

**MEETING OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
4040 PARAMOUNT BOULEVARD, LAKEWOOD, CALIFORNIA 90712**

9:00 A.M., FRIDAY, JANUARY 18, 2008

AGENDA

Each item on the agenda, no matter how described, shall be deemed to include any appropriate motion, whether to adopt a minute motion, resolution, payment of any bill, approval of any matter or action, or any other action. Items listed as "For Information" or "For Discussion" may also be the subject of an "action" taken by the Board or a Committee at the same meeting.

1. DETERMINATION OF A QUORUM

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

4. ADDITIONAL ITEMS TO AGENDA

Determine the need to add items to the agenda. In order for the Board to add an item to the agenda it must make a determination that: (i). The item came to the attention of the Board after the posting of the agenda; (ii). That there is a need for immediate action to be taken by the Board. If these two tests are met, the Board may add the item in question to the agenda for consideration consistent with the provisions of the Brown Act.

5. CONSENT CALENDAR

Consent Calendar items are considered routine by the Board of Directors and will be adopted by one motion. There will be no separate discussion of these items unless a Board Member so requests, in which event the item will be removed from the Consent Calendar and considered separately immediately following action on the remaining items.

A. MINUTES OF THE MEETING OF NOVEMBER 16, 2008

Staff Recommendation: Approve the minutes as submitted.

B. CONSIDERATION OF RESOLUTION NO. 08- 810 –

A JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES; THE BOARD OF DIRECTORS OF THE GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT; THE BOARD OF DIRECTORS OF THE COUNTY SANITATION DISTRICT NO. 8 OF LOS ANGELES COUNTY (COUNTY SANITATION DISTRICT NO. 8); THE CITY COUNCIL OF THE CITY OF CARSON, AND THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY TAX

REVENUES RESULTING FROM ANNEXATION OF L 071-2007 TO COUNTY LIGHTING MAINTENANCE DISTRICT 1697

Finance Committee Recommendation: Adopt Resolution No. 08-810.

- C. CONSIDERATION OF RESOLUTION NO. 08- 811 –**
A JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES; THE BOARD OF DIRECTORS OF THE GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT; THE BOARD OF DIRECTORS OF THE COUNTY SANITATION DISTRICT NO. 8 OF LOS ANGELES COUNTY (COUNTY SANITATION DISTRICT NO. 8); THE CITY COUNCIL OF THE CITY OF CARSON, AND THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES RESULTING FROM ANNEXATION OF L 042-2007 TO COUNTY LIGHTING MAINTENANCE DISTRICT 1697
Finance Committee Recommendation: Adopt Resolution No. 08-811.

6. ROTATION OF BOARD OFFICERS

7. MWD GROUNDWATER ASSESSMENT STUDY SUMMARY

Water Resources Committee Recommendation: For information.

8. AUTHORIZATION FOR NEW GROUNDWATER MONITORING WELLS

Water Resources Committee Recommendation:

(1) Execute an agreement, subject to approval of form by District Counsel, with the United States Geological Survey to drill four new groundwater monitoring wells for an amount not to exceed \$1,280,000 plus a 5% contingency for a total of \$1,344,000.

(2) Execute an agreement, subject to approval of form by District Counsel, with Schlumberger Water Services to perform professional geophysical logging services of the four new monitoring well sites for an amount not to exceed \$215,430, plus a 10% contingency for a total of \$237,000.

(3) Approve the purchase of groundwater monitoring equipment from In-Situ Inc. for an amount not to exceed \$50,000, plus a 10% contingency for a total of \$55,000.

(4) Direct Staff to file a Notice of Exemption for the wells under CEQA.

(5) Declare its intent to explore reimbursing the total cost for these four wells from a future debt issuance.

9. SOUTH BAY CITIES COUNCIL OF GOVERNMENTS 9TH ANNUAL ASSEMBLY

Staff Recommendation: For discussion.

10. **METROPOLITAN WATER DISTRICT'S (MET) RATE INCREASE**
President's Recommendation: Oppose Metropolitan Water District's (MET) rate increase.
11. **AWARD OF CONTRACT FOR ADA IMPROVEMENT PROJECT**
Ad Hoc Building Committee Recommendation: The Ad Hoc Building Committee will review this item on January 16, 2008 and will provide a recommendation to the Board at the meeting.
12. **AMENDMENT TO THE ADMINISTRATIVE CODE, ADDITION OF CHAPTER 20 AND ADOPTING THE CODE OF CONDUCT**
Administrative Committee Recommendation: Adopt Resolution No. 08-XXX, approve the Code of Conduct and add Chapter 20, entitled "Code of Conduct" to the Administrative Code.
13. **BUILDING LEASE SPACE**
Staff Recommendation: Approve the lease space agreement with the Small Business Development Center (SBDC) for a five-year lease term.
14. **LEGISLATIVE REPORT**
External Affairs Committee Recommendation: For information.
15. **WRD TAC CHAIR REPORT**
16. **DISTRICT COUNSEL REPORT**
17. **GENERAL MANAGER'S REPORT**
18. **AB 1234 COMPLIANCE REPORTS AND DIRECTORS' REPORTS**
19. **WRD BOARD MEETING DATES**
 - A. February 1, 2008 – 9:00 a.m. – Board of Directors Meeting
 - B. February 15, 2008 – 9:00 a.m. – Board of Directors Meeting
 - C. March 7, 2008 – 9:00 a.m. – Board of Directors Meeting
 - D. March 21, 2008 – 9:00 a.m. – Board of Directors Meeting
20. **CLOSED SESSION**
 - A. Conference with Legal Counsel – Existing Litigation, pursuant to Government Code § 54956.9(a), California Water Service Company, et al. City of Compton, et al., Case No. 506 806
 - B. Conference with Legal Counsel – Existing Litigation, pursuant to Government Code § 54956.9(a), Central and West Basin Water Replenishment District v. Charles Adams; L.A.S.C. Case No. 786,656

- C. Conference with Real Property Negotiators, pursuant to Government Code §54956.8
Property: 4040 Paramount Blvd, Lakewood, California 90712
Agency negotiator: Robb Whitaker
Negotiating Party: Small Business Development Center Network
Under Negotiation: Price and terms of payment

- D. Public Employee Performance Evaluation, pursuant to Government Code §54957
Title: General Manager

- E. Conference with Legal Counsel -- Anticipated Litigation pursuant to Government Code § 54956.9(b): One case

21. ADJOURNMENT

Agenda posted by Abigail C. Andom, Deputy Secretary, January 15, 2008. In compliance with ADA requirements, this document can be made available in alternative formats upon request.

**MINUTES OF NOVEMBER 16, 2007
MEETING OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

A regular meeting of the Board of Directors of the Water Replenishment District of Southern California was held on November 16, 2007 at 9:21 a.m. in the District office located at 4040 Paramount Boulevard, Lakewood, California. Vice President Robert Katherman called the meeting to order. Deputy Secretary Abigail C. Andom recorded the minutes.

1. DETERMINATION OF A QUORUM

Vice President Katherman declared that a quorum of Directors was present, which in addition to himself included Directors Lillian Kawasaki and Willard H. Murray, Jr. President Albert Robles and Director Sergio Calderon were excused.

2. PLEDGE OF ALLEGIANCE

Jim Glancy of the City of Lakewood led the pledge of allegiance.

3. PUBLIC COMMENT

None.

4. ADDITIONAL ITEMS TO AGENDA

Vice President Katherman stated that he would like to add an item to the agenda, that the need came subsequent to the posting of the agenda for the meeting, and that there is a need to take immediate action on the item. Without any objections, it was

RESOLVED: That the Board adds an item to the agenda, that the need came subsequent to the posting of the agenda for the meeting, and that there is a need to take immediate action on AB 303.

The item was added to the agenda as Agenda Item 14.A.

5. CONSENT CALENDAR

A. *RANDOM LENGTHS* PORT CENTENNIAL COMMEMORATIVE EDITION AD

Upon a motion duly made by Director Murray, seconded by Director Kawasaki, and unanimously approved, it was

RESOLVED: The Board approves the Consent Calendar of the meeting of November 16, 2007, as submitted.

6. WEST COAST BARRIER CONDITION STUDY MEMORANDUM OF UNDERSTANDING

Chief Hydrogeologist Ted Johnson stated that the Los Angeles County Department of Public Works (LACDPW) had requested the West Basin Municipal Water District (WBMWD) and WRD to share costs for a condition study that would examine the structural competency of the barrier infrastructure and also include recommendations for repairs, improvements, and preventative measures at the barrier. Mr. Johnson explained that a comprehensive evaluation of the West Coast Barrier is needed due to the age of the infrastructure but also due to damage caused by a 2006 pressure reduction valve malfunction which created a pressure surge and leaks in the barrier.

Mr. Whitaker stated that a proposed Memorandum of Understanding (MOU) between LACDPW, WBMWD and WRD for cost-sharing was drafted, wherein WRD would reimburse LACDPW an amount not to exceed \$54,000, which is one-third of the cost of the condition study.

