Water Resources Committee
Thursday • March 9, 2006 • 12:00 noon
REGULAR MEETING OF THE WATER RESOURCES COMMITTEE
OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
12621 E. 166TH STREET, CERRITOS, CALIFORNIA
12:00 P.M., THURSDAY, MARCH 9, 2006

AGENDA

EACH ITEM ON THE AGENDA, NO MATTER HOW DESCRIBED, SHALL BE DEEMED TO INCLUDE ANY APPROPRIATE MOTION, WHETHER TO ADOPT A MINUTE MOTION, RESOLUTION, PAYMENT OF ANY BILL, APPROVAL OF ANY MATTER OR ACTION, OR ANY OTHER ACTION. ITEMS LISTED AS “FOR INFORMATION” MAY ALSO BE THE SUBJECT OF ANY “ACTION” TAKEN BY THE BOARD OR A COMMITTEE AT THE SAME MEETING.

1. DETERMINATION OF A QUORUM

2. PUBLIC COMMENT

3. WORKSHOP: OPERATIONAL FLEXIBILITY THROUGH JUDGMENT AMENDMENTS

4. MINUTES OF THE REGULAR MEETING OF FEBRUARY 9, 2006
   Staff Recommendation: Approve the minutes as submitted.

5. ENGINEERING SURVEY AND REPORT 2006 - UPDATE
   Staff Recommendation: Recommend the Board receive and file the 2006 Engineering Survey and Report, and adopt Resolution No. 06-770.

6. EXTENSION OF AGREEMENT FOR PROFESSIONAL SERVICES – JAMES CROOK
   Staff Recommendation: Recommend the Board authorize the General Manager to sign Amendment No. 1 extending the term of the agreement with Dr. James Crook for calendar year 2006.

7. DIRECTORS’ REPORTS, INQUIRIES, AND DIRECTIONS TO STAFF
   Staff Recommendation: For information.

8. ADJOURNMENT

Posted by Abigail C. Andom, Deputy Secretary, March 3, 2006.
DATE: MARCH 9, 2006

TO: WATER RESOURCES COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: WORKSHOP: OPERATIONAL FLEXIBILITY THROUGH JUDGMENT AMENDMENTS

SUMMARY
This third in a series of workshops discussing possible changes to the judgments will focus on preliminary modeling performed on carryover scenarios discussed during the prior two workshops.

For the modeled scenarios, the following assumptions were made:

- maximum 60% carryover (169,000 AF)
- extraction of additional water during “take” period by imported water users and lessees
- runs span 30-year period
- three years of consecutive pumping or single year of pumping of carryover

Even though it is unlikely that the “carryover bank” will reach the maximum amount of 169,000 AF, the simulations provide conservative analyses of potential impacts to the basin. Favorable results, therefore, would indicate that a less conservative estimate would be even less severe.

Staff will provide an overview and analysis of the model runs at the workshop.
A regular meeting of the Water Resources Committee of the Board of Directors of the Water Replenishment District of Southern California was held on February 9, 2006 at 12:17 p.m., at the District Office, 12621 E. 166th Street, Cerritos, California. Chairperson Robert Katherman called the meeting to order and presided thereover. Deputy Secretary Abigail C. Andom recorded the minutes.

1. **DETERMINATION OF A QUORUM**

   Attendees at the meeting were as follows:

   - **Committee:** Directors Pat Acosta and Robert Katherman
   - **Staff:** Robb Whitaker, Mario Garcia, Ted Johnson, Jason Weeks and District Counsel Ed Casey
   - **Guests:** See participant guest list.

2. **PUBLIC COMMENT**

   None.

3. **WORKSHOP: OPERATIONAL FLEXIBILITY THROUGH JUDGMENT AMENDMENTS**

   Assistant General Manager Mario Garcia opened the workshop with a review of Workshop #1 Summary discussion points. Mr. Garcia stated there was consensus showing little or no interest in increasing the APA in the Central Basin or water rights in the West Coast Basin. Also, he noted no support for increasing available pumping beyond the quantity of “new water” created as a result of WRD stormwater conservation projects unless a two-tiered replenishment assessment system is established. There was, however, interest in evaluating carryover provisions and possibly increasing the amount of carryover from the 20 percent currently in both adjudications. It was also recognized that different scenarios should be first modeled by WRD to gain a comfort level that such proposed changes can be accommodated from a hydrogeologic standpoint. Mr. Garcia noted that defining the parameters such as quantity of carryover, limits on extraction, etc. had to be agreed upon before such modeling could begin.

   Mr. Garcia presented five conceptual scenarios and associated assumptions. The five scenarios included:

   1. status quo condition of 20% carryover;
   2. Alt 1a – an increase to 60% carryover and limiting carryover extraction over a three-year period;
3. Alt 1b – an increase to 60% carryover with no carryover extraction limitation;
4. Alt 2a – an increase to 100% carryover and limiting carryover extraction over a three-year period;
5. Alt 2b – an increase to 100% carryover with no carryover extraction limitation but possible limitations on the location of extractions.

Additional scenarios were solicited from the pumpers but none were offered at the time.

It was also noted that assumptions used in depicting pumping patterns play a key role in the modeling scenarios. Mr. Garcia noted that the modeling can take a conservative approach by assuming the theoretical amount of groundwater that can be pumped or a more practical approach using historical pumping amounts. Although, it was pointed out that historical pumping may not account for changes that pumpers may make to their systems if more extractions were allowed.

After some feedback from the pumpers attending, it was agreed that the modeling scenarios will try to capture ranges of assumptions (conservative vs. less conservative) in pumping patterns and at least an initial determination of where such pumping may occur based on demands for leased rights and imported water.

The Committee recessed for a short break and reconvened at 1:30 p.m.

4. MINUTES OF THE REGULAR MEETING OF JANUARY 12, 2006
The minutes were approved as submitted.

5. POSSIBLE STATE LEGISLATION TO AMEND WRD ENABLING ACT
General Manager Robb Whitaker stated the External Affairs Committee expressed its intention to review the District’s reserve funds policy and introduce possible legislation to address the reserve limitation established in Water Code §60290. Mr. Whitaker stated staff would like to finish an internal study being undertaken by the Finance Committee before any legislation is introduced.

Director Katherman stated that he felt the District was singled out when the reserve cap was imposed. He commented that personally he felt the $10 million reserve cap may be on the high side.

Director Acosta stated that she would like to see the study completed and felt that any action done prior to the results would be premature.

Mr. Bill Kruse, representing the Central Basin Water Association, stated that he concurred with the sentiments of both Committee members.
Mr. Kruse explained that he felt the reserves may be high and that it would be best to see the study completed before any action is taken. He stated this item comes at a sensitive time when there is a need to reinvigorate the conjunctive use process and efforts to modify legislation may be seen as a threat.

Ms. Donna Varner, representing West Basin Water Association, concurred with Mr. Kruse’s comments.

Mr. Whitaker stated staff would like to review the District’s groundwater goals and work with the Finance Committee using Peer Swan’s previous study.

