

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

**9:00 A.M., FRIDAY, APRIL 15, 2011**

**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. INVOCATION**

**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. PUBLIC COMMENT**

**6. 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 MARCH 4, 2011**

*Staff Recommendation:* Approve the minutes as submitted.

**B. WATEREUSE FOUNDATION RESEARCH MEMBERSHIP RENEWAL**

*Water Resources Committee Recommendation:* Renew membership with the WaterReuse Foundation in the amount of \$12,000 for calendar year 2011.

**7. MIDYEAR BUDGET REVIEW**

*Finance Committee Recommendation:* Receive and file the Midyear Budget Review and any re-allocations made by the Board of Directors.

8. **BUDGET WORKSHOP #1 – WRD FISCAL YEAR 11-12 DRAFT BUDGET**  
*Finance Committee Recommendation:* For discussion.
9. **CONTINUE PUBLIC HEARING ON THE 2011-2012 PROPOSED REPLENISHMENT ASSESSMENT**  
*Staff Recommendation:* Continue the Public Hearing from the April 1, 2011 Board meeting, receive staff reports and public comments, and continue the Public Hearing on the fiscal year 11-12 Replenishment Assessment to the April 29, 2011 Board meeting.
10. **WORK SCHEDULE**  
*Administrative Committee Recommendation:* Director Murray recommended changing the work schedule of non-union employees of the District to work at minimum a five-day, forty-hour per week schedule. Director Kawasaki stated that she cannot support Director Murray's recommendation and would like to keep the 9-80 work schedule for all District employees.
11. **GENERAL MANAGER'S REPORT**
12. **DISTRICT COUNSEL'S REPORT**
13. **AB 1234 COMPLIANCE REPORTS AND DIRECTORS REPORTS**
14. **WRD BOARD MEETING DATES**
  - A. April 29, 2011 – 9:00 a.m. – Special Board of Directors Meeting
  - B. May 6, 2011 – 12:00 p.m. – Special Board of Directors Meeting (Close public hearing and adopt resolution to set the replenishment assessment)
  - C. May 20, 2011 – 9:00 a.m. – Board of Directors Meeting
  - D. June 17, 2011 – 9:00 a.m. – Board of Directors Meeting
15. **CLOSED SESSION**
  - A. Conference with Legal Counsel – Existing Litigation, pursuant to Government Code § 54956.9(a), California Water Service Company, et al. v. 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 Labor Negotiator: Clifton Albright  
Employee Organization: American Federation of State, County and Municipal Employees (AFSCME)
  - D. Conference with Legal Counsel – Existing Litigation  
Pursuant to Government Code §54956.9  
Name of Case: City of Cerritos, City of Downey and City of Signal Hill v. Water Replenishment District of Southern California  
Case No.: Los Angeles County Superior Court BS128136

- E. Conference with Legal Counsel – Existing Litigation  
Pursuant to Government Code §54956.9  
Name of Case: Central Basin Municipal Water District v. Water Replenishment District of Southern California, and Does 1 through 50  
Case No.: Los Angeles County Superior Court BS129817
- F. Conference with Legal Counsel – Anticipated Litigation, Pursuant to Government Code §54956.9 (b), One Case

## 16. ADJOURNMENT

Agenda posted by Abigail C. Andom, Deputy Secretary, April 12, 2011. In compliance with ADA requirements, this document can be made available in alternative formats upon request.

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](http://www.wrd.org).

UNAPPROVED  
MINUTES

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MINUTES

**MINUTES OF MARCH 4, 2011  
MEETING OF THE BOARD OF DIRECTORS  
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

A meeting of the Board of Directors of the Water Replenishment District of Southern California was held on March 4, 2011 at 9:20 a.m. in the District office located at 4040 Paramount Boulevard, Lakewood, California. President Sergio Calderon called the meeting to order. Deputy Secretary Abigail C. Andom recorded the minutes.

**1. DETERMINATION OF A QUORUM**

President Calderon declared that a quorum of Directors was present, which in addition to himself included Directors Lillian Kawasaki and Albert Robles. Director Rob Katherman arrived while the meeting was in progress. Director Willard H. Murray, Jr. was excused.

