

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, DECEMBER 19, 2005, AT 1 P.M.

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

Also present:

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

PRESIDENT TOPSY-ELVORD PRESIDED AS CHAIRPERSON.

APPROVAL OF MINUTES.

Upon motion by Commissioner Cordero, seconded by Commissioner Walter and unanimously carried, the minutes of the regular meeting of December 12, 2005, were declared read and approved as read.

PUBLIC COMMENT.

Captain Dick McKenna from the Marine Exchange addressed the Board and thanked them for all of their support of the Marine Exchange this past year. He stated he appreciated their visit to the Marine Exchange and looked forward to working with the Commissioners and staff in 2006.

CONSENT CALENDAR – ITEMS NOS. 1-11.

Items Nos. 2 and 6 were removed from Consent Calendar for discussion.

1. KPFF CONSULTING ENGINEERING - EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE SECOND AMENDMENT TO CONTRACT FOR PIER T DRY DOCK FILL AND SITE DEVELOPMENT PROJECT - DOCUMENT NO. HD-6561B - CWO NO. 1255, SUPPLEMENT NO. 3 AND A PROJECT BUDGET REVISION - APPROVED.

Communication from D. A. Thiessen, Chief Harbor Engineer, dated December 14, 2005, requesting approval of an amendment to Contract with KPFF Consulting Engineering, for additional work for the Pier T Dry Dock Fill and Site Development Project, in the amount of \$368,000, extending the contract term to June 30, 2008, CWO No. 1255, Supplement No. 3, in the amount of \$468,000, and a project budget revision, was presented to the Board. The request was approved by the Executive Director.

3. EXCEL PAVING - ACCEPTANCE OF WORK UNDER SPECIFICATION NO. HD-S2267.

Communication from D. A. Thiessen, Chief Harbor Engineer, dated December 14, 2005, advising that Excel Paving has satisfactorily completed, as of August 12, 2005, the Pier T, Reeves Avenue At-Grade Railroad Crossing Closed Circuit Television Surveillance and Vehicle Detection System, as described in Specification No. HD-S2267 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.

4. SMALL BUSINESS ENTERPRISE/VERY SMALL BUSINESS ENTERPRISE PROGRAM ANNUAL REPORT FOR 2004-2005 – RECEIVE AND FILE – SMALL BUSINESS ENTERPRISE/VERY SMALL BUSINESS ENTERPRISE PROGRAM RECOMMENDATIONS FOR 2005-2006 – APPROVED.

Communication from D. A. Thiessen, Chief Harbor Engineer, dated December 14, 2005, recommending the Board receive and file the Annual Report for fiscal year 2004-2005 for the Small Business Enterprise/Very Small Business Enterprise Program and approval of the fiscal year 2005-2006 program recommendations of an annual Port SBE/VSBE goal of 25 percent of which a minimum of 5 percent must be allocated to VSBE's, and the inclusion of the Administration and Maritime Bureaus in the program, was presented to the Board. The recommendation was approved by the Acting Executive Director.

5. MARCOR REMEDIATION, INC. - EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE CONTRACT FOR HAZARDOUS MATERIALS ABATEMENT SERVICES - DOCUMENT NO. HD-7004.

Communication from Robert Kanter, Director of Planning, dated December 14, 2005, recommending authorization of a Contract with MARCOR Remediation, Inc.,

for hazardous materials abatement services throughout the Long Beach Harbor District, in the amount of \$250,000, for a three-year period, was presented to the Board. The recommendation was approved by the Acting Executive Director.

7. EWO NO. 4400 – SUPPLEMENT NO. 4 – FUNDING FOR THE GREEN PORT PROGRAM TO DEVELOP THE 2005 EMISSIONS INVENTORY AND EMISSIONS METRICS – APPROVED.

Communication from Robert Kanter, Director of Planning, dated December 14, 2005, requesting approval of EWO No. 4400, Supplement No. 4, for funding the Green Port Program to develop the 2005 emissions inventory and emissions metrics, in the amount of \$620,000, was presented to the Board. The request was approved by the Acting Executive Director.

