

**MEETING OF THE BOARD OF DIRECTORS  
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA  
12621 E. 166<sup>th</sup> Street, Cerritos, California 90703**

**1:30 P.M., WEDNESDAY, JULY 7, 2004**

**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.

**I. DETERMINATION OF A QUORUM**

**II. PLEDGE OF ALLEGIANCE**

**III. INVOCATION**

**IV. PRESENTATION BY SANITATION DISTRICTS OF LOS ANGELES COUNTY**

Staff Recommendation: For information.

**V. PUBLIC COMMENT**

**VI. 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.

**VII. 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 REGULAR MEETING OF JUNE 2, 2004**

Staff Recommendation: That the Board approve the Minutes as submitted.

**B. MINUTES OF THE REGULAR MEETING OF JUNE 16, 2004**

Staff Recommendation: That the Board approve the Minutes as submitted.

**VIII. FINAL 2004-05 BUDGET DOCUMENT**

Staff Recommendation: That the Board adopt the 2004-05 budget.

**IX. LEGISLATIVE REPORT**

Committee Recommendation: For information.

**X. WRD TAC CHAIR REPORT**

**XI. GENERAL MANAGER'S REPORT**

**XII. DISTRICT COUNSEL REPORT**

**XIII. DIRECTORS' REPORTS**

**XIV. WRD BOARD MEETING DATES**

- A. July 21, 2004 – 1:30 p.m. – Board of Directors Meeting
- B. August 4, 2004 – 1:30 p.m. – Board of Directors Meeting
- C. August 18, 2004 – 1:30 p.m. – Board of Directors Meeting
- D. September 1, 2004 – 1:30 p.m. – Board of Directors Meeting

**XV. CLOSED SESSION**

Anticipated litigation per Government Code §54956.9 (b), Two Cases

**XVI. ADJOURNMENT**

Agenda posted by Abigail C. Andom, Deputy Secretary, July 1, 2004. In compliance with ADA requirements, this document can be made available in alternative formats upon request.



## **MEMORANDUM**

### **ITEM NO. IV**

*Prepared by:* Albert Frias

*Reviewed by:* Evelyn Fierro

**DATE: JULY 7, 2004**

**TO: BOARD OF DIRECTORS**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: PRESENTATION BY SANITATION DISTRICTS OF LOS ANGELES COUNTY**

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### **SUMMARY**

The WRD has been recognized for being in compliance with wastewater discharge limits and permit requirements regarding the Robert Goldsworthy Desalter. The award is presented for the year 2003 by the County Sanitation Districts of Los Angeles County.

Fred Cannizzaro, Senior Industrial Waste Inspector with the Sanitation Districts, will present a Certificate of Recognition to the Board of Directors for complying with the U.S. Environmental Protection Agency and County Sanitation Districts of Los Angeles County's Industrial Wastewater Discharge Limits and Permit Requirements.

### **STAFF RECOMMENDATION**

For information.

**MINUTES OF JUNE 2, 2004  
REGULAR 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 was held on June 2, 2004 at 1:32 p.m. in the District office at 12621 E. 166<sup>th</sup> Street, Cerritos, California. President Willard H. Murray, Jr. called the meeting to order. Deputy Secretary Abigail C. Andom recorded the minutes.

**I. DETERMINATION OF A QUORUM**

The Vice President declared a quorum of Directors was present, which in addition to himself included Directors Pat Acosta, Robert Goldsworthy, Albert Robles, and Norm Ryan. Also participating in the meeting were General Manager Robb Whitaker, Assistant General Manager and Chief Engineer Mario Garcia, District Counsels J. Arnoldo Beltrán and Edward Casey, Senior External Affairs Representative Adeline Yoong, and WRD Technical Advisory Committee Chairperson Jim Glancy.

**II. PLEDGE OF ALLEGIANCE**

Mr. Tom Cherry of Southern California Water Company (SCWC) led the Pledge of Allegiance.

**III. INVOCATION**

Director Ryan gave the Invocation.

**IV. PUBLIC COMMENT**

Mr. Bill Minasian, resident of the City of Downey, stated that he would like Agenda Item VI.C removed from the Consent Calendar. Mr. Minasian stated that he would like to know the justification of attending the conference. For Agenda Item VII, Mr. Minasian wanted to know why the former financial auditors' services were being terminated.

**V. ADDITIONAL ITEMS TO AGENDA**

None.

**VI. CONSENT CALENDAR**

**A. MINUTES OF THE SPECIAL MEETING OF MAY 3, 2004**

This item was removed from the Consent Calendar.

**B. CONSIDERATION OF RESOLUTION NO. 04-711 – A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO PERMIT THE REGISTRAR-RECORDER CLERK TO RENDER ELECTION SERVICES FOR AN ELECTION OF SAID DISTRICT TO BE HELD ON NOVEMBER 2, 2004**

This item was taken off the Consent Calendar.

**C. TRAVEL REQUEST – WATERSHED WORKING LANDS SUMMIT: BETTER WATER QUALITY THROUGH BETTER GOVERNMENT COLLABORATION, JUNE 22-24, 2004, SAINT LOUIS, MISSOURI**

This item was taken off the Consent Calendar.

Director Acosta requested that Agenda Item VI.C be taken off the Consent Calendar.

Director Robles requested that Agenda Items VI. A and VI.B be taken off the Consent Calendar.

**VI.A. MINUTES OF THE SPECIAL MEETING OF MAY 3, 2004**

Director Robles stated that he had revisions on the minutes of May 3, 2004.

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

RESOLVED: That the Board approves the minutes of the special meeting of May 3, 2004 as amended.

