REGULAR MEETING OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
12621 E. 166th Street, Cerritos, California 90703

9:00 A.M., MONDAY, OCTOBER 7, 2002

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. PUBLIC COMMENT
IV. 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.

V. 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 or a member of the audience 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 SEPTEMBER 6, 2002
   Recommendation: That the Board approve the minutes as submitted.

B. STAFF TRAVEL REQUEST - 2002 NATIONAL GROUNDWATER ASSOCIATION ANNUAL CONVENTION – LAS VEGAS, NEVADA
   Recommendation: That the Board authorize the attendance of five technical staff members at the AGWSE 2002 Annual Meeting and Conference to be held in Las Vegas, Nevada, December 8-11, 2002.

C. AMERICAN WATER WORKS ASSOCIATION RESEARCH FOUNDATION MEMBERSHIP DUES
   Recommendation: That the Board renew the District’s membership in the American Water Works Association Research Foundation with dues in the amount of $40,000.
D. CONSIDERATION OF RESOLUTION NO. 02-648 -
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER
REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
REGARDING AN APPLICATION FOR A GRANT PURSUANT TO THE
LOCAL GROUNDWATER MANAGEMENT ASSISTANCE ACT OF 2000
(AB303, STATS. OF 2000, CH 708)
Recommendation: That the Board adopt Resolution No. 02-648.

E. PROPOSED GARAGE ADDITION TO ALAMITOS BARRIER
RECYCLED WATER TREATMENT PLANT SITE
Recommendation: That the Board authorize staff to execute the change
order and approve construction of the proposed garage/storage building.

F. ALAMITOS BARRIER RECLAIMED WATER AGREEMENT
Recommendation: That the Board enter into an agreement substantially
similar in form to the attached draft with the County of Los Angeles and
the Orange County Water District regarding reclaimed water service to the
Alamitos Barrier Project, subject to approval as to form by District
Counsel.

VI. PERMIT UPDATE AND ACTION PLAN FOR RECYCLED WATER SERVICE
TO DOMINGUEZ GAP AND ALAMITOS SEAWATER BARRIERS
Recommendation: For discussion.

VII. TERMINATION OF ORDUNA DESALTER FACILITIES SITE LEASE AND
RELATED INFRASTRUCTURE AGREEMENTS WITH CALIFORNIA WATER
SERVICE COMPANY (CWS)
Recommendation: That the Board approve of the termination of the Desalter
Lease, the Pipeline Lease and the O&M Agreement, and surrender of WRD’s
leasehold rights under the Desalter Lease and the Pipeline Lease on the terms
and conditions set forth in the drafts of the termination agreements.

VIII. COMPUTER SUPPORT SERVICES SOLICITATION
Recommendation: That the Board authorize staff to solicit proposals for
computer support services.

IX. WRD ADMINISTRATIVE CODE REVISION -
ADDITION OF SMALL BUSINESS ENTERPRISE (SBE) OUTREACH POLICY
Recommendation: That the Board adopt a Small Business Enterprise (SBE)
Outreach Policy and incorporate it into the WRD Administrative Code as
recommended by the Administrative Committee.

X. LEGISLATIVE REPORT
Recommendation: For information.

XI. GENERAL MANAGER’S REPORT

XII. DISTRICT COUNSEL REPORT
XIII. DIRECTORS’ REPORTS / COMMITTEE REPORTS

XIV. WRD BOARD MEETING DATES
A. October 21, 2002 – 9:00 A.M. - Board of Directors Meeting
B. November 4, 2002 – 9:00 A.M. - Board of Directors Meeting
C. November 18, 2002 – 9:00 A.M. – Board of Directors Meeting
D. December 2, 2002 – 9:00 A.M. – Board of Directors Meeting
E. December 16, 2002 – 9:00 A.M. – Board of Directors Meeting

XV. CLOSED SESSION
A. Existing litigation per Government Code §54956.9 (a)
   1. WRD vs Midland Park Water Trust; L.A.S.C. Case No. 01-CO-1417
   2. Central and West Basin Water Replenishment District vs Charles Adams; L.A.S.C. Case No. 786,656
   3. California Water Service vs City of Compton; Case No. 506806
   4. Ronald P. Flores vs Water Replenishment District of Southern California, et al.; case No. BC258274
B. Anticipated litigation per Government Code §54956.9(b)
   Two Cases
C. Anticipated litigation per Government Code §54956.9 (c)
   One Case
D. Employee performance review and evaluation per Government Code §54957
   Title of Position: General Manager

XVI. ADJOURNMENT

Agenda posted by Marcia A. Forkos, Deputy Secretary, October 2, 2002. In compliance with ADA requirements, this document can be made available in alternative formats upon request.
MINUTES OF SEPTEMBER 6, 2002  
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 September 6, 2002, at 1:30 P.M. in the District office at 12621 E. 166th Street, Cerritos, California. President Leo J. Vander Lans called the meeting to order and presided. Deputy Secretary Marcia A. Forkos 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 W. Goldsworthy, Willard H. Murray, Jr., and Albert Robles. Also participating in the meeting were General Manager Bruce Mowry, Assistant General Manager and District Engineer Robb Whitaker, District Counsels J. Arnoldo Beltrán and Ed Casey, and Senior Hydrogeologist Ted Johnson.

II. PLEDGE OF ALLEGIANCE
WRD Senior Engineer Melinda Sperry led the Pledge of Allegiance.

III. PUBLIC COMMENT
None.

IV. ADDITIONAL ITEMS TO THE AGENDA
None.

V. CONSENT CALENDAR
A. MINUTES OF THE SPECIAL MEETING OF AUGUST 9, 2002
   Recommendation: That the Board approve the minutes as submitted.
B. MINUTES OF THE REGULAR MEETING OF AUGUST 16, 2002
   Recommendation: That the Board approve the minutes as submitted.
C. MINUTES OF THE SPECIAL MEETING OF AUGUST 26, 2002
Recommendation: That the Board approve the minutes as submitted.

D. STAFF TRAVEL REQUEST – 2002 CA – NV SECTION OF AMERICAN WATER WORKS ASSOCIATION ANNUAL FALL CONFERENCE
Recommendation: That the Board approve staff attendance at the 2002 California – Nevada Section of the American Water Works Association Annual Fall Conference, October 14 – 17, 2002 in Reno, Nevada.

E. REQUEST FOR PROPOSALS – PHONE SYSTEM
Recommendation: That the Board approve issuance of a request for proposals for a new phone system.

F. SOUTHEAST WATER COALITION (SEWC) MEMBERSHIP
Recommendation: That the Board approve the District’s annual SEWC membership dues.

G. REPLACEMENT FOR KEY WELL 1626L
Recommendation: That the Board approve the replacement of key well 1626L with 1606U for groundwater monitoring of the Montebello Forebay to determine the average groundwater elevation as called for by the Central Basin Judgment.

H. CONSIDERATION OF RESOLUTION NO. 02-644 – A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER REPLACEMENT DISTRICT OF SOUTHERN CALIFORNIA REPLACING THE FORMER MODEL CODE WITH FAIR POLITICAL PRACTICES COMMISSION (PPPC) REGULATION 18730 (2 CAL. CODE OF REGS. SECTION 18730) BY REFERENCE AND AMENDING EXHIBIT “B” TO THE CONFLICT OF INTEREST AND DISCLOSURE CODE
Recommendation: That the Board adopt Resolution No. 02-644.

Recommendation: That the Board adopt Resolution No. 02-645.
J. ACWA-JPIA LIABILITY INSURANCE POLICY

Recommendation: That the Board approve renewal of the District’s ACWA-JPIA liability policy.

Agenda Items V.B., V.E. and V. G were pulled from the Consent Calendar for further discussion.

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

RESOLVED: That the Board approves the Consent Calendar of the meeting of September 6, 2002 as amended.

V.B. MINUTES OF THE REGULAR MEETING OF AUGUST 16, 2002

The minutes of the regular meeting of August 16, 2002 were approved as amended.

