

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

February 22, 2010

A regular meeting of the Board of Directors of West Basin Municipal Water District and Special Board Meeting of the West Basin Financing Corporation was held on Monday, February 22, 2010 at 1:00 p.m. at 17140 S. Avalon Blvd., Suite 210, Carson, CA 90746.

President Gray called the meeting to order at 1:12 p.m. and presided thereover.

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

PLEDGE OF ALLEGIANCE. Leonard Tibbs 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.)

President Gray introduced Winnie Smith and Audrey Robertson.

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.) District Counsel reported that an Item regarding the ACWA/JPIA Executive Committee Election came to the attention of staff subsequent to the posting of the agenda that required action in February.

ACTION: Upon a motion duly made by Director Little and seconded by Director Dear, the Board added this Item to the agenda as Action Item 26.3 to the Action calendar.

4. METROPOLITAN WATER DISTRICT ACTIVITIES UPDATE Fernando presented slides on the Water Supply outlook and the Fiscal Year 2010-11 rates. Director Gray stated she attended the MWD Executive meeting, the Budget Workshop, the Communications and Legislative meeting, and the Board meeting. Director Little stated he also attended the same meetings.

5. UNITED WATER SERVICES UPDATE – ORAL REPORT – Mark Ervin provided a presentation stating that they are fully staffed at 47, with no turnover, and no reportable incidents in the past 1,571 days. He stated that a total of 2,496 membranes were changed out in Phase IV. He also stated that microfiltration fouling continues to experience periodic Hyperion upsets and gave a brief update on the Ozone Pilot Project. Mark thanked the Board and staff for attending the 15th Anniversary Lunch that was held at the Edward C. Little Water Recycling Facility on February 19, 2010.

6. **HYPERION WATER QUALITY UPDATE** – Wyatt gave a brief update and stated that a memo would be provided in March describing costs as requested by the Board.
7. **LEGISLATIVE UPDATE** – E.J. gave an update on Senate Bills, 1412 and 2163.
8. **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 stated he attended the New Water Coalition in Washington, D.C. Director Kwan stated she attended the New Water Coalition in Washington, D.C. and also the Independent Cities Association Winter Seminar on February 5 through February 7 in Santa Barbara. Director Smith stated he attended the New Water Coalition in Washington, D.C. and that the West Basin Board was well received. He asked for an update since the Legislator of Year Award was not presented in D.C. Director Dear stated he attended the Independent Cities Association Winter Seminar on February 5 through February 7 in Santa Barbara and attended the West Basin Water Association Quarterly Lunch.

President Gray ordered Item 26.2 moved up on the agenda without objection.

Candidates for LAFCO Alternate Lillian Kawasaki, WRD Board member and Robert Apodaca, Central Basin Municipal Water District Board member addressed the Board.

26.2 LOCAL AGENCY FORMATION COMMISSION BALLOT

RECOMMENDATION: That the Board considers voting for a representative and an alternate for LAFCO.

ACTION: Upon a motion duly made by Director Dear to vote for Jerry Gladbach as LAFCO Representative, was seconded by Director Little, an unanimously approved by the Board.

ACTION: Upon a motion duly made by Director Dear to vote for Robert Apodaca as LAFCO Alternate was seconded by Director Kwan, and the motion failed by the following roll call vote:

Dear	Aye
Kwan	Abstain
Little	Abstain
Smith	Aye
Gray	Abstain

The Board requested additional information on LAFCO's voting process and referred this item to the March 3 Special Board meeting.

CONSENT CALENDAR

9. FINANCIAL REPORT

A. Demands Demand Numbers 1077, 1078, and 1079; 52584, 52589, 52706, and 52779; and 52571 through

52793, for a total amount of \$17,257,235.77 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. **FISCAL YEAR 2009-10 BUDGET TO ACTUALS – 2ND QUARTER**
11. **DEBT FINANCING PROGRAM**
12. **AUDIT SERVICES**
13. **DIRECTOR EXPENSES OVER 90 DAYS OLD**
14. **RECYCLED WATER CUSTOMER DEVELOPMENT PROJECT UPDATE**
15. **WATER RECYCLING FACILITIES TANKS AND PIPING INSPECTIONS**
16. **WATER RECYCLING FACILITIES SECURITY SYSTEMS UPGRADE**
17. **WATER RELIABILITY 2020 UPDATE/2010 PLANS**
18. **WEBSITE HOSTING, DESIGN & MAINTENANCE CONTRACT EXTENSION**
19. **ONE-DAY WATER RELIABILITY 2020 TOUR PROGRAM UPDATE**
20. **JOB SHADOW DAY**

ACTION: Upon a motion duly made by Director Dear and seconded by Director Kwan, the Board approved Consent Calendar Items 9 through 20.

ACTION CALENDAR

President Gray requested a motion to approve Action Items 22, 24, 25, and 26.

ACTION: Upon a motion duly made by Director Little and seconded by Director Dear, the Board unanimously approved Action Items 22, 24, 25, and 26.

