

**SPECIAL MEETING OF THE GROUNDWATER QUALITY COMMITTEE
OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
4040 PARAMOUNT BOULEVARD, LAKEWOOD, CA 90712
2:00 P.M., WEDNESDAY, NOVEMBER 25, 2009**

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" MAY ALSO BE THE SUBJECT OF ANY "ACTION" TAKEN BY THE BOARD OR A COMMITTEE AT THE SAME MEETING.

- 1. DETERMINATION OF A QUORUM**
- 2. PUBLIC COMMENT**
- 3. APPROVAL OF THE MINUTES OF SEPTEMBER 23, 2009**
Staff Recommendation: Approve as submitted.
- 4. GROUNDWATER CONTAMINATION UPDATE**
Staff Recommendation: For information.
- 5. GROUNDWATER QUALITY UPDATE – CONSTITUENTS OF EMERGING CONCERN (CEC) STATE ADVISORY PANEL**
Staff Recommendation: For information.
- 6. WORLEY PARSONS CONTRACT AMENDMENT FOR ASSISTANCE WITH CONTAMINATED SITE INVESTIGATION AND EXPEDITED CLEANUP**
Staff Recommendation: Authorize an additional \$25,000 to the existing Agreement with Worley Parsons for as-needed consulting services for review and assistance with contaminated site investigations and expedite site cleanups within the District.
- 7. TITLE 22 GROUNDWATER MONITORING PROGRAM LABORATORY SERVICES**
Staff Recommendation: Approve award of contract to one of the proposing laboratories for the Title 22 Groundwater Monitoring Program Laboratory Services. A recommended firm will be provided at the committee meeting.
- 8. MUSICK PEELER & GARRETT RETAINER AND CONFLICT OF INTEREST WAIVER**
Staff Recommendation: Approve the retainer and conflict of interest waiver with Musick Peeler & Garrett LLP which establish conditions to MPG's subcontracting agreement with Worley Parsons, thereby allowing MPG to provide as-needed legal expertise and input in the areas of costs/benefits/risks for legal and litigation activities for contaminated site investigations, cleanups and cost recovery.

9. DIRECTORS' REPORTS, INQUIRIES, AND REVIEW OF DIRECTIONS TO STAFF

10. ADJOURNMENT

Posted by Abigail C. Andom, Deputy Secretary, November 23, 2009.

In compliance with the Americans with Disabilities Act (ADA), if special assistance is needed to participate in the Board meeting, please contact Deputy Secretary Abigail Andom at (562) 921-5521 for assistance to enable the District to make reasonable accommodations.

All public records relating to an agenda item on this agenda are available for public inspection at the time the record is distributed to all, or a majority of all, members of the Board. Such records shall be available at the District office located at 4040 Paramount Boulevard, Lakewood, California 90712.

Agendas and minutes are available at the District's website, www.wrd.org.

UNAPPROVED
MINUTES

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MINUTES

**MINUTES OF SEPTEMBER 23, 2009
MEETING OF THE GROUNDWATER QUALITY COMMITTEE
OF THE BOARD OF DIRECTORS OF THE
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

A meeting of the Groundwater Quality Committee of the Board of Directors of the Water Replenishment District of Southern California was held on Wednesday, September 23, 2009, 12:16 p.m., at the District Office, 4040 Paramount Boulevard, California. Chairperson Rob Katherman called the meeting to order and presided thereover. Administrative Specialist Sheryll A. Moffat recorded the minutes.

1. DETERMINATION OF A QUORUM

Committee: Directors Rob Katherman and Sergio Calderon
Staff: Ted Johnson, Hoover Ng, Nancy Matsumoto, Charlene King, Phuong Ly.

2. PUBLIC COMMENT

None.

3. GROUNDWATER QUALITY UPDATE

Senior Engineer Hoover Ng said that chromium is in the forefront of the water quality regulatory arena because there have been some new developments. The current drinking water standard for total chromium is 50 micrograms per liter and it is regularly monitored in water systems and reported to the public. There has been interest in Chromium 6 since the movie Erin Brockovich was released in 2001 that portrayed gross contamination of Chromium 6. He said Chromium 6 is toxic and if inhaled can cause cancer. He said Chromium 3 is an essential nutrient found in food and vitamins. He said that the State Office of Environmental Health Hazard Assessment (OEHHA) recently released a draft Public Health Goal (PHG) for Chromium 6 of 0.06 micrograms per liter which is about a 1,000 times less than the total current Chromium standard of 50 micrograms per liter. A PHG is not intended to be an enforceable drinking water standard. He said that the California Department of Public Health will evaluate this number by their standards to develop a draft MCL. He said that the impact to WRD's service area includes about 15 production wells that were found to have between 1.6 to 13 micrograms per liter of Chromium 6 so there could be some impact depending on where they set the MCL. However, this could take up to two to three years to establish.

4. REQUEST FOR PROPOSALS FOR TITLE 22 GROUNDWATER MONITORING PROGRAM LABORATORY SERVICES

The committee concurred with the staff recommendation to approve the issuance of Request for Proposals for Title 22 Groundwater Monitoring Program Laboratory Services.

5. GROUNDWATER CONTAMINATION UPDATE

Water Quality Specialist Phuong Ly distributed "Key Facts" sheets to supplement her report. She said that she would be discussing two sites today: 1.) Hard Chrome Products located in the City of Los Angeles, Central Basin, LA Forebay and 2.) Honeywell International Corp. located in the City of Los Angeles, West Coast Basin. She said that the Hard Chrome Products site is currently just a vacant lot. The groundwater flows north-northwest at this site. She said that remediation at this site includes shallow soil excavation and calcium polysulfide injection. She said that the chromium VI concentrations have been greatly reduced since beginning the calcium polysulfide treatment. Ms. Ly also noted a correction in the unit of measurement in the total chromium and chromium VI concentrations in the writeup which has been corrected on the website and in the handouts we have today. It should have been milligrams per liter instead of micrograms per liter. Quarterly groundwater monitoring will continue at the site to see if chromium VI concentrations remain low.