Upon a motion duly made by Director Kawasaki, seconded by Director Murray, and unanimously approved, it was

RESOLVED: The Board enters into a Memorandum of Understanding, subject to approval of form by District

Counsel, with West Basin Municipal Water District and the Los Angeles County Department of Public Works to perform a condition study of the West Coast Basin Barrier for a cost to WRD not to exceed \$54,000.

7. WHITTIER NARROWS RECREATION AREA MASTER PLAN UPDATE

Mr. Johnson stated the District has been asked to participate in the Whittier Narrows Recreation Area (WNRA) Master Plan Update and provide funding assistance for the effort. He noted that the U.S. Army Corps of Engineers, in cooperation with the Watershed Conservation Authority (WCA), the City of Pico Rivera, Los Angeles County Department of Parks and Recreation, and other stakeholders are currently in the process of selecting a consultant to assist in updating the Master Plan for the WNRA. The WCA is serving as the contracting agency for consulting services for the update and it is anticipated that a firm will be selected and a contract awarded in late November.

Upon a motion duly made by Director Kawasaki, seconded by Director Murray, and unanimously approved, it was

RESOLVED: The Board provides funding assistance to the Watershed Conservation Authority in an amount not to exceed \$20,000 for completion of the Whittier Narrows Recreation Area Master Plan Update.

8. THREE-WAY AGREEMENT BETWEEN WRD, LACDPW, AND WBMWD FOR MODELING OF THE WEST COAST BASIN BARRIER PROJECT

Mr. Johnson stated that West Basin Municipal Water District (WBMWD) developed a proprietary groundwater modeling on the 1990s to simulate recycled water movement through the aquifers as a condition of their recycled water injection permit. He explained that WBMWD would like to convert this model into a more user-friendly model and WRD along with the Los Angeles County Department of Public Works (LACDPW) would

like to partner in the effort with each agency funding one-third of the cost. He noted that each agency would receive a copy of and training on the model after the conclusion of the study.

Mr. Johnson stated that request for proposals (RFP) were issued and interviews were held with representatives from the three agencies. Based on the ranking of the proposals and interviews, the panel recommended Geomatrix Consultants with a total project cost of \$120,000. WRD's portion is one-third of the cost or \$40,000.

Upon a motion duly made by Director Kawasaki, seconded by Director Murray, and unanimously approved, it was

RESOLVED: The Board enters into a Memorandum of Understanding, subject to approval of form by District Counsel, with West Basin Municipal Water District (WBMWD) and Los Angeles County Department of Public Works (LACDPW) for groundwater modeling of the West Coast Basin Barrier for a cost not to exceed \$40,000.

9. WBMWD IMPORTED WATER PURCHASE AGREEMENT

Mr. Johnson stated that District staff is currently working with WBMWD staff on the development of a new five-year Imported Water Purchase Agreement. He explained that, based on projected imported water purchases, staff recommended reducing the annual Tier 1 Maximum to 14,000 acre-feet per year resulting in a five-year Purchase Commitment of 42,000 acre-feet. He noted that the reduction is a result of WBMWD now providing 12,500 acre-feet per year of recycled water to the West Coast Barrier and LADWP providing 5,000 acre-feet per year of recycle water to the Dominguez Gap Barrier, each of which directly offset imported water purchases.

Upon a motion duly made by Director Kawasaki, seconded by Director Murray, and unanimously approved, it was

RESOLVED: The Board enters into an imported water purchase agreement, subject to approval of form by District Counsel, with West Basin Municipal Water District for a Tier 1 Annual Maximum of 14,000 acre-feet and a Purchase Commitment of 42,000 acre-feet over the five year term of the agreement.

10. AGREEMENT WITH UCLA TO PERFORM GROUNDWATER MODELING AND RECYLED WATER TRACKING FROM THE ALAMITOS BARRIER

Mr. Johnson stated that the District developed a specialized groundwater flow and transport model of the Alamitos Seawater Barrier with the University of California Los Angeles (UCLA), as required by the Regional Water Quality Control Board, for the recycled water injection permit for the Leo J. Vander Lans Water Treatment Facility. He noted that WRD's contract with UCLA expired in June 2007 and the model is needed again for the District's annual permit compliance report due spring 2008.

Mr. Johnson explained that development and use of the model is supported by the Alamitos Barrier Joint Management Committee, of which WRD is a member along with the Los Angeles County Department of Public Works, Orange County Water District, City of Long Beach, and Golden State Water Company. The model is expected to be a useful tool to the Committee in evaluating seawater barrier effectiveness under different basin operating conditions and saline water movement. Total cost is expected to not exceed \$40,000.

Upon a motion duly made by Director Kawasaki, seconded by Director Murray, and unanimously approved, it was

RESOLVED: The Board enters into an Agreement with the University of California Los Angeles (UCLA), subject to

approval of form by District Counsel, for groundwater modeling of the Alamitos Barrier for a cost not to exceed \$40,000.

11. CHANGE ORDER – STETSON ENGINEERS, INC.

Mr. Johnson stated that Stetson Engineers, Inc. has been hired by WRD to assist with updating its files on the 36 high-priority contaminated groundwater sites previously identified by the District and the Central and West Coast Basin Groundwater Contamination Forum. He explained that during the review of the files, an unexpectedly large number of technical reports were identified that required copying to meet the District's needs for the project. The cost to make the copies exceeded their original proposal estimate by \$6,418.38.

Upon a motion duly made by Director Murray, seconded by Director Kawasaki, and unanimously approved, it was

RESOLVED: The Board approves a \$6,418.38 Change Order to Stetson Engineering, Inc. for additional costs related to their contract for Regulatory Agency Data Collection and Compilation services.

12. FUNDING ASSISTANCE TO DTSC FOR SAMPLING MONITORING WELLS

Mr. Johnson stated that the Department of Toxic Substances Control (DTSC) has requested WRD's assistance in continuing groundwater monitoring of the abandoned AAD Distribution and Dry Cleaning Facility located in the City of Vernon, one of the 36 contaminated sites on WRD's list of High-priority groundwater contamination sites in the District. He explained that, if approved, the agreement between DTSC and WRD would authorize WRD to fund one round of water level measurements and groundwater sampling for selected constituents at a cost not to exceed \$25,000.

Upon a motion duly made by Director Murray, seconded by Director Kawasaki, and unanimously approved, it was

RESOLVED: The Board approves the agreement with the Department of Toxic Substances Control (DTSC) and fund one round of monitoring and sampling of the six wells outside the AAD site for a cost not to exceed \$25,000.

13. AWARD OF CONTRACT FOR SALINE PLUME GEOPHYSICAL SURVEY

Mr. Johnson stated that staff issued request for proposals (RFP) to 13 geophysical firms to perform a full-scale geophysical survey of the saline plume to better understand the nature and extent of the plume in order to help guide the District in developing an overall policy on managing and/or remediating the plume in the future. He noted that 13 RFPs were sent out and six firms responded. The District evaluated the proposals and staff is recommending award of the contract to Aquifer Science & Technology.

Upon a motion duly made by Director Murray, seconded by Director Kawasaki, and unanimously approved, it was

RESOLVED: The Board enters into an Agreement, subject to approval of form by District Counsel, with Aquifer Science & Technology (a division of Ruekert/Mielke Inc.) for Professional Geophysical Services for mapping seawater intrusion for an amount not to exceed \$40,000, plus a \$10,000 contingency for use by Staff if needed for an overall project budget of \$50,000.

14. PROPOSITION 93- TERM LIMITS AND LEGISLATIVE REFORM ACT

The Board deferred the item to the External Affairs Committee.

14.A AB 303 AUTHORIZING RESOLUTION

General Manager Robb Whitaker stated that AB 303 also known as the Local Groundwater Assistance Act of 2000 created the Local Groundwater Assistance Fund from which the Department of Water Resources awards grants to local agencies to conduct groundwater studies or to implement groundwater monitoring and management activities. Mr. Whitaker explained that staff is planning to submit an AB 303 application for the Central Basin Groundwater Contamination Study by the December 11, 2007 deadline. He noted that one of the requirements of the application is a resolution by the agency's governing authority designating an authorized representative to file an application and enter in an agreement for a grant.

Upon a motion duly made by Director Murray, seconded by Director Kawasaki, and unanimously approved, it was

RESOLVED: The Board adopts Resolution No. 07-807 approving submittal of application for a Local Groundwater Assistance Grant pursuant to the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Water Code Section 79650 *et seq.*).

RESOLUTION NO. 07- 807

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
REGARDING AN APPLICATION FOR A LOCAL GROUNDWATER ASSISTANCE
GRANT PURSUANT TO THE WATER SECURITY, CLEAN DRINKING WATER,
COASTAL AND BEACH PROTECTION ACT OF 2002
(WATER CODE SECTION 79650 *et seq.*)

(Reference is hereby made by Resolution No. 07-807 in the District Resolution file and by this reference is incorporated herein and made a part hereof as though fully set forth at length.)

15. LEGISLATIVE REPORT

Government Affairs Manager Adeline Yoong provided an update on state and federal legislative activities. On the state side, Ms. Yoong noted that November 17 is the deadline for measures to appear on the February ballot. On the federal side, she noted that the Water Resources Development Act (WRDA) bill was signed into law on November 8. The WRDA bill will provide \$15 million funding authorization for the WRD Groundwater Optimization Pipeline Project which will potentially create up to 20,000 acre feet of new water.