Director Katherman stated he would like to continue examining the reserve level, discuss the issues and go to Sacramento with the relevant facts and information.

Discussion followed. Mr. Kruse commented that he is troubled that things may have already been introduced in Sacramento.

Director Acosta made a motion to have the Administrative Committee consider revisions to the Administrative Code such that future legislation would require full Board approval prior to taking any action. She also made a motion that proposed legislation regarding the reserve fund level be held in abeyance, until the reserve study is completed. Director Katherman concurred.

6. INTEGRATED REGIONAL WATER MANAGEMENT PLAN (IRWMP) FUNDING ASSISTANCE

Senior Engineer Jason Weeks stated in order to secure additional grant funds for an Integrated Regional Water Management Plan (IRWMP), the six entities that applied separately to the State Department of Water Resources (DWR) must consolidate their efforts into a single plan. The six entities are City of Los Angeles, City of Downey, San Gabriel Valley Municipal Water District, Santa Monica Bay Restoration Authority, Watershed Conservation Authority, and West Basin Municipal Water District. The estimated budget for the development of the plan, including contingencies, was $2.2 million, resulting in an approximate $700,000 shortfall. The District has been requested to provide funding assistance in the amount of $100,000 to make up a portion of the shortfall. Mr. Weeks noted that the first $50,000 has been previously approved by the Board for development of such a plan for the Central Basin area. Staff is before the Committee to request $50,000 funding assistance for the development of the IRWMP for the West Coast Basin area.
The Committee concurred with staff’s recommendation to provide up to $50,000 for the development of an Integrated Regional Water Management Plan for Greater Los Angeles County – South Bay Region. The Committee further requested this item be agendized for Board approval.

7. REGIONAL GROUNDWATER MONITORING REPORT – WATER YEAR 2004/2005
Senior Hydrogeologist Tony Kirk stated the 2004/2005 Regional Groundwater Monitoring Report is almost complete. Mr. Kirk reported that water levels are high and water quality is stable.

The Committee recommended the Board receive and file the 2004/2005 Regional Groundwater Monitoring Report at a future meeting.

8. ENGINEERING SURVEY AND REPORT 2006 – UPDATE
Chief Hydrogeologist Ted Johnson provided an update on staff’s tentative schedule to meet the Water Code required deadline for filing the ESR. Mr. Johnson stated the Board is expected to receive and file the ESR at its March 15th meeting where it also declares whether a replenishment assessment (RA) is needed for the ensuing fiscal year 2006/2007. The Board opens the Public Hearing on the ESR and the proposed RA on April 5 and it is likely that the public hearing will be continued to subsequent dates.

Mr. Johnson stated the public hearing process is expected to close on May 3, when the RA is adopted.

Discussion followed. The Committee requested a special Water Resources Committee meeting be scheduled on February 23, 2006 at 1:00 p.m. to review optimum groundwater levels and receive an update on the condition of the basins.

9. WEST COAST BASIN OPERATING PLAN UPDATE
Senior Engineer Jason Weeks provided the Committee with a brief description of the initial five scenarios considered for the West Coast Basin Operating Plan Study. The five scenarios were:

Alternative 1A evaluated reducing West Coast Basin municipal groundwater demands for seven years and replacing it with imported water, thereby storing water in the basin. During the seven-year period, water was injected at the barriers at a rate that balanced the increased extractions that would occur during the three-year extraction period when the barriers are shut off. The maximum annual pumping during the three-year extraction period was limited to the existing extraction capacity of the municipal producers and did not require the construction of new facilities.
**Alternative 1B** evaluated reducing West Coast Basin municipal groundwater demands for seven years and replacing it with imported water, thereby storing water in the basin. During the seven-year period, water was injected at the barriers at a rate that balanced the increased extractions that would occur during the three-year extraction period when the barriers are shut off. The maximum annual pumping during the three-year extraction period was 100,000 acre-feet per year and required the construction of new facilities.

**Alternative 2A** evaluated reducing West Coast Basin municipal groundwater demands for seven years and replacing it with imported water, thereby storing water in the basin. During the seven-year period, barrier water injection was shut off and instead injected through aquifer storage and recovery (ASR) wells at a rate that balanced the increased extractions that would occur during the three-year extraction period. During this three-year period, no injection occurred through the ASR wells. The maximum annual pumping during the three-year extraction period was limited to the existing extraction capacity of the municipal producers and did not require the construction of new facilities.

**Alternative 2B** evaluated reducing West Coast Basin municipal groundwater demands for seven years and replacing it with imported water, thereby storing water in the basin. During the seven-year period, barrier water injection was shut off and instead injected through ASR wells at a rate that balanced the increased extractions that would occur during the three-year extraction period. During this three-year period, no injection occurred through the ASR wells. The maximum annual pumping during the three-year extraction period was 100,000 acre-feet per year and required the construction of new facilities.

**Alternative 2D** evaluated In-Lieu/ASR operations after placing approximately 150,000 acre feet of water in the West Coast Basin. After this quantity of water was put into the basins, all production from the refineries was turned off and municipal production in the West Coast Basin was reduced to a quantity approximately equal to the estimated natural basin yield of 20,000 acre-feet per year (10-year cycle).

Mr. Weeks stated the results of the five model runs were reviewed and discussed at the Technical Advisory Committee’s (TAC) October 2005 meeting and it was determined that three of the scenarios appear to be somewhat feasible and that further modeling would be required with some minor modifications. It was determined the two other scenarios showed fluctuations in groundwater levels that would be detrimental to the health of the basin; therefore, it was determined that no further modeling was necessary.

A summary of the three revised model runs was provided to the Committee.
Run 1-A Revised is the same as the original scenario but instead of injecting at the barriers for seven years and turning off for three years, injection occurs for the entire 10-year period. The total quantity injected, over the 10-year period remains the same.

Run 2-A Revised is the same as the original scenario but instead of injecting the water through ASR wells on a seasonal basis, the injection occurs year-round.

Run 2-D Revised is significantly different from the original 2-D scenario. Initial injection (150,000 AF) is eliminated and the basin goes into the immediate operational shift (i.e. elimination of refinery pumping). For this run, the barriers are off for the entire 25 years. The three-year historical average production for the municipal producers (~30,000 afy) occurs for the entire model period.

Mr. Weeks stated the TAC reviewed the revised model runs at its January 25th meeting. Staff and CH2M Hill are now in the process of assigning costs to each of the scenarios of the study.

The Committee requested staff to provide an update of the West Coast Basin Operational Study at the March 15 Board meeting.