V.E. REQUEST FOR PROPOSALS – PHONE SYSTEM

Director Robles stated that he does not see the urgency of replacing the District’s existing phone system in light of present budgetary constraints. He asked that the Board postpone its decision while staff collect data on maintenance costs.

General Manager Bruce Mowry stated that the District’s current phone system is obsolete, maintenance service calls were expensive, and that the system is not meeting staff’s requirements anymore.

Director Goldsworthy stated that staff should move ahead with the Request For Proposals since staff had reviewed this problem already and estimates can take several months.
Director Murray stated that he felt the amount budgeted for the new phone system is not a very large amount of money for an agency to have a good phone system in place.

Director Acosta stated that she appreciated Director Robles’ comments but that a better phone system will make staff work more efficiently and communicate effectively with the District’s constituents.

Upon a motion duly made by Director Goldsworthy, seconded by Director Murray, and with Director Robles dissenting, it was RESOLVED: That the Board approve issuance of a request for proposals for a new phone system.

Director Robles stated that the Board write-up did not identify the problems of the system and he felt that a new phone system is not a prudent investment. He asked that he be provided with a list of actual problems and maintenance costs incurred within the last year.

V.G. REPLACEMENT FOR KEY WELL 1626L

Mr. Desi Alvarez, City of Downey, asked that the Board defer action on this item stating that this is the first time that he had seen it. He stated that additional information should be provided, that the Board should delay action on this item until the Watermaster’s concurrence is secured to see if the recommended substitute well is the best replacement, and that the WRD Technical Advisory Committee (TAC) should review the item.
Mr. Jim Glancy, City of Lakewood, stated that he had similar concerns since the well runs for approximately 20 hours a day. He felt that accurate information could not be derived by shutting off the well for only one hour a day.

Senior Hydrogeologist Ted Johnson addressed the Central Basin Judgment which provides that water levels in four key wells in the Montebello Forebay be tracked for the purpose of determining an average water level elevation. The Judgment further provides that the average minimum elevation of water surface among the wells in the Montebello Forebay of the Central Basin designated as Los Angeles County Flood Control District Wells Nos. 1601T, 1564P, 1615P, and 1626L be at least 43.7 feet above sea level to allow for emergency additional pumping rights to be granted by WRD. Should any of the wells become destroyed or be in a condition where readings cannot be made, the Board of Directors may upon appropriate engineering recommendation, substitute other wells.

Mr. Johnson stated that Key Well 1626L has been destroyed so an alternate well needs to be found. Staff has performed a hydrogeological investigation of approximately 50 wells in the vicinity of Well 1626L to locate a suitable replacement well. Upon final review, Well 1606U was deemed to be the best replacement. The water level elevations of Well 1606U compared with 1626L show very consistent, common water levels between the two wells.

Mr. Johnson also stated that Southern California Water Company (SCWC) has been providing the data and working with staff.

Director Goldsworthy stated that he felt there was no urgency in the matter and would agree to have the TAC review it.
Director Robles asked if there was an urgency in replacing the well. Mr. Johnson stated that there was not.

Director Murray asked what is accomplished by delaying the project.

Mr. Glancy stated that accuracy is the key question. He felt that the numbers provided by the SCWC crew may not be accurate and should not be used as the benchmark number. He asked that the Board defer the project for a few months and have staff work with the pumpers.

General Manager Mowry stated that staff had reviewed all options and Well 1606U seemed to be the most suitable replacement. He recommended that the Board approve staff’s recommendation at the present and review the other four wells with the TAC, get the Watermaster’s participation, and come back to the Board if there is a problem.

Director Murray made a motion to adopt staff’s recommendation and review the other four wells with the TAC and to come back to the Board if there is a problem. The motion failed for lack of a second.

Upon a motion duly made by Director Goldsworthy, seconded by Director Robles, and with Director Murray dissenting, it was

RESOLVED: That the replacement for Key Well 1626L be deferred to the WRD Technical Advisory Committee (TAC) for review and recommendation.
VI. ALAMITOS PHYSICAL BARRIER PROJECT – CONTRACT AMENDMENT

General Manager Mowry stated that staff had met with the consulting team of Psomas/GeoPentech/CH2M Hill to discuss the Phase IIA of the Deep Soil Mixed Wall Pilot Project (project) in the Alamitos Gap. Phase IA – Initial Feasibility Review determined that there are no fatal flaws associated with progressing on the project.

The consulting team developed a scope of work and cost estimate for Phase IIA of the project. Phase IIA includes all required project elements up to, but not including final design. The elements to be completed are: supplemental geotechnical/hydrogeological analyses, preliminary cost estimate, preliminary design, and environmental documentation and permitting.

The Water Resources Committee reviewed this item at its August 26th meeting and concurred with staff’s recommendation to amend the contract with Psomas/GeoPentech/CH2M Hill to complete Phase IIA of the Alamitos Physical Barrier Project.

Director Robles asked if the increase of $380,000 in the existing contract a violation of the proposed “model contract for professional services” that the Board is being asked to approve later. The model contract provides that changes requiring a significantly longer term or substantially different scope of work, or significantly increased fee schedule require solicitation and approval of proposals for professional services.

General Manager Mowry stated that this amendment is not new work nor does it change the scope of work of the project. He said that it was part of the proposed full project but that it is being done in phases.
Mr. Alvarez stated that the project is significant and costly and may have tremendous repercussions. He stated that the project has no support from the pumping community. The item was presented to the TAC and the TAC did concur to look at the feasibility of the project but did not approve the full project. He stated that the TAC thought that this was a no-cost to the pumpers project and will have a research and development type of funding. He asked that the Board direct staff to work with the pumpers, proceed with a segmented portion of the demo project, and find alternative sources of funding.

Director Acosta asked that staff inform everyone of the sources of funding that were identified at the last Water Resources Committee meeting that she had attended.

General Manager Mowry stated that funding for the project is available from two primary sources. Funding is available from the United States Bureau of Reclamation (USBR). There is also a low-interest loan provided by the California Department of Water Resources (DWR) under the Proposition 13 Groundwater Recharge Construction Loan Program, which will be approved by year-end.

Director Murray asked if the TAC did approve the project. Mr. Alvarez stated that the TAC recommended approval of a limited demo project funded by outside sources.

Director Robles asked if the $400,000 funding from the USBR is sure. General Manager Mowry stated that the USBR funding is $1 million over four years. The $400,000 is for a 1,000 feet pilot project which the USBR will match.
Director Robles asked if the District can get reimbursed by grant money if the project is stopped because it is determined not to be feasible. General Manager Mowry stated that staff will research this.

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

RESOLVED: That the Board authorizes the General Manager to amend the Psomas/GeoPentech/CH2M Hill contract to complete Phase IIA of the Alamitos Barrier Project for an amount not to exceed $380,000.

VII. SOUTHERN CALIFORNIA WATER COMPANY IMPERIAL WELLS WELLHEAD TREATMENT PROJECT

General Manager Mowry stated that discussions have been ongoing with Southern California Water Company (SCWC) to resolve the problems associated with budget constraints and potential liabilities resulting from necessary modifications to the treatment facility for Imperial Wells 1, 2, and 3 located in the City of Norwalk.

Director Robles asked SCWC if they would have a problem amending staff’s recommendation for the District to get reimbursed if SCWC decides to stop the project. District Counsel Edward Casey stated that a provision could be included in the contract.

Mr. Mike Gutierrez of SCWC stated that they have already spent about $600,000 on the project and would like to make sure that it is completed.

Director Goldsworthy clarified that the eight air-stripping modules remain as properties of the District.
Upon a motion duly made by Director Murray, seconded by Director Robles, and unanimously approved, it was

RESOLVED: That the Board (1) authorizes an amendment to the existing agreement with the Southern California Water Company incorporating conditions listed above and upon approval by District Counsel as to form; (2) allow a reimbursement program for an amount not to exceed $360,000 for a treatment system to remove VOC’s from Imperial Wells 1, 2, and 3; and (3) provide reimbursement to WRD by SCWC of all monies WRD has expended if SCWC decides to stop the project.

