

MINUTES OF A REGULAR MEETING OF THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH, HELD IN THE BOARD ROOM OF THE HARBOR DEPARTMENT ADMINISTRATION BUILDING AT 925 HARBOR PLAZA, LONG BEACH, CALIFORNIA, ON MONDAY, MAY 22, 2006, AT 1 P.M.

Present: Commissioners: Walter, Hancock, Cordero, Hankla
Absent: " Topsy-Elvord

Also present:

| | |
|------------------|---------------------------------------|
| R. D. Steinke | Executive Director |
| S. B. Rubin | Managing Director |
| G. T. Hein | Executive Officer to the Board |
| A. J. Moro | Assistant Chief Harbor Engineer |
| C. Stafford | Assistant Director of Administration |
| H. C. Morris | Director of Communications |
| M. J. Slavin | Chief Financial Officer |
| C. L. Thomsen | Office Automation Analyst |
| W. D. Bower | Assistant Director of Maintenance |
| K. M. Cartwright | Manager of Transportation Planning |
| K. J. McDermott | Director of Properties |
| C. Perrone | Director of Security |
| D. B. Snyder | Director of Trade & Maritime Services |
| C. A. Kemp | Director of Community Relations |
| D. T. Holzhaus | Principal Deputy City Attorney |

VICE PRESIDENT HANKLA PRESIDED AS CHAIRPERSON.

APPROVAL OF MINUTES.

Upon motion by Commissioner Walter, seconded by Commissioner Cordero and unanimously carried, the minutes of the regular meeting of May 15, 2006, were declared read and approved as read.

PUBLIC COMMENTS.

There was no one present to address the Board.

CONSENT CALENDAR – ITEMS NOS. 1-9.

1. COAST MACHINERY MOVERS AND FELGUERA PARQUES Y MINAS, S.A., JOINT VENTURE – RATIFICATION OF CHANGE ORDERS NOS. 1 & 2 – AUTHORIZATION OF CHANGE ORDER NO. 3 AND PARTIAL RELEASE OF RETENTION UNDER SPECIFICATION NO. HD-S2152B FOR THE TRAVELING SHIPLOADER ON PIER G – APPROVED.

Communication from D. A. Thiessen, Chief Harbor Engineer, dated May 17, 2006, recommending ratification of Change Order No. 1, in the amount of \$42,720, Change Order No. 2, in the amount of \$50,000, authorization of Change Order No. 3, in the amount of \$31,099.94, and partial release of retention, in the amount of \$447,976.25, with Coast Machinery Movers and Felguera Parques y Minas, S.A., Joint Venture, under Specification No. HD-S2152B, for the traveling shiploader on Pier G, was presented to the Board. The request was approved by the Executive Director.

2. LONG BEACH WATER DEPARTMENT AND LONG BEACH GAS AND OIL DEPARTMENT – EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE MEMORANDUMS OF UNDERSTANDING FOR PIPELINES RELOCATION ON PIER D AND PIER T UNDER SPECIFICATION NO. HD-S2269B – DOCUMENT NO. HD-7045 - DOCUMENT NO. HD-7046.

Communication from D. A. Thiessen, Chief Harbor Engineer, dated May 17, 2006, recommending authorization of a Memorandums of Understanding with Long Beach Water Department and with Long Beach Gas and Oil Department for pipelines relocation on Pier D and Pier T, under Specification No. HD-S2269B, was presented to the Board. The recommendation was approved by the Executive Director.

3. PETERSON-CHASE GENERAL ENGINEERING – EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE, UPON SATISFACTION OF CERTAIN CONDITIONS BY CONTRACTOR, CONTRACT FOR PORT INCIDENT MANAGEMENT SYSTEM UNDER SPECIFICATION NO. HD-S2232 – CITY ATTORNEY REQUESTED TO PREPARE CONTRACT – DOCUMENT NO. HD-7047.

Communication from D. A. Thiessen, Chief Harbor Engineer, dated May 17, 2006, requesting conditional authorization of a Contract with Peterson-Chase General Engineering for Port Incident Management System under Specification No. HD-S2232, in the amount of \$2,047,160, was presented to the Board. The request was approved by the Executive Director.

4. SPECIFICATION NO. HD-S2282 - APPROVED AND NOTICE INVITING BIDS AUTHORIZED – TERMINAL REDEVELOPMENT ON PIER E.

Communication from D. A. Thiessen, Chief Harbor Engineer, dated May 17, 2006, submitting Specification No. HD-S2282 for the Pier E, Berths E24 and E26, container yard redevelopment, Phases 1 & 2, and requesting authority to advertise for bids for said work, was presented to the Board. The request was approved by the Executive Director.

5. LEVEL I HARBOR DEVELOPMENT PERMITS – RECEIVED AND FILED.

Communication from Robert Kanter, Director of Planning, by Kerry Cartwright, dated May 15, 2006, requesting that the following Level I Harbor Development Permits be received and filed:

| | |
|-------------|--|
| HDP #06-050 | Port of Long Beach – Roadway Maintenance |
| HDP #06-051 | Shell Oil Products US – Wireless Pressure Transmitters and Base Station Installation |
| HDP #06-052 | Shippers Transport Express – Temporary Wheeled Container Storage Site |

was presented to the Board. The request was approved by the Executive Director.

6. DRILLING PERMIT APPLICATION – APPROVED.

Communication from Robert Kanter, Director of Planning, by Kerry Cartwright, dated May 16, 2006, requesting that the following drilling permit application be approved:

| | |
|--------------|--|
| HDP #06-049X | THUMS Long Beach Co. – Drill Well J424 |
|--------------|--|

was presented to the Board. The request was approved by the Executive Director.

7. EWO NO. 4400, SUPPLEMENT NO. 7 – GREEN PORT PROGRAM – APPROVED.

Communication from Heather Morris, Director of Communications, dated May 17, 2006, requesting approval of EWO No. 4400, Supplement No. 7, for the 2006 Green Port Open House, in the amount of \$200,000, was presented to the Board. The request was approved by the Executive Director.

8. KATHRYN PAVLUSHKO – APPOINTMENT.

Communication from Toni K. Whitesell, Director of Administration, dated May 18, 2006, requesting approval of the appointment of Kathryn Pavlushko to the position of Administrative Intern-NC at Range/Step H36, effective May 23, 2006, was presented to the Board. The request was approved by the Executive Director.

9. JENNIFER A. LINDER – GREG A. MARTIN – ASHLEY B. MOORE – APPOINTMENTS.

Communication from Toni K. Whitesell, Director of Administration, dated May 17, 2006, requesting approval of the appointments of the following individuals:

| <u>Appointment</u> | <u>Classification</u> | <u>Range & Step</u> | <u>Effective Date</u> |
|--------------------|------------------------------------|-------------------------|-----------------------|
| Jennifer A. Linder | Administrative Intern-NC | H41/01 | 5/25/06 |
| Greg A. Martin | Plumber | 500/03 | 5/30/06 |
| Ashley B. Moore | Environmental Specialist Associate | 594/06 | 5/23/06 |

was presented to the Board. The request was approved by the Executive Director.

Commissioner Walter moved, seconded by Commissioner Hancock that the communications be received and filed and that Items Nos. 1-9 be approved as recommended. Carried by the following vote:

| | | |
|---------|--------|-------------------------------|
| AYES: | Comms: | Walter,Hancock,Cordero,Hankla |
| NOES: | " | None |
| ABSENT: | " | Topsy-Elvord |

REGULAR AGENDA.

10. INTERNATIONAL TRANSPORTATION SERVICE, INC. - EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE PREFERENTIAL ASSIGNMENT AGREEMENT ON PIER G AND PIER J – DOCUMENT NO. HD-7048 - ORDINANCE NO. HD-1960 - ADOPTED.

Ordinance entitled, "AN ORDINANCE OF THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A PREFERENTIAL ASSIGNMENT AGREEMENT BETWEEN THE CITY OF LONG BEACH, ACTING BY AND THROUGH ITS BOARD OF HARBOR COMMISSIONERS AND INTERNATIONAL TRANSPORTATION SERVICE, INC., FOR THE USE OF CERTAIN PREMISES IN THE HARBOR DISTRICT, AND MAKING A DETERMINATION RELATING THERETO," was presented to the Board for its second and final reading.

Ms. Melissa Lin Perrella from Natural Resources Defense Council thanked the Board and Port staff for once again using contracts and agreements as a method or a vehicle for negotiating green measures. She stated the NRDC appreciates the steps that the Port of Long Beach is taking in incorporating green measures in lease agreements, and the progress the Port is making in putting public health and the environment at the forefront of every lease negotiation.

Ms. Perrella stated that she had discussed the lease with the City Attorney's office. She stated that it would be beneficial if additional information could be made available on the website regarding agenda items, and requested a copy of the lease and related information. Mr. Holzhaus said he would send her the information

Vice President Hankla thanked Ms. Perrella for her comments and stated her request would be taken into consideration and could possibly be accommodated.

Vice President Hankla recognized and thanked Mr. John Miller, Executive Vice President, International Transportation Service, Inc., for his active participation with this landmark lease.

Commissioner Hancock moved, seconded by Commissioner Cordero that said ordinance be declared read for the second time and adopted as read. Carried by the following vote:

| | | |
|---------|--------|----------------------------------|
| AYES: | Comms: | Walter, Hancock, Cordero, Hankla |
| NOES: | " | None |
| ABSENT: | " | Topsy-Elvord |

NEW BUSINESS.

Mr. Don Snyder stated today, May 22, is National Maritime Day. He added it is the 70th anniversary of the Merchant Marine Act where we pay tribute to merchant mariners who faithfully served our Nation.

Commissioner Cordero stated the independent contractor system structure of truckers needed to be addressed with the negative impact that this system currently has on the environment and security.

Vice President Hankla stated he had the opportunity to preview some relatively new technology by Rotec Design Limited that is currently being tested by Long Beach Transit Company and additionally, he stated they are currently working with CARB.

Mr. Carl Kemp gave a report on his and Commissioner Cordero's recent trip to Sacramento where they met with legislators regarding Goods Movement and the Infrastructure Bond.

Vice President Hankla stated he had represented the Port, on a panel, on goods movement in Southern California and its future, at the Lusk 100 Real Estate Forum.

CLOSED SESSION.

At 2:40 p.m., Vice President Hankla recessed the Board meeting to hold a closed session:

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 (one case).

At 3:20 p.m., the meeting was again called to order by Vice President Hankla.

ADJOURNED.

At 3:21 p.m., Commissioner Hancock moved, seconded by Commissioner Walter that the meeting be adjourned sine die in memory of all of the merchant mariners who lost their lives in the defense of this country. Carried by the following vote:

| | | |
|---------|--------|----------------------------------|
| AYES: | Comms: | Walter, Hancock, Cordero, Hankla |
| NOES: | " | None |
| ABSENT: | " | Topsy-Elvord |

MINUTES OF A REGULAR MEETING OF THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH, HELD IN THE BOARD ROOM OF THE HARBOR DEPARTMENT ADMINISTRATION BUILDING AT 925 HARBOR PLAZA, LONG BEACH, CALIFORNIA, ON MONDAY, JUNE 12, 2006, AT 1 P.M.

Present: Commissioners: Walter, Hancock, Cordero, Hankla, Topsy-Elvord
 Absent: " None

Also present:

| | |
|-----------------|---------------------------------------|
| R. D. Steinke | Executive Director |
| S. B. Rubin | Managing Director |
| G. T. Hein | Executive Officer to the Board |
| D. A. Thiessen | Chief Harbor Engineer |
| T. K. Whitesell | Director of Administration |
| H. C. Morris | Director of Communications |
| M. J. Slavin | Chief Financial Officer |
| D. L. Albrecht | Director of Information Management |
| R. Rich | Director of Maintenance |
| R. G. Kanter | Director of Planning |
| K. J. McDermott | Director of Properties |
| C. Perrone | Director of Security |
| D. B. Snyder | Director of Trade & Maritime Services |
| C. A. Kemp | Director of Community Relations |
| D. T. Holzhaus | Principal Deputy City Attorney |

PRESIDENT TOPSY-ELVORD PRESIDED AS CHAIRPERSON.

APPROVAL OF MINUTES.

Upon motion by Commissioner Hankla, seconded by Commissioner Walter and unanimously carried, the minutes of the regular meeting of June 5, 2006, were declared read and approved as read.

PUBLIC COMMENTS.

Mr. Scott Gobble, Southern California Edison representative serving the Port of Long Beach, stated he looked forward to working with the staff and Commissioners on the operational impacts and changes that are occurring over the next year.

In response to a request by Commissioner Hancock, Mr. Slavin stated he would prepare an analysis of the cost increase of SCE power to the Port, after the latest increase.

CONSENT CALENDAR – ITEMS NOS. 1-6.

1. CATALYST PAPER (USA), INC. – PREFERENTIAL ASSIGNMENT AGREEMENT – DOCUMENT NO. HD-6884 - EXERCISE TWO YEAR EXTENSION OPTION FOR BREAKBULK MARINE TERMINAL ON PIER D – RECEIVED AND FILED.

Communication from Kathryn McDermott, Director of Properties, dated June 6, 2006, transmitting notification to be received and filed that Catalyst Paper (USA), Inc., has provided notice to exercise its two year extension option for Preferential Assignment Agreement for a breakbulk marine terminal on Pier D, was presented to the Board. The recommendation was approved by the Executive Director.

2. MARINA LANDSCAPE, INC. - ACCEPTANCE OF WORK UNDER SPECIFICATION NO. HD-S2231.

Communication from D. A. Thiessen, Chief Harbor Engineer, dated June 7, 2006, advising that Marina Landscape, Inc., has satisfactorily completed, as of January 21, 2006, the landscaping fourteen areas along Pico Avenue and Ninth Street and the maintenance of the landscape work for a one-year period as described in Specification No. HD-S2231 and recommending that said work be accepted as complete as of that date, was presented to the Board. The recommendation was approved by the Executive Director.

3. BEN'S ASPHALT, INC. – EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE, UPON SATISFACTION OF CERTAIN CONDITIONS BY CONTRACTOR, CONTRACT FOR PROVIDING BITUMINOUS PAVING, TRAFFIC STRIPING, PAVEMENT MARKING, AND OTHER RELATED SERVICES UNDER SPECIFICATION NO. HD-S2297 – CITY ATTORNEY REQUESTED TO PREPARE CONTRACT – DOCUMENT NO. HD-7052.