10. DIRECTORS’ REPORTS, INQUIRIES, AND DIRECTIONS TO STAFF
None.

11. ADJOURNMENT
With no further business for the Committee, the meeting was adjourned at 2:14 p.m.

_______________________________
Chairperson

ATTEST:

_______________________________
Director
DATE: MARCH 9, 2006
TO: WATER RESOURCES COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: ENGINEERING SURVEY AND REPORT 2006 - UPDATE

SUMMARY
Staff is preparing the 2006 Engineering Survey and Report (ESR) as required by the California Water Code. Items to be presented in the report include the following:

- Groundwater Pumping
- Annual Overdraft
- Accumulated Overdraft
- Water Levels
- Replenishment Needs
- Replenishment Costs
- Water Quality and Replenishment Projects

At the February 23 Water Resources Committee meeting, Staff presented the findings of this year's ESR. One of the findings was that there is expected to be an annual overdraft in the basins next year in the amount of over 100,000 acre feet. Therefore, the District will need to purchase replenishment water at the spreading grounds and barrier wells to offset this overdraft, and to protect the basins against seawater intrusion.

At the March 15, 2006 Board meeting, the Board is expected to receive and file the ESR, and must adopt a resolution declaring that funds will be raised in the ensuing year to purchase the necessary replenishment water and to finance projects and programs related to replenishment and water quality.

Attached to this write up is the Executive Summary for the ESR, and Resolution 06-770 for the Board to consider and Adopt.

FISCAL IMPACT
None.

STAFF RECOMMENDATION
Recommend the Board receive and file the 2006 Engineering Survey and Report, and adopt Resolution No. 06-770.
District Staff is pleased to present the 2006 Engineering Survey and Report (ESR). It was prepared pursuant to Chapter I, Part 6, Division 18 of the California Water Code, and determines the past, current, and ensuing year groundwater conditions in the Central and West Coast Basins. The report contains information on groundwater production, annual and accumulated overdraft, water levels, the quantity, source, and cost of replenishment water, and a discussion of necessary projects and programs to protect and preserve the groundwater resources of the basins.

The ESR provides the Board of Directors with the necessary information to make a determination as to whether a replenishment assessment will be needed in the ensuing year to purchase replenishment water and to fund replenishment and water quality projects and programs. This determination is required by the second Tuesday in March (or within the same week if there is a regularly scheduled Board meeting) so that public hearings can be held and the replenishment assessment set by the second Tuesday in May.

In brief, Staff has determined that the District will need to purchase 116,336 acre-feet (AF) of replenishment water in the ensuing year at an estimated cost of $25,735,120, and that projects and programs will be necessary to protect and preserve the groundwater resources of the basins. A summary of the findings is presented below with details presented in the full report.

1. **Groundwater Production**
   The District tracks the amount of groundwater pumping that occurs every year in the Central and West Coast Basins. A replenishment assessment is levied on the pumping to generate revenue to purchase supplemental water to help replace the extracted amounts, as well as to fund activities. In this manner, the users of the groundwater pay for the replenishment of the groundwater.
   - Adjudicated Amount: 281,835 AF
   - Previous Water Year: 229,908 AF
   - Current Water Year: 245,527 AF (estimated)
   - Ensuing Water Year: 245,706 AF (estimated)

2. **Annual Overdraft**
   The groundwater basins face overdraft almost every year. This is a simple fact because pumping exceeds natural groundwater replenishment. One of the District's main responsibilities since its formation in 1959 is to make up this annual overdraft by purchasing artificial replenishment water (imported and recycled) to help refill the aquifers. The following annual overdraft numbers have been determined and form the basis for the Board to adopt a replenishment assessment in the ensuing year to help make up the annual overdraft.
   - Previous Water Year: (15,991) AF
Board Summary

- Current Water Year: 119,622 AF (estimated)
- Ensuing Water Year: 100,501 AF (estimated)

3. Accumulated Overdraft
The accumulated overdraft is defined by the Water Code as a measure of the aggregate effects of subsequent years of overdraft. Since the District’s formation it has improved basin conditions by providing artificial replenishment water to supplement the natural replenishment resulting in a reduced accumulated overdraft.

- Previous Water Year: 613,000 AF
- Current Water Year: 599,242 AF (estimated)
- Ensuing Water Year: not required for determination by the Water Code

4. Water Levels
WRD tracks groundwater levels in production wells and monitoring wells located throughout the District to observe the conditions of the basins and to identify any up or down trends that may impact the groundwater resources. Water levels rise when more water enters the basins than leaves, resulting in an increase in storage. Water levels fall when more water leaves the basins than enters, resulting in a decrease in storage.

In the previous Water Year, water levels rose nearly everywhere in the District because natural replenishment was double the normal amount due to the very wet winter that occurred and simultaneously pumping was lower than normal because of the reduced water demand from the wet winter. The highest water level gains were seen in the Montebello Forebay (20 - 40 feet rise) due to the above normal replenishment, in the Long Beach area (also 20-40 feet) due to decreased pumping, and in West Coast Basin (5-10 feet) due to reduced pumping and the additional injection at the Dominguez Gap Barrier.

For both basins, the overall change in storage was a gain of 89,100 acre feet of water. This is the highest storage gain the District has on record.

5. Quantity Required for Replenishment
Chapter IV details that the quantity of water that WRD must purchase in the ensuing water year to help offset the annual overdraft. A summary is listed below:

- Spreading Water: 69,000 AF (48,000 recycled water, 21,000 AF imported water)
- Seawater Barrier Water: 37,033 AF (19,528 AF WCBBP, 14,105 AF DGBP, 3,400 AF ABP)
- In-Lieu Program Water: 10,303 AF (6,000 AF CB, 4,303 AF WCB)
- Total Water: 116,336 AF

6. Source of Replenishment Water
The sources of replenishment water to the District for the ensuing water year include the following:
- **Recycled Water**: Spreading water from the County Sanitation Districts of Los Angeles County. West Coast Basin Barrier Project (WCBBP) water from the West Basin Municipal Water District. Dominguez Gap Barrier Project (DGBP) water from the City of Los Angeles. Alamitos Barrier Project (ABP) water from WRD's Leo J. Vander Lans Water Treatment Facility.

- **Imported Water**: Spreading water from Central Basin Municipal Water District. WCBBP water and DGBP water from West Basin Municipal Water District. ABP water from the City of Long Beach. In-Lieu program water from various MWD-member agencies.

### 7. Cost of Replenishment Water

WRD has estimated that the cost for purchasing 116,336 AF of replenishment water in the ensuing water year will be $25,735,120. This is a 4.1% decrease from last year's ESR due to the new storm water conservation projects the District has completed with Los Angeles County that will increase storm water capture and thus decrease imported spreading water needs by 6,600 afy. These reductions even offset the impact to WRD's treated imported water supply at the barriers and in-lieu, which are expected to go up by $25/af in January 2007 by MWD. Tables 1 and 2 present the details of the anticipated water costs to the District in the ensuing year.

The estimated cost for replenishment water has been detailed in this report. However, it does not represent the full District costs for the ensuing year. Additional costs are necessary for projects and programs to replenish the basins and protect and preserve the quality of the groundwater. The costs for those projects and programs are presented in District's separate annual budget document which is currently being prepared. The total District costs for the ensuing year (replenishment water costs plus project and program costs) form the basis for the Board to adopt the replenishment assessment by the second Tuesday in May.