VIII. CONJUNCTIVE USE PROGRAMS

Mr. Alvarez stated that there was no staff write-up on this item and requested that a presentation be made.

President Vander Lans stated that he felt that the six-member agencies Memorandum of Understanding (MOU) between the Central Basin Municipal Water District, City of Compton, City of Long Beach, City of Los Angeles, City of Torrance, and West Basin Municipal Water District restricts development and use of the basin. He asked why WRD was not consulted in the preparation of the MOU.

Director Goldsworthy expressed great concern on the effect of the MOU to his constituents and future costs. He asked that staff look into this.

Mr. Paul Shoenberger, Central and West Basin Municipal Water Districts (C&WBMWD), stated that the six-way agreement was worked on by the MET member agencies over the past few months.
WRD was invited to participate and had an opportunity to connect. He acknowledged that there are changes expected in managing the basins and they would like to see conjunctive use happen. He stated that the MOU provides that the member agencies will agree to the principle that no party can be financially harmed by the actions of one or more parties without the prior mutual consent or consideration of the impacts.

Director Murray asked if C&WBMWD are the only ones that have approved the agreement. Mr. Shoenberger answered in the affirmative.

Director Goldsworthy stated that he understood that according to the agreement, if we were to buy water from Torrance, we would have to make West Basin, MWD whole, etc. so there would be no reason to buy water from anyone else. Mr. Shoenberger said C&WBMWD were willing to sit down and discuss the agreement.

Director Robles asked when staff first became involved in the discussions. Mr. Shoenberger stated that it was probably around six months ago and they have not heard any comments from staff on the latest version.

General Manager Mowry stated that he had significant objections to the agreement when it was first discussed and had asked why WRD was not a party to the MOU. He was told that WRD was not an MWD member agency. He thought that there were several more meetings to be held to address his concerns and is now surprised that the C&WBMWD Board had approved the MOU and his comments were not incorporated.
Director Robles asked to see comments submitted by General Manager Bruce Mowry and Assistant General Manager and District Engineer Robb Whitaker.

President Vander Lans asked Mr. Shoenberger to express WRD Board’s concerns to his Boards. He stated that he felt the MOU discourages conjunctive use in the basin. He asked that WRD be more involved and find a solution that would benefit the whole basin.

President Vander Lans asked that this item be referred to the Water Resources Committee.

IX. CONSIDERATION OF RESOLUTION NO. 02-646 – A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA ADOPTING MODIFICATION TO ITS CONTRACT WITH DISTRICT COUNSEL

Director Goldsworthy stated that this resolution will address the latest State Auditors’ recommendations. Director Robles suggested changes to the model contracts without objections from anyone.

Upon a motion duly made by Director Robles, seconded by Director Goldsworthy, and unanimously approved, Resolution No. 02-646 was adopted, as amended.

RESOLUTION NO. 02-646

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA ADOPTING MODIFICATION TO ITS CONTRACT WITH DISTRICT COUNSEL

(Reference is hereby made by Resolution No. 02-646 in the District Resolution file and by this reference is included herein and made a part hereof as though fully set forth at length.)
X. CONSIDERATION OF RESOLUTION NO. 02-647 – A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA ADDING CERTAIN PROVISIONS TO THE DISTRICT’S PROCUREMENT POLICIES (APPENDIX 4 OF ADMINISTRATIVE CODE)

Director Robles suggested changes to the model contracts without objections from anyone.

Upon a motion duly made by Director Robles, seconded by Director Goldsworthy, and unanimously approved, Resolution No. 02-647 was adopted, as amended.

RESOLUTION NO. 02-647

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA ADDING CERTAIN PROVISIONS TO THE DISTRICT’S PROCUREMENT POLICIES (APPENDIX 4 OF ADMINISTRATIVE CODE)

(Reference is hereby made by Resolution No. 02-647 in the District Resolution file and by this reference is included herein and made a part hereof as though fully set forth at length.)

XI. BOARD OF DIRECTORS MEETING SCHEDULE

Director Goldsworthy stated that the Administrative Committee has reviewed this item and had recommended a change in the present board meeting schedule.

The Board recommended that regularly scheduled Board meetings be held on the first and third Monday of the month at 9:00 a.m. beginning with the first meeting in October 2002.

XII. GENERAL MANAGER’S REPORT

None.
XIII. DISTRICT COUNSEL REPORT  
Deferred to closed session.  

XIV. DIRECTORS’ REPORTS/COMMITTEE REPORTS  
Director Acosta requested an update on the guidelines for community outreach, which was to be made a part of the Administrative Code. She also asked for a presentation on the status of the 60-day Audit Response. General Manager Mowry stated that staff will look into the guidelines since this as part of the 60-day Audit response.  

Director Goldsworthy stated that the Finance Committee is tracking the status of the audit recommendations.  

Director Robles again stated that he would like to have a summary of the maintenance costs associated with the existing phone system.  

Discussion followed on storage capacity. The Board directed the General Manager to send out letters to MWD and other elected officials informing them of WRD’s excess water storage capacity.  

XV. MEETING DATES  
A. September 20, 2002 – 1:30 P.M. – Board of Directors Meeting  
B. October 4, 2002 – 1:30 P.M. – Board of Directors Meeting  
C. October 18, 2002 – 1:30 P.M. – Board of Directors Meeting  
D. November 4, 2002 – 1:30 P.M. – Board of Directors Meeting  

President Vander Lans thanked Senior Engineer Melinda Sperry for her eleven years of service to the District. Ms. Sperry thanked the Board and staff for their support. She and her family will be relocating to Colorado.  

XVI. CLOSED SESSION  
A. Existing litigation per Government Code §54956.9
1. WRD vs Midland Park Water Trust; L.A.S.C. Case No. 01-CO-1417
2. Central and West Basin Water Replenishment District vs Charles Adams; LASC Case No. 786,656
3. California Water Service vs City of Compton; Case No. 506806
4. Ronald P. Flores vs Water Replenishment District of Southern California, et al; Case No. BC258274

B. Anticipated litigation per Government Code §54956.9 (b)(1): Two Cases

C. Conference with real property negotiator per Government Code §54956.8
Real Property: Lease at real property and lease improvements located at 20500 Madrona Avenue, Torrance, CA concerning Orduña Desalter. Negotiating Parties: Bruce Mowry (District Negotiator) and Terry Tamble (California Water Service)
Under Negotiation: Proposed cancellation of leases and related agreements

D. Employee performance review and evaluation per Government Code §54957
Title of Position: General Manager

The Board went into closed session. President Vander Lans and Director Robles left the closed session just prior to the Board reconvening in open session. The Board reconvened in open session.

For Agenda Item XVI.A.1, a status report was given, consensus was reached, further instructions were give to staff and District Counsel. For Agenda Item XVI.A.2, a status report was given and no action was taken. For Agenda Item XVI.A.3, a status report was given, unanimous consensus was reached, and further instruction was given to District Counsel. Agenda Item XVI.A.4, a status report was given and no action was taken.

For Agenda Item XVI.B, one matter was reviewed, a status report was given, and the matter of Buford Sonny Walker vs WRD, et al, will now be listed under existing litigation. On the second matter, a status report was
given, consensus was reached, documents will be prepared, and a presentation will be given at the next Board meeting.

For Agenda Item XVI.C, a status report was given, negotiations proposed, further instructions were given to staff and District Counsel.

For Agenda Item XVI.D, The board excused District Counsel and staff and only Board members participated in the evaluation of the General Manager. At the conclusion of its deliberations, Director Goldsworthy reported to District Counsel the following: The Ad Hoc Review Committee, consisting of Directors Robert Goldsworthy and Leo J. Vander Lans, will meet with the General Manager and discuss the Board’s evaluation. The Ad Hoc Committee will brief the Board at the next secession on its discussions with the General Manager.

XVII. ADJOURNMENT
Secretary Murray asked if there was any further business to come before the Board and there being none, the meeting was adjourned in memory of former WRD Director Doug Ferguson.