8. EDAW, INC. – DOCUMENT NO. HD-7005 - ESSENTIA MANAGEMENT SERVICES – DOCUMENT NO. HD-7006 - ULTRASYSTEMS ENVIRONMENTAL – DOCUMENT NO. HD-7007 - EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE CONTRACTS FOR ENVIRONMENTAL DOCUMENTATION SERVICES.

Communication from Robert Kanter, Director of Planning, dated December 15, 2005, recommending authorization of Contracts with EDAW, Inc., Essentia Management Services, and UltraSystems Environmental, for environmental documentation services, each in the amount of \$500,000, and for a period of three years, was presented to the Board. The recommendation was approved by the Acting Executive Director.

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

Communication from Michael J. Slavin, Chief Financial Officer, dated December 14, 2005, submitting the following Fund Transfer Journals received from the Department of Financial Management:

AMOUNT	DESCRIPTION
654,138.72	Employee Benefits and Insurance Funds – transfer of the November 2005 cost of employees' fringe benefits
103,614.92	Employee Benefits and insurance Funds – Worker's Compensation for December 2005
123,294.92	Employee Benefits Fund – Pension obligation bonds for December 2005
175,515.33	General Fund – transfer of the December 2005 estimated City general administration costs

9,811.75	General Fund – adjustment for additional cost of indirect overhead for prior year
730,481.50	Fire Department – fire boats for December 2005 Fire Department – fire stations for December 2005
8,307.25	Fire Department – vessel patrol for December 2005
296,739.00	Police Department – police services for October 2005 and Adjustment for September 2005
11,609.00	Information Services Bureau – data processing operations and maintenance for November 2005
1,263.07	Information Services Bureau – wireless communication for November 2005
157,785.68	Gas, Water, and Sewer charges for October 2005
11,058.33	Technical Systems – financial information system for December 2005
2,374,922.25	Tidelands Fund – second installment of the operating transfer of 10% of FY 2004 Harbor net income. Due 1/1/2006
178.23	Utility user's tax billed for November 2005

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

10. CYNTHIA A. STAFFORD – APPOINTMENT.

Communication from Toni K. Whitesell, Director of Administration, dated December 12, 2005, requesting approval of the appointment of Cynthia A. Stafford to the position of Assistant Director of Administration, at \$102,656 annually, effective January 3, 2006, was presented to the Board. The request was approved by the Executive Director.

11. VERIZON CALIFORNIA, INC. - EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE FIFTH AMENDMENT TO CONTRACT FOR LOCAL AND DIAL TONE SERVICES - APPROVED.

Communication from Toni K. Whitesell, Director of Administration, by Claudia Lewis, dated December 14, 2005, requesting approval of an amendment to

Contract with Verizon California, Inc., for local and dial tone services, was presented to the Board. The request was approved by the Executive Director.

Commissioner Hancock moved, seconded by Commissioner Walter that the communications be received and filed and that Items Nos. 1, 3-5, and 7-11 be approved as recommended. Carried by the following vote:

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

2. EARTH TECH - EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE CONTRACT FOR ELECTRICAL INFRASTRUCTURE PROGRAM - CITY ATTORNEY REQUESTED TO PREPARE CONTRACT - DOCUMENT NO. HD-7008 - CWO NO. 1288, SUPPLEMENT NO. 1 - APPROVED.

Communication from D. A. Thiessen, Chief Harbor Engineer, dated December 14, 2005, recommending authorization of a Contract with Earth Tech for Electrical Infrastructure Program, in the amount of \$892,500, and approval of CWO No. 1288, Supplement No. 1, in the amount of \$1,242,500, was presented to the Board. The recommendation was approved by the Executive Director.

Mr. Kern Jacobson, Senior Vice President, West District Manager for Earth Tech, addressed the Board and stated Earth Tech is excited about being involved in the project and working with the staff, and he introduced Mr. Sundar Rajan, who is the project manager.