### 8. Projects and Programs

A list of the WRD projects and programs related to groundwater replenishment and the protection and preservation of water quality is shown on Table 3. Funds are required to finance these projects and programs. Sections 60221 and 60230 of the Water Replenishment Districts Act authorize the WRD to undertake a wide range of capital projects and other programs aimed at enhancing groundwater replenishment. Section 60224 of the Water Replenishment Districts Act states that WRD may establish projects or programs that will directly or indirectly preserve and protect the groundwater supplies within its boundaries. These projects and programs address any existing or potential problems related to the basin’s groundwater, and may extend beyond the District's boundaries if the threat of contamination is outside those boundaries. The programs span all phases of planning, design, and construction and are financed by the collection of a replenishment assessment. A more detailed description of each project and program is presented in Chapter V of the report.

### 9. Conclusions

Based upon the information presented in this ESR, a replenishment assessment is needed in the ensuing year to purchase replenishment water and to finance projects and programs related to replenishment and clean water activities. These actions will ensure adequate supplies of high quality groundwater within the District for the benefit of all groundwater users in the Central and West Coast Basins.
# Table 1

GROUNDWATER CONDITIONS AND REPLENISHMENT SUMMARY

<table>
<thead>
<tr>
<th>ITEM</th>
<th>2004-2005</th>
<th>2005-2006 (^{(a)})</th>
<th>2006-07 (^{(a)})</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Groundwater Production</strong></td>
<td>229,908 AF</td>
<td>245,527 AF</td>
<td>245,706 AF</td>
</tr>
<tr>
<td><strong>Annual Overdraft</strong></td>
<td>15,991 AF</td>
<td>(119,622) AF</td>
<td>(100,501) AF</td>
</tr>
<tr>
<td><strong>Accumulated Overdraft</strong></td>
<td>(613,000) AF</td>
<td>(599,242) AF</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Quantity Required for Artificial Replenishment for the Ensuing Year</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Spreading</strong></td>
</tr>
<tr>
<td>Imported for Spreading in Montebello Forebay</td>
</tr>
<tr>
<td>Recycled for Spreading in Montebello Forebay</td>
</tr>
<tr>
<td><strong>Subtotal Spreading</strong></td>
</tr>
<tr>
<td><strong>Injection</strong></td>
</tr>
<tr>
<td>West Coast Basin Barrier</td>
</tr>
<tr>
<td>Dominguez Gap Barrier</td>
</tr>
<tr>
<td>Alamitos Barrier</td>
</tr>
<tr>
<td><strong>Subtotal Injection</strong></td>
</tr>
<tr>
<td><strong>In-lieu(^{(b)})</strong></td>
</tr>
<tr>
<td>Subtotal In-lieu</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Source and Unit Cost of Replenishment Water for the Ensuing Year</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recycled Water</strong></td>
</tr>
<tr>
<td>Spreading (CSDLAC - San Jose Creek)</td>
</tr>
<tr>
<td>Spreading (CSDLAC - Whittier Narrows)</td>
</tr>
<tr>
<td>Injection (WBMWD - West Coast Barrier)</td>
</tr>
<tr>
<td>Injection (LA-Terminal Island - Dominguez Barrier)</td>
</tr>
<tr>
<td>Injection (WRD-Alamitos Barrier)</td>
</tr>
</tbody>
</table>

| **Imported Water**                                                         |
| Spreading from CBMWD                                                       | $238.00 /AF| $238.00 /AF |
| Injection - Alamitos (includes $5/af Long Beach surcharge)                 | $373.50 /AF| $401.00 /AF |
| Injection - Dominguez Gap & West Coast (includes $92/af WBMWD surcharge)   | $545.00 /AF| $570.00 /AF |
| CBMWD Contract Rate for Spreading                                          | $857,000   |
| WBMWD Water Service & Capacity Reservation Charges                         | $51,287    | $175,013    |

| **In-lieu\(^{(b)}\)**                                                     |
| Central Basin Met Member Agency (Long Beach, Compton, Los Angeles)         | $143      /AF|
| CBMWD Customer                                                             | $181      /AF|
| West Basin Met Member Agency (Torrance, Los Angeles)                       | $143      /AF|
| WBMWD Customer                                                             | $175      /AF|

\(^{(a)}\) Estimated values  
\(^{(b)}\) Amounts and rates for In-lieu are estimated and have not yet been established by the Board for ensuing year
## QUANTITY AND COST OF REPLENISHMENT WATER FOR WY 2006-2007

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>October - December</th>
<th>January - September</th>
<th>TOTAL WATER (af)</th>
<th>TOTAL COST</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>acre feet</td>
<td>unit cost</td>
<td>subtotal</td>
<td>acre feet</td>
</tr>
<tr>
<td>Spreading Imported</td>
<td>5,250</td>
<td>$238</td>
<td>$1,249,500</td>
<td>15,750</td>
</tr>
<tr>
<td>Spreading Recycled (San Jose Creek Plant)</td>
<td>10,000</td>
<td>$21.31</td>
<td>$213,100</td>
<td>30,000</td>
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<tr>
<td>Spreading Recycled (Whittier Narrows Plant)</td>
<td>2,000</td>
<td>$7</td>
<td>$14,000</td>
<td>6,000</td>
</tr>
<tr>
<td>West Coast Barrier imported</td>
<td>1,757</td>
<td>$545</td>
<td>$957,565</td>
<td>5,271</td>
</tr>
<tr>
<td>West Coast Barrier recycled</td>
<td>3,125</td>
<td>$421</td>
<td>$1,315,625</td>
<td>9,375</td>
</tr>
<tr>
<td>Dominguez Gap Barrier imported</td>
<td>2,276</td>
<td>$545</td>
<td>$1,240,556</td>
<td>6,829</td>
</tr>
<tr>
<td>Dominguez Gap Barrier recycled</td>
<td>1,250</td>
<td>$431</td>
<td>$538,750</td>
<td>3,750</td>
</tr>
<tr>
<td>Alamitos Barrier imported</td>
<td>425</td>
<td>$374</td>
<td>$158,738</td>
<td>1,275</td>
</tr>
<tr>
<td>Alamitos Barrier recycled</td>
<td>425</td>
<td>$286</td>
<td>$121,550</td>
<td>1,275</td>
</tr>
<tr>
<td>In-Lieu Central Basin Met Member</td>
<td>1,500</td>
<td>$143</td>
<td>$214,500</td>
<td>4,500</td>
</tr>
<tr>
<td>In-Lieu CBMWD Customer</td>
<td>0</td>
<td>$181</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>In-Lieu West Basin Met Member</td>
<td>376</td>
<td>$143</td>
<td>$53,732</td>
<td>1,127</td>
</tr>
<tr>
<td>In-Lieu WBMWD Customer</td>
<td>700</td>
<td>$175</td>
<td>$122,500</td>
<td>2,100</td>
</tr>
<tr>
<td>CBMWD Spreading Contract Rate</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>WBMWD Water Service &amp; Capacity Reservation Fees</td>
<td>-</td>
<td>-</td>
<td>$51,287</td>
<td>-</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td>116,336</td>
<td></td>
</tr>
<tr>
<td>less Alamitos Barrier Recycled*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td>116,336</td>
<td></td>
</tr>
</tbody>
</table>