**VI.B. CONSIDERATION OF RESOLUTION NO. 04-711 – A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO PERMIT THE REGISTRAR-RECORDER CLERK TO RENDER ELECTION SERVICES FOR AN ELECTION OF SAID DISTRICT TO BE HELD ON NOVEMBER 2, 2004**

Director Robles stated that he was under the impression that the District allocates the money every year for expenses related to the general election. Staff responded that the Accounting Department has been following that procedure. Discussion followed.

Upon a motion duly made by Director Goldsworthy, seconded by Director Ryan, and unanimously approved, Resolution No. 04-711 was adopted.

**RESOLUTION NO. 04-711**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO PERMIT THE REGISTRAR-RECORDER CLERK TO RENDER ELECTION SERVICES FOR AN ELECTION OF SAID DISTRICT TO BE HELD ON NOVEMBER 2, 2004**

(Reference is hereby made to Resolution No. 04-711 in the Draft Resolution file and by this reference is incorporated herein and included a part hereof as though fully set forth at length.)

**VI.C. TRAVEL REQUEST – WATERSHED WORKING LANDS SUMMIT: BETTER WATER QUALITY THROUGH BETTER GOVERNMENT COLLABORATION, JUNE 22-24, 2004, SAINT LOUIS, MISSOURI**

Director Acosta stated that this item was presented at the Inter-Agency Committee and although she felt that the conference is important, she explained that she had reservations about the location of the conference and the topics for discussion. She stated that this conference is not a national conference but a regional conference and the subject matter for discussion at this conference pertains more to the central states. She

noted that there will be a future meeting in Sacramento in October 2004 and that the focus of that conference will be on the western states.

President Murray stated that the topics for discussion are different at each of these conferences.

Director Ryan stated that the Governor's office will be in attendance at this conference and so will the Environmental Protection Agency (EPA) staff. He felt it would provide a good networking opportunity for everyone.

Director Ryan made a motion that the Board approve the travel request to the Watershed Working Lands Summit: Better Water Quality Through Better Government Collaboration to be held June 22-24, 2004 in Saint Louis, Missouri. President Murray seconded. The motion died for lack of a third vote and the travel request was denied.

## **VII. FINANCIAL AUDIT SERVICES RECOMMENDATION**

Director Goldsworthy stated that the Financial Auditor Selection Ad Hoc Committee composed of Director Acosta and himself had met May 24, 2004 to review the request for proposals (RFP) for service as financial auditors to the District. The distribution was made to 12 regional firms who have financial audit experience with special districts. The proposals received were from the following three firms: Teaman, Ramirez & Smith, Inc. Charles Z. Fedak & Co. CPA's, and Vasquez & Company LLP.

Director Goldsworthy stated that the Ad Hoc Committee based its decision on the criteria defined in the District's Administrative Code. He explained that based on that criteria, the Ad Hoc Committee believed that the combination of prior experience with special districts in the water industry and other governmental agencies, a demonstrated commitment of senior experienced staff to provide timely and professional service, and the

quality services the District has already received relating to the improvement of the District's contract management system and budgeting process made the firm of Charles Z. Fedak & Co. CPA's the best option for the District.

Director Goldsworthy stated that the Ad Hoc Committee recommends that the existing contract with Teaman, Ramirez, and Smith, Inc. be terminated. The contract was in its second year of a three-year term. He also requested that the Board authorize a three-year contract beginning with fiscal year 2003-04 for financial audit services with Charles Z. Fedak & Co. CPA's for a total contract price of \$68,250.

Upon a motion duly made by Director Goldsworthy, seconded by Director Acosta, and unanimously approved, it was

RESOLVED: That the Board authorize a three year contract beginning with fiscal year 2003-04 for financial audit services with Charles Z. Fedak & Co. CPA's for a total contract price of \$68,250. The current contract with Teaman, Ramirez, and Smith, Inc. will be terminated in the manner provided in the contract if the Board.

#### **VIII. NAME CHANGE OF COMMITTEE**

Director Acosta, Chair of the Inter-Agency Committee, stated that discussions have taken place regarding a name change for the committee to something reflective of the committee's goals and objectives. She explained that the name Inter-Agency Committee does not really define the extent of the many activities and work that the Committee does. After much consideration, Director Acosta stated that the Inter-Agency Committee recommended that a change be made and that the Committee be renamed External Affairs Committee.

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

RESOLVED: That the Board renames the Inter-Agency Committee to the External Affairs Committee.

**IX. LEGISLATIVE REPORT**

Senior External Affairs Representative Adeline Yoong gave an update on state and federal legislative activities. Ms. Yoong stated that SB 1272 (Ortiz) did not get out of the Appropriations Committee. She noted that staff has also been working with Metropolitan Water District (MWD) staff regarding changes to AB 2528 (Lowenthal) and the latest amendment was made May 27, 2004. Ms. Yoong explained that the amendment inserted language that would address WRD's concerns. She stated that the MWD staff would appreciate it if the Board would revise its position of "oppose unless amended" on AB 2528 to a "support" position.

Director Acosta requested that this item be added to the agenda as a subsequent need item. Upon consultation with District Counsel Beltrán regarding Brown Act requirements, Director Acosta made a motion to add an item to discuss AB 2528 (Lowenthal), President Murray seconded, and with Director Ryan dissenting, it was,

RESOLVED: That the Board determines that there is a need to take immediate action to discuss and act upon the item concerning AB 2528 (Lowenthal) and that this need arose subsequent to the posting of the agenda for this meeting.

Upon a motion duly made by Director Acosta, seconded by Director Goldsworthy, and unanimously approved, it was

RESOLVED: That the Board adopts a "Support" position on AB 2528 (Lowenthal).

