

**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., MONDAY, DECEMBER 6, 2004**

**REVISED 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. PUBLIC COMMENT**

**V. 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.

**VI. CONSENT CALENDAR**

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

**A. MINUTES OF THE MEETING OF NOVEMBER 3, 2004**

Staff Recommendation: Approve the minutes as submitted.

**B. MINUTES OF THE MEETING OF NOVEMBER 17, 2004**

Staff Recommendation: Approve the minutes as submitted.

**VII. AMENDED AND RESTATED AGREEMENT WITH ORANGE COUNTY WATER DISTRICT FOR THE PURCHASE OF RECYCLED WATER PRODUCED BY THE LEO J. VANDER LANS WATER TREATMENT FACILITY**

Water Resources Committee Recommendation: Approve the Amended and Restated Recycled Water Purchase Agreement with the Orange County Water District.

**VIII. AWARD OF CONTRACT FOR I-105 FREEWAY DEWATERING WELLS 97-005 COMPLIANCE REPORT AND BENEFICIAL USE STUDY**

Staff Recommendation: Award a contract to Carollo Engineers in an amount not to exceed \$428,720 for the completion of the I-105 Freeway Dewatering Wells 97-005 Compliance Report and Beneficial Use Study.

**IX. STATE AUDIT UPDATE**

Finance/Administrative Committee Recommendation: (1) Approve Recommendation #1, and direct staff to revise Section 13.2 of the Administrative Code and report the Board's action in WRD's response to the State Auditors.

(2) Approve Recommendation #2 and direct staff to report the Board findings in WRD's response to the State Auditors.

**X. NOMINATION OF CANDIDATE FOR LAFCO ALTERNATE**

External Affairs Committee Recommendation: Adopt Resolution No. 04-723 and endorse the nomination of Director Norm Ryan for the LAFCO special district alternate seat. Additionally, direct staff to solicit support for Director Ryan's nomination from the West and Central Basin Municipal Water Districts.

**XI. DISTRICT ADVOCACY PROGRAM**

External Affairs Committee Recommendation: Extend the current advocates' contracts on a month-to-month basis for a period not to exceed four months to allow a substantive evaluation process and to develop a workplan for 2005.

**XII. LEGISLATIVE REPORT**

External Affairs Committee Recommendation: For information.

**XIII. PACE PROJECT**

Staff Recommendation: Approve a donation in the amount of \$750 to the PACE Project for the 2004 Navidad En El Barrio celebration.

**XIV. WRD TAC CHAIR REPORT**

**XV. GENERAL MANAGER'S REPORT**

**XVI. DISTRICT COUNSEL REPORT**

**XVII. DIRECTORS' REPORTS**

**XVIII. WRD BOARD MEETING DATES**

- A. January 5, 2005 – 1:30 p.m. – Board of Directors Meeting
- B. January 19, 2005 – 1:30 p.m. – Board of Directors Meeting
- C. February 2, 2005 – 1:30 p.m. – Board of Directors Meeting
- D. February 16, 2005 – 1:30 p.m. – Board of Directors Meeting

**XIX. CLOSED SESSION**

- A. Anticipated litigation per Government Code §54956.9 (b), One Case
- B. Central and West Basin Water Replenishment District v. Charles Adams;  
L.A.S.C. Case No. 786,656
- C. California Water Service Company, et al. v. City of Compton, et al., Case  
No. 506 806

**XX. ADJOURNMENT**

Agenda posted by Abigail C. Andom, Deputy Secretary, December 2, 2004. In compliance with ADA requirements, this document can be made available in alternative formats upon request.

**MINUTES OF NOVEMBER 3, 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 November 3, 2004 at 1:30 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 arrived while the meeting was in progress. Also participating in the meeting were General Manager Robb Whitaker, Assistant General Manager and Chief Engineer Mario Garcia, District Counsels J. Arnaldo Beltrán and Edward Casey, External Affairs Manager Evelyn Fierro, and Senior External Affairs Representative Adeline Yoong.

**II. PLEDGE OF ALLEGIANCE**

Director Goldsworthy led the Pledge of Allegiance.

**III. INVOCATION**

Director Ryan gave the Invocation.

President Murray announced the agenda items will be taken out of order. He also informed everyone that the Board meeting will adjourn in memory of Debi Kim, who passed away in her sleep last week. Ms. Kim was the eleven-year-old niece of Chief Financial Officer, Scott Ota.

**X. 9/80 WORK SCHEDULE**

Mr. Hoover Ng, President of the Employees Association of the Water Replenishment District of Southern California, stated the membership of the employees' association, American Federation of State, County and

Municipal Employees (AFSCME), AFL-CIO, Chapter 1902 would like to reiterate its support of the current 9/80 work schedule. Mr. Ng stated the District has been operating on a 9/80 work schedule for about 10 years and significant benefits have been realized from it. He noted that productivity is high, absenteeism is less, and utility costs are reduced. Mr. Ng reminded the Board of Article 39 of the Memorandum of Understanding (MOU) with the employees' association which requires the District to maintain a 9/80 work schedule for its employees. He stated the employees have always felt this was a high priority item and replacing it with a 5/40 work schedule would be a violation of the MOU. Mr. Ng requested the Board to reconsider abolishing the 9/80 work schedule.

Mr. Steve Koffroth, American Federation of State, County and Municipal Employees (AFSCME), stated the action the Board would be making today is improper. He referred to Article 41 of the MOU which indicates that management rights are reserved for provisions that have not been expressly abridged by specific provisions of the MOU. Mr. Koffroth then referred to Article 39 which notes the District will maintain a 9/80 work schedule for its employees.

Director Ryan referred to Section 41.1(i) and asked Mr. Koffroth to comment on it. Mr. Koffroth responded the District may alter the 9/80 work schedule and have some staff working in alternating groups allowing for the office to be open every Friday.

Mr. Jim Glancy, City of Lakewood, stated his city has been on a 9/80 work schedule for 12-14 years now. Mr. Glancy noted Lakewood has received positive comments from the public on the work schedule. He felt the schedule has proved successful for both the public and the City employees. Mr. Glancy commented with the existing price of gasoline being as it is, one less trip a week would be economical.

President Murray stated the Administrative Committee had reviewed this item for several months now and had concluded, based on recent studies and data, the District would be more productive and efficient if it were on a 40 hour, 5 day a week schedule. He acknowledged he was not aware the 9/80 work schedule was required by the MOU. President Murray stated there would be a need for a meet and confer period and the change would not be implemented immediately.

Director Acosta stated she would like to see the data or recent studies President Murray referenced, and which the Administrative Committee based its conclusion on. She felt the 9/80 work schedule was more cost efficient based on her personal experience as an entrepreneur and a resident of the City of South Gate. Director Acosta stated she appreciated the work schedule of her city which provides for more time for her to conduct business. She also noted she has never had a problem contacting District staff. Director Acosta stated the 9/80 work schedule was a good program and was good for employees.

Director Robles stated he would like to clarify the meet and confer period. He noted the District will provide written notice of not less than thirty (30) days of its intent to exercise its management rights. After that, the employees' association will be provided a period of ten (10) days to respond, in writing, to the notice and a thirty (30) day period will follow which is the meet and confer period.

Director Goldsworthy stated he was shocked to see this on the agenda and was embarrassed by the actions of the Administrative Committee. He noted most every agency is on a 9/80 work schedule.

Director Goldsworthy stated he felt the action proposed today was in violation of the terms of the MOU and urged the other Board members to oppose the action.

General Manager Robb Whitaker stated he had numerous discussions with President Murray concerning employee morale, recruitment of high-quality staff, and development of excellence in the work place.

Mr. Whitaker stated the 9/80 work schedule was an important benefit for employees and will help retain and recruit District staff. He felt the actions of the Board today were contrary to increasing employee morale.

By roll call vote, it was

RESOLVED: The Board approves abolishing the 9/80 work schedule and implement a 5/40 work schedule for all WRD employees, effective upon thirty days written notice to employees. The Board further instructs District Counsel to comply with the notice requirements of the Memorandum of Understanding (MOU) of the Employees Association.