______________________________
President

ATTEST:

______________________________
Secretary
AGENDA ITEM NO. V.B

DATE: OCTOBER 7, 2002
TO: BOARD OF DIRECTORS
FROM: BRUCE MOWRY, GENERAL MANAGER
SUBJECT: STAFF TRAVEL REQUEST - 2002 NATIONAL GROUNDWATER ASSOCIATION ANNUAL CONVENTION – LAS VEGAS, NEVADA

The Association of Ground Water Scientists and Engineers (AGWSE) is holding its Annual Meeting and Conference on December 8-11, 2002 in Las Vegas, Nevada. The topic of this year’s conference is “Linking Surface and Subsurface Hydrology”. Some of the topics will include:

- Aquifer storage and recovery;
- Current and innovative approaches for quantifying recharge;
- Groundwater/Surface water interactions;
- Groundwater profiling to locate sources of hexavalent chromium contamination;
- Horizontal directional drilling (HDD) technologies;
- Watershed evaluation to locate potential recharge sites; and
- Groundwater modeling applications and techniques.

In addition, the conference has an extensive exhibit hall to display the latest in tools, products, science, and information on groundwater resources management and water quality investigations and remediation. The conference is very applicable to the work of the District, and Staff will benefit by attending and participating. Because of the direct benefits, 5 technical staff members are requesting attendance.

The Administrative Committee reviewed this item on September 24 and recommends approval.

FISCAL IMPACT
Estimated expenses to attend the conference are about $1,300 per person. The conference was budgeted in the FY 2002/03 budget.

RECOMMENDATION: That the Board authorize the attendance of five technical staff members at the AGWSE 2002 Annual Meeting and Conference to be
held in Las Vegas, Nevada, December 8-11, 2002.
The American Water Works Association Research Foundation (AWWARF) sponsors applied research for all aspects of the drinking water industry including water resources, supply, quality, and distribution. AWWARF is funded through subscriber membership fees, which are typically based on the annual amount of water delivered or served to customers. Other subscribers include the Central and West Basin Municipal Water Districts, the Los Angeles Department of Water and Power, Long Beach and the Metropolitan Water District of Southern California. Membership affords WRD and local purveyors’ access to and participation in state-of-the-art research developments in the water industry, and also maximizes leverage of pooling resources for mutually beneficial projects and investigations.

In recent years, AWWARF has conducted or sponsored research projects of particular relevance to WRD and our purveyors, including:

- Increased security of water systems
- Soil aquifer treatment of reclaimed water
- Tracing movement of contaminants through aquitards
- Groundwater contamination – arsenic, chromium, and perchlorate
- Desalination
- Iron and manganese
- Evaluation of membrane technologies
- Wellhead treatment methods
- Disinfection byproducts (DBP’s)
- Bacterial regrowth in distribution systems
- Infrastructure improvements – pipes, linings, coatings, pumps, tanks
• Enhanced communication on drinking water issues

AWWARF has a formula for subscriptions based on the volume of water a utility delivered, purchased, and sold to other utilities. The full value is adjusted so that credit is also given for that portion that is purchased or sold. Using this approach, AWWARF calculates WRD’s subscription to be $147,733. WRD joined AWWARF in 1992, and paid $40,000 annually from 1992 to 2000. The District has enjoyed full benefits even though it has paid the full subscription. However, AWWARF would prefer to see the District pay the full subscription amount of $147,733. In 2001, the District approved increasing the subscription to $80,000. These are all suggested contributions.

Roy Martinez, Senior Account Manager for AWWARF, discussed the desire to increase the subscription rate to WRD staff and to the Central Basin Water Association. Staff also presented this to the West Basin Water Association. Both Associations supported the District’s continued membership with AWWARF, but expressed the condition that the subscription fees paid by all parties of the Central and West Coast Basins be shared equitably to avoid duplication of payment.

After reviewing the subscription rates of members in these basins, the breakdown provided by AWWARF of rates paid in the WRD service area is as follows:

Of the total subscription of $402,076 for the WRD service area, that portion that is groundwater is 36.7 percent or $147,733. The remaining portion is based on imported water served to the area and is equal to 63.3 percent or $254,343.
Mr. Diem Vuong of the Central Basin Water Association was not in attendance, but spoke to staff before the meeting and indicated that only non-imported water used for replenishing the groundwater basins should be the basis for delivered water in the subscription calculation. This is because the imported water purchased by WRD for replenishment is accounted for by the AWWARF contribution paid by MWD and its member agencies in the Central and West Coast Basins. Furthermore, the AWWARF contribution by others in the WRD service area, such as Long Beach Water Department, the City of Los Angeles Department of Water and Power, and Southern California Water Company, who are also direct subscribers of AWWARF, should be excluded in calculating the amount paid by WRD. He concurs with the WRD staff estimation of the appropriate subscription level to be $40,000.

The Inter-Agency Committee discussed this item at its meeting on September 26, 2002, and recommends approval at $40,000, as currently budgeted by staff.

**Fiscal Impact**

$40,000 has been budgeted for FY 02-03.

**Recommendation:** That the Board renew the District’s membership in the American Water Works Association Research Foundation with dues in the amount of $40,000.
AGENDA ITEM NO. V.D

DATE: OCTOBER 7, 2002
TO: BOARD OF DIRECTORS
FROM: BRUCE A. MOWRY, GENERAL MANAGER
SUBJECT: CONSIDERATION OF RESOLUTION NO. 02-648 - 
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER 
REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA 
REGARDING AN APPLICATION FOR A GRANT PURSUANT TO THE 
LOCAL GROUNDWATER MANAGEMENT ASSISTANCE ACT OF 2000 
(AB303, STATS. OF 2000, CH 708)

In September 2000 the California General Assembly approved the Local Groundwater Management Assistance Act of 2000, known and AB303. The goal of the Act is to help local agencies better understand how to manage groundwater resources effectively to ensure the safe production, quality, and proper storage of groundwater in the State.

The Act creates the Local Groundwater Assistance Fund from which the Department of Water Resources will award grants to local agencies to conduct groundwater studies or to implement groundwater monitoring and management activities. It is anticipated that five million dollars will be available for Fiscal Year 2002-03, with the maximum grant to a single agency limited to $250,000.

Grants will be awarded for groundwater studies and projects that will contribute to basin and subbasin management objectives including groundwater monitoring, groundwater basin management and groundwater studies. Priority will be given to local public agencies that: (1) have adopted and implemented a groundwater management plan, or other formalized basin-wide planning program for its groundwater resources; and (2) demonstrate collaboration with other local public agencies regarding management of their groundwater basin or subbasin.

Attached for review is a draft resolution that is required as an attachment to the grant applications.
The Water Resources Committee reviewed this item at its September 23, 2002 meeting and concurred with staff’s recommendation

**FISCAL IMPACT**
None.

**RECOMMENDATION:** That the Board adopt Resolution No. 02-648.
RESOLUTION NO. 02-648

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA REGARDING AN APPLICATION FOR A GRANT PURSUANT TO THE LOCAL GROUNDWATER MANAGEMENT ASSISTANCE ACT OF 2000 (AB303, STATS. OF 2000, CH.708)

WHEREAS, the Water Replenishment District of Southern California (“WRD”) is a special district created under the laws of the State of California charged with the responsibility of replenishing the West Coast Ground Water Basin and the Central Ground Water Basin and maintaining the groundwater quality in said basins; and

WHEREAS, the Local Groundwater Management Assistance Act of 2000 (AB303, Stats. of 2000, Ch. 708) authorizes the California Department of Water Resources to issue grants for certain projects related to groundwater studies, groundwater monitoring, or groundwater management; and

WHEREAS, WRD seeks to obtain such a grant for a potentially eligible project.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Water Replenishment District of Southern California hereby:

Approves the submittal of an application, pursuant and subject to all of the terms and provisions of the Local Groundwater Management Assistance Act of 2000, and amendments thereto, by the Water Replenishment District of Southern California to the California Department of Water Resources to obtain a grant to conduct groundwater studies, groundwater monitoring, or groundwater management. Bruce Mowry, who is the General Manager of the Water Replenishment District of Southern California is hereby authorized and directed to prepare the necessary data, make investigations, sign and file such application with the California Department of Water Resources.

Passed, adopted and approved at the regular meeting of the Board of Directors of the Water Replenishment District of Southern California on ______, October 2002.

__________________________
ATTEST:         President

___________________________
Secretary
AGENDA ITEM NO. V.E

DATE: OCTOBER 7, 2002

TO: BOARD OF DIRECTORS

FROM: BRUCE A. MOWRY, GENERAL MANAGER

SUBJECT: PROPOSED GARAGE ADDITION TO ALAMITOS BARRIER RECYCLED WATER TREATMENT PLANT SITE

The WRD is experiencing a shortage of space in which to properly store some of its project files and equipment. The District currently owns two field trucks which should be parked at a secured site. Additionally, WRD has accumulated several boxes of files throughout the years which need to be stored. Due to limited space at the current building, the District pays $400 a month to lease a small storage site to store a portion of its documents. Additional storage will be needed to store the District's documents which are currently scattered in various locations. The current status of filing and searching for documents is very inefficient and expensive to maintain.

The Alamitos Barrier Recycled Water Project is currently under construction and is scheduled for completion by the end of January 2003. P.K. Construction Co. is the general contractor on this project. WRD's staff sees an opportunity to issue a change order to P.K. Construction Co. to construct a 1,000 S.F. garage/storage building at this site.

Upon request, P.K. Construction Co. quoted $97,000 to build the garage/storage building, which includes the engineering fee.

The proposed garage/storage building, if approved for construction, will be detached from the control building but will match it architecturally.

The Water Resources Committee reviewed this item at its September 23, 2002 meeting.
FISCAL IMPACT
This change order is the first change order to date and will cost the District $97,000, which is within the authorized contingency fund for this project. The total construction cost including this change order is $11,829,000. A $75,000 change order due to changes in field condition is being evaluated by the District's Construction Management Company.

RECOMMENDATION: That the Board authorize staff to execute the change order and approve construction of the proposed garage/storage building.
Since 1964, the Alamitos Seawater Barrier Project (Barrier) has been using about 6,000 acre feet per year (afy) of potable water to prevent seawater from migrating into the Central Basin. The Alamitos Barrier Recycled Water Project (ABRWP) will replace half of the potable water with recycled water, thereby improving reliability of the overall supply to the barrier by reducing the dependency on imported water.

On September 3, 1999, the Board approved policy principles for amending an existing agreement with the County of Los Angeles Department of Public Works (COUNTY) to enable delivery of recycled water to the Barrier.

On March 23, 2001, the Board approved entering into a similar agreement with the County of Los Angeles Department of Public Works and the City of Los Angeles Department of Water and Power for delivery of recycled water to the Dominguez Gap Seawater Barrier.

Attached is the final agreement for the ABRWP, which includes many of the terms and conditions contained in the Dominguez Gap Agreement, which the Board approved on March 23, 2001.

The District agrees to
- Deliver recycled water to the Barrier.
- Compensate hydroelectric plant owner for revenue losses as a result of reduced flows of imported water.
- Design and construct necessary improvements to the Barrier, such as a backflow prevention assembly, a flow meter, and any additional relief valves needed to mitigate surge conditions.
- Obtain permit from the Regional Water Quality Control Board
• Comply with permit requirements, including compliance with water quality limits and groundwater modeling.
• Provide water quality that meets or exceeds requirements by the regulatory agencies and the COUNTY.
• Monitor the water quality to ensure compliance with regulatory and COUNTY requirements.
• Reimburse COUNTY for costs of increased maintenance or repairs for damaged facilities caused by recycled water use.
• Prepare the Title 22 Engineering Report that will be the basis for regulatory review and approval. (completed).

County of Los Angeles Department of Public Works agrees to
• Accept delivery of recycled water for injection into the Barrier, subject to permit and other stipulated conditions.
• Operate and maintain facilities and improvements built by WRD for the Barrier, such as the backflow prevention assembly.
• Establish water quality requirements, if any, to protect the integrity of the Barrier facilities.

Orange County Water District agrees to
• Permit the use of recycled water as an alternative source of supply to the Barrier, as agreed to in “Agreement between the Water Replenishment District of Southern California and the Orange County Water District for the Purchase of Recycled Water Produced by the Alamitos Barrier Recycled Water Project,” dated March 17, 1999.

Other terms and conditions
• Deliveries may be suspended by either the COUNTY or the District and kept to a minimum as a result of emergencies or planned maintenance.
• The term of this agreement will be ten years.
• Any changes to this contract shall be mutually agreed upon by all parties.

The Water Resources Committee reviewed this item on September 23 and recommends approval.

FISCAL IMPACT
Overall project costs have been approved in the budget for FY02-03.

RECOMMENDATION: That the Board enter into an agreement substantially similar in form to the attached draft with the County of Los Angeles and the Orange County Water District regarding reclaimed water service to the Alamitos Barrier Project, subject to approval as to form by District Counsel.
DRAFT

AGREEMENT BETWEEN
THE COUNTY OF LOS ANGELES, THE ORANGE COUNTY WATER DISTRICT AND
THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
REGARDING RECLAIMED WATER SERVICE TO
THE ALAMITOS BARRIER PROJECT

THIS AGREEMENT is made and entered into by and between the COUNTY
OF LOS ANGELES (COUNTY) acting on behalf of the Los Angeles County Flood
Control District, the ORANGE COUNTY WATER DISTRICT (OCWD) and the WATER
REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA (DISTRICT).

A.   Recitals

1. The use of reclaimed water in Southern California is desirable to reduce the
dependency upon imported supplies, and to increase the overall reliability of water
supplies to the region.

2. The DISTRICT is constructing the Alamitos Barrier Recycled Water Project
(PROJECT) facilities. PROJECT facilities include an advanced wastewater treatment
facility (AWTF), which is adjacent to the Long Beach Water Reclamation Plant of the
Los Angeles County Sanitation Districts, utilizing microfiltration (MF) and reverse
osmosis (RO) to demineralize disinfected tertiary effluent, a pH adjustment system to
stabilize the Langelier saturation index of the demineralized water, and ultra violet
(UV) light to remove certain contaminants, and a distribution system consisting of a
pump station and pipeline from the AWTF to the existing Alamitos Barrier Pipeline
that delivers water to the existing Alamitos Barrier (BARRIER).

3. The COUNTY owns and operates the BARRIER which consists of injection wells,
water supply lines, pressure reduction facilities, and appurtenances, for the purpose
of injecting fresh water or other suitable water in coastal aquifers to create a
hydraulic barrier to stem seawater intrusion into the Central Basin.

4. The COUNTY entered into agreements with the DISTRICT on May 12, 1964 (County
Agreement No. 8125) and July 25, 1967 (County Agreement No. 12385) which
requires the DISTRICT to purchase and the COUNTY to order water from a member
agency of Metropolitan Water District of Southern California (MWD) or other suitable
water and inject the same into the BARRIER.

5. The COUNTY entered into an agreement with the OCWD on July 7, 1964 to share in
the costs to design, construct and operate and maintain the BARRIER, and which
requires OCWD to furnish and pay for the portion of water required for recharge in
the BARRIER injection wells that serve Orange County.

6. The OCWD entered into an agreement with the DISTRICT on March 17, 1999 and
agrees to pay for its share of reclaimed water injected into the BARRIER.

7. The COUNTY has allowed the construction and operation of a revenue generating
BARRIER Hydroelectric Project (HYDROELECTRIC PROJECT) which consists of
facilities that convert the energy in flowing water into electricity. These facilities are
located downstream of the MWD supply to the BARRIER and upstream of the
reclaimed water supply.
8. The HYDROELECTRIC PROJECT, as a result of reclaimed water being supplied to the BARRIER, may experience a corresponding decrease in imported water through its facilities and as a result sustain revenue losses.

9. The DISTRICT is desirous of reducing its dependency on imported water and utilizing reclaimed water to improve the reliability of supply for the BARRIER.