21. WEST BASIN COMMITTEE ASSIGNMENTS

RECOMMENDATION: That the Board considers ratifying President Gray's Standing Committee Appointments and Other Assignments.

ACTION: Upon a motion duly made by Director Dear and seconded by Director Kwan, the Board ratified the Standing Committees.

ACTION: Upon a motion duly made by Director Dear and seconded by Director Kwan, the Board ratified the Other Appointments as listed on the exhibit.

22. DEBT MANAGEMENT POLICY

RECOMMENDATION: That the Board approves the West Basin Municipal Water District Debt Management Policy.

23. PROCUREMENT POLICY RECOMMENDATIONS

RECOMMENDATION: That the Board approves the changes to the Procurement Policy as shown in Exhibit "A" and approves, adopts, and authorizes the President to sign Resolution 2-10-916 "A RESOLUTION OF THE BOARD OF DIRECTORS OF WEST BASIN MUNICIPAL WATER DISTRICT AMENDING RESOLUTION NO. 06-07-859 (THE ADMINISTRATIVE CODE) AS IT RELATES TO PART 5 PROPERTY".

President Gray referred this item to the March Finance Committee for additional information.

24. AB 1594 (HUBER) DELTA CONVEYANCE – OPPOSE POSITION

RECOMMENDATION: That the Board approves an OPPOSE position on AB 1594, regarding Delta Conveyance.

25. HIGH SALINITY AQUARIUM RESEARCH PROFESSIONAL SERVICES

RECOMMENDATION: That the Board authorizes the General Manager to enter into an agreement for professional marine biology research services to assist West Basin in developing and maintaining a high salinity research program at the Ocean-Water Desalination Project at the SEA Lab Facility in Redondo Beach with Weston Solutions for an amount of \$158,500, plus a 10% contingency, for a total not-to-exceed contract amount of \$174,350.

26. CONSULTING SERVICES FOR THE DEVELOPMENT OF LOCAL CUSTOMER AGENCY CONSERVATION MASTER PLANS

RECOMMENDATION: That the Board authorizes the General Manager to award a contract to A&N Technical Services, Inc. for the development of eight Local Conservation Manager Plans and to upgrade West Basin's Conservation Master Plan for a total not-to-exceed contract of \$213,944.

26.1 SOUTH BAY CITIES COUNCIL OF GOVERNMENTS – GENERAL ASSEMBLY SPONSORSHIP – ORAL REPORT

RECOMMENDATION: That the Board approves a \$1,000 Sponsorship for the SBCCOG's General Assembly.

ACTION: Upon a motion duly made by Director Dear to approve \$1,000 sponsorship was seconded by Director Little, and the Board entered into a discussion.

ACTION: Director Smith made a substitute motion to approve a \$2,500 sponsorship was seconded by Director Dear and the Board entered into a discussion.

AMENDED MOTION: Director Smith moved to approve a \$2,000 sponsorship was seconded by Director Dear and the Board entered into a discussion.

ACTION: Director Smith withdrew his amended motion.

ORIGINAL MOTION: Upon a motion duly made by Director Dear to approve a \$1,000 sponsorship for the SBCCOG's General Assembly was seconded by Director Little and approved by the Board.

26.2 LOCAL AGENCY FORMATION COMMISSION BALLOT

This item was heard earlier in the agenda.

26.3 ACWA/JPIA EXECUTIVE COMMITTEE ELECTION

RECOMMENDATION: That the Board considers submitting a nominating resolution for the ACWA/JPIA Executive Committee Member, Vice President or President.

ACTION: No action was taken.

INFORMATION CALENDAR

27. WATER RELIABILITY 2020 WATER STAR CONSERVATION PROGRAM

A handout was provided showing additional information on this program.

COMMENTS

28. GENERAL MANAGER'S REPORT ON DISTRICT ACTIVITIES General Manager Nagel stated that on March 7 through 9 the 2010 WaterReuse California Section Annual Conference will be held in San Diego and that West Basin will be receiving an award on March 8. He also stated that on March 15 and 16 the Board and staff will attend the Annual Sacramento Legislator visits. He also stated that a Special Board Budget Workshop will be held on March 25.

29. GENERAL COUNSEL'S REPORT General Counsel O'Neill stated that there would a Closed Session.

30. DIRECTOR'S COMMENTS None.

31. CLOSED SESSION

A. PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (a) EXISTING LITIGATION – 1 ITEM

1. LOS ANGELES UNIFIED SCHOOL DISTRICT vs. COUNTY OF LOS ANGELES – CASE NO. BS108180.

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

C. PURSUANT TO GOVERNMENT CODE SECTION 54956.8 – 2 ITEMS

1. AES, 1100 North Harbor Dr., Redondo Beach, CA 90277-2017
2. NRG, El Segundo Operations, 301 Vista del Mar, El Segundo, CA 90245

President Gray convened to Closed Session at 2:40 p.m.

President Gray reconvened at 3:20 p.m.

ADJOURNMENT. There being no further business to come before the Board, President Gray adjourned the meeting at 3:25 p.m.

President

ATTEST:

Secretary

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