Met - Metropolitan Water District of Southern California, WBMWD = West Basin Municipal Water District, CBMWD = Central Basin Municipal Water District

* The Alamitos recycled water cost is based on O&M less MWD rebate. It is shown as a water cost, but is deducted at the end since it is part of the Vander Lans (Water Supply) project
## WRD Projects and Programs

<table>
<thead>
<tr>
<th>PROJECT / PROGRAM</th>
<th>DISTRICT FUNCTION</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Replenishment</td>
</tr>
<tr>
<td>001 Leo J. Vander Lans Water Treatment Facility Project</td>
<td>100%</td>
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<tr>
<td>002 Robert W. Goldsworthy Desalter Project</td>
<td>100%</td>
</tr>
<tr>
<td>003 Cal Trans Highway 105 Dewatering</td>
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</tr>
<tr>
<td>004 Recycled Water Program</td>
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<tr>
<td>005 Groundwater Resources Planning Program</td>
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<tr>
<td>006 Groundwater Quality Program</td>
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<tr>
<td>007 Whittier Narrows Groundwater Contamination</td>
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<tr>
<td>010 Geographic Information System</td>
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<tr>
<td>11A Regional Groundwater Monitoring Program</td>
<td>50%</td>
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<tr>
<td>11B Hydrogeology Program</td>
<td>50%</td>
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<tr>
<td>012 Safe Drinking Water Program</td>
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<tr>
<td>016 Seawater Barrier Improvement Program</td>
<td>50%</td>
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<tr>
<td>018 Dominguez Gap Barrier Recycled Water Injection</td>
<td>100%</td>
</tr>
<tr>
<td>023 Replenishment Operations</td>
<td>100%</td>
</tr>
<tr>
<td>030 Alamitos Barrier Deep Soil Mixing Pilot Study</td>
<td>50%</td>
</tr>
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</table>
RESOLUTION NO. 06-770

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA ORDERING ACCEPTANCE AND FILING OF THE ENGINEERING SURVEY AND REPORT SUBMITTED PURSUANT TO SECTIONS 60300 AND 60301 OF THE WATER CODE, DECLARING THAT FUNDS SHALL BE RAISED FOR THE PURCHASE OF WATER FOR REPLENISHMENT AND FOR GROUNDWATER REPLENISHMENT AND QUALITY PROGRAMS AND PROJECTS DURING THE ENSUING FISCAL YEAR, THAT SUCH FUNDS SHALL BE RAISED BY A REPLENISHMENT ASSESSMENT AS PROVIDED IN SAID WATER CODE, DECLARING THAT THE FUNDS TO BE RAISED BY SAID REPLENISHMENT ASSESSMENT WILL BENEFIT, EITHER DIRECTLY OR INDIRECTLY, ALL OF THE PERSONS, REAL PROPERTY AND/OR IMPROVEMENTS WITHIN THE DISTRICT, AND ORDERING THE PUBLICATION OF A NOTICE OF PUBLIC HEARING IN ACCORDANCE WITH SECTION 60306 OF THE WATER CODE

WHEREAS, there has been submitted to the Secretary of the Water Replenishment District of Southern California ("District") the engineering survey and report heretofore ordered pursuant to Sections 60300 and 60301 of the California Water Code; and

WHEREAS, the Board of Directors of the District ("Board") has received said report;

NOW, THEREFORE, BE IT RESOLVED AND DECLARED:

(1) That the said engineering survey and report be received and filed in the records of the District;

(2) That funds shall be raised to purchase water for replenishment of the groundwater supplies within the District during the next ensuring fiscal
year of the District, and to accomplish all acts reasonably necessary to
said replenishment, including but not limited to the development and
operation of capital projects, and that such funds shall be raised by a
replenishment assessment, as provided in California Water Code
Sections 60300 et seq;

(3) That funds shall be raised to remove contaminants from groundwater
supplies and to exercise any other power under California Water Code
Section 60224, including but not limited to developing and operating
capital projects, and that such funds shall be raised by a replenishment
assessment as provided by California Water Code Section 60300
et seq;

(4) That funds shall be raised to pay for the District’s operating and
administrative expenses, and such funds shall be raised by a
replenishment assessment pursuant to California Water Code Section
60300 et seq;

(5) A public hearing shall be held by the second Tuesday in April 2006 for
the purpose of determining whether and to what extent the estimated
cost of the actions described in paragraphs 2, 3, and 4, above for the
ensuing fiscal year shall be paid for by a replenishment assessment;

(6) That the funds so raised to accomplish the actions described in
paragraphs 2, 3 and 4, above during the next ensuing fiscal year will
benefit, directly or indirectly, all of the persons and/or real property and
improvements within the District;

(7) That the General Manager of the District shall cause to be published
on behalf of the Board a notice that a public hearing will be held for the
purposes described in paragraph 5, above. Such notice shall be
published once in the Metropolitan News, an adjudicated paper of general circulation in Los Angeles County, at least ten (10) days before said hearing. Such notice shall contain a copy of said Board’s resolution, the time and place of said hearing, and an invitation to all interested parties to attend and be heard in support of or in opposition to said proposed assessment, and shall invite inspection of the engineering survey and report upon which the Board acted.

PASSED, APPROVED AND ADOPTED this 15th day of March 2006.

____________________________
President

ATTEST:

____________________________
Secretary
MEMORANDUM
ITEM NO. 6

DATE: MARCH 9, 2006
TO: WATER RESOURCES COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: EXTENSION OF AGREEMENT FOR PROFESSIONAL SERVICES – JAMES CROOK

SUMMARY
In February 2005, the District entered into an agreement with Dr. James Crook for technical assistance in matters related to the use of recycled water in the Montebello Forebay and other projects. This agreement has expired. The maximum amount of compensation was limited to $24,999, and the term of the contract was for calendar year 2005. During the term of this agreement, his services were not utilized, and therefore, no funds were expended.

It is desired to extend the term of this agreement for calendar year 2006 with no change in the maximum amount of compensation so that he can continue to provide technical assistance to the District on these matters. Attached are the original agreement and a proposed Amendment No. 1 to extend the term of this agreement.

FISCAL IMPACT
This item is divided between the 05-06 FY and 06-07FY.

STAFF RECOMMENDATION
Recommend the Board authorize the General Manager to sign Amendment No. 1 extending the term of the agreement with Dr. James Crook for calendar year 2006.
AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
AND JAMES CROOK

This Professional Services Agreement (the "Agreement") is made and entered into this 10th day of Feb., 2005, by and between the Water Replenishment District of Southern California ("District") and James Crook, Ph.D., P.E., ("Consultant") (collectively the "Parties" or individually as "Party") for the furnishing of certain professional services upon the following terms and conditions.