AYES: Directors Murray, Robles, Ryan

NOES: Directors Acosta, Goldsworthy

#### **IV. PUBLIC COMMENT**

None.

#### **V. PRESENTATION BY THE LOS ANGELES WATERSHED COUNCIL**

Ms. Evelyn Fierro, Manager of External Affairs, introduced Ms. Kathleen Bullard, President of the Los Angeles and San Gabriel Rivers Watershed Council.

Ms. Kathleen Bullard gave an overview of the Los Angeles and San Gabriel Rivers Watershed Council. Ms. Bullard discussed the Council's

formation in 1996. The Council's mission is to facilitate a comprehensive, multi-purpose stakeholder driven consensus process to preserve, restore, and enhance the many beneficial uses of the Los Angeles River and San Gabriel Watersheds. She stated monthly stakeholder meetings are held which provide a forum to openly discuss current issues.

**VI. ADDITIONAL ITEMS TO AGENDA**

None.

**VII. CONSENT CALENDAR**

- A. MINUTES OF THE MEETING OF OCTOBER 6, 2004**
- B. MINUTES OF THE SPECIAL MEETING OF OCTOBER 16, 2004**
- C. MINUTES OF THE MEETING OF OCTOBER 20, 2004**
- D. MINUTES OF THE SPECIAL MEETING OF OCTOBER 25, 2004**
- E. AB 303 GRANT APPLICATION RESOLUTION**
- F. LAKEWOOD CHAMBER OF COMMERCE**

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

RESOLVED: The Board approves the Consent Calendar of the meeting of November 3, 2004 as submitted.

**VIII. AMERICAN WATER WORKS ASSOCIATION RESEARCH FOUNDATION RENEWAL**

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

RESOLVED: The Board renews the District's membership in the American Water Works Association Research Foundation for \$40,000 for the period of October 2004 to September 2005.

**IX. ADMINISTRATIVE CODE REVISION – EXPENSE REIMBURSEMENT RECEIPTS**

General Manager Whitaker stated the Administrative Committee recommended the Administrative Code be amended to exclude the requirement that a receipt must be submitted for expenses that are less than \$25. He noted other agencies, such as the Metropolitan Water District of Southern California, and the California Assembly and Senate do not require a receipt for expenses less than \$25. Mr. Whitaker stated the proposed amendment will also no longer require staff to submit receipts for travel related expenses less than \$25.

President Murray made a motion to approve revisions to the Administrative Code as it relates to receipts for expenses less than \$25.00. Director Ryan seconded the motion. The motion failed for lack of a third.

AYES: Director Murray, Ryan

NOES: Directors Acosta, Goldsworthy, Robles

**XI. 401 (A) DEFERRED COMPENSATION PLAN – MATCHING CONTRIBUTION PROGRAM**

President Murray stated the Administrative Committee reviewed the existing employees' deferred compensation plan, and to encourage substantial savings toward retirement, recommends revising the matching incentive program to include an increase in the maximum annual liability to the District from \$5,000 per participant to \$10,000 per participant.

Director Robles asked if the change in benefit would need to go through a meet and confer process as provided by the MOU.

District Counsel J. Arnaldo Beltrán stated the District does not anticipate any impact on conditions of employment for this change in benefit since participation is strictly voluntary, that is, a choice the employees would make on whether to participate or not. Mr. Beltrán added this change would be welcomed by the membership since it was one of the negotiating points for inclusion in the MOU.

Director Ryan stated he did not see an impact on conditions of employment since this is an optional benefit the employees would elect to make and he recommended a "Yes" vote.

By roll call vote, it was

RESOLVED: The Board approves revising the WRD 401 (a) Deferred Compensation Plan (Plan) to increase the maximum matching employer contribution amount from its current level of \$5,000 per participant, to a maximum employer contribution amount of \$10,000 per participant, and directs staff to cause the Plan document to be revised accordingly. The Board further instructs District Counsel to provide notice of the change in the Plan to the Employees' Association.

AYES: Directors Goldsworthy, Murray, Robles, Ryan  
NOES: Director Acosta

## **XII. LEGISLATIVE REPORT**

Senior External Affairs Representative Adeline Yoong provided a brief update on the results of the elections and legislative seats of interest to the District.

## **XIII. WRD TAC CHAIR REPORT**

Mr. Jim Glancy, WRD Technical Advisory Committee (TAC) Chairperson, stated the TAC had a meeting on October 27, 2004. Mr. Glancy informed

everyone discussion was held on the West Coast Basin Operational Plan Study and interviews will begin shortly. He also noted that TAC Vice-Chair Terry Witthoft will assist staff as a member of the steering committee. Mr. Glancy also stated the TAC discussed the Upper San Gabriel Valley Municipal Water District's water recycling project in the Whittier Narrows area which may have an impact on cost and availability of replenishment water.

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

In addition to the written report, General Manager Whitaker noted the kick-off meeting for the West Coast Basin Operating Plan Study was held on October 26, 2004 and was attended by staff and consultant CH2M Hill. Mr. Whitaker stated meetings will be scheduled with various pumpers and stakeholders to discuss better ways of managing the water resources of the Basin.

Mr. Whitaker stated staff is currently reviewing the latest draft of the Department of Health Services' (DHS) proposed regulations for the use of recycled water for groundwater recharge.

Mr. Whitaker stated WRD management and some technical staff met with the Central and West Basin Municipal Water Districts to discuss issues and projects of common interest to all three agencies. He noted similar meetings may be held on a monthly basis to continue the dialog between the agencies.

Lastly, Mr. Whitaker stated Assistant Controller Laura Doud and husband Jim welcomed a baby girl to their family. Ms. Doud is currently on family leave.

#### **XV. DISTRICT COUNSEL REPORT**

Deferred to closed session.

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

Director Robles thanked everyone in his Division that supported his candidacy enabling him to serve four more years on the Board. He also acknowledged Director Goldsworthy's many years of service to the Board and the District. Director Robles also congratulated Director-elect Robert Katherman of Division 1.

Director Acosta stated she would like to congratulate Director Robles on his re-election. She also acknowledged and thanked Director Goldsworthy for his many years of service and felt it was a great loss to his Division that he was not re-elected. Director Acosta also stated she is looking forward to working with Director-elect Robert Katherman. Lastly, she reminded everyone of the District's 45<sup>th</sup> anniversary celebration on November 17 at The Reef in Long Beach.

Director Ryan stated he just came back from eastern Iowa where he helped develop a grass roots campaign program. He also stated he would like Director-elect Katherman to be given the opportunity to attend the ACWA Fall Conference and Colorado River Water Users Conference in December. He noted the Board had extended the invitation to him when he was first elected.

President Murray also stated he would like to congratulate Director Robles and commend Director Goldsworthy for his service to the Board. He reminded everyone of his MWD State Water Project Aqueduct Tour to be held December 3-5, 2005.

## **XVII. WRD BOARD MEETING DATES**

**A. November 17, 2004 – 4:00 P.M. – WRD Board of Directors Meeting, The Reef on the Water, 880 Harbor Scenic Drive, Long Beach, CA 90802**

**B. December 6, 2004 – 1:30 P.M. – WRD Board of Directors Meeting**

C. December 15, 2004 – 1:30 p.m. – Board of Directors Meeting

D. January 5, 2004 – 1:30 p.m. – Board of Directors Meeting

**XVIII. CLOSED SESSION**

- A. Anticipated litigation per Government Code §54956.9 (b): One Case
- B. Central and West Basin Water Replenishment District v. Charles Adams; L.A.S.C. Case No. 786,656
- C. California Water Service Company, et al. v. City of Compton, et al., Case No. 506 806
- D. Labor Negotiations per Government Code §54957.6  
Negotiator: J. Arnoldo Beltrán  
Bargaining Group: Management Unit  
Discussion: Terms and conditions for Memorandum of Understanding for bargaining group

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

Agenda Item XVIII.A was not addressed.