NOW, THEREFORE, in consideration of the foregoing and of the benefits which will accrue to the parties hereto, it is understood and agreed to by and between the parties hereto as follows:

ARTICLE 1 - AGREEMENT

The DISTRICT agrees to cause to deliver reclaimed water to the BARRIER pursuant to the terms and conditions of this AGREEMENT. The COUNTY agrees to take and inject reclaimed water into the BARRIER pursuant to the terms and conditions of this AGREEMENT.

ARTICLE 2 - RESPONSIBILITIES OF DISTRICT

2.1 The DISTRICT shall cause to deliver reclaimed water to the BARRIER delivery pipeline at a location due west from the new AWTF. The supply of such water shall be pursuant to this AGREEMENT only and shall not create a utility duty to serve.

2.2 The DISTRICT shall reimburse the Hydroelectric Project owner for net revenue or other identifiable losses directly attributable to the use of reclaimed water for BARRIER injection. The terms of the DISTRICT’s Hydroelectric Project reimbursement shall be set forth in a separate mutual settlement and release agreement in a form acceptable to the COUNTY and the DISTRICT. This AGREEMENT shall not become effective until the mutual settlement and release agreement has been executed.

2.3 The DISTRICT shall design and construct all necessary improvements required for using reclaimed water for injection in the BARRIER. These include, but are not limited to, a backflow prevention assembly, a flow meter, and any additional air vacuum release valves to mitigate surge conditions associated with reclaimed water emergency shutdowns. The DISTRICT shall also obtain required County Department of Health Services certification for the backflow prevention assembly.

2.4 The DISTRICT shall obtain a permit from the Regional Water Quality Control Board, Los Angeles Office, (REGIONAL BOARD) for the direct injection of reclaimed water as a barrier against seawater intrusion. The co-permittees will be the COUNTY and the DISTRICT.

2.5 The DISTRICT shall comply with any permit requirements for groundwater quality monitoring, and verification of the groundwater modeling used to show the movement of groundwater.
2.6 The DISTRICT agrees to provide reclaimed water that will meet all applicable laws and regulations, including the groundwater recharge requirements of the REGIONAL BOARD permit and additional water quality requirements established by the COUNTY as specified in Article 3.4.

2.7 The DISTRICT shall be responsible for water quality monitoring necessary to demonstrate compliance with the REGIONAL BOARD permit and water quality requirements established by the COUNTY as specified in Article 3.4.

2.8 The DISTRICT shall reimburse COUNTY for reasonable expenditures, if any, incurred for increased maintenance activities resulting from the use of reclaimed water or repair of BARRIER facilities damaged by pressure surges resulting from the use of reclaimed water. The DISTRICT agrees to pay the COUNTY within 60 days of receipt of a reimbursement request.

2.9 The DISTRICT agrees to provide reclaimed water at the point of connection to the COUNTY pipeline at a pressure that matches the existing pressure in the pipeline.

2.10 The DISTRICT agrees to provide 6 months advance notice of the estimated start of delivery date.

ARTICLE 3 - RESPONSIBILITIES OF COUNTY

3.1 Upon approval by the DISTRICT, the COUNTY shall accept delivery of recycled water and inject it into the BARRIER facilities, subject to the conditions described in this AGREEMENT and REGIONAL BOARD permit requirements.

3.2 Subject to Article 5.3 of this AGREEMENT, the COUNTY shall have the right to perform any and all operation, maintenance, and repair activities that it may deem necessary in its sole and absolute discretion at the BARRIER. Notwithstanding the foregoing, the COUNTY shall notify the DISTRICT of scheduled BARRIER shutdowns as required for maintenance activities at least two weeks prior to said shutdown; and notify DISTRICT as soon as possible of unanticipated BARRIER shutdowns.

3.3 The COUNTY shall perform all maintenance on the backflow prevention assembly, connection vaults and other BARRIER improvements required for injecting reclaimed water. These activities, as well as any increase in injection well remediation frequency, are considered increased maintenance for the COUNTY for which the DISTRICT agrees to reimburse the COUNTY for actual expenditures for these activities.

3.4 The COUNTY may establish additional water quality requirements for reclaimed water for the purpose of protecting the BARRIER. Notwithstanding the water quality requirements initially established by the COUNTY, if the COUNTY determines that these water quality requirements do not adequately protect the BARRIER, the COUNTY may establish revised water quality requirements. No reclaimed water shall be delivered to the BARRIER until such water quality requirements are established by and approved by the COUNTY. Notwithstanding anything in this AGREEMENT, the COUNTY, at its sole discretion, has the right to suspend the delivery of the reclaimed water to the BARRIER if it does not meet the water quality requirements established by the COUNTY.
3.5 At the close of each fiscal year the COUNTY will submit to the DISTRICT a reimbursement request identifying reasonable expenditures incurred for increased maintenance activities, if any, resulting from the use of reclaimed water or repair of BARRIER facilities damaged by pressure surges resulting from the use of reclaimed water. Reimbursement requests shall be for expenditures not to exceed Five Hundred Thousand dollars ($500,000) per year.

ARTICLE 4 – RESPONSIBILITIES OF ORANGE COUNTY WATER DISTRICT

4.1 The OCWD agrees to permit the use of recycled water as an alternative source of supply to the BARRIER and also pay for its share of the costs of the recycled water, subject to terms and conditions contained in the “Agreement between the Water Replenishment District of Southern California and the Orange County Water District for the Purchase of Recycled Water Produced by the Alamitos Barrier Recycled Water Project”, dated March 17, 1999 (WRD-OCWD AGREEMENT).

ARTICLE 5 - INTERRUPTION OF DELIVERY OF RECLAIMED WATER

5.1 The COUNTY or DISTRICT may suspend delivery of reclaimed water to the BARRIER if any one of the parties determines in good faith that a hazardous condition exists and immediate action is necessary to protect the health of persons, or protect the AWTF, or the BARRIER, or that an operational malfunction has occurred that will cause unacceptable flow, pressure or quality of reclaimed water. The parties shall use their best efforts to re-establish delivery of water to the COUNTY.

5.2 During periodic maintenance outages at the AWTF, the DISTRICT may decrease its delivery of reclaimed water. Among the maintenance outages that will occur are those for monthly reverse osmosis (RO) membrane cleaning. Each of the outages for RO cleaning is expected to last less than 24 hours. The DISTRICT shall use their best efforts to re-establish delivery of water to the COUNTY.

5.3 During periodic maintenance activities at the BARRIER, which include, but are not limited to, redevelopment of injection wells and pipeline repairs, delivery of reclaimed water may be interrupted. When such periodic maintenance activities are performed, the COUNTY, in cooperation with DISTRICT, will use its best effort to minimize the interruption of delivery.

ARTICLE 6 - INDEMNIFICATION

6.1 Third Party Indemnification
Each party (the INDEMNIFYING PARTY) to this AGREEMENT shall defend, indemnify, save and hold harmless the other parties (the INDEMNIFIED PARTIES), including the INDEMNIFIED PARTIES’ Boards, officers, agents, employees, contractors and consultants, against any and all claims, demands, costs, fees, penalties, damages, causes of action, judgments, and liabilities of any kind or of any nature whatsoever (a CLAIM), whether due to a CLAIM asserted by any third party or a CLAIM asserted directly by the INDEMNIFIED PARTIES, that arises out of the INDEMNIFYING PARTY’S breach of this AGREEMENT, negligence or willful misconduct.

If the CLAIM is litigated, arbitrated or mediated, and the trier of fact makes a finding
regarding the proportional allocation of liability among the parties to the AGREEMENT, the parties agree to pay for the part of the CLAIM for which the trier of fact has found that party proportionally liable subject to affirmation by any appeal procedure that may be pursued.

If the injury in question is found to be caused by one or more of the parties’ willful misconduct then only those parties who perpetrated that willful misconduct will be responsible for paying that claim. Notwithstanding the foregoing, no party shall be responsible to defend, indemnify or hold harmless any other party for the latter party’s own negligence or willful misconduct.

6.2 In the event the BARRIER receives PROJECT water which does not meet the water quality requirements defined pursuant to Article 2.7 of this AGREEMENT and the PROJECT water has caused damage to and/or additional maintenance of the BARRIER, then the DISTRICT agrees to compensate the COUNTY for said damage and/or maintenance.