Ms. Ly reported that the Honeywell site is located adjacent to the Los Angeles International Airport and that groundwater flows easterly at this site. She said that from 1941 to 1987, various manufacturing operations were conducted at the site by Garrett Airesearch. A total of 13 underground storage tanks (USTs) have been either removed or abandoned in place. In 1991, the site was redeveloped into an asphalt-covered commercial parking lot. Since 1990, a variety of remedial activities have been conducted at the site, including soil excavation, soil vapor extraction (SVE), and groundwater remediation pilot studies. An SVE/vacuum-enhanced recovery system began operating in March 2000 at the northwest quadrant of the site. The SVE system was shutdown between 2005 and 2007 due to modifications to the treatment system. In 2007, the SVE system resumed removal of volatile organic compounds (VOCs) from the soil at the northwest quadrant of the site. Future plans include installing two on-site groundwater monitoring wells between two areas of high VOC concentrations to obtain more information and also to install a deeper well at the eastern portion of the site.

Mr. Johnson said that at the last meeting, the Committee had requested additional ideas to help expedite remediation at the high-priority groundwater contaminated sites. He said that staff is currently hosting regular contamination forums, which gathers all the regulators together at least 3 times per year; the District has hired Worley Parsons and Musik, Peeler, & Garrett to evaluate the merit of pursuing cost recovery; the District provides RA exemptions to entities that are conducting groundwater cleanup; the Safe Drinking Water Program helps remove contaminants from impacted production wells. He shared the following proposed actions with the committee: 1.) explore hiring regulatory officials (such as RWQCB or DTSC employees) on a part-time basis to

focus on the 47 high-priority groundwater contaminated sites; of these sites, approximately 10 sites could benefit from this assistance to expedite remediation; the regulatory official could work at WRD's office on his/her furloughed day off; 2.) WRD could hire an environmental consultant to provide input to a regulatory agency on their investigation/remediation activities at a high-priority groundwater contaminated site to expedite the cleanup process; 3.) continue providing funding assistance to the regulators; 4.) install groundwater monitoring wells around severely impacted sites to collect additional samples; 5.) fund the additional \$250,000 needed after the Board awarded a contract to investigate the Santa Fe Springs area; 6.) develop an incentive program, such as funding groundwater extraction/remediation activities if the individual injects the treated groundwater back into the aquifer; also, WRD could issue an RA exemption or build the treatment facilities if treated groundwater is injected back into the aquifer; 7.) expand our well profiling services by resuming the abandoned wells program & identifying sources of groundwater contamination.

The committee requested that staff evaluate the possibility of adding additional contamination prevention work to the existing Worley Parsons contract.

6. REQUEST FOR PROPOSALS FOR WELL PROFILING SERVICES

The committee concurred with the staff recommendation that the Board approve issuance of Request for Proposals for Well Profiling Services.

7. SALINE PLUME UPDATE

Mr. Johnson said that staff has been developing a saline plume policy to find a long-term solution to seawater intrusion in the West Coast Basin. He said that staff has prepared a draft executive summary which will be brought before the Basin stakeholders for their input and to the Board for approval. He noted that the City of Torrance has asked staff to give a presentation on the saline plume.

8. DIRECTORS REPORTS, INQUIRIES, AND REVIEW OF DIRECTORS TO STAFF

The committee requested that Mr. Johnson provide an oral report on the saline plume at tomorrow's Board meeting and also provide the draft report to the West Basin Municipal Water District directors and general manager.

9. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 2:00 p.m.

Chairperson

Attest:

Director



MEMORANDUM

ITEM NO. 4

Prepared by: Phuong Ly

Reviewed by: Ted Johnson

Approved by: Robb Whitaker

DATE: NOVEMBER 25, 2009

TO: GROUNDWATER QUALITY COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: GROUNDWATER CONTAMINATION UPDATE

CONTAMINATED GROUNDWATER SITES

With the cooperation and support of stakeholders such as the United States Environmental Protection Agency (USEPA), California Regional Water Quality Control Board (RWQCB), and California Department of Toxic Substances Control (DTSC), WRD developed a list of high-priority contaminated groundwater sites within District boundaries. This list is a living document, subject to cleanup and "closure" of sites as well as discovery of new sites warranting further attention. Currently, the list includes 47 sites across the Central and West Coast Basins.

WRD has been working with the lead regulatory agencies for each of these sites to keep abreast of their status, offer data collection, review and recommendations as needed, and facilitate progress in site characterization and cleanup. Below is a discussion of two sites that were recently updated with information obtained from the regulatory agency.

AAD DISTRIBUTION AND DRY CLEANING INC. (CITY OF VERNON, CENTRAL BASIN, LOS ANGELES FOREBAY)

From 1986 to 2000, AAD Distribution and Dry Cleaning (AAD) stored and treated waste PCE and PCE-contaminated filter media, primarily generated from dry cleaning facilities. The liquid PCE wastes were distilled on site and treated filter media and distillation sludge were shipped off site for disposal. Former AAD operations included a cartridge still, a distillation still, a drum washing area, and various drum storage areas.

In December 2000, the site was abandoned with approximately 1,600 drums of hazardous waste material left at the site. The drums were later removed by the United States Environmental Protection Agency (USEPA) Superfund Emergency Response unit. Previous site tenants also include a tire distributor, a foundry and pattern maker, a welding shop, and a luggage manufacturer.

There are six groundwater monitoring wells associated with the site. The constituents of concern in soil and groundwater beneath the site are chlorinated volatile organic compounds (VOCs), primarily tetrachloroethene (PCE) and trichloroethene (TCE). Below is a summary of the most recent analytical results of groundwater samples collected from the site.

SUMMARY OF RECENT GROUNDWATER ANALYTICAL RESULTS AAD Distribution and Dry Cleaning, City of Vernon		
Chemical	Concentration In Groundwater (April 2008)	Maximum Contaminant Level (MCL)
Tetrachloroethene (PCE)	220 mg/L (Well MW-3)	5 ug/L
Trichloroethene (TCE)	1,300 ug/L (Well MW-6)	5 ug/L
1,2-Dichloroethane (1,2-DCA)	2.1 ug/L (Well MW-4)	0.5 ug/L
1,1-Dichloroethene (1,1-DCE)	11 ug/L (Well MW-3)	6 ug/L

During their investigation, the California Department of Toxic Substances Control (DTSC) determined that the AAD site is unlikely to have caused the VOC contamination in deep groundwater beneath the site and vicinity. Both DTSC and WRD recognize that this groundwater contamination warrants further investigation. At the request of DTSC, WRD funded one round of water level measurements and groundwater sampling in 2008. Recently, DTSC requested WRD to fund a subsequent round of water level measurements and groundwater sampling of the existing monitoring wells. A renewal Agreement was approved by the WRD Board last month. Similar to the previous monitoring and sampling event, the work will be performed by a consultant managed by DTSC.

