

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 3, 2004, AT 1 P.M.

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

Also present:

R. D. Steinke	Executive Director
G. Knatz	Managing Director
G. T. Hein	Executive Secretary
D. A. Thiessen	Chief Harbor Engineer
T. K. Whitesell	Director of Administration
Y. R. Smith	Director of Communications
M. J. Slavin	Director of Finance
D. L. Albrecht	Director of Information Management
K. D. Allen	Director of Maintenance
R. G. Kanter	Director of Planning
K. J. McDermott	Director of Properties
W. C. Ellis	Interim Director of Security
D. B. Snyder	Marketing Manager
D. T. Holzhaus	Principal Deputy City Attorney

PRESIDENT HANCOCK PRESIDED AS CHAIRMAN.

APPROVAL OF MINUTES.

Upon motion by Commissioner Calhoun, seconded by Commissioner Cordero and unanimously carried, the minutes of the regular meeting of April 26, 2004, were declared read and approved as read.

PUBLIC COMMENTS.

Mr. Sam Washington addressed the Board and stated he was here to speak on the contract diversity program and that he would be back next week with more supporters of the program. Additionally, he stated he hoped to be very active in the small business community.

Commissioner Hankla thanked Mr. Washington for his comments and stated the diversity program was one that the Board brought forward on its own because it is good business.

1. I-710 freeway planning presentation by Gateway Cities.

Mr. Dick Powers from Gateway Cities, addressed the Board and stated they are in the eleventh hour of a major corridor study for the I-710 freeway from the Ports to State Route 60 which includes, in addition to infrastructure, issues relative to the environment, air quality, community enhancements, economic development, and jobs in the economy. Additionally, Mr. Powers stated that Gateway Cities COG had assumed responsibility for overall coordination of the engineering for the 18-mile corridor.

Mr. Jerry Wood addressed the Board and gave an update on the new freeway guidelines, which included minimizing right-of-way impacts, improving safety, and public participation. He stated Community Advisory Committees have been formed and they have been very active in the guideline process and some of their input includes a more modern design of the freeway and to have their local interchanges upgraded. Mr. Wood stated at south of the 5 interchange they have been able to reduce the number of housing takes and business impacts as well. Additionally, he stated all the Community Advisory Committees support the hybrid design/locally preferred strategy and the plans have been released for public comment.

Mr. Wood also informed the Board that there are 10 general purpose lanes and four separate dedicated truck lanes which start at the Ports and go directly to the Commerce/Vernon railroads; and the current design is to take the truck lanes directly into the railyards of BNSF and UP. Currently, there are no plans to extend the truck lanes beyond the 5 freeway.

CONSENT CALENDAR – ITEMS NOS. 2-6.

Item No. 4 was removed from Consent Calendar for discussion.

2. MANSON CONSTRUCTION COMPANY – EXECUTIVE DIRECTOR AUTHORIZED TO ISSUE FINAL CHANGE ORDER NO. 4 - RATIFY CHANGE ORDER NO. 3 – ACCEPTANCE OF WORK UNDER SPECIFICATION NO. HD-S2142 FOR THE PIER G WHARF, LANDFILL, AND BACK AREA.

Communication from D. A. Thiessen, Chief Harbor Engineer, dated April 28, 2004, recommending authorization of the issuance of Final Change Order No. 4, in the credit amount of \$1,572,312; ratification of Change Order No. 3, in the credit amount of \$301,394.48, with Manson Construction Company; and acceptance of work as complete as of December 28, 2003, for the Pier G, Berths G232-G235, Wharf, Landfill, and Back Area as described in Specification No. HD-S2142; was presented to the Board. The request was approved by the Acting Executive Director.

3. PARSONS/HNTB JOINT VENTURE - EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE THIRD AMENDMENT TO CONTRACT FOR THE GERALD DESMOND BRIDGE REPLACEMENT PROJECT – DOCUMENT NO. HD-6579C.

