

**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, JANUARY 30, 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
T. Teofilo	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
J. A. Urrutia	Assistant Director of Finance
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 Cordero and unanimously carried, the minutes of the regular meeting of January 23, 2006, were declared read and approved as read.

PUBLIC COMMENTS.

There was no one present to address the Board.

CONSENT CALENDAR – ITEMS NOS. 1-3.

1. EWO NO. 5061 - EXPENDITURES APPROVED AND PROJECT CLOSED TO ALL FUTURE CHARGES.

Communication from Robert Kanter, Director of Planning, dated January 24, 2006, submitting the following project for closing action:

		<u>BHC Approval</u>	<u>Expenditures</u>
EWO No. 5061	Vessel Size Study	\$130,000	\$104,784.65

and requesting that the expenditures made to said project be approved and that it be closed to all future charges, was presented to the Board. The request was approved by the Executive Director.

2. THUMS – PERMIT TO DRILL TWO NEW PRODUCTION WELLS AND REDRILL ONE PRODUCTION WELL – APPROVED.

Communication from Robert Kanter, Director of Planning, dated January 24, 2006, recommending approval of the application submitted by THUMS for a permit to drill two new production wells, and redrill one production well, all located in the J-5 drill site near Pier J, was presented to the Board. The recommendation was approved by the Executive Director.

3. ACCORD ENGINEERING, INC. - EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE FIRST AMENDMENT TO CONTRACT FOR THE UPRC PIER A WEST/ AREA 2 REMEDIATION - DOCUMENT NO. HD-6901A AND WO NO. 5032, SUPPLEMENT NO. 7 - APPROVED.

Communication from Robert Kanter, Director of Planning, dated January 24, 2006, requesting approval of an amendment to Contract with Accord Engineering, Inc., for the UPRC Pier A West/Area 2 remediation, in the amount of \$140,000, extending the term to November 30, 2006, and WO No. 5032, Supplement No. 7, in the amount of \$210,000, was presented to the Board. The request was approved by the Executive Director.

Commissioner Walter moved, seconded by Commissioner Hankla that the communications be received and filed and that Items Nos. 1-3 be approved as recommended. Carried by the following vote:

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

NEW BUSINESS.

Ms. Morris stated the Port of Long Beach had been chosen as the best gate and/or terminal operations, the best on-dock and/or near-dock operations, the most adept at problem resolutions, the best response from peak season congestion, and the best overall Seaport from the Marine Digest & Cargo Business News 4<sup>th</sup> Annual Customer Platinum Awards Reader Poll.

In response to a question by Commissioner Walter, Ms. Morris stated there will be a news release on the recognition from the Marine Digest & Cargo Business News awards.

Commissioner Cordero stated he attended the Faster Freight/Cleaner Air Conference this morning and suggested next year we revisit our sponsorship level. He also said he was proud to say that one year ago the Port of Long Beach was discussing the implementation of the Green Port Policy and it was interesting to note that now, a year later, the parties that are coming into play with the environmental issues, in terms of what they are proposing, is exactly what the Port of Long Beach passed a year ago.

Additionally, Commissioner Cordero also stated, he felt, the Port of Long Beach is a leading steward in the environment.

Commissioner Hankla recommended a policy be implemented regarding our expectations regarding representation on discussion boards and appropriate sponsorship recognition at the events we are asked to sponsor.

Dr. Kanter stated the Port of Long Beach was well represented at the conference, in that we had three presentations and an information booth.

Dr. Kanter announced tonight is the first public scoping meeting for the Middle Harbor Project and it will be held in the City Council Chambers at 7 p.m.

Mr. Holzhaus introduced Ms. Tiffany Shin, Deputy City Attorney. He stated Ms. Shin will be working on Port and ACTA matters.

Ms. Shin stated she looked forward to working with the Board and staff.

President Topsy-Elvord welcomed Ms. Shin.

Dr. Walter shared that Dr. F. King Alexander, President, California State University Long Beach, had reaffirmed his desire to have him continue his role as Assistant to the President.

Mr. Hein reminded everyone that the Board meeting next week, February 6, 2006, would be held at 9:00 a.m.

ADJOURNED.

At 2:40 p.m., Commissioner Hancock 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  
REGULAR MEETING OF THE BOARD OF WATER COMMISSIONERS  
LONG BEACH, CALIFORNIA  
JANUARY 19, 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 January 19, 2006.