**2. PLEDGE OF ALLEGIANCE**

West Basin Municipal Water District (WBMWD) Director Ron Smith led the Pledge of Allegiance.

**3. INVOCATION**

President Calderon gave the Invocation.

**4. ADDITIONAL ITEMS TO AGENDA**

General Manager Robb Whitaker stated that staff would like to add an item to the Board agenda, that there is an immediate need to take action on the item, and the item came to the attention of the Board after the posting of the agenda for today's meeting.

Upon a motion duly made by Director Robles, seconded by President Calderon, and unanimously approved, it was

**RESOLVED:** That the Board adds an item to the existing agenda, that the item came to the attention of the Board

after the posting of the agenda for today's meeting, and that there is a need to take immediate action to discuss the California Contract Cities Association Dinner to be held March 16, 2011.

**4.A. CALIFORNIA CONTRACT CITIES ASSOCIATION DINNER**

General Manager Robb Whitaker stated that staff received a request on March 2, 2011 from the California Contract Cities Association (CCCA) Board of Directors to host their meeting at the District offices on Wednesday, March 16, 2011. Mr. Whitaker explained that it has been the CCCA's practice to serve dinner and beverages at their board meetings. He noted that Sections 11.10 and 15.1 of the District's Administrative Code prohibit the consumption of alcohol on District premises. He stated that staff would like to request the Board permit a one-time exemption to the Administrative Code to allow the consumption of alcoholic beverages for the participants in the CCCA event. Mr. Whitaker also noted that WRD would not be providing or serving the alcoholic beverages and the District would be added to CCCA's liability insurance coverage as an additional insured party for the event.

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

**RESOLVED:** That the Board permits a one-time exemption to the District's Administrative Code to allow the consumption of alcoholic beverages by the participants to the California Contract Cities Association (CCCA) Board of Directors Meeting to be held March 16, 2011.

President Calderon announced that he is removing Agenda Item 10 off the agenda.

**5. PUBLIC COMMENT**

Rob Beste, Director of Public Works of the City of Torrance, stated that he is speaking on behalf of the West Basin Water Association (WBWA) regarding SB 701 and AB 954. Mr. Beste stated that the Board of Directors of WBWA have taken an "oppose" position to SB 701 and AB 954 and urged the WRD Board to do the same.

Director Kawasaki thanked Mr. Beste for his comments and asked that he submit them in writing.

**6. CONSENT CALENDAR**

**A. MINUTES OF THE MEETING OF DECEMBER 8, 2010**

**B. MINUTES OF THE SPECIAL MEETING OF JANUARY 19, 2011**

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

RESOLVED: That the Board approves the Consent Calendar of March 4, 2011, as submitted.

Director Katherman arrived.

**7. RECEIVE AND FILE ENGINEERING SURVEY AND REPORT; ADOPT RESOLUTION TO SET A REPLENISHMENT ASSESSMENT IN 2011-12**

Chief Hydrogeologist Ted Johnson provided a presentation to the Board on the District's annual Engineering Survey and Report (ESR).

Mr. Johnson stated that the ESR is WRD's annual report required by law to describe groundwater conditions in the Central and West Coast basins. He stated that the Board ordered the preparation of the annual Engineering Survey and Report (ESR) last January 21, 2011, which determines the replenishment water needs and costs of the District for the ensuing water year October 1, 2011 – September 30, 2012. Mr. Johnson

noted that the information from the ESR combined with the fiscal year 2011-12 budget provides the Board with the necessary information to determine the replenishment assessment for the ensuing fiscal year 2011-12. He stated that the Resolution No. 11- 898 would receive and file the ESR and declare whether funds must be raised to purchase replenishment water, how the funds will be raised, and whether funds will be raised to remove contaminants from groundwater supplies during the ensuing fiscal year.

Mr. Johnson provided the Committee with the proposed schedule for the ESR and the replenishment assessment. He noted that staff will be working in March and April to refine water purchase estimates and costs, and will work with the Finance Department on the budget for fiscal year 2011-12. Mr. Johnson stated that the replenishment assessment is anticipated to be adopted on May 6, 2011 and a revised ESR will be issued with updates.