Communication from D. A. Thiessen, Chief Harbor Engineer, dated April 28, 2004, requesting approval of an amendment to Contract with Parsons/HNTB Joint Venture, for performing the preliminary engineering and environmental documentation for the Gerald Desmond Bridge Replacement Project, extending the contract to June 30, 2005, was presented to the Board. The request was approved by the Acting Executive Director.

5. SPECIFICATION NO. HD-S2226 - NOTICE INVITING BIDS – PORT OF LONG BEACH SECURITY LIGHTING - APPROVED.

Communication from D. A. Thiessen, Chief Harbor Engineer, dated April 28, 2004, submitting Specification No. HD-S2226 for security and lighting at the Port of Long Beach and requesting authority to advertise for bids for said work, was presented to the Board. The request was approved by the Acting Executive Director.

6. KLEINFELDER, INC. – DOCUMENT NO. HD-6808 - LEIGHTON AND ASSOCIATES, INC. – DOCUMENT NO. HD-6809 - MWH AMERICA, INC. – DOCUMENT NO. HD-6810 - TETRA TECH, INC. - DOCUMENT NO. HD-6811- EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE CONTRACTS FOR REMEDIATION SERVICES WITHIN THE PORT.

Communication from Robert Kanter, Director of Planning, dated April 28, 2004, recommending authorization of the Contracts with Kleinfelder, Inc., Leighton and Associates, Inc., MWH America, Inc., and Tetra Tech, Inc., for remediation services within the Port, all in the amount of \$250,000, was presented to the Board. The recommendation was approved by the Acting Executive Director.

Commissioner Cordero moved, seconded by Commissioner Calhoun that the communications be received and filed and that Items Nos. 2-3 and 5-6 be approved as recommended. Carried by the following vote:

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

4. KIMLEY-HORN AND ASSOCIATES, INC. - EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE CONTRACT FOR PORT INCIDENT MANAGEMENT SYSTEM PROJECT - DOCUMENT NO. HD-6812 - CWO NO 1263, SUPPLEMENT NO. 1 – APPROVED.

Communication from D. A. Thiessen, Chief Harbor Engineer, dated April 28, 2004, recommending authorization of a Contract with Kimley-Horn and Associates, Inc., for Port Incident Management System Project, in the amount of \$400,000, with a contract expiration date of December 31, 2006; and approval of CWO No. 1263,

Supplement No. 1, in the amount of \$2,911,250, was presented to the Board. The recommendation was approved by the Acting Executive Director.

In response to a question by Commissioner Hankla, Mr. Thiessen reviewed the grant award and clarified the Contract and CWO amounts.

Commissioner Hankla moved, seconded by Commissioner Calhoun that the communication be received and filed; that the City Attorney be requested to prepare and the Executive Director be authorized to execute said Contract with Kimley-Horn and Associates, Inc., and that CWO No. 1263, Supplement No. 1, be approved. Carried by the following vote:

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

REGULAR AGENDA.

7. DOTY BROTHERS - ACCEPTANCE OF WORK UNDER SPECIFICATION NO. HD-S2191.

Communication from D. A. Thiessen, Chief Harbor Engineer, dated April 28, 2004, advising that Doty Brothers has satisfactorily completed, as of December 15, 2003, the Cerritos Channel Dike Oil Well Reabandonment at Pier S, Berths S102-S110, as described in Specification No. HD-S2191 and recommending that said work be accepted as complete as of that date, was presented to the Board. The recommendation was approved by the Acting Executive Director.

In response to a request by President Hancock, Mr. Thiessen reviewed the additional costs related to the project.

Commissioner Hankla moved, seconded by Commissioner Topsy-Elvord that the communication be received and filed and that said work by Doty Brothers be accepted as complete as of December 15, 2003. Carried by the following vote:

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

8. FINANCIAL STATEMENTS FOR THE LONG BEACH HARBOR DEPARTMENT FOR SECOND QUARTER ENDED, MARCH 31, 2004 – RECEIVED AND FILED.

Communication from Michael J. Slavin, Director of Finance, dated April 27, 2004, requesting the financial statements for the Long Beach Harbor Department for the

second quarter ended March 31, 2004, be received and filed, was presented to the Board. The financial statements were approved by the Acting Executive Director.

In response to a request by President Hancock, Mr. Slavin reviewed the second quarter financial statements.

Commissioner Topsy-Elvord moved, seconded by Commissioner Calhoun that the communication and financial statements transmitted therewith be received and filed. Carried by the following vote:

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

9. ASSEMBLY BILL 2042 – REQUIREMENT OF PORTS TO ENSURE A ZERO NET AIR POLLUTION INCREASE FOR ALL FUTURE GROWTH - OPPOSE.

Communication from Gustav T. Hein, Executive Secretary, by Geraldine Knatz, dated April 29, 2004, recommending opposing AB2042 as it is currently written and work with the author toward a more prudent and acceptable plan, was presented to the Board. The recommendation was approved by the Acting Executive Director.

In response to a request by President Hancock, Mr. Hein reviewed AB2042 and addressed the concerns regarding the bill. He stated what AB2042 would do is to require the South Coast AQMD to establish a 2001 emissions inventory baseline for the Port of Long Beach and a 2002 baseline for the Port of Los Angeles. The bill would further require the cities of Long Beach and Los Angeles to require the growth at the Ports to be limited or controlled in a manner that prevents air emissions from exceeding the baselines with the compliances beginning March 1, 2006.

Additionally, Mr. Hein stated the bill's language is too vague at this point to be implemented. As landlord ports, we do not regulate or have the authority to regulate these sources. The bill could also limit future growth of infrastructure and cargo volumes. There are jurisdictional issues and the bill singles out the San Pedro Bay Ports and port-related trucking as compared to other trucks.

Mr. Hein informed the Board that although AB2042 sets out some well-intended air quality goals, most have been accomplished by the EPA, CARB, and most importantly, by our Air Quality Improvement Program. He added that Assemblymember Lowenthal is making a floor statement today and he is introducing several amendments to the bill.

Mr. Steinke addressed the Board and added he agreed with the recommended action and that we had worked in the past with Assemblymember Lowenthal on

Rule 1158 to come up with a workable solution. We have seen the benefits of that kind of a process rather than vague legislation, which creates a significant amount of jurisdiction confusion. Additionally, Mr. Steinke commented we have taken good first steps in making sure that as we grow, we grow responsibly.

Ms. Bridget Sramek from Assemblymember Alan Lowenthal's office addressed the Board and stated the Assemblymember is on the floor addressing the concerns brought up by the Port. She addressed the concerns of the Port and stated the Assemblymember looks forward to working with staff on the amendments.

Mr. John DiBernardo from SSA Terminals addressed the Board and stated the Commission has taken positive steps in reducing air emissions through their various programs. He urged the Board to oppose AB2042 as it is currently written.

Ms. Michele Grubbs from Pacific Merchant Shipping Association addressed the Board and stated the bill is vague and will hinder growth at the Port. She asked the Board to oppose AB2042 as it is currently written.

Mr. Roger Holman, a resident of Long Beach addressed the Board and stated his concerns with increasing pollution and he urged the Board to support AB2042.

Commissioner Hankla stated he was not in a position to support AB2042 as it is currently written. He stated he felt not taking a position could risk unintended consequences. Commissioner Hankla hopes to support the bill in the future after careful work and analysis with Assemblymember Lowenthal and other knowledgeable people in the industry.

Commissioner Cordero suggested the Board take no action at this time since there is ongoing discussion and amendments being done, and then study further the bill and amendments, in more detail, with staff and Assemblymember Lowenthal.

Commissioner Topsy-Elvord stated until we receive some clarification in writing on what we can legally do or not do, she is not ready to support AB2042 in the form as it is currently written.

In response to a question by Commissioner Calhoun regarding the Port emission inventory for 2001 that is referenced in the legislation, Dr. Kanter responded that we are unclear where that reference came from. He stated our emission inventory that was just recently completed is a 2002 baseline and it covered the equipment operated within our Port, on terminals, trucks and engines within the Harbor District.

Commissioner Calhoun stated he would support opposing the bill as it is currently written with the understanding we will continue to work with Assemblymember Lowenthal.