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

<b>PRESENT:</b>	Frank Clarke Helen Z. Hansen William B. Townsend Donna F. Gwin Kevin L. Wattier Sandra L. Fox  Robert C. Cheng B. Anatole Falagan Ryan J. Alsop Matthew P. Lyons Paul T. Fujita Isaac C. Pai K. Eric Leung Robert V. Swain Robert Villanueva Theresa Wu Juan Garza Melissa L. Keyes Dynna Long	Commissioner Commissioner Commissioner Senior 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 Division Engineer Division Engineer Senior Engineer Administrative Analyst I Administrative Projects Coordinator Senior Secretary
<b>ABSENT:</b>	Stephen T. Conley Lillian Y. Kawasaki	Commissioner (Excused) Commissioner (Excused)

**PLEDGE OF ALLEGIANCE**

Matt Lyons, led the Board and audience in the Pledge of Allegiance

**APPROVAL OF MINUTES**

January 5, 2006

Upon motion by Commissioner Hansen, seconded by Commissioner Townsend, and unanimously carried, the Minutes of the Regular Meeting of January 5, 2006, were approved.

## **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.

## **PRESIDENT'S REPORT**

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

Frank Clarke, Acting President, advised the Board that Kevin L. Wattier, General Manager would be briefing the Board on Metropolitan Water District water quality issues later in the meeting.

## **REVIEW BOARD MEETING SCHEDULE FOR FEBRUARY 2006**

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

Thursday, February 2 <sup>nd</sup>	Regular Meeting, 9:15 a.m.
Thursday, February 9 <sup>th</sup>	Committee of the Whole, 9:15 a.m.
Thursday, February 16 <sup>th</sup>	Regular Meeting, 9:15 a.m.
Thursday, February 23 <sup>rd</sup>	Committee of the Whole, 9:15 a.m.

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

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

Mr. Wattier provided the following report to the Board:

### State Water Project Allocation

Mr. Wattier reported that the Department of Water Resources (DWR) had increased the State Water Project allocation to 70%, due to the increase in the snow pack. A copy of the DWR Press Release was distributed to the Board.

Commissioner Hansen inquired about the Colorado River reservoirs. Mr. Wattier responded that the Colorado River watershed is experiencing normal precipitation, but has not received a report regarding status of reservoirs. He reported that in California, major releases have taken place from Lake Shasta per flood prevention directives.

Mr. Wattier advised the Board that he had requested that Debra Man, Interim Metropolitan Water District CEO/General Manager, send a letter requesting the need for agencies to take replenishment deliveries.

### Update on Machinist Union Negotiations

Mr. Wattier announced that a tentative agreement had been reached by the Machinist Union (IAM), and that ratification voting would be taking place on Thursday, January 19, 2006; Friday, January 20, 2006 and Saturday, January 21, 2006. He further advised that a key issue that had been delaying settlement of the contract was the retirement equation for future employees, but a compromise had been agreed upon.

### Sewer Spill

Mr. Wattier reported that a minor sewer spill had occurred in the 2500 block of Ximeno Avenue, and that sand bags had immediately been used to contain the spill to prevent any flow to the adjacent storm drain. He advised that the cause of this spill had tentatively been attributed to grease in the line, and that cameras will be inserted in the line to further investigate the cause of this blockage.

Mr. Ryan Alsop, advised that he had responded to the scene of the spill but had not seen any media there at that time. He also spoke regarding the need for additional education of the public regarding the hazards of dumping grease into the lines that lead to the sewers.

Commissioner Clarke advised that he had seen television coverage regarding this sewage spill, but did not identify the network that covered the story.

Commissioner Hansen inquired if this spill had been caused by a resident or commercial client. Mr. Isaac Pai advised that it was too soon to determine the origination of the blockage. Mr. Alsop reported that the location is in the vicinity of a restaurant and hotel.

Mr. Wattier advised he will report back to the Board regarding this matter.

### Metropolitan Water District (MWD) Water Quality Issue

Mr. Wattier briefed the Board on the recent actions taken in response to the elevated bromate levels that have recently been occurring in water being delivered from MWD. Mr. Wattier advised that Robert Cheng had attended a meeting on January 12, 2006, with MWD staff to discuss the elevated levels of bromate, and he noted that in response to these concerns MWD would be putting together a Working Group that Mr. Cheng would be participating in, to analyze the issue beginning in early February 2006. This group would subsequently present a decision to member agency managers in February 2006.

Mr. Wattier reported that Acting President Clarke, Commissioner (and MWD Director) Hansen, Robert Cheng, Deputy General Manager-Operations and himself had met on January 17, 2006, with Debra Man, MWD Acting General Manager, to express the Board's concern over the recent report of elevated bromate in MWD water, and had presented MWD with a packet of information from studies of bromate and its effect on human health. He further reported that they had requested that the MWD Jensen Plant revert to the previous treatment process that controlled these elevated levels of bromate.

Acting President Clarke suggested that a letter be sent to MWD thanking them for the meeting, and outlining the expectations of the Long Beach Water Department for MWD to comply with the request for this change to the treatment process.