**X. WRD TAC CHAIR REPORT**

WRD Technical Advisory Committee (TAC) Chairperson Jim Glancy reported that the TAC has been reviewing the request for proposal for the West Coast Basin Operational Study and is excited about the possibility of conjunctive use opportunities. Mr. Glancy added that Central and West Basin Water Associations have also individually taken action to send a letter to President Carol Kwan of West Basin Municipal Water District (WBMWD) with the request that the WBMWD Board slow down or put a hold on the expansion of their recycled water plant.

**XI. GENERAL MANAGER'S REPORT**

General Manager Whitaker stated that staff has been working with the TAC on the RFP for the West Coast Basin Operational Plan, as previously mentioned by Mr. Glancy. Mr. Whitaker added that staff has also been involved with the Institutional and Technical Committees of the Conjunctive Use Working Group. He stated that staff hosted a meeting with the Environmental Protection Agency (EPA), the United States Geological Survey (USGS), the Regional Water Quality Control Board (RWQCB), and the Department of Toxic Substances Control (DTSC) to discuss cooperative efforts to address groundwater contamination in the Central and West Coast Basins. Mr. Whitaker explained that a Memorandum of Understanding is being developed between WRD and these agencies to formalize the cooperative effort. Lastly, Mr. Whitaker stated that Senior Engineer Hoover Ng participated on a panel at the Groundwater Resources Symposium Legislative Workshop regarding impacts of existing regulatory process and the use of action levels as enforceable standards by the RWQCB.

**XII. DISTRICT COUNSEL REPORT**

Deferred to closed session.

### **XIII. DIRECTORS' REPORTS/COMMITTEE REPORTS**

Director Acosta stated that she was concerned about the bond financing process and asked that the Board fully evaluate the information provided by the financial advisors. She explained that she felt the financial advisors were not forthright in providing all the information necessary. Director Acosta stated that she felt it is necessary to make a change in the composition of the Ad Hoc Bond Financing Committee. She asked that President Murray seriously consider replacing Director Ryan because she felt it was inappropriate that he be a member of that committee.

Director Robles asked staff to request that the financial advisors provide a report at a future meeting.

Director Ryan stated that the Long Beach Area Chamber of Commerce will be having its annual gala on June 17, 2004. A table has been reserved at no cost to the District.

President Murray stated that he attended the Joint Board Meetings of Central and West Basin Municipal Water Districts (C&WBMWD) where the two Boards cast their votes for Director Goldsworthy as the representative to the ACWA National Water Resources Association (NWRA) California Caucus. President Murray also announced that C&WBMWD staff and WRD staff will be having a joint picnic on Friday, June 11, 1:00 p.m. – 4:00 p.m., at Liberty Park in Cerritos. He also stated that a joint reception for elected officials will also be held on Friday, July 9, 6:00 p.m. – 8:00 p.m., at the Leo J. Vander Lans Water Treatment Facility.

### **XIV. WRD BOARD MEETING DATES**

- A. June 3, 2004 – 9:00 a.m. – WRD Board of Directors Meeting
- B. June 16, 2004 – 1:30 p.m. – WRD Board of Directors Meeting
- C. July 7, 2004 – 1:30 p.m. – WRD Board of Directors Meeting
- D. July 21, 2004 – 1:30 p.m. – WRD Board of Directors Meeting

## **XV. CLOSED SESSION**

- A. Anticipated litigation per Government Code §54956.9 (b): Two Cases
- B. Labor Negotiations per Government Code §54957.6  
Negotiator: Arnoldo Beltrán  
Bargaining Group: American Federation of State, County and Municipal Employees (AFSCME)  
Discussion: Terms and conditions for Memorandum of Understanding for bargaining group
- C. Conference with real property negotiator per Government Code §54956.8  
Real Property: 4040 Paramount Blvd., Lakewood  
Agency Representative: J. Arnoldo Beltran  
Negotiating Parties: Robert L. Alperin (Cushman & Wakefield)  
Under Negotiation: Price, terms, and conditions for possible purchase

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

Agenda Item XV.A was not reviewed.

For Agenda Item XV.B, after on-going negotiations, the process was completed and District Counsel will provide a clean draft of the current version of the memorandum of understanding.

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

RESOLVED: That the Board adopt the Memorandum of Understanding By and Between the Board of Directors of the Water Replenishment District of Southern California and the Employees Association of the Water Replenishment District of Southern California American Federation of State, County and Municipal Employees, AFL-CIO, Chapter 1902.

District Counsel Beltrán stated that the current draft of the memorandum of understanding will be cleaned-up and the signature pages executed.

For Agenda Item XV.C., an update was provided on the negotiations, further instructions were provided, and staff will await the response regarding the offer.

**XVI. ADJOURNMENT**

President Murray asked if there was any further business to come before the Board and there being none, the meeting was adjourned upon a motion by Director Ryan and seconded by Director Acosta at 3:40 p.m.

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President

ATTEST:

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Secretary

**MINUTES OF JUNE 16, 2004  
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 was held on June 16, 2004 at 1:34 p.m. in the District office at 12621 E. 166<sup>th</sup> Street, Cerritos, California. President Willard H. Murray, Jr. called the meeting to order. Deputy Secretary Abigail C. Andom recorded the minutes.

**I. DETERMINATION OF A QUORUM**

The President declared a quorum of Directors was present, which in addition to himself included Directors Pat Acosta, Robert Goldsworthy, and Norm Ryan. Director Albert Robles was excused. Also participating in the meeting were General Manager Robb Whitaker, Assistant General Manager/Chief Engineer Mario Garcia, District Counsel J. Arnaldo Beltrán, Chief Hydrogeologist Ted Johnson, Technical Advisory Committee (TAC) Chairman Jim Glancy, and Southern California Water Company's Patrick Scanlon.