6.3 The COUNTY shall not be responsible for violations of the REGIONAL BOARD’S permit, including payment of any penalties that may occur, as a result of PROJECT water quality. The DISTRICT will defend, indemnify, and hold the COUNTY harmless as a result of violations of these requirements and will pay all damages or penalties resulting from the use of PROJECT water. The DISTRICT shall have primary responsibility to respond to any inquiries from the REGIONAL BOARD.

ARTICLE 7 - TERM OF AGREEMENT

7.1 The initial term of this AGREEMENT shall commence upon the last date of approval by the parties hereto and shall terminate 10 years after the start of water delivery. Said term may be extended in increments of 10 years, unless not later than 12 months prior to the date of termination of this AGREEMENT, or any subsequent extension thereof, any party serves on the other a notice of termination. Service of said notice by any party hereto shall operate to revoke any option to extend or renew this AGREEMENT. If no party serves said notice within 12 months prior to the date of termination of this AGREEMENT or any extension thereof, this AGREEMENT shall be deemed renewed as set forth herein by express mutual agreement.

7.2 The date of approval, for purposes of this AGREEMENT, shall mean the latter of the dates the AGREEMENT is approved by the Boards of Directors of the Water Replenishment District and the Orange County Water District and the Board of Supervisors of Los Angeles County.

ARTICLE 8 - NECESSARY AUTHORIZATIONS

Each party represents that it has the necessary legal authority to enter into this AGREEMENT, and that this AGREEMENT, when executed by duly authorized representatives of said Party, represents a valid, binding and enforceable legal obligation of said party. Each individual affixing a signature to this AGREEMENT represents and warrants that he or she has been duly authorized to execute this AGREEMENT on behalf of the Party he or she represents, and that by signing the AGREEMENT on behalf of the Party he or she represents, a valid, binding and
enforceable legal obligation of said Party has been created.

ARTICLE 9 - CAPTIONS

All titles and headings are provided for the purpose of reference and convenience and shall not affect the meaning of this AGREEMENT.

ARTICLE 10 - NOTICES

All notices shall be made in writing and may be given by personal delivery, by mail or by facsimile. Such notices sent by mail should be sent to the designated contact person for each party and addressed as follows:

Los Angeles County Department of Public Works
Assistant Deputy Director - Water Resources Division
900 South Fremont Avenue 2nd Floor
Alhambra, CA 91803-1331

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

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

ARTICLE 11 - MODIFICATIONS

This AGREEMENT may be modified only by the mutual written consent of all three parties.

ARTICLE 12 - SUCCESSORS AND ASSIGNS

No party hereto shall assign any rights or delegate any duties hereunder without the prior written consent of the other party. This AGREEMENT shall be binding on and inure to the benefit of the successors and permitted assigns of the parties.

This AGREEMENT is intended by the parties hereto as a final, complete, and exclusive expression of their agreement, and supersedes any and all other agreements, either oral or in writing between the parties with respect to the subject matter of this AGREEMENT, and no other agreement, statement, or promise relating to the subject matter of the AGREEMENT which is not contained herein shall be valid and binding. Notwithstanding the foregoing, nothing in this AGREEMENT shall modify the terms and conditions of COUNTY AGREEMENT NO. 12385 or of the WRD-OCWD AGREEMENT.

ARTICLE 13 - CHOICE OF LAW AND VENUE

This AGREEMENT shall be governed by and interpreted in accordance with the laws of the State of California. The parties agree that the exclusive venue for any action or proceeding arising from this AGREEMENT shall be in the County of Los Angeles, State
of California.
IN WITNESS WHEREOF, the parties hereto subscribe the same in duplicate on the day and year written below.

WATER REPLENISHMENT DISTRICT
OF SOUTHERN CALIFORNIA

Date:___________________ By:_______________________________________

President, Board of Directors

By:_______________________________________

Secretary, Board of Directors

APPROVED AS TO FORM:

By: ______________________________________

Edward J. Casey, District Counsel
Weston, Benshoof, Rochefort & MacCuish

ORANGE COUNTY WATER DISTRICT

Date:___________________ By:_______________________________________

President, Board of Directors

By:_______________________________________

Secretary, Board of Directors

APPROVED AS TO FORM:

By: ______________________________________

Clark S. Ide, General Counsel

COUNTY OF LOS ANGELES

Date:___________________ By:_______________________________________

Mayor, Board of Supervisors

ATTEST:

VIOLET VARONA-LUKENS
Executive Officer of the Board of Supervisors

By:_______________________________________

Deputy

APPROVED AS TO FORM:

LLYOD W. PELLMAN
County Counsel

By:_______________________________________

Deputy
Recycled Water Delivery to Dominguez Gap Seawater Barrier

The City of Los Angeles Department of Water and Power (LADWP) has been the lead agency to obtain the permit from the Regional Water Quality Control Board (REGIONAL BOARD) to operate the city’s new Terminal Island Treatment Plant Advanced Water Treatment Facility. Construction has been completed. It is currently undergoing startup testing to ensure that the plant will perform as expected.

The original application was submitted to the REGIONAL BOARD on July 21, 1997. A Title 22 Engineering Report, prepared jointly by the LADWP and the District that contains detailed information about the project, was also submitted with the application. It has been the policy of the REGIONAL BOARD to have the State Department of Health Services (State DHS) review the permit application, determine if the project is satisfactory, and then recommend approval of the project to them before they issue a permit.

The State DHS conducted a public hearing on March 30, 1999 and transmitted a letter recommending approval of the project to the REGIONAL BOARD on May 14, 2001. Also included were terms and conditions for approval.
At that time, the REGIONAL BOARD indicated that they wanted to issue the permit for groundwater recharge and renew the permit for discharge of the plant effluent into the Los Angeles Harbor concurrently, and estimated that a permit could be issued by October 2001.

However, there have been delays due to loss of staff continuity within the REGIONAL BOARD, issues associated with the plant effluent discharge permit, requests for additional water quality information about the project which necessitated additional sample collection and analysis, and differences in opinions about the criteria to be applied to this project.

A draft tentative permit was finally prepared and distributed for review in mid August 2002. A meeting was held on September 10, 2002 with the involved agencies to discuss various comments and clarifications. The State DHS reiterated their approval of the project. The draft tentative permit is scheduled to be released for public review on September 24 for the October 24 Board meeting. Staff has reviewed this draft.

WRD Action Plan
Staff will continue to monitor progress to ensure that the project is started up as soon as possible. Staff of the Regional Water Quality Control Board intends to agendize this permit for the October 24, 2002 Board meeting. WRD staff will review the draft permit and determine if all terms and conditions are acceptable. Upon approval by the Regional Board, WRD staff will coordinate with partner agencies to ensure compliance with start up requirements, such as obtaining water quality data under full scale operating conditions to demonstrate reliable performance and implementing groundwater monitoring. WRD staff will coordinate transmittal and review of information to obtain approval to start operations from regulatory agencies.

Recycled Water Delivery to Alamitos Barrier Recycled Water Project

An application for this project was submitted to the REGIONAL BOARD on September 22, 1999. Also submitted was a Title 22 Engineering Report, which provided detailed project information. Design was being finalized and specifications were being prepared for advertising in June 2000. In May 2000, nitrosodimethylamine (NDMA) was found to be a contaminant in groundwater in Orange County. It originated in recycled water from Water Factory 21 that was being injected into the ground after reverse osmosis treatment. As a result, DHS indicated that new recycled water projects would need to address removal of NDMA, which led to a one year delay of this project to allow for design modifications that would incorporate ultra violet (UV) light.

The construction contract was awarded to PK contractors in September 2001. Upon receiving additional information from the UV light manufacturer, Trojan, in March 2002 on the specific UV light system to be used, an amended Title 22 Engineering Report was prepared and submitted on May 3 to the regulatory agencies.
Subsequent meetings were held with DHS and REGIONAL BOARD on May 20 and June 20 to review design features and determine what outstanding issues remained, if any, and what additional information would be needed. In DHS' letter of May 20, 2002 to the State Water Resources Control Board, they indicated that they did not see any “fatal flaws” in this project, and that they and the REGIONAL BOARD projected the schedule to include having a public hearing in September 2002 and issuing a permit by February – March 2003.