Commissioner Hansen expressed concern about the context of the tradeoff discussion that occurred at the January 17, 2006 meeting, and advised she did not agree with this concept, and was very concerned with the Working Group process. She requested that a demand should be expressed immediately that the bromate levels be reduced immediately and then continue the Working Group analyses. This request was deferred to the New Business agenda item.

#### **LEGAL COUNSEL REPORT**

- **Donna F. Gwin, Senior Deputy City Attorney**

Senior Deputy City Attorney, Donna Gwin, reported that she had recently received correspondence from Mr. Vern Schooley, of Fulwider Patton LLP, indicating that the U.S. Patent Office had reopened examination of the city's patent application for the new desalination process. She indicated this was possibly a good sign. A copy of this correspondence was distributed to the Board at the meeting.

#### **CONSENT CALENDAR**

##### **8a. Approval of Transfer of Funds by Journal Entry Dated January 19, 2006**

Transfers No. 53 through No. 61 in the total amount of \$188,389.24 covering the Water and Sewer Revenue Funds, were submitted to the Board for approval.

**8b. Request Authorization for the General Manager to Sign the In-Lieu Replenishment Agreement (FY 2006-06) with Water Replenishment District of Southern California (WRD)**

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

Action Requested:

- That the Board authorize the General Manager to sign the In-Lieu Replenishment Agreement (FY 2005-06) with Water Replenishment District of Southern California (WRD)

No fiscal impact.

**8c. Request Authorization for the General Manager to Execute Second Amendment to Agreement WD-2630 to extend the Term with Commerce Chemical Company (now Thatcher Company of California for one year at a 21.26% price increase.**

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

Action Requested:

- That the Board authorize the General Manager to Execute Second Amendment to Agreement WD-2630 to extend the Term with Commerce Chemical Company (now Thatcher Company of California for one (1) year at a 21.26% price increase.

Cost is included in FY 2005-2006 Water Operations annual budget.



**8d. Request Authorization for the General Manager to Execute First Amendment to Agreement WD-2673 to extend the Term with Thatcher Company of California for one year at a 25.03% price Increase.**

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

Action Requested:

- That the Board authorize the General Manager to Execute First Amendment to Agreement WD-2673 to extend the Term with Thatcher Company of California for one (1) year at a 25.03% price increase.

Cost is included in FY 2005-2006 Water Operations annual budget.

Board Action

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

Commissioner Townsend requested to comment regarding the chemical price increases indicated in agenda items 8c., and 8d. He expressed concern over what appeared to be large increases, and urged that when these contracts are renegotiated that staff work to obtain better prices, and possibly rebid these contracts. Robert Cheng, Deputy General Manager-Operations responded that these increases are partially due to the fact that the chemical market is a specialty market, made up of small groups of select suppliers, and that analysis indicates these increases are in line with the market.

Acting President Clarke called for the vote.

The motion was carried by the following vote:

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

**9. LEGISLATIVE ISSUES/ACTIONS/BILLS**

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

Mr. Alsop reported on the upcoming California Municipal Utilities Association (CMUA) Capitol Day and Legislative Briefing (January 29, 2006 – January 31, 2006) to be held in Sacramento, California and advised that he, Kevin Wattier, General Manager and two Board Commissioners were scheduled to attend. He indicated that discussion regarding the proposed infrastructure bond issue would probably dominate the various discussions.

Mr. Alsop reminded the Board about the upcoming Association of California Water Agencies (ACWA) Conference that will be held in Washington, DC February 28, 2006 – March 2, 2006. He advised the main focus of this trip would be to solicit funding for the Desal Program and funding for chlorine generation.

Mr. Alsop reported on the Governor's Bond Measure and additional legislative activities taking place in Sacramento that might affect the Long Beach Water Department. This report included items as detailed below:

The Flood Protection and Clean, Safe, Reliable Water Supply Bond and Financing Act of 2006, and 2010 contain the flood and water supply components of the Governor's plan. Two bills, AB 1839 by John Laird (D-Santa Cruz) and SB 1166 by Mike Machado (D-Linden) and Sam Aanestad (R-Grass Valley) have been introduced and will authorize two different bonds, one in 2006 and one in 2010.

These two bills will place a measure on the 2006 ballot to authorize the issuance of \$3 billion in General Obligation bonds for the financing of flood protection and water management programs statewide. If approved by voters, this ballot measure would provide \$1 billion in funding for flood protection, and \$2 billion for "integrated regional water management projects."

The 2006 measure would be followed in 2010 by a measure that would authorize the issuance of \$6 billion in General Obligation bonds for the financing of flood protection and integrated regional water management programs. This measure would provide \$1.5 billion for flood protection and \$4.5 billion for water supply projects.