President Hancock stated we have a piece of legislation that is on the table and is opposed to it as it is presently being put forth. This recommendation does make a recommendation that we formally oppose AB2042 as it is now written and hopefully work toward a more acceptable piece of legislation.

Commissioner Cordero stated it is his understanding that since the initial writing of the bill there have been two processes when it has been amended. He asked for clarification of the amendment dates.

In response to Commissioner Cordero, Ms. Sramek responded that the bill was initially amended on April 1, 2004, and a second process took place today.

Additionally, Mr. Hein responded that there were several memos sent to the Commissioners regarding the introduction, status, and concerns of the legislation and that staff had, up to this point, not asked the Board to take a formal position.

Commissioner Calhoun moved, seconded by Commissioner Hankla that the communication be received and filed; that the Board of Harbor Commissioners oppose AB2042 as it is currently written and work with the author toward a more prudent and acceptable plan. Carried by the following vote:

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

10. Laid over.

11. **PETRO-DIAMOND TERMINAL COMPANY – LEASE FOR THE LIQUID BULK TERMINAL ON PIER B. FIRST READING OF ORDINANCE.**

Communication from Kathryn McDermott, Director of Properties, dated April 28, 2004, requesting approval of a Lease with Petro-Diamond Terminal Company, for a liquid bulk terminal on Pier B, expiring September 20, 2022, was presented to the Board together with the authorizing ordinance therefore. The request was approved by the Acting Executive Director.

Commissioner Calhoun moved, seconded by Commissioner Cordero 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 LEASE BETWEEN THE CITY OF LONG BEACH, ACTING BY AND THROUGH ITS BOARD OF HARBOR COMMISSIONES, AND PETRO-DIAMOND 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:	Cordero,Hankla,Topsy-Elvord,Calhoun, Hancock
NOES:	"	None
ABSENT:	"	None

12. ULTRAMAR, INC. – CONSENT TO SUBLEASE – ASSIGNMENT OF SUBLEASE AND SECOND AMENDMENT TO LEASE FOR THE PIER G COKE SHED – FIRST READING OF ORDINANCE.

Communication from Kathryn McDermott, Director of Properties, dated April 28, 2004, recommending approval of the Consent to Sublease, Assignment of Sublease, and Second Amendment to Lease with Ultramar, Inc., for the construction of a new Coke Shed on Pier G, was presented to the Board together with the authorizing ordinance therefore. The recommendation was approved by the Acting Executive Director.

Commissioner Calhoun moved, seconded by Commissioner Topsy-Elvord 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 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CONSENT TO SUBLEASE BY ULTRAMAR, INC., TO OXBOW CARBON & MINERAL HOLDINGS, INC., ASSIGNMENT BY OXBOW CARBON & MINERAL HOLDINGS, INC., TO AND ASSUMPTION BY OXBOW CARBON & MINERALS LLC OF THE RIGHTS AND OBLIGATIONS OF OXBOW CARBON & MINERAL HOLDINGS, INC., UNDER THE SUBLEASE BETWEEN ULTRAMAR, INC., AND OXBOW CARBON & MINERALS HOLDINGS, INC., CONSENT TO SUCH ASSIGNMENT AND ASSUMPTION, AND SECOND AMENDMENT TO LEASE BETWEEN THE CITY OF LONG BEACH, ACTING BY AND THROUGH ITS BOARD OF HARBOR COMMISSIONERS, AND ULTRAMAR, INC., 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:	Cordero,Hankla,Topsy-Elvord,Calhoun, Hancock
NOES:	"	None
ABSENT:	"	None

ADJOURNED.

At 2:45 p.m., Commissioner Hankla moved, seconded by Commissioner Calhoun that the meeting be adjourned sine die. Carried by the following vote:

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

CITY PLANNING COMMISSION MINUTES**April 1, 2004**

The regular meeting of the City Planning Commission convened Thursday, April 1 at 1:41 pm in the City Council Chambers, 333 W. Ocean Boulevard.

PRESENT: COMMISSIONERS: Charles Greenberg, Lynn Moyer, Morton Stuhlbarg, Charles Winn

ABSENT: COMMISSIONERS: Matthew Jenkins, Nick Sramek

CHAIRMAN: Charles Greenberg

STAFF MEMBERS PRESENT: Fady Mattar, Acting Director
Greg Carpenter, Zoning Officer
Angela Reynolds, Advance Planning Officer
Carolyn Bihn, Planner V
Craig Chalfant, Planner III
Heidi Eidson, Minutes Clerk

OTHERS PRESENT: Mike Mais, Assistant City Attorney

PLEDGE OF ALLEGIANCE

Greg Carpenter led the pledge of allegiance.

SWEARING OF WITNESSES**CONSENT CALENDAR**

Item 1 was approved as presented by staff on a motion by Commissioner Winn, seconded by Commissioner Stuhlbarg and passed 4-0. Commissioners Jenkins and Sramek were absent.

1. Case 0401-18, Tentative Parcel Map, CE 04-12

Applicant: Thomas T. Yuge, Cetech Engineering
Subject Site: 6900 Atlantic Avenue
Description: Request for approval of Tentative Parcel Map No. 60525 for the purpose of subdividing an R-1-N property into three lots.

Approved Tentative Parcel Map, subject to conditions.

REGULAR AGENDA

2. Case No. 0303-02, Modification to an approved Site Plan Review, ND 22-03

Applicant: Tom Garlock, Intracorp
Subject Site: 25 S. Chestnut
Description: Modification to a previously approved permit (Site Plan Review, Tentative Map and Local Coastal Development Permit) for construction of two high-rise condominium towers totaling 246 units and a four level semi-subterranean parking garage totaling 763 spaces.

Craig Chalfant presented the staff report recommending approval of the modification for a previously approved permit for two high-rise condominium towers. The modification involved reversing the allocation of units in each tower.

In response to a query from Commissioner Winn, applicant Peter Launter, representing Intracorp, remarked that the core of the building above 240' gets larger according to the tower's seismic design.

Margo Kennedy, 360 W. Ocean Boulevard, asked when the construction of the project would begin. The applicant responded that construction was scheduled to start September of 2004.

Commissioner Winn made a motion to approve the modification of the Site Plan Review, Tentative Map and Local Coastal Development Permit application. Commissioner Stuhlbarg seconded the motion which passed 4-0. Commissioners Jenkins and Sramek were absent.

MATTERS FROM THE AUDIENCE

There were no matters from the audience.

MATTERS FROM THE DEPARTMENT OF PLANNING AND BUILDING

Fady Mattar reported that the City Council recently approved the amendment to the General Plan Open Space Recreational Element, the Java Lanes condominium project, four historic landmarks and the second reading of the self-storage ordinance.

Angela Reynolds reported that 3 appeals were received with regards to the approval of the Oil Operators Environmental Impact Report. Access, safety and the storage of hazardous materials were cited as reasons for the appeals.

Greg Carpenter reported that the project at Bluff Place had been appealed and would go to City Council for resolution.

Mr. Carpenter also introduced Vickie Becker, a new Planner within the department.

MATTERS FROM THE PLANNING COMMISSION

There were no matters from the Planning Commission.

ADJOURN

The meeting adjourned at 2:04 pm.

Respectfully submitted,

Heidi Eidson
Minutes Clerk

**MINUTES
REGULAR MEETING OF THE BOARD OF WATER COMMISSIONERS
LONG BEACH, CA
APRIL 15, 2004**

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 15, 2004.

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

<p>PRESENT: Bennett A. Long Helen Z. Hansen Frank Clarke C.J. Mike Walter Donna F. Gwin Kevin L. Wattier Lynnette L. French</p> <p>John R. Kruse Kenneth A. Walker K. Eric Leung Robert C. Cheng Robert Villanueva Carolyn A. Hill</p>	<p>Commissioner Commissioner Commissioner Commissioner Deputy City Attorney General Manager Secretary to the Board of Water Commissioners Deputy General Manager Manager, Administration Manager, Engineering Manager, Water Quality & Process Division Engineer Senior Secretary</p>
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<p>ABSENT: Stephen T. Conley</p>	<p>Commissioner (Excused)</p>
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1. PLEDGE OF ALLEGIANCE

Eric Leung, Manager, Engineering, led the Board and audience in the Pledge of Allegiance.

2. APPROVAL OF MINUTES

March 31, 2004

Upon motion by Commissioner Walter, seconded by Commissioner Clarke, and unanimously carried, the Minutes of the Regular Meeting of March 31, 2004, were approved.

3. PUBLIC COMMENT

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

4. PRESIDENT'S REPORT

- **Bennett A. Long, President, Board of Water Commissioners**

Appointment of Acting Secretary

President Long appointed Commissioner Clarke as Acting Secretary for today's Board meeting.

National Organization for the Professional Advancement of Black Chemists and Chemical Engineers (NOBCChE)

President Long, on behalf of the Board of Water Commissioners, congratulated Board of Water Commissioner Frank Clarke and Faye Clarke for the recognition they will receive as honorees during the NOBCChE dinner on Sunday, May 2nd, themed "In Pursuit of Excellence in Science and Technology in Our Community". President Long noted that the organization is recognizing Commissioner and Mrs. Clarke as founders of Educate the Children, a nonprofit organization whose mission is to provide books, school supplies, and technology to community schools.

Aquarium of the Pacific (AOP)

President Long reported that the AOP has invited the Long Beach Water Department (LBWD) to join a panel tasked with the goal of assessing ways to refurbish the fountain in front of the Aquarium. The revitalized fountain will be an important part of a new urban waterfront park.

Board Meeting Schedule

President Long announced that a joint Board meeting is being planned which will include the City of Long Beach Board of Water Commissioners and the Boards of Directors from the Central Basin Municipal Water District and the West Basin Municipal Water District. The LBWD will host the meeting and provide a tour of the Groundwater Treatment Plant and seawater desalination pilot plant. Confirmation of the day and time is expected in the near future.

5. METROPOLITAN WATER DISTRICT (MWD) AGENDA ITEMS AND RECOMMENDATIONS FOR THE APRIL 13, 2004, BOARD MEETING

- **Helen Z. Hansen, Director**

Commissioner Hansen, in her capacity as the City of Long Beach MWD Director, summarized the MWD Board of Directors' meeting on April 13, 2004, as follows:

Defense Department Environmental Liability

The Board formally opposed the Department of Defense's (DOD) current efforts to exempt all military bases and defense contractors from existing federal laws on the release and cleanup of environmental hazards such as perchlorate contamination that has tainted numerous Southern California surface water and groundwater resources and has been linked to Defense Department activities and contractors. Sought through the Defense Department's Readiness and Range Preservation Initiative, the proposed exemptions could strip state and federal environmental regulators of any authority to enforce cleanup of certain contaminants, such as perchlorate, until the pollution migrated off military bases. A similar DOD effort last year was dropped amid enormous opposition.

Senate Bill 1720

The Board voted, with one abstention, to oppose State Senate Bill 1720 (Alarcon). A staff analysis concluded that the bill would establish restrictions on contracting out at a time when Metropolitan, under the Board's direction, has successfully reached out to small businesses throughout the region, including women- and minority-owned businesses. The Chief Executive Officer (CEO) also noted that the bill would have no ratepayer benefits, would be contrary to the principle of local control and would limit the Board's discretion to have an appropriate mix of forces that has resulted in a stable workforce, low attrition and no layoffs. As introduced, the bill would also set up a civil service system for most Metropolitan employees. Following concerns expressed by MWD workers, it appears that the civil service provisions may be amended out of the bill.

Environmental Water Account

The Board authorized the CEO to enter into a one-year Environmental Water Account (EWA) agreement with the Department of Water Resources (DWR). The agreement will allow the DWR to reschedule up to 100,000 acre-feet of State Water Project deliveries to a less environmentally sensitive time of the year. Under the CALFED Record of Decision, an agreement of this size is needed if the EWA is to be considered "operational." The DWR would pay Metropolitan \$5 per acre-foot up front for the option to reschedule Metropolitan deliveries and pay an additional \$25 per acre-foot for water actually rescheduled by Metropolitan. This is similar to an agreement entered into with the DWR in 2003. Agreements were also made in 2002 and 2001.