Communication from D. A. Thiessen, Chief Harbor Engineer, dated June 7, 2006, requesting conditional authorization of a Contract with Ben's Asphalt, Inc., for providing bituminous paving, traffic striping, pavement marking, and other related services under Specification No. HD-S2297, in the amount of \$1,499,859.50, was presented to the Board. The request was approved by the Executive Director.

4. MOFFATT & NICHOL - EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE SIXTH AMENDMENT TO CONTRACT FOR PROGRAM MANAGEMENT SERVICES FOR THE TERMINAL OPTIMIZATION PROGRAM - DOCUMENT NO. HD-6490F - CWO NO. 1231, SUPPLEMENT NO. 3 - APPROVED.

Communication from D. A. Thiessen, Chief Harbor Engineer, dated June 7, 2006, requesting approval of an amendment to Contract with Moffatt & Nichol for program management services for the Terminal Optimization Program, extending the contract to

December 31, 2006, revising the amount of the contract to \$19,779,811, and CWO No. 1231, Supplement No. 3, in the amount of \$1,420,000, was presented to the Board. The request was approved by the Executive Director.

5. DANA DE VERA – NENG “ROY” XU – MICHAEL SMITH – APPOINTMENTS.

Communication from Toni K. Whitesell, Director of Administration, dated June 7, 2006, requesting approval of the appointments of the following individuals:

| <u>Appointment</u> | <u>Classification</u> | <u>Range & Step</u> | <u>Effective Date</u> |
|--------------------|--------------------------|-------------------------|-----------------------|
| Dana DeVera | Civil Engineer | 644/07 | 6/20/06 |
| Neng “Roy” Xu | Administrative Intern-NC | H36 | 6/12/06 |
| Michael Smith | Student Worker-NC | H17 | 6/19/06 |

was presented to the Board. The request was approved by the Executive Director.

6. SMALL BUSINESS ENTERPRISE/VERY SMALL BUSINESS ENTERPRISE PROGRAM GOAL FOR ADMINISTRATION BUREAU FOR FISCAL YEAR 2005-2006 – APPROVED.

Communication from Steven Rubin, Managing Director, dated June 6, 2006, recommending approval of the establishment of an SBE/VSBE program goal of 20% for the Administration Bureau for Fiscal Year 2005-2006, was presented to the Board. The recommendation was approved by the Executive Director.

Commissioner Hancock moved, seconded by Commissioner Hankla that the communications be received and filed and that Items Nos. 1-6 be approved as recommended. Carried by the following vote:

| | | |
|---------|--------|--|
| AYES: | Comms: | Walter,Hancock,Cordero,Hankla,Topsy-Elvord |
| NOES: | “ | None |
| ABSENT: | “ | None |

REGULAR AGENDA.

7. FOREIGN TRADE ZONES BOARD – APPLICATION FOR A BOUNDARY MODIFICATION FOR FOREIGN TRADE SUBZONE 50-2 FOR PARCELS LOCATED IN THE CITY OF SANTA ANA – RESOLUTION NO. HD-2303 - ADOPTED.

Communication from Kathryn McDermott, Director of Properties, dated June 6, 2006, recommending approval of the application for a boundary modification for Foreign Trade Subzone 50-2, for parcels within the Inter-City Commuter Station Redevelopment

Area located in the City of Santa Ana, was presented to the Board together with the authorizing resolution therefore. The recommendation was approved by the Executive Director.

Commissioner Hankla moved, seconded by Commissioner Hancock that the communication be received and filed and that the resolution entitled, "A RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AND SUBMIT AN APPLICATION FOR A MINOR BOUNDARY MODIFICATION OF FOREIGN-TRADE ZONE EXPANSION SITE 50-2 TO THE FOREIGN-TRADE ZONES BOARD OF THE UNITED STATES DEPARTMENT OF COMMERCE, AND MAKING A DETERMINATION RELATING THERETO," be declared read and adopted as read.

Carried by the following vote:

| | | |
|---------|--------|--|
| AYES: | Comms: | Walter,Hancock,Cordero,Hankla,Topsy-Elvord |
| NOES: | " | None |
| ABSENT: | " | None |

8. METROPOLITAN STEVEDORE COMPANY – EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE FIRST AMENDMENT TO SECOND AMENDED AND RESTATED PREFERENTIAL ASSIGNMENT AGREEMENT ON PIER G – FIRST READING OF ORDINANCE.

Communication from Kathryn McDermott, Director of Properties, dated June 6, 2006, recommending approval of the First Amendment to Second Amended and Restated Preferential Assignment Agreement for a dry bulk terminal on Pier D with Metropolitan Stevedore Company, was presented to the Board together with the authorizing ordinance therefore. The recommendation was approved by the Executive Director.

Commissioner Hancock moved, seconded by Commissioner Hankla that the communication be received and filed and that the ordinance entitled, "AN ORDINANCE OF THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A FIRST AMENDMENT TO SECOND AMENDED AND RESTATED PREFERENTIAL ASSIGNMENT AGREEMENT BETWEEN THE CITY OF LONG BEACH, ACTING BY AND THROUGH ITS BOARD OF HARBOR COMMISSIONERS, AND METROPOLITAN STEVEDORE COMPANY FOR THE USE OF CERTAIN PREMISES IN THE HARBOR DISTRICT, AND MAKING A DETERMINATION RELATING THERETO," be declared read for the first time and laid over for its second and final reading. Carried by the following vote:

| | | |
|---------|--------|--|
| AYES: | Comms: | Walter,Hancock,Cordero,Hankla,Topsy-Elvord |
| NOES: | " | None |
| ABSENT: | " | None |

NEW BUSINESS.

Commissioner Walter stated he had attended the Black Business Managers Association Scholarship Event and that the Port had received recognition for its sponsorship contributions. He stated he felt the best investment we can make is in our youth.

President Topsy-Elvord stated \$31,000 was given away in scholarships at the event and she thanked Mr. Kemp, President of the Black Business Managers Association.

ADJOURNED.

At 2:50 p.m., Commissioner Cordero moved, seconded by Commissioner Walter that the meeting be adjourned sine die. Carried by the following vote:

| | | |
|---------|--------|--|
| AYES: | Comms: | Walter,Hancock,Cordero,Hankla,Topsy-Elvord |
| NOES: | " | None |
| ABSENT: | " | None |

MINUTES OF A REGULAR MEETING OF THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH, HELD IN THE BOARD ROOM OF THE HARBOR DEPARTMENT ADMINISTRATION BUILDING AT 925 HARBOR PLAZA, LONG BEACH, CALIFORNIA, ON MONDAY, JUNE 19, 2006, AT 1 P.M.

Present: Commissioners: Walter, Hancock, Cordero, Hankla, Topsy-Elvord
Absent: " None

Also present:

| | |
|------------------------|--|
| R. D. Steinke | Executive Director |
| S. B. Rubin | Managing Director |
| G. T. Hein | Executive Officer to the Board |
| D. A. Thiessen | Chief Harbor Engineer |
| C. Stafford | Assistant Director of Administration |
| H. C. Morris | Director of Communications |
| M. J. Slavin | Chief Financial Officer |
| D. L. Albrecht | Director of Information Management |
| R. Rich | Director of Maintenance |
| R. G. Kanter | Director of Planning |
| K. J. McDermott | Director of Properties |
| O. Covington | Chief Port Security Officer |
| D. B. Snyder | Director of Trade & Maritime Services |
| C. A. Kemp | Director of Community Relations |
| D. T. Holzhaus | Principal Deputy City Attorney |

PRESIDENT TOPSY-ELVORD PRESIDED AS CHAIRPERSON.

APPROVAL OF MINUTES.

Upon motion by Commissioner Walter, seconded by Commissioner Cordero and unanimously carried, the minutes of the regular meeting of June 12, 2006, were declared read and approved as read.

PUBLIC COMMENTS.

There was no one present to address the Board.

CONSENT CALENDAR – ITEMS NOS. 1-9.

Item No. 1 was removed from Consent Calendar for discussion.

Item No. 9 was laid over.

2. BEN'S ASPHALT, INC. - ACCEPTANCE OF WORK UNDER SPECIFICATION NO. HD-S2285.

Communication from D. A. Thiessen, Chief Harbor Engineer, dated June 14, 2006, advising that Ben's Asphalt, Inc., has satisfactorily completed, as of May 17, 2006, the bituminous paving, traffic striping, pavement marking and related services as described in Specification No. HD-S2285 and recommending that said work be accepted as complete as of that date, was presented to the Board. The recommendation was approved by the Executive Director.

3. LEVEL I HARBOR DEVELOPMENT PERMITS – RECEIVED AND FILED.

Communication from Robert Kanter, Director of Planning, dated June 12, 2006, requesting that the following Level I Harbor Development Permits be received and filed:

| | |
|-------------|--|
| HDP #06-058 | THUMS Long Beach Co. – External Corrosion Survey of Pipelines |
| HDP #06-059 | Children Today, Inc. – Concrete Slab and Storage Shed Installation |
| HDP #06-060 | Tidelands Oil Production Company – Pipeline Removal |
| HDP #06-061 | Arco Terminal Services – Survey of Pipeline |

was presented to the Board. The request was approved by the Executive Director.

4. TIDELANDS OIL PRODUCTION COMPANY – PERMIT TO DRILL TWO WATER INJECTION WELLS – APPROVED.

Communication from Robert Kanter, Director of Planning, dated June 12, 2006, recommending approval of the application submitted by Tidelands Oil Production Company for a permit to drill two water injection wells, (3L-007 and FW-297) located on Terminal Island, was presented to the Board. The recommendation was approved by the Executive Director.

5. QUEST CONSULTANTS, INC. - EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE THIRD AMENDMENT TO CONTRACT FOR THE PREPARATION OF A HAZARDS ANALYSIS REGARDING LNG - DOCUMENT NO. HD-6838C - CWO NO. 1252, SUPPLEMENT NO. 3 - APPROVED.

Communication from Robert Kanter, Director of Planning, dated June 14, 2006, requesting approval of an amendment to Contract with Quest Consultants, Inc., to prepare a Hazards Analysis in support of LNG documentation and responding to public comments and CWO No. 1252, Supplement No. 3, both in the amount of \$100,000, was presented to the Board. The request was approved by the Executive Director.

6. HARBOR REVENUE FUND – APPROVAL OF FUND TRANSFER JOURNALS AND AUTHORIZATION OF TRANSFER OF FUNDS.

Communication from Michael J. Slavin, Chief Financial Officer, dated June 13, 2006, submitting the following Fund Transfer Journals received from the Department of Financial Management:

| <u>AMOUNT</u> | <u>DESCRIPTION</u> |
|---------------|--|
| 103,614.92 | Insurance Fund – Worker’s compensation for June 2006 |
| 123,294.92 | Employee Benefits Fund – Pension obligation bonds for June 2006 |
| 175,515.33 | General Fund – transfer of the June 2006 estimated City general administration costs |
| 9,811.75 | General Fund – adjustment for additional cost of indirect overhead for prior year – June 2006 |
| 11,609.00 | Information Services Bureau – data processing operations and maintenance for May 2006 |
| 170.00 | Information Services Bureau – wireless communication for April 2006 |
| 13,589.50 | Public Works Department – maintenance of traffic signals for 2 nd quarter of fiscal year 2006 |
| 11,058.33 | Technical Systems – financial information system for June 2006 |
| 250.00 | Human Resources Department – Trenching and excavation class held on 5/15/06 for five employees |
| 826.20 | Water Department – repair 3” water service on 2/16/06 |

was presented to the Board. The Fund Transfer Journals were approved by the Executive Director.

7. MECHELLE S. NGIN – RODOLFO VILLAVA, JR. – APPOINTMENTS.

Communication from Toni K. Whitesell, Director of Administration, dated June 14, 2006, requesting approval of the appointments of the following individuals:

| <u>Appointment</u> | <u>Classification</u> | <u>Range & Step</u> | <u>Effective Date</u> |
|----------------------|---|-------------------------|-----------------------|
| Mechelle S. Ngin | Clerk Typist II | 350/01 | 6/20/06 |
| Rodolfo Villava, Jr. | Geographic Information Systems Technician I | 460/07 | 6/26/06 |

was presented to the Board. The request was approved by the Executive Director.

8. UNIVERSAL WASTE SYSTEMS, INC. – EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE, UPON SATISFACTION OF CERTAIN CONDITIONS BY CONTRACTOR, CONTRACT FOR FURNISHING TRASH REMOVAL AND DISPOSAL SERVICES UNDER SPECIFICATION NO. HD-S2289 – CITY ATTORNEY REQUESTED TO PREPARE CONTRACT – DOCUMENT NO. HD-7053.

Communication from Randy Rich, Director of Maintenance, dated June 13, 2006, requesting conditional authorization of a Contract with Universal Waste Systems, Inc., for furnishing trash removal and disposal services under Specification No. HD-S2289, in the amount not to exceed \$387,471, was presented to the Board. The request was approved by the Executive Director.

9. Laid Over.

Commissioner Hankla moved, seconded by Commissioner Hancock that the communications be received and filed and that Items Nos. 2-8 be approved as recommended. Carried by the following vote:

| | | |
|---------|--------|--|
| AYES: | Comms: | Walter, Hancock, Cordero, Hankla, Topsy-Elvord |
| NOES: | " | None |
| ABSENT: | " | None |

1. SOUTHERN CALIFORNIA EDISON COMPANY – EXECUTIVE DIRECTOR AUTHORIZED TO EXERCISE A FIVE-YEAR EXTENSION OF THE TERM OF LICENSE AGREEMENT FOR PROPERTY BETWEEN PIER A AND PIER B – DOCUMENT NO HD-5180 - APPROVED.

Communication from Kathryn McDermott, Director of Properties, dated June 13, 2006, requesting approval to exercise a five-year extension of the term of License Agreement with Southern California Edison Company for the Hinson right-of-way, between Pier A and Pier B, was presented to the Board. The recommendation was approved by the Executive Director.