President Calderon excused himself from the meeting.

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

**RESOLVED:** That the Board receives and files the 2011 Engineering Survey and Report and adopts Resolution No. 11-898.

The agenda items were taken out of order.

President Calderon re-joined the meeting.

**15. CLOSED SESSION**

- A. Conference with Legal Counsel – Existing litigation, pursuant to Government Code §54956.9(a), California Water Service Company, et al. v. 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 Labor Negotiator: Clifton Albright  
Employee Organization: American Federation of State County & Municipal Employees (AFSCME)
- D. Conference with Legal Counsel – Existing Litigation  
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- F. Conference with Legal Counsel – Anticipated Litigation, Pursuant to Government Code §54956.9 (b), One Case

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

Interim District Counsel H. Francisco Leal reported that Agenda Item 15.C was not discussed. Mr. Leal stated that Special Counsel Ed Casey and John Harris provided status reports on the other agenda items and there were no reportable actions taken.

Director Katherman excused himself from the meeting.

**8. SB701 (R. CALDERON): CENTRAL BASIN MUNICIPAL WATER DISTRICT: REPORT**

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

RESOLVED: That the Board opposes SB 701.

**9. AB 954 (C. CALDERON): WATER REPLENISHMENT DISTRICTS**

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

RESOLVED: That the Board opposes AB 954.

**10. CONSIDERATION OF CONTRACT WITH SHARON MARTINEZ**

This item was removed from the agenda.

**11. GENERAL MANAGER'S REPORT**

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

**12. DISTRICT COUNSEL REPORT**

None.

**13. AB 1234 COMPLIANCE REPORTS AND DIRECTORS' REPORTS**

Director Kawasaki stated that she will submit her report in writing.

Director Robles stated that he will submit his report in writing.

President Calderon stated that he will submit his report in writing.

**14. WRD BOARD MEETING DATES**

- A. *March 25, 2011 – 9:00 a.m. – Special Board of Directors Meeting*
- B. *April 1, 2011 – 9:00 a.m. – Board of Directors Meeting (Open public hearing on the proposed 2011-12 replenishment assessment)*
- C. *April 15, 2011 – 9:00 a.m. – Board of Directors Meeting*
- D. *May 6, 2011 – 9:00 a.m. – Board of Directors Meeting (Close public hearing and adopt resolution to set the replenishment assessment)*
- E. *May 20, 2011 – 9:00 a.m. – Board of Directors Meeting*

President Calderon announced the formation of two new ad hoc committees:

Ad Hoc Bond Financing composed of Directors Robles and Calderon with Director Robles as Chair; and

Ad Hoc Emergency Preparedness Committee composed of Directors Katherman and Kawasaki with Director Katherman as Chair.

**16. ADJOURNMENT**

President Calderon asked if there was any further business to come before the Board, and there being none, the meeting was adjourned at 11:25 a.m.

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Sergio Calderon, President

ATTEST:

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Robert Katherman, Secretary



## MEMORANDUM

### ITEM NO. 6.B

*Prepared by: Cathy Chang*

*Reviewed by: Ted Johnson*

*Approved by: Robb Whitaker*

**DATE: APRIL 15, 2011**

**TO: BOARD OF DIRECTORS**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: WATEREUSE RESEARCH FOUNDATION MEMBERSHIP RENEWAL**

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### SUMMARY

The WaterReuse Association is a nonprofit organization with international, national, state, and local activities whose mission is to advance the beneficial and efficient uses of high-quality, locally produced, sustainable water sources for the betterment of society and the environment through advocacy, education, outreach, research, and membership. WRD has been a strong supporter of the Association and is on the Board of Directors for the California Section.

The WaterReuse Research Foundation (Foundation) is the research wing of the WaterReuse Association and serves as a centralized organization for the water and wastewater community across the United States to advance the science of water reuse, recycling, reclamation and desalination. The Foundation conducts applied research that covers safety and reliability of reclaimed and recycled water, detection and occurrence of contaminants, treatment technologies, salinity management, public perception, economics and marketing.