New Director

Movie producer Robert Simonds was seated on Metropolitan's 37-member Board, becoming one of four directors representing the City of Los Angeles. He succeeds Bonny L. Herman who had served on the MWD Board since April 1995. Mr. Simonds also serves on the Foundation for the Center for Water Education which was created by Metropolitan's Board in October 2001 as a non-profit organization to foster the construction and development of the center at Diamond Valley Lake.

Board Actions

In other action, the MWD Board of Directors voted to:

- Appropriate \$2 million for designing chlorine upgrades at the Mills and Jensen filtration plants.
- Authorize \$5.6 million for four Capital Investment Projects involving information technology upgrades, the majority of which will be used to enhance the ability to recover and restore systems in the event of a disaster.
 - Appropriate \$900,000 to authorize preliminary design of Solids Handling facilities at the Jensen Filtration Plant, and to authorize change orders for the solid handling facilities project at the Skinner Filtration Plant.
 - Credit \$11.15 million to the Los Angeles Department of Water and Power for a billing error on a water meter near the Foothill Feeder.

6. GENERAL MANAGER'S REPORT

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

Long Beach Management Association (LBMA)

Mr. Wattier reported that on March 30, 2004, the LBMA, a bargaining unit made up of City managers, conducted a ratification election on a tentative agreement with the City of Long Beach. The agreement was passed by a 90% favorable vote.

Conjunctive Use Project

In March 2000, California voters approved Proposition 13, a \$1.97 billion water bond. Subsequently, the State allocated approximately \$45 million of the bond proceeds to the MWD for the purpose of issuing grants for conjunctive use projects to MWD member agencies. One of the projects the MWD approved for funding was the Long Beach Conjunctive Use Project for nearly \$4.5 million. Parties to the Agreement included the Central Basin Municipal Water District, the City of Compton, the City of Long Beach, the City of Torrance, and the West Basin Municipal Water District. The project involves the construction of two new wells capable of both injecting water into and extracting water from the groundwater basin and converting two existing extraction wells into injection/extraction wells.

In December 2003, following the initial allocation of Proposition 13 funds, the MWD invited its member agencies to apply for the remaining funding, \$3.8 million. In January 2004, the LBWD, in cooperation with the City of Lakewood, submitted a proposal to expand the existing Long Beach Conjunctive Use project.

On April 8th, the City of Compton and the LBWD were notified that each agency received partial funding for their conjunctive use projects. As the two conjunctive use projects will cost in excess of \$6 million, the LBWD will work with the City of Compton in a collaborative effort to bridge the funding gap for the conjunctive use projects and to best serve the interests of the region.

Long Beach Chamber of Commerce

On Wednesday, March 14th, Mr. Wattier was invited to speak to the audience gathered for the Chamber's Good Morning Long Beach program on the subject of the LBWD's water supply portfolio. Mr. Wattier reported that approximately 100 community and business leaders were in attendance.

7. LEGAL COUNSEL REPORT

- Donna F. Gwin, Deputy City Attorney

No report was given.

8. CONSENT CALENDAR

8a. Approval of Transfer of Funds by Journal Entry Dated April 15, 2004

Transfers No. 129 through No. 141 in the total amount of \$527,446.41 covering the Water and Sewer Revenue Funds, were submitted to the Board for approval.

8b. Authorize the President and Secretary to Sign the First Amendment to Agreement WD-2501 with Camp Dresser & McKee, Inc., for the Long Beach Conjunctive Use Project Phase 1 - Part 2A

A communication was presented to the Board from Diem Vuong which is on file at the Long Beach Water Department.

Action Requested:

- That the Board authorize the President and Secretary to sign the First Amendment to Agreement WD-2501 with Camp Dresser & McKee, Inc., for the Long Beach Conjunctive Use Phase 1 – Part 2A, to extend the term of the Agreement to December 31, 2004.

This amendment does not increase the fee.

It was moved by Commissioner Walter and seconded by Commissioner Clarke that the Board approve Consent Calendar Items 8a-8b. The motion was carried by the following vote:

AYES:	COMMISSIONERS:	<u>BENNETT LONG, HELEN HANSEN,</u> <u>FRANK CLARKE, C.J. MIKE WALTER,</u>
NOES:	COMMISSIONERS:	<u>NONE</u>
ABSENT:	COMMISSIONERS:	<u>STEPHEN CONLEY</u>
ABSTAIN:	COMMISSIONERS:	<u>NONE</u>

9. LEGISLATIVE ISSUES/ACTIONS/BILLS

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

Mr. Wattier provided a summary of federal and state legislation that is being monitored by the Water Department. He noted that Senate Bill 1251 (Morrow), Diamond Valley Lake, is of particular interest and stated that the measure would be addressed under "New Business."

10. REVIEW OF FISCAL YEAR 2004-2005 BUDGET – PERSONAL SERVICES

- **John R. Kruse, Deputy General Manager**

By way of introduction, Mr. Kruse explained that this is the first in a series of workshops that are scheduled prior to the Board's approval of the Fiscal Year 2004-2005 (FY 04-05) annual budget. He then provided an overview of the labor and personal services portion of the proposed FY 04-05 budget, explaining that the personal services component of the budget represents approximately 23% of the Water Department's total expenditures. He reviewed staffing levels in 2003 and 2004, and provided a summary of proposed reductions in 2005, noting that the Water Department will still face increasing personnel costs due to rising health insurance costs, rising workers' compensation costs, and increasing employee benefits costs.

11. NEW BUSINESS

Excused Absence – Commissioner Walter

It was moved by Commissioner Hansen, seconded by Commissioner Clarke, and unanimously carried, that Commissioner Walter be excused from the Committee of the Whole Meeting on Thursday, April 29, 2004.

Excused Absence – Commissioner Long

It was moved by Commissioner Hansen, seconded by Commissioner Walter, and unanimously carried, that Commissioner Long be excused from the Committee of the

Whole Meeting on Thursday, May 13, 2004, and the Regular Board Meeting of Thursday, May 20, 2004.

Amendment to the Agenda – Senate Bill 1251 (Morrow)

President Long reported that it has just been brought to the Board's attention that Senator Morrow is proposing amending legislation, SB 1251, that would permit body contact recreation at Diamond Valley Lake (DVL) under specified circumstances. The DVL is one of the most important components within the storage system of the MWD and is critical to the region's water supply reliability. In February 1997, the MWD Board took a position against body contact on DVL and has asked its member agencies to join them in opposing this legislation. The bill is set for hearing in the Senate Environmental Quality Committee on Monday, April 19, at 1:30 p.m.

It was moved by Commissioner Walter, seconded by Commissioner Hansen, and unanimously carried, that the need to take action relative to Senate Bill 1251 (Morrow), Body Contact at Diamond Valley Lake, arose after the posting of the April 15, 2004, Board Meeting Agenda.

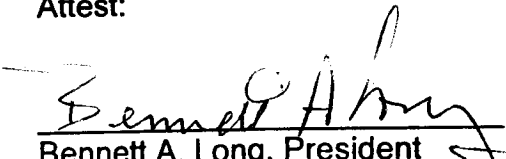
It was moved by Commissioner Hansen, seconded by Commissioner Walter, and unanimously carried, that the Board adopt an oppose position to Senate Bill 1251, and communicate this position to legislators.

12. ADJOURNMENT

There being no further business to come before the Board, it was moved by Commissioner Walter, seconded by Commissioner Clarke, and unanimously carried, that the meeting be adjourned at 10:50 a.m. to the next Regular Meeting of the Water Commission to be held on Thursday, May 6, 2004, at 9:15 a.m., in the Board Room of the Administration Building, 1800 E. Wardlow Road, in Long Beach, California.


Frank Clarke, Acting Secretary

Attest:


Bennett A. Long, President