Remediation activities at the site include shallow soil vapor excavation and soil vapor extraction (SVE). In July 2007, an approximate total of 192 tons of the upper 5 feet of soil was removed from the area of the former solvent still. Since October 2007, an SVE system has been removing VOCs from soil to a maximum depth of 80 feet below ground surface.

WILMINGTON-GRAMERCY RIGHT-OF-WAY (CITY OF LOS ANGELES, WEST COAST BASIN)

The site is an unpaved right-of-way for electrical transmission towers owned by the City of Los Angeles Department of Water and Power (LADWP). The site is approximately 1.5 miles long and 50 to 120 feet wide. The site runs south along Interstate 110 Freeway from Gardena Boulevard to Figueroa Street and is physically separated into four segments by major streets and/or features.

In the late 1940s, an industrial disposal sump (maximum depth of 23 feet below ground surface) was located at the southernmost portion of the site. During construction of the Interstate 110 Freeway in the late 1950s and early 1960s, the sump was partially excavated and the contents were buried along the right-of-way. Subsequently, the sump was backfilled with imported clean fill. A total of nine (9) sump material spreading areas and the former sump location have been identified as areas of concern. The total estimated, in-situ volume of sump materials at the site is approximately 54,400 cubic yards. Sump materials contain metals, VOCs, semi-volatile organic compounds (SVOCs), and petroleum hydrocarbons at elevated concentrations. Former synthetic rubber manufacturing facilities surrounding the site may have been the source of the sump materials.

The site is currently leased to several nurseries that use it for horticultural purposes. Subsurface investigations have been conducted at the site since 1998. There are a total of six on-site and off-site groundwater monitoring wells associated with the site. The constituents of concern in groundwater are VOCs and petroleum hydrocarbons. Below is a summary of the most recent analytical results of groundwater samples collected from the site.

SUMMARY OF RECENT GROUNDWATER ANALYTICAL RESULTS Wilmington-Gramercy Right-of-Way, City of Los Angeles		
Chemical	Concentration in Groundwater (October 2004)	Maximum Contaminant Level (MCL)
Benzene	6.75 ug/L (Well MW-3)	1 ug/L
Ethylbenzene	474 ug/L (Well MW-3)	300 ug/L
Trichloroethene (TCE)	12.05 ug/L (Well MW-2)	5 ug/L
1,1-Dichloroethene (1,1-DCE)	19.8 ug/L (Well MW-2)	6 ug/L
Total Extractable Petroleum Hydrocarbons (TPH)	57,300 ug/L (Well MW-3)	None
TPH as gasoline (TPH-g)	1,650 ug/L (Well MW-3)	None

At this time, DTSC is obtaining access agreements from surrounding properties to conduct additional soil, soil gas, and groundwater investigations. The intent of these additional investigations is to determine the nature and extent of contamination upgradient and downgradient of the sump materials and to assess the exposure of nearby receptors to the chemicals of concern. Once the plume has been delineated, DTSC will determine the type of remediation required for this site.

FISCAL IMPACT

None at this time.

STAFF RECOMMENDATION

For information.



MEMORANDUM

ITEM NO. 5

Prepared by: Hoover Ng

Reviewed by: Ted Johnson

Approved by: Robb Whitaker

DATE: NOVEMBER 25, 2009

TO: GROUNDWATER QUALITY COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: GROUNDWATER QUALITY UPDATE – CONSTITUENTS OF EMERGING CONCERN (CEC) STATE ADVISORY PANEL

SUMMARY

The detection of pharmaceuticals, endocrine disrupters and personal care products in the United States began in the 1990's as new analytical methods developed for research were utilized. In a national survey in 1999 - 2000, the United States Geological Survey found them in both surface water and groundwater. As more research was conducted, more chemicals were found at lower and lower detection levels with these new methods. Their occurrence has raised concern regarding their potential impacts on both human health and the environment, even though many of these chemicals are 3 to 6 orders of magnitude below therapeutic dosages. There is some evidence of impacts to aquatic species. The Associated Press ran a series of articles in March 2008 that brought more attention to this issue.

The State Water Resources Control Board (SWRCB) recently adopted a new Recycled Water Policy in May 2009 to encourage and support the use of more recycled water in the state. Included in this policy is recognition of this concern over the detection of trace levels of constituents of emerging concern (CEC's) and their potential impacts. A "blue-ribbon" panel of experts was formed to address this issue. The panel is comprised of 6 esteemed experts in the fields of human health toxicology, environmental toxicology, epidemiology, aquatic biochemistry, environmental engineering, and chemistry.

This panel held its first meeting on September 30 – October 2, 2009 in Costa Mesa, Ca. The core questions that the panel is charged with are the following:

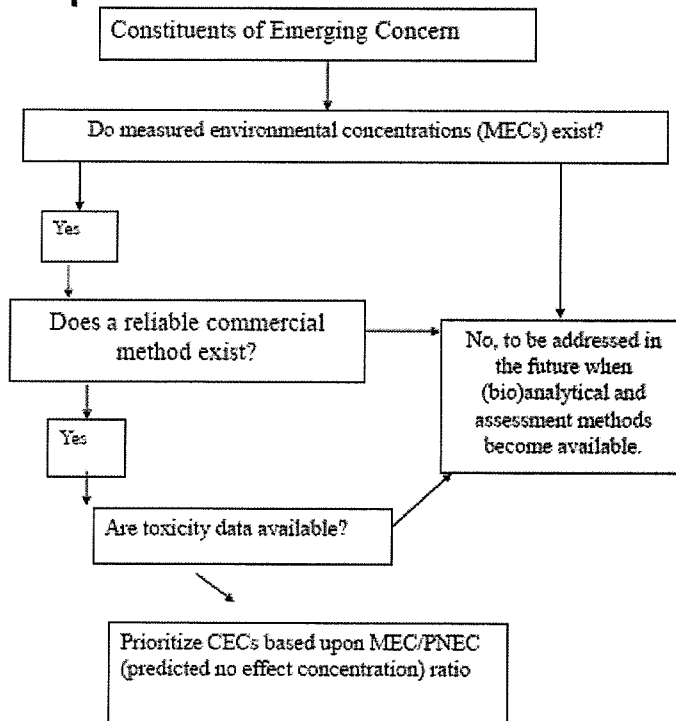
1. What are the appropriate constituents to be monitored, including analytical methods and MDLs (method detection levels)?
2. What is the known toxicological information for the above constituents?
3. Would the above lists change based on level of treatment and use? If so, how?
4. What are possible indicators that represent a suite of CEC's?
5. What levels of CECs should trigger enhanced monitoring of CEC's

The following are highlights from this meeting:

1. Various presentations were given as background information to the panelists:
 - a. Regulatory perspectives from SWRCB staff and California Department of Public Health (CDPH)
 - b. Case studies from international projects and the Santa Ana Watershed experience – 20 years of effort
 - c. Stakeholder perspectives from the water recycling and drinking water communities and non-governmental agencies
 - i. WaterReuse Association
 - ii. Drinking water community – Inland Empire Utilities Agency, San Diego County Water Authority
 - iii. Clean Water Action
 - iv. Pacific Coast Federation of Fishermen's Associations
 - d. Analytical capability of commercial laboratories
2. Although there are many other questions related to this topic, the SWRCB wants the panel to focus on the potential human health impacts from using recycled water in groundwater recharge and landscape irrigation projects. Aquatic impacts are secondary.
3. CDPH has developed a preliminary list of CEC's in their draft groundwater recharge regulations as a footnote, August 8, 2008, and this list is not to be used as enforceable standards. However, it was recognized that they have been misinterpreted and have been used to indicate that their detection might be harmful, and have already been included in monitoring requirements for various water recycling permits. In lieu of a list of chemicals, the use of surrogate indicators was expressed.
4. Since there are incidental discharges of treated wastewater into imported water into the State Water Project and the Colorado River, it was recognized that the detection of CEC's does not always mean that they originated from planned recharge projects. It may become important and necessary to monitor for CEC's in imported sources of water supply.
5. The non governmental organizations (NGO's) support water recycling and also recognize this issue is problematic. One NGO preferred a wait and see approach when there are too many unknowns about the potential impacts both on human health and the environment and indicated that lessons need to be learned from perchlorate.
6. Analytical methods need to be robust to produce defensible results. However, it is a common axiom that the lower the value, the greater the uncertainty. A survey of commercial labs showed that they all have different capabilities (number of analytes, detection levels, etc.), and the costs range from \$500 to \$2000 per round of sampling.
7. The panel, after reviewing the presentations and discussing further among themselves, summarized their thoughts at this time.
 - a. Need to distinguish between groundwater recharge projects, spreading vs. injection, and landscape irrigation applications, and point of compliance vs point

- of exposure to account for improved water quality after percolation or advanced treatment.
- b. They will review currently available data and prioritize a potential list of constituents and/or surrogates based on this data.
 - c. If there is insufficient data, they will identify the areas of need for further study and research.

Conceptual Prioritization Scheme



The panel plans to obtain supplemental information on research, studies, and investigations to assist them. They have 3 additional meetings scheduled and will provide a final report to the SWRCB on May 4, 2010 with recommendations.

Additional information

In February 2008, the federal government proposed a list of potential drinking water contaminants, Contaminant Candidate List 3 (CCL3). In October 2009, this list was finalized and includes 104 chemicals and 12 microbiological contaminants which might be found in public water systems. This list includes pesticides, disinfection byproducts, waterborne pathogens and biological toxins. They were selected from an original group of 7500 contaminants thought to pose a public health concern for drinking water systems. It is a first step in standard setting. For the first time, the Environmental Protection Agency (EPA) added 10 pharmaceuticals to this list. All of the listed contaminants will be further reviewed and evaluated for occurrence and health impacts and will be considered for further regulations.

Results of some studies have shown that soil aquifer treatment employed at the Montebello Forebay spreading grounds is effective in removing many emerging contaminants. Other studies have shown advanced treatment with microfiltration, reverse osmosis and advanced oxidation is effective. These results suggest that both spreading of recycled water and advanced treatment of recycled water prior to injection at seawater barriers have been effective in removing many CEC's.

More recently, the American Water Works Association Research Foundation (AWWARF) completed a study, "Removal of EDC's and Pharmaceuticals in Drinking and Reuse Treatment Processes". The results show that disinfection with chlorine, ozone and ultraviolet light all are effective in removing a majority of these chemicals, as well as confirming that treatment with reverse osmosis and soil aquifer treatment is effective.

MWD began their own monitoring program in 2007 and are currently testing for 8 chemicals. They are also participating in other studies to characterize more comprehensively water in the Colorado River and State Water Project. MWD has also created a Pharmaceutical and Personal Care Product (PPCP) workgroup to address and monitor this topic. Staff is a member of this workgroup.

Staff will continue to monitor developments and report back to the Committee.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

For information.



MEMORANDUM

ITEM NO. 6

Prepared by: Nancy Matsumoto,
Phuong Ly

Reviewed by: Ted Johnson

Approved by: Robb Whitaker

DATE: NOVEMBER 25, 2009

TO: GROUNDWATER QUALITY COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

**SUBJECT: WORLEY PARSONS CONTRACT AMENDMENT FOR ASSISTANCE WITH
CONTAMINATED SITE INVESTIGATION AND EXPEDITED CLEANUP**

SUMMARY

At the September 2009 meeting, the Committee discussed possible methods to accelerate the progress of contaminated site investigation and cleanup within the District. It was suggested that WRD utilize a consulting firm on an as-needed basis, to assist with review and recommendations on selected issues affecting the high-priority contaminated groundwater sites tracked by the District.

Because Worley Parsons has been retained by the District to perform a Benefit-Cost-Risk Analysis, and will be reviewing information on these high-priority contaminated sites, the Committee suggested amending the Worley Parsons contract to include utilizing Worley Parsons on an as-needed basis for a defined time period as described above.

At the request of District staff, Worley Parsons provided rough cost estimates for as-needed assistance with review and recommendations on contaminated sites. According to Worley Parsons, the cost of advising the WRD and stewarding the investigation and remediation of a contaminated site on WRD's behalf varies primarily on the complexity of the contaminated site, the size of the site, the number of reports to review (i.e., the amount of data being interpreted), and the quality of the work. For example, small routine reports may require \$500 to \$1,500 for review and comment, while corrective action plans for large and complex contaminated sites may require \$3,000 to \$6,000 for review and comment. For the purposes of budgeting, Staff has assumed review and assistance with 5 complex sites at an average cost of \$5,000 per site in the current Fiscal Year.

FISCAL IMPACT

\$25,000. Funds for this work are available under Project 006 of the current FY09/10 budget.

STAFF RECOMMENDATION

Authorize an additional \$25,000 to the existing Agreement with Worley Parsons for as-needed consulting services for review and assistance with contaminated site investigations and expedite site cleanups within the District.



MEMORANDUM

ITEM NO. 7

Prepared by: Hoover Ng
Reviewed by: Ted Johnson
Approved by: Robb Whitaker

DATE: NOVEMBER 25, 2009
TO: GROUNDWATER QUALITY COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: TITLE 22 GROUNDWATER MONITORING PROGRAM LABORATORY SERVICES

SUMMARY

The District has been managing the Title 22 Groundwater Monitoring Program since January 2007. This program provides sample collection and analysis of drinking water wells and reporting of results to the California Department of Public Health as required by their regulations. It ensures compliance with applicable source water quality monitoring requirements for drinking water wells. The District has provided this service to the following 20 pumpers subscribing to this program for over 70 wells.

Bellflower Home Garden Mutual Water Company	Norwalk, City of
Bellflower-Somerset Mutual Water Company	Orchard Dale County Water District
Bellflower Municipal Water System	Paramount, City of
Compton, City of	Pico Rivera, City of
Huntington Park, City of	Sativa County Water District
La Habra Heights County Water District	Signal Hill, City of
Lynwood Park Mutual Water Company	South Gate, City of
Lynwood, City of	Tract 180 Mutual Water Company
Maywood Mutual Water Company No. 1	Tract 349 Mutual Water Company
Maywood Mutual Water Company No. 2	Walnut Park Mutual Water Company
Maywood Mutual Water Company No. 3	

TestAmerica Analytical, Inc. was awarded a contract for laboratory services effective January 1, 2007. It will be expiring December 31, 2009 for this program. A Request for Proposals for Title 22 Groundwater Monitoring Program Laboratory Services was issued on November 2, and 3 proposals were received from Truesdail, Weck, and Test America on November 17, 2009. These proposals will be evaluated by Staff and a member of West Basin Municipal Water District and a recommendation will be provided to the committee at the meeting.

FISCAL IMPACT

This program has been included in the 09-10 budget under Project 006.

STAFF RECOMMENDATION

Approve award of contract to one of the proposing laboratories for the Title 22 Groundwater Monitoring Program Laboratory Services. A recommended firm will be provided at the committee meeting.



MEMORANDUM

ITEM NO. 8

<i>Prepared by:</i>	Bianca Sparks
<i>Reviewed by:</i>	Nancy Matsumoto, Ted Johnson
<i>Approved by:</i>	Robb Whitaker

DATE: NOVEMBER 25, 2009

TO: GROUNDWATER QUALITY COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: MUSICK PEELER & GARRETT RETAINER AND CONFLICT OF INTEREST WAIVER

SUMMARY

On June 19, 2009, the Board awarded a contract to Worley Parsons Komex ("Worley Parsons") for a benefit-cost-risk analysis for contaminated site investigations, remediation and cost recovery. Pursuant to the terms of the Worley Parsons agreement, Musick Peeler & Garrett ("MPG") is to serve as a subcontractor to provide as-needed legal expertise and input for legal and litigation activities related to the above described benefit-cost-risk analysis.

While MPG is serving as a subcontractor to Worley Parsons, the services provided by MPG will create an attorney-client relationship between MPG and the District. Because an attorney-client relationship will be formed, MPG must adhere to the California Rules of Professional Conduct and address all actual and potential conflicts of interest that may be created as a result of its representation of the District.

MPG currently represents the Los Angeles Unified School District ("LAUSD") with respect to environmental conditions at the Los Angeles Academy Middle School ("School Site"), and Greg Patterson, the MPG attorney proposed to handle the subcontracting agreement, has served as LAUSD's lead counsel in the matter. The School Site has been identified by the District as a potentially contaminated site. Due to the School Site's status as a potentially contaminated site, and MPG's representation of LAUSD, a conflict of interest has been created. In order for MPG to serve as a subcontractor under the Worley Parsons agreement, the MPG must obtain a conflict of interest waiver from the District. Pursuant to the terms of the waiver, the District will permit MPG to move forward with its representation of the District subject to certain conditions.

Under the waiver, MPG agrees that Greg Patterson will not work on any analysis related to the School Site on behalf of the District, and the MPG attorneys assigned to work on behalf of the District will not disclose any confidential information they obtain to Greg Patterson or LAUSD. Further, MPG will not undertake any representation of any individual or entity that owns or operates a potentially contaminated or contaminated site, including any contaminated site owned or operated by LAUSD. Moreover, should any additional conflicts arise, MPG will take the measures required by the California Rules of Professional Conduct to obtain the

necessary waivers, subject to the District's approval. The District's General Counsel has reviewed the conflict of interest waiver and has approved it to form.

In addition to the conflict of interest waiver, the District also needs to execute a retention agreement which acknowledges the attorney-client relationship between the District and MPG. The retention agreement sets forth that Musick Peeler will serve as a subcontractor to Worley Parsons to provide as-needed legal expertise and input in the areas of costs/benefits/risks for legal and litigation activities for contaminated site investigations, cleanups and cost recovery. Further, under the terms, the District has the ability to terminate the agreement at any time, and acknowledges the conflict of interest issues that were detailed above. The District's General Counsel has also reviewed the retention agreement and has approved it to form.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

Approve the retainer and conflict of interest waiver with Musick Peeler & Garrett LLP which establish conditions to MPG's subcontracting agreement with Worley Parsons, thereby allowing MPG to provide as-needed legal expertise and input in the areas of costs/benefits/risks for legal and litigation activities for contaminated site investigations, cleanups and cost recovery.

MUSICK, PEELER & GARRETT LLP
ATTORNEYS AT LAW

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LOS ANGELES
ORANGE COUNTY
SAN DIEGO
SAN FRANCISCO
SANTA BARBARA
WESTLAKE VILLAGE

October 15, 2009

Nancy Matsumoto, P.G., C.HG.
Senior Hydrogeologist
Water Replenishment District of Southern California
4040 Paramount Blvd.
Lakewood, CA 90712

Re: Benefit-Cost-Risk Analysis for Contaminated Site Investigation, Remediation and Cost Recovery

Dear Ms. Matsumoto:

I want to thank you for the opportunity to assist the Water Replenishment District of Southern California (the "District") and WorleyParsons with respect to the benefit-cost-risk analysis for contaminated site investigation, remediation and cost recovery.

Although our services will be provided pursuant to a subconsulting agreement directly with WorleyParsons as required by the District, those services will create an attorney-client relationship between Musick, Peeler & Garrett, LLP ("MPG") and any and all work performed by MPG shall be protected under the attorney-client privilege and the attorney work product doctrine. The District and our firm require written acknowledgement of our retention, and the purpose of this correspondence is to set forth the terms by which MPG will provide these legal services.

I also provide an explanation of our representation of the Los Angeles Unified School District which owns several properties within the District's jurisdiction currently undergoing remediation under the oversight of the Department of Toxic Substances Control. If acceptable, I ask that the District sign this letter and return a signed copy to me.

Services to be Provided by MPG

MPG has been engaged by WorleyParsons, as its subconsultant, to provide the District with as-needed legal expertise and input in the areas of costs/benefits/risks for legal and litigation activities for contaminated site investigations, cleanups and cost recovery. MPG and the District agree that in providing these services, MPG will act as a subconsultant to WorleyParsons who also has been retained by the District to assist it in its evaluation. The District agrees to cooperate with MPG and provide the information necessary to facilitate the

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completion of MPG's responsibilities pursuant to the terms of its subconsulting agreement with WorleyParsons.

Fees and Costs

As compensation for the services to be performed by MPG, the District has approved a cap of Twenty Thousand Dollars (\$20,000.00) for legal services and related costs and expenses. Payment of the MPG fees and costs will be made by WorleyParsons pursuant to a separate agreement, a copy of which is attached to this letter. The District acknowledges that it has reviewed the agreement between MPG and WorleyParsons and has approved the terms and conditions of this agreement. As noted in the attached agreement, for purposes of this project, the partners assigned to this matter Gregory J. Patterson and K. Ryan Hiete will charge \$325.00 per hour. Associates, if needed, will be charged at \$280.00 per hour.

The costs and expenses may include, without limitation, telephone calls, messenger and other delivery fees, postage, charges for computer research, travel expenses such as mileage and parking, photocopying and other reproduction charges, clerical staff overtime, word processing charges, charges for computer time, and other similar items.

Billing

MPG will send WorleyParsons an itemized invoice for fees and costs incurred on a monthly basis and copy the District with the invoice. The District agrees to promptly review MPG's billings upon receipt and, within 30 days thereof, bring to MPG's attention any adjustments, reductions that the District believes are necessary. For an administrative convenience, the invoices will describe all the work done by an individual on a particular date and set forth the entire time billed to that work. MPG bills in 0.10 hour increments.

Termination of Services

The District shall have the right, at any time, to terminate MPG's services upon written notice to MPG and MPG shall immediately, after receiving such notice, cease to render additional services. MPG's compensation in the event of such a termination shall be exclusively limited to payment for all authorized services performed and for all authorized expenses incurred up to the effective date of such termination. MPG understands and agrees that it shall not be entitled to any additional compensation or reimbursement whatsoever in the event of such termination.

Following any termination, MPG shall promptly return all District property, and shall likewise provide to the District all finished and unfinished data, studies, maps, reports and

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other deliverables and work-product prepared by MPG pursuant to the subconsulting agreement with WorleyParsons.

Disclosure of Representation of the Los Angeles Unified School District

Musick, Peeler & Garrett LLP (“MPG”) currently represents the Los Angeles Unified School District (the “LAUSD”) with respect to environmental conditions at the Los Angeles Academy Middle School, formerly known as Jefferson New Middle School, located at 644 E. 56th Street in the City of Los Angeles (the “School Site”). In addition to the School Site, the District has identified the LAUSD South Region High School No. 8 located at the corner of Walker Avenue and Randolph Street in the City of Maywood as a selected contaminated site within the District’s geographic jurisdiction. MPG has had no direct involvement representing the LAUSD with respect to South Region High School and has no information or knowledge regarding this property.

The LAUSD has been involved in a massive school construction project. As part of its effort, the LAUSD has, on occasion, purchased contaminated sites and then cleaned up these properties under the oversight of the Department of Toxic Substances Control to standards that allow the properties to be used as schools. With respect to the School Site, we have represented the LAUSD since approximately 1997 in its efforts to remediate soil and groundwater contamination at the School Site, primarily consisting of industrial solvents caused by historical activities which occurred prior to the LAUSD’s purchase of the property. As part of that representation, we represented the LAUSD in a lawsuit brought by it against certain prior owners and operators to recover costs associated with the assessment and cleanup of the contamination. As a result of the lawsuit, the LAUSD entered into settlement agreements with several former occupants of the property. Currently, the LAUSD and two former occupants, MHC, Inc. and ALCO Capital Group, are parties to a Consent Order with the Department of Toxic Substances Control, the oversight agency monitoring the cleanup activities. In addition, the United States Government funds a portion of the costs of the cleanup. As of this date, soil contamination has been cleaned up and the parties are in the process of developing a plan to clean offsite groundwater contamination. Recently, MHC, Inc. entered into a Chapter 11 Bankruptcy and informed LAUSD that it can no longer participate as a member of the Group cleaning up the property. This bankruptcy is pending. One of the lawyers who may be assigned to assist the District, Gregory Patterson, was lead counsel for the LAUSD in this matter.

Conflict of Interest:

The California Rules of Professional Conduct provide in relevant part as follows:

Rule 3-310(C): A member shall not, without the informed written consent of each client: . . .

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(3) Represent a client in a matter and at the same time in a separate matter accept as a client a person or entity whose interest in the first matter is adverse to the client in the first matter.

Rule 3-310(E): A member shall not, without the informed written consent of the client or former client, accept employment adverse to the client or former client where, by reason of the representation of the client or former client, the member has obtained confidential information material to the employment.

With regard to Rule 3-310(C), MPG's performance of the duties described in the subconsulting agreement with WorleyParsons will not result in MPG representing the District and LAUSD in the same matter. However, it *may* result in MPG providing services to the District at the same time MPG represents LAUSD in matters in which LAUSD is adverse to the District. Because we have a professional duty of undivided loyalty to each client, given MPG's current representation of LAUSD, we need the informed written consent of both LAUSD and the District before we can perform the subconsulting services pursuant to the agreement with WorleyParsons.

With reference to Rule 3-310(E), MPG may have obtained confidential information from LAUSD that would be material to the above described subconsulting agreement with WorleyParsons. Consequently, before providing services to the District under the terms of the subconsulting agreement with WorleyParsons, MPG requests the District's informed written consent. As previously stated, MPG has already obtained written consent from LAUSD.

To protect the confidentiality of any information of LAUSD and the District that may have been or will be conveyed to MPG during our representation, MPG will institute the following "ethical screening" procedures: Greg Patterson will not work on any analysis related to the School Site on behalf of the District. MPG agrees that none of the attorneys providing services to the District under the subconsulting agreement will communicate any information regarding their findings concerning the School Site to Greg Patterson. Greg Patterson will not communicate any information regarding the School Site to any of the attorneys providing analysis to the District concerning the School Site. Further, MPG, and specifically, the attorneys assigned to provide legal services to the District will not disclose any confidential information that has been or may be obtained as a result of representation of the LAUSD to the District. In addition, MPG and, specifically, the attorneys assigned to the District will not disclose any confidential information that has or may be obtained as a result of the representation of the District to the LAUSD. Attorneys assigned to provide legal services to the District will be instructed not to communicate any information regarding the District to other attorneys at MPG. All physical and electronic files generated in providing legal services to the District will be

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segregated and marked confidential and other attorneys who have been or may be assigned to LAUSD matters will not have access to these files.

Further, the District has agreed MPG will not participate in any discussions between the District and WorleyParsons involving any property owned or operated by LAUSD, and MPG will not participate in any evaluation of any property owned or operated by LAUSD as part of its representation. The District should also be aware that MPG would not be able to represent the District in any claim against the LAUSD. Further, MPG agrees not to represent LAUSD in any action involving the District as it pertains to the terms of the subconsulting agreement.

MPG agrees that during the course of its attorney-client relationship, and upon cessation of the attorney-client relationship with the District, that it will not undertake any representation of any individual or entity that owns or operates a potentially contaminated or contaminated site, including any contaminated site owned or operated by LAUSD. MPG agrees that it will not use any information obtained from its representation of the District in any legal proceeding or other matter related to any contaminated site within the District's jurisdiction or sphere of influence. MPG further agrees that it will not represent any of the entities or individuals that appear on the list of potentially contaminated sites provided to MPG by the District.

MPG is unaware of any other potential conflicts arising from its representation of the District; however, the scope of work may identify additional potentially responsible parties in the future, and we will continue to monitor the identity of these parties and advise the District of any other potential conflicts of interest that arise during our representation. If any new sites are added to the District's list of potentially contaminated sites, MPG agrees to conduct a full conflicts check to ensure that no conflict or potential conflict of interest exists. Moreover, should any additional conflicts arise, MPG will take the measures required by the California Rules of Professional Conduct to obtain the necessary waivers, subject to the District's approval.

Conclusion

If this letter provides an accurate description of the scope and manner in which legal services will be provided to the District, please sign the enclosed copy of the agreement in the space provided and return it to us.

MUSICK, PEELER & GARRETT LLP
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Very truly yours,

Gregory J. Patterson
for MUSICK, PEELER & GARRETT LLP

1320251.2

Date: _____

WATER REPLENISHMENT DISTRICT OF
SOUTHERN CALIFORNIA

By: _____

Its: _____

GJP:lp

660028.1

MUSICK, PEELER & GARRETT LLP
ATTORNEYS AT LAW

GREGORY J. PATTERSON
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LOS ANGELES
ORANGE COUNTY
SAN DIEGO
SAN FRANCISCO
SANTA BARBARA
WESTLAKE VILLAGE

October 21, 2009

Nancy Matsumoto, P.G., C.HG.
Senior Hydrogeologist
Water Replenishment District of Southern California
4040 Paramount Blvd.
Lakewood, CA 90712

Re: Acknowledgement of Representation of the Los Angeles Unified School District
and Waiver of Conflict

Dear Ms. Matsumoto:

I write to describe our current representation of the Los Angeles Unified School District and explain the potential conflict-of-interest that may arise from our proposed representation of the Water Replenishment District of Southern California ("District.") Because the Los Angeles Unified School District ("LAUSD") is a client of the firm and the engagement proposed by the District may potentially create a conflict between the District, on the one hand, and the LAUSD on the other hand, as explained below, we are required to disclose any potential conflict and obtain a written waiver from the District. As an initial matter, I write to confirm that we have fully informed the LAUSD of our proposed representation of the District, and the LAUSD has approved of our representation of the District.

We have been asked by the District to provide as-needed legal expertise and input in the areas of costs/benefits/risks for legal and litigation activities for contaminated site investigations, cleanups and cost recovery related to contaminated properties within the jurisdiction of the District. We have reviewed the list of selected contaminated sites in the Central and West Coast Basins under the jurisdiction of the District and have identified two LAUSD properties on a list, one of which we are actively involved in, and one of which we are not. The following provides a description of our representation of the LAUSD with respect to the LAUSD's properties within the jurisdiction of the District.

Disclosure of Representation of the Los Angeles Unified School District

Musick, Peeler & Garrett LLP ("MPG") currently represents the Los Angeles Unified School District (the "LAUSD") with respect to environmental conditions at the Los Angeles Academy Middle School, formerly known as Jefferson New Middle School, located at 644 E. 56th Street in the City of Los Angeles (the "School Site"). In addition to the School Site,

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the District has identified the LAUSD South Region High School No. 8 located at the corner of Walker Avenue and Randolph Street in the City of Maywood as a selected contaminated site within the District's geographic jurisdiction. MPG has had no direct involvement representing the LAUSD with respect to South Region High School and has no information or knowledge regarding this property.