16. GENERAL MANAGER'S REPORT

General Manager Robb Whitaker referred the Directors to his written report.

17. WRD TAC CHAIR REPORT

WRD Technical Advisory Committee (TAC) Chair Jim Glancy announced that the next TAC meeting will be on December 6.

18. DIRECTORS' REPORTS/COMMITTEE REPORTS

Director Murray stated that he attended the funeral of former West Basin Municipal Water District Director Larry Gallagher on November 13.

Director Kawasaki stated that she attended the Policy Briefing on Water organized by Assemblymember Mike Eng on November 7. Assembly Water, Parks, and Wildlife Chair Lois Wolk flew down for the field briefing. WRD submitted testimony to the Committee. She also noted that WRD was a sponsor of the California Water Policy Conference held at the Sheraton Los Angeles held November 14-15.

Director Katherman stated that he attended the Clean Water Conference in Torrance on November 5, the Special Board Meeting on November 6

regarding conjunctive use, and the West Basin Water Association (WBWA) Quarterly Dinner on November 14 where MWD water supply allocation plan was discussed.

19. WRD BOARD MEETING DATES

- A. December 17, 2007 – 9:00 a.m. – Special Board of Directors Meeting
- B. January 4, 2008 – 9:00 a.m. – Board of Directors Meeting

20. CLOSED SESSION

- A. California Water Service Company, et al. v. City of Compton, et al., Case No. 506 806
- B. Central and West Basin Water Replenishment District v. Charles Adams; L.A.S.C. Case No. 786, 656
- C. Real Property Negotiation per Government Code §54956.8
Real Property: Lease Space at 4040 Paramount Boulevard, Lakewood, California 90712
Agency Representative: Robb Whitaker
Negotiating Party: Small Business Development Center Network
Under Negotiation: Price, terms of payment, and conditions for possible lease
- D. Consideration of evaluation of performance of one public employee per Government Code § 54957

The Board went into closed session. The Board reconvened in open session.

District Counsel Casso announced that for Agenda Item 20.C direction was provided to the General Manager and no final action was taken. Agenda Items 20.A, B, and D were not discussed.

21. ADJOURNMENT

Vice President Katherman asked if there was any further business to come before the Board, and there being none the meeting was adjourned at 1040 a.m., in memory of former WBMWD Director Larry Gallagher and former Congressman Augustus Hawkins. A moment of silence was observed by all.

President

ATTEST:

Secretary



MEMORANDUM

ITEM NO. 5.B

Prepared by: Abbie Andom

Reviewed by: Scott M. Ota

Approved by: Robb Whitaker

DATE: JANUARY 18, 2008

TO: BOARD OF DIRECTORS

FROM: ROBB WHITAKER, GENERAL MANAGER

**SUBJECT: CONSIDERATION OF RESOLUTION NO. 08- 810 –
A JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF LOS ANGELES; THE BOARD OF DIRECTORS OF THE
GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT; THE
BOARD OF DIRECTORS OF THE COUNTY SANITATION DISTRICT NO. 8
OF LOS ANGELES COUNTY (COUNTY SANITATION DISTRICT NO. 8); THE
CITY COUNCIL OF THE CITY OF CARSON; AND THE BOARD OF
DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN
CALIFORNIA APPROVING AND ACCEPTING THE NEGOTIATED
EXCHANGE OF PROPERTY TAX REVENUES RESULTING FROM
ANNEXATION OF L 071-2007 TO COUNTY LIGHTING MAINTENANCE
DISTRICT 1697**

SUMMARY

A request has been received from the County of Los Angeles Department of Public Works regarding participation in the exchange of ad valorem property tax. If a taxing agency involved in the negotiation does not adopt a resolution providing for the exchange of property tax, the Board of Supervisors can determine the exchange of property tax revenue for that taxing agency.

FISCAL IMPACT

None.

FINANCE COMMITTEE RECOMMENDATION

Adopt Resolution No. 08-810.

RESOLUTION NO. 08- 810

A JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES; THE BOARD OF DIRECTORS OF THE GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT; THE BOARD OF DIRECTORS OF THE COUNTY SANITATION DISTRICT NO. 8 OF LOS ANGELES COUNTY (COUNTY SANITATION DISTRICT NO. 8); THE CITY COUNCIL OF THE CITY OF CARSON; AND THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES RESULTING FROM ANNEXATION OF L 021-2007 TO COUNTY LIGHTING MAINTENANCE DISTRICT 1697

WHEREAS, pursuant to Section 99.01 of the Revenue and Taxation Code, prior to the effective date of any jurisdictional change that will result in a special district providing one or more services to an area where those services have not previously been provided by any local agency, the special district and each local agency that receives an apportionment of property tax revenue from the area must negotiate an exchange of property tax increment generated in the area subject to the jurisdictional change and attributable to those local agencies; and

WHEREAS, the Board of Supervisors of the County of Los Angeles, acting on behalf of the County Lighting Maintenance District 1697, the Los Angeles County General Fund, the Los Angeles County Library, the Consolidated Fire Protection District of Los Angeles County, the Los Angeles County Flood Control Drainage Improvement District, and the Los Angeles County Flood Control District; the Board of Directors of the Greater Los Angeles County Vector Control District; the Board of Directors of the County Sanitation District No.8 of Los Angeles County (County Sanitation District No. 8), the City Council of the City Carson; and the Board of Directors of the Water Replenishment District of Southern California have determined that the amount of property tax revenue to be exchanged between their respective agencies as a result of the annexation proposal identified as L 071-2007 to County Lighting Maintenance District 1697 is as shown on the enclosed Property Tax Transfer Resolution Worksheet.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The negotiated exchange of property tax revenues between the County Lighting Maintenance District 1697, and the Los Angeles County General Fund, the Los Angeles County Library, the Consolidated Fire Protection District of Los Angeles County, the Los Angeles County Flood Control Drainage Improvement District, the Los Angeles County Flood Control District, the Greater Los Angeles County Vector Control District, the County Sanitation District No.8, the City of Carson, and the Water Replenishment District of Southern California resulting from the annexation proposal identified as L 071-2007 to County Lighting Maintenance District 1697 is approved and accepted.

2. For annexation projects within a City of Carson community redevelopment project area (RPA), County Lighting Maintenance District 1697 will not receive the negotiated share of annual tax increment (ATI) until such time as the affected RPA is terminated for purposes of receiving ATI.
3. For fiscal years commencing on or after July 1, 2007, or the July 1 after the effective date of this jurisdictional change, whichever is later, the property tax revenue increment generated from the area within L 071-2007 (Tax Rate Area 05477) shall be allocated to the affected agencies as indicated in the enclosed Property Tax Transfer Resolution Worksheet.
4. No transfer of property tax revenues other than those specified in Paragraph 3 shall be made as a result of annexation of L 071-2007.
5. If at any time after the effective date of this Resolution, the calculations used herein to determine initial property tax transfers or the data used to perform those calculations are found to be incorrect, thus producing an improper or inaccurate property tax transfer, the property tax transfer shall be recalculated and the corrected transfer shall be implemented for the next fiscal year, and any amounts of property tax received in excess of that which is proper shall be refunded to the appropriate agency.

PASSED, APPROVED AND ADOPTED THIS _____ day of _____, 2008 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA

Albert Robles, President

ATTEST:

Sergio Calderon, Secretary

Date



MEMORANDUM

ITEM NO. 5.C

Prepared by: Abbie Andom

Reviewed by: Scott M. Ota

Approved by: Robb Whitaker

DATE: JANUARY 18, 2008

TO: BOARD OF DIRECTORS

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: CONSIDERATION OF RESOLUTION NO. 08- 811 –
A JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES; THE BOARD OF DIRECTORS OF THE GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT; THE BOARD OF DIRECTORS OF THE COUNTY SANITATION DISTRICT NO. 8 OF LOS ANGELES COUNTY (COUNTY SANITATION DISTRICT NO. 8); THE CITY COUNCIL OF THE CITY OF CARSON; AND THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES RESULTING FROM ANNEXATION OF L 042-2007 TO COUNTY LIGHTING MAINTENANCE DISTRICT 1697

SUMMARY

A request has been received from the County of Los Angeles Department of Public Works regarding participation in the exchange of ad valorem property tax. If a taxing agency involved in the negotiation does not adopt a resolution providing for the exchange of property tax, the Board of Supervisors can determine the exchange of property tax revenue for that taxing agency.

FISCAL IMPACT

None.

FINANCE COMMITTEE RECOMMENDATION

Adopt Resolution No. 08-811.

RESOLUTION NO. 08- 811

A JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES; THE BOARD OF DIRECTORS OF THE GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT; THE BOARD OF DIRECTORS OF THE COUNTY SANITATION DISTRICT NO. 8 OF LOS ANGELES COUNTY (COUNTY SANITATION DISTRICT NO. 8); THE CITY COUNCIL OF THE CITY OF CARSON; AND THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES RESULTING FROM ANNEXATION OF L 042-2007 TO COUNTY LIGHTING MAINTENANCE DISTRICT 1697

WHEREAS, pursuant to Section 99.01 of the Revenue and Taxation Code, prior to the effective date of any jurisdictional change that will result in a special district providing one or more services to an area where those services have not previously been provided by any local agency, the special district and each local agency that receives an apportionment of property tax revenue from the area must negotiate an exchange of property tax increment generated in the area subject to the jurisdictional change and attributable to those local agencies; and

WHEREAS, the Board of Supervisors of the County of Los Angeles, acting on behalf of the County Lighting Maintenance District 1697, the Los Angeles County General Fund, the Los Angeles County Library, the Consolidated Fire Protection District of Los Angeles County, the Los Angeles County Flood Control Drainage Improvement District, and the Los Angeles County Flood Control District; the Board of Directors of the Greater Los Angeles County Vector Control District; the Board of Directors of the County Sanitation District No.8 of Los Angeles County (County Sanitation District No. 8), the City Council of the City Carson; and the Board of Directors of the Water Replenishment District of Southern California have determined that the amount of property tax revenue to be exchanged between their respective agencies as a result of the annexation proposal identified as L 042-2007 to County Lighting Maintenance District 1697 is as shown on the enclosed Property Tax Transfer Resolution Worksheet.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The negotiated exchange of property tax revenues between the County Lighting Maintenance District 1697, and the Los Angeles County General Fund, the Los Angeles County Library, the Consolidated Fire Protection District of Los Angeles County, the Los Angeles County Flood Control Drainage Improvement District, the Los Angeles County Flood Control District, the Greater Los Angeles County Vector Control District, the County Sanitation District No.8, the City of Carson, and the Water Replenishment District of Southern California resulting from the annexation proposal identified as L 042-2007 to County Lighting Maintenance District 1697 is approved and accepted.

2. For annexation projects within a City of Carson community redevelopment project area (RPA), County Lighting Maintenance District 1697 will not receive the negotiated share of annual tax increment (ATI) until such time as the affected RPA is terminated for purposes of receiving ATI.
3. For fiscal years commencing on or after July 1, 2007, or the July 1 after the effective date of this jurisdictional change, whichever is later, the property tax revenue increment generated from the area within L 042-2007 (Tax Rate Area 01184) shall be allocated to the affected agencies as indicated in the enclosed Property Tax Transfer Resolution Worksheet.
4. No transfer of property tax revenues other than those specified in Paragraph 3 shall be made as a result of annexation of L 042-2007.
5. If at any time after the effective date of this Resolution, the calculations used herein to determine initial property tax transfers or the data used to perform those calculations are found to be incorrect, thus producing an improper or inaccurate property tax transfer, the property tax transfer shall be recalculated and the corrected transfer shall be implemented for the next fiscal year, and any amounts of property tax received in excess of that which is proper shall be refunded to the appropriate agency.

PASSED, APPROVED AND ADOPTED THIS _____ day of _____, 2008 by the following vote:

AYES:
 NOES:
 ABSENT:
 ABSTAIN:

WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA

 Albert Robles, President

ATTEST:

 Sergio Calderon, Secretary

 Date

MEMORANDUM

ITEM NO. 7

<i>Prepared by:</i>	Jason Weeks
<i>Reviewed by:</i>	Ted Johnson
<i>Approved by:</i>	Robb Whitaker

DATE: JANUARY 18, 2008

TO: BOARD OF DIRECTORS

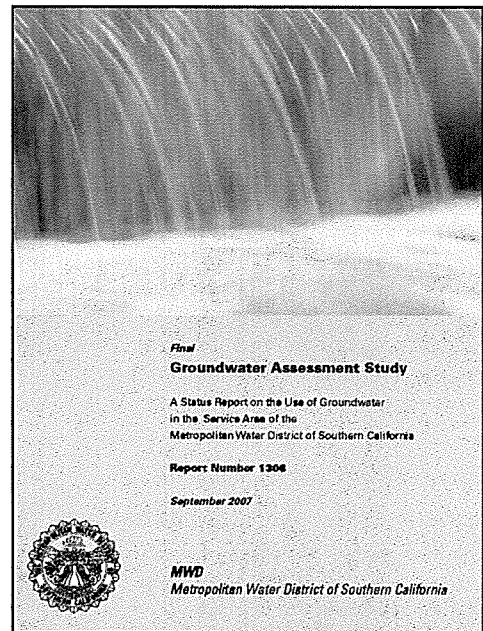
FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: MWD GROUNDWATER ASSESSMENT STUDY SUMMARY

SUMMARY

In late 2005, the Metropolitan Water District of Southern California's (MWD) Water Planning & Stewardship Board Committee (formerly Water Planning, Quality & Resources) directed its staff to prepare a report documenting the use and status of groundwater resources within the Metropolitan service area. The goal of this regional study was to compile existing baseline information that summarizes production, recharge, water quality, and water level trends of the groundwater resources within the Metropolitan service area. This baseline study, with further Board direction, is anticipated to lay the groundwork for future policy discussions relating to what approaches Metropolitan might take in order to meet its Integrated Water Resources Plan target for service area groundwater conjunctive use storage.

WRD staff worked cooperatively with MWD and member agency staff throughout the plan's development to provide groundwater basin information for the Central and West Coast Basins, which is included in the *Final Groundwater Assessment Study- September 2007*.



The report contains detailed information on each of the groundwater basins within the MWD service area, a summary of which is provided below.

- **Management:** In 2004, 93 percent of the groundwater production came from adjudicated or formally managed groundwater basins.
- **Production:** Each year in the Metropolitan service area, groundwater production accounts for about 1.56 million AF, meeting nearly 40 percent of the water demands.
- **Recharge:** Average annual active groundwater recharge is 758,000 AF. Active groundwater recharge proportionately is using more local runoff and less imported water than in the past.

- **Overdraft:** Over the 20-year study period (1985-2004), groundwater production grew 5 percent faster than groundwater recharge suggesting that total groundwater in storage is declining throughout the service area.
- **Facilities:** Substantial investments have been made in capital infrastructure in support of the use of groundwater. These projects include over 4,000 production wells and nearly 5,000 acres of spreading facilities. Of note, there are 16 groundwater desalters on-line in the Metropolitan service area as of 2006.
- **Water Quality:** TDS and nitrate contamination is a common issue in service area groundwater basins. Other recurring contaminants include VOCs, iron and manganese, and perchlorate.
- **Potential for Storage:** Groundwater basins throughout the area have 3.2 million AF of space available for possible storage.
- **Needs:** Using additional storage opportunity requires:
 - capture, delivery and recharge of additional local and imported surface supplies;
 - improved capability to match availability of surplus surface supplies with conveyance and recharge capacity; and
 - resolution of constraints including: remediation of contamination, institutional and legal issues, funding for significant investment in capital infrastructure, and mismatches in aquifer capability with overlying demand for water supplies.

District staff will provide the Board with an overview of the study and the report's Executive Summary.

FISCAL IMPACT

None at this time.

WATER RESOURCES COMMITTEE RECOMMENDATION

For information.

MEMORANDUM

ITEM NO. 8

Prepared by: Tony Kirk
Reviewed by: Ted Johnson
Approved by: Robb Whitaker

DATE: JANUARY 18, 2008

TO: BOARD OF DIRECTORS

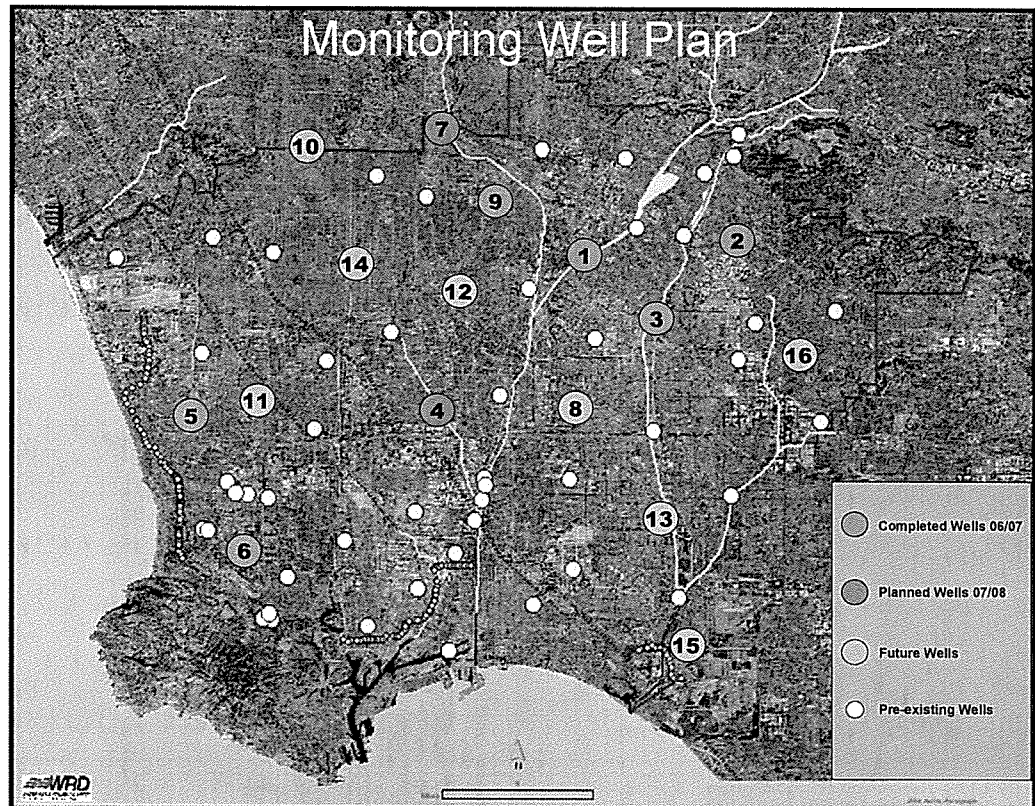
FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: AUTHORIZATION FOR NEW GROUNDWATER MONITORING WELLS

SUMMARY

On September 20, 2006, the Board of Directors reviewed Staff's plan to construct 16 new monitoring wells over a 4 to 5 year period to significantly improve WRD's coverage of groundwater information throughout the Central and West Coast Basins. At that meeting, the Board also approved the funding of the first four wells and declared its intent to finance the wells under a future debt issuance. These four wells have all been completed, and Staff is now soliciting Board approval for the next four wells.

