTRICT

November 23, 2009

A regular meeting of the Board of Directors of West Basin Municipal Water District was held on Monday, November 23, 2009 at 1:00 p.m. at 17140 S. Avalon Blvd., Suite 210, Carson, CA 90746.

President Little called the meeting to order at 1:10 p.m. and presided thereover.

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

PLEDGE OF ALLEGIANCE. Bill Wright 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.)

A. CA-NV AWWA AWARD PRESENTATION Uzi Daniel was recognized for the CA-NV AWWA award that she received for her contributions to the organization.

B. Dwight Radcliff, CEO and Executive Director, U.S. Vets Director Gray introduced Mr. Radcliff. He stated that last year they held their 1st Annual Job Fair, which West Basin was a sponsor and on Veteran's Day of this year they held their 2nd Annual Job Fair at the LAX Marriott with 84 employers in attendance and 1,047 Veterans participating in the Job Fair which West Basin was a sponsor again. Mr. Radcliff presented the Board members with Excellence Award Certificates. Director Gray presented him a \$2,500 sponsorship check for this year.

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 Fernando updated the Board on the General Manager's Working Group and the outcome to develop a policy position statement on the Integrated Resources Plan. He stated that an Adaptive Integrated Resources Plan Position Statement letter would be sent to MWD with 12-13 member agency managers signatures.

5. UNITED WATER SERVICES UPDATE – ORAL REPORT – General Manager Nagel informed the Board that Pat Shields was unable to attend the meeting and that Mark Ervin was in the process of moving from Milwaukee to Southern California.

6. HYPERION WATER QUALITY UPDATE – Wyatt gave a brief PowerPoint presentation on water quality showing results in turbidity and ammonia when adding oxygen, stating that ammonia has shown an

improvement and that testing will continue for the next couple of months. He also informed the Board about ferric chloride testing and that a kick-off meeting is planned for early December at the next regularly scheduled Hyperion staff meeting.

7. 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 Little reported that he and the General Manager Nagel flew to Phoenix, Arizona to accept the National Council for Public-Private Partnerships (NCPPT) Service Award along with United Water for recognition of years of continuous and outstanding service through the use of the Public-Private Partnerships.

CONSENT CALENDAR

8. APPROVAL OF MINUTES – OCTOBER 8, 2009 (MET DIR), OCTOBER 22, 2009 (SPECIAL), OCTOBER 26, 2009 (REGULAR), AND OCTOBER 30, 2009 (SPECIAL)

9. FINANCIAL REPORT

A. Demands Demand Numbers 1061, 1062, and 1063, and 51892 through 52180, (excluding 52032) for a total in the amount of \$11,027,949.86 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

10. AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2008-09

11. OTHER POST RETIREMENT BENEFITS ACTUARIAL REPORT

12. RECYCLED WATER CUSTOMER DEVELOPMENT PROJECT UPDATE

ACTION: Upon a motion duly made by Director Dear and seconded by Director Kwan the Board approved Consent Calendar Items 8 through 12.

ACTION CALENDAR

13. FISCAL YEAR 2009-10 SPONSORSHIPS

RECOMMENDATION: That the Board considers approval of the following sponsorships:

1. A \$1,000 sponsorship for the 27th Annual Dr. Martin Luther King Day Celebration for Director Gray;
2. A \$270 sponsorship for the Manhattan Beach Women in Business 12th Annual Conference for Director Kwan; and
3. A \$500 sponsorship for the Lennox Sheriff Station Luncheon and Toy Drive for Director Gray.

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

President Little requested a motion to approve Action Items 18, 19, 20, and 22

ACTION: Upon a motion duly made by Director Dear and seconded by Director Gray, the Board approved Action Items 18, 19, 20, and 22.

14. ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) NATIONAL WATER RESOURCES ASSOCIATION (NWRA) BOARD MEMBER BALLOT

RECOMMENDATION: That the Board considers voting for the following five Candidates for the Board of Directors of the NWRA.

Wayne A. Clark, Municipal Water District of Orange County

E.G. "Jerry" Gladbach, Castaic Lake Water Agency

Lawrence M. Libeu, Rancho California Water District

Dr. Betty H. Olson, Santa Margarita Water District

Larry L. Russell, Ph. D., P.E., Marin Municipal Water District

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

15. HEADQUARTERS BUILDING REMODEL

RECOMMENDATION: That the Board authorizes the General Manager to enter into an agreement with Lucas Builders Inc., to perform Construction Services of the Tenant Improvements at West Basin Headquarters, for an amount of \$54,999 plus a 15% contingency for a total not-to-exceed contract amount of \$63,249.

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

16. SECURITY GUARD SERVICES UPDATE

RECOMMENDATION: That the Board considers authorizing the General Manager to amend Agreement W1858 with PacWest Security Services for an additional two-year period in the amount of \$200,000.

Legal counsel stated that this item will be heard in Closed Session.

17. LEGISLATOR OF THE YEAR AWARDS

RECOMMENDATION: That the Board considers approving recognition of Assembly Member Hall, Senator Steinberg, Senator Feinstein and special recognition of Governor Schwarzenegger.