**II. PLEDGE OF ALLEGIANCE**

Senior Public Affairs Representative Adeline Yoong led the Pledge of Allegiance.

**III. INVOCATION**

Director Ryan gave the Invocation.

**IV. PUBLIC COMMENT**

None.

**V. ADDITIONAL ITEMS TO AGENDA**

None.

**VI. CONSENT CALENDAR**

- A. MINUTES OF THE REGULAR MEETING OF MAY 19, 2004**
- B. MINUTES OF THE SPECIAL MEETING OF JUNE 3, 2004**
- C. DEMANDS AND CONTRACTS**

**D. FINANCIAL STATEMENTS FOR THE PERIOD ENDED APRIL 30, 2004**  
**E. INVESTMENT REPORT FOR THE PERIOD ENDED APRIL 30, 2004**

Upon a motion duly made by Director Acosta, seconded by Director Goldsworthy, and unanimously approved, it was

RESOLVED: That the Board approves the Consent Calendar of the meeting of June 16, 2004, as submitted.

**VII. RESOLUTION NO. 04 - \_\_\_\_ - A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA AUTHORIZING THE ACCEPTANCE OF AN INTEREST IN THE REAL PROPERTY LOCATED AT 4040 PARAMOUNT BOULEVARD, LAKEWOOD, CALIFORNIA AND CONSENTING TO RECORDATION OF GRANT DEED**

District Counsel Beltrán stated that the District is in the process of acquiring by purchase real property located at 4040 Paramount Boulevard. Mr. Beltrán explained that any deeds or grants conveying interests in real estate to public agencies must be accompanied by a resolution of the agency before they are accepted for recordation.

Upon a motion duly made by Director Goldsworthy, seconded by Director Ryan, and unanimously approved, Resolution No. 04- \_\_\_\_ was adopted. Deputy Secretary Abigail Andom stated that the following resolution will be referred to as Resolution No. 04-713.

**RESOLUTION NO. 04 - 713**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA AUTHORIZING THE ACCEPTANCE OF AN INTEREST IN THE REAL PROPERTY LOCATED AT 4040 PARAMOUNT BOULEVARD, LAKEWOOD, CALIFORNIA AND CONSENTING TO RECORDATION OF GRANT DEED**

(Reference is hereby made to Resolution No. 04 - 713 in the Draft Resolution file and by this reference is incorporated herein and included a part hereof as though fully set forth at length.)

## **VIII. GROUNDWATER CLEAN-UP COMMITTEE PROPOSED NAME CHANGE**

Director Ryan stated that the Groundwater Clean-up Committee has been reviewing committee name changes to adequately describe the range of groundwater quality matters and items that come before the committee. After review and consideration, the Groundwater Clean-up Committee recommended changing the name of the committee to Groundwater Quality Committee.

Upon a motion duly made by Director Goldsworthy, seconded by Director Ryan, and unanimously approved, it was

RESOLVED: That the Board approve changing the name of the Groundwater Clean-up Committee to the Groundwater Quality Committee.

## **IX. WATER WELL TESTING SERVICES – AWARD OF PROPOSAL**

Chief Hydrogeologist Ted Johnson stated that staff issued request for proposals (RFP) for water well testing services to 13 qualified firms and published an advertisement for the services in the Los Angeles Bulletin. Mr. Johnson explained that the work includes testing of two wells: City of Vernon Well #18 and South Montebello Irrigation District Well #5.

Mr. Johnson stated that the Vernon well has not operated in the past 8 months due to the presence of the volatile organic contaminant 1,2-Dichloroethane which was found above the maximum contaminant level. He noted that in order to understand in more detail the extent and distribution of the contamination across the perforated intervals of the well, the District is proposing to perform spinner logging and zone sampling of the well. These are specialized tests to determine where and how fast the

water is entering the well, and at what concentrations the contamination occurs at various depths.

Mr. Johnson added that the South Montebello Irrigation District well is an active potable well with very good water quality. However, it is near the spreading grounds where recycled water is used as a replenishment source. He explained that during WRD's tracer experiment, the well tested positive as a well that receives spreading grounds water within 6 months, which would be a violation of DHS' draft regulations. The District is proposing to perform temporary modifications to the well in an attempt to seal off the shallow perforations so that the well produces older (greater than 6 months) groundwater from the deeper aquifers, thereby meeting DHS' draft regulations.

Director Ryan stated that the Groundwater Clean-up Committee reviewed this item at its June 7, 2004. meeting. The Committee reviewed the rankings by the selection committee for each of the five firms that submitted proposals. The proposal by General Pump Company (with Pacific Surveys and Richard Slade & Associates as subcontractors) was ranked as the best proposal.

Upon a motion duly made by Director Ryan, seconded by Director Goldsworthy, and unanimously approved, it was

RESOLVED: That the Board enter into an Agreement with General Pump Company for well testing services for an amount not to exceed \$96,500, subject to form by District Counsel.

#### **X. REVIEW OF SAFE DRINKING WATER PROGRAM POLICY**

Assistant General Manager/Chief Engineer Mario Garcia stated that over the past few months, staff has been reviewing the structure and benefits of

the Safe Drinking Water Program (SDWP). Staff had discussed with the Technical Advisory Committee (TAC) the merits of the SDWP and while acknowledging the value of the program, the TAC also suggested that the District review and potentially eliminate the non-VOC component of the SDWP. Mr. Garcia explained that the TAC was concerned that future water quality regulations may inundate the program with a multitude of project requests for naturally-occurring constituents such as iron, manganese, arsenic, etc.

Mr. Garcia stated that at its May 10, 2004 meeting, the Groundwater Cleanup Committee discussed with staff the prospect of revising the SDWP policy to include only projects involving VOC contamination or other man-made constituents. Any treatment projects concerning naturally-occurring constituents would then be funded on a secondary priority and case-by-case basis if funding were still available during the fiscal year.

Upon a motion duly made by Director Ryan, seconded by Director Goldsworthy, and unanimously approved, it was

RESOLVED: That the Board adopt the proposed revisions to the policy guidelines of the Safe Drinking Water Program (SDWP).

#### **XI. VERIFICATION OF DEPENDENTS**

President Murray stated that the District currently has no verification requirement for adding or removing dependents for non-insurance covered medical and dental reimbursements. He noted that under WRD's medical insurance, the Association of California Water Agencies (ACWA) requires certain documentation for verification of dependents. This can be done through a variety of ways such as the voluntary submission of tax

returns or a signed affidavit. He explained that at its June 9, 2004 meeting, the Administrative Committee discussed the issue and recommended that WRD require the same verification for medical reimbursements as is required for medical insurance coverage. The Administrative Committee adopted an "Affidavit of Dependency" form that can be used for this verification.

Director Ryan stated that it is the Board's fiduciary responsibility to review this item closely as the District may be obligating itself to a number of dependent claims with no form of verification.

Director Acosta noted that ACWA's requirement applies to newly hired employees after January 2004 and their eligible dependents, new dependents being added to existing coverage, and other dependents being removed. Director Acosta stated that adopting an affidavit of dependency form was appropriate but she clarified that there has been no abuse on the part of the District as far as this benefit was concerned.

Director Ryan stated that Director Acosta's comments were preposterous because he felt there was no system of check and balance and adopting an affidavit of dependency form will not entirely resolve the issue.

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

**RESOLVED:** That the Board amend the Administrative Code and adopt a verification policy for dependents requesting non-insurance covered medical and dental reimbursements for those not covered under ACWA, and that an "Affidavit of Dependency" form be adopted.

## **XII. WRD TAC CHAIR REPORT**

WRD Technical Advisory Committee (TAC) Chair Jim Glancy stated that there has been nothing new since the last TAC Chair report. Mr. Glancy did say that he and President Murray attended a committee meeting of the West Basin Municipal Water District (WBMWD) and were open with them about the possibility of a change in the market for recycled water in the West Coast Barrier, a change in the environment of the recycled water expansion and the operations of the West Coast Barrier. He reported that the WBMWD Board members were informed of new information that may result from the West Coast Basin operational study and that the Conjunctive Use Working Group is looking forward to its fruits of labor from the conjunctive use studies in the next few months

## **XIII. GENERAL MANAGER'S REPORT**

General Manager Robb Whitaker stated that the District received an \$8 million check from Caltrans related to the I-105 Freeway Dewater Wells Pipeline Project. Mr. Whitaker stated that the money must be used to offset the replenishment assessment that Caltrans currently pays and staff will be further evaluating the project to determine cost and feasibility.

Mr. Whitaker also reported on the progress made by the Conjunctive Use Working Group. He noted that much progress has been made from nine months ago and things are moving swiftly.

Director Acosta asked staff how the facilitated process was progressing. Mr. Patrick Scanlon of Southern California Water Company stated that the working documents are near completion and he expects them to be finalized by the next meeting. Mr. Glancy added that there was not much disagreement on the language of the documents and he thanked staff and District Counsel Ed Casey for their hard work.

Mr. Whitaker stated that funds are running low and extra funding may be needed in the future to finish the process off. Director Acosta asked that the Board be informed as to how much may be needed for the process to be completed.

**XIV. DISTRICT COUNSEL REPORT**

Deferred to closed session.

**XV. DIRECTORS' REPORTS/COMMITTEE REPORTS**

Director Acosta stated that staff is looking forward to conducting a tour for a delegation from China tomorrow and a delegation from Morocco on Friday.

Director Ryan stated that a tour will be conducted tomorrow for students of the Colin Powell Academy, one of the District's educational partnership schools. He also reminded everyone of the Long Beach Area Chamber of Commerce annual gala tomorrow night.

President Murray stated that he attended the facilitated Conjunctive Use Working Group meeting and found the process educational. He asked that staff conduct a workshop for the Board to be able to develop an understanding of the process involved. President Murray stated that he would prefer that the workshop be held before August.

**XVI. WRD BOARD MEETING DATES**

- A. July 7, 2004 – 1:30 P.M.– WRD Board of Directors Meeting
- B. July 21, 2004 – 1:30 P.M. – WRD Board of Directors Meeting
- C. August 4, 2004 – 1:30 P.M. – WRD Board of Directors Meeting
- D. August 18, 2004 – 1:30 P.M. – WRD Board of Directors Meeting

**XVII. CLOSED SESSION**

- A. Anticipated litigation per Government Code §54956.9 (b): One Case

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

session.

Agenda Item XVI.A was not taken up.

**XVIII. ADJOURNMENT**

President Murray asked if there was any further business to come before the Board and there being none, the meeting was adjourned upon a motion duly made by Director Goldsworthy and seconded by Director Acosta at 2:37 p.m.

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President

ATTEST:

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Secretary



## **MEMORANDUM**

### **ITEM NO. VIII**

*Prepared by:* Scott M. Ota

*Reviewed by:*

**DATE: JULY 7, 2004**

**TO: BOARD OF DIRECTORS**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: FINAL 2004-05 BUDGET DOCUMENT**

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### **SUMMARY**

The District started the 04/05 budget process in October 2003 with meetings and financial analysis with individual project and program managers. In mid-February 2004, staff gave a mid-year budget presentation to the Finance Committee which presented the first 6 months of actual financial data and a 6 month projection. Staff used this mid-year review as the starting point for the 04/05 budget document.

Throughout February and March 2004, the staff met with the Finance Committee and the Ad Hoc Budget Committee to develop and refine the 04/05 budget document. The District started public budget workshops in early April and adopted an assessment rate on May 3, 2004. The District also had a special Board budget workshop on June 3, 2004 to answer any questions from either the Board or the public.

The District's [Final 2004-05 Budget Document](#) is available as an Adobe Acrobat (PDF) file on the District's website at [www.WRD.org](http://www.WRD.org).

### **FISCAL IMPACT**

None.

### **STAFF RECOMMENDATION**

That the Board adopt the 2004-05 budget.



## MEMORANDUM

### ITEM NO. IX

*Prepared by:* Adeline M.L. Yoong

*Reviewed by:* Evelyn Fierro

**DATE:** JULY 7, 2004  
**TO:** BOARD OF DIRECTORS  
**FROM:** ROBB WHITAKER, GENERAL MANAGER  
**SUBJECT:** LEGISLATIVE REPORT

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### SUMMARY

#### **Legislative Calendar**

July 2 – Summer Recess begins upon adjournment, provided Budget Bill has been enacted  
August 2 – Legislature reconvenes from Summer Recess  
August 13 – Last day for Fiscal Committees to meet and report bills to Floor  
August 16-31 – Floor session only  
August 31 – Last day for each house to pass bills  
August 31 – Final Recess begins on adjournment  
September 30 – Last day for Governor to sign or veto bills  
November 30 – Legislature adjourns

#### **Update**

Staff will provide a verbal update of state and federal matters.

### FISCAL IMPACT

None.

### STAFF RECOMMENDATION

For information.

**WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**  
**STATE LEGISLATIVE UPDATE**  
Updated June 29, 2004 (*new information is italicized*)

Bill No./ Author	Title/Content	Status	Position	Comments
AB 83 Corbett	<b>Bottled water.</b> Transfers regulations and licensure of bottled water from the Sherman Food, Drug and Cosmetic Law to the California Safe Drinking Water Law. Requires bottled water licensees to comply with provisions similar to those imposed on public water systems regarding emergency notification plans, consumer confidence reports, and annual inspections. Also requires the labeling on bottled water sold at retail or wholesale in a plastic beverage container to include specified information. Creates the Safe Bottled and Vended Water Account.	<b>Int.</b> 01/06/103 <b>Location:</b> Sen Approp <b>Status:</b> <i>Dead</i>	<b>Staff Rec:</b> Support <b>ACWA:</b> Favor <b>CMUA:</b> Support  <b>WRD Board:</b> Support (04/02/03)	<b>Comments:</b> Supported by NRDC, East Bay MUD, and Clean Water Action. Would require bottled water companies, like Coca Cola and Pepsi who market their own branded water, to comply with more stringent requirements listed in Consumer Confidence Reports.
AB 107 Corbett	<b>Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002.</b> Appropriates Water Security funds from Prop 50 to DHS for grants to local agencies. Requires DHS to develop guidelines for awarding grants in consultation with the Office of Emergency Services, the state Office of Homeland Security, and public water agencies. Prevents DHS from awarding grants to reimburse projects costs incurred prior to the adoption of the criteria and from awarding grants to supplant funding for the routine responsibilities or obligations of any state, local, or regional drinking water system. Establishes preferences for grant awards to projects that produce the greatest regional public benefit for the least cost, projects that help to achieve regional equity in the distribution of grant funds, and eligible projects that are consistent with any regionally based water resources management plan that has been planned through a public process. Requires the completion of a security vulnerability assessment and the completion of an emergency response plan that incorporates the results of the security vulnerability assessment.	<b>Int.</b> 01/10/03 <b>Location:</b> Sen Agriculture and Water <b>Status:</b> <i>Dead</i>	<b>Staff Rec:</b> Watch <b>ACWA:</b> Oppose unless amended <b>CMUA:</b> Watch	
AB 1522 Parra	<b>Water rights: permits.</b> Expands the authority of the Regional Water Quality Control Board's executive officers to include the ability to issue National Pollutant Discharge Elimination Systems (NPDES) permits without regional board action, and makes technical corrections to and deletes obsolete provisions of the Water Code.	<b>Int.</b> 02/21/03 <b>Location:</b> Sen. Ag & Water Resources <b>Status:</b> <i>Dead</i>	<b>Staff Rec:</b> Oppose <b>ACWA:</b> Oppose	<b>ACWA's Comments:</b> Existing law provides that state laws that address the loss of water rights by nonuse, abandonment, prescription, and lack of diligence shall not apply to water rights appurtenant to, or for use on, any trust land under certain conditions.

				<p>This bill would delete all of the above provisions.</p> <p>Allows a regional water quality control board's executive officer to issue, without a specific board action, National Pollutant Discharge Elimination System (NPDES) permits and make several technical and corrective changes to statutes governing water rights and waste discharge violations.</p>
<p>AB 2528 Lowenthal</p>	<p><b>Public water systems.</b> This bill would replace the term "action level" with the terms "notification level" and "response level." It would also require the operator of wholesale or retail public water systems, as defined, to provide notice relating to contamination of any drinking water source, as defined, that exceeds the maximum containment level, a response level, or a notification level, as defined.</p>	<p><b>Int.</b> 02/20/04 <b>Location:</b> <i>Senate Appropriations</i> <b>Status:</b> Hearing postponed (03/22/04, 03/23/04); Passed Asm Environmental Safety &amp; Toxic Materials as amended (04/01/04); Amended (04/12/04); Passed Asm Approp (04/22/04); Passed Asm Floor (04/29/04); <i>Hearing on 06/28/04</i></p>	<p><b>Staff Rec:</b> Support if Amended <b>ACWA:</b> Oppose unless Amended  <b>WRD Board:</b> Support if Amended (05/03/04) <i>The bill was amended to address the WRD's concerns. A letter of support was forwarded to the author.</i></p>	<p><b>Comments:</b> ACWA opposes the section of the bill that would expand the notification requirement to include surface source water. The Association contends that much of the information regarding source water quality is already contained in the annual Consumer Confidence Report (CCR) provided to customers. It is also concerned that notifying local agency governing bodies about untreated surface water quality could undermine public confidence in drinking water when the water can be treated downstream and made safe to drink</p>
<p>AB 2603 Calderon</p>	<p><b>Urban water management plans.</b> Makes technical, nonsubstantive change requiring urban water supplier to prepare and adopt an urban water management plan.</p>	<p><b>Int.</b> 02/20/04 <b>Status:</b> <i>Dead</i></p>	<p><b>Staff Rec:</b> Watch <b>ACWA:</b> Watch</p>	<p><b>Comments:</b> According to ACWA, there is no sponsor for this bill. Staff will closely monitor this bill given the subject matter.</p>
<p>AB 2605 Calderon</p>	<p><b>Water storage districts.</b> Makes technical, nonsubstantive change authorizing the board of a California Water Storage District to acquire property.</p>	<p><b>Int.</b> 02/20/04 <b>Status:</b> <i>Dead</i></p>	<p><b>Staff Rec:</b> Watch <b>ACWA:</b> Watch</p>	<p><b>Comments:</b> According to ACWA, there is no sponsor for this bill. Staff will closely monitor this bill given the subject matter.</p>
<p>SB 117 Machado</p>	<p><b>Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002.</b> Modifies the implementation guidelines of Prop. 50 to exclude reference to provisions relating to the use of a matching fund requirement, the use of existing guidelines, and the provision of technical assistance. Requires the responsible agencies, to the maximum extent feasible, to provide outreach to disadvantaged communities</p>	<p><b>Int.</b> 02/03/03 <b>Location:</b> <i>Assembly Appropriations (06/23/04)</i> <b>Status:</b> Amended on 04/22/03, 05/08/03, 05/22/03, 06/02/03,</p>	<p><b>Staff Rec:</b> Watch <b>ACWA:</b> Watch <b>CMUA:</b> Watch</p>	

	to promote access to relevant grant application and award information.	04/13/04; Passed Sen Floor (06/04/03); Passed Assembly Water, Parks & Wildlife (06/15/04)		
SB 318 Alpert	<b>Urban water suppliers: desalinated water.</b> Requires a plan to describe the opportunities for development of desalinated water, including but not limited to ocean water, brackish water, and groundwater, as a long-term supply.	<b>Int.</b> 02/19/03 <b>Location:</b> Placed on Asm inactive file (09/08/03) <b>Status:</b> Amended on 04/08/03; Passed Sen Floor (05/08/03); Passed Asm Water, Parks, and Wildlife (07/01/03); Passed Asm Approps (08/21/03); Placed on inactive file (09/08/03)	<b>Staff Rec:</b> Watch <b>ACWA:</b> Watch <b>CMUA:</b> Watch	<b>Comments:</b> Under current law, every urban water supplier must prepare and adopt an urban water management plan and update that plan at least once every 5 years. This bill would add desalination as a required element of the plan. Opponents argue that desalination should not be added until the Desalination Task Force submits its recommendations due by July 1, 2004.
SB 543 Machado	<b>Water rights: groundwater cleanup operations.</b> With certain exceptions, this bill prohibits the water produced from a groundwater cleanup operation from being used by the operator of a groundwater cleanup operation or from being transferred, assigned, or conveyed to a third party for use, until a replacement water supply has been provided to every public water system injured by the contamination. Provides that no right shall vest in the operator of a groundwater cleanup operation solely by virtue of its extraction, treatment, and discharge of water from that operation. Exempts discharges from groundwater cleanup operation that is under 25 acre-feet in the counties of Riverside, San Bernardino, Los Angeles, and Ventura or under 50 gallons per minute in an other county, if the discharge is not for recharge.	<b>Int.</b> 02/21/03 <b>Location:</b> Asm Environmental Safety and Toxic Materials <b>Status:</b> <i>Dead</i>	<b>Staff Rec:</b> Watch <b>CMUA:</b> Oppose unless Amended	
SB 909 Machado	<b>Public water systems: mutual water companies.</b> Allows grants of state bond funds to be made to public water utilities and mutual water companies.	<b>Int.</b> 02/21/03 <b>Location:</b> Asm Water, Parks & Wildlife <b>Status:</b> Passed Sen Ag & Water (04/02/03); Passed Sen Approps (04/28/03); Passed Senate Floor (05/08/03); Ref. to Asm Water, Parks & Wildlife (05/19/03); Amended by author (06/23/03); Hearing cancelled at author's request	<b>Staff Rec:</b> Oppose <b>ACWA:</b> Oppose	