Commissioner Hancock moved, seconded by Commissioner Hankla that the communication be received and filed, and that the Executive Director be authorized to

exercise a five-year extension of the term of the License Agreement. Carried by the following vote:

| | | |
|----------|--------|---------------------------------------|
| AYES: | Comms: | Walter, Hancock, Hankla, Topsy-Elvord |
| NOES: | " | None |
| ABSENT: | " | None |
| ABSTAIN: | " | Cordero |

REGULAR AGENDA.

10. MILLER, BALIS & O'NEILL – AGREEMENT FOR LEGAL SERVICES - APPROVED.

Communication from Charles M. Gale, Deputy City Attorney, dated June 14, 2006, requesting authorization of an agreement with Miller, Balis & O'Neill to assist the City Attorney in connection with federal energy legislation and energy issues, in the amount not-to-exceed \$100,000, was presented to the Board.

Commissioner Walter moved, seconded by Commissioner Hancock that the communication be received and filed and that said agreement be authorized. Carried by the following vote:

| | | |
|---------|--------|--|
| AYES: | Comms: | Walter, Hancock, Cordero, Hankla, Topsy-Elvord |
| NOES: | " | None |
| ABSENT: | " | None |

11. RESOLUTION CANCELLING THE REGULAR MEETING OF JULY 3, 2006 – RESOLUTION NO. HD-2304 - ADOPTED.

Communication from Gustav T. Hein, Executive Officer to the Board, dated June 13, 2006, recommending adoption of a resolution authorizing cancelling of the regular meeting of July 3, 2006, was presented to the Board together with the authorizing resolution therefore. The recommendation was approved by the Executive Director.

Commissioner Hancock moved, seconded by Commissioner Cordero that the communication be received and filed and that the resolution entitled "A RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH SUSPENDING RULE 1(B) AS SET FORTH IN HARBOR DEPARTMENT RESOLUTION NO. HD-519, AS AMENDED, RELATING TO THE MEETING SCHEDULE OF THE BOARD OF HARBOR COMMISSIONERS, AND CANCELLING

THE REGULAR MEETING OF JULY 3, 2006," be declared read and adopted as read.
Carried by the following vote:

| | | |
|---------|--------|--|
| AYES: | Comms: | Walter, Hancock, Cordero, Hankla, Topsy-Elvord |
| NOES: | " | None |
| ABSENT: | " | None |

12. NIELSEN BEAUMONT MARINE, INC. – EXECUTIVE DIRECTOR
AUTHORIZED TO EXECUTE THIRD AMENDMENT TO REVOCABLE PERMIT FOR
INSURANCE REQUIREMENT REVISIONS - DOCUMENT NO. HD-5241C –
RESOLUTION NO. HD-2305 - ADOPTED.

Communication from Kathryn McDermott, Director of Properties, dated June 6, 2006, recommending approval of a Third Amendment to Revocable Permit with Nielsen Beaumont Marine, Inc., for insurance requirement revisions, was presented to the Board together with the authorizing resolution therefore. The recommendation was approved by the Executive Director.

Commissioner Hancock moved, seconded by Commissioner Walter that the communication be received and filed and that the resolution entitled "A RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A THIRD AMENDMENT TO REVOCABLE PERMIT BETWEEN THE CITY OF LONG BEACH, ACTING BY AND THROUGH ITS BOARD OF HARBOR COMMISSIONERS, AND NIELSEN BEAUMONT MARINE, INC., FOR THE USE OF CERTAIN PREMISES IN THE HARBOR DISTRICT, AND MAKING A DETERMINATION RELATING THERETO" be declared read and adopted as read. Carried by the following vote:

| | | |
|---------|--------|--|
| AYES: | Comms: | Walter, Hancock, Cordero, Hankla, Topsy-Elvord |
| NOES: | " | None |
| ABSENT: | " | None |

13. HARBOR INSURANCE GUIDE – UPDATE OF THE PORT'S INSURANCE
REQUIREMENTS AND POLICIES AND PROCEDURES – FIRST READING OF
ORDINANCE.

Communication from Steven Rubin, Managing Director, dated June 12, 2006, requesting adoption of an ordinance regarding the update of the Port's insurance requirements, and policies and procedures, was presented to the Board together with the authorizing ordinance therefore. The recommendation was approved by the Executive Director.

Commissioner Cordero moved, seconded by Commissioner Hancock that the communication be received and filed and that the ordinance entitled, "AN ORDINANCE OF THE BOARD OF HARBOR COMMISSIONRES OF THE CITY OF LONG BEACH

REGARDING INSURANCE REQUIREMENTS," be declared read for the first time and laid over for its second and final reading. Carried by the following vote:

| | | |
|---------|--------|--|
| AYES: | Comms: | Walter, Hancock, Cordero, Hankla, Topsy-Elvord |
| NOES: | " | None |
| ABSENT: | " | None |

14. METROPOLITAN STEVEDORE COMPANY – EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE FIRST AMENDMENT TO SECOND AMENDED AND RESTATED PREFERENTIAL ASSIGNMENT AGREEMENT ON PIER G – DOCUMENT NO. HD-6655A - ORDINANCE NO. HD-1961 - ADOPTED.

Ordinance entitled, "AN ORDINANCE OF THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A FIRST AMENDMENT TO SECOND AMENDED AND RESTATED PREFERENTIAL ASSIGNMENT AGREEMENT BETWEEN THE CITY OF LONG BEACH, ACTING BY AND THROUGH ITS BOARD OF HARBOR COMMISSIONERS, AND METROPOLITAN STEVEDORE COMPANY FOR THE USE OF CERTAIN PREMISES IN THE HARBOR DISTRICT, AND MAKING A DETERMINATION RELATING THERETO," was presented to the Board for its second and final reading.

Commissioner Hankla moved, seconded by Commissioner Hancock that said ordinance be declared read for the second time and adopted as read. Carried by the following vote:

| | | |
|---------|--------|--|
| AYES: | Comms: | Walter, Hancock, Cordero, Hankla, Topsy-Elvord |
| NOES: | " | None |
| ABSENT: | " | None |

NEW BUSINESS.

There was no new business.

CLOSED SESSION.

At 1:45 p.m., President Topsy-Elvord recessed the Board meeting to hold a closed session:

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 (one case).

At 2:05 p.m., the meeting was again called to order by President Topsy-Elvord.

ADJOURNED.

At 2:06 p.m., Commissioner Walter moved, seconded by Commissioner Cordero that the meeting be adjourned sine die. Carried by the following vote:

| | | |
|---------|---------|--|
| AYES: | Commrs: | Walter, Hancock, Cordero, Hankla, Topsy-Elvord |
| NOES: | " | None |
| ABSENT: | " | None |

**CITY OF LONG BEACH
DEPARTMENT OF PARKS, RECREATION AND MARINE
PARKS AND RECREATION COMMISSION MINUTES
May 18, 2006**

I. CALL TO ORDER

The meeting of the Parks and Recreation Commission was called to order by Chris Kozaites, President, at 9:00 a.m., at the El Dorado Park West Senior Center Library. Thomas Shippey, Manager of Maintenance Operations Bureau, took roll call and confirmed a quorum.

Present: Chris Kozaites, President
Harry Saltzgaver, Vice President
Bea Antenore
Simon George
Albert Guerra
Drew Satariano
Brett Waterfield

Absent: none

Staff: Thomas Shippey, Manager, Maintenance Operations Bureau
Janet Day-Anselmo, Manager, Business Operations Bureau
Sherri Nixon-Joiner, Superintendent, Community Recreation Programs Bureau
Geoff Hall, Special Projects Officer
Leslie Hunsaker, Administrative Analyst
Jane Grobaty, Superintendent, Community Information
Mike Meyers, Community Information
Cynthia Fogg, Superintendent, Youth Services
Crystal Halona, Youth Services
Robin Black, Executive Assistant to the Director

Guests: Julie Mayr, Dog Walker
Jim Walters, Recreation Dog Park Association
James Walker
Natalie Rice, Dog Park Association Member
Dan Rothschild, Dog Park
Suzanne Mason, Deputy City Manager
Derek Barraza, California Sun & Surf
Derek Barraza, Jr., California Sun & Surf
Craig Beck, Interim Manager, Redevelopment Bureau
Cindy Young, Emerson Elementary School
Shane Coyne, PTA President at Emerson Elementary School

II. APPROVAL OF MINUTES – APRIL 20, 2006

It was moved by Commissioner Guerra and seconded by Commissioner Satariano to approve the April 20, 2006 Parks and Recreation Commission minutes. The motion carried unanimously.

III. SAMMY AWARD PRESENTATION – VIOLA SELLERS

President Kozaites stated that the Sammy Award would not be presented today because Sammy was in Mexico.

IV. EMPLOYEES OF THE MONTH PRESENTATIONS FOR APRIL AND MAY

President Kozaites stated that Vice President Saltzgaver would announce the Employees of the Month.

Vice President Saltzgaver announced Mike Meyers, with the Business Operations Bureau, as Administrative Employee of the Month for April.

Ms. Jane Grobaty, as his supervisor, spoke about Mike Meyers.

Vice President Saltzgaver announced Crystal Halona, with the Community Recreation Programs Bureau, as Field Operations Employee of the Month for May.

Ms. Cynthia Fogg, as her supervisor, spoke about Crystal Halona.

President Kozaites stated that the presentation by Emerson Parkside Academy Charter School students would be taken later, when they arrived.

VI. BUDGET PRESENTATION – SUZANNE MASON

Ms. Mason stated that she is a Deputy City Manager in the City Manager's office. Ms. Mason stated that the City has made a point to make sure they have an open and transparent budget process. She discussed the City's budget history and that there were three primary causes for the budget imbalance.

Ms. Mason stated that in the year 2000, the voters in Long Beach decided to reduce the utility users tax by 5% over a five-year period. This was a 50% reduction and eliminated about \$42 million in revenue. In addition, in the year 1998, based on the condition of the economy and the stock market, the Public Employees Retirement System communicated to the City of Long Beach that we had become what they called super-funded. This means that as they projected the City's expenditures for retirement forward on all our current employees, the City would have to contribute nothing based on the growth of our contributions. The City stopped paying into the Public Employees

Retirement System around 1998 or 1999. This was about a \$40 million expense that the City no longer had. Ms. Mason stated that the \$40 million meant a lot and helped the City hold on to programs and even enhanced many Department community programs. In 2002, the stock market took a nosedive and the Public Employee Retirement System stated that the City needed to begin paying again in the year 2005. Citywide, this amounts to about \$50 million, of which the General Fund portion is \$40 million. Ms. Mason stated that the City, along with the rest of California, was experiencing large increases in employee health insurance and workers compensation costs. Those three items combined together created an imbalance of hundreds of millions of dollars in the General Fund.

Ms. Mason stated that in the fall of 2002, the City Council and the Mayor directed City staff to work to develop a three-year strategy to balance the General Fund. The City created a very participative process and many members of the community were very alarmed that the deficit situation had not been shared earlier. She described the Voice Your Choice survey and how City staff came up with the three-year plan in 2003, and became the basis for the way the City budgeted for the next three years. To date, the budgets for fiscal years 2003, 2004, and 2005 eliminated \$92 million of the \$102 million projected structural deficit. Ms. Mason described one-time revenues that helped the City gradually make the reduction. She said that the City Manager is committed to eliminating the remaining \$10 million in structural imbalance in fiscal year 2007. The City is asking for input and Ms. Mason distributed feedback cards and a budget information sheet. She said that these cards are being distributed to all community meetings that staff is attending. She said that the comments and ideas would be given to the City Council. Ms. Mason stated that the City has embraced the idea of optimization as a means of eliminating cost, enhancing revenue, and improving efficiencies and effectiveness. She went over the various efforts of optimization that the City has gone through to reduce expenditures and increase revenue. The City is also looking for significant return with improved cost recovery, which includes revising the fee policy. She mentioned the City's goal of identifying \$2 million in new revenue in the coming year and full cost recovery of services.

Commissioner Antenore asked about the \$2 million in new revenue and where would it come from.

Ms. Mason responded that the City hired an outside consultant to identify cost recovery associated with programs and they are looking at building permits, facility rentals, and fees for services.

Commissioner Antenore asked if the Department were to raise additional fees, would the revenue come back to the Department?

Ms. Mason responded that the General Fund subsidizes a good portion of this department's cost and it helps the Department avoid reductions. The money would be applied proportionately to all departments.

Vice President Saltzgaver recommended strongly that the Commissioners attend the Budget Summit, scheduled for July 8, from 9:00 a.m. to 11:30 a.m., at the Grand.

Ms. Mason also mentioned the Budget Workshop on June 13, at 3:00 p.m., when they would be giving an update on the current year's status of the budget and revenues and a preview of what the community can expect as the City approaches the new budget.

President Kozaites stated that the presentation by Emerson Parkside Academy Charter School students would be taken at this time on the agenda.

V. PRESENTATION BY EMERSON PARKSIDE ACADEMY CHARTER SCHOOL STUDENTS – GREENING PROJECT

Mr. Shane Coyne stated he is the PTA President at Emerson and he is here with the Emerson Student Council and Cindy Young, representing the administrative staff. He said that they are requesting the Parks and Recreation Commission's assistance in removing the blacktop and replacing it with grass at Emerson Elementary School. He read a letter from the school nurse explaining the health reasons for the blacktop to be removed and replaced with grass at Emerson. The school has instituted a no-run policy on the blacktop. He said that Mrs. Young would be the contact person for the school.

Ian Decker, introduced himself as the Student Council President at Emerson, and that they were there to show a PowerPoint presentation to the Commission of the greening project. They would like to put two grass fields at their school, one at each playground, covering most of the playgrounds. He described the negatives and positives of having a grass field at the school. He said that it would cost \$70,000 to install the grass. They raised \$35,000 and they need a lot more money and would like financial support.

President Kozaites complemented the Student Council on their very professional PowerPoint presentation.

Commissioner Antenore applauded the PTA for taking a position on this.

Ms. Young thanked the Commissioners for allowing them to make their presentation and that they would be very interested in working with the community to develop a joint use agreement for use of the green playgrounds.

President Kozaites said that they have support in the community, with the Parks and Recreation Commission, with the City Council, and with the school district, and it is just an issue of finding available funds or donations.

Commissioner Waterfield stated that they raised a lot of money and asked what some kinds of things they did to raise the money.