The LAUSD has been involved in a massive school construction project. As part of its effort, the LAUSD has, on occasion, purchased contaminated sites and then cleaned up these properties under the oversight of the Department of Toxic Substances Control to standards that allow the properties to be used as schools. With respect to the School Site, we have represented the LAUSD since approximately 1997 in its efforts to remediate soil and groundwater contamination at the School Site, primarily consisting of industrial solvents caused by historical activities which occurred prior to the LAUSD's purchase of the property. As part of that representation, we represented the LAUSD in a lawsuit brought by it against certain prior owners and operators to recover costs associated with the assessment and cleanup of the contamination. As a result of the lawsuit, the LAUSD entered into settlement agreements with several former occupants of the property. Currently, the LAUSD and two former occupants, MHC, Inc. and ALCO Capital Group, are parties to a Consent Order with the Department of Toxic Substances Control, the oversight agency monitoring the cleanup activities. In addition, the United States Government funds a portion of the costs of the cleanup. As of this date, soil contamination has been cleaned up and the parties are in the process of developing a plan to clean offsite groundwater contamination. Recently, MHC, Inc. entered into a Chapter 11 Bankruptcy and informed LAUSD that it can no longer participate as a member of the Group cleaning up the property. This bankruptcy is pending. One of the lawyers who may be assigned to assist the District, Gregory Patterson, was lead counsel for the LAUSD in this matter.

Conflict of Interest:

The California Rules of Professional Conduct provide in relevant part as follows:

Rule 3-310(C): A member shall not, without the informed written consent of each client: . . .
(3) Represent a client in a matter and at the same time in a separate matter accept as a client a person or entity whose interest in the first matter is adverse to the client in the first matter.

Rule 3-310(E): A member shall not, without the informed written consent of the client or former client, accept employment adverse to the client or former client where, by reason of the representation of the client or former client, the member has obtained confidential information material to the employment.

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With regard to Rule 3-310(C), MPG's performance of the duties described in the subconsulting agreement with WorleyParsons will not result in MPG representing the District and LAUSD in the same matter. However, it *may* result in MPG providing services to the District at the same time MPG represents LAUSD in matters in which LAUSD is adverse to the District. Because we have a professional duty of undivided loyalty to each client, given MPG's current representation of LAUSD, we need the informed written consent of both LAUSD and the District before we can perform the subconsulting services pursuant to the agreement with WorleyParsons.

With reference to Rule 3-310(E), MPG may have obtained confidential information from LAUSD that would be material to the above described subconsulting agreement with WorleyParsons. Consequently, before providing services to the District under the terms of the subconsulting agreement with WorleyParsons, MPG requests the District's informed written consent. As previously stated, MPG has already obtained written consent from LAUSD.

To protect the confidentiality of any information of LAUSD and the District that may have been or will be conveyed to MPG during our representation, MPG will institute the following "ethical screening" procedures: Greg Patterson will not work on any analysis related to the School Site on behalf of the District. MPG agrees that none of the attorneys providing services to the District under the subconsulting agreement will communicate any information regarding their findings concerning the School Site to Greg Patterson. Greg Patterson will not communicate any information regarding the School Site to any of the attorneys providing analysis to the District concerning the School Site. Further, MPG, and specifically, the attorneys assigned to provide legal services to the District will not disclose any confidential information that has been or may be obtained as a result of representation of the LAUSD to the District. In addition, MPG and, specifically, the attorneys assigned to the District will not disclose any confidential information that has or may be obtained as a result of the representation of the District to the LAUSD. Attorneys assigned to provide legal services to the District will be instructed not to communicate any information regarding the District to other attorneys at MPG. All physical and electronic files generated in providing legal services to the District will be segregated and marked confidential and other attorneys who have been or may be assigned to LAUSD matters will not have access to these files. t

Further, the District has agreed MPG will not participate in any discussions between the District and WorleyParsons involving any property owned or operated by LAUSD, and MPG will not participate in any evaluation of any property owned or operated by LAUSD as part of its representation. The District should also be aware that MPG would not be able to

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represent the District in any claim against the LAUSD. Further, MPG agrees not to represent LAUSD in any action involving the District as it pertains to the terms of the subconsulting agreement.

MPG agrees that during the course of its attorney-client relationship, and upon cessation of the attorney-client relationship with the District, that it will not undertake any representation of any individual or entity that owns or operates a potentially contaminated or contaminated site, including any contaminated site owned or operated by LAUSD. MPG agrees that it will not use any information obtained from its representation of the District in any legal proceeding or other matter related to any contaminated site within the District's jurisdiction or sphere of influence. MPG further agrees that it will not represent any of the entities or individuals that appear on the list of potentially contaminated sites provided to MPG by the District.

We are unaware of any other potential conflicts arising from our representation of the District; however, the scope of work may identify additional potentially responsible parties in the future, and we will continue to monitor the identity of these parties and advise the District of any other potential conflicts of interest that arise during our representation. If any new sites are added to the District's list of potentially contaminated sites, MPG agrees to conduct a full conflicts check to ensure that no conflict or potential conflict of interest exists. Moreover, should any additional conflicts arise, MPG will take the measures required by the California Rules of Professional Conduct to obtain the necessary waivers, subject to the District's approval.

Sincerely,

Gregory J. Patterson
for MUSICK, PEELER & GARRETT LLP

Waiver of Conflict-of-Interest

The Water Replenishment District of Southern California hereby waives any conflict-of-interest that may exist as a result of Musick, Peeler & Garrett's representation of the Los Angeles Unified School District with respect to environmental conditions at the Los Angeles Academy Middle School and Musick, Peeler & Garrett's representation of the Water Replenishment District of Southern California to assist it in its Benefit-Cost-Risk Analysis for Contaminated Site Investigation, Remediation and Cost Recovery, subject to the conditions expressed above.

MUSICK, PEELER & GARRETT LLP
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1318273.1

WATER REPLENISHMENT DISTRICT OF
SOUTHERN CALIFORNIA

By: _____

Its: _____

GJP:lp

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