1.0 Scope of Services. Consultant shall perform the scope of services described in Exhibit A hereto ("Services"). Tasks other than those specifically described in Exhibit A shall not be performed without a prior written amendment to this Agreement.

1.1 Standard of Care. In performing the scope of services under this Agreement, Consultant shall exercise the standard of care and expertise prevailing in the California region for the performance of such services on behalf of similarly situated parties.

2.0 Term. The term of this Agreement shall commence on January 1, 2005 and shall end on December 31, 2005 (the "Expiration Date"). At least sixty (60) days prior to the Expiration Date, District staff shall evaluate the quality of the Services that have been provided by the Consultant, the cost of such Services relative to the benefits, and the need for any continuation of the services. The results of such evaluation shall be provided to the appropriate District Committee, which committee shall provide a report to the District’s Board of Directors ("Board"). If the Board determines that there is a demonstrated need for the continuation of such Services, the Board may renew the Agreement on terms and conditions that do not provide for a significantly longer term, increased scope of work or increased fee schedule than is provided for in Paragraph 1.0 or this Paragraph 2.0. If the Board desires to modify the Agreement to provide for such a significantly longer term, increased scope of work or increased fee schedule, the District shall comply with the provisions of its then current Administrative Code concerning the solicitation and approval of proposals for professional services.

2.1 Termination by District
2.1.1 **Termination for Convenience.** The District may terminate this Agreement for its convenience at any time upon fifteen (15) days written notice to Consultant. Consultant's compensation in the event of such a termination shall be exclusively limited to payment for all authorized services performed and for all authorized expenses incurred up to the effective date of such termination. Consultant understands and agrees that it shall not be entitled to any additional compensation or reimbursement whatsoever in the event of such termination, and in the event of such termination hereby waives and releases any and all claims against the District for such additional compensation or reimbursement, including without limitation any compensatory, consequential or reliance damages incurred by Consultant as a result of such termination.

2.1.2 **Termination for Cause.** If the District determines that Consultant has failed to perform in accordance with the terms and conditions of this Agreement, the District may terminate all or part of this Agreement for cause. A termination for cause shall become effective if the Consultant does not cure its failure to perform within ten (10) days (or more if authorized in writing by the District) after receipt of a notice of intent to terminate for cause from the District specifying the grounds for the notice.

2.1.3 **Consultant's Obligations Upon Termination.** Following any termination of this Agreement by the District or Consultant, the Consultant shall promptly return all District property, and shall likewise provide to District all finished and unfinished data, studies, maps, reports, and other deliverables and work-product prepared by Consultant pursuant to this Agreement.

3.0 **Consultant's Compensation.** District will compensate Consultant for services performed and for expenses incurred pursuant to this Agreement as follows:

3.1 **Fees.** Consultant shall be paid in accordance with the Consultant Rate Schedule attached to this Agreement as Exhibit B which may not be changed except with District's written approval.

3.2 **Reimbursable Expenses.** Consultant shall be reimbursed for the following expenses, provided that Consultant shall obtain the District's prior written approval before incurring an expense for which Consultant intends to seek reimbursement in excess of $500.

3.2.1 **Transportation, Meals and Lodging.** Consultant shall be reimbursed for transportation, meals and lodging expenses in accordance with the provisions of the District's Administrative Code applicable to
reimbursement of such expenses when incurred by District employees. A copy of said provisions is attached to this Agreement as Exhibit C.

3.2.2 **Miscellaneous Expenses.** Unless otherwise provided at Exhibit B, and subject to the provisions of Paragraph 3.2, the District shall reimburse Consultant for all out of pocket costs charged to Consultant by third parties although such reimbursement shall be at cost without any markup by the Service Provider.

3.3 **Invoices.** Consultant shall submit monthly invoices to District for services performed and expenses incurred during the preceding month. Consultant's invoices shall separately identify all personnel for whose services payment is sought, the services performed, and all expenses for which reimbursement is requested. As a condition precedent to payment, District may require Consultant to furnish supporting information and documentation for all charges for which payment is sought. District shall have the right to withhold from payments to Consultant reasonably disputed amounts including, without limitation, amounts for services not performed in accordance with this Agreement and costs, expenses or damages incurred by District as a result of Consultant's breach of this Agreement or Consultant's negligence.

4.0 **Consultant's Obligation to Provide Notice of Changes.** Consultant shall provide written notice to the District no later than twenty (20) days after the occurrence of any event (including any direction by the District) which Consultant believes requires a change in its compensation or the time for performance of its obligations under this Agreement. Said notice shall describe the event and the basis for any change in compensation or time for performance requested by Consultant. The Parties shall thereafter meet and confer to determine whether such a change is appropriate. However, no such change to this Agreement may be made except by written amendment to this Agreement executed by the Parties. Consultant's failure to provide the notice required under this Paragraph shall constitute a waiver of its right to seek a change in its compensation or the time for performance of its obligations under this Agreement.

5.0 **Ownership and Use of Documents.** All proprietary information developed by Consultant in connection with, or resulting from, this Agreement, including but not limited to inventions, discoveries, improvements, copyrights, patents, maps, reports, textual material or software programs, shall be the sole and exclusive property of the District. Consultant agrees that the compensation to be paid pursuant to this Agreement includes adequate and sufficient compensation for any proprietary information developed in connection with or resulting from this Agreement. Consultant further understands and agrees that full disclosure of all proprietary information developed in connection with, or resulting from, this Agreement shall be made to the District, and that Consultant shall do all things necessary and proper to perfect and maintain District’s ownership of such proprietary information. All documents, reports, surveys, renderings, photographs, data
and other materials furnished by the District to Consultant shall remain the property of the District.

6.0 **Publication of Project Information.** Consultant shall notify and obtain written approval from the District before presenting verbal or written information to outside individuals or entities about the services or project for which Consultant was retained.

7.0 **Patents and Copyrights.** The Consultant shall assume all costs arising from the use of patented or copyrighted materials, including but not limited to, equipment, devices, processes, and software programs used or incorporated in the work performed under this Agreement. Consultant shall defend, indemnify hold the District, its officers, directors, agents, employees, representatives and assigns harmless from any and all claims, demands, suits at law, and actions of every nature for or on account of the use of any patented or copyrighted materials.

8.0 **Consultant’s Status.** Consultant shall be an independent contractor and not an employee of the District under this Agreement. Consultant shall be under control of the District only as to the result to be accomplished by consultation with the District. Payments made to Consultant pursuant to this Agreement shall be the true and complete compensation to which Consultant is entitled. The District shall not make any federal or state tax withholdings on behalf of Consultant. The District shall not be required to pay any worker’s compensation insurance on behalf of Consultant. Consultant agrees to indemnify the District for any tax, retirement contribution, social security, overtime payment, or worker’s compensation payment which the District may be required to make on behalf of Consultant or any employee of Consultant for work done under this Agreement. Consultant shall be aware of the requirements of the Political Reform Act of 1974, as amended, and shall comply with them, including, but not limited to, all conflicts of interest and financial disclosure requirements required thereunder.

9.0 **Instructions to Consultant.** In the performance of the services set forth in this Agreement, Consultant shall report to and receive instructions from the following person on behalf of the District:

10.0 **Subconsultant Services.** Any subconsultants to be used by Consultant in the performance of the scope of services shall be identified in Exhibit A hereto. Consultant shall obtain the District’s prior written approval before retaining a subconsultant to perform any portion of the scope of services of this Agreement. Notwithstanding Consultant’s use of any subconsultants, Consultant shall be responsible to the District for the performance of its subconsultants as it would be if Consultant had performed those services itself. Nothing in this Agreement shall be deemed or construed to create a contractual relationship between the District and any subconsultant employed by Consultant. Consultant shall be solely responsible for payments to any subconsultants.
11.0 Compliance With Laws and Regulations; Licensing. Consultant shall perform the scope of services of this Agreement in compliance with all applicable provisions of Federal, State and local laws, statutes, codes, rules, regulations, ordinances and professional standards ("Applicable Laws"). By entering into this Agreement, Consultant represents and warrants that it possesses all license and registrations required by such Applicable Laws to enter into this Agreement and to perform the scope of services hereunder.

12.0 Insurance. Consultant, at its sole cost and expense, shall obtain, keep in force, and maintain the following policies of insurance at all times while this Agreement is in effect, and shall not commence any work under this Agreement until proof of such insurance has been provided to the District. The coverages provided by such insurance shall not be construed as limitations of liability.

12.1 Required Policies.

12.1.1 Comprehensive Automobile Liability Insurance for owned, scheduled, non-owned, or hired automobiles, with a combined single limit of no less than $300,000 per accident.

12.1.2 General Liability Insurance with limits of $1,000,000 per claim and $2,000,000 in the aggregate.

12.2 Required Terms.

12.2.1 All insurance required under this Agreement shall be considered primary to any insurance maintained by the District. All policies shall include waivers of subrogation in favor of the District and its insurers.

13.0 Indemnification. Consultant shall indemnify, defend and hold harmless the District and its directors, officers, employees, agents and representatives (collectively "District"), from and against any and all claims, liabilities, costs, damages, suits, proceedings, injuries (including injuries to real and personal property, and injuries to persons, including death) incurred by District ("Losses"), as a result of Consultant's breach of any provision of this Agreement, Consultant's failure to comply with Applicable Laws, Consultant's negligent acts or omissions, or Consultant's willful misconduct. However, Consultant's obligation to defend shall arise regardless of any claim or assertion that the District caused or contributed to the Losses. Nothing in this paragraph shall constitute a waiver or limitation of any legal rights which the District may have including, without limitation, the right to implied indemnity.

14.0 Attorneys' Fees. The prevailing Party in any suit or action arising from or relating to this Agreement shall be entitled to recover its reasonable attorneys fees and expert witness fees in addition to any other relief and recovery ordered by the court or other tribunal hearing such suit or action.
15.0 Conflict of Interest. No official of the District who is authorized in such capacity and on behalf of the District to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Agreement, or any contract or subcontract relating to work to be performed pursuant to this Agreement, shall become directly or indirectly personally interested in this Agreement or in any part thereof. Consultant shall not accept employment or contract during the term of this Agreement with any firm or individual for the provision of services that would conflict directly with the Services provided to the District under this Agreement.

16.0 Equal Opportunity. During the performance of this Agreement, Consultant shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, marital status or national origin.

17.0 Successors and Assigns. All of the terms, conditions and provisions of this Agreement shall inure to the benefit of, and be binding upon, the District, Consultant, and their respective successors and assigns provided, however, that no assignment of the duties or benefits under this Agreement shall be made without the written consent of the Consultant and the District.

18.0 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 or relating to this Agreement shall be in the County of Los Angeles, State of California.

19.0 Notices. All notices provided by this agreement shall be in writing and shall be sent by first-class mail and facsimile transmission as follows:

If to the District:

Water Replenishment District of Southern California
12621 E. 166th Street
Cerritos, CA 90703
Phone: (562) 921-5521
Fax: (562) 921-6101
Attention: General Manager
If to Consultant:

James Crook, Ph.D., P.E.
17 Woods Road
Norwell, Massachusetts 02061
Phone: (781) 659-0414
Fax: (781) 659-20103

20.0 Amendments. This Agreement may be modified only by a writing signed by the Parties hereto.

21.0 Integration; Construction. This Agreement is the Parties' final, complete and exclusive expression of their agreement, and supersedes any and all other agreements, either oral or in writing with respect to the subject matter of this Agreement, and no other agreement, statement, or promise relating to the subject matter of this Agreement which is not contained herein shall be valid and binding. This Agreement shall be construed as the product of a joint effort between the Parties.

22.0 Authority. Each person signing this Agreement represents that he or she has the authority to do so on behalf of the Party for whom he or she is signing.
IN WITNESS WHEREOF, the Parties have caused this AGREEMENT to be executed the day and year first above written.

WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA

[Signature]
Robb Whitaker
Print Name
General Manager
Title

CONSULTANT

[Signature]
James Crook
Print Name
Environmental Engineering Consultant
Title
EXHIBIT A
SCOPE OF WORK

Provide technical expertise in addressing issues related to increasing the use of recycled water for the Montebello Forebay Project with regulatory agencies. Prepare technical reports, memorandum, and other correspondence to appropriate regulatory agencies to obtain regulatory approvals. Make presentations or assist with presentations, as needed, to regulatory agencies.

Obtain necessary information from District staff, other consultants, and other agencies for the above.

Assist in the preparation of draft permits, if necessary, for the regulatory agencies.

Review draft permits, as needed.

Assist in review of regulatory requirements for other projects of the District.
EXHIBIT B
CONSULTANT RATE SCHEDULE

1.0 Consultant shall be compensated for actual services performed in accordance with this Agreement at the hourly rate of $150 per hour plus direct expenses that are considered reimbursable. Payment of compensation to Consultant will be in accordance with Article 3.3.

2.0 A budgetary amount of $24,999 is established for this Agreement. Notwithstanding any other provision of this Agreement, the District shall not be obligated to pay Consultant any amount in excess of said budgetary amount absent prior written approval from the District. Likewise, Consultant shall not be obligated to perform services or incur expenses in excess of the budgetary amount absent prior written approval from the District.
EXHIBIT C
REIMBURSEMENT FOR TRAVEL, MEALS AND LODGING

District’s Policies Regarding Consultants

The term “Consultant” shall be substituted for the term “Director”, “Employee”, or “staff” whenever in this Exhibit C they are used. The following is from the District’s Administrative Code.