Ian Decker responded that Vice Mayor Kell donated \$21,000 and they raised about \$18,000 by selling cookie dough and other fundraisers.

Ms. Young stated that they would like to have the project completed by the end of next year.

President Kozaites stated that he would like the square footage of the asphalt on the school. Ms. Young responded that she would get that information to him.

Vice President Saltzgaver mentioned that the Department has a City/Schools Joint Committee, where this could possibly be taken.

It was moved by Vice President Saltzgaver and seconded by Commissioner Satariano to direct staff to make this a priority project. The motion carried unanimously.

President Kozaites stated that they would go back to the order on the agenda.

VII. COMMISSION ACTION ITEMS

#06-0501

PERSONAL SERVICES/INSTRUCTION AGREEMENTS-MONTHLY APPROVAL

It was moved by Commissioner Antenore and seconded by Commissioner Satariano to authorize the Community Recreation Programs Bureau Manager or his or her management designee, to execute the Personal Services and Instruction Agreements and amend Attachment "A" of the agreements as needed. The motion carried unanimously.

Commissioner Antenore stated that she had a question about the first item, Education To Go. She said that the rate is 100% instruction fee; she has never seen that before and asked what that means.

Ms. Janet Day-Anselmo stated that it must be an error and she would have the correction made.

#06-0502

REQUEST BY CALIFORNIA SUN & SURF INTERNATIONAL SOCCER TOURNAMENT FOR WAIVER OF CONCESSION AND FIELD PERMIT FEES

Mr. Derek Barraza introduced his son, Derek Barraza, Jr., a recent graduate of the University of Minnesota, who is taking over for him. He said he would still be advising the group.

Commissioner Satariano said that he heard that last year one of the vendors brought a large bounce house.

Mr. Barraza, Jr. responded that the inflatable bounce house that caused so much trouble last year would not be there this year. He said it was supposed to be a small attraction and turned out to be a large item.

Commissioner Waterfield asked if Sun and Surf was independent of the clubs that participate.

Mr. Barraza responded that they are connected with several of the clubs and is registered with the California Youth Soccer Association, as are all of the other clubs in the area. They are also directly connected with California United Football Club, a club on the west side of Long Beach. He said that they also work with Long Beach Soccer Club and Cerritos Soccer Club.

Mr. Shippey stated that the California Sun and Surf group does a lot of field improvements every year, which really helps the Department out.

It was moved by Commissioner Satariano and seconded by Commissioner George to approve the request by the California Sun and Surf International Soccer Tournament for the waiver of concession and field permit fees with the aforementioned "Conditions of Use." The motion carried unanimously.

Mr. Derek Barraza stated that he would be willing to try and help Emerson Elementary School green their school by connecting them with grants.

VIII. COMMITTEE STATUS REPORTS

A. EXECUTIVE COMMITTEE President Kozaites, Chair

President Kozaites stated that they held their meeting to discuss the agenda.

- Selection of Nomination Committee for 2006-2007 Officers

President Kozaites appointed a Nomination Committee to select the officers for election at next month's meeting. He would like Commissioner Antenore to chair that committee with Commissioner Waterfield and Commissioner George. He asked that they make a recommendation at the meeting next month.

Mr. Shippey said that at the City Council meeting this week, the Mayor was asked to hold off on Commission appointments until the new Mayor and City Councilmembers were sworn in. However, it was brought up that the Parks and Recreation Commission is going to lose a significant number of their members, plus several of the members are new, so she is going to make an exception and appoint the members to the Parks and Recreation Commission.

B. FINANCE AND APPEALS COMMITTEE
Commissioner Satariano, Chair

Mr. Geoff Hall stated that Mr. Hester is attending a National Park and Recreation Summit in which directors from the 50 largest cities in the United States are meeting. The point is to set up a call to action to help secure the future for park and recreation funding. He said that the Mayor is also attending and giving the keynote speech.

Commissioner Satariano went over the financial statement that was included in the packet.

C. PARK SAFETY COMMITTEE
Commissioner Waterfield, Chair

Commissioner Waterfield stated that the Committee did not meet. He said that the report was included in the packet.

D. EQUAL EMPLOYMENT OPPORTUNITY AND CUSTOMER SATISFACTION COMMITTEE
Commissioner Satariano, Chair

Commissioner Satariano stated that the Committee would meet next quarter and the quarterly report was included in the packet.

E. CAPITAL IMPROVEMENT PROJECTS COMMITTEE
Commissioner George, Chair

Commissioner George stated that the Committee met on May 10 and reviewed the local open space bond item.

F. CITY SCHOOLS/JOINT COMMITTEE
Commissioner Antenore, Chair

Commissioner Antenore stated that the Committee did not meet this month.

G. SPECIAL EVENTS AND RECREATION COMMITTEE
Vice President Saltzgaver, Chair

Vice President Saltzgaver stated that they held a special meeting this month and also held a Committee meeting this month. He said that they did go over the Homeland Neighborhood Cultural Center Strategic Plan and they requested changes. It should be coming back to the full Parks and Recreation Commission next month.

Vice President Saltzgaver stated that the Committee conducted a public hearing at the Recreation Park community center. They had about 150 people attending and spent about two hours listening to testimony.

- Recreation Dog Park

Mr. Geoff Hall stated that they did receive two petitions: one against a dog limit and one for a dog limit. The Committee met on May 8, to discuss the April 26 public meeting and did not make a recommendation at that time. He read the five recommendations of the Committee. He said that generally, someone doing business on City property should have a permit in addition to a business license. Mr. Hall stated that the Committee is recommending a six-month pilot program at the Recreation Dog Park.

Mr. Hall said that the recommendations were mailed to everyone who provided an e-mail address at the public meeting. Since then, he received several phone calls expressing concern about the time of the meeting and that several people would be working during that time. Mr. Hall said that they could e-mail him their concerns and he would provide those e-mails to the Commissioners, which he has done.

Vice President Saltzgaver said that this all started with a petition from someone concerned that dog walkers bring large numbers of dogs to the park and was worried about her individual dog. He said that approximately 85% of the crowd was pro-dog walker. It was their conclusion, short of having some verifiable evidence, that they had no basis to limit the number of dogs that people bring to the dog park. They decided that it might be a good idea to let people know when dog walkers would be around, in case a dog park patron might have a concern about too many dogs in the dog park. The dog park was built for the public, not for dog walkers. The Committee had to come up with a compromise.

Commissioner Satariano stated that a lot of information was shared at the meeting and he changed his mind with all the information he learned at the meeting.

Mr. Hall mentioned that the City's Risk Manager would be making recommendations on the appropriate level of bonding for the dog walkers.

Commissioner Guerra mentioned other cities that have limits on their dogs in their dog parks.

Mr. Hall responded that those dog parks are newer and were created with limits. He said that Recreation Dog Park is older and a limit wasn't considered at that time.

President Kozaites said that the Municipal Code gives a limit of four dogs per residence and if a person has more than four dogs at the dog park, they are more than likely a dog walker. Compliance enforcement will be self-regulated for now. If a person with one dog sees a person with more than four dogs after the dog walker hours, we should let them know where they can call.

Ms. Julie Mayr stated that she is a resident and a dog walker and she knows of dog walkers who are able to handle 23 dogs with no problem. She said that some people are alarmed to see a large amount of dogs with one person and some people don't realize that it can be dangerous for a small dog to be in the dog park area for large dogs. She said that small dogs should use the dog park area for small dogs. She said that it would be a good idea to educate the people who use the dog park.

Vice President Saltzgaver stated that it is very clear that dog walkers are very capable of organizing. He suggested that Ms. Mayr begin educating people at the dog park now.

Ms. Natalie Rice stated that she is for limiting the number of dogs to 12 or so, but not 25, and that the dog walkers should police themselves.

Mr. Jim Walker stated that the Committee has made sound recommendations, but the Department should make sure that all the signage is at eye level. The signage that is currently there is too low.

Mr. Jim Walters stated that he is the president of the Dog Park Association. He said that they are a fund raising group to improve the park. He said that last year they had 150 members and about half the members employ dog walkers who go to the park.

Commissioner Guerra asked if the association was interested in educating the public.

Mr. Walters stated that they do have quarterly meetings; however, no one is interested in training classes. They had classes in the past, but no one attended them. The current rules are on the Association's web site and also posted on the gate.

Mr. Hall stated that the Association's web site is very extensive and has a lot of information on it.

Commissioner Antenore stated that she is concerned about the number of dogs per dog walker, because they are still animals. She said that even docile dogs go crazy.

It was moved by Vice President Saltzgaver and seconded by Commissioner Waterfield to approve the recommendations of the Recreation and Special Events Committee. The motion carried unanimously.

IX. DIRECTOR'S REPORT TO COMMISSION

A. DIRECTOR'S MONTHLY REPORT – APRIL 2006

Commissioner Antenore wondered what "back of the wall" ball was, as mentioned on page 17.

Ms. Sherri Nixon-Joiner said she would find out and get back to her.

X. CORRESPONDENCE

President Kozaites stated that there was no correspondence received.

XI. UNFINISHED BUSINESS

President Kozaites stated there was no unfinished business this month.

XII. NEW BUSINESS

A. LOCAL OPEN SPACE BOND

Mr. Geoff Hall said that a local bond for the acquisition and development of new open space and parks is currently under consideration by the City Council. The bond, if approved, will provide \$25 million for park projects in Community Development Block Grant (CDBG) areas of the City. He explained the Green Vision Strategic Plan, which references the need for more parks in the city.

Mr. Craig Beck introduced himself as the Manager of Administrative and Financial Services Bureau for Community Development and that he is also the Acting Manager for the Redevelopment Bureau. He said that historically the City has used CDBG to fund a lot of parks. He explained the financial background of CDBG funds. He mentioned a study session with the City Council on May 23, at 3:00 p.m., to discuss where the City is at and to discuss the community input received. He said that the bonds would have to come back to the City Council for approval.

Commissioner Antenore stated that she has a concern. She said that she recognizes the need, but she served on the Community Development Advisory Commission for eight and a half years and knows that the funding is never assured. It went down from nearly \$30 million to \$10 million now. She said she is not sure that these funds will continue.

Mr. Beck responded that they know that the fiscal year 2007 amount has been reduced by \$1 million, so the grant would be \$9 million now. The current administration has proposed to severely reduce the block grant program. There was broad support for the CDBG program and that stopped the administration's proposal to eliminate it. He said that the money goes to the local jurisdictions and they decide how best to spend this money. The City has great flexibility in how these dollars are allocated. He said that because of the support, he would be surprised to see it eliminated. He stated that in the worst case scenario, if the City ended up spending General Fund dollars, it would spend \$1 million annually for ten years, or \$10 million of General Fund, to get \$25 million worth of parks. From a financial perspective, this is a good investment.

Vice President Saltzgaver stated that this does not take money away from social services, it comes out of CDBG. If we don't do it now, five years from now this land will cost ten times as much, if it is available at all.

It was moved by Vice President Saltzgaver and seconded by Commissioner Waterfield to recommend to the City Council approval of the proposed open space bond. The motion carried unanimously.

B. APPROVAL OF PLANS TO INSTALL TEMPORARY AIR QUALITY MONITORING EQUIPMENT IN DOUGLAS PARK

It was moved by Vice President Saltzgaver and seconded by Commissioner Antenore to recommend that the City Manager approve the installation of the temporary AQMD Monitoring Equipment, subject to the conditions of an explaining banner, site damage repair, and supervision of the installation and removal of the equipment. The motion carried unanimously.

XI. COMMENTS

A. AUDIENCE

President Kozaites asked for comments from the audience. There were no comments from the audience.

B. STAFF

Ms. Sherri Nixon-Joiner distributed a revised Municipal Band schedule, summer day camp flyers, and the movies in the park schedule.

C. COMMISSIONERS

Vice President Saltzgaver said that he would like an update on the Sea Festival at the June Commission meeting.

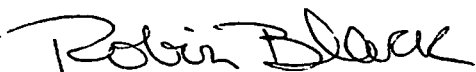
XII. NEXT MEETING

The next meeting will be held at 9:00 a.m. on Thursday, June 15, 2006, at El Dorado Park West, in the Senior Center Library, 2800 Studebaker Road, Long Beach.

XIII. ADJOURNMENT

President Kozaites adjourned the meeting at 11:31 a.m.

Respectfully submitted,



Robin Black
Executive Secretary
to the Director

c: Phil T. Hester, Director of Parks, Recreation and Marine

MINUTES
 REGULAR MEETING OF THE BOARD OF WATER COMMISSIONERS
 LONG BEACH, CALIFORNIA
 APRIL 27, 2006

The Board of Water Commissioners of the City of Long Beach met in the Board Room of the Administration Building, 1800 E. Wardlow Road, Long Beach, California, on April 27, 2006.

The meeting was called to order at 9:15 a.m. by President Conley.

| | | |
|----------|---------------------|--|
| PRESENT: | Stephen T. Conley | Commissioner |
| | Frank Clarke | Commissioner |
| | William B. Townsend | Commissioner |
| | Rich Anthony | Deputy City Attorney |
| | Kevin L. Wattier | General Manager |
| | Sandra L. Fox | Secretary to the Board of Water Commissioners |
| | B. Anatole Falagan | Deputy General Manager-Business |
| | Ryan J. Alsop | Director, Government & Public Affairs |
| | K. Eric Leung | Director of Water Resources |
| | Robert Villanueva | Division Engineer |
| | Melissa L. Keyes | Administrative Projects Coordinator |
| | Juan Garza | Administrative Analyst I |
| | Dynna Long | Senior Secretary |
| | | |
| ABSENT: | Lillian Y. Kawasaki | Commissioner |
| | Helen Z. Hansen | Commissioner |

1. PLEDGE OF ALLEGIANCE

Tai Tseng led the Board and audience in the Pledge of Allegiance.

2. APPROVAL OF MINUTES

March 30, 2006 & April 6, 2006

Upon motion by Commissioner Clarke, seconded by Commissioner Townsend, and unanimously carried, the Minutes of the Regular Meetings of March 30, 2006 and April 6, 2006, were approved.

3. PUBLIC COMMENT

President Conley opened the public comment period. As there were no requests to address the Board, the public comment period was closed.

4. PRESIDENT'S REPORT

- **Stephen T. Conley, President, Board of Water Commissioners**

President Conley deferred to the General Manager for reporting on various items.