Much of the research the Foundation conducts has direct applicability to the District's recycled water projects and programs. For example, in recent years the Foundation has conducted or sponsored research projects of particular relevance to WRD, including:

- Best practices for developing indirect potable reuse projects including groundwater recharge projects,
- Reclaimed water aquifer storage and recovery potential,
- Fate and transport of nitrosodimethylamine (NDMA),
- Relative risk assessment when comparing water quality impacts of recycled water and drinking water,
- Indicators and surrogates for chemicals of emerging concern,
- Selection and testing of tracers for measuring travel times in groundwater aquifers augmented with reclaimed water, and
- Membrane treatment effectiveness with nanofiltration,

Membership gives the District access to and participation in state-of-the-art research developments in the recycled water industry, and also maximizes leverage of pooling resources for mutually beneficial projects and investigations. Being a member of the

Foundation also provides an opportunity to sit on prestigious Project Advisory Committee (PAC) panels, which provides technical review and guidance to their research projects. Recently, WRD staff has participated on PAC panels related to relative health risk assessments, salinity management, and estimating groundwater quality impacts of nonpotable uses of recycled water. Sitting on the PAC panels provides the opportunity to guide the research project to areas directly related and pertinent to the District's activities.

Research is funded through subscriber membership fees, which are typically based on the annual amount of water delivered or served to customers. WRD has been a subscriber since 2006.

**FISCAL IMPACT**

For the calendar year 2011, the membership fee is \$12,000. It has been included in the current year 2010-11 budget under Project 004.

**WATER RESOURCES COMMITTEE RECOMMENDATION**

Renew membership with the WateReuse Research Foundation in the amount of \$12,000 for calendar year 2011.



## MEMORANDUM

ITEM NO. 7

Prepared by: Scott Ota

Reviewed by: Scott Ota

Approved by: Robb Whitaker

**DATE:** APRIL 15, 2011  
**TO:** BOARD OF DIRECTORS  
**FROM:** ROBB WHITAKER, GENERAL MANAGER  
**SUBJECT:** MIDYEAR BUDGET REVIEW

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### SUMMARY

Each year, staff prepares a midyear analysis of the current year's budget. The analysis will include 6 months of actual data from July 1, 2010 and December 31, 2010 along with projected data from January 31, 2011 through June 30, 2011. This information was provided to the Board of Directors on April 1, 2011.

In addition to the presentation of the Midyear Budget Review, Section 7.2.6(f) of the District's Administrative Code states the following:

*"Unspent budgeted funds for items listed in subsections a) and b) above (legislative travel and all other travel), can be re-allocated to the respective individual Director's event sponsorship and/or community grant program allocation. However, the re-allocation must take place during an open session board meeting in a time coinciding with the Board's annual midyear budget review. Once the election is made to transfer excess funds from the individual Director's travel budget to the respective individual Director's event sponsorship or community grant program budget each year, the re-allocation is irrevocable."*

There is no fiscal impact. Budgeted amounts may be moved from travel to the sponsorship and grant program but there are no increases to either account.

### FISCAL IMPACT

None.

### FINANCE COMMITTEE RECOMMENDATION

Receive and file the Midyear Budget Review and any re-allocations made by the Board of Directors.



## MEMORANDUM

### ITEM NO. 8

*Prepared by: Scott M. Ota*

*Reviewed by: Scott M. Ota*

*Approved by: Robb Whitaker*

**DATE: APRIL 15, 2011**

**TO: BOARD OF DIRECTORS**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: BUDGET WORKSHOP #1 – WRD FISCAL YEAR 11-12 DRAFT BUDGET**

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### BACKGROUND

Staff has prepared a draft 11-12 budget and will present the draft to the Board of Directors for their review and input. Materials will be distributed at the meeting. The Water Replenishment District has scheduled several public meetings to discuss the ensuing year's budget. This is the first those scheduled workshops. The District has also had two other public meetings related to the ensuing year's draft budget and the annual public hearing as follows:

- Board of Directors – 4/1/11. The Board of Directors opened the annual public hearing and received and filed the 10-11 Midyear Budget Review.
- Finance Committee – 4/8/11. Staff presented the draft 11/12 budget to the Finance Committee.