		(07/01/03)		
SB 922 Soto	<b>Cleanup or abatement orders: contaminated drinking water supplies.</b> Clarifies existing law by explicitly authorizing the State Water Resources Control Board or a regional board to require the provision of, or payment for, uninterrupted replacement water service, which may include wellhead treatment, to affected public water suppliers or private well owners. Authorizes the regional board or state board to request a water replacement plan from the discharger prior to the provision of the replacement water. The bill would provide for mediation of replacement water claims.	<b>Int.</b> 02/21/03 <b>Location:</b> Asm Water, Parks and Wildlife <b>Status:</b> Amended on 05/06/03, 06/02/03 07/21/03, 08/18/03; 09/02/03; Passed Asm Environmental Safety and Toxic Materials (07/02/03); Hearing canceled at author's request (07/08/03); Amended on 07/21/03, 08/18/03, 09/02/03	<b>Staff Rec:</b> Watch <b>ACWA:</b> Watch <b>CMUA:</b> Support	
SB 1165 Local Govt.	<b>Local Government Omnibus Act of 2004.</b> This bill contains provisions applying to a variety of non-controversial local governance issues.	<b>Int.</b> 02/02/04 <b>Location:</b> <i>Governor's desk (06/25/04)</i> <b>Status:</b> Amended (03/18/04); Passed by Sen Local Govt (03/24/04), Passed by Senate (03/30/04); <i>Passed by Assembly (06/17/14); Senate concurs with Assembly amendments (06/24/04); Enrolled (06/25/04)</i>	<b>Staff Rec:</b> Support <b>ACWA:</b> Support	<b>Comments:</b> This is an annual bill that allows the Committee to address several non-controversial measures at one time. Specifically, this bill contains a provision authorizing the general manager or other district representative of water replenishment districts to sign contracts and documents valued between \$10,000 and \$25,000 if approved by the board and upon resolution granting signature authority for a specific expenditure. It also allows the replenishment district's general manager or other district representative to approve and sign all contracts and documents valued at less than \$10,000, and not more than \$10,000 on a cumulative basis in a one-year period.
SB 1251 Morrow	<b>Diamond Valley Reservoir: recreational use.</b> Allows recreational use activity in Diamond Valley Reservoir and establishes standards including water treatment, monitoring, and reporting requirements.	<b>Int.</b> 02/12/04 <b>Location:</b> Sen Environmental Quality <b>Status:</b> <i>Dead</i>	<b>Staff Rec:</b> Watch <b>ACWA:</b> Watch	<b>Comments:</b> This is a spot bill.
SB 1272 Ortiz	<b>Special districts.</b> This bill would require annual audits of special districts to be performed in accordance with General Accounting Office standards for financial and compliance audits and would impose various other requirements on	<b>Int.</b> 02/18/04 <b>Location:</b> Sen Approp <b>Status:</b> <i>Dead</i>	<b>Staff Rec:</b> Support if Amended <b>ACWA:</b> Support if Amended	<b>Comments:</b> This is the special district reform legislation.

	<p>these audits. The bill would require the Controller to review the audits under specified procedures. This bill also criminalizes violations of conflicts of interest and incompatible activities provisions by making them a misdemeanor. It requires annual legal and ethical orientation sessions that governing board members would be required to attend. It establishes whistle-blower protections and limits director compensations to \$100 per day for no more than 6 meetings or days per month for small districts and no more than 10 meetings or days per month for large districts. It sets the travel and per diem expenses to that authorized for state employees and restricts retirement benefits to directors who take office on or after January 1, 2005. These directors are allowed to participate in life insurance and health and welfare benefits on a self-pay basis.</p>		<p><b>WRD Board:</b> Oppose (05/03/04); opposition letter forwarded on 05/06/04</p>	
<p>SB 1374 Machado</p>	<p><b>Water transfers: third-party impacts.</b> This bill would require that the State Water Resources Control Board also consider third-party impacts in its consideration of a water transfer petition. With regard to that determination, <i>and subject to a certain exception</i>, the bill would prohibit the board from approving the petition unless it finds that the petitioners have met prescribed conditions relating to potential third-party impacts. The bill would require the board to accept and consider evidence that the proposed transfer neither avoids nor mitigates all likely significant negative third-party impacts. The bill would authorize the board to develop and adopt an abbreviated process to approve long-term transfers that it determines are least likely to negatively affect third parties.</p>	<p><b>Int.</b> 02/13/04 <b>Location:</b> <i>Assembly Water, Parks &amp; Wildlife (06/01/04)</i> <b>Status:</b> Passed Sen Ag &amp; Water (04/20/04); Placed on Sen Approp suspense file (05/03/04); Suspense hearing on 05/20/04; <i>Passed Sen Approp (05/24/04); Passed Senate Floor (05/25/04); Amended by author (06/16/04); Hearing on 06/22/04; held in committee without recommendation</i></p>	<p><b>Staff Rec:</b> Watch <b>ACWA:</b> Support/Amend</p>	<p><b>Comments:</b> The bill takes the California Environmental Quality Act (CEQA) model for identifying, evaluating and mitigation potential significant effects on the environment and would apply it to the analysis of the potential third-party impacts that could result from a long-term water transfer. ACWA believes that the bill potentially opens a Pandora's box by creating a new litigation tool to be used against water transfers.</p>
<p>SB 1479 Sher</p>	<p><b>California regional water quality control boards: membership.</b> This bill would reduce the membership of a regional board to from 9 to 5 by combining the representations of irrigated agriculture and industrial water use into one seat and eliminating the requirement for 3 persons not specifically associated with prescribed categories.</p>	<p><b>Int.</b> 02/19/04 <b>Location:</b> <i>Assembly Appropriations</i> <b>Status:</b> Passed Sen Env Quality (04/15/04); Passed Sen Approp (05/04/04); Passed Sen Floor (05/10/04); <i>Passed Assembly Water, Parks &amp; Wildlife (06/23/04)</i></p>	<p><b>Staff Rec:</b> Watch <b>ACWA:</b> Oppose</p>	<p><b>Comments:</b> Combining the representations of irrigated agriculture and industrial water use into one seat on the board could decrease the representation from the water industry</p>