

MINUTES
 SPECIAL MEETING OF THE BOARD OF WATER COMMISSIONERS
 LONG BEACH, CALIFORNIA
 JUNE 12, 2008

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 12, 2008.

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

PRESENT:	John Allen Paul Blanco Steve Conley Frank Clarke Suja Lowenthal Charles Parkin Kevin L. Wattier Sandra L. Fox Robert C. Cheng B. Anatole Falagan Ryan J. Alsop Matthew P. Lyons Paul T. Fujita Isaac C. Pai Eric Leung Monya Hawkins Melissa L. Keyes Dynna Long Ken Bott Greg Sorensen Terry McAlpine Juan Lopez-Rios	Commissioner Commissioner Commissioner Commissioner City Council Member; Metropolitan Water District Director Principal Deputy City Attorney General Manager Secretary to the Board of Water Commissioners Deputy General Manager – Operations Deputy General Manager – Business Director, Government & Public Affairs Director, Planning & Conservation Director of Finance Director of Engineering Director of Water Resources Manager Information Technology Administrative Analyst II/Special Projects Coordinator Office Administrator Administrative Officer Administrative Analyst III Administrative Analyst III Real Properties Officer for the Airport
ABSENT:	William B. Townsend	Commissioner (EXCUSED)

1. PLEDGE OF ALLEGIANCE

Steve Conley led the Board and audience in the Pledge of Allegiance.

2. APPROVAL OF MINUTES

May 15, 2008

Upon motion by Commissioner Blanco, seconded by Commissioner Clarke and unanimously carried, the minutes of the Regular Meeting of May 15, 2008 were approved.

3. PUBLIC COMMENT

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

4. VICE PRESIDENT'S REPORT

- **John D. S. Allen, Vice President, Board of Water Commissioners**

None.

5. GENERAL MANAGER'S REPORT

Kevin L. Wattier, General Manager

WATER SUPPLY UPDATE

Mr. Wattier commented on the May conservation response figures. He reviewed water demand slides for May, highlighting the strong conservation response in the service area, which are tracking well below the 10-year average and 10-year low in demand for potable water.

He reviewed the San Luis Reservoir (State Water Project) storage levels, and distributed a graph indicating historical level data. He noted the drop in storage, and the trend for summer, noting the physical low point that affects water supplies to the San Francisco Bay area cities. Both Federal (CVP) and State (SWP) contractors are affected by the San Luis Reservoir.

GOVERNOR'S DROUGHT DECLARATION

Mr. Wattier referred the Commissioners to their cubby files to view a copy of the Governor's Press Release regarding his recent drought declaration. He also commented on the recent Metropolitan Water District Water Supply Alert press release.

GROUNDWATER STORAGE FRAMEWORK UPDATE

Mr. Wattier reported that “quiet progress” describes the efforts among the various parties in the basin who continue to work on the finalization of the Groundwater Storage Framework.

He advised that the Central Basin Metropolitan Water District had recently mailed out a letter asserting their rights over the basin, which complicates the process for promoting the Framework.

He reported that both pumping Associations had recently approved the Groundwater Framework; along with the Water Replenishment District Board.

SACRAMENTO LEGISLATIVE TRIP

Mr. Wattier reported that he had traveled to Sacramento on June 11, 2008 advocating on behalf of AB-885 (Metropolitan Water District Alternate Directors), and meeting with legislators regarding this legislation. He noted concern with opposition of the bill against the merits of its proposal. He reported that the Metropolitan Water District had adopted a position of non-support for this legislation at their June 10, 2008 meeting.

NOTE: AGENDA ITEM 11. WAS TAKEN OUT OF ORDER AT THIS POINT IN THE MEETING

11. REPORT OF THE METROPOLITAN WATER DISTRICT (MWD) BOARD MEETING ON JUNE, 10, 2008

- **Suja Lowenthal; Metropolitan Water District Director**

Director Lowenthal commented on her recent appointment as the City of Long Beach representative as a Director on the Metropolitan Water District Board.

She noted previous actions by MWD concerning annexations and adherence of water efficiency guidelines and requirements by these water agencies. She advised that she would be having a follow-up briefing on this issue, and would make sure that double standards were not being applied to annexations.

Director Lowenthal discussed the MWD position on AB 885, and commented on the opposing views expressed at the recent MWD board meeting.

She commented on her recent MWD committee assignments, and reported she had been appointed to the Communications and Legislation Committee and the Water Planning & Stewardship Committee.

Director Lowenthal mentioned MWD's Water Supply Alert, and commented that Long Beach stands out as the model for the region to emulate in response to this issue.

6. LEGAL COUNSEL REPORT

- **Charles Parkin, Principal Deputy City Attorney**

None.

7. CONSENT CALENDAR

Commissioner Clarke requested that Consent Calendar items 7b. and 7c. be pulled from the Consent Calendar for separate discussion and votes.

It was moved by Commissioner Conley, and seconded by Commissioner Blanco to approve Consent Calendar items 7a. and 7d. These Consent Calendar items were unanimously approved.

7a. Approval of Transfer of Funds by Journal Entry Dated June 12, 2008

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

7d. Authorization to attend the "Straight Talk" 15th Anniversary Celebration benefiting the Long Beach Police Athletic League (PAL) to be held Saturday, June 21, 2008, at the El Dorado Country Club

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

Mr. Matt Lyons provided a briefing on Consent Calendar item 7b. He advised that Commercial Industrial and Institutional conservation rebate programs were administered by the Metropolitan Water District, while individual agencies were responsible for administering the residential rebates. He reported that member agencies, including Long Beach, had advocated a regional approach for administration of these rebates, and MWD has assembled a program vendor to take over these administrative duties. He advised the main benefit of this change would be uniformity for residents who purchase water conserving devices for their homes. This change makes it necessary to amend the current Water Funding Agreement with the MWD.

It was moved by Commissioner Clarke, and seconded by Commissioner Blanco to approve Consent Calendar item 7b. This Consent Calendar item was unanimously approved.

7b. Authorize the General Manager to execute the First Amendment to Water Conservation Funding Agreement No. 70036, an Agreement with the

Metropolitan Water District of Southern California (MWD) for the Administration of Residential Water Conservation Rebates

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

Mr. Pai provided an overview of the HVAC replacement project; the phases completed and the proposed work under the proposed construction contract as outlined in Consent Calendar item 7c.

It was moved by Commissioner Blanco, and seconded by Commissioner Clarke to approve Consent Calendar item 7c. This Consent Calendar item was unanimously approved.

7c. Adopt Specifications WD-03-08 for the HVAC System Replacement Project Phase 3, and Authorize the General Manager to Sign a Construction Contract with Pardess Air Inc., in the amount of \$310,000

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

8. Adopt Resolution WD-1243 to enter into a Cooperative Purchasing Agreement with the City of San Francisco, and Authorize the General Manager to enter into an Agreement with Pearpoint, Inc. for the purchase of one (1) Closed Circuit Television (CCTV) van, and associated camera and computer equipment for an amount not to exceed \$177,480

Mr. Robert Cheng provided a briefing on agenda item 8. He reported the vehicle proposed for purchase meets the Best Management Practices related to maintenance of the sewer system. He advised the LBWD had the opportunity to join the City of San Francisco in a joint purchasing process to obtain a CCTV truck from Pearpoint, Inc. He reported that using this approach would yield savings over a sole source purchase.

It was moved by Commissioner Conley, and seconded by Commissioner Blanco to approve agenda item 8.

A roll call vote was taken as follows:

AYES:	COMMISSIONERS:	<u>JOHN ALLEN, PAUL BLANCO</u>
		<u>STEPHEN CONLEY, FRANK CLARKE</u>
NOES:	COMMISSIONERS:	<u>NONE</u>
ABSENT:	COMMISSIONERS:	<u>WILLIAM TOWNSEND</u>
ABSTAIN:	COMMISSIONERS:	<u>NONE</u>

9. Authorize the General Manager to 1) execute any and all documents necessary for the Second Amendment to Amended and Restated Lease No.

WDL-96 with Kilroy Realty, L.P., a Delaware Limited Partnership, and 2) execute any and all documents necessary for additional amendments, if required to further extend the holding rent to allow for continued negotiations

Mr. Falagan provided historical background on this lease item. Mr. Juan Lopez-Rios from the City's Property Services group provided an update on negotiations and explained justification for continued negotiations.

Commissioner Conley made a substitute motion that was seconded by Commissioner Blanco authorizing the General Manager to execute any and all documents necessary for the Second Amendment to Amended and Restated Lease No. WDL-96 with Kilroy Realty, L.P., a Delaware Limited Partnership, to continue the Holding Rent period until April 14, 2009. The item was unanimously approved.

Commissioner Clarke inquired about other LBWD holdings at the Long Beach Airport. Staff advised they would bring a status report on asset management back to the Commission at the July 10, 2008 board meeting.

10. LEGISLATIVE ISSUES/ACTIONS/BILLS

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

Mr. Alsop briefed the Board about the Chamber of Commerce National Leader luncheon scheduled for Friday, June 13, 2008 where Secretary of the Interior, Dirk Kempthorne would be the keynote speaker. He advised that after the luncheon Secretary Kempthorne was scheduled to take a tour of the Prototype Desalination Project at the Haynes Power Plant.

Mr. Alsop provided background on AB 2270 (Laird) and noted the following highlights of this proposed legislation:

- Changes State water recycling goals to "targets" when State evaluates future water needs.
- Requires Urban Water Management Plans (UWMP's) to specify quantity of recycled water available for use now...20 years from now.
- Allows local agencies that operate sewer systems to control residential salinity inputs, particularly inputs from water softeners.
- Salinity control hinders recycled water expansion, particularly in the Inland Empire
- Passed Assembly 51-19.

Mr. Alsop advised he would be returning to the board in the future requesting them to take a position on this bill.

NOTE: AGENDA ITEM 11 WAS CONSIDERED EARLIER IN THE MEETING

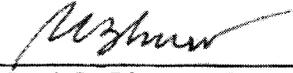
12. NEW BUSINESS

Vice President Allen advised that President Townsend requested to be excused from the meeting of June 12, 2008.

It was moved by Commissioner Clarke, seconded by Commissioner Blanco, and unanimously approved to excuse President Townsend from the June 12, 2008 board meeting.

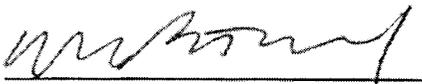
13. ADJOURNMENT

There being no further business to come before the Board, Vice President Allen adjourned the meeting at 10:27 a.m. to the next special meeting of the Water Commission to be held June 26, 2008, in the Board Room of the Administration Building, 1800 E. Wardlow, in Long Beach, California



Paul C. Blanco, Secretary

Attest:



William B. Townsend, President