In response to a question and a request by Commissioner Cordero, Mr. Sundar Rajan, PE, PMP, Vice President, Senior Section Manager for Earth Tech, stated the project should take six to seven months to complete and Earth Tech could provide periodic updates on the project to the Board.

Commissioner Cordero moved, seconded by Commissioner Walter 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 Earth Tech and that CWO No. 1288, Supplement No. 1, be approved. Carried by the following vote:

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

6. SCIENCE APPLICATIONS INTERNATIONAL CORPORATION - EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE FIRST AMENDMENT TO CONTRACT TO DEVELOP AND IMPLEMENT AN AIR MONITORING NETWORK - DOCUMENT NO. HD-6947A AND WO NO. 4400, SUPPLEMENT NO. 3 - APPROVED.

Communication from Robert Kanter, Director of Planning, dated December 14, 2005, requesting approval of an amendment to Contract with Science Applications International Corporation, to develop and implement an air monitoring network, in the amount of \$1,081,700, and WO No. 4400, Supplement No. 3, in the amount of \$1,131,700, was presented to the Board. The request was approved by the Acting Executive Director.

In response to a request by Commissioner Walter, Dr. Kanter reviewed the Contract amendment with Science Applications International Corporation.

Commissioner Walter stated it is hard to understand the different statistics on pollution and how it is measured in the various publications since the results vary and he stated he would like the Port to work together, in a partnership, with some of the organizations (AQMD or CARB), so it can be agreed upon on how we are measuring, what we are measuring, and what the results mean.

Dr. Kanter stated there have been preliminary meetings with the AQMD staff and it is our intent to establish monitoring stations that use protocols and equipment that is acceptable industry wide so the data will be compatible with similar stations around the area.

Mr. Henry Hogo from Air Quality Management District addressed the Board and stated that AQMD has a willingness to coordinate with us on the project.

Dr. Kanter stated the Port is willing to coordinate with AQMD and that the Port is ahead of AQMD in their monitoring and that we would be continuing with our project. Additionally, Dr. Kanter stated the data gathered has to have utility beyond the port, and be compatible with the data from AQMD and the Port of Los Angeles, and the methods used need to be consistent with each other as well.

Commissioner Hancock moved, seconded by President Topsy-Elvord that the communication be received and filed, that said amendment to Contract with Science Applications International Corporation and WO No. 4400, Supplement No. 3, be approved, and that the Executive Director be authorized to execute the amendment. Carried by the following vote:

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

Mr. Steinke and Dr. Knatz left the meeting.

REGULAR AGENDA.

12. DISCUSSION OF RECENT ADOPTION OF THE CALIFORNIA AIR RESOURCES BOARD RULES TO REDUCE EMISSIONS FROM PORT RELATED ACTIVITIES.

Communication from Robert Kanter, Director of Planning, dated December 14, 2005, transmitting for discussion and recommendation the recent adoption of the California Air Resources Board rules to reduce emissions from Port related activities, was presented to the Board. The communication was approved by the Acting Executive Director.

Commissioner Cordero moved, seconded by Commissioner Walter that the discussion and recommendation of the recent adoption of the California Air Resources Board rules to reduce emissions from Port related activities be laid over until the January 9, 2006, Board meeting. Carried by the following vote:

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

13. RELEASE NOTICE OF PREPARATION FOR THE MIDDLE HARBOR REDEVELOPMENT PROJECT ENVIRONMENTAL IMPACT STATEMENT/ ENVIRONMENTAL IMPACT REPORT - RELEASE OF PUBLIC SCOPING MEETING NOTICE - APPROVED.

Communication from Robert Kanter, Director of Planning, dated December 19, 2005, requesting release notice of preparation for the Middle Harbor Redevelopment Project Environmental Impact Statement/Environmental Impact Report, extend the review period from 30 days to 56 days, approve the release of public meeting notice for January 30, 2006, at the Long Beach City Hall Council Chambers and February 6, 2006, at Cabrillo High School, and appoint Dr. Robert Kanter as meeting officer to conduct the meetings, was presented to the Board. The recommendation was approved by the Acting Executive Director.