A date has not been established yet for the public hearing. DHS has provided comments to the Title 22 Engineering Reports, and requires them to be addressed first before a public hearing date can be set. They have asked for additional information regarding the adequacy and reliability of treatment and monitoring. Staff will discuss further with them to determine what additional information, if any, is still needed, what is needed before a permit is issued, and what can be provided as a condition of the permit.

The earliest date that a public hearing can be set is November, which would mean that the earliest date for receiving a permit from the REGIONAL BOARD would be April – May 2003. A thirty day public notice would be required prior to the public hearing date.

Staff has met internally to discuss preparation of the presentation to be made at and the structure of the public hearing.

**WRD Action Plan**

WRD staff will research and respond to DHS’ comments, and continue to prepare for the pending DHS public hearing. If DHS accepts WRD’s responses and does not require additional data or information, then the following schedule is estimated.

- **November** – DHS holds public hearing to receive public comments. WRD will handle logistics for this meeting (prepare and distribute invitations, public announcement, establish location and host the meeting) and also prepare a presentation for the project.
- **December – January** – DHS prepares findings of fact and conditions and recommendations to the REGIONAL BOARD. WRD staff will offer assistance in preparing these documents.
- **February – March** - REGIONAL BOARD prepares draft permit and includes DHS’ recommendations. WRD staff will review and comment on conditions of the permit to determine if they are acceptable.
- **April – May** – REGIONAL BOARD agendizes permit at its board meeting and holds public hearing and issues permit.

The Water Resources Committee discussed this item at its September 23, 2002 meeting.
FISCAL IMPACT

Delays in the delivery of recycled water to the Dominguez Gap cost the District $25 – 30k every month, the difference in cost between imported water ($528 per af) and reclaimed water ($431 per af).

Delays in the delivery of recycled water to the Alamitos Barrier would result in continued use of imported water and delays effecting long term savings. Prior economic analysis shows break even in year 4 of operation and savings in year 7.

RECOMMENDATION: For discussion.
AGENDA ITEM NO. VII

DATE: OCTOBER 7, 2002

TO: BOARD OF DIRECTORS

FROM: BRUCE A. MOWRY, GENERAL MANAGER

SUBJECT: TERMINATION OF ORDUNA DESALTER FACILITIES SITE LEASE AND RELATED INFRASTRUCTURE AGREEMENTS WITH CALIFORNIA WATER SERVICE COMPANY (CWS)

In November 1998, The Water Replenishment District of Southern California (WRD) and California Water Service (CWS) entered into three separate agreements: (1) Desalter Facilities Site Lease dated November 9, 1998 (“Desalter Lease”), (2) Pipeline Lease dated November 9, 1998 (“Pipeline Lease”), and (3) Agreement between Water Replenishment District of Southern California and CWS Utility Services Regarding Sepulveda Desalter Project, dated November 9, 1998 (“O&M Agreement”). These agreements involved construction of the Sepulveda desalter project, construction and leasing of several pipelines, and leasing of three parcels of real property located in the City of Torrance, County of Los Angeles, State of California. The leased properties under the Desalter Lease includes those certain parcels of real property commonly known as California Water Service Company Station No. 25, Assessor’s Parcel Number 7528-004-003 (the “Plant Site”), CWS Site 21-01, Assessor’s Parcel Number 7517-038-001 (“Well Site #1”), and CWS Site 21-02 Assessor’s Parcel Number 7517-038-004).

The base rent under the Desalter Lease is $6,833.33 per month. WRD is no longer planning to construct the desalter plant and thus, intends to surrender the properties and terminate the Desalter Lease, the Pipeline Lease and the O&M Lease. However, WRD has invested over $500,000 for the construction of two production wells, one on Well Site #1 and one on Well Site #2. Under the proposed agreements, WRD would obtain a right of first refusal from CWS with respect to Well Site #1 and Well Site #2 as part of the termination of the Desalter Facilities Site Lease. The right of first refusal would remain in effect until March 30, 2003. The newly constructed wells could be utilized as ASR wells for managing the West Coast ground water basin. The form of the proposed agreements has been approved by CWS.
FISCAL IMPACT:

WRD will save the monthly lease payment ($6833.33) upon termination of the Desalter Facilities Site Lease, and WRD will be relieved of its obligations under the Pipeline Lease and the O&M Agreement, which are no longer needed since the desalter plant is not being constructed. However, WRD would remain obligated to perform its obligation under the Orduna Desalter Site Lease to remove certain underground structures. In addition, WRD may be able to utilize the production wells constructed on Well Sites #1 and #2 as ASR wells if WRD successfully negotiates the acquisition of these well sites in the future, thereby potentially avoiding a complete loss of the cost of constructing the production wells.

RECOMMENDATION:

That the Board approve of the termination of the Orduna Desalter Lease, the Pipeline Lease and the O&M Agreement, and surrender of WRD’s leasehold rights under the Desalter Lease and the Pipeline Lease on the terms and conditions set forth in the drafts of the termination agreements.
WRD utilizes a computer network system with multiple users. The system is currently being maintained by a consultant whose contract expires October 31, 2002.

In accordance with WRD’s Administrative Code, the first step in issuing a new contract for professional services is the solicitation of proposals. The Administrative Committee reviewed this item at its September 24, 2002, meeting and recommends that this item be taken to the Board for approval.

**FISCAL IMPACT**
None

**RECOMMENDATION:** That the Board authorize staff to solicit proposals for computer support services.
Please see attached memo from District Counsel and Exhibit A.

**FISCAL IMPACT**
Unknown

**RECOMMENDATION:** That the Board adopt a Small Business Enterprise (SBE) Outreach Policy and incorporate it into the WRD Administrative Code as recommended by the Administrative Committee.
MEMORANDUM

TO: Administrative Committee of the Board of Directors of the Water Replenishment District of Southern California
FROM: Kevin Collins
DATE: October 1, 2002
RE: Small Business Enterprise Outreach Program
OUR FILE NO.: 2347-006
CC: Bruce Mowry, Robb Whitaker, Kavous Emami, Ed Casey

At its September 24, 2002 meeting, the Administrative Committee requested a proposed amendment to the District's Procurement Policies and Procedures creating a requirement that District contractors on contracts of $100,000 or more subcontract twenty percent of the contract value to certified Small Business Enterprises. The proposed language is attached to this Memorandum as Exhibit A.
EXHIBIT A

Small Business Enterprise Outreach Program

(a) It is the District's policy to encourage and promote broad-based participation in its contracting activities by all potential participants so as to maximize competition for District Contracts, to attract the greatest number of qualified bidders and to stimulate participation by responsible bidders who might otherwise be prevented from participating in the District's procurement activities.

(b) Bidders for District contracts of $100,000 or more must subcontract at least twenty (20) percent of the value of the contract in question to Small Business Enterprises certified as such by the Los Angeles County Metropolitan Transportation Authority or by the State of California Department of General Services Office of Small Business Certification and Resources (the "SBE Participation Requirement"). The SBE Participation Requirement shall be included in District Contract Solicitations. Bidders will be required to identify in their bids the subcontractors they proposed to utilize to satisfy the SBE Participation Requirement. Bids that do not satisfy the SBE Participation Requirement shall be rejected as non-responsive.

(c) The Board may modify the percentage SBE Participation Requirement for particular procurements, or exempt particular procurements from the SBE Participation Requirement, if the Board determines that it would be in the District's best interest to do so based on the nature of the services, equipment or materials to be procured or other relevant factors.

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AGENDA ITEM NO. X

DATE: OCTOBER 7, 2002
TO: BOARD OF DIRECTORS
FROM: BRUCE A. MOWRY, GENERAL MANAGER
SUBJECT: LEGISLATIVE REPORT

Staff will provide a legislative update.

FISCAL IMPACT
None.

RECOMMENDATION: For information.