For Agenda Items XVIII.B, XVIII.C, and XVIII.D, status reports were provided and no action was taken.

**XIX. ADJOURNMENT**

President Murray asked if there was any further business to come before the Board and there being none, the meeting was adjourned in memory of Debi Kim at 3:21 p.m., after a brief moment of silence.

---

President

ATTEST:

---

Secretary

**MINUTES OF NOVEMBER 17, 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 November 17, 2004 at 4:14 p.m. at The Reef on the Water, 880 S. Harbor Scenic Drive, Long Beach, California. Vice President Pat Acosta 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 herself included Directors Robert Goldsworthy, Albert Robles, and Norm Ryan. President Willard H. Murray, Jr. was excused. 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, and Chief Hydrogeologist Ted Johnson.

**II. PLEDGE OF ALLEGIANCE**

The Long Beach Polytechnic High School Honor Guard led the Pledge of Allegiance.

**III. PUBLIC COMMENT**

Mr. Bill Minasian, resident of the City of Downey, stated he would like to provide comment on items the Board took action on at the previous board meeting and on the travel requests today. Mr. Minasian said the items he would like to comment on were the 9/80 work schedule, the 401(a) deferred compensation, and the travel requests for the National Ground Water Association (NGWA) Convention on December 12-15, 2004 and the Colorado River Water Users Association Annual Meeting on December 15-17, 2004. He commented he felt the employees lost when the Board took action to abolish the 9/80 work schedule in favor of a 5/40 work schedule, but they gained with the increase in the maximum matching

employer contribution amount from its current level of \$5,000 per participating employee and director to a maximum employer contribution amount of \$10,000 per participant. Mr. Minasian stated he would like matching contribution benefit limited only to staff in order to save the District money and because the directors' compensation was increased this year. On the travel requests, he stated that since the two meetings were back to back, the participating directors will be in Las Vegas for a week. Lastly, Mr. Minasian congratulated the District on its 45<sup>th</sup> anniversary.

**IV. INVOCATION**

Mr. Don Shoemaker, Chaplain of the City of Seal Beach Police Department, gave the Invocation.

**V. ADDITIONAL ITEMS TO AGENDA**

None.

**VI. CONSENT CALENDAR**

**A. DEMANDS AND CONTRACTS**

**B. FINANCIAL STATEMENTS FOR THE PERIOD ENDED  
SEPTEMBER 30, 2004**

**C. 2004 NATIONAL GROUNDWATER ASSOCIATION CONVENTION**

**D. INVESTMENT REPORT FOR THE PERIOD ENDED  
SEPTEMBER 30, 2004**

**E. ADMINISTRATIVE CODE REVISION – PROCUREMENT POLICY ON  
SMALL BUSINESS ENTERPRISE OUTREACH PROGRAM**

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

RESOLVED: The Board approves the Consent Calendar of the meeting of November 17, 2004 as submitted.

**VII. CONTINUATION OF USGS CONTRACT – SEAWATER INTRUSION IN THE DOMINGUEZ GAP AREA OF THE WEST COAST BASIN**

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

RESOLVED: The Board continues the cooperative agreement with the United States Geological Survey (USGS) to investigate seawater intrusion in the Dominguez Gap area of the West Coast Basin for the amount of \$125,000.

**VIII. CONTINUATION OF UCSB CONTRACT – TRACER TEST FOR RECYCLED WATER TRACKING – MONTEBELLO FOREBAY SPREADING GROUNDS**

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

RESOLVED: The Board continues the cooperative agreement with the University of California at Santa Barbara (UCSB) for groundwater tracer testing in the Montebello Forebay for an amount not to exceed \$33,000.

**IX. AB303 LETTER OF SUPPORT FOR LOS ANGELES COUNTY DEPARTMENT OF PUBLIC WORKS**

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

RESOLVED: The Board authorizes the General Manager to submit a letter of support to the Department of Water Resources for Los Angeles County Department of Public Works (LACDPW) Alamitos Seawater Barrier Telemetry System Construction AB303 grant application.

**X. M.O.U. FOR GROUNDWATER CONTAMINATION INVESTIGATIONS IN THE CENTRAL AND WEST COAST BASINS**

Director Goldsworthy stated, over a year now, representatives from the Los Angeles Regional Water Quality Control Board (RWQCB), California Department of Toxic Substances Control (DTSC), the U.S. Environmental Protection Agency (EPA), the U.S. Geological Survey (USGS), and the City of Santa Fe Springs met to address several particular contamination sites in the Santa Fe Springs/Whittier area. The Memorandum of Understanding (MOU) before the Board today will document the cooperation in sharing data and managing site investigations throughout the Central and West Coast Basins.

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

RESOLVED: The Board enters into a Memorandum of Understanding with the Los Angeles Regional Water Quality Control Board (RWQCB), California Department of Toxic Substances Control (DTSC), the U.S. Environmental Protection Agency (EPA), the U.S. Geological Survey (USGS), and the City of Santa Fe Springs for groundwater contamination investigations in the Central and West Coast basins.

**XI. 2004 COLORADO RIVER WATER USER ASSOCIATION ANNUAL MEETING, DECEMBER 15-17, 2004, LAS VEGAS, NEVADA**

General Manager Robb Whitaker stated the District has been participating in this annual conference for many years and conference topics include areas of interest to Colorado River water users.

Director Robles, in addressing Mr. Minasian's concerns earlier in the meeting, stated he saw the savings factor in back to back conferences

since there would be less travel expense for participants attending both conferences.

Director Acosta stated she would not be able to participate in this conference due to personal business demands but she hoped to be able to participate in future conferences.

**XII. ADMINISTRATIVE CODE REVISION – DEFERRED COMPENSATION**

District Counsel J. Arnaldo Beltrán stated the proposed language to revise the Administrative Code regarding the change in the District's deferred compensation plan was intended to provide clarity and flexibility in the administration of both the District's 457(b) and 401(a) plans. Mr. Beltran stated the proposed language is reflected in Resolution No. 04-722 which the Board is being asked to adopt today.

Upon a motion duly made by Director Ryan, seconded by Director Robles, and with Director Acosta dissenting, Resolution No. 04-722 was adopted.

**RESOLUTION NO. 04-722**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER  
REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA  
AUTHORIZING AMENDMENTS TO THE WRD ADMINISTRATIVE CODE  
REGARDING DISTRICT DEFERRED COMPENSATION PROGRAMS  
AND DIRECTING STAFF TO IMPLEMENT SAID CHANGES**

(Reference is hereby made to Resolution No. 04 - 722 in the Draft Resolution file and by this reference is incorporated herein and included a part hereof as though fully set forth at length.)

**XIII. WRD TAC CHAIR REPORT**

None.

**XIV. GENERAL MANAGER'S REPORT**

General Manager Whitaker stated he had nothing to add to his written report that was provided to the Board members.

**XV. DISTRICT COUNSEL REPORT**

Mr. Beltrán stated there will be no need for a closed session.

**XVI. DIRECTORS' REPORTS/COMMITTEE REPORTS**

Director Goldsworthy thanked and welcomed everyone who came to the Board meeting and for the evening's celebration.

Director Ryan asked the District's underwriters from E.J. dela Rosa and Company, Inc. to provide an update on the bonds' post pricing book. Mr. Ben Stern stated the bonds were well received in the market and thanked the Board for providing them the opportunity to serve as underwriters. Mr. Scott Henry added the District's credit ratings were AA- from Standard and Poors and AA from Fitch, which were considered very good ratings especially for a first-time bond issuance.

Director Robles welcomed and thanked everyone for coming to the celebration.

Director Acosta stated the next External Affairs Committee meeting will be on Monday, November 29. She also stated the Finance Committee will be starting on the next budget cycle in the coming months.

