

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
CENTRAL BASIN MUNICIPAL WATER DISTRICT
SEPTEMBER 25, 2006

A regular meeting of the Board of Directors of Central Basin Municipal Water District was held on Monday, September 25, 2006 at 11:00 a.m., at 17140 South Avalon Boulevard, Carson, California.

President Apodaca called the meeting to order at 11:00 a.m. and presided thereover.

1. ROLL CALL. The following Directors were present: Apodaca, Gonzalez, Hawkins and Vasquez; Director Cole was excused. Also present were General Manager Aguilar and District Counsel Wance.

PLEDGE OF ALLEGIANCE. Director Hawkins led the Pledge.

INVOCATION. Director Gonzalez delivered the Invocation.

2. PUBLIC COMMENT AND PRESENTATIONS - BELL GARDENS HIGH SCHOOL DRILL TEAM CHECK PRESENTATION; CANDIDATES FOR MWD CHAIRMANSHIP – GENE KOOPMAN; TIM BRICK AND RANDY RECORD ; AND SAN GABRIEL RIVER DISCOVERY CENTER BELINDA FAUSTINOS (Members of the public are invited to present comments to the board on matters within the District's jurisdiction but not on the agenda. The public may present comments on agenda items when the matter is called.)

- Judy McAskill accepted the check for the Bell Gardens Drill Team. She thanked Central Basin for the opportunity to participate in the toilet distribution event and stated she looks forward to working with the District in the future.
- Director Tim Brick introduced himself as a candidate for the MWD Chairmanship and stated that he had been serving on the MWD Board of Directors for the past 21 years representing the City of Pasadena. He informed the Board that there were several challenges facing MWD and that he would briefly describe the best approach of taking on these challenges and in doing so would hope that he could get the support of the Board in his candidacy for Chairman of MWD. He stated that one of the challenges facing MWD was the restructuring of the Bay-Delta system and that the solution to with this would be to refocus on what the needs are from the Bay-Delta system, mainly the quality of water. He also stated that he would focus on governance issues, conservation and the actual needs of Southern California. In addition, he expressed that it was very important to renew and

rebuild relationships with all of the member agencies in order to develop several programs and therefore building greater reliability for Southern California. Furthermore, he stated that he was a strong supporter of bringing in diversity in to the work force and in developing programs to work with small and minority owned businesses. He stated that MWD had a very solid program in business outreach and believes that it must continue to grow. Lastly, he thanked the Board for the opportunity to address them and asked them for their support.

- Director Randy Record introduced himself to the Board and stated that he was also seeking the support of the Board for the MWD Chairmanship. He informed the Board that he has been serving on the MWD Board of Directors for the past three years and was currently the President of Eastern Municipal Water District. In addition, he stated that he was the Vice Chair of the Asset and Recreation Committee, the Diamond Valley Lake and Lake Skinner Oversight Subcommittee and that he was also very active in the farming community for more than two decades. He stated that he felt he was a qualified candidate for the Chairmanship because of his involvement within the farming community and his relationship with the pumpers. He stated that he was in support of providing opportunities to small businesses to work with MWD. Lastly, he thanked the Board for their time and consideration of the candidacy to the MWD Chairmanship.
- Belinda Faustinos of the San Gabriel River Discovery Center addressed the Board on the most recent developments of the Discovery Center over the last year. She stated that the Discovery Center would serve as a great educational tool for schools within the Los Angeles County area. She expressed that the main significance of the Discovery Center was water and the story behind it and that it would also offer visitors the opportunity to tour the Emerald Necklace, a network of connected parks and trails focused on the San Gabriel River and Rio Hondo. Furthermore, she reported that to date a total of \$4,450,000 and site location had be contributed and that a Joint Powers Authority had been formed in January 2006 by the following contributors: Upper San Gabriel Valley Municipal Water District, the Los Angeles County Department of Parks and Recreation, the Rivers and Mountains Conservancy, and Central Basin. She stated that the Authority had developed a strong network of supporting organizations and was actively seeking

additional supporters. In addition, she stated that a Joint Powers Authority Stakeholder Advisory Committee had been formed to serve in an advisory capacity to the Joint Powers Authority Governing Board on matters related to funding, development, construction, design, programming, maintenance and day-to-day operation of the Discovery Center. Lastly, she stated that construction was expected to start in June 2009, with a completion date of August 2010 and a grand opening in November 2010.

3. ITEMS TOO LATE TO BE AGENDIZED (Determine the need to discuss and/or take action on item(s) introduced that came to the attention of the District subsequent to the posting of the agenda.) None.

NOTE: At the discretion of the Board, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

4. MWD ACTIVITIES UPDATE -

- Director Pace informed the Board that he extended an invitation to all the MWD Board of Directors and the member agencies to attend a tour of the Center for Water Education on October 14. He stated that construction of the Center was moving rapidly and that it was in the final stages. He also informed the Board that they would soon start conducting tours of the Center for the general public.
- Dave Hill reported that MWD had formed a task force of MWD member agencies to review the procedures associated with the competitive selection of new recycled water contracts. He also stated that changes were expected to take place in regard to the LRP process. Lastly, he reported on the local supply development and informed the Board that staff had met with MWD staff to develop a tool in which MWD staff could better understand what is happening at the member agency level in terms of local resource development.

Director Gonzalez stepped out.

CONSENT CALENDAR

5. ACTION ON MINUTES – August 23, 2006 (Special); August 28, 2006 (Regular)

6. FINANCIAL REPORT

A. Demand Numbers 4352; and 70164 through 70294 for a total amount of (Excluding Demand No.s 70271 through 70272) for a total amount of \$4,,488,193.47 (including net payroll and wire transfer to MWD).

B. **Cash & Investment Report**

C. **Water Sales Statement**

D. **Recycled Water Summary**

7. YEAR-TO-DATE WATER SALES – BUDGET TO ACTUALS

8. FISCAL YEAR 2005-06 BUDGET TO ACTUALS

A. CBMWD

B. JFA

9. DIRECTOR EXPENSES OVER 90 DAYS OLD

ACTION: Upon a motion duly made by Director Hawkins and seconded by Director Vasquez the Board approved the Consent Calendar.

Director Gonzalez returned to the meeting.

ACTION CALENDAR

10. CONTRACTOR SERVICES - REPLACEMENT OF THE VARIABLE FREQUENCY DRIVES AT THE RIO HONDO PUMP STATION

RECOMMENDATION: That the Board authorizes the General Manager to enter into a contract with Littlejohn-Reuland Corporation to perform the "Scope of Work" describe in Specifications 06-01 for a not-to-exceed amount of \$159,430, plus 10% for contingencies for a total not-to-exceed amount of \$175,373.

ACTION: Upon a motion duly made by Director Gonzalez and seconded by Director Vasquez, the Board approved staff recommendation.

11. EASEMENT RECORDING

RECOMMENDATION: That the Board authorizes the Board Secretary to certify a "Certificate of Acceptance" that the District accepts the conditions of the Easement Deed.

ACTION: Upon a motion duly made by Director Vasquez and seconded by Director Hawkins, the Board approved the staff recommendation.

12. ANNUAL ACCOUNTING SERVICES

RECOMMENDATION: That the Board authorizes the General Manager to extend the contract with Vasquez & Company for two years (fiscal years 2006-07 and 2007-08) and direct staff to negotiate a fixed audit fee for an amount not-to-exceed \$118,000.

ACTION: Upon a motion duly made by Director Hawkins and seconded by Director Vasquez, the Board approved the staff recommendation.

13. REQUEST FOR WAIVER OF LATE PENALTY

RECOMMENDATION: That the Board waives the penalty assessed to the City of Pico Rivera in the amount of \$148.59.

ACTION: Upon a motion duly made by Director Hawkins and seconded by Director Gonzalez, the Board approved the staff recommendation.

14. BOARD MEETING SCHEDULE

RECOMMENDATION: That the Board approves, adopts, and authorizes the President to sign Resolution No. 9-06-720 "A RESOLUTION OF THE BOARD OF DIRECTORS OF CENTRAL BASIN MUNICIPAL WATER DISTRICT AMENDING RESOLUTION NO. 9-02-658 (ADMINISTRATIVE CODE) AS IT RELATES TO THE DATE AND TIME OF REGULAR BOARD MEETINGS."

ACTION: Upon a motion duly made by Director Hawkins and seconded by Director Vasquez, the Board approved the staff recommendation.

15. CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) BOARD OF DIRECTORS ELECTION 2006 – BOARD RATIFICATION

RECOMMENDATION: That the Board ratifies the Committee's action of voting for John R. (Jack) Curtis (Incumbent) for the CSDA Board of Directors.

ACTION: