

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

October 25, 2010

A regular meeting of the Board of Directors of West Basin Municipal Water District was held on Monday, October 25, 2010 at 1:00 p.m. at 17140 S. Avalon Blvd., Suite 210, Carson, CA 90746.

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

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

PLEDGE OF ALLEGIANCE. Steven Foellmi, Black & Veatch Corporation 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. Director Katherman from WRD gave a brief presentation on the California Coastal Cleanup Day that was held on September 25, 2010.
- b. Go Green Award – Andrea Harbin was not able to attend the meeting, therefore this will be agendized to the November 22, 2010 Board meeting.
- c. President Gray and the Board gave staff their thanks for their efforts at the Water Harvest on October 16, 2010.

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.) Assistant General Manager Deshmukh reported that an Item regarding a sponsorship request for the South Bay Chinese Women's Association from Director Kwan was received subsequent to the posting of the agenda and requested that this item be added to Agenda Item No. 30.1.

ACTION: Upon a motion duly made by Director Smith and seconded by Director Dear, the Board approved adding this item to the agenda as Item No. 30.1.

4. WATER RECYCLING PLANT OPERATIONS UPDATE – ORAL REPORT – Operations Manager Won presented an update on leaks at the Carson Water Recycling Facility and ExxonMobil. Director Smith requested information as to how much potable water was used during the repairs.

5. METROPOLITAN WATER DISTRICT ACTIVITIES UPDATE – The Board did not require a report.

6. LEGISLATIVE UPDATE – ORAL REPORT – Legislative Analyst Caldwell provided an update to the Board.

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 Kwan stated that she attended the California-Nevada American Water Works Association in Sacramento on October 8 and 9, 2010.

CONSENT CALENDAR

8. APPROVAL OF MINUTES – SEPTEMBER 9, 2010 (SPECIAL), SEPTEMBER 9, 2010 (MWD CAUCUS), AND SEPTEMBER 27, 2010 (REGULAR)

9. FINANCIAL REPORT

A. Demands Demand Numbers 1211, 1212, and 1214; 55265 through 55512 (excluding 55397, 55448, and 55493); for a total amount of \$15,442,486.50 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. RECYCLED WATER CUSTOMER DEVELOPMENT PROJECT UPDATE

11. EMPLOYEE EXPENSES OVER 90 DAYS

12. TECHNOLOGY SUPPORT SERVICES

13. TARGETED OUTREACH EFFORTS IMPROVEMENTS

14. RFP RELEASE FOR COMPLETE RESTROOM RETROFIT PHASE II

15. SOLAR CUP UPDATE

16. RECYCLED WATER PIPELINE THROUGH AVALON BRIDGE

17. JUANITA MILLENDER-MCDONALD CARSON REGIONAL WATER RECYCLING PLANT – MICROFILTRATION SUBMODULE AND REVERSE OSMOSIS ELEMENT REPLACEMENT

18. LOS ANGELES DEPARTMENT OF WATER AND POWER HARBOR AGREEMENT

19. SOURCE CONTROL IMPLEMENTATION PLAN/HYPERION AGREEMENT

Items 12, 13, and 14 were pulled for a report.

ACTION: Upon a motion duly made by Director Dear and seconded by Director Kwan, the Board approved Consent Calendar Items 8-19.

ACTION CALENDAR

President Gray ordered Action Item 30 moved up on the agenda without objection.

30. SPRAGG WATER CONDUIT – ORAL REPORT

Assistant General Manager Deshmukh reported that General Manager Nagel has approached Jeff Kightlinger of Metropolitan Water District regarding the Spragg Water Conduit. Mr. Spragg was present at the Board meeting

and provided the Board with a brief presentation on this item, stating he would report his progress back to the Board. No action was required on this item.

President Gray requested a motion to approve Action Items 21, 22, 24, 25, and 28.

ACTION: Upon a motion duly made by Director Kwan and seconded by Director Little, the Board unanimously approved Action Items 21, 22, 24, 25, and 28.

20. HEADQUARTERS BUILDING REMODEL IMPROVEMENTS

RECOMMENDATION: That the Board authorizes the General Manager to enter into an agreement with CJPRO, Inc. to perform Construction Services of the Tenant Improvements – Phase II at West Basin Headquarters, for an amount of \$227,890 plus a 10% contingency for a total not-to-exceed contract amount of \$25,679.

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

21. SECURITY GUARD SERVICES

RECOMMENDATION: That the Board authorizes the General Manager to amend contract #W2131 with PacWest Security Services for an additional \$85,000 for a total not-to exceed amount of \$170,000 and to extend the contract term until December 31, 2011.

22. SACRAMENTO LOBBYIST CONTRACTS

RECOMMENDATION: That the Board approves:

1. Amending existing agreement #W1570 with LHOM for an additional two-year term, for the current compensation of \$6,000 per month, plus reasonable expenses; and
2. Amending the existing agreement #W1825 with the Dolphin Group for an additional two-year term for the current compensation of \$6,000 per month, plus reasonable expenses.

23. SWAP POLICY

RECOMMENDATION: That the Board approves the West Basin Municipal Water District Swap Policy and adopts Resolution No. 10-10-935 "A RESOLUTION OF THE BOARD OF DIRECTORS OF WEST BASIN MUNICIPAL WATER DISTRICT AMENDING RESOLUTION NO. 06-07-859 (ADMINISTRATIVE CODE) AS IT RELATES TO THE DISTRICT'S SWAP POLICY.