**XVII. WRD BOARD MEETING DATES**

**A. December 6, 2004 – 1:30 P.M. – WRD Board of Directors Meeting**

~~B. December 15, 2004 – 1:30 p.m. – Board of Directors Meeting~~

C. January 5, 2005 – 1:30 p.m. – Board of Directors Meeting

D. January 19, 2005 – 1:30 p.m. – Board of Directors Meeting

Due to the Colorado River Water Users Association Annual Meeting the December 15, 2004 Board meeting was canceled.

**XVIII. CLOSED SESSION**

- A. Anticipated litigation per Government Code §54956.9 (b): One Case
- B. Central and West Basin Water Replenishment District v. Charles Adams; L.A.S.C. Case No. 786,656
- C. California Water Service Company, et al. v. City of Compton, et al., Case No. 506 806

The Board did not go into closed session.

**XIX. ADJOURNMENT**

Vice President Acosta asked if there was any further business to come before the Board and there being none, the meeting was adjourned at 4:50 p.m.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary



## MEMORANDUM

### ITEM NO. VII

*Prepared by:* Paul Fu

*Reviewed by:* Mario Garcia

**DATE: DECEMBER 6, 2004**

**TO: BOARD OF DIRECTORS**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: AMENDED AND RESTATED AGREEMENT WITH ORANGE COUNTY WATER DISTRICT FOR THE PURCHASE OF RECYCLED WATER PRODUCED BY THE LEO J. VANDER LANS WATER TREATMENT FACILITY**

---

### SUMMARY

WRD and the Orange County Water District (OCWD) entered into a Recycled Water Purchase Agreement relating to the Alamitos Barrier Recycled Water Facility dated March 17, 1999. Based on the Agreement, the parties set forth terms and conditions under which WRD agreed to sell, and OCWD agreed to purchase, recycled water produced by the WRD water reclamation facility formerly known as the Alamitos Barrier Reclaimed Water Project and now known and renamed as the Leo J. Vander Lans Water Treatment Facility. WRD and OCWD desire to provide for the long term use of recycled water for injection into the Alamitos Seawater Barrier, thereby fulfilling their joint responsibilities for the conservation of natural resources.

It is recommended that WRD and OCWD amend and restate the prior Agreement to reflect certain circumstances that have a material effect on the prior Agreement and to incorporate those circumstances into the attached Agreement.

The main reasons for the amended/restated agreement are:

- Changed location of flow measurement at Point A (revised Exhibit A and the formula in Article 7 for calculating quantity of recycled water purchased)
- Changed the supplier of imported water to Long Beach Water Department (Previous supplier was Central Basin Municipal Water District) and redefined the effective rate in Article 5 for OCWD to purchase recycled water from WRD

District Counsel has reviewed the proposed changes and his comments have been addressed in the current draft.

### FISCAL IMPACT

The price for the recycled water is tied to the rate for imported water at the barrier. Because the rate at which barrier water purchased from Long Beach Water Department is less than the rate from Central Basin MWD, the price for the recycled water will drop accordingly. The estimated price differential between the current CBMWD rate (\$467/AF) and the LBWD effective rate (\$453.60/AF) is \$13.40/AF. Based on historical usage by OCWD (23%-35% of

total barrier injection) and the expected output of the Vander Lans facility (3,024 AFY), the revenue generated by recycled water sales will be lessened by \$9,000 to \$15,000 per year. This accounts for about 3% of total recycled water sales to OCWD.

**WATER RESOURCES COMMITTEE RECOMMENDATION**

Approve the Amended and Restated Recycled Water Purchase Agreement with the Orange County Water District.

**AMENDED AND RESTATED AGREEMENT BETWEEN  
THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA AND THE  
ORANGE COUNTY WATER DISTRICT FOR THE PURCHASE OF  
RECYCLED WATER PRODUCED BY  
THE LEO J. VANDER LANS WATER TREATMENT FACILITY (FORMERLY KNOWN  
AS THE ALAMITOS BARRIER RECLAIMED WATER PROJECT)**

This Amended and Restated Agreement (“Agreement”) is made and entered into this \_\_ day of \_\_\_\_\_, 2004, by and between the Water Replenishment District of Southern California, a water replenishment district formed under Division 18 of the California Water Code (hereinafter “WRD”), and Orange County Water District, a public entity formed under the Orange County Water District Act (hereinafter “OCWD”), collectively, the “Parties.”

RECITALS

A. WRD and OCWD entered into the Recycled Water Purchase Agreement relating to The Alamitos Barrier Reclaimed Water Project dated March 17, 1999 (the “Prior Agreement”), whereby WRD agreed to sell, and OCWD agreed to purchase, recycled water produced by the WRD water reclamation facility formerly known as the “Alamitos Barrier Reclaimed Water Project” and now known as renamed as the “Leo J. Vander Lans Water Treatment Facility” (“Plant”) which has been constructed in the City of Long Beach, County of Los Angeles, California.

B. WRD and OCWD desire to amend and restate the Prior Agreement to reflect certain circumstances that have a material effect on the Prior Agreement and to incorporate those circumstances into this Agreement.

C. Due to certain natural hydrological conditions, seawater has in the past intruded, and continues to threaten to intrude, into the Central Groundwater Basin of Los Angeles County (for which WRD is responsible) and the Orange County Groundwater Basin (for which OCWD is responsible).

D. In an effort to prevent such seawater intrusion into the above-referenced groundwater basins, the Alamitos Barrier (hereafter referred to as the "Barrier"), an engineered freshwater pressure ridge and seawater trough, was constructed and has been operated by the County of Los Angeles. The Barrier is presently operated by the Los Angeles County Department of Public Works (hereinafter “LACDPW”).

E. WRD is authorized to sell water, and OCWD is authorized to buy water, in order to prevent contaminants, such as seawater, from entering the groundwater supplies of each district and to otherwise protect the groundwater in each district.

F. WRD and OCWD have each been purchasing potable imported surface water to inject into the Barrier to protect their respective groundwater basins from seawater intrusion.

G. WRD's Plant is capable of supplying recycled water, rather than potable imported surface water, to be injected into the Barrier to prevent seawater intrusion into the WRD and OCWD groundwater basins, thereby conserving that potable imported water.

H. WRD and OCWD desire to provide for the long term use of recycled water for injection into the Barrier, thereby fulfilling their joint responsibilities for the conservation of natural resources.

I. The potable water injected into the Barrier is supplied by the Long Beach Water Department (hereinafter, "LBWD") through its LB-07A connection.

J. OCWD wishes to purchase from WRD, and WRD wishes to sell to OCWD, all or part of the recycled water to be produced at the Plant for injection water to maintain the Barrier.

### AGREEMENT

**NOW, THEREFORE**, in consideration of the facts recited above and the covenants, conditions and promises contained herein, the parties agree as follows:

**1. Amendment and Restatement of Prior Agreement.** This Agreement shall supersede and replace the Prior Agreement in its entirety and the Prior Agreement shall have no force or effect at law or in equity.

**2. Commencement and Term of Agreement.** This Agreement shall commence when the Plant commences operation (the "Effective Date"). This Agreement shall have a term of thirty (30) years, and may be extended upon agreement of the Parties. The Parties agree to meet and confer in good faith to negotiate an extension of this Agreement at least twelve (12) months prior to expiration of this Agreement.

**3. Agreement to Purchase Water.** To the extent water produced by the Plant is suitable to be injected into the Barrier, OCWD agrees to purchase such amounts of recycled water, in accord with regulatory limits, that are injected into the Barrier through the injection wells OCWD operates in Orange County. To the extent recycled water produced by the Plant exceeds the amounts required by OCWD for use at its injection wells, OCWD shall not be obligated to take delivery nor pay for such water. In such case, WRD shall be free to market such water to third parties or to make use of such water itself.

**4. Quality of Water to be Purchased by OCWD.**

4.1 WRD agrees to use its best efforts to ensure that all water delivered to OCWD hereunder conforms to the requirements established from time to time by those regulatory agencies having jurisdiction over the Plant and the Barrier. All water delivered to OCWD hereunder shall meet all applicable regulatory standards.

4.2 In the event OCWD is prohibited (a) by order of any regulatory agency having jurisdiction over OCWD's operations at the Barrier, or (b) by the adoption of any statute or law, or the promulgation of any regulation or directive binding upon OCWD, from using recycled water delivered by WRD at the Barrier, OCWD shall be excused from its obligation to purchase recycled water from WRD pursuant to the terms of this Agreement.

4.3 The Parties recognize that factors beyond their control could cause operational difficulties at the Plant and/or at the Barrier. In such events, the Parties may agree to temporarily suspend delivery of recycled water to the Barrier by WRD. In such event, the Parties shall use their best efforts to re-establish operation of their respective facilities, and to re-establish delivery of recycled water to the Barrier in accordance with the terms of this Agreement. The Parties hereby waive any right either may have to recover damages from the other attributable to such interruption of operations outside the control of the Parties.

4.4 OCWD agrees to indemnify and hold harmless WRD, its officers, directors, agents and employees from and against any and all claims, demands, loss, liability, costs, damages, causes of action (whether legal, equitable or administrative), fees of attorneys and other expenses arising out of any negligent act or omission of OCWD. WRD shall indemnify and hold harmless OCWD, its officers, directors, agents and employees from and against any and all claims, demands, loss, liability, costs, damages, causes of action (whether legal, equitable or administrative), fees of attorneys and other expenses arising out of any negligent act or omission of WRD.

**5. Purchase Price of Water.** OCWD shall pay WRD for all water purchased under Paragraph 3, above, at the "Effective LBWD Rate", which is defined as the actual cost charged to LBWD by MWD with respect to the LB-07A service connection for injection of water into the Barrier, including all MWD-related charges however they may be defined, surcharges and credits, plus a per acre foot amount equivalent to the LBWD administrative fee charged for each acre foot of water delivered to the LB-07A service connection. If anytime after ten years from the Effective Date of this Agreement the LBWD Effective Rate is more than 10 percent higher than the unit project costs for the Plant as presented in the Annual Report cited in Paragraph 10, below, WRD and OCWD shall negotiate in good faith a new purchase price of the recycled water.

**6. Payment Terms.** WRD shall invoice OCWD within thirty (30) days of the end of each month for the cost of the recycled water delivered to OCWD's facilities for injection into the Barrier. Said invoices shall be paid within thirty (30) days after the date of receipt of the invoice by OCWD. Payments made after forty-five (45) days after the date of the receipt of the invoice shall be subject to a 1% per month interest charge for the outstanding unpaid amount.

**7. Metering and Measurement of Flows.** The Points cited in this section are depicted on the diagram attached hereto as "Exhibit A" and are defined as follows:

**Point A:** Located at the junction of the barrier supply pipeline and the barrier distribution pipeline. There is no meter at this point, as it is a geographic marker that serves to define facility ownership between OCWD and LACDPW.

**Point B:** A meter on the barrier distribution pipeline on the east levee of the San Gabriel

River levee.

**Point C:** A meter on the barrier distribution pipeline located just south of injection well 34L.

**Point L:** An MWD meter located at LBWD's LB-07A connection.

**Point W:** A WRD meter that measures flow from the Leo J. Vander Lans Water Treatment Facility to the barrier supply pipeline.

By way of reference, the locations of Points A, B and C described above are shown in "Exhibit A" of the Agreement for Cooperative Implementation of Alamitos Barrier Project, as amended, dated July 7, 1964 between the Los Angeles County Flood Control District and the OCWD.

The volume of recycled water delivered to OCWD during a given month shall be determined by the following formula:

$$V_{OC} = V_w \times (V_B + V_C) / 2(V_L + V_W)$$

where:

$V_{OC}$  = monthly volume of recycled water delivered to OCWD

$V_L$  = monthly volume of all potable water delivered to Barrier as measured at Point "L"

$V_B$  = monthly volume of all water (potable and recycled) through Point "B"

$V_C$  = monthly volume of all water (potable and recycled) through Point "C"

$V_W$  = monthly volume of all recycled water delivered to Barrier as measured through Point "W"

The meters that measure the flow through Point B and Point C are maintained, read and reported by the LACDPW consistent with an Agreement for Cooperative Implementation of Alamitos Barrier Project, as amended, dated July 7, 1964 between the Los Angeles County Flood Control District and the OCWD. The meter that measures the flow through Point L is maintained, read and reported by the MWD. The meter that will measure the flow through Point "W" will be maintained, read and reported by the WRD.

## **8. Limitation of Use.**

8.1 OCWD understands and agrees that the recycled water delivered from the Plant to its facilities for injection into the Barrier pursuant to the terms of this Agreement has limited uses, and OCWD agrees to use said water for only those uses or purposes which are legally permissible under the laws of the State of California and the directives of the California Water Quality Control Board and the Department of Health Services, or any other regulatory agency having jurisdiction over OCWD's use of recycled water; provided, however, that the Parties acknowledge that the purpose of this Agreement is provide recycled water for injection into the Barrier, and WRD assumes the responsibility for assuring that the use of all recycled water delivered under this Agreement shall be legally permissible under the laws of the State of California and the directives of the California Water Quality Control Board and the Department of Health Services, or any other regulatory agency having jurisdiction over the injection of reclaimed water into the affected groundwater basins.

8.2 This Agreement covers the delivery of recycled water only. It does not cover the delivery of potable water. This Agreement applies only to the Alamitos Barrier and shall not apply to any other barriers. OCWD is precluded from using the recycled water delivered under the terms of this Agreement for any use other than at the Alamitos Barrier.

9. **Assignment.** Neither this Agreement nor any rights secured hereby shall be assigned by either Party hereof without the prior written express consent of the other Party hereto.

10. **Annual Report.** Within 60 days after the end of each fiscal year (June 30) WRD shall send OCWD a report describing the operations of the Plant; volume of recycled water injected into the barrier; and a summary of total annual project costs that includes (but are not limited to) amortized capital expenditures, water purchases, operations, maintenance, equipment replacement, water quality monitoring, and residuals disposal. The total annual project costs divided by the annual volume of recycled water injected shall constitute the unit project costs for that year.

11. **Notices.** All Notices pursuant to this Agreement shall be addressed to WRD or OCWD as set forth below, or as WRD or OCWD may hereafter designate in writing, and shall be sent through the United States Mail, duly registered or certified, return-receipt requested, with postage prepaid thereon.

TO WRD:

General Manager  
Water Replenishment District of Southern California  
12621 East 166th Street  
Cerritos, CA 90703

Copy to:

Weston, Benshoof, Rochefort, Rubalcava & MacCuish  
333 South Hope Street, 16<sup>th</sup> Floor  
Los Angeles, CA 90071

TO OCWD:

General Manager  
Orange County Water District  
10500 Ellis Avenue  
Fountain Valley, CA 92728-8300

12. **Attorneys' Fees.** In any action, at law or in equity, seeking to enforce or interpret any term or provision of this Agreement, or to collect any portion of any amount payable under this Agreement, then the prevailing Party shall be entitled to recover reasonable attorneys' fees in addition to any other relief granted to which the prevailing Party would otherwise be entitled.

13. **Integrated Agreement**. This Agreement constitutes the entire agreement of the Parties hereto, and there are no understandings or agreements except as herein stated.

*[Signatures on Following Page]*

IN WITNESS WHEREOF, the Parties have executed this agreement on the date set forth above.