The water supply projects authorized to receive bond money would be reclamation, conjunctive use, conservation and desalination projects similar to many of the projects being done here in Long Beach.

These two bills would also enact the California Water Resources Investment Act of 2006 to finance a water resources investment program (to supplement bond repayment). It is anticipated that this "capacity charge" would generate as much as \$5 billion in revenue over the next ten years, or approximately \$500 million annually to fund a variety of water resource projects. To finance this program, AB 1839 and SB 1166 would impose an annual water resources capacity charge on each retail water supplier in the state (Long Beach Water Department) based on the number and types of water connections in its service area. In other words, the state is going to require agencies like the Long Beach Water Department to collect this money. Based on initial estimates by Long Beach Water Department staff, this means that Long Beach residents could see a 14 percent increase in their water bill as early as next year. This increase includes the 10 percent tax by the state and the 3 to 4 percent anticipated rate increase needed locally, as has been detailed in the past.

The authorization of this new capacity charge will go into effect after passage of this legislation by both houses of the state legislature with a 2/3 vote. It will not be included in the ballot measure that goes before the voters. There is no sunset date on this new capacity charge, and this capacity charge can be increased in any given year.

Mr. Alsop advised the Board that staff is working with other stakeholders and retail water suppliers on a plan to phase in this proposed capacity charge to make it more acceptable for our water customers.

Commissioner Hansen led a general discussion regarding Long Beach Water Department (LBWD) activities as this legislation makes its way through the State legislature.

Commissioner Townsend urged staff to get out in front of this issue as soon as possible.

Commissioner Clarke inquired regarding the peripheral canal issue being revisited in light of the levee issues up north.

Commissioner Hansen responded that there are continuing environmental concerns that a peripheral canal would divert water, and abandon the Delta and its health.

**10. NEW BUSINESS**

Excused Absence: Commissioner Hansen

Commissioner Hansen requested to be excused from the Board meetings of February 22<sup>nd</sup>, March 2<sup>nd</sup> and March 9<sup>th</sup>.

It was moved by Commissioner Clarke, seconded by Commissioner Townsend, and unanimously approved that Commissioner Hansen be excused from the Board meetings of February 22<sup>nd</sup>, March 2<sup>nd</sup> and March 9<sup>th</sup>.

The motion was carried by the following vote:

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

Excused Absence: Commissioner Kawasaki

It was moved by Commissioner Hansen, seconded by Commissioner Townsend, and unanimously approved that Commissioner Kawasaki be excused from the Board meeting of January 19<sup>th</sup>, 2006.

The motion was carried by the following vote:

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

Need to Take Action

It was moved by Commissioner Townsend, seconded by Commissioner Hansen, and unanimously approved that the need to take action on items relating to the Metropolitan Water District of Southern California arose after the posting of the agenda.

The motion was carried by the following vote:

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

REQUEST FOR LETTER TO BE SENT TO METROPOLITAN WATER DISTRICT (MWD)

Commissioner Hansen moved, and Commissioner Townsend seconded that the General Manager send a letter to the Metropolitan Water District (MWD) requesting that the level of bromate at the MWD Jensen Plant be reduced to less than 5.0 immediately, while an assessment is being conducted on the health impacts. This motion was amended by the maker, Commissioner Hansen, to have the Acting President of the Board send the letter rather than the General Manager, and seconded by Commissioner Townsend. The motions passed unanimously by the following vote:

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

CITY OF SAN DIEGO WATER CONSERVATION CALENDAR

Commissioner Hansen advised that she had just received her current City of San Diego Water Conservation calendar for 2006, and remarked on the fact that this calendar accurately reflects her values towards water conservation.

ARTICLE IN CITY'S UTILITY INSERT "THE WAVE"

Commissioner Townsend complimented Matt Lyons, Director of Planning and Conservation on the recent article that appeared in the utility billing insert on the Beautiful Long Beach Landscape Program.

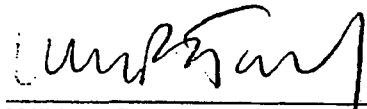
**NEW WATER SAVING IRRIGATION CONTROLLERS**

Mr. Lyons reported on the upcoming landscape classes, and advised that although certain restrictions apply, a free water saving irrigation controller is available to the class attendees.

Mr. Wattier complimented Mr. Lyons on this program, and also reported that these irrigation controllers are also being made available to Water Department employees through a notice they will receive with their paychecks. He advised this same program might be expanded to include other city employees.

**11. ADJOURNMENT**

There being no further business to come before the Board, Acting President Clarke adjourned the meeting at 10:21 a.m. to the next Regular Meeting of the Water Commission to be held on Thursday, February 2, 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, Acting President