ACTION: Upon a motion duly made by Director Dear and seconded by Director Smith the Board adopted Resolution No. 06-07-859 by the following voice vote:

Dear Aye

Kwan	Aye
Little	No
Smith	Aye
Gray	Aye

24. BOND COUNSEL SERVICES

RECOMMENDATION: That the Board authorizes the General Manager to enter into a three-year agreement with Stradling Yocca Carlson & Rauth to be West Basin's bond counsel for a total not-to-exceed amount of \$75,000 for non-transactional services.

25. INVESTMENT POLICY UPDATE

RECOMMENDATION: That the Board approves the recommended language in the Investment Policy, as shown in Exhibit "A".

26. AS-NEEDED ENGINEERING SERVICES FOR CAPITAL IMPROVEMENT PROGRAM IMPLEMENTATION

RECOMMENDATION: That the Board authorizes the General Manager to enter into two-year agreements for as-needed Engineering Services with Black & Veatch, Kennedy/Jenks, and Tetra Tech for a total not-to-exceed contract amounts of \$700,000 each.

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

Dear	Aye
Kwan	Aye
Little	Aye
Smith	No
Gray	Abstain

27. SLUDGE HAULING AND BENEFICIAL REUSE AT THE EDWARD C. LITTLE WATER RECYCLING FACILITY

RECOMMENDATION: That the Board authorizes the General Manager to enter into an agreement with Terra Renewal Services for sludge hauling and beneficial reuse for \$1,596,000, plus 10% for contingencies, for a total not-to-exceed contract amount of \$1,755,600 for two years.

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

Dear	No
Kwan	Aye
Little	Aye

Smith	No
Gray	Aye

28. PHASE V ENGINEERING SERVICES – CONTRACT AMENDMENT

RECOMMENDATION: That the Board authorizes the General Manager to amend contract #W2110 with HDR, Inc., for an additional \$263,218 to provide project engineering services for additional Ozone piloting, preliminary design, and construction engineering services, plus a 10% contingency, for a total amended amount of \$289,549 and a total not-to-exceed contract amount of \$2,197,094.

29. WEST BASIN/UNITED WATER SERVICES FISCAL YEAR 2009-10 SIDE AGREEMENT BUDGET TO ACTUALS

RECOMMENDATION: That the Board authorizes the General Manager to sign a letter agreement with United Water Services documenting the Fiscal Year 2009-10 costs to be paid to West Basin:

- An additional \$185,000 by January 31, 2011; and
- Relieve West Basin of its obligation to reimburse UWS for the ozone pilot testing as agreed to in the MOU approved by the board in February 2010 (up to \$200,000).

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

30. SPRAGG WATER CONDUIT – ORAL REPORT

This item was heard earlier on the agenda.

30.1 SOUTH BAY CHINESE WOMEN'S ASSOCIATION

RECOMMENDATION: That the Board authorize a Gold Sponsorship of \$1,000 for the 17th Annual Leadership and Legacy Awards Banquet.

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

31. GENERAL MANAGER'S REPORT ON DISTRICT ACTIVITIES: Assistant General Manager Deshmukh reported on the following upcoming events:

10/25/10 – United Water Services is hosting a dinner tonight at Flemings in El Segundo. UWS /Suez are conducting a technology workshop on October 26, 27, and 28.

10/28/10 – Workforce Investment Board Awards at The Ayres Hotel in Hawthorne at 7:00 a.m.

10/29/10 – Bi-National Mayors Association at the Water Education Center in Redondo Beach at 9:00 a.m. and lunch at 1:00 p.m.

11/11/10 – Veterans Holiday

11/12/10 – Desalination Dedication VIP Breakfast at 9:00 a.m.

11/17/10 – Water Association Quarterly Luncheon at Water Education Center at 11:30 a.m.

32. GENERAL COUNSEL'S REPORT: General Counsel O'Neill stated there will not be a Closed Session.

33. DIRECTOR'S COMMENTS: Director Dear stated he and Director Gray attended a press conference hosted by Congresswoman Maxine Waters at the Inglewood City Hall and that a group photo was taken and appeared in two newspapers, Gardena Valley News and L.A. Sentinel. Director Smith commented on calling in and being placed on hold and complimented Ron Wildermuth on the great marketing messaging being provided by Marketing on Hold. James Clark and Steven Foellmi from Black & Veatch and Edward Yang from Kennedy Jenks were introduced to the Board. Director Kwan stated she attended the Green Garden Workshop in Lomita with Gus Meza and that there was a good turnout of 55 residents. Directors Dear and Smith requested that the meeting be adjourned in memory of Senator Jenny Oropeza.

34. 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 PROPERTY NEGOTIATIONS – 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

D. PURSUANT TO GOVERNMENT CODE SECTION 54957 – 1 ITEM

1. GENERAL MANAGER PERFORMANCE EVALUATION

ADJOURNMENT. There being no further business to come before the Board, President Gray adjourned the meeting in memory of Senator Jenny Oropeza at 3:25 p.m.

President

ATTEST:

Secretary