5. REVIEW BOARD MEETING SCHEDULE FOR MAY 2006

The Board discussed their meeting schedule for the month of May 2006 and agreed to the following meeting schedule:

| | |
|--------------------|---|
| Thursday, May 4th | Regular Meeting, 9:15 A.M. |
| Thursday, May 11th | No meeting – lack of a quorum (some Board members attending MWD Colorado River Inspection Tour) |
| Thursday, May 18th | Committee of the Whole, 9:15 A.M. |
| Thursday, May 25th | Regular Meeting, 9:15 a.m. |

6. GENERAL MANAGER'S REPORT

- **Kevin L. Wattier, General Manager**

Mr. Wattier provided the following report to the Board:

NEW BOTTLED WATER CAPS

Mr. Wattier asked Tai Tseng to report on the new type of bottled water caps, a twist off cap being used on LBWD bottled water to replace the previous type that had pull-off water quality seals. Mr. Tseng reported they were experiencing some difficulties with the new type cap related to the twist ring, but were adjusting the equipment to correct the problem. Commissioner Clarke inquired if they were using the biodegradable bottles with the new caps. Mr. Tseng said no, but that they were conducting testing on limited quantities of that type of bottle exposing them to different types of storage conditions.

STATE LANDS RESOLUTION REGARDING ONCE-THROUGH-COOLING

Mr. Wattier reported that the State Lands Commission did pass the resolution regarding once-through cooling at power plants, and that the Ocean Protection Council took similar action regarding the same issue. In addition, he advised the State Coastal Conservancy would be considering this same topic at their meeting held later (afternoon of April 27th). Mr. Wattier advised these actions tie in to the 316b rule providing Federal guidance to power plants on re-licensing existing plants, or building new power plants, calling for studies and modifications to reduce sea life mortality by 95%. These types of action portend the elimination of this means for cooling for coastal power plants. Mr. Wattier reported this action applied to those plants situated on State Lands Commission leases (ten of the twenty-two); which includes Huntington Beach, Carlsbad and El Segundo who currently have seawater desal plants proposed. Mr. Wattier pointed out

that last minute amendments to the State Lands Commission action removed the "cost effectiveness" test that typically applies to these types of action.

STATE WATER PROJECT (SWP) ALLOCATION

Mr. Wattier reported the SWP allocation had been increased from 80% to 100%. He advised staff was continuing to work to receive authority to fill conjunctive use accounts outside of the judgment. He further reported that the snow pack was at 150% of normal, and that all reservoirs were filled to their safety levels.

CENTRAL BASIN RECEPTION HONORING JEFF KIGHTLINTER

Mr. Wattier reminded the Board of the upcoming the Central Basin reception being held on Mayor 4th in Santa Fe Springs honoring Jeff Kightlinger, MWD General Manager.

7. LEGAL COUNSEL REPORT

- Rich Anthony, Deputy City Attorney

No report was given.

8. CONSENT CALENDAR

It was moved by Commissioner Townsend and seconded by Commissioner Clarke, and unanimously approved that the Board would pull item 8d. from the Consent Calendar.

The motion was carried by the following vote:

| | | |
|----------|----------------|--|
| AYES: | COMMISSIONERS: | <u>STEPHEN CONLEY, FRANK CLARKE,</u> <u>WILLIAM TOWNSEND,</u> |
| NOES: | COMMISSIONERS: | <u>NONE</u> |
| ABSENT: | COMMISSIONERS: | <u>LILLIAN KAWASAKI, HELEN HANSEN</u> |
| ABSTAIN: | COMMISSIONERS: | <u>NONE</u> |

8a. Approval of Transfer of Funds by Journal Entry Dated April 27, 2006

Transfers No. 120 through No. 128 in the total amount of \$61,447.87, covering the Water and Revenue Fund, was submitted to the Board for approval.

8b. Receive and File the List of Vendor Payments for the month of March 2006

A communication was presented to the Board from Paul Fujita, which is on file at the Long Beach Water Department.

Action:

- Receive and file list of vendor payments.

8c. Authorize the General Manager to Execute the First Amendment to Agreement No. WD-2216 between the Long Beach Water Department (LBWD) and the California Water Service Company (Cal Water) to Provide an Emergency Fire Service Inter-tie connection at the J. Will Johnson Reservoir

A communication was presented to the Board from Isaac C. Pai, which is on file at the Long Beach Water Department.

Action:

- Authorize the General Manager to Execute the First Amendment to Agreement No. WD-2216 between the Long Beach Water Department (LBWD) and the California Water Service Company (Cal Water) to utilize an existing emergency fire service inter-tie connection at the J. Will Johnson Reservoir

Board Action

It was moved by Commissioner Townsend and seconded by Commissioner Clarke, and unanimously approved that the Board approve Consent Calendar Items 8a., 8b., and 8c.

The motion was carried by the following vote:

| | | |
|----------|----------------|--|
| AYES: | COMMISSIONERS: | <u>STEPHEN CONLEY, FRANK CLARKE,</u> <u>WILLIAM TOWNSEND,</u> |
| NOES: | COMMISSIONERS: | <u>NONE</u> |
| ABSENT: | COMMISSIONERS: | <u>LILLIAN KAWASAKI, HELEN HANSEN</u> |
| ABSTAIN: | COMMISSIONERS: | <u>NONE</u> |

8d. Authorize General Manager to Execute an Agreement with CH2M Hill, Inc. to provide Engineering Design Services for the Ultraviolet Light and Chlorine Dioxide Seawater Pretreatment Systems for Biogrowth Control and Pathogen Inactivation Project in an amount not-to-exceed \$237,484

A communication was presented to the Board from K. Eric Leung, which is on file at the Long Beach Water Department.

Action:

- Authorize the General Manager to execute an agreement with CH2M Hill, Inc. to Provide Engineering Design Services for the Ultraviolet Light and Chlorine Dioxide Seawater Pretreatment Systems for Biogrowth Control and Pathogen Inactivation Project in an amount not-to-exceed \$237,484.

Board Action

It was moved by Commissioner Townsend and seconded by Commissioner Clarke, that the Board approve agenda item 8d.

DISCUSSION

Tai Tseng, Treatment Plant Superintendent presented an overview of the project and presented background material regarding the origins of the project. He pointed out some of the key issues for this project and reviewed the project schedule, indicating that the research portion should conclude by September 2008.

There was general discussion regarding funding sources for this project; the total cost of the seawater desalination program, and opportunities for additional partners and cost-sharing.

President Conley called for the vote. The motion was carried by the following vote:

| | | |
|----------|----------------|--|
| AYES: | COMMISSIONERS: | <u>STEPHEN CONLEY, FRANK CLARKE,</u> <u>WILLIAM TOWNSEND,</u> |
| NOES: | COMMISSIONERS: | <u>NONE</u> |
| ABSENT: | COMMISSIONERS: | <u>LILLIAN KAWASAKI, HELEN HANSEN</u> |
| ABSTAIN: | COMMISSIONERS: | <u>NONE</u> |

9. LEGISLATIVE ISSUES/ACTIONS/BILLS

- **Ryan J. Alsop, Director, Government & Public Affairs**

BOND UPDATE

Mr. Alsop reported there was a general consensus the bond would move forward, but it had been agreed to not include water storage issues or parks. He further reported the bond would focus on transportation, schools and housing. He advised this would open the way for the Caves initiative for water issues. He additionally reported this group had currently gathered twice the needed signatures for this item to be placed on the ballot.

AB 1232 (HORTON-WATER REPLENISHMENT DISTRICT RESERVE FUNDS)

Mr. Wattier commented on this proposed legislation, and gave a brief overview on this bill. He advised the Board that at some future board meeting he might recommend they oppose this legislation.

10. ADOPT POLICY POSITION ON AB 2396 BY ASSEMBLYMAN RON CALDERON (D-MONTEBELLO), A BILL TO AMEND THE METROPOLITAN WATER DISTRICT (MWD) ACT

- **Ryan J. Alsop, Director, Government & Public Affairs**

Mr. Alsop gave a brief overview of this proposed legislation and advised it would amend current law relating to MWD Board representation by altering the composition of the Board of Directors, and provide for the direct election of members of the Board of Directors by voters residing in the service area of a metropolitan water district.

Mr. Wattier advised that it was not clear if Long Beach would keep its representation on the MWD Board of Directors, or lose out to a larger geographic area that would elect a representative.

There was general discussion amongst the Board members and the General Manager regarding the benefits and trade offs related to this proposed legislation. Mr. Wattier clarified that sponsorship of this bill (and the bill outlined in agenda item 11.) is from the MWD employee's union and could be viewed as a punitive measure to influence negotiations.

Mr. Alsop advised the Board that Long Beach Water Department staff recommended the Board of Water Commissioners oppose this legislation as it would drastically alter the Board composition of the MWD, and sever the historic relationships that local agencies, including Long Beach, have enjoyed with MWD.

Action

- Oppose AB 2396 (Calderon, communicate position to State Legislature and Office of the Governor.

Board Action

It was moved by Commissioner Townsend and seconded by Commissioner Clarke, and unanimously approved that the Board adopt a position to oppose AB 2396 (Calderon) and communicate this position to the California State Legislature and the Office of the Governor.

The motion was carried by the following vote:

| | | |
|----------|----------------|--|
| AYES: | COMMISSIONERS: | <u>STEPHEN CONLEY, FRANK CLARKE,</u> <u>WILLIAM TOWNSEND,</u> |
| NOES: | COMMISSIONERS: | <u>NONE</u> |
| ABSENT: | COMMISSIONERS: | <u>LILLIAN KAWASAKI, HELEN HANSEN</u> |
| ABSTAIN: | COMMISSIONERS: | <u>NONE</u> |

11. ADOPT POLICY POSITION ON AB 2397 BY ASSEMBLYMAN RON CALDERON (D-MONTEBELLO), A BILL TO AMEND THE METROPOLITAN WATER DISTRICT (MWD) ACT

- **Ryan J. Alsop, Director, Government & Public Affairs**

Mr. Alsop gave a brief overview of this proposed legislation and advised it would amend current law relating to MWD by prohibiting the district from entering into contracts for permanent or temporary services, skilled or unskilled, if those services are of a kind that employees could perform adequately and competently.

Mr. Alsop advised the Board that Long Beach Water Department staff recommended the Board of Water Commissioners oppose this legislation as it would increase costs for ratepayers in the City of Long Beach and hinder MWD's cost-efficient level of service it provides to the residents of the City, the surrounding Southern California community and fellow water agencies.

Action

- Oppose AB 2397 (Calderon); communicate position to State Legislature and Office of the Governor.

Board Action

It was moved by Commissioner Clarke and seconded by Commissioner Townsend, and unanimously approved that the Board adopt a position to oppose AB 2397 (Calderon) and communicate this position to the California State Legislature and the Office of the Governor.

The motion was carried by the following vote:

| | | |
|----------|----------------|--|
| AYES: | COMMISSIONERS: | <u>STEPHEN CONLEY, FRANK CLARKE,</u> <u>WILLIAM TOWNSEND,</u> |
| NOES: | COMMISSIONERS: | <u>NONE</u> |
| ABSENT: | COMMISSIONERS: | <u>LILLIAN KAWASAKI, HELEN HANSEN</u> |
| ABSTAIN: | COMMISSIONERS: | <u>NONE</u> |

12. ADOPT POLICY POSITION ON SB 1242 BY CALIFORNIA STATE SENATOR LOWENTHAL (D-LONG BEACH), AS AMENDED BY THE AUTHOR TO INCLUDE INTEGRATED REGIONAL MANAGEMENT PLANNING REFORM ON TUESDAY, APRIL 17, 2006

- **Ryan J. Alsop, Director, Government & Public Affairs**

Mr. Alsop gave a brief overview of this proposed legislation and reported on recent meetings he had attended in Sacramento with Senator Lowenthal and Senator Kuehl. He advised that recent revisions to SB 1242 added new sections to Division 6, Part 2.2 of the California Water Code dealing with IRWMPs. He added SB 1242 will allow for broad participation and consideration of many water management projects, but anchor the decision process for moving a plan forward with those that are statutorily responsible for water management. Long Beach Water Department staff recommended support of SB 1242 (Lowenthal), as amended by the author on Tuesday, April 17, 2006.

Action

- Support SB 1242 (Lowenthal), as amended by the author on Tuesday, April 17, 2006 and communicate that position with the California State Legislature, the Administration and other stakeholders.

Board Action

It was moved by Commissioner Townsend and seconded by Commissioner Clarke, and unanimously approved that the Board adopt a position to support AB 1242 (Lowenthal) and communicate that position to the California State Legislature, the Administration and other stakeholders.

The motion was carried by the following vote:

| | | |
|----------|----------------|--|
| AYES: | COMMISSIONERS: | <u>STEPHEN CONLEY, FRANK CLARKE,</u> <u>WILLIAM TOWNSEND,</u> |
| NOES: | COMMISSIONERS: | <u>NONE</u> |
| ABSENT: | COMMISSIONERS: | <u>LILLIAN KAWASAKI, HELEN HANSEN</u> |
| ABSTAIN: | COMMISSIONERS: | <u>NONE</u> |

President Conley and Commissioner Clarke complimented Mr. Alsop for his efforts on these initiatives. President Conley commented that this work reinforces the focus of the agency.

13. Update on Proposed Central Basin Judgment Amendment

- Kevin L. Wattier, General Manager

Mr. Wattier reviewed with the Board the history of the Central Basin Judgment. He advised that he had introduced a strategy to increase the carryover amounts in the basin by amending the judgment, and recommended that the Board at a future meeting officially go on record supporting this issue by sending a letter from President Conley supporting the amendment to the judgment.

14. NEW BUSINESS

EXCUSED ABSENCE: COMMISSIONER KAWASAKI

It was moved by Commissioner Clarke, seconded by Commissioner Townsend, and unanimously approved that Commissioner Kawasaki be excused from the April 27th Board meeting.

The motion was carried by the following vote:

| | | |
|----------|----------------|--|
| AYES: | COMMISSIONERS: | <u>STEPHEN CONLEY, FRANK CLARKE,</u> <u>WILLIAM TOWNSEND,</u> |
| NOES: | COMMISSIONERS: | <u>NONE</u> |
| ABSENT: | COMMISSIONERS: | <u>LILLIAN KAWASAKI, HELEN HANSEN</u> |
| ABSTAIN: | COMMISSIONERS: | <u>NONE</u> |

EXCESS WATER

EXCESS WATER

Commissioner Clarke suggested contacting the Governor directly to have some of the excess water from the reservoirs diverted to the Southern California region for storage. Commissioner Conley responded that this matter should be researched further to understand issues and options.

RECENT WATER DEPARTMENT ADVERTISING

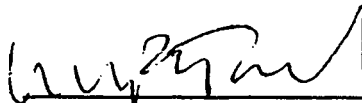
Commissioner Townsend complimented staff regarding the recent ads that appeared in the Earth Day section in the Press-Telegram.

SEAFEST

President Conley suggested that Mr. Wattier, Chris Pook and Jerry Miller meet to discuss issues related to the upcoming SeaFest events.

15. ADJOURNMENT

There being no further business to come before the Board, President Conley adjourned the meeting at 10:54 a.m. to the next Regular Meeting of the Water Commission to be held on Thursday, May 4, 2006, at 9:15 a.m., in the Board Room of the Administration Building, 1800 E. Wardlow, in Long Beach, California.



William B. Townsend, Secretary

Attest:



Frank Clarke, Vice President

MINUTES
 REGULAR MEETING OF THE BOARD OF WATER COMMISSIONERS
 LONG BEACH, CALIFORNIA
 MAY 4, 2006

The Board of Water Commissioners of the City of Long Beach met in the Board Room of the Administration Building, 1800 E. Wardlow Road, Long Beach, California, on May 4, 2006.

The meeting was called to order at 9:15 a.m. by President Conley.

| | | |
|----------|---------------------|--|
| PRESENT: | Stephen T. Conley | Commissioner |
| | Frank Clarke | Commissioner |
| | William B. Townsend | Commissioner |
| | Lillian Y. Kawasaki | Commissioner |
| | Donna Gwin | Senior Deputy City Attorney |
| | Kevin L. Wattier | General Manager |
| | Sandra L. Fox | Secretary to the Board of Water Commissioners |
| | Robert C. Cheng | Deputy General Manager - Operations |
| | B. Anatole Falagan | Deputy General Manager - Business |
| | Ryan J. Alsop | Director, Government & Public Affairs |
| | Matthew P. Lyons | Director, Planning & Conservation |
| | K. Eric Leung | Director of Water Resources |
| | Robert Swain | Division Engineer |
| | Melissa L. Keyes | Administrative Projects Coordinator |
| | Juan Garza | Administrative Analyst I |
| | Dynna Long | Senior Secretary |

| | | |
|---------|-----------------|--------------|
| ABSENT: | Helen Z. Hansen | Commissioner |
|---------|-----------------|--------------|

1. PLEDGE OF ALLEGIANCE

Anatole Falagan led the Board and audience in the Pledge of Allegiance.

2. PUBLIC COMMENT

President Conley opened the public comment period. As there were no requests to address the Board, the public comment period was closed.

3. PRESIDENT'S REPORT

- **Stephen T. Conley, President, Board of Water Commissioners**

President Conley reminded the Board that Commissioner Hansen had been excused from the meeting of May 4, 2006. He also reminded the Board regarding the reception being held the evening of May 4th for MWD General Manager, Jeff Kightlinger.

He also reported to the Board that there would be no board meeting on May 11, 2006 due to the lack of a quorum, since some of the board members would be attending the MWD Colorado River Inspection trip.

President Conley made an announcement regarding the upcoming U.S. Conference of Mayors conference that would be taking place June 2 – June 6, 2006 in Las Vegas, Nevada. He advised the Board that complimentary registration had been extended to the Board members, and they had received invitations to various events during the conference honoring Mayor O'Neill as she ends her term as President of the U.S. Conference of Mayors. President Conley advised a request for approval to attend this conference would be considered under the New Business agenda item.

4. REVIEW BOARD MEETING SCHEDULE FOR JUNE 2006

The Board discussed their meeting schedule for the month of June 2006 and agreed to the following meeting schedule:

| | |
|---------------------------------|---------------------------------------|
| Thursday, June 1st | Regular Meeting, 9:15 A.M. |
| Thursday, June 8th | Committee of the Whole, 9:15 A.M. |
| Thursday, June 15th | Regular Meeting, 9:15 A.M. |
| Thursday, June 22nd | Committee of the Whole, 9:15 A.M. |
| Thursday, June 29 th | 5 th Thursday – No Meeting |

5. GENERAL MANAGER'S REPORT

- **Kevin L. Wattier, General Manager**

Mr. Wattier advised staff would be withdrawing Consent Calendar agenda Item 7c. from the May 4th agenda.

Mr. Wattier provided the following report to the Board:

NEW ADMINISTRATIVE OFFICER

Mr. Wattier asked Anatole Falagan to give a brief introduction regarding David Honey, the recently hired LBWD Administrative Officer. Mr. Falagan reported that Mr. Honey was absent from the board meeting as there was a need for him to complete a few budget meetings at the Health Department (his previous employer).

LABOR MANAGEMENT ASSOCIATION NEGOTIATIONS

Mr. Wattier reported on the status of the negotiations with the Management Association bargaining unit, and advised that further discussions have been scheduled.

6. LEGAL COUNSEL REPORT

- Donna Gwin, Senior Deputy City Attorney

None.

7. CONSENT CALENDAR

It was moved by Commissioner Townsend and seconded by Commissioner Clarke, and unanimously approved that the Board would pull Consent Calendar item 7c. from the May 4th, 2006 agenda.

The motion was carried by the following vote:

| | | |
|----------|----------------|---|
| AYES: | COMMISSIONERS: | <u>STEPHEN CONLEY, FRANK CLARKE,</u> <u>WILLIAM TOWNSEND,</u> <u>LILLIAN KAWASAKI</u> |
| NOES: | COMMISSIONERS: | <u>NONE</u> |
| ABSENT: | COMMISSIONERS: | <u>HELEN HANSEN</u> |
| ABSTAIN: | COMMISSIONERS: | <u>NONE</u> |

It was moved by Commissioner Townsend and seconded by Commissioner Clarke, and unanimously approved that the Board approve Consent Calendar Items 7a. and 7b.

The motion was carried by the following vote:

| | | |
|----------|----------------|---|
| AYES: | COMMISSIONERS: | <u>STEPHEN CONLEY, FRANK CLARKE,</u> <u>WILLIAM TOWNSEND,</u> <u>LILLIAN KAWASAKI</u> |
| NOES: | COMMISSIONERS: | <u>NONE</u> |
| ABSENT: | COMMISSIONERS: | <u>HELEN HANSEN</u> |
| ABSTAIN: | COMMISSIONERS: | <u>NONE</u> |

7a. Approval of Transfer of Funds by Journal Entry Dated May 4, 2006

Transfers No. 129 through No. 141 in the total amount of \$456,285.11, covering the Water and Sewer Revenue Funds, was submitted to the Board for approval.

7b. Inventory Adjustments to the Water Fund and Sewer Fund in the amount of \$1,037.13 for Water, and the amount of \$423.07 for Sewer for the 1st and 2nd Quarters of FY 2006-2006 (October 1, 2005 to March 31, 2006)

A communication was presented to the Board from Paul Fujita, which is on file at the Long Beach Water Department.

Action:

- Approve the adjustments to the Water Fund and Sewer Fund in the amount of \$1,037.13 for Water, and the amount of \$423.07 for Sewer for the 1st and 2nd Quarters of FY 2006-2006 (October 1, 2005 to March 31, 2006)

8. LEGISLATIVE ISSUES/ACTIONS/BILLS

- **Ryan J. Alsop, Director, Government & Public Affairs**

AB 2397 (CALDERON) UPDATE

Mr. Alsop reported AB 2397 had been heard on May 3, 2006, and advised the Long Beach Board of Water Commissioners were on record in opposition of this bill. He further reported that staff would continue to track this legislation and bring updates to the Board as appropriate.

AB 1242 (LOWENTHAL - IRWMP)

Mr. Alsop gave an update on the history and background of this bill. He reported it was due to be heard on May 8, 2006 by the Senate Appropriations Committee; he reported it is expected to pass and may be held on sending to the Senate floor to allow for extensive review and consensus with other stakeholders. There was general discussion regarding this bill and its importance to the water industry.

RECENT WASHINGTON LEGISLATIVE STAFF CHANGES

Mr. Alsop reported that John Young of Representative Millender-McDonald's office was leaving her office to join the staff of Representative Doris Matsui. He reported this was a disappointment as Mr. Young had been a good ally for the Long Beach Water Department. President Conley suggested that staff work with Mr. Young for a proper transition.

STATE HOMELAND SECURITY FUNDING

Mr. Alsop gave an update on the efforts of LBWD's application for State Homeland Security Funding for the On-Site Chlorine Generation System. He reported that staff continues to advocate for this project, but it is in competition with numerous other projects, and might be removed from the list by large priority projects. There was discussion about this project being included with another agency's request for funding, but Ryan cautioned that this type of request might not be honored. Mr. Wattier congratulated staff on their continuing efforts regarding this request but reported it might not result in funding at this time.

9. NEW BUSINESS

NEED TO TAKE ACTION

It was moved by Commissioner Clarke, seconded by Commissioner Townsend, and unanimously approved that the need to take action on an item related to approve travel expenses for the Board to attend the U.S. Conference of Mayors Conference in Las Vegas, Nevada arose after the posting of the agenda.

The motion was carried by the following vote:

| | | |
|----------|----------------|---|
| AYES: | COMMISSIONERS: | <u>STEPHEN CONLEY, FRANK CLARKE,</u> <u>WILLIAM TOWNSEND,</u> <u>LILLIAN KAWASAKI</u> |
| NOES: | COMMISSIONERS: | <u>NONE</u> |
| ABSENT: | COMMISSIONERS: | <u>HELEN HANSEN</u> |
| ABSTAIN: | COMMISSIONERS: | <u>NONE</u> |

U.S. CONFERENCE OF MAYORS CONFERENCE – LAS VEGAS, NEVADA

It was moved by Commissioner Kawasaki, seconded by Commissioner Townsend, and unanimously approved to approve travel expenses for one or more Board members to attend the June 2 – June 6, 2006, U.S. Conference of Mayors Conference in Las Vegas, Nevada.

The motion was carried by the following vote:

| | | |
|----------|----------------|---|
| AYES: | COMMISSIONERS: | <u>STEPHEN CONLEY, FRANK CLARKE,</u> <u>WILLIAM TOWNSEND,</u> <u>LILLIAN KAWASAKI</u> |
| NOES: | COMMISSIONERS: | <u>NONE</u> |
| ABSENT: | COMMISSIONERS: | <u>HELEN HANSEN</u> |
| ABSTAIN: | COMMISSIONERS: | <u>NONE</u> |

EXCUSED ABSENCE: PRESIDENT CONLEY

President Conley requested to be excused from the May 25th Board meeting.

It was moved by Commissioner Townsend, seconded by Commissioner Kawasaki, and unanimously approved that President Conley be excused from the May 25th Board meeting.

The motion was carried by the following vote:

| | | |
|----------|----------------|---|
| AYES: | COMMISSIONERS: | <u>STEPHEN CONLEY, FRANK CLARKE,</u> <u>WILLIAM TOWNSEND,</u> <u>LILLIAN KAWASAKI</u> |
| NOES: | COMMISSIONERS: | <u>NONE</u> |
| ABSENT: | COMMISSIONERS: | <u>HELEN HANSEN</u> |
| ABSTAIN: | COMMISSIONERS: | <u>NONE</u> |

SEAFEST

President Conley asked that a meeting be set with Mr. Wattier, Chris Pook, Ryan Alsop and himself to discuss issues related to the upcoming SeaFest events.

SUGGESTED INVITATION FOR MR. JOHN YOUNG AND HIS REPLACEMENT TO VISIT LONG BEACH

President Conley suggested that staff extend an invitation to Mr. John Young and his replacement to visit LBWD facilities and learn about LBWD's efforts regarding desalination.

LONG BEACH CITY COLLEGE PLANT SALE


Commissioner Townsend complimented LBWD staff on their joint efforts with the recent Long Beach City College plant sale, and helping to advertise the California Friendly landscape products. Commissioner Townsend also commented on a recent MWD Be Water-Wise commercial he had seen.

CITY OF SANTA MONICA 2006 SUSTAINABLE QUALITY AWARDS

Commissioner Clarke commented on his recent attendance at the City of Santa Monica 2006 Sustainable Quality Awards luncheon. The purpose of the event is to promote a business climate where all businesses undertake voluntary activities which result in cleaner air and water, less waste, reduced traffic and pollution, improved quality of life for residents and workers, and a strong and viable local economy. He reported some of the recipients included were: Patagonia Company and California Recycles.

10. ADJOURNMENT

There being no further business to come before the Board, President Conley adjourned the meeting at 10:14 a.m. to the next Regular Meeting of the Water Commission to be held on Thursday, May 25, 2006, at 9:15 a.m., in the Board Room of the Administration Building, 1800 E. Wardlow, in Long Beach, California.



William B. Townsend, Secretary

Attest:



Frank Clarke, Vice President

MINUTES
 REGULAR MEETING OF THE BOARD OF WATER COMMISSIONERS
 LONG BEACH, CALIFORNIA
 MAY 25, 2006

The Board of Water Commissioners of the City of Long Beach met in the Board Room of the Administration Building, 1800 E. Wardlow Road, Long Beach, California, on May 25, 2006.

The meeting was called to order at 9:15 a.m. by Acting President Clarke.

| | | |
|----------|----------------------|--|
| PRESENT: | Frank Clarke | Commissioner |
| | William B. Townsend | Commissioner |
| | Helen Z. Hansen | Commissioner |
| | Lisa Peskay Malmsten | Deputy City Attorney |
| | Kevin L. Wattier | General Manager |
| | Sandra L. Fox | Secretary to the Board of Water Commissioners |
| | Robert C. Cheng | Deputy General Manager - Operations |
| | B. Anatole Falagan | Deputy General Manager - Business |
| | Ryan J. Alsop | Director, Government & Public Affairs |
| | Matthew P. Lyons | Director, Planning & Conservation |
| | K. Eric Leung | Director of Water Resources |
| | Robert Villanueva | Division Engineer |
| | Teresa Wu | Senior Civil Engineer |
| | Melissa L. Keyes | Administrative Projects Coordinator |
| | Dynna Long | Senior Secretary |
| | | |
| ABSENT: | Stephen T. Conley | Commissioner |
| | Lillian Y. Kawasaki | Commissioner |

1. PLEDGE OF ALLEGIANCE

Commissioner William Townsend led the Board and audience in the Pledge of Allegiance.

2. APPROVAL OF MINUTES

April 27, 2006 & May 4, 2006

Upon motion by Commissioner Hansen, seconded by Commissioner Townsend, and unanimously carried, the Minutes of the Regular Meetings of April 27, 2006 and May 4, 2006, were approved.

3. PUBLIC COMMENT

Acting President Clarke opened the public comment period. As there were no requests to address the Board, the public comment period was closed.

4. ACTING PRESIDENT'S REPORT

- **Frank Clarke, Acting President, Board of Water Commissioners**

Acting President Clarke had nothing to report to the Board.

5. REVIEW BOARD MEETING SCHEDULE FOR JUNE & JULY 2006

The Board discussed their meeting schedule for the months of June and July 2006 and agreed to the following meeting schedule:

| | |
|---------------------------------|---|
| Thursday, June 1st | Regular Meeting, 9:15 A.M. |
| Thursday, June 8th | Committee of the Whole, 9:15 A.M. (CIP Review) |
| Thursday, June 15th | Regular Meeting, 9:15 a.m. |
| Thursday, June 22 nd | Committee of the Whole, 9:15 A.M. (Budget Workshop) |
| Thursday, July 6, 2006 | Committee of the Whole, 9:15 A.M. |
| Thursday, July 13, 2006 | Regular Meeting, 9:15 A.M. (Possible Budget Adoption) |
| Thursday, July 20, 2006 | Committee of the Whole, 9:15 A.M. |
| Thursday, July 27, 2006 | Regular Meeting, 9:15 A.M. (Possible Budget Adoption) |

6. GENERAL MANAGER'S REPORT

- **Kevin L. Wattier, General Manager**

Mr. Wattier provided the following report to the Board:

DESAL PROTOTYPE PROJECT UPDATE

Mr. Wattier asked Eric Leung, Director of Water Resources, to update the Board on the testing taking place at the desal plant. Mr. Leung reported that the three-day testing had begun and that they were trouble-shooting small miscellaneous breakdowns. He reported that it is the contractor staff's responsibility to sustain the three-day test. He advised once the three-day test had been completed the prototype plant would be commissioned.

Mr. Wattier reported that the LBWD had been sued by the Desal plant contractor to resolve differences on unpaid claims. He added that this item would be the subject of an upcoming closed session for full discussion and review.

LONG BEACH UNIFIED SCHOOL DISTRICT (LBUSD) WEATHER BASED
IRRIGATION CONTROLLER PROJECT (WBIC) UPDATE

Mr. Wattier asked Matthew Lyons, Director of Conservation and Planning, to report to the Board on the LBUSD WBIC project. Mr. Lyons reported that LBUSD had been able to apply for a grant from Metropolitan Water District (MWD), which would assist them in replacing their old irrigation controllers with the new efficient WBICs. Mr. Lyons advised through its water conservation programs, the Metropolitan Water District of Southern California (MWD) has made grant funds available to the LBWD for the purchase and installation of WBICs. He reported LBWD has worked closely with one of its largest irrigators, the LBUSD, to identify the optimum sites for installing WBICs, and the most appropriate WBIC vendor, based on cost, service and functionality. He further reported the Board of Education had approved the project.

STATE WATER RESOURCES CONTROL BOARD (SWRCB) APPOINTMENTS

Mr. Wattier reviewed with the Board a recent press release from the Office of the Governor indicating a recent appointment of Mr. Gary Wolff (who has served as the principal economist and engineer with the Pacific Institute for Studies in Environment, Development and Security) to the SWRCB.

WATER MEMORANDUM OF UNDERSTANDING (MOU) WITH CITY OF LONG
BEACH

Mr. Wattier updated the Board on the continuing negotiations with the City of Long Beach regarding water availability, and LBWD's steps in eliminating the free water MOU. He advised this change would be revenue neutral to the LBWD and General Fund, but the changes could have implications for sewer rates. He advised that discussions will continue and he will keep the Board apprised of any future updates.

7. LEGAL COUNSEL REPORT

- Lisa Peskay Malmsten, Deputy City Attorney

No report was given.

8. CONSENT CALENDAR

It was moved by Commissioner Townsend and seconded by Commissioner Hansen, and unanimously approved that the Board approve Consent Calendar Items 8a., 8b., 8c., 8d. and 8e.

The motion was carried by the following vote:

| | | |
|----------|----------------|---|
| AYES: | COMMISSIONERS: | <u>FRANK CLARKE, WILLIAM TOWNSEND</u> <u>HELEN HANSEN,</u> |
| NOES: | COMMISSIONERS: | <u>NONE</u> |
| ABSENT: | COMMISSIONERS: | <u>STEPHEN CONLEY, LILLIAN KAWASAKI</u> |
| ABSTAIN: | COMMISSIONERS: | <u>NONE</u> |

8a. Approval of Transfer of Funds by Journal Entry Dated May 25, 2006

Transfers No. 142 through No. 146 in the total amount of \$4,075.21, covering the Water Revenue Fund, was submitted to the Board for approval.

8b. Receive and File the List of Vendor Payments for the month of April 2006

A communication was presented to the Board from Paul Fujita, which is on file at the Long Beach Water Department.

Action:

- Receive and file list of vendor payments.

8c. Adopt Specification WD-06-06 and Authorize the General Manager to Execute an Agreement with Peck Road Ford Truck Sales, Inc. to Furnish and Deliver One (1) 10-Wheel Dump Truck

A communication was presented to the Board from Robert C. Cheng, which is on file at the Long Beach Water Department.

Action:

- Adopt Specification WD-06-06 and Authorize the General Manager to Execute an Agreement with Peck Road Ford Truck Sales, Inc. in an amount not to exceed \$122,313.84 to Furnish and Deliver One (1) 10-Wheel Dump Truck

8d. Authorize the General Manager to Execute an Agreement with RBF Consulting to Provide Construction Management and Inspection Services for the Cast Iron Main Replacement, Artesia Boulevard, Phase I, and Improvements to Pump Units 1 and 10 at the Groundwater Treatment Plant

A communication was presented to the Board from Isaac C. Pai, which is on file at the Long Beach Water Department.

Action:

- Authorize the General Manager to Execute an Agreement with RBF Consulting to Provide Construction Management and Inspection Services for the Cast Iron Main Replacement, Artesia Boulevard, Phase I, and Improvements to Pump Units 1 and 10 at the Groundwater Treatment Plant in an amount not-to-exceed \$250,424.

8e. Authorization to attend the Mayor O'Neill Service to the City dinner on Thursday, June 15, 2006, at the Long Beach Convention Center, and purchase two tables for ten

A communication was presented to the Board from Sandra L. Fox, which is on file at the Long Beach Water Department.

Action:

- Determine that an invitation to participate in the Mayor O'Neill Service to the City dinner on June 15, 2006, at the Long Beach Convention Center complies with Board Policy Statement 1998-31, Expenditure of Water Department Funds for Board Approved Long Beach Related Community and Civic Activities, and approve the purchase of two tables for ten in the amount of \$2,000.

9. AWARD BEAUTIFUL LONG BEACH LANDSCAPE PROGRAM GRANTS

Mr. Lyons provided background on the process that led to the recommended grant awards to Prisk Elementary School; Pacific Winds Arts Sculpture Garden and Los Altos YMCA. He reviewed the application for each of the successful applicants, which included the location of their projects, scopes of work, and the issues posed by the expert panel that reviewed and recommended the successful projects.

Mr. Lyons summarized the grant amounts requested by each applicant, and recommended approval of these awards contingent on applicants adequately addressing the issues posed by the expert panel.

There was general discussion about the various projects which included comments on grant award amounts (including the possibility of increasing grant amounts at the discretion of staff) and project design review.

It was moved by Commissioner Hansen and seconded by Commissioner Townsend, and unanimously approved that the Board award the *Beautiful Long Beach Landscape Program* grants to Prisk Elementary School, Pacific Winds Arts Sculpture Garden, and Los Altos YMCA, conditioned on the grant recipients adequately addressing issues posed by the expert panel; and individual grants are to equal the amount requested, or a greater amount if deemed necessary by Staff for the projects' success, so long as the total per grant did not exceed \$5,000.

The motion was carried by the following vote:

| | | |
|----------|----------------|---|
| AYES: | COMMISSIONERS: | <u>FRANK CLARKE, WILLIAM TOWNSEND</u> <u>HELEN HANSEN,</u> |
| NOES: | COMMISSIONERS: | <u>NONE</u> |
| ABSENT: | COMMISSIONERS: | <u>STEPHEN CONLEY, LILLIAN KAWASAKI</u> |
| ABSTAIN: | COMMISSIONERS: | <u>NONE</u> |

10. ADOPT RESOLUTION WD-1212 AUTHORIZING THE GENERAL MANAGER TO SIGN THE STATE WATER RESOURCES CONTROL BOARD (SWRCB) GRANT APPLICATION AND ALL NECESSARY DOCUMENTS (EO-2789)

Mr. Leung reported that the SWRCB, Division of the Clean Water Program is providing grant funding for eligible recycled water projects statewide. He further reported the LBWD had applied for grant funding for the El Dorado Regional Park Recycled Water Nanofiltration Project (converting El Dorado Lake from potable water to reclaimed water, and advised this resolution is needed as part of the SWRCB grant application package.

Mr. Wattier advised this is the standard process for receiving State funds.

Commissioner Townsend inquired if this was a pilot project. Mr. Leung responded that State funds are not allowed for pilot projects.

It was moved by Commissioner Hansen and seconded by Commissioner Townsend that the Board adopt resolution WD-1212 authorizing the General Manager to sign the State Water Resources Control Board (SWRCB) grant application and all necessary documents. A roll call vote was taken as follows:

| | | |
|----------|----------------|---|
| AYES: | COMMISSIONERS: | <u>FRANK CLARKE, WILLIAM TOWNSEND</u> <u>HELEN HANSEN,</u> |
| NOES: | COMMISSIONERS: | <u>NONE</u> |
| ABSENT: | COMMISSIONERS: | <u>STEPHEN CONLEY, LILLIAN KAWASAKI</u> |
| ABSTAIN: | COMMISSIONERS: | <u>NONE</u> |

Motion was carried unanimously.

11. AUTHORIZE THE GENERAL MANAGER TO SIGN A MULTI-PARTY AGREEMENT FOR SEAWATER DESALINATION LEGISLATIVE AND REGULATORY ASSISTANCE

Mr. Wattier provided background on desalination; once-through cooling and the EPA's 316(b) rule limiting future ability for power plants to utilize once-through cooling. He noted that contract is to hire consultant and sub-consultant to advise on the rule-making process, and that MWD will be the agreement administrator.

It was moved by Commissioner Townsend and seconded by Commissioner Hansen and unanimously approved, that the Board authorize the General Manager to sign the Multi-Party Agreement for Seawater Desalination Legislative and Regulatory Assistance.

The motion was carried by the following vote:

| | | |
|----------|----------------|---|
| AYES: | COMMISSIONERS: | <u>FRANK CLARKE, WILLIAM TOWNSEND</u> <u>HELEN HANSEN,</u> |
| NOES: | COMMISSIONERS: | <u>NONE</u> |
| ABSENT: | COMMISSIONERS: | <u>STEPHEN CONLEY, LILLIAN KAWASAKI</u> |
| ABSTAIN: | COMMISSIONERS: | <u>NONE</u> |

12. LEGISLATIVE ISSUES/ACTIONS/BILLS

- **Ryan J. Alsop, Director, Government & Public Affairs**

FEDERAL FUNDING

Mr. Alsop reported the recently approved House appropriations bill did not include funding for LBWD. He advised the next steps would be to focus efforts in having this funding request included in the Senate version of the bill. He reported that Mr. Wattier, Mr. Cheng, President Conley, and he would be making a legislative trip to Washington, DC to meet with various legislators (or their staff) to get this funding written in this year. He also mentioned they would be meeting with the Under Secretary of the Interior and the Commissioner of the U.S. Bureau of Reclamation to discuss funding issues.

SEAFEST

Mr. Alsop gave an update on the LBWD involvement in the upcoming Seafest. He reported that LBWD is a co-sponsor of the triathlon that it is scheduled for June 25th, 2006, and that LBWD would also be providing bottled water, and would be recognized by signage throughout the event venue.

SOLAR CUP

Ms. Melissa Keyes reported on the recent MWD Solar Cup competition at Lake Skinner. She advised that both teams from Poly High School and Millikan High School were good representatives for the city and the Water Department.

Ms. Keyes advised that Poly High was 7th in the endurance race, and also reported that they will be redesigning their boat for next year's race. Ms. Keyes reported that Millikan High had a very fast boat, but had experienced difficulty with old batteries. Ms. Keyes was pleased to report that Millikan High had placed 3rd in the Visual Displays for the competition.

Ms. Keyes also reported that both teams were likely to take part in next year's Solar Cup competition.

Commissioner Clarke advised he would like to see all of the local high schools involved in the Solar Cup. Commissioner Hansen responded that the LBWD staff had done a great job in appealing to all of the schools to participate, but pointed out that it is difficult to recruit instructors to assist the students with this project.

13. NEW BUSINESS

EXCUSED ABSENCE: COMMISSIONER KAWASAKI

Acting President Clarke advised that Commissioner Kawasaki requested to be excused from the May 25th Board meeting.

It was moved by Commissioner Townsend, seconded by Commissioner Hansen, and unanimously approved that Commissioner Kawasaki be excused from the May 25th Board meeting.