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

18. CONSERVATION AGREEMENTS AMENDMENTS

RECOMMENDATION: That the Board approves amending the following contracts to allow the City of Torrance's participation:

- A. CRR program, Eco Green Services, LLC contract to increase by \$26,000 for a not-to-exceed amount of \$205,916;
- B. R&S program, URS contract to increase by \$20,000 for a not-to-exceed amount of \$423,013;
- C. C4K program, SBESC contract to increase by \$13,000 for a not-to-exceed amount of \$140,000.

19. LOCAL CONSULTANT CONTRACT EXTENSION

RECOMMENDATION: That the Board approves amending the local consultants contracts, extending the term for Strategic Counsel, Dave Cunningham, Dakota Communications, Harold Williams, John Parson, Leon Garcia, and Carl Haglund for a period of one calendar year to December 31, 2010.

20. SERVICE CONNECTION WB-28A AGREEMENT WITH MWD

RECOMMENDATION: That the Board authorizes the General Manager to enter into a agreement with MWD for construction of service connection WB-28A and modification of service connection WB-28.

21. MICROFILTRATION MEMBRANE PRICING AGREEMENT

RECOMMENDATION: That the Board authorizes the General Manager to enter into a long-term pricing agreement with Siemens, as described in this memorandum.

ACTION: Upon a motion duly made by Director Kwan and seconded by Director Dear, the Board approved the recommendation. Director Gray was excused.

22. BREWER DESALTER VARIABLE FREQUENCY DRIVE PURCHASE

RECOMMENDATION: That the Board authorizes the General Manager to enter into an agreement with Case Corporation to furnish equipment, services and incidentals to provide variable frequency drives in the amount of \$75,140 plus a 10% contingency for a total not-to-exceed contract amount of \$82,654.

23. RESOLUTION FOR CALIFORNIA ENERGY COMMISSION AMERICAN RECOVERY & REINVESTMENT ACT (ARRA) GRANT FUNDING

RECOMMENDATION: That the Board authorizes the President to sign Resolution No. 11-09-910 "A RESOLUTION OF THE BOARD OF DIRECTORS OF WEST BASIN MUNICIPAL WATER DISTRICT AUTHORIZING WEST BASIN TO ENTER INTO A GRANT AGREEMENT WITH THE CALIFORNIA ENERGY COMMISSION FOR THE WATER AND ENERGY EFFICIENCY UPGRADES FOR SCHOOLS AND PARKS PROGRAM".

ACTION: Upon a motion duly made by Director Dear and seconded by Director Gray, the Board adopted Resolution No. 11-09-910.

INFORMATION ITEMS FOR DISCUSSION

President Little ordered Information Items 24 - 26 received and filed without objection. Staff provided a brief report for Item 27.

24. ENERGY MANAGEMENT PLAN

25. RECYCLED WATER QUALITY ISSUES AT TOYOTA

26. WATER REPLENISHMENT DISTRICT'S SALINE PLUME POLICY

27. LEGISLATIVE UPDATE – ORAL REPORT General Manager Nagel gave a brief update stating that last Thursday a renewable tax credit bond was introduced by Congressman (Rep.) Becerra and Congresswoman Waite, and co-sponsored by Congresswoman Laura Richardson.

COMMENTS

28. GENERAL MANAGER'S REPORT ON DISTRICT ACTIVITIES General Manager Nagel stated that on Wednesday, November 25 from 10:00 a.m. to 1:00 p.m. Speaker Karen Bass and Mayor Villaraigosa will be hosting the 1st Annual Community Thanksgiving Dinner at 11601 S. Western Ave., Los Angeles and that West Basin provided bottled water for this event. Director Gray stated she will be volunteering at this event. General Manager Nagel also stated that next week is ACWA and that the following three meetings will be scheduled:

12/1/09 - 2:15 p.m. Meeting with Army Corps Colonel Donahue

12/2/09 - 7:00 p.m. Dinner hosted by Hal Furman

12/3/09 – 6:30 p.m. – Dinner hosted by legal counsel Steve O'Neill

General Manager Nagel introduced Elizabeth Sala to the Board.

29. GENERAL COUNSEL'S REPORT General Counsel O'Neill stated that there would be a closed session.

30. DIRECTOR'S COMMENTS

Director Gray stated she attended WRD's 50th Anniversary at the Science Center at Exposition Park and presented a proclamation to them. Director Kwan stated she also attended the WRD event. Director Dear wished everyone a Happy Thanksgiving.

President Little recessed to closed session at 2:15 p.m. without objection.

President Little reconvened the meeting at 4:30 p.m.

37. CLOSED SESSION

A. PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (a) EXISTING LITIGATION – 2 ITEMS

1. WEST BASIN vs. CENTRAL BASIN
2. CALIFORNIA WATER SERVICE COMPANY vs. CITY OF COMPTON – CASE NO. C506806.

B. PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (a) and (b) POTENTIAL LITIGATION – 4 ITEMS

C. PURSUANT TO GOVERNMENT CODE SECTION 54957 – 1 ITEM

1. GENERAL MANAGER PERFORMANCE EVALUATION

General Counsel reported that the Board met in closed session to discuss one item of potential litigation, and that no action was taken; staff was given direction. He also reported that the Board discussed the general manager's performance; no formal action was taken.

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

President

ATTEST:

Secretary