### Budget Workshop Series Schedule

- Friday, April 15, 2011, 9:00 a.m.  
Public Workshop #1 Meeting of the Board of Directors – Continuation of Public Hearing on the Replenishment Assessment, Draft 11-12 Budget Presentation and Replenishment Assessment Discussion.
- Wednesday, April 20, 2011, 12:00 p.m.  
Public Workshop #2 Meeting of the Finance Committee – Draft Budget Presentation and Replenishment Assessment Discussion.
- Tuesday, April 26, 2011, 12:00 p.m.  
Public Workshop #3 Meeting of the Finance Committee – Draft Budget Presentation and Replenishment Assessment Discussion.

- Friday, April 29, 2011, 9:00 a.m.  
Public Workshop #4 Special Meeting of the Board of Directors – Continuation of Public Hearing on the Replenishment Assessment, Draft 11-12 Budget Presentation and Replenishment Assessment Discussion.
- Friday, May 6, 2011, 12:00 p.m.  
Public Workshop #5 Special Meeting of the Board of Directors – Continuation of Public Hearing, Draft Budget Presentation, Close Public Hearing, Adopt Budget, Set Replenishment Assessment

### **FISCAL IMPACT**

Budget will have a direct impact on the replenishment assessment for the ensuing fiscal year.

### **FINANCE COMMITTEE RECOMMENDATION**

For discussion.



## MEMORANDUM

### ITEM NO. 9

*Prepared by:* Ted Johnson

*Reviewed by:* Nancy Matsumoto

*Approved by:* Robb Whitaker

**DATE:** APRIL 15, 2011

**TO:** BOARD OF DIRECTORS

**FROM:** ROBB WHITAKER, GENERAL MANAGER

**SUBJECT:** CONTINUE PUBLIC HEARING ON THE 2011-2012 PROPOSED REPLENISHMENT ASSESSMENT

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### SUMMARY

In compliance with Water Code Section 60306, the Public Hearing on the fiscal year 11-12 Replenishment Assessment was opened at the regular Board meeting of April 1, 2011 and was continued to today's Board meeting of April 15, 2011. The purpose of the Public Hearing is to determine whether and to what extent the estimated cost of (1) purchasing water for groundwater replenishment for the ensuing year and accomplishing acts reasonably necessary for replenishment, (2) removing contaminants from groundwater supplies and undertaking other groundwater quality projects, and (3) the District's operating and administrative expenses, shall be paid for by a Replenishment Assessment levied upon groundwater producers within the Central Basin and West Coast Basin.

The public is invited to attend the hearing and provide comment in support of or opposition to the proposed assessment, the Engineering Survey and Report (ESR), or any other matters related to the District's rate setting process. It is anticipated that, after receiving any public comment today, the Board of Directors will continue the Public Hearing to the next Board meeting currently scheduled for April 29, 2011. The Replenishment Assessment is anticipated to be adopted at the Board meeting of May 6, 2011.

### FISCAL IMPACT

For information.

### STAFF RECOMMENDATION

Continue the Public Hearing from the April 1, 2011 Board meeting, receive staff reports and public comments, and continue the Public Hearing on the fiscal year 11-12 Replenishment Assessment to the April 29, 2011 Board meeting.



## MEMORANDUM

ITEM NO. 10

*Prepared by: Abbie Andom*

*Reviewed by: Scott Ota*

*Approved by: Robb Whitaker*

**DATE: APRIL 15, 2011**

**TO: BOARD OF DIRECTORS**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: WORK SCHEDULE**

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### SUMMARY

The Administrative Committee met on January 10, 2011 and considered different work schedules for District employees. Director Murray recommended changing the work schedule of non-union employees of the District to work at minimum a five-day, forty-hour per week schedule and continue to offer the flexible 9-80 work schedule for union exempt and non-exempt employee members of the District's collective bargaining unit.

### FISCAL IMPACT

None.

### ADMINISTRATIVE COMMITTEE RECOMMENDATION

Director Murray recommended changing the work schedule of non-union employees of the District to work at minimum a five-day, forty-hour per week schedule. Director Kawasaki stated that she cannot support Director Murray's recommendation and would like to keep the 9-80 work schedule for all District employees.