

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 28, 2004, AT 1 P.M.

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

Also present:

- G. Knatz Managing Director
D. F. Wylie Managing Director
S. B. Rubin 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
J. A. Urrutia Assistant Director of Finance
D. L. Albrecht Director of Information Management
W. D. Bower Assistant Director of Maintenance
T. D. Johnson Assistant Director of Planning
K. J. McDermott Director of Properties
W. C. Ellis Interim Director of Security
J. A. Morgan Manager of Maritime Services
D. T. Holzhaus Principal Deputy City Attorney

PRESIDENT HANCOCK PRESIDED AS CHAIRMAN.

APPROVAL OF MINUTES.

Upon motion by Commissioner Topsy-Elvord, seconded by Commissioner Hankla and unanimously carried, the minutes of the regular meeting of June 21, 2004, were declared read and approved as read.

SERVICE PIN RECOGNITION.

The following were presented to the Board in recognition of their service to the City:

Armando Boyd Senior Survey Technician 15 years
Alex Reus Civil Engineer 15 years

President Hancock congratulated the service pin recipients on their years of service.

**PUBLIC COMMENTS.**

Mr. Don May addressed the Board and stated he appreciates the efforts of the Commission and staff in moving forward to reduce air pollution within the Port.

**CONSENT CALENDAR – ITEMS NOS. 1-7.**

1. **CWO NO. 1199, SUPPLEMENT NO. 6 – FOR PIER A TOE DRAIN WATER TREATMENT SYSTEM AND A BUDGET REVISION - APPROVED.**

Communication from D. A. Thiessen, Chief Harbor Engineer, dated June 23, 2004, requesting approval of CWO No. 1199, Supplement No. 6, for Pier A Toe Drain Water Treatment System, in the amount of \$680,000, and a budget revision was presented to the Board. The request was approved by the Executive Director.

2. **QUALITY FENCE COMPANY, INC. – EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE, UPON SATISFACTION OF CERTAIN CONDITIONS BY CONTRACTOR, CONTRACT FOR PROVIDING AND INSTALLING FENCING MATERIAL UNDER SPECIFICATION NO. HD-S2252 – CITY ATTORNEY REQUESTED TO PREPARE CONTRACT – DOCUMENT NO. HD-6830.**

Communication from D. A. Thiessen, Chief Harbor Engineer, dated June 23, 2004, requesting conditional authorization of a Contract with Quality Fence Company, Inc., for providing and installing fencing material under Specification No. HD-S2252, in the amount of \$345,430, was presented to the Board. The request was approved by the Executive Director.

3. **SPECIFICATION NO. HD-S2249 - APPROVED AND NOTICE INVITING BIDS AUTHORIZED – SECTOR LIGHT TOWERS AT PIER B AND PIER F.**

Communication from D. A. Thiessen, Chief Harbor Engineer, dated June 23, 2004, submitting Specification No. HD-S2249 for sector light towers at Pier B and Pier F and requesting authority to advertise for bids for said work, was presented to the Board. The request was approved by the Executive Director.

4. **SPECIFICATION NO. HD-S2256 - APPROVED AND NOTICE INVITING BIDS AUTHORIZED – RENTAL OF CONSTRUCTION EQUIPMENT AND OTHER RELATED SERVICES.**

Communication from D. A. Thiessen, Chief Harbor Engineer, dated June 23, 2004, submitting Specification No. HD-S2256 for rental of construction equipment and other related services 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.

Communication from Robert Kanter, Director of Planning, by Thomas Johnson, dated June 23, 2004, requesting that the following Level I Harbor Development Permits be received and filed:

HDP #04-052	Pacific Container Terminal – UST Removal
HDP #04-060	SSA Marine – Pier A, Crane Offloading
HDP #04-061	Tidelands Oil Production Company – Gas Engine Replacement
HDP #04-063	World Oil – UST Removal

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

6. FINANCIAL STATEMENTS FOR THE LONG BEACH HARBOR DEPARTMENT FOR THE MONTH ENDED MAY 31, 2004.

Communication from Michael J. Slavin, Director of Finance, dated June 23, 2004, transmitting financial statements for the Long Beach Harbor Department for the month ended May 31, 2004, was presented to the Board. The financial statements were approved by the Executive Director.

7. HYATT REGENCY LONG BEACH - EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE FIRST AMENDMENT TO CONTRACT FOR INCREASING THE ROOM BLOCK FOR AMERICAN ASSOCIATION OF PORT AUTHORITIES CONFERENCE – DOCUMENT NO. HD-6461A.

Communication from Yvonne Smith, Director of Communications, dated June 23, 2004, requesting approval of an amendment to Contract with Hyatt Regency Long Beach, for increasing the room block for the American Association of Port Authorities Conference, was presented to the Board. The request was approved by the Executive Director.

Commissioner Cordero moved, seconded by Commissioner Topsy-Elvord that the communications be received and filed and that Items Nos. 1-7 be approved as recommended. Carried by the following vote:

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

REGULAR AGENDA.

8. KOCH CARBON LLC - EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE THIRD AMENDMENT TO LEASE AND PREFERENTIAL ASSIGNMENT AGREEMENT – FIRST READING OF ORDINANCE.

Communication from Kathryn McDermott, Director of Properties, dated June 23, 2004, recommending approval of the Third Amendment to Lease and Preferential Assignment Agreement with Koch Carbon LLC, on Pier F, Berths 210-211, was presented to the Board together with the authorizing ordinance therefore. The recommendation was approved by the 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 COMMISSIONERS OF THE CITY OF LONG BEACH AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A THIRD AMENDMENT TO LEASE AND PREFERENTIAL ASSIGNMENT AGREEMENT BETWEEN THE CITY OF LONG BEACH, ACTING BY AND THROUGH ITS BOARD OF HARBOR COMMISSIONERS, AND KOCH CARBON, LLC 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

9. PORT OF LONG BEACH TARIFF NO. 4 – AIR EMISSION REDUCTION REQUIREMENTS – ORDINANCE NO. HD-1916.

Ordinance entitled, "AN ORDINANCE OF THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH AMENDING ORDINANCE NO. HD-1357, DESIGNATED TARIFF NO. 4, BY ADDING ITEM NO. 758," was presented to the Board for its second and final reading.

Commissioner Topsy-Elvord moved, seconded by Commissioner Calhoun that the ordinance be declared read for the second time and adopted as read. Carried by the following vote:

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

ADJOURNED.

At 1:45 p.m., Commissioner Cordero moved, seconded by Commissioner Hankla that the meeting be adjourned sine die. Carried by the following vote:

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

**C I T Y   P L A N N I N G   C O M M I S S I O N   M I N U T E S****J U N E   3,   2 0 0 4**

The regular meeting of the City Planning Commission convened Thursday, June 3, 2004, at 1:31pm in the City Council Chambers, 333 W. Ocean Boulevard.

**PRESENT: COMMISSIONERS:** Charles Greenberg, Nick Sramek, Charles Winn, Matthew Jenkins

**ABSENT: COMMISSIONERS:** Lynn Moyer, Morton Stuhlberg

**CHAIRMAN:** Charles Greenberg

**STAFF MEMBERS PRESENT:** Fady Mattar, Acting Director  
Greg Carpenter, Zoning Officer  
Angela Reynolds, Advance Planning  
Harold Simkins, Senior Planner

**OTHERS PRESENT:** Mike Mais, Assistant City Attorney  
Dave Roseman, City Traffic Engineer  
Marcia Gold, Minutes Clerk

**P L E D G E   O F   A L L E G I A N C E**

Commissioner Winn led the pledge of allegiance.

**M I N U T E S**

The minutes of May 6, 2004 were approved on a motion by Commissioner Sramek, seconded by Commissioner Winn and passed 4-0. Commissioners Moyer and Stuhlberg were absent.

**S W E A R I N G   O F   W I T N E S S E S****C O N S E N T   C A L E N D A R**

The Consent Calendar was approved as presented by staff on a motion by Commissioner Winn, seconded by Commissioner Jenkins, and passed 4-0. Commissioners Moyer and Stuhlberg were absent.

**1A. Case No. 0401-09, Standards Variance, CE 04-06**

Applicant: Charles Belak-Berger  
Subject Site: 56 La Linda Drive (Council District 8)

Description: Standards Variance for construction of a two-story single-family residence with an attached two-car garage.

Approved the applicant's request for an extended continuation, not to exceed a six-month period (to be returned to the Commission no later than the December 2, 2004 meeting).

**1B. Case No. 0310-07, CE 03-188**

Applicant: William Kosin  
Subject Site: 1470 Pine Avenue (Council District 1)  
Description: Appeal of the Zoning Administrator's decision to conditionally approve a Standards Variance for fence height and carport setback.

Continued the item to the June 17, 2004 meeting.

**1C. Expansion of Historic District**

Applicant: City of Long Beach  
Fady Mattar, Acting Director, Planning and Building  
Subject Site: Drake Park/Willmore City Historic Dist. (Council District 1)  
Description: Minor boundary expansion of the Drake Park/Willmore City Historic District.

Recommended that the Long Beach City Council adopt an ordinance expanding the boundary of the Drake Park/Willmore City Long Beach Historic Landmark District.

**C O N T I N U E D I T E M S**

**2. Case No. 0208-18, Amendment to the Land Use Element of the General Plan; Amendments to the Alamitos Land Planned Development District (PD-17); Site Plan Review; Vesting Tentative Tract Map; EIR 35-01**

Applicant: Frawn Granados, Le Plastrier Management Company, Inc.  
Subject Site: 2080 Obispo Avenue (Council Dist. 4)  
Description: Amendment to the Land Use Element of the General Plan, Amendment to the Alamitos Land Planned Development District (PD-17), Site Plan Review, and approval of Vesting Tentative Tract Map No. 52702 to allow a 106-unit single family residential development.

Harold Simkins presented the staff report recommending approval of the request, since the proposed project would be appropriate for the location given the development pattern of the surrounding properties and future development of a school on the adjacent property; and because the tract map is consistent with the General Plan, Zoning designations and Subdivision Regulations, and since positive findings could be made in support of the Site Plan Review, given the internal design of the neighborhood, large common open space and variety of housing styles.

Commissioner Winn expressed concern that allowing a left turn onto 20<sup>th</sup> Street could create severe safety issues, when it had been disallowed in an earlier version of the project.

Chairman Greenberg asked if language on the ending time of required remediation could be changed from 'as soon as possible' to immediately.' Angela Reynolds said that the change would be made.

Mr. Greenberg also asked if future oil operations on the land would be bound by the stringent well maintenance conditions in the EIR, and suggested that closing a traffic lane during this maintenance would be unsafe. Mr. Greenberg also asked about the distinction between noise levels in oil pumps that would trigger requirements for a sound barrier and larger setbacks, which he thought were safety-based.

Robert Bailen, LSAS Associations, 20 Executive Park, Suite 200, Irvine, stated that smaller pumps made far less noise than larger ones.

Fady Mattar added that the Fire Department, not the Department of Planning, required larger setbacks based on the size of the well, restrictions on the size of the oil pool, and fire ratings based on the size of the walls and use of sprinklers.

In response to a query from Chairman Greenberg regarding idle wells, Mr. Mattar noted that idle wells did have to be capped, but since the State was slow to enforce this rule due to lack of personnel, the City would keep all mitigation measures in place until a well was safety capped and abandoned.

Dave Roseman, City Traffic Engineer, responded to Commissioner Winn's concern about the left turn onto 20<sup>th</sup> Street by noting that a left-turn pocket would be added there. Mr. Roseman noted



that there had been no left-turn accidents at the location, and that the decision to change the configuration at the intersection had to do with primary site access and the proposed widening of Redondo to add the left-turn pocket.

Jeff Le Plastrier, Le Plastrier Management Company, Inc. 19800 MacArthur Blvd., Irvine, acknowledged that this was the last piece of the Alamitos land grant to be disposed of by the Bixby family, and that his company had realized that residential would be the best use given the anomalies of the site. Mr. Le Plastrier said he thought the project reflected the City's housing needs while being compatible with adjacent uses and addressing the Inglewood fault running across a corner, and existing oil production on site.

Mr. Le Plastrier also asked that small changes be made to the language in conditions addressing the size of the sidewalk and the recording of well operation requirements to run with the land.

In response to a query from Chairman Greenberg, Mr. Le Plastrier stated that the site was a secondary recovery field with only one deep well, and that no further consolidation was possible, since many of the wells had already been abandoned.

Commissioner Winn said he thought this was a great project, and he was delighted to have more quality housing and another school.

Commissioner Winn then moved to certify Environmental Impact Report 35-01, to adopt the amended overriding considerations; and to recommend that the City Council approve amendments to the Land Use Element and Alamitos Land Planned Development Plan (PD-17), and to approve the Tentative Tract Map No. 52702 and Site Plan Review, subject to revised conditions of approval.

Commissioner Sramek echoed Mr. Winn's sentiments, and seconded the motion.

Commissioner Jenkins agreed this was a great addition to new developments in the area.

Chairman Greenberg expressed appreciation for the planning that had gone into this project, which he felt was one of the few housing opportunities left in the City.

The question was called, and the motion passed 4-0.  
Commissioners Moyer and Stuhlbarg were absent.

### **3. Historic District Designation**

Applicant: Catherine Morley, Board of Directors,  
Bluff Heights Neighborhood Association  
Subject Site: The area generally bounded by Redondo  
Avenue, Broadway, 4<sup>th</sup> Street and Junipero  
Avenue (Council Dists. 2 & 3)  
Description: Historic Landmark District Designation -  
Bluff Heights Neighborhood Association.

Harold Simkins presented the staff report recommending approval of the request since the area possessed the required criteria for historical designation, including significant character, and the possibility to preserve distinctive architectural styles, and because the proposal seemed to enjoy a high level of support.

Catherine Morley, Board Member, Bluff Heights Neighborhood Association, applicant, outlined the history of the historical designation process, and their outreach efforts to the neighborhood, which included three years of hand-delivered quarterly newsletters and many Board meetings and community events to explain the idea.

Daphne Dodge, 2820 E. Colorado Street, area resident, said that she and many of her neighbors never received any notice about the process, and that she did not understand all the ramifications of living in such a district, including what kind of changes they could or couldn't do to their own home.

Gary Silva, 5312 E. Hanberry Street, property owner in the area, echoed Ms. Dodge's concerns about lack of notice, and said he was concerned about government control over the alteration of homes. Mr. Silva remarked that if more information on the impacts and costs of this designation was given to residents, most would be in favor of this.

Catherine Gregory, 56 Sicilian Walk, area property owner, said she hadn't received any information before the City notice went out, and that she didn't understand what kind of limitations would be put on homeowners.

Beverly Bickel, 265 Orizaba, area neighbor, said she had voted against the historical designation due to her concern about

having another layer of government regulation. Ms. Bickel noted that according to the map, many buildings were not unique, and that the mixed nature of the area's homes would water down the concept of an historical designation.

Suzanne Ridley, 3102 Vista Street, spoke in favor of the designation, agreeing that the area was a charming mix of different styles, but that this would maintain discipline among all residents to keep their homes consistent.

Xenia Izzo, 616 W. 4<sup>th</sup> Street, spoke in favor of the designation, and said she understood the fear of government intrusion, but that this designation would help keep the charm of the area intact.

Christine Votava, 2846 Vista Street, also spoke in support of the historical designation, noting that it would protect the quality of life and architectural styles, while inspiring creativity in remodeling.

Janice Thim-Pederson, 340 Gladys, also spoke in support of the designation, saying it would prevent incompatible buildings and add to the charm of the area.

Demetra Monios, 322 Coronado Avenue, agreed with Ms. Thim-Pederson, and said she had received the Board newsletters.

Carl Danson, 260 Lindero Avenue, area property owner, said he was ambivalent about the designation, but that he did support remodeling in an historical context. Mr. Danson said he would support the idea if the review process was sensitive to community needs and clearly explained.

Pastor Latife Marcos, Christian Church pastor, Orizaba and 3<sup>rd</sup> Street, spoke against the designation, citing fears of high repair costs and restrictions on use of paint colors. Pastor Marcos said his congregation was against the idea.

Eman Tawfik, 3000 E. 3<sup>rd</sup> Street, also spoke against the historical designation, saying she felt it would be unfair to property owners, who she thought took good enough care of their homes to maintain the quality of the neighborhood.

Carl Herringer, 239 Orizaba, voiced support for the designation, which he felt would protect everyone.

Maria McDonald, Daisy Avenue property owner, said she was surrounded by rundown homes and buildings with no historical significance, which she felt should be demolished.

Catherine Morley, applicant, said that in addition to the hand-delivered newsletters, they had mailed three notices to homeowners, inviting them to meet for a detailed discussion of the issue to alleviate their concerns.

Commissioner Winn said that he understood the confusion, but that an historical designation would actually increase property values and preserve the quality of life while preventing eyesores from being constructed.

Commissioner Winn moved to recommend that the City Council adopt an ordinance designating the Bluff Heights Historic District.

Commissioner Sramek added that the designation would enhance, not restrict building and remodeling in the area.

Commissioner Sramek then seconded the motion.

Commissioner Jenkins encouraged the speakers to learn as much as they could about the process, and reassured them that there was not as much scrutiny as they feared.

Chairman Greenberg noted that most of the speakers were more concerned about the lack of information and notification than about government restrictions on their properties. Mr. Greenberg added that he was troubled that so many people did not have adequate opportunity to understand the issue, but that it seemed that the majority of residents who understood the issue supported it, and he was not willing to stall the Association's hard won efforts. Mr. Greenberg said that the noticing process needed to be examined further.

The question was called and the motion passed 4-0.  
Commissioners Moyer and Stuhlberg were absent.

#### **M A T T E R S   F R O M   T H E   A U D I E N C E**

There were no matters from the audience.

**M A T T E R S   F R O M   T H E   D E P A R T M E N T   O F  
P L A N N I N G   A N D   B U I L D I N G**

Mr. Carpenter stated that 12 candidates for Historic Preservation Officer were being interviewed.

It was also announced that Harold Simkins and his wife Mary Ann were retiring after many years of devoted service.

**M A T T E R S   F R O M   T H E   P L A N N I N G  
C O M M I S S I O N**

The Commissioners all lauded Mr. Simkins for his years of service, adding that he was a rock of dependability and knowledge, and that he would be sorely missed.

**A D J O U R N**

The meeting adjourned at 3:25pm.

Respectfully submitted,

Marcia Gold  
Minutes Clerk

RECEIVED  
CITY CLERK  
LONG BEACH, CALIF.

MINUTES  
REGULAR MEETING OF THE BOARD OF WATER COMMISSIONERS  
LONG BEACH, CA  
JUNE 17, 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 June 17, 2004. The meeting was called to order at 9:15 a.m. by President Long.

PRESENT:	Bennett A. Long	Commissioner
	Frank Clarke	Commissioner
	C.J. Mike Walter	Commissioner
	Donna F. Gwin	Senior Deputy City Attorney
	Kevin L. Wattier	General Manager
	Diem X. Vuong	Assistant General Manager
	John R. Kruse	Deputy General Manager
	Lynnette L. French	Secretary to the Board of Water Commissioners
	Paul T. Fujita	Director of Finance
	Isaac C. Pai	Manager, Engineering
	Robert C. Cheng	Manager, Water Quality & Process
	Robert V. Swain	Division Engineer
	Robert Villanueva	Division Engineer
	Wesley D. Mason	Water Operations Superintendent
	Mary B. Branigan-Cahill	Executive Secretary
	Carolyn A. Hill	Senior Secretary
	Juan F. Garza	Public Affairs Assistant
ABSENT:	Helen Z. Hansen	Commissioner (Excused)
	Stephen T. Conley	Commissioner (Excused)

**1. PLEDGE OF ALLEGIANCE**

Wesley Mason, Water Operations Superintendent, led the Board and audience in the Pledge of Allegiance.

**2. APPROVAL OF MINUTES**

May 27, 2004

Upon motion by Commissioner Walter, seconded by Commissioner Clarke, and unanimously carried, the Minutes of the Special Meeting of May 27, 2004, were approved.

June 3, 2004

Upon motion by Commissioner Walter, seconded by Commissioner Clarke, and unanimously carried, the Minutes of the Regular Meeting of June 3, 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**

#### Retirement of Mary B. Branigan-Cahill, Executive Secretary, with 33 Years and 7 Months of Service to the City of Long Beach and the Long Beach Water Department

Mary B. Branigan-Cahill has had a long and distinguished career with the City of Long Beach and the Long Beach Water Department (LBWD) beginning as a Secretary on September 16, 1970, in the Oil Properties Department, Administration Section. She moved to the Water Department as a Senior Secretary on December 10, 1984, and held a number of positions during her years of service including Secretary to the General Manager and to the Board of Water Commissioners. Since May 1, 1999, Mrs. Cahill has served with distinction as an Executive Secretary in the Treatment Plant and Water Quality Operations Divisions of the LBWD.

President Long stated that Mrs. Cahill's professional department and willingness to go "above and beyond" will be missed at the Water Department.

#### Retirement of Wesley D. Mason, Water Operations Superintendent, with 32 Years and 11 Months of Service to the City of Long Beach and the Long Beach Water Department

Wesley D. Mason, Water Operations Superintendent, will retire from the LBWD on Monday, August 2, 2004, after a total of 32 years and 11 months of public service with the Water Department. Mr. Mason began his service as a Maintenance Man on August 16, 1971, and received a number of promotions during his career. He was appointed to his current position as Water Operations Superintendent July 19, 2003.

President Long commented that Mr. Mason is known for his conscientious work ethic and "can do" spirit. His dedication and hard work have made him a highly valued employee at the LBWD.

President Long, on behalf of the Board, thanked Mr. Mason and Mrs. Cahill for their dedication to the Water Department and wished them well in their new endeavors.

### Appointment of Acting Secretary

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

**5. REPORT OF THE METROPOLITAN WATER DISTRICT (MWD)  
BOARD MEETING ON JUNE 8, 2004**

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

Mr. Wattier provided the following summary of the June 8<sup>th</sup> MWD Board Meeting:

#### 2004/2005 MWD Budget Adopted

The Board adopted a Fiscal Year (FY) 2004-2005 budget that totals \$1.61 billion, an increase of \$187.6 million (13 percent) from the FY 2003-2004 budget. Total cash outlays for State Water Project contract payments, water supply programs, Colorado River Aqueduct power, debt service, demand management programs, operations and maintenance, and the Capital Investment Plan are budgeted at over \$1.51 billion. The increases are partly due to higher State Water Project costs, upfront payments for the Palo Verde Land Management Program, and to pay for 30,000 acre-feet of local supply under the Local Resources Program.

#### Ethics Officer Appointed

The Board appointed Deni Elliott as the District's ethics officer. A nationally known expert on ethics, Dr. Elliott has served as the District's interim ethics officer since September 2003. She is responsible for fostering and supporting a model of ethical culture at Metropolitan that is applicable to directors, managers and staff, and her projects will include developing a CD-ROM series and a web site. Over the past 24 years, she has taught at Dartmouth, Harvard, the University of Montana, Utah State University and Wayne State University. The District created the office of ethics in 1999.

#### Colorado River Report

With reservoirs along the Colorado River at just over 50 percent of capacity, the Board is being briefed on revised worst-case scenarios. Metropolitan is not expected to suffer shortages, even if the current worst-in-a-century five-year drought was to be followed by a repeat of the severe 1950s Colorado River drought. Under that scenario, however, Lake Mead (the reservoir for the Lower Basin region, including California, Arizona, and Nevada) wouldn't recover to normal levels until 2025. Various parties are following Metropolitan's lead in foregoing use of some of their Colorado River water allocations as part of a multi-faceted recovery strategy for Lake Mead.



### State Audit

The Chief Executive Officer (CEO) informed the Board that staff is implementing several recommendations of the newly released state audit, particularly those that call for changes in certain processes. Metropolitan Auditor Gerald Riss has incorporated some of those recommendations into the District's tracking software to ensure management compliance. Other items will require policy changes and will be brought before the Board for discussion.

### Community Partnering Program

The Board approved \$650,000 in 2004-2005 funding for the Community Partnering Program (CCP), which provides sponsorships and memberships for educational water awareness programs and activities of nonprofit organizations. Launched by the Board in 2000, the CPP encourages competition for the best programs that promote education, outdoor/indoor conservation, and water quality initiatives. Fifty-five applicants are recommended to the Board for funding in the \$3,000 and above category after being evaluated and rated by a panel of member agency representatives, Metropolitan group managers, designated staff, and managers of local community organizations,

### Diemer Improvements

As part of the effort to switch all five MWD treatment plants from chlorine to ozone in an effort to meet the latest water quality regulations, the Board appropriated \$15.61 million. This action authorizes final design of all remaining projects within the Diemer Oxidation Retrofit Program. The projects will include the general ozone facilities, chemical tank farms, and ozone generation equipment, and also pays for a seismic-related improvements program at Diemer, a hilltop facility located next to Chino Hills State Park in Orange County.

### Outdoor Conservation Campaign

The Board awarded a \$1.15 million contract to Fraser Communications to modify homeowners' watering patterns to reduce outdoor water use, which can range from 30 to 70 percent of household consumption. Metropolitan seeks to achieve long-term, sustained gains in water savings by promoting more efficient watering of existing plants, as well as increased use of native and California Friendly (i.e., drought tolerant) landscapes. Fraser also conducted the previous campaign, including a radio ad ("Everything Dave Waters") that was a Clio award finalist.

## 6. GENERAL MANAGER'S REPORT

- Kevin L. Wattier, General Manager

### Water Quality

Mr. Wattier reported that consumers in Los Angeles, Orange, and southern Ventura counties may notice an earthy and musty taste and smell in their tap water, but it is an aesthetic problem and not a health hazard according to water quality experts. The taste and smell episode is the result of large and persistent seasonal blooms of blue-green algae affecting tap water in the State Water Project's Castaic Lake.

### American Water Works Association (AWWA)

Mr. Wattier reported that he attended the AWWA National Conference in Orlando, Florida, June 12<sup>th</sup> -16<sup>th</sup>. Joining him at the conference were C.J. Mike Walter, Board of Water Commissioner; Diem Vuong, Assistant General Manager; Eric Leung, Manager, Engineering; Cynthia Andrews-Tate, Laboratory Services Supervisor; and Tai Tseng, Senior Civil Engineer. To the credit of the LBWD, Mr. Wattier, Mr. Tseng, and Mrs. Andrews-Tate were invited to make presentations on a variety of topics, including seawater desalination.

Commissioner Walter added that he found the conference to be very informative, noting that this was his first opportunity to attend a water industry symposium of this scope. He briefly summarized several of the workshops he attended and stated that the Public Officials' Caucus, a division of the AWWA, will publish two papers in the near future which will be of particular interest to public officials in the water industry.

### Seawater Desalination

Mr. Wattier announced that the Water Department will host a tour of its seawater desalination pilot facility on Friday, June 18<sup>th</sup>, for a delegation of water officials from Morocco. The Moroccan delegation is including this stop as part of a two-week water facility inspection tour organized by the United States Bureau of Reclamation.

The MWD is hosting an inspection trip for the Community Improvement Programs Ad-Hoc Scope Committee of the Palo Verde Irrigation District June 23<sup>rd</sup>-25<sup>th</sup>. As part of the tour, the LBWD has been asked to host a tour of its seawater desalination pilot facility on June 25<sup>th</sup>.

### Western Coalition of Arid States (WESTCAS)

WESTCAS will hold its Legislative Conference June 23<sup>rd</sup>-25<sup>th</sup>, in San Diego, California. The organization is dedicated to environmentally conscientious planning of water resources and the development of water quality standards for the unique ecosystem

of the western United States. The LBWD has been invited to participate in a panel discussion on June 24<sup>th</sup>, regarding the pros and cons of seawater desalination.

### Staffing

Mr. Wattier reported that the opening for the position of Manager of Government and Public Affairs attracted a number of qualified candidates. The initial screening and first round of interviews have been completed; the final interviews are scheduled for the latter part of July.

### City Council Budget Workshop

John Kruse, Deputy General Manager, reported that during an afternoon workshop on June 15<sup>th</sup>, the City Council heard an update on the City's Three-Year Financial Strategic Plan. Mr. Kruse distributed an outline of the background information and summarized the key points of the presentation.

## **7. LEGAL COUNSEL REPORT**

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

### San Diego County Water Authority (SDCWA) et.al. v. Metropolitan Water District (MWD)

Donna Gwin, Senior Deputy City Attorney, updated the Board with regard to the lawsuit that the SDCWA has filed against the MWD seeking to overturn the MWD's interpretation of the provision of California law that establishes and defines the preferential rights of the MWD's member agencies.

## **8. CONSENT CALENDAR**

### **8a. Approval of Transfer of Funds by Journal Entry Dated June 17, 2004**

Transfers No. 177 through No. 191 in the total amount of \$533,714.22 covering the Water and Sewer Revenue Funds, were submitted to the Board for approval.

**8b. Authorization to Attend the Water Environment Federation (WEFTEC) 77<sup>th</sup> Annual Technical Exhibition and Conference, October 2-6, 2004, in New Orleans, Louisiana**

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

Actions Requested:

- That the Board determine that the invitation to attend the WEFTEC 77<sup>th</sup> Annual Technical Exhibition and Conference, October 2-6, 2004, in New Orleans, Louisiana, complies with Board Policy Statement 1996-28, Travel Policy; and
- That the Board authorize attendance at the conference and approve the necessary and actual expenses to be paid by the Water Department for those who attend.

**8c. Authorize the General Manager to Execute an Agreement with Goodwill Industries of Long Beach & South Bay for the Administration of the Fiscal Year 2003-2004 High Efficiency Clothes Washer Rebate Program**

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

Action Requested:

- That the Board authorize the General Manager to execute an Agreement with Goodwill Industries of Long Beach and South Bay for the Administration of the FY 2003-2004 High Efficiency Clothes Washer Rebate Program.

Staff estimates the cost to complete the program will be \$130,000. In accordance with the MWD guidelines for the program, the Water Department will be reimbursed 85% of the overall cost. Funding for the remainder of the program is available in the FY 2003-2004 annual budget (Water Fund).

**8d. Authorize the General Manager to Sign an Agreement with Southern California Water Company to Construct an Emergency Inter-Tie (MC-4938)**

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 General Manager to sign an Agreement with the Southern California Water Company to construct an emergency inter-tie in the amount of \$150,000.

This inter-tie will be used as an emergency backup supply for the service area east of the Norwalk/Artesia drainage channel. Funding for this project will be included in the Fiscal Year 2004-2005 Capital Improvement Program budget.

After discussion, it was moved by Commissioner Clarke and seconded by Commissioner Walter that the Board approve Consent Calendar Items 8a-8d.

The motion was carried by the following vote:

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

**9. APPROVE REVISION TO BOARD POLICY STATEMENT 1994-23, CHANGE ORDER AUTHORIZATION**

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

Action Requested:

That the Board approve changes to Board Policy Statement 1994-23, Change Order Authorization, as recommended.

Executive Summary:

Mr. Kruse explained that the Board's policy on contract change order authorization is addressed in Board Policy Statement 1994-23. Revisions to the policy will give the General Manager, or his designee, the authorization to sign additive and deductive change orders for no more than 25% of the original Contract Price, for a total change of up to

\$250,000. Change orders exceeding these limits will require Board approval. In addition, the General Manager shall inform the Board whenever the total of all change orders for a contract exceeds either 15% of the original contract price, or \$200,000.

The proposed revisions were reviewed by the Board during the Committee of the Whole Meetings on May 27, 2004, and June 10, 2004.

Board Action:

It was moved by Commissioner Walter and seconded by Commissioner Clarke that the Board approve the recommended changes to Board Policy Statement 1994-23.

The motion was carried by the following vote:

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

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

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

Fiscal Year 2005 Federal Appropriations

Mr. Wattier announced that on June 16<sup>th</sup>, the full House Appropriations Committee approved the FY 2005 Energy and Water Development appropriations bill. The legislation provides full funding for the LBWD seawater desalination program at \$1.5 million and \$1.0 million for the Water Department's recycled water program. These are both in the amounts requested by the LBWD.

The Senate will next take up this matter and the expectation is that final passage of FY 2005 appropriations will occur as part of an omnibus appropriations bill after the Presidential election in November.

Senate Bill 1155 (Machado)

On March 18, 2004, the Board of Water Commissioners voted unanimously to oppose SB 1155, a bill which would prohibit a public agency, including the Sacramento-San Joaquin Bay Delta Authority, from cooperating or assisting any public agency for the purposes of increasing pumping from the Sacramento-San Joaquin Delta beyond authorized levels until the Bay-Delta Authority undertakes certain actions in accordance with a process that encourages public participation.

On Tuesday, May 25<sup>th</sup>, the measure garnered the support needed from the Senate floor and has passed on to the Assembly where it was approved by the Assembly Environmental Safety and Toxic Materials Committee. It has now been referred to the Committee on Water, Parks, & Wildlife with a hearing date set for June 22<sup>nd</sup>.

The MWD believes that the measure would impose unworkable and counterproductive conditions on the Delta Improvements Package and threaten future progress towards crafting a balanced, fair, and effective package that is consistent with the provisions of the CalFed Record of Decision. The bill also mandates a number of special conditions that are outside the control of the State Water Project. The LBWD will continue to work with the MWD and will keep the Board informed.

#### Assembly Bill 3084 (Horton)

This bill would require the MWD to demonstrate that a proposed contract will result in overall cost savings – based upon a number of cost factors. This would restrict the ability of the MWD to contract out for services and thus reduce its flexibility to address fluctuating workloads, manage short-term projects, and obtain specialized services. The LBWD will monitor the bill and report back to the Board.

### **11. NEW BUSINESS**

#### Water Distribution System

Commissioner Clarke requested clarification on the manner in which water is transferred to Diamond Valley Lake (DVL), Southern California's largest surface water storage reservoir. Mr. Wattier explained that the DVL is designed to be filled from two sources, the Colorado River and the State Water Project located in northern California, and described the pipelines that route the water to the DVL. Mr. Wattier also summarized the water distribution system within the City of Long Beach, and discussed groundwater storage and in-lieu deliveries.


#### Long Beach Water Department

Commissioner Clarke stated that he is nearing completion of his first year of service on the Board of Water Commissioners and that he is enjoying his tenure on the Board. He noted that water-related issues such as water quality and water conservation are vital to the public's interest and encouraged the Water Department to expand its efforts to inform the community about water-related issues.

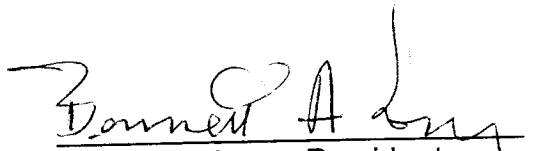
Commissioner Walter stated that he also appreciates the opportunity to serve on the Board of Water Commissioners and that he is particularly impressed by the Water Department's commitment to excellence. He reiterated Commissioner Clarke's message about the importance of community outreach and educational programs.

## 11. ADJOURNMENT

There being no further business to come before the Board, it was moved by Commissioner Clarke, seconded by Commissioner Walter, and unanimously carried, that the meeting be adjourned at 11:00 a.m. to the next Regular Meeting of the Water Commission to be held on Thursday, July 1, 2004, at 9:15 a.m., in the Board Room of the Administration Building, 1800 E. Wardlow, in Long Beach, California.

  
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Stephen T. Conley, Secretary

Attest:

  
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Bennett A. Long, President