12. EXPENSES

12.1. ALLOWABLE AND UNALLOWABLE EXPENSES

In the conduct of District business, employees and Directors shall incur expenses, subject to budgeted funds being available, adequate supporting documentation, and required approvals, according to the following:

12.1.1 General Guideline

1. Expenses outlined in this Administrative Code and Procurement Policies and Procedures;

2. Expenses that further the District’s mission concerning replenishment and quality of water in the Central and West Coast Groundwater Basins, including but not limited to, expenses directly incurred in connection with a program or capital project of the District, activities that facilitate relations or working arrangements with other government or private sector personnel that are important to the District’s mission, activities that enhance awareness and education of the District’s functions, and activities that promote the attraction and retention of high quality employees of the District.

12.1.2 Specifically Unallowable Expenses

1. Gifts,

2. Entertainment,

3. Alcoholic beverages,

4. Goods and services for personal use,

5. Fines and penalties incurred by an employee,

6. Memberships in social organizations, dining clubs, or country clubs,

7. Advance payments for goods or services, except as generally required,
8. Moving expenses, unless pre-approved as part of a written employment contract with a new employee,

9. Travel related expenses incurred by or on behalf of a spouse or companion,

10. Certain travel costs (e.g., first-class airfare, hotel suites, luxury vehicle rental),

11. Repetitive seminars or educational courses on the same topic or issue and repetitive courses that provide training on a specific subject to a particular class of persons (e.g., training for persons new to the areas of water or special districts).

Employees and Board Members shall not obligate the District and shall not receive reimbursement for any of the unallowable expenses listed above.

12.2.3 Directors’ Expenses: Finance Committee Approval
At its regularly scheduled monthly meeting, the District’s Finance Committee shall approve or reject all requests and claims for reimbursement by members of the Board of Directors. The Finance Committee shall meet once per month to consider such claims and requests as are submitted. Receipts must support all claims and requests as submitted to the Finance Committee or other documentation the Finance Committee deems acceptable. If a claim or request is submitted to the Finance Committee with documentation the Committee deems inadequate, or without documentation, that claim or request shall be rejected. A claim or request initially rejected can later be submitted for approval if it is supported by adequate documentation at such later time.

Requests for reimbursement must be submitted within 90 days of the date the expense was incurred. Specifically excluded from this time limit are expenses incurred for medical, dental, eye care, or other expenses which require processing by an insurance or benefit provider, or an expense where backup documentation was delayed beyond the control of the Director. Any reimbursement for a non-excluded expense submitted after 90 days must be approved by the Board of Directors.

12.2.4 Staff Expenses: General Manager Approval
The General Manager shall approve or reject all requests and claims for reimbursement by staff and shall report such approval/rejection to the Finance Committee at its monthly meeting. Receipts must support all claims and requests as submitted to the General Manager or other
documentation the General Manager deems acceptable. If a claim or request is submitted to the General Manager with documentation he deems inadequate, or without documentation, that claim or request shall be rejected. A claim or request initially rejected can later be submitted for approval if it is supported by adequate documentation at such later time.

Requests for reimbursement must be submitted within 90 days of the date the expense was incurred. Specifically excluded from this time limit are expenses incurred for medical, dental, eye care, or other expenses which require processing by an insurance or benefit provider, or an expense where backup documentation was delayed beyond the control of the employee. Any reimbursement for a non-excluded expense submitted after 90 days must be approved by the Board of Directors.

12.2.5 Travel Expenses
The Board of Directors should pre-approve requests for out of state travel. The Board may retroactively approve out of state travel based on difficult or unexpected circumstances.

The District's policy concerning reimbursement for travel expenses varies depending whether the destination is within or outside the "local area". For purposes of this Policy, "local area" includes all of Los Angeles and Orange Counties, and those portions of Riverside and San Bernardino Counties located south of the San Gabriel Mountains and/or west of the San Bernardino Mountains. Except for travel within the "local area" by Board Members or other District employees entitled to a monthly car allowance pursuant to this Code, all Board Members, officers and employees of the District shall be entitled to a mileage reimbursement for authorized use of their privately-owned vehicles in the conduct of District business at the current maximum allowable per mile rate established by the Internal Revenue Service.

In the case of travel to a location outside of the "local area," including travel by personal automobile instead of by air travel, reimbursement shall be limited to expenses for the Board Member, officer or employee not exceeding 14-day advanced purchase round trip standard coach airfare, plus ground transportation.

Actual expenses for ground transportation to and from airports and while attending to District business shall also be reimbursed. Ground transportation shall include taxi, bus fare or standard automobile rental. No reimbursement shall be provided for charges incurred due
to the inclusion of personal loss insurance coverage i.e., loss damage waiver, supplemental liability, personal effects, uninsured or underinsured motorist) in a car rental agreement.
12.2.6 **Lodging**

For the purpose of lodging, "local area" means a 40-mile radius from either one's residence or the District office, whichever is further.

Within the discretion of the Board President, a Director may stay overnight at a site less than a 40-mile radius from the residence or the District office. If the Director desiring to stay overnight at such a site is the Board President, that Director shall obtain approval from the Board Treasurer. Otherwise, no requests for lodging or reimbursement claims for expenses incurred within the "local area" shall be approved by the Finance Committee.

Expenses will be allowed for adequate and reasonably priced lodging when necessary for the conduct of District business. When lodging is required in conjunction with a conference or similar function, whenever possible, lodging shall be at the conference location at the reduced rate provided by the conference, if applicable. In all cases, reasonable attempts shall be made to obtain reduced rates for lodging (i.e., government rates for domestic lodging as published by the U.S. General Services Administration.)

Unless otherwise authorized by the Finance Committee, no reimbursement will be approved for lodging for greater than one night before or for any nights after an event outside of the "local area."
AMENDMENT NO. 1 TO
AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
AND JAMES CROOK

The Agreement between the Water Replenishment District of Southern California and James Crook, dated February 10, 2005, (Agreement) is amended as follows:

2.0 Term. The term of this Agreement shall commence on January 1, 2005 and shall end on December 31, 2005 (the "Expiration Date"). At least sixty (60) days prior to the Expiration Date, District staff shall evaluate the quality of the Services that have been provided by the Consultant, the cost of such Services relative to the benefits, and the need for any continuation of the services. The results of such evaluation shall be provided to the appropriate District Committee, which committee shall provide a report to the District’s Board of Directors ("Board"). If the Board determines that there is a demonstrated need for the continuation of such Services, the Board may renew the Agreement on terms and conditions that do not provide for a significantly longer term, increased scope of work or increased fee schedule than is provided for in Paragraph 1.0 or this Paragraph 2.0. If the Board desires to modify the Agreement to provide for such a significantly longer term, increased scope of work or increased fee schedule, the District shall comply with the provisions of its then current Administrative Code concerning the solicitation and approval of proposals for professional services.

All other articles of the Agreement remain in effect.
IN WITNESS WHEREOF, the Parties have caused this AGREEMENT to be executed on the date noted below.

WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA

______________________________
Signature
Robb Whitaker
Print Name
General Manager
Title

CONSULTANT

______________________________
Signature
James Crook
Print Name
Environmental Engineering Consultant
Title

Date