The 16 well priority plan is presented on the adjacent figure. Numbers 1 through 4 were completed in 2007. For 2008, the plan is to construct four more: **Numbers 5 and 6** will help further define the saline plume and other water quality parameters in the West Coast Basin. **Number 7** will serve as a "gateway well" to monitoring the groundwater that is entering the Central Basin from the north. And **Number 9**, located in the



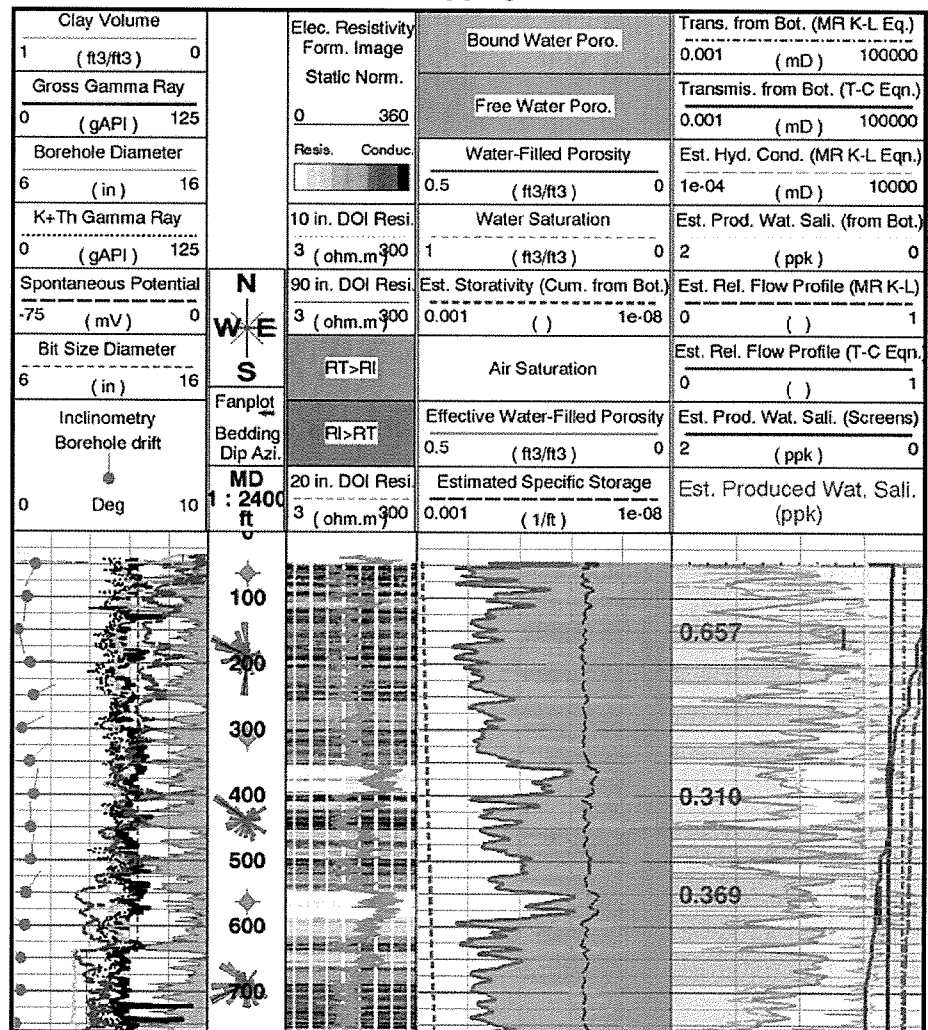
data gap area between the Los Angeles and Montebello Forebays, will provide data on water levels, water quality (which is effected by contamination in this area) and potential storage projects is this important location in the District. The Number 8 well was skipped for 2008 as it

is designated as a special "Deep Aquifer Research Well" for 2009 and will require more time to complete than the rest of the wells.

The Federal Government under the United States Geological Survey (USGS) has drilled and installed our previous wells as part of their continued cooperation and involvement with the groundwater resources of the basins, and is recommended to perform the work again. They have the unique ability to construct the specialty type of well that WRD utilizes (nested piezometers) to depths of 1,500 feet or more, and have used the same experienced drilling crew for drilling our wells over the past 12 years. This provides considerable consistency and knowledge of drilling these types of wells in the Central and West Coast Basins. The USGS also performs detailed scientific analysis of the well data using top level Ph.D. researchers who apply state of the art investigative and research methods to the water resources issues faced in this region. They draw on significant internal resources from multiple divisions, including their Water Resources Division, their Geologic Division, their Earthquake Hazards Program, and their Coastal and Marine Geology Group to extract the maximum amount of information from each well installation. Their costs have also been analyzed and determined to be very reasonable, and there has never been a cost overrun to WRD for any of the wells that they have installed.

In addition to the work by USGS, Staff recommends adding the specialty services of the Schlumberger Company to perform geophysical borehole logging at each of the 4 holes after the USGS drills them. The logging, which has been used in the oil drilling profession for decades to help identify suitable reservoirs, has recently been brought to the groundwater market by Schlumberger to better characterize the aquifers (permeability, salinity, soil types, and porosity) that can not be obtained through other typical methods. The information will greatly enhance the scientific data gathered at each well site and can only be collected at the time of drilling. Staff utilized these services on the previous 4 wells and found tremendous benefit from this product (an example is shown on the figure to the right). To ensure competitive pricing, Staff investigated the only

The logging, which has been used in the oil drilling profession for decades to help identify suitable reservoirs, has recently been brought to the groundwater market by Schlumberger to better characterize the aquifers (permeability, salinity, soil types, and porosity) that can not be obtained through other typical methods. The information will greatly enhance the scientific data gathered at each well site and can only be collected at the time of drilling. Staff utilized these services on the previous 4 wells and found tremendous benefit from this product (an example is shown on the figure to the right). To ensure competitive pricing, Staff investigated the only



other competitor to Schlumberger, which is the Halliburton Company. And, although the prices were roughly the same, Halliburton informed WRD that it had not utilized its technology for water well drilling at this time. Therefore, Staff recommends staying with Schlumberger.

After the wells are drilled, they will require instrumentation so that water levels can be collected automatically on a daily basis instead of having WRD staff visit the wells too frequently. Currently the District uses data loggers from In-Situ Inc and has made a considerable investment in their products to date. Their equipment works very well and their prices are very competitive with similar devices. Staff recommends using In-Situ data loggers at these new well locations.

Regarding environmental documentation, the USGS is the lead agency for this project for the purposes of environmental compliance under the National Environmental Policy Act (NEPA). However, the drilling of these monitoring wells is categorically exempt under NEPA. In addition, the project is also exempt under the California Environmental Quality Act (CEQA), pursuant to CEQA guidelines section 15306. Staff recommends that the Board direct Staff to file a Notice of Exemption (NOE) for these four wells as WRD did for the previous four wells. District counsel has reviewed this matter and agree that WRD should file a NOE.

The 16-well plan and these four wells specifically have been brought to the Technical Advisory Committee (TAC). The TAC has approved of the drilling of these latest 4 wells. However, they recommended that the wells be funded on a pay-go basis versus debt financing.

FISCAL IMPACT

The cost for the USGS to drill, install, develop, and to perform data analysis and reporting is \$320,000 per well, or \$1,280,000 for the 4 wells. The cost for Schlumberger to do the borehole logging for the 4 wells is \$215,430. The cost for the In-Situ data loggers for the 4 wells is \$50,000. Therefore, the total cost for the four wells is \$1,545,430, or approximately \$386,400 per well.

The District was recently successful in securing \$394,000 in Federal Funds in the current FY08 Federal budget to reimburse WRD for the partial cost of these wells. This money was championed by Congresswoman Lucille Roybal-Allard for her 34th District, and will be credited towards wells 7 and 9, which are in her District.