Commissioner Hancock moved, seconded by Commissioner Walter that the communication be received and filed, and that the release notice of release notice of preparation for the Middle Harbor Redevelopment Project Environmental Impact Statement/Environmental Impact Report, extend the review period from 30 days to 56 days, approve the release of public meeting notice for January 30, 2006, at the Long Beach City Hall Council Chambers and February 6, 2006, at Cabrillo High School,

and appoint Dr. Robert Kanter as meeting officer to conduct the meetings. Carried by the following vote:

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

NEW BUSINESS.

Mr. Hein stated he had accompanied President Topsy-Elvord on a visit to New Orleans to tour the city's hurricane-damaged port to assess the damage inflicted on the Port of New Orleans by Hurricane Katrina. He stated they had met with Port officials to discuss how they managed the aftermath of the hurricane and they discussed ongoing recovery efforts.

Additionally, President Topsy-Elvord, representing the City of Long Beach, and in conjunction with Mr. Jim Grubbs, Director of Development for the South Bay-Long Beach Volunteer Center and Operation Teddy Bear, presented more than 8,000 toys, teddy bears, backpacks, school supplies, and other items to the school children of New Orleans.

President Topsy-Elvord stated, after meeting with Port of New Orleans Executive Director Mr. Gary LaGrange, port staff, and local law enforcement officials, she was able to bring back lessons for the Port of Long Beach on how to deal with a natural disaster or other crisis.

Mr. Hein announced that the Board meetings of Tuesday, December 27, 2005, and Tuesday, January 3, 2006, had been cancelled.

CLOSED SESSION.

At 2:30 p.m., President Topsy-Elvord recessed the Board meeting to hold a closed session:

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Closed session pursuant to Section 54956.8 of the Government Code for a conference with real property negotiators regarding Pier A Container Terminal. The Port's negotiator is Richard Steinke. Instructions to negotiator concern a possible amendment of the preferential assignment agreement with SSA Terminals (Long Beach), LLC regarding price and terms of payment.

At 3:15 p.m., the meeting was again called to order by President Topsy-Elvord.

ADJOURNED.

At 3:16 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,Topsy-Elvord
NOES:	"	None
ABSENT:	"	Hankla

**MINUTES
REGULAR MEETING OF THE BOARD OF WATER COMMISSIONERS
LONG BEACH, CALIFORNIA
DECEMBER 22, 2005**

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 December 22, 2005.

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

<p>PRESENT: Frank Clarke William B. Townsend Lillian Y. Kawasaki Helen Z. Hansen Richard F. Anthony Kevin L. Wattier Sandra L. Fox</p> <p>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 Teresa Wu Patricia A. Robinson Juan Garza Melissa L. Keyes Carolyn A. Hill</p>	<p>Commissioner Commissioner Commissioner Commissioner 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 Analyst I Administrative Projects Coordinator Senior Secretary</p>
<p>ABSENT: Stephen T. Conley</p>	<p>Commissioner (Excused)</p>

1. PLEDGE OF ALLEGIANCE

Frank Clarke, Acting President of the Board of Water Commissioners led the Board and audience in the Pledge of Allegiance.

2. APPROVAL OF MINUTES

December 1, 2005

Upon motion by Commissioner Hansen, seconded by Commissioner Townsend, and unanimously carried, the Minutes of the Regular Meeting of December 1, 2005, 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**

No report was given.

REVIEW BOARD MEETING SCHEDULE FOR JANUARY 2006

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

The Board discussed their schedules for the month of January and agreed to the following meeting schedule:

Thursday, January 5 th	Regular Meeting, 9:15 a.m.
Thursday, January 12 th	Committee of the Whole, 9:15 a.m.
Thursday, January 19 th	Regular Meeting, 9:15 a.m.
Thursday, January 26 th	Committee of the Whole, 9:15 a.m.

GENERAL MANAGER'S REPORT

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

State Water Project (SWP) Allocation Increase

Mr. Wattier reported that the SWP allocation was increased from 55% to 65%, which was based on good storage levels in SWP reservoirs and normal to above normal precipitation in the SWP watershed to date. He reported this provides the Metropolitan Water District (MWD) with about 1.25 MAF from the SWP already, and that further increases could likely be expected.

Senate Bill (SB) 1234

Mr. Wattier called the Board's attention to the memo regarding SB1234 from the City Attorney and City Auditor. He explained how it would affect the Travel Policy for the Board of Water Commissioners, and he advised that the City Attorney and City Auditor will develop procedures for compliance which would also include ethics training.

Introduction of New Long Beach Water Department Staff

Mr. Wattier introduced Teresa Wu, Senior Engineer, who will be working with Eric Leung in the Water Resources group. He stated that Teresa will be providing the monthly water supply updates.

United States Environmental Protection Agency (USEPA)

Mr. Wattier called the Board's attention to the thank you letter received from the USEPA. The LBWD hosted a tour for the National Drinking Water Advisory Council and the USEPA and complimented Robert Cheng, Tai Tseng and Diem Vuong for their presentations.

December 16, 2005 Los Angeles Times Article regarding New Federal Regulations Uncovered Reservoirs (Stage II DBP Rule)

Mr. Wattier called the Board's attention to a recent news article regarding new regulations that will affect the Los Angeles uncovered reservoirs. He stated that this does not impact the LBWD or the MWD water supplies.

Street Closures During Holiday Periods

Commissioner Hansen inquired if the Water Department considers street closures for water/sewer repairs during busy holiday periods to avoid any additional disruption during these busy times. Isaac Pai reported that they usually take these schedules into account unless it is for an emergency repair.

7. LEGAL COUNSEL REPORT

- **Richard F. Anthony, Deputy City Attorney**

No report was given.

NOTE: Commissioner Townsend left meeting at 9:40 a.m.

8. CONSENT CALENDAR

8a. Approval of Transfer of Funds by Journal Entry Dated December 22, 2005

Transfers No. 27 through No. 36 in the total amount of \$623,341.49 covering the Water and Sewer Revenue Funds, were submitted to the Board for approval.

8b. Request Authorization for the General Manager to Execute the First Amendment to Agreement No. WD-2672 with General Chemical Performance Products, LLC, to Furnish and Deliver Polymer Blend Car+lon A415P

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

Action Requested:

- That the Board authorize the General Manager to execute the First Amendment to Agreement No. WD-2672 with General Chemical Performance Products, LLC, to extend the contract for one (1) year with an increase not to exceed \$304,000 for the extension period.

Funds for the increase are included in the Fiscal Year 2005-2006 annual budget (Water Fund).

8c. Request Authorization for the General Manager to Execute the First Amendment to Agreement No. WD-2674 with Pioneer Americas LLC to Furnish and Deliver Caustic Soda and Sodium Hypochlorite

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

Action Requested:

- That the Board authorize the General Manager to execute the First Amendment to Agreement No. WD-2674 with Pioneer Americas LLC to extend the contract for one year with an increase not to exceed \$436,920 for the extension period.

Funds for the increase are included in the Fiscal Year 2005-2006 annual budget (Water Fund).

8d. Request Authorization for the General Manager to Execute the First Amendment to Agreement No. WD-2698 with W.A. Rasic Construction Company, Inc., to Provide On-Call Services for Emergency Water and Sewer Repairs

At the request of Acting President Clarke, this Agenda Item 8d. was removed for separate discussion and action.

8e. Request Authorization for the General Manager to Execute the First Amendment to Agreement No. WD-2707 with Boeing Realty Corporation to Provide Funding to Construct a Reclaimed Water Transmission Main within the Douglas Park Phase 1 Development

At the request of Acting President Clarke, this Agenda Item 8e. was removed for separate discussion and action.

8f. Request Authorization for the General Manager to Execute the Second Amendment to Agreement No. WD-2602 with Sully Miller Contracting Company to Furnish and Deliver Temporary Asphalt Concrete

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

Action Requested:

- That the Board authorize the General Manager to execute a Second Amendment to Agreement No. WD-2602 with Sully Miller Contracting Company to extend the contract for one (1) year with an increase not to exceed \$300,000 for the extension period.

Costs for the increase are included in the Fiscal Year 2005-2006 annual budget (Water Fund).

8g. Request Authorization for the General Manager to sign Grant Funding Agreements and All Necessary Documents with the California Department of Water Resources (DWR) in Connection with the Under Ocean Floor Seawater Intake and Discharge Demonstration Project and Ultraviolet Light and Chlorine Dioxide Seawater Desalination Pretreatment Systems

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

Action Requested:

- That the Board authorize the General Manager to sign Grant Funding Agreements and all necessary documents with the California Department of Water Resources (DWR) in connection with the Under Ocean Floor Seawater Intake and Discharge Demonstration Project and Ultraviolet Light and Chlorine Dioxide Seawater Desalination Pretreatment Systems.

A portion of the project's costs will be covered by State and Federal grant funding. The remainder of the costs are included in the Fiscal Year 2005-2006 Capital Improvement Program budget.

Board Action

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

The motion was carried by the following vote:

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

8d. Request Authorization for the General Manager to Execute the First Amendment to Agreement No. WD-2698 with W.A. Rasic Construction Company, Inc., to Provide On-Call Services for Emergency Water and Sewer Repairs

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

Action Requested:

- That the Board authorize the General Manager to execute the First Amendment to Agreement No. WD-2698 with W.A. Rasic Construction Company, Inc. and to increase the contract amount to \$700,000.

Funds for the contract extension are included in the Fiscal Year 2005-2006 annual budget (Water Fund).

DISCUSSION:

At the request of Acting President Clarke, this item was pulled for separate discussion. He expressed concerns on why the Water Department was bearing the costs for the repairs, rather than the developer. Isaac Pai, Director of Engineering, and Kevin Wattier, General Manager explained that the Water Department is working with the City Attorney's office to recover these costs, and will seek reimbursement from the developer.

Acting President Clarke inquired whether service had been restored to the customers and Isaac Pai, Director of Engineering, reported that yes this had taken place through these emergency repairs, but that other adjacent customers may be seeking cost recovery from the developer for recovery of their costs related to this sewer repair.

Commissioner Kawasaki requested that the City Attorney bring back a status report on the developer-caused sewer repair cost recovery issue at the January 5, 2006 Board meeting.

Board Action

It was moved by Commissioner Kawasaki and seconded by Commissioner Hansen that the Board approve Consent Calendar Item 8d.

The motion was carried by the following vote:

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

8e. Request Authorization for the General Manager to Execute the First Amendment to Agreement No. WD-2707 with Boeing Realty Corporation to Provide Funding to Construct a Reclaimed Water Transmission Main within the Douglas Park Phase 1 Development

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

Action Requested:

- That the Board authorize the General Manager to sign the First Amendment to Agreement No. WD-2707 with Boeing Realty Corporation to provide funding to construct a reclaimed water transmission main within the Douglas Park Phase 1 Development

The project is partially funded by 25% matching grants from the Federal and State governments. Funds for the remainder of the project are included in the Fiscal Year 2005-2006 Capital Improvement Program budget.

DISCUSSION:

At the request of Acting President Clarke, this item was pulled for separate discussion. He asked for an explanation on how Boeing would reimburse the Long Beach Water Department for the construction of this water transmission main. Isaac Pai, Director of Engineering, provided a review of the details of this project and the arrangements made with Boeing regarding construction of this reclaimed water transmission main. Kevin Wattier, General Manager advised this will be a Long Beach Water Department line built by Boeing and 50% of the funding costs will be provided through Federal and State grants.

Board Action

It was moved by Commissioner Kawasaki and seconded by Commissioner Hansen that the Board approve Consent Calendar Item 8e.

The motion was carried by the following vote:

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

9. **REPORT OF THE METROPOLITAN WATER DISTRICT (MWD) BOARD MEETING ON DECEMBER 13, 2005**

- **Helen Z. Hansen, MWD Director**

Commissioner Hansen, in her capacity as the City of Long Beach MWD Director, provided the following report of the MWD Board of Directors' meeting on December 13, 2005:

Conservation Incentives

The Board increased financial incentives by more than 25 percent for local conservation investments and expanded the inventory of devices eligible for rebates to include the latest high-efficiency models. Incentives to local agencies will rise from \$154 for every acre-foot of conserved water to \$195 per acre-foot up to 100 percent of the cost of a device. An acre-foot of water is nearly 326,000 gallons, about the amount used by two typical Southern California families in and around their homes in a year. Under a revised core conservation program, Metropolitan will transition from providing rebates for ultra-low-flush toilets to high-efficiency models that use 20 percent less water. Newly-eligible items also include high-efficiency urinals (20,000 gallons in annual savings); waterless urinals (40,000 gallons annually); cooling tower controllers that conserve up to 844,000 gallons annually; and connectionless food steamers that save more than 80,000 gallons a year. Over the next five years, Metropolitan's financial commitment to conservation will increase by as much as \$5 million per year.

Senator Kuehl Address

In an invited appearance before the Board, State Senator Sheila Kuehl (D-Santa Monica) addressed a number of major water policy issues and answered questions. Senator Kuehl said that a settlement providing for restoration of the San Joaquin River is 99 percent complete, and would have benefits for Metropolitan while limiting negative impacts on Friant Water User Authority farmers. On the subject of how beneficiaries would pay for CALFED programs, Kuehl added that while she was not eager for the Legislature to tackle this issue, they would nevertheless do so if Metropolitan and other CALFED stakeholders fail to agree on what "beneficiaries pay" really means. With the Bay-Delta Authority set to dissolve in the near future, Kuehl said that some type of independent oversight body was still needed. While no approach was perfect, she noted that one alternative would be a Little Hoover-type independent entity that would track expenditures and actions over the next several years. On the issue of Metropolitan-agriculture alliances, the senator said such alliances made sense where they involved issues that impacted Metropolitan's service area, but some of Metropolitan's positions were unclear in that regard. Kuehl also said she would be "very appreciative" if the Board would "take as generous a position as it can" during ongoing contract talks with unions representing MWD employees.

Seawater Desalination

The Board approved a proposal whereby Metropolitan will assume a role of regional facilitator to address seawater desalination and other local projects. In this capacity, Metropolitan would assist member agencies in the resolution of technical issues through research and development, and support the member agencies in seeking regulatory clearance for the projects. Metropolitan and member agencies would jointly determine and coordinate on the appropriate technical and regulatory issues. Metropolitan would also coordinate, through a transparent process, the review of unsolicited third party proposals for projects, with the expectation that the projects do no harm to the financial, regulatory, geographic, or other needs

of the five-member agency seawater desalination projects. Metropolitan would continue to support the five member agency proposals with incentives for \$250 per acre-foot of water produced.

Los Angeles Department of Water and Power Improvements

The Board approved a 25-year Local Resources Program agreement with Los Angeles Department of Water and Power to provide up to \$1.6 million for a project that will deliver 545 acre-feet of water a year for irrigation use in the Sepulveda Basin. And, in response to the abundant water supplies in 2005, the Board entered into a 2005-06 Supplemental Storage Agreement with the City of Los Angeles, under which the city will buy up to 20,000 acre-feet of water at the discounted rate of \$254 per acre-foot for storage in groundwater basins. In return, Metropolitan would have the right to withdraw up to 10,000 acre-feet per year over a five-year period.

Other Actions

In other actions, the Board:

- Welcomed Marcie Edwards, the Public Utilities General Manager for the City of Anaheim, as Anaheim's Board representative. Ms. Edwards is also a former head of the Cal-ISO panel and third-generation employee of the Los Angeles Department of Water and Power.
- Approved terms of employment for interim Chief Executive Officer Debra Man that will include a \$235,000 base salary for as long as she holds that position.

Acting President Frank Clarke inquired on the status of the recruitment process for a permanent replacement of the Metropolitan Water District Chief Executive Officer. Commissioner Hansen advised she will report back to the Board in more detail regarding this matter after the first of the year.

10. LEGISLATIVE ISSUES/ACTIONS/BILLS

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

State of the State Address

Mr. Alsop announced that the State of the State Address is scheduled to take place on January 5, 2006. He commented that it is reported that the Governor will outline his new plan of action for the state which could emphasize plans for rebuilding the California infrastructure.

California Municipal Utilities Association (CMUA) Capitol Day and Legislative Briefing – January 30, 2006

Mr. Alsop reminded the Commissioners of the upcoming CMUA Capitol Day and Legislative Briefings being held in Sacramento, January 30, 2006. He reported that some of the topics for discussion would include desalination education; SB 820 and interaction and discussion with legislative staff.

Senator Feinstein Introduces Bill Authorizing \$174 Million for Desalination and Recycling Projects to Increase Water Supply in Southern California

Mr. Alsop reviewed the list of projects contained in this bill.

City of Long Beach State of the City

Mr. Alsop reminded the Board of the upcoming City of Long Beach State of the City address on January 10, 2006, and advised that the Water Department had a reserved table for this event.

Beach Clean-up

Mr. Alsop advised that the Water Department beach clean-up held December 10, 2005, was fairly successful and that six hundred pounds of trash had been collected.

Water Calendar in Poster Format

Mr. Alsop commented on the Metropolitan Education Unit Water calendars that are made up of winning student's art work submittals from MWD member agencies. He advised the Board that at the January 19, 2006 Board meeting, Melissa Keyes would be giving a report on the water calendar and the development of a water poster that could be distributed to classrooms of all Long Beach schools educating students about the wise use of water.

11. NEW BUSINESS

Excused Absence: Commissioner Townsend

It was moved by Commissioner Hansen, seconded by Commissioner Kawasaki, and unanimously approved that Commissioner Townsend be excused from the Board meeting of January 5, 2006.

Excused Absence: Commissioner Kawasaki

It was moved by Commissioner Hansen, seconded by Commissioner Kawasaki, and unanimously approved that Commissioner Kawasaki be excused from the Committee of the Whole meeting of January 12, 2006.

Letter on SB 1234 – Travel Policy

Commissioner Hansen requested that the current Board travel policy be agendized for review and consider any necessary modifications to comply with conditions of SB 1234.

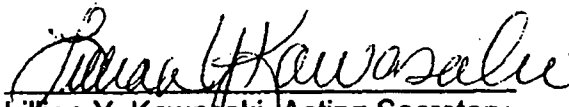
Elimination of Styrofoam

Acting President Clarke questioned the plans for elimination of the use of styrofoam and remarked that this is quite a nuisance as it relates to debris on the beaches. There was discussion regarding the design of some type of sifter that could be attached to the back of a truck and used on the beach to sift out this type of debris. Acting President Clarke advised that he wants to see this idea move forward.

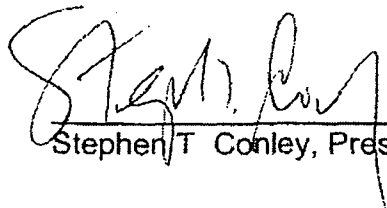
Mr. Alsop reported that there is legislation in the works regarding banning the use of styrofoam, and will report back to the Board on this issue at a later date.

12. ADJOURNMENT

There being no further business to come before the Board, it was moved by Commissioner Kawasaki, seconded by Commissioner Hansen, and unanimously carried, that the meeting be adjourned at 10:25 a.m. to the next Regular Meeting of the Water Commission to be held on Thursday, January 5, 2006, at 9:15 a.m., in the Board Room of the Administration Building, 1800 E. Wardlow, in Long Beach, California.


Lilian Y. Kawasaki, Acting Secretary

Attest:


Stephen T. Conley, President