The motion was carried by the following vote:

| | | |
|----------|----------------|---|
| AYES: | COMMISSIONERS: | <u>FRANK CLARKE, WILLIAM TOWNSEND</u> <u>HELEN HANSEN,</u> |
| NOES: | COMMISSIONERS: | <u>NONE</u> |
| ABSENT: | COMMISSIONERS: | <u>STEPHEN CONLEY, LILLIAN KAWASAKI</u> |
| ABSTAIN: | COMMISSIONERS: | <u>NONE</u> |


14. ADJOURNMENT

There being no further business to come before the Board, Acting President Clarke adjourned the meeting at 10:34 a.m. to the next Regular Meeting of the Water Commission to be held on Thursday, June 1, 2006, at 9:15 a.m., in the Board Room of the Administration Building, 1800 E. Wardlow, in Long Beach, California .



William B. Townsend, Secretary

Attest:



Stephen T. Conley, President

MINUTES
REGULAR MEETING OF THE BOARD OF WATER COMMISSIONERS
LONG BEACH, CALIFORNIA
JUNE 1, 2006

The Board of Water Commissioners of the City of Long Beach met in the Board Room of the Administration Building, 1800 E. Wardlow Road, Long Beach, California, on June 1, 2006.

The meeting was called to order at 9:15 a.m. by President Conley.

| | | |
|----------|---------------------|--|
| PRESENT: | Stephen T. Conley | Commissioner |
| | Frank Clarke | Commissioner |
| | William B. Townsend | Commissioner |
| | Lillian Y. Kawasaki | Commissioner |
| | Helen Z. Hansen | Commissioner |
| | Donna Gwin | Senior Deputy City Attorney |
| | Kevin L. Wattier | General Manager |
| | Sandra L. Fox | Secretary to the Board of Water Commissioners |
| | Robert C. Cheng | Deputy General Manager - Operations |
| | Ryan J. Alsop | Director, Government & Public Affairs |
| | Matthew P. Lyons | Director, Planning & Conservation |
| | Paul T. Fujita | Director of Finance |
| | Isaac C. Pai | Director of Engineering |
| | K. Eric Leung | Director of Water Resources |
| | David Honey | Administrative Officer |
| | Robert Swain | Division Engineer |
| | Robert Villanueva | Division Engineer |
| | Ana Ananda | Senior Civil Engineer |
| | Melissa L. Keyes | Administrative Projects Coordinator |
| | Dynna Long | Senior Secretary |

ABSENT:

1. PLEDGE OF ALLEGIANCE

President Conley invited Kevin Wattier to lead the Board and audience in the Pledge of Allegiance in honor of Mr. Wattier's five year anniversary with the Water Department.

2. PUBLIC COMMENT

President Conley opened the public comment period. As there were no requests to address the Board, the public comment period was closed.

3. PRESIDENT'S REPORT

- **Stephen T. Conley, President, Board of Water Commissioners**

President Conley advised the Board that he would be representing the Water Department at the upcoming U.S. Conference of Mayors conference being held in Las Vegas, Nevada and that he would be participating in the closing celebration for Mayor Beverly O'Neill as she ends her year-long term as President of the U.S. Conference of Mayors.

President Conley reported that Kevin Wattier, Ryan Alsop, Robert Cheng and he would be leaving for Washington, DC on June 4th for upcoming meetings with legislative members and their staff (this would include a meeting with Senator Dianne Feinstein's staff). He also reported other meetings had been set with the Undersecretary of the Interior and William Rinne, Acting Commissioner at the Bureau of Reclamation regarding Federal funding for the Desalination program.

4. GENERAL MANAGER'S REPORT

- **Kevin L. Wattier, General Manager**

Mr. Wattier provided the following report to the Board:

SEAWATER DESALINATION RESEARCH AND DEVELOPMENT FACILITY UPDATE

Mr. Wattier reported that the three-day operational test had been successfully completed at the Desalination plant, and the facility had been officially commissioned. He reported the research conducted at this facility over the next two years would focus on optimizing the energy efficiency and environmental issues currently hindering implementation of full scale, cost effective seawater desalination operations in the western United States.

AMERICAN WATER WORKS ASSOCIATION (AWWA) REPORT

Mr. Wattier advised that staff had recently received copies of the completed AWWA report entitled "A Novel Approach to Seawater Desalination Using Dual-Stage Nanofiltration" which features the LBWD desalination process. He reported that LBWD staff had contributed hours of work and data for the completion of this report, but LBWD had also financially contributed to its completion.

There was general discussion regarding this report. Commissioner Hansen suggested that staff provide a copy of this report to the individuals that staff speaks with on their upcoming legislative trip to Washington, DC.

AMENDMENT TO CENTRAL BASIN JUDGMENT

Mr. Wattier provided an update on the progress for changes to the Central Basin judgment. He advised that the Water Replenishment District (WRD) was moving ahead to prepare recommended changes to the amendment, and that an upcoming workshop would be held regarding this matter. He advised that LBWD staff would participate at this workshop and further updates would be provided to the Board regarding this matter at a later date.

5. LEGAL COUNSEL REPORT

- Donna Gwin, Senior Deputy City Attorney

No report was given.

6. CONSENT CALENDAR

It was moved by Commissioner Kawasaki and seconded by Commissioner Townsend, that the Board approve Consent Calendar Items 6a., 6b., 6c. and 6d.

6a. Approval of Transfer of Funds by Journal Entry Dated June 1, 2006

Transfers No. 147 through No. 155 in the total amount of \$184,418.07, covering the Water and Sewer Revenue Funds, was submitted to the Board for approval.

6b. Approval of Retirement Order No. RO-6069 for items that have become obsolete or unrepairable during the current year

A communication was presented to the Board from Paul Fujita, which is on file at the Long Beach Water Department.

Action:

- Approve retirement of the items listed in Retirement Order No. R-6069 that they may be removed from the Department's records.

6c. Approval of Retirement Order No. RO-6070 for items that have become obsolete or unrepairable during the current year

A communication was presented to the Board from Paul Fujita, which is on file at the Long Beach Water Department.

Action:

- Approve retirement of the items listed in Retirement Order No. R-6070 that they may be removed from the Department's records.

6d. Authorize the General Manager to Execute the Developer's Agreement with D'Orsay International Partners, LLC to relocate a water main in the City of Long Beach

A communication was presented to the Board from Isaac C. Pai, which is on file at the Long Beach Water Department.

Action:

- Authorize the General Manager to Execute the Developer's Agreement with D'Orsay International Partners, LLC to relocate a water main in the City of Long Beach

President Conley called for the vote. The motion was carried by the following vote:

| | | |
|----------|----------------|---|
| AYES: | COMMISSIONERS: | <u>STEPHEN CONLEY, FRANK CLARKE,</u> <u>WILLIAM TOWNSEND,</u> <u>LILLIAN KAWASAKI, HELEN HANSEN</u> |
| NOES: | COMMISSIONERS: | <u>NONE</u> |
| ABSENT: | COMMISSIONERS: | <u>NONE</u> |
| ABSTAIN: | COMMISSIONERS: | <u>NONE</u> |

7. APPROVE THE WATER AVAILABILITY ASSESSMENT PREPARED FOR THE PRESS-TELEGRAM MIXED USE DEVELOPMENT PURSUANT TO CALIFORNIA WATER CODE SECTION 10910(g)(1)

Commissioner Townsend advised the Board that he would need to abstain from the vote on this project.

NOTE: Commissioner Townsend left the meeting at 9:35 A.M.

It was moved by Commissioner Hansen and seconded by Commissioner Clarke, that the Board Approve the Water Availability Assessment prepared for the Press-Telegram Mixed Use Development pursuant to California Water Code Section 10910(g)(1)

Mr. Lyons reviewed the Water Availability Assessment report, and pointed out key components related to the project details.

Commissioner Kawasaki encouraged the LBWD to promote conservation efforts with these types of projects by meeting with developers to discuss these types of issues.

President Conley reported that the developer of this project had inquired about possibly using reclaimed water for toilet use at this project. President Conley further advised that staff had researched this possibility, but that a reclaimed pipeline does not currently service the area where this project is located.

Mr. Wattier responded that the LBWD does not have the legal authority to require or mandate water conservation measures for developers. He advised this is a matter for Planning and Building to incorporate in building ordinances.

Mr. Wattier reported to the Board that he and Mr. Lyons have a meeting scheduled with this developer next week to discuss water conservation efforts for future projects.

President Conley called for the vote. The motion was carried by the following vote:

| | | |
|----------|----------------|---------------------------------------|
| AYES: | COMMISSIONERS: | <u>STEPHEN CONLEY, FRANK CLARKE,</u> |
| | | <u>LILLIAN KAWASAKI, HELEN HANSEN</u> |
| NOES: | COMMISSIONERS: | <u>NONE</u> |
| ABSENT: | COMMISSIONERS: | <u>NONE</u> |
| ABSTAIN: | COMMISSIONERS: | <u>WILLIAM TOWNSEND</u> |

NOTE: Commissioner Townsend rejoined the meeting at 9:43 A.M.

8. RECLAIMED WATER – PHASE II EXPANSION

• **Eric Leung, Director, Water Resources**

Mr. Leung reviewed a PowerPoint project with the Board outlining the background on the Reclaimed Water System Expansion Phase 2 projects. He reviewed the project status for the North Leg; South Leg (AES and LADWP) and South Leg (Bixby Golf Course).

Mr. Leung reported with the recent lack of appropriation funding staff was recommending postponing some of the projects for future funding opportunities as follows:

- AES and LADWP (South Leg)
 - Project under preliminary design
 - Construction \$5.4 million
 - Simple pay back – 19 years
 - User Agreements – not yet executed
 - Estimated completion – may pass 2008Staff recommendation: put project on hold

- Bixby Golf Course (South Leg)
 - Project under preliminary design
 - Construction \$3.8 million
 - Simple pay back – 78 years
 - Complete a pipe lop for supply reliability
 - Estimated completion – may pass 2008
 - User agreement (new owner will not execute)Staff recommendation: put project on hold

- Boeing (North Leg)
 - Project under detailed design
 - Construction \$1.8 million
 - Simple pay back – 5 years
 - User Agreement – executed
 - Estimated completion – October 2007Staff recommendation: complete project

There was general discussion about these various projects, and comments regarding LBWD receiving commitments for water conservation efforts.

Commissioner Kawasaki inquired about the possibility of moving a reclaimed water project towards the Port area. Mr. Leung responded by discussing this suggestion with the Board and staff. President Conley asked if there were other agencies in that area with reclaimed water projects. Mr. Wattier responded that both LADWP and LA County Sanitation have recently completed a joint reclaimed water project on the west side.

Mr. Wattier reminded the Board that the LBWD has a Reclaimed Water Master Plan that consists of four sections that assists staff in planning future projects.

President Conley complimented Mr. Leung on his clear presentation regarding a complex project.

8. LEGISLATIVE ISSUES/ACTIONS/BILLS

- **Ryan J. Alsop, Director, Government & Public Affairs**

WASHINGTON, DC LEGISLATIVE TRIP

Mr. Alsop stated that President Conley, General Manager Wattier and Deputy General Manager for Operations, Robert Cheng would be joining him on June 4-6 in Washington DC for meetings concerning the Department's seawater desalination project and its federal funding status. He reported meetings have been arranged with senior Department of Interior officials, as well as several Members of Congress.

UPDATE ON SB 1242

Mr. Alsop discussed SB 1242, introduced in the California State Senate by Senator Alan Lowenthal on the Department's behalf. Mr. Alsop reported this bill would amend the California Water Code related to Integrated Regional Water Management Planning (IRWMP). He advised SB 1242 has unanimously passed out of the Senate Natural Resources and Water and the Appropriations Committee. He reported that due to the legislations relevance to current and pending bond issues for water related infrastructure, Senator Lowenthal has decided to move the bill to the Senate's Inactive File so that language in the bill can continue to be refined separate and apart from the most immediate legislative deadlines in the Senate. He further reported that while a great deal of organizations favors the direction of the bill, several have noted specific changes that must be made. The LBWD staff will continue to work with Senator Lowenthal and other stakeholders on IRWMP reform language and support the legislative strategy Senator Lowenthal feels is best in moving legislation forward.

SEAFEST

Mr. Alsop discussed planning efforts for SeaFest. He advised representatives of the Triathlon had contacted the Department and planning for the Department's participation in the event is beginning to get underway. A full presentation to the Board concerning the Department's participation in SeaFest will be given in the coming weeks.

JOE CAVE'S INITIATIVE

Commissioner Kawasaki requested an update on Joe Cave's initiative. Mr. Alsop provided the requested background.

Commissioner Kawasaki asked if the LBWD would consider supporting this legislation.

Ms. Gwin reminded the Board that it may take a position on a ballot initiative but may not spend Water or Sewer Revenue Funds to support or oppose the initiative.

9. NEW BUSINESS

HANSEN COMMISSION TERM ENDING

President Conley reminded the Board that Commissioner Hansen would soon be completing her second term as a Water Commissioner. He reported that he had learned that Mayor O'Neill would not be naming a replacement for Commissioner Hansen in the usual round of commission/board/committee appointments in June, but the Mayor would leave this appointment for the newly elected Mayor to fill. He reported that Commissioner Hansen would continue to serve as a Water Commissioner until she had been replaced.

President Conley commented on Commissioner Hansen continuing as a Metropolitan Water District Director to complete her term, even though she would no longer be a LBWD Water Commissioner. He reported she has agreed to continue in this capacity and will continue to report to the Board regarding MWD Board items.

DINE ON PINE EVENT

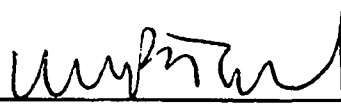
President Conley mentioned he had recently received a Dine on Pine Event invitation and requested this item be added to an upcoming agenda for Board consideration.

CHIP CONLEY AWARD

Commissioner Clarke requested President Conley report on his son's recent award. President Conley reported that his son Chip had received the Community Citizen of the Year Award from the Tenderloin District for his work with the Tenderloin District Youth Authority.

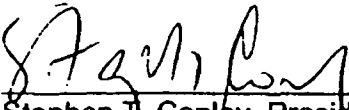
11. ADJOURNMENT

There being no further business to come before the Board, President Conley adjourned the meeting at 10:31 a.m. to the next Regular Meeting of the Water Commission to be held on Thursday, June 15, 2006, at 9:15 a.m., in the Board Room of the Administration Building, 1800 E. Wardlow, in Long Beach, California.



William B. Townsend, Secretary

Attest:



Stephen T. Conley, President