Because the District is not ready to debt finance at this time, this project's expenses will be drawn from District reserves. As achieved in WRD's previous debt financing, the amount drawn from reserves by this project can then be reimbursed in a future bond issuance. The board will have to consider a resolution to accomplish this purpose which can be brought to the Board at a later time.

WATER RESOURCES COMMITTEE RECOMMENDATION

(1) Execute an agreement, subject to approval of form by District Counsel, with the United States Geological Survey to drill four new groundwater monitoring wells for an amount not to exceed \$1,280,000 plus a 5% contingency for a total of \$1,344,000.

- (2) Execute an agreement, subject to approval of form by District Counsel, with Schlumberger Water Services to perform professional geophysical logging services of the four new monitoring well sites for an amount not to exceed \$215,430, plus a 10% contingency for a total of \$237,000.
- (3) Approve the purchase of groundwater monitoring equipment from In-Situ Inc. or an amount not to exceed \$50,000, plus a 10% contingency for a total of \$55,000.
- (4) Direct Staff to file a Notice of Exemption for the wells under CEQA.
- (5) Declare its intent to explore reimbursing the total cost for these four wells from a future debt issuance.



MEMORANDUM

ITEM NO. 9

Prepared by: Adeline Yoong

Reviewed by: Robb Whitaker

Approved by: Robb Whitaker

DATE: JANUARY 18, 2008

TO: BOARD OF DIRECTORS MEETING

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: SOUTH BAY CITIES COUNCIL OF GOVERNMENTS 9TH ANNUAL ASSEMBLY

SUMMARY

This item is agendaized at the request of President Robles. On February 22, 2008, the South Bay Cities Council of Governments (SBCCOG) will be hosting its 9th Annual General Assembly entitled "Bracing for The Boom: Are Cities Ready for their Aging Population." This annual meeting brings together South Bay elected officials, city commissioners, committee members, and staff from the 16 member cities. Also included are County, State, and Federal legislators from the region.

SBCCOG is seeking WRD participation as a conference sponsor. The four levels of sponsorship available are as follows:

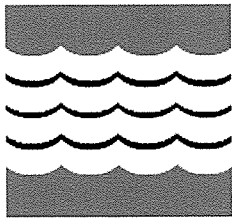
- Sponsor (\$2,500)
 - Recognition on invitations and on poster at the event
- Benefactor (\$5,000)
 - Exhibit space for sponsor and 1 non-profit
 - Recognition on invitations and on poster at the event
 - Recognition in press releases and program
- Patrons (\$7,500)
 - Exhibit space for sponsor and 2 non-profit
 - 3 seats for your business representative with non-profit representatives at lunch
 - Recognition on invitations and on poster at the event
 - Recognition in press releases and program
- Golden Circle (\$10,000)
 - Exhibit space for sponsor and 3 non-profit
 - 5 seats for your business representative with non-profit representatives at lunch
 - Recognition on invitations and on poster at the event
 - Name/logo on signage at lunch and on event banner
 - Recognition in all other materials – electronic, printed, press releases, cable TV interview

FISCAL IMPACT

Funds were not allocated for this event in the FY07-08 budget and will have to be drawn from reserves.

STAFF RECOMMENDATION

For discussion.



SOUTH BAY CITIES
COUNCIL OF GOVERNMENTS

5033 Rockvalley Road
Rancho Palos Verdes, CA 90275
(310) 377-8987
sbccog@southbaycities.org
www.southbaycities.org

November 16, 2007

Adeline Yoong
Water Replenishment District
12621 E. 166th Street
Cerritos, CA 90703

Dear Ms. Yoong:

On February 22, 2008 the South Bay Cities Council of Governments (SBCCOG) will be hosting its 9th Annual General Assembly entitled "Bracing for The Boom: Are Cities Ready for their Aging Population." The event is being held at the Carson Community Center in Carson, CA. We are asking for your participation as a conference sponsor.

During the post-World War II years, 1946 through 1964, there were close to 80 million births. Today, every 7 seconds, one of those babies turns 50. Already, 13 million are over the age of 55. This generation has greatly influenced the world at every stage of their lives and they are now changing the way the "golden years" are viewed and defined.

SBCCOG's General Assembly will address this coming wave which will impact government, business, transportation, housing, healthcare, entitlements, recreation and the economy. The focus will be on cities assessing their preparedness for meeting the expectations of the aging boomers. **Are we prepared?**

- How will an aging workforce impact local government and business?**
- What will be the impact on employment and the local/regional tax base?**
- How will city services change or expand to accommodate 21st Century seniors?**
- Are cities ready to meet the rising senior housing demand?**
- Will traditional city-sponsored senior centers and services become obsolete?**
- What local and regional transportation options will be expected?**
- Will local healthcare providers be prepared for the increased demands?**
- What opportunities will result from this new perspective on aging?**

This annual meeting brings together South Bay elected officials, city commissioners, committee members, and staff from the 16 member cities. Also included are County, State, and Federal legislators from the region. Speakers and panels will include experts in the field.

In order to provide an opportunity for local businesses to interact with elected officials and to participate in this forum, we are offering sponsorship at four levels of benefits. We have added a new feature to this year's program – with sponsorship you will also be sponsoring a non-profit agency exhibit. This benefit will increase participation by non-profit agencies that provide services to seniors in the South Bay. These non-profits will enhance the program, providing valuable insight into what government and the private sector should consider when planning for the aging of this unique generation.

LOCAL GOVERNMENTS IN ACTION

Carson El Segundo Gardena Hawthorne Hermosa Beach Inglewood Lawndale Lomita Los Angeles Manhattan Beach
Palos Verdes Estates Rancho Palos Verdes Redondo Beach Rolling Hills Rolling Hills Estates Torrance

Sponsorship levels include:

GOLDEN CIRCLE: \$10,000

Exhibit space for sponsor and for 3 non-profits
5 seats for your business representatives at lunch with elected official & non-profit representatives at lunch
Recognition on invitations & poster at the event;
Name/logo on signage at lunch and on event banner
Recognition in all other materials – electronic, printed, press releases, cable TV interview

PATRONS: \$7,500

Exhibit space for sponsor and for 2 non-profit
3 seats for your business representative with non-profit representatives at lunch
Recognition on invitations & poster at the event
Recognition in press releases and program

BENEFACTORS: \$5,000

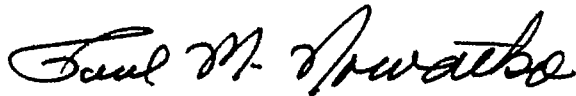
Exhibit space for sponsor and for 1 non-profit
Recognition on invitations & poster at the event
Recognition in press releases and program

SPONSOR: \$2,500

Recognition on invitations & on poster at the event

We will be contacting you in the coming weeks to answer any questions and to discuss sponsorship with you. We hope to include you and your organization in our pre-event publicity which includes media announcements and print advertisements beginning in November. In the meantime if you have any questions regarding sponsorships, please contact Beverly Voran at 714.960.6198 or hardhatcomm@verizon.net. For general inquiries about the SBCCOG or General Assembly, please contact Kim Fuentes at 626.357.4445 or kfuent@aol.com or consult the web site @ www.southbaycities.org

Sincerely,



Paul M. Nowatka
Chair, SBCCOG
Councilman, City of Torrance



MEMORANDUM

ITEM NO. 10

*Prepared by: Sheryll Petty
Reviewed by: Scott Ota
Approved by: Robb Whitaker*

DATE: JANUARY 18, 2008
TO: BOARD OF DIRECTORS
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: METROPOLITAN WATER DISTRICT (MET) RATE INCREASE

SUMMARY

This item is agendaized at the request of President Robles.

FISCAL IMPACT

To be determined.

PRESIDENT'S RECOMMENDATION

Oppose Metropolitan Water District's (MET) rate increase.



MEMORANDUM

ITEM NO. 11

Prepared by: Charlene King

Reviewed by: Ted Johnson

Approved by: Robb Whitaker

DATE: JANUARY 18, 2008

TO: BOARD OF DIRECTORS

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: AWARD OF CONTRACT FOR ADA IMPROVEMENT PROJECT

SUMMARY

The City of Lakewood allowed the District to occupy the new building based on the condition that certain Americans with Disabilities Act (ADA) requirements would be made to the building. These requirements included the following:

- Stairs (striping and closed-in side panels) and stair landing modifications,
- Guardrail additions to the interior stairs,
- Flooring in area of drinking fountains to be changed to a detectable flooring system,
- Final entryway path to extend to north & south sidewalks and include a “change of direction clearance” for wheelchairs

Staff publicly advertised for this work beginning November 19, 2007, and kept the bidding process open for 30 days. By the closing date of December 18, 2007, the District received bids from the following seven (7) firms:

Number	Company	Bid Amount
1	Omega Contractors	\$68,500
2	Pacific Haustek, Inc.	\$74,450
3	CHI Construction	\$85,995
4	Y & M Construction	\$89,520
5	Caltec Corporation	\$98,000
6	Best Quality Painting, Inc.	\$117,000
7	Minako America Corp.	\$123,000

The four lowest bidders were originally notified that their bids were non-responsive. The District issued to them a “Noticed & Opportunity to Submit Materials Concerning Responsiveness of Bid.” The time for the bidders to respond was extended to 5 days. At the January 11, 2008, Board meeting, the Board of Directors deferred award of the contract to the January 18 meeting so that the 5-day response period could be observed. After the January 11 Board meeting, the lowest bidder, Omega Contractors, submitted a response to the notice that was reviewed by staff and District Counsel. Based on Omega’s response and the determination that its response does not give them an unfair advantage over the other bidders,

it has been determined that Omega's bid is responsive, and therefore they are the lowest qualified bidder.