**WATER REPLENISHMENT DISTRICT OF  
SOUTHERN CALIFORNIA**

\_\_\_\_\_  
*Signature*

Willard H. Murray, Jr.  
President, Board of Directors

\_\_\_\_\_  
*Signature*

Albert Robles  
Secretary, Board of Directors

**Approved As To Form  
WESTON, BENSHOOF, ROCHEFORT,  
RUBALCAVA & MACCUISH, LLP**

\_\_\_\_\_  
Attorneys for the Water Replenishment  
District of Southern California

**ORANGE COUNTY WATER DISTRICT**

\_\_\_\_\_  
*Signature*

Denis R. Bilodeau  
President, Board of Directors

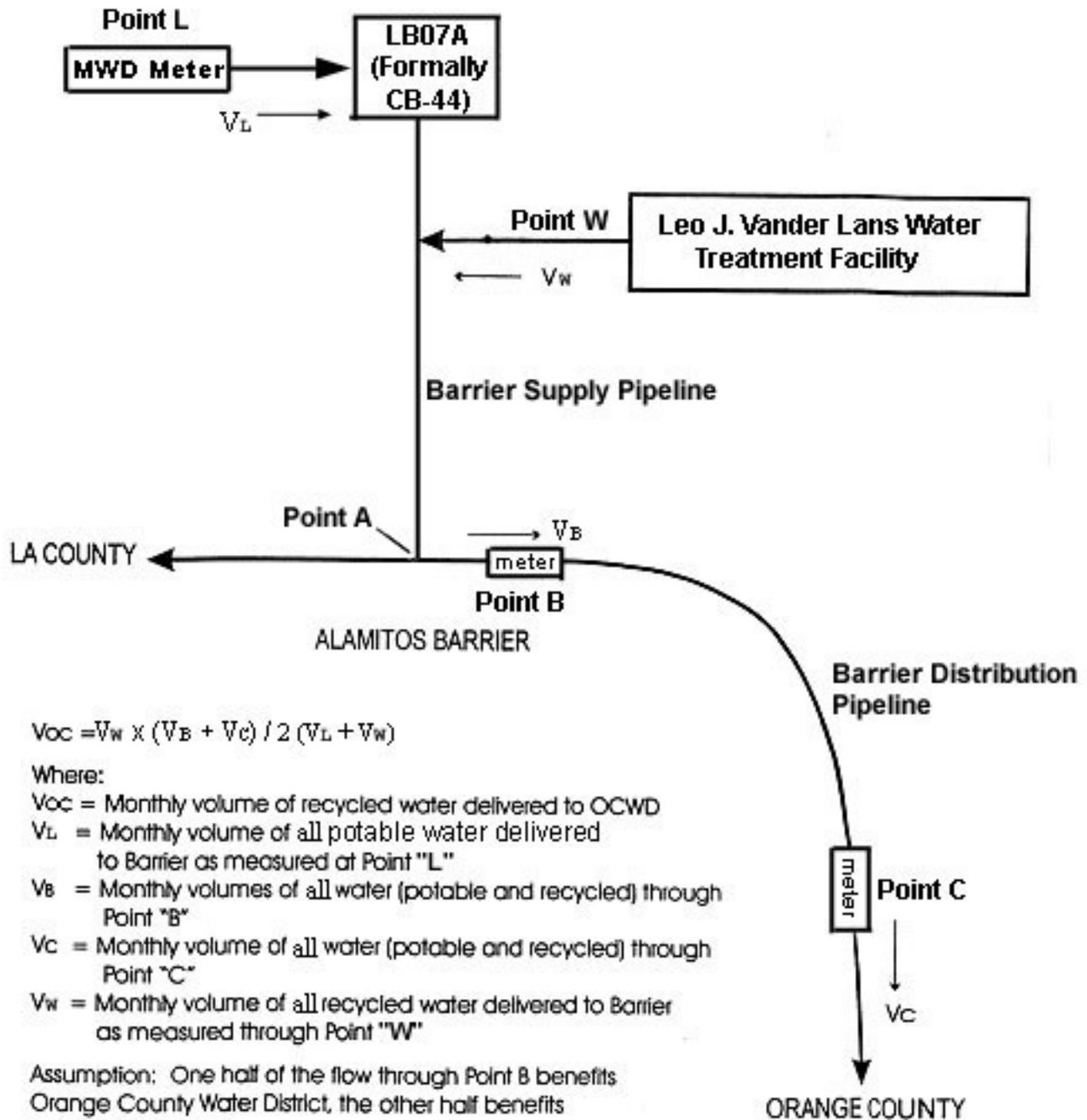
\_\_\_\_\_  
*Signature*

Virginia Grebbien  
General Manager

**Approved As To Form  
RUTAN & TUCKER, LLP**

\_\_\_\_\_  
Attorneys for the Orange County Water District

**EXHIBIT A  
ALAMITOS BARRIER RECLAIMED WATER PROJECT  
FLOW MEASUREMENT DIAGRAM**



**Note: There is no meter at Point A as it is a geographic marker that defines facility ownership between OCWD and LACDPW.**



## MEMORANDUM

### ITEM NO. VIII

Prepared by: Paul Fu

Reviewed by: Mario Garcia

**DATE: DECEMBER 6, 2004**

**TO: BOARD OF DIRECTORS**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: AWARD OF CONTRACT FOR I-105 FREEWAY DEWATERING WELLS 97-005 COMPLIANCE REPORT AND BENEFICIAL USE STUDY**

---

### SUMMARY

In an effort to put the dewatering activities at the I-105 Freeway to beneficial use, WRD is working with Caltrans to finalize a project that will treat and deliver the extracted groundwater for injection at the Dominguez Gap Barrier. This collaboration led to an executed agreement that has Caltrans giving \$8 million to WRD to construct the project.

As the project developed a couple years ago, Caltrans moved forward and completed the *Transmission Pipeline Feasibility Study-105 Freeway to Dominguez Gap Sea Water Barrier* in December 2002 to assess the delivery component of the project. This study identified the construction of an 8-miles long pipeline that traverses the cities of Paramount, Lynwood, Compton, Long Beach, and Carson with a flow rate of 8,000 acre-feet per year. The study focused on the feasibility of the suggested alignment primarily within the Los Angeles River right-of-way.

After the initial assessment of the transmission pipeline, the District and Caltrans acknowledged that understanding the treatment requirements for the intended use of the water is key to assessing the overall costs and benefits of the proposed project. Although the project was placed on the District's Capital Improvement Program (CIP), it was understood that the ultimate feasibility would depend on the outcome of the treatment requirements.

Accordingly, WRD and Caltrans met with the California Department of Health Services (DHS) on March 16, 2004 to discuss the proposed project. At the request of the District, DHS conceptually approved a treatment train based on the water quality results of an earlier report prepared by the City of Downey for a similarly proposed project as a requirement under DHS Policy Memo 97-005 for Direct Domestic Use of Extremely Impaired Sources. In a separate discussion, the DHS also suggested that the District undertake a full Policy Memo 97-005 study to further characterize potential water quality issues.

At its April 23, 2004 meeting, the Technical Advisory Committee (TAC) agreed with staff recommendation that the District proceed with the preparation of a DHS 97-005 Policy Memo compliance report. This report would satisfy the concerns of DHS and finalize the water

treatment train required for the project. A cost-benefit analysis based on this report would allow staff to recommend future project direction.

Over the past several months, District staff has been working on a request for proposals (RFP) to perform an analysis to satisfy the DHS 97-005 Policy Memo and evaluate the overall project costs associated with the beneficial use of the I-105 Freeway dewatering wells. After review by DHS and Caltrans, the RFP was distributed to eight consulting firms on October 14<sup>th</sup>. A subsequent pre-proposal meeting/field tour was conducted on November 1<sup>st</sup> to address questions and acquaint interested firms with the project conditions. This meeting was attended by five (denoted with an asterisk) of the eight consulting firms listed below:

- |                      |                                     |
|----------------------|-------------------------------------|
| *Black and Veatch    | GEI Consultants (Bookman-Edmonston) |
| Camp Dresser & McKee | *Kennedy Jenks Consultants          |
| *Carollo Engineers   | Montgomery Watson Harza             |
| *CH2M Hill           | *Stetson Engineers                  |

On November 10<sup>th</sup>, the proposal submittal deadline, the District received proposals from these same five firms. A proposal review committee was assembled to review the proposals. The review group was composed of the following:

- Paul Fu, WRD
- Ted Johnson, WRD
- Hoover Ng, WRD
- Desi Alvarez, City of Downey
- Leon Romero, Caltrans
- Timothy Bakken, Caltrans

On November 18<sup>th</sup>, the group met to discuss and rank the five proposals. The budget estimate for each of the five proposals is shown below.

- |                     |           |
|---------------------|-----------|
| • Black and Veatch  | \$390,000 |
| • Carollo Engineers | \$389,745 |
| • CH2M HILL         | \$413,483 |
| • Kennedy Jenks     | \$760,000 |
| • Stetson Engineers | \$156,692 |

The numbers shown have been adjusted to eliminate differences due to an optional task (sampling Caltrans series 2D, 3D, and 4D wells) that was budgeted in some but not all proposals. The estimate proposed by Kennedy Jenks was substantially higher than all others, and the committee agreed that the work and effort proposed was beyond the expected scope of services needed. Conversely, Stetson Engineers proposed the lowest fee. The committee deemed that its scope of work and fee estimate did not include certain tasks requested by the RFP. Furthermore, its proposal did not sufficiently address many key project issues.

The overall quality and budget fee of the proposals by Black and Veatch, Carollo Engineers, and CH2M HILL were more comparable. After further evaluations and discussions by the group, it was determined that the proposal by Carollo Engineers ranked the highest because it had the best project team, strong relevant experience, and excellent project approach. It was the unanimous recommendation of the proposal review committee that the contract be awarded to Carollo Engineers.

Mr. Alvarez recommended that the contract award be presented to the TAC at its December 1<sup>st</sup> meeting and to the District's Board on December 6<sup>th</sup> rather than waiting an extra month for the next scheduled WRD board meeting. Caltrans also forwarded the attached letter to WRD requesting that the award be expedited in order to begin the extensive preparation in complying with DHS' requirements. After discussion with Director Robles, Chair of the Water Resources Committee, it was agreed that this item be scheduled for the December 6<sup>th</sup> Board meeting.

**FISCAL IMPACT**

The fiscal impact to award the contract and complete the I-105 Freeway Dewatering Wells 97-005 Compliance Report and Beneficial Use Study is \$389,745 plus a 10-percent contingency equating to approximately \$428,720. This amount will be appropriated from the \$8 million received through the agreement with Caltrans.

**STAFF RECOMMENDATION**

Award a contract to Carollo Engineers in an amount not to exceed \$428,720 for the completion of the I-105 Freeway Dewatering Wells 97-005 Compliance Report and Beneficial Use Study.

**DEPARTMENT OF TRANSPORTATION**

District 7  
100 South Main Street, Los Angeles, California 90012  
(213) 897-0384



November 23, 2004

07-LA-105 EA 240601  
WRD Groundwater Piping

Mr. Mario Garcia, P.E.  
Assistant General Manager/Chief Engineer  
Water Replenishment District  
12621 E. 166<sup>th</sup> Street  
Cerritos, California 90703

Dear Mr. Garcia:

Per a recent meeting held between the Water Replenishment District (WRD) and Caltrans to select a consultant for the preparation of the Department of Health Services' (DHS) Policy 97-005, Caltrans is requesting that WRD expedite consultant approval at its December Board meeting in order to begin the extensive preparation in complying with DHS' requirements. In reference to the Agreement (Section II.D) between WRD and Caltrans and the priority of the groundwater re-use effort, Caltrans appreciates WRD's cooperation in this joint effort.

Should you have any questions, please contact me at 213.897.0803 or Leon Romero of my staff at 213.897.8037.

Sincerely,

A handwritten signature in cursive script that reads "Kelly M. Lamare".

Kelly M. Lamare, P.E.  
Area Manager, South

Cc: S.Bangalore, PPM  
T. Bakken, Design



## **MEMORANDUM**

### **ITEM NO. IX**

*Prepared by:* Tina Graham

*Reviewed by:* Scott M. Ota

**DATE: DECEMBER 6, 2004**

**TO: BOARD OF DIRECTORS**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: STATE AUDIT UPDATE**

---

#### **SUMMARY**

On August 10, 2004, staff presented proposed WRD responses to State Audit Recommendations #10, #12 and #13 to the Finance Committee. The Finance Committee discussed staff's proposed responses and directed staff to present the responses to the Administrative Committee for consideration.

The Administrative Committee reviewed the proposed responses at its September 8, 2004 meeting. Due to the change in a Director assigned to the Finance Committee, the Administrative Committee referred the item back to the Finance Committee in order to give the new Finance Committee member a chance to review the proposed responses.

At the October 12, 2004 meeting, the Finance Committee once again reviewed WRD proposed responses to State Audit Recommendations #10, #12 and #13 and directed staff to present the items to the Administrative Committee for consideration.

The three recommendations were reviewed by the Administrative Committee at its November 10, 2004 meeting. The two Finance Committee recommendations relating to State Audit Recommendations #10 and #12 were approved by the Administrative Committee and staff was directed to present the two items to the Board for consideration. The Administrative Committee will further discuss State Audit Recommendation #13 at its next meeting.

#### **State Audit Recommendation #10:**

The State Auditors recommend WRD amend its Administrative Code to require board members and staff to consistently use the business expense form to document the public purpose of any out-of-pocket expenses.

#### **Finance/Administrative Committee Recommendation #1:**

The Committees recommend the following language be added to Administrative Code Section 13.2, Reimbursable Expenses:

“Claims shall be submitted on forms supplied by the District. Such forms shall include a description of the expense, names (if appropriate), date incurred, and a description of the business purpose of the expense.”

**State Audit Recommendation #12:**

The State Auditors recommend WRD reassess its use of public funds for such purposes as award dinners, catered meals, airfares, and lodging for local conferences, and revise its Administrative Code to limit or prohibit such costs.

**Finance/Administrative Committee Recommendation #2:**

The Committees reassessed the District’s use of public funds for such purposes noted in State Audit Recommendation #12 and found that such expenditures are appropriate and serve a public purpose. The Committees also found that the Administrative Code appropriately addresses these issues and no revisions to the Administrative Code are necessary.

**FISCAL IMPACT**

None.

**FINANCE/ADMINISTRATIVE COMMITTEE RECOMMENDATIONS**

(1) Approve Recommendation #1, and direct staff to revise Section 13.2 of the Administrative Code and report the Board’s action in WRD’s response to the State Auditors.

(2) Approve Recommendation #2 and direct staff to report the Board findings in WRD’s response to the State Auditors.



## **MEMORANDUM**

### **ITEM NO. X**

*Prepared by:* Adeline M.L. Yoong

*Reviewed by:* Evelyn Fierro

**DATE: DECEMBER 6, 2004**

**TO: BOARD OF DIRECTORS**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: NOMINATION OF CANDIDATE FOR LAFCO ALTERNATE**

---

### **SUMMARY**

The Local Agency Formation Commission (LAFCO) is accepting nominations to fill the office of the special district alternate for the remainder of the term which ends in May 2006. The independent special district seats are filled by the Special District Selection Committee, a committee made up of the presiding officers of each independent special district in Los Angeles County.

After nominations are received, each district will receive a complete package of nominee resumes, together with a ballot for consideration by the presiding officer of the board. Voting will be conducted by mailed ballot. Nominations must be received in the office of Lagerlof, Senecal, Bradley, Gosney & Kruse no later than December 17, 2004.

The External Affairs Committee reviewed this item on November 29, 2004 and recommends nominating Director Norm Ryan to fill the LAFCO special district alternate seat. Additionally, the Committee recommends that staff be directed to solicit support for Director Ryan's nomination from the West and Central Basin Municipal Water Districts.

### **FISCAL IMPACT**

None.

### **EXTERNAL AFFAIRS COMMITTEE RECOMMENDATION**

Adopt Resolution No. 04-723 and endorse the nomination of Director Norm Ryan for the LAFCO special district alternate seat. Additionally, direct staff to solicit support for Director Ryan's nomination from the West and Central Basin Municipal Water Districts.

**RESOLUTION NO. 04- 723**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA  
ENDORING NORM RYAN FOR INDEPENDENT SPECIAL DISTRICTS  
ALTERNATE TO THE LOS ANGELES COUNTY LOCAL AGENCY  
FORMATION COMMISSION (LAFCO)**

**WHEREAS;** special districts in Los Angeles County have been represented by two members of the Local Agency Formation Commission (LAFCO); and

**WHEREAS;** an election to fill the positions of Independent Special Districts Alternate to LAFCO is currently being conducted; and

**WHEREAS;** Norm Ryan has served as a leader on local and statewide water issues in his capacity as a member and officer of the Water Replenishment District of Southern California (WRD); and

**WHEREAS;** he has demonstrated a commitment and understanding to addressing the complex urban water issues faced by the constituents of the WRD; and

**WHEREAS;** he has demonstrated knowledge and ability to keep a local perspective on regional and statewide water issues in his capacity as a member and officer of the Water Replenishment District of Southern California; and

**WHEREAS;** during Norm Ryan's tenure, he has overseen the Water Replenishment District of Southern California as it pioneered the use of cost-effective alternative water sources, improved water quality, and implemented groundwater protection and remediation efforts; and

**WHEREAS;** there are critical issues facing LAFCO relating to Independent Special Districts; and

**WHEREAS,** it is the position of the Water Replenishment District of Southern California Board of Directors that Norm Ryan possess the abilities to fulfill the duties of the Independent Special Districts Alternate to LAFCO;

**NOW, THEREFORE, BE IT HEREBY RESOLVED,** that the Board of Directors of the Water Replenishment District of Southern California endorses and supports Norm Ryan as the Independent Special Districts Alternate.

**PASSED, APPROVED, AND ADOPTED** on \_\_\_\_\_, 2004.

\_\_\_\_\_

President

ATTEST:

\_\_\_\_\_

Secretary

LAGERLOF, SENECAL, BRADLEY, GOSNEY & KRUSE, LLP

H. JESS SENECAL  
JOHN F. BRADLEY, SR.  
TIMOTHY J. GOSNEY  
WILLIAM F. KRUSE  
THOMAS S. BUNN III  
ANDREW D. TURNER  
REBECCA J. THYNE  
JAMES D. CIAMPA  
T. NINA TARNAY  
KATHERINE N. BONAGUIDI  
CHRISTOPHER B. CHAN

LAWYERS  
10TH FLOOR  
301 NORTH LAKE AVENUE  
PASADENA, CALIFORNIA 91101-4108  
(626) 793-9400  
FACSIMILE (626) 793-5900

GEORGE W. DRYER  
1881-1959  
RAYMOND R. HAILS  
1889-1959  
JOSEPH J. BURRIS  
1913-1980  
STANLEY C. LAGERLOF  
1915-1996

MEMORANDUM

**To:** Los Angeles County Independent Special Districts  
**From:** William F. Kruse, Special Counsel  
**Date:** November 5, 2004  
**Subject:** Nomination of Candidate; LAFCO Alternate

As you know, since 1994 special districts in Los Angeles County have been represented by two members of the Local Agency Formation Commission. We need to fill the office of the alternate for the remainder of his term, which ends in May 2006. On behalf of the special districts of Los Angeles County, LAFCO has appointed us to assist in conducting the election to fill this position.

By law, independent special district seats on LAFCO are filled by the Special District Selection Committee. That Committee is made up of the presiding officers of each independent special district in Los Angeles County.

In order to expedite the process of electing an alternate, I have included a form to be used to nominate candidates for consideration for the position. After nominations are received, each district will receive a complete package of nominee resumes, together with a ballot for consideration by the presiding officer of your board. Voting will be conducted by mailed ballot.

Nominations for the Committee's consideration are welcome. Please provide as much relevant information about the candidate as reasonably possible. Any biographical information and/or candidate statement should be limited to one page. Please remember that, to be eligible, the nominee must be an elected official or appointed to your board for a fixed term. Nominations must be received in the office of Lagerlof, Senecal, Bradley, Gosney & Kruse no later than December 17, 2004.

Please feel free to contact me directly with any questions.  
Voice: (626) 793-9400  
Fax: (626) 793-5900

NOMINATION  
OF  
INDEPENDENT SPECIAL DISTRICT REPRESENTATIVE (ALTERNATE)  
TO THE  
LOS ANGELES COUNTY LOCAL AGENCY FORMATION COMMISSION

To: Independent Special District Selection Committee

From: \_\_\_\_\_

Date: \_\_\_\_\_

Name of Candidate: \_\_\_\_\_

\_\_\_\_\_ is pleased to nominate  
\_\_\_\_\_ as a candidate for appointment as **ALTERNATE** special district representative to the Los Angeles Local Agency Formation Commission. The nominee is an elected official or a member of the board of an independent special district appointed for a fixed term. For your consideration, we submit the following additional information together with a resume of the candidate's qualifications.

Elective office: \_\_\_\_\_

Agency: \_\_\_\_\_

Type of Agency: \_\_\_\_\_

Term Expires: \_\_\_\_\_

Residence Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

(please attach resume)

\_\_\_\_\_  
(Name of Agency)

By: \_\_\_\_\_

Its: \_\_\_\_\_



## **MEMORANDUM**

### **ITEM NO. XI**

*Prepared by:* Evelyn Fierro

*Reviewed by:*

**DATE: DECEMBER 6, 2004**

**TO: BOARD OF DIRECTORS**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: DISTRICT ADVOCACY PROGRAM**

---

#### **SUMMARY**

The needs and outlook for the WRD have changed over the course of 2003 and 2004. Because of this, staff has been directed by the External Affairs Committee chair to reevaluate our overall advocacy program and needs for 2005. The District currently contracts with advocates representing WRD's federal, state and local matters.

The External Affairs Committee reviewed this item on November 29, 2004 and recommends that the WRD Board extends the current advocates' contracts on a month-to-month basis for a period not to exceed four months to allow for this evaluation process to take place and to develop a workplan for 2005.

#### **FISCAL IMPACT**

Currently, Federal advocacy is costing \$15,000 per month, State advocacy is costing \$15,000 per month and local advocacy is costing \$10,000 per month.

#### **EXTERNAL AFFAIRS COMMITTEE RECOMMENDATION**

Extend the current advocates' contracts on a month-to-month basis for a period not to exceed four months to allow a substantive evaluation process and to develop a workplan for 2005.



**MEMORANDUM**

**ITEM NO. XII**

*Prepared by:* Adeline M.L. Yoong

*Reviewed by:* Evelyn Fierro

**DATE: DECEMBER 6, 2004**  
**TO: BOARD OF DIRECTORS**  
**FROM: ROBB WHITAKER, GENERAL MANAGER**  
**SUBJECT: LEGISLATIVE REPORT**

---

**SUMMARY**

A verbal update on federal and state matters will be provided.

**FISCAL IMPACT**

None.

**STAFF RECOMMENDATION**

For information.



## **MEMORANDUM**

**ITEM NO. XIII**

*Prepared by:* Tina Graham

*Reviewed by:*

**DATE: DECEMBER 6, 2004**  
**TO: BOARD OF DIRECTORS**  
**FROM: ROBB WHITAKER, GENERAL MANAGER**  
**SUBJECT: PACE PROJECT**

---

### **SUMMARY**

This item has been agendaized at the request of Director Robles. Due to time constraints, this item has not been reviewed by a committee.

PACE Project and The Latino Impact Coalition of Compton are preparing for the 2004 Navidad En El Barrio celebration. The celebration is an annual event held in the city of Compton for the purpose of providing gifts and holiday cheer to underprivileged children and their families.

PACE is requesting a financial donation from WRD in the amount of \$750 to help support the Navidad En El Barrio celebration. PACE is requesting donations be submitted by December 13.

### **FISCAL IMPACT**

The fiscal impact would be \$750. This specific item was not budgeted, but sufficient funds are available in the non-operating budget.

### **STAFF RECOMMENDATION**

Approve a donation in the amount of \$750 to the PACE Project for the 2004 Navidad En El Barrio celebration.