FISCAL IMPACT

The fiscal impact is \$68,500 plus a 15% contingency for a total amount of \$79,000. Funds for this work are included in the original capital budget for the building.

AD-HOC BUILDING COMMITTEE RECOMMENDATION

The Ad-Hoc Building Committee reviewed this item January 16, 2008 and will provide a recommendation to the Board on January 18, 2008.



MEMORANDUM

ITEM NO. 12

Prepared by: Ellin Davtyan,
Deputy District
Counsel

Reviewed by: Scott Ota

Approved by: Robb Whitaker

DATE: JANUARY 18, 2008

TO: BOARD OF DIRECTORS

FROM: ROBB WHITAKER

SUBJECT: AMENDMENT TO THE ADMINISTRATIVE CODE, ADDITION OF CHAPTER 20 AND ADOPTING THE CODE OF CONDUCT

SUMMARY

The Administrative Committee at its December 10, 2007 meeting considered, provided comments and recommended the adoption of the Code of Conduct. The Administrative Committee recommends that the Board of Directors approve the attached Resolution No. 08-XXX, adopting the Code of Conduct and adding Chapter 20, entitled Code of Conduct to the District's Administrative Code.

While the Administrative Code provides various procedural requirements and guidance relating to Board of Directors and the District's employees duties and responsibilities, organization and operation of the District, procedures for public contracting and conduct of the District's meetings, the Code of Conduct focuses on policies and protocol related to the Board of Directors and the District employees conduct with each other, the community, professional and business relationships and ethical considerations.

By way of brief summary, the Code of Conduct addresses nine (9) different topics. The Code of Conduct establishes an ad-hoc Ethics Committee comprised of two (2) Board of Directors and one (1) alternate, the General Manager, Chief Financial Officer and Controller, and the District Counsel. The purpose of the Ethics Committee is to investigate and address any potential violations of the District's Code of Conduct. The Ethics Committee will meet as needed to address any non-compliance issues related to the Code of Conduct.

The Code of Conduct also incorporates the ethical training requirements of Assembly Bill 1234, now codified in Government Code Section 53232.2 *et seq.* For instance, the Code of Conduct provides that each Directors shall receive at least two (2) hours of training in general ethics principle and ethics laws, as defined in Government Code Section 53234. Additionally, the Code of Conduct provides that the District must maintain the records pertaining to Directors' ethical training for at least five (5) years.

The Code of Conduct provides additional guidance and clarification regarding the relationship between the Board of Directors and the District staff. It provides that communications between the District staff and the Board of Directors should be facilitated through the General Manager or designee. The Code of Conduct further defines the roles of the General Manager and the District Counsel. For example, the General Manager is responsible for the management and overseeing performance of the District personnel, while the General Manager and the District Counsel report directly to the Board of Directors. Additionally, the Code of Conduct incorporates the terms and provisions of the Memorandum of Understanding, when applicable.

Policies relating to disclosure and/or improper use of confidential information are also included in the Code of Conduct. As are policies relating to use of the District property and equipment, ex-parte communications and public awareness guidelines.

Finally, the Code of Conduct also incorporates state laws relating to conflict of interests and political activities, including the Political Reform Act, Regulations of Fair Political Practices Commission, Government Code section 1090 *et seq.* and Government Code section 3201 *et seq.*

FISCAL IMPACT

None.

ADMINISTRATIVE COMMITTEE RECOMMENDATION

Adopt Resolution No. 08-XXX, approve the Code of Conduct and add Chapter 20, entitled "Code of Conduct" to the Administrative Code.

RESOLUTION NO. 08-XXX

RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA ADDING CHAPTER 20 TO THE ADMINISTRATIVE CODE AND ADOPTING THE CODE OF CONDUCT

WHEREAS, the Water Replenishment District of Southern California (“District”) is committed to upholding highest ethical standards in all business and professional operations and relationships; and

WHEREAS, it is District’s intent to carry out its mission with unquestionable ethics and integrity, the cornerstone of achieving and maintaining credibility and ensuring public trust; and

WHEREAS, the District’s ability to achieve its mission is directly dependent on the day-to-day choices made by District Board of Directors and employees while representing the District; and

WHEREAS, adopting the Code of Conduct will further District’s intent to carry out its mission with unquestionable ethics and integrity, the cornerstone of achieving and maintaining credibility and ensuring public trust; and

WHEREAS, on December 10, 2007, the Administrative Committee considered and recommended the adoption of the Code of Conduct; and

WHEREAS, the Board of Directors of the District desires to establish a clear policy relating the conduct of District’s Board of Directors and employees.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Code of Conduct is hereby adopted; and
2. The District’s Administrative Code is hereby amended to include Chapter 20 entitled “Code of Conduct” and shall read in its entirety as follows:

20. CODE OF CONDUCT

20.1 CODE OF CONDUCT POLICY STATEMENT

The District is committed to upholding the highest ethical standards in all our business and professional operations and relationships. We will carry out our mission with unquestionable ethics and integrity, the cornerstone of achieving and maintaining credibility and ensuring public trust. We owe this, and no less, to the public we serve.

The ability of the District to achieve our mission is directly dependent on the day-to-day choices we make and our actions while representing the District. We are

accountable for creating and maintaining credibility and trust with our constituents and customers, dealing fairly and honestly with our suppliers, contractors and consultants, and avoiding actual or perceived conflicts of interest that may arise due to outside activities, employment, and gifts.”

This chapter of the Administrative Code shall be known and referred to as the District’s “Code of Conduct Policy”.

20.2 ETHICS COMMITTEE

A Committee comprised of Directors, District employees and Legal Counsel shall serve as the Ethics Committee for the District. The Committee shall be composed of the following members:

1. Two Water Replenishment District Directors and one alternate;
2. Assigned District employees: General Manager, Chief Financial Officer and Controller;
3. District Legal Counsel.

The Committee shall be an ad-hoc standing committee and shall meet as required to address compliance issues related to this policy. Any violations of this Code of Conduct Policy, real or perceived, are to be immediately reported to the General Manager or an Ethics Committee member. Any suspected potential violations will be agendized at the next scheduled Ethics Committee meeting.

The District encourages reporting all good faith suspected violations of this Code of Conduct. Until the Ethics Committee determines that an actual violation of this Code has occurred, the alleged violator is presumed to be innocent of the violation. There shall be no adverse consequences suffered by anyone making a good faith report of a suspected violation nor shall there be any adverse consequences suffered by anyone accused of violating these standards and subsequently found not to have violated the District’s Code of Conduct Policy. The identity of any persons reporting violations of this Policy shall be kept confidential.

20.3 ETHICS TRAINING

Each Director shall receive at least two (2) hours of training in general ethics principles and ethics laws, as defined in Government Code Section 53234, relevant to his or her public service every two (2) years, or as may otherwise be required by applicable law

The District shall inform the Directors annually of ethics training opportunities. Group study or self-study ethics curricula developed by the District must be approved by the Fair Political Practices Commission and the Attorney General and may include local ethics policies.

A local agency or an association of local agencies may offer one or more training courses, or sets of self-study materials with tests, which may be taken at home, in-person, or online.

All providers of ethics training courses shall provide the Directors with proof of participation forms, indicating the date of the training and the entity that provided the training. The District shall maintain these records for five (5) years.

Each Director in local agency service as of January 1, 2006, except for Directors whose term of office ends before January 1, 2007, shall receive two (2) hours of ethics training before January 1, 2007. Each Director who commences service with the District on or after January 1, 2006, shall receive two (2) hours of ethics training no later than one (1) year from the first day of service with the District. Thereafter, each Director shall receive ethics training at least once every two (2) years.

20.4 OVERSIGHT

The District's outside auditor, as part of its annual audit will review selected travel expenses reimbursement and meeting compensation (per diem) to verify compliance with the Code of Conduct Policy and applicable state laws. The District auditor will include this review in its annual published audit report, which will be made available by the District for public review.

The auditor shall promptly notify the District of any instances of non-compliance with the requirements of this Code of Conduct Policy.

20.5 BOARD/STAFF RELATIONSHIP

District staff reports to the Board through the General Manager or his/her designee. Board communications to District staff shall be through the General Manager, unless otherwise permitted or encouraged in the provisions of the Administrative Code. The Board of Directors sets policy for the District and provides direction to the General Manager. It is the job of the General Manager to implement the Board adopted policies and priorities. General Manager's failure or refusal may be subject to disciplinary action, as permitted by law.

20.6 USE OF DISTRICT PROPERTY AND EQUIPMENT

A Director can be assigned selected District equipment for use on District business. No Director shall use or permit the use of District equipment, telephones, materials or property for personal gain or profit. No Director shall request a District employee to perform services for their personal gain or profit. Each Director must protect and properly use any District asset within his or her own control, including information recorded on paper or in electronic form.

Directors of the District shall not use the District logo, stationery, or other facsimile thereof, for any solicitation or political activity including, but not limited to, political contributions.

20.7 EMPLOYMENT

Employment decisions such as hiring, promoting, evaluating, compensation and terminating employees are based on qualifications for the position, ability and performance and terms and provision of applicable Memorandum of Understanding. The General Manager is responsible for the management and overseeing the performance of District personnel, with the exception of the General Manager and the District Counsel, that report directly to the Board of Directors.

It is District's policy to avoid favoritism, the appearance of favoritism and conflicts of interest in employment decisions and reserves the right to take appropriate action in such situations.

All contacts or communications with individuals interested in employment with the District should be referred to the Human Resources Department.

20.8 CONFIDENTIAL INFORMATION

From time to time, Directors have access to confidential information, including but not limited to medical information, hiring and personnel information, information discussed in Closed Session meetings of the Board, attorney client privileged communications. With regards to confidential information:

1. A Director shall not use his or her position to obtain official information about any person or entity for any purpose other than the performance of official duties.
2. A Director shall not intentionally, knowingly or recklessly disclose confidential information concerning the property, operations, policies, personnel, or any other affairs of the District. This rule does not prohibit any disclosure that is no longer confidential by law, or the confidential reporting of illegal or unethical conduct to authorities as permitted and prescribed by law.

20.9 CONFLICT OF INTEREST

A Director shall not make, participate in making or in any way attempt to use his or her official position to influence a District decision in which he or she has a financial interest or may otherwise profit.

A Director shall not make, participate in making, or use his or her official position to influence any District decision directly or indirectly relating to any contract where the Board member knows or has reason to know that any party to the contract is a person or entity with whom the Board member, or any member of his or her immediate family, has engaged in any business transaction or transactions on terms not available to the general public.

A conflict of interest can exist anytime a Director's position or decisions provide financial benefit or improper advantage. Directors shall comply with the Political Reform Act, Regulations of Fair Political Practices Commission, Government Code section 1090, *et seq.*, and all other applicable laws.

A Director shall not, directly or indirectly, induce or attempt to induce any District employee:

1. To participate in an election campaign, contribute to a candidate or political committee, or engage in any other political activity relating to a particular party, candidate or issues;
2. To refrain from engaging in any lawful political activity.

A former Director shall not represent any person, group, or entity other than himself or herself or his/her spouse or minor children for a period of one (1) year after the termination of his or her official duties:

1. Before the Board;
2. Before District employees having responsibility for making recommendations to, or taking any action on behalf of the District.

20.10 EX-PARTE COMMUNICATIONS

The District strives to ensure the protection of due process and fairness in its decision-making process. The District promotes transparency in its decision-making process and strives to ensure that all District decisions are made on the basis of information available to all District Board members and to the public. When making any contact with District employees or Directors all parties must exercise sound judgment and caution to prevent an actual or implied impression that such contacts will result in preferential treatment of the prospective contractor.

All communications received by District Board members regarding contractual matters pending before the Board shall be reported to the General Manager. District Directors who are contacted shall make no representations regarding the pending contractual matter other than the communication will be forwarded to the General Manager.

All such communications requesting clarification of further information concerning the pending contractual matter shall be responded to by a District employee in a manner that ensures all other bidders, proposers, vendors, or contractors receive identical responses.

All communications that are not handled as described above, are ex-parte communications, which are prohibited. Board action that was the subject of the ex-parte communication may be revoked.

20.11 PARTICIPATION IN POLITICAL ACTIVITIES

Directors shall comply with the Political Reform Act, Regulations of Fair Political Practices Commission, Government Code section 3201 *et seq.*, and all other applicable laws.

20.12 REVIEW OF CONTRACTS

All contracts entered into by the General Manager under his or her authority pursuant to the Administrative Code shall be reported to the Board on a quarterly basis.

20.13 PUBLIC AWARENESS GUIDELINES

The District authorizes each Director to initiate or participate in non-political public awareness activities subject to the guidelines set forth below elsewhere in the Administrative Code. Any expenditures made pursuant to these guidelines must further the District's interest in promoting water conservation, education, and District awareness.

PASSED, APPROVED AND ADOPTED THIS 17th day of December 2007 by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA

Albert Robles, President

ATTEST:

Sergio Calderon, Secretary

DATE



MEMORANDUM

ITEM NO. 13

Prepared by: Scott M. Ota

Reviewed by: Scott M. Ota

Approved by: Robb Whitaker

DATE: JANUARY 18, 2008

TO: BOARD OF DIRECTORS

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: BUILDING LEASE SPACE

SUMMARY

The District's administration building currently has 3,000 square feet of lease space available. Two entities showed interest in the space, the Lakewood Chamber of Commerce and the Small Business Development Center (SBDC). Both entities submitted bid proposals for use of our lease space. The Lakewood Chamber offered hard dollar base rent of \$127,800 over a 5-year lease term along with other added value services and opportunities. The SBDC offered over \$320,000 in hard dollar base rent over the same 5-year lease term; the SBDC also offered other added value services and opportunities. At the direction of the Board, staff has been negotiating with the Small Business Development Center (SBDC) "lessee" on a lease agreement.

The main points of the lease agreement are as follows:

- Lease Term - Staff has negotiated a 5-year lease.
- Base Rent - Base rent for the lessee will be \$1.50/SF for years 1-2 and shall be increased to \$1.65/SF for years 3-5. The lessee will provide reception coverage for the lobby area from 8AM – 5PM, Monday through Friday. The District has given the lessee a rent credit of \$.20/SF for this service.
- Gross Lease – The lease is a full service lease, also known as a gross lease; in which the facility owner is responsible for all building expenses and maintenance. However, the District will not be responsible for the lessee's communication and telephone utilities. The base rent shall cover other utilities expense such as water, gas and light.
- Tenant Improvements - The market currently supports a tenant improvement allowance of \$15/sq foot. This translates to an allowance of \$45,000. This is normally provided to the lessee for improvements prior to occupying the space. In the event that this allowance is not enough for the tenant, additional allowances can be built into the monthly lease rate and amortized over the term of the lease.

- Additional Facility Use – The use of our first floor conference rooms (Hollydale and Gage conference rooms) and Board room is an added value to the lessee. Common areas can be reserved by the lessee through District staff.
- Parking - Parking is of particular importance for the District. The District has 80 available parking spaces (including 4 ADA parking spaces). The lessee has asked for 15 spaces. This will not impede on the District’s parking needs and the remaining spaces will be adequate for normal parking needs.
- Sublease – The lessee shall not have the right to sublease or otherwise allow any other entity or person to occupy the premises.
- Renewal of Term – Lessee shall have the right to extend the term of the lease for two additional terms of five years each. Base rent shall be adjusted at each renewal term by an increase of 15% of the base rent paid during the previous year.

FISCAL IMPACT

Base rent for the lessee will be \$1.50/SF for years 1-2 and shall be increased to \$1.65/SF for years 3-5. The SBDC will provide reception coverage for the lobby area from 8AM – 5PM, Monday through Friday. The District has given the SBDC a rent credit of \$.20/SF for this service.

The District will collect annual lease revenue of \$54,000 (\$1.50/SF) for years one and two, and annual lease revenue of \$59,400 (\$1.65/SF) for years three through five. The District will also provide \$15/SF for tenant improvements.

Total income over 5-year lease term	\$ 286,200
Less: Tenant Improvement Allowance	<u>(45,000)</u>
Net Lease Income over 5-year term	<u>\$ 241,200</u>

Any tenant improvements performed over the \$45,000 allowance will be added to the lease payment over the 5-year term.

STAFF RECOMMENDATION

Approve the lease space agreement with the Small Business Development Center (SBDC) for a five-year lease term.



MEMORANDUM

ITEM NO. 14

Prepared by: Adeline Yoong

Reviewed by: Robb Whitaker

Approved by: Robb Whitaker

DATE: JANUARY 18, 2008
TO: BOARD OF DIRECTORS
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: LEGISLATIVE REPORT

SUMMARY

Legislative Calendar

State Legislature

January 1 – Statutes take effect

January 7 – Legislature reconvenes

January 10 – Governor must submit FY2008-09 proposed budget to Legislature

January 18 – Last day for Policy Committees to meet and report to Fiscal Committees fiscal bills introduced in their house in 2007

January 24 – Last day for legislative measure to qualify for June 2008 ballot

January 25 – Last day for any committee to meet and report to the Floor bills introduced in the house in 2007. Deadline to submit new bill proposals to Legislative Counsel.

January 31 – Last day for each house to pass bills introduced in 2007 in house of origin.

Congress

January 15 – House of Representatives reconvenes

January 22 – U.S. Senate reconvenes (tentative)

January 4 – President FY2009 budget

January 24 to 26 – House Republican Caucus Retreat

January 28 – State of the Union Address

January 30 to February 1 – House Democratic Caucus Retreat

Legislative Report

Verbal updates will be provided on state and federal matters.

FISCAL IMPACT

None.

EXTERNAL AFFAIRS COMMITTEE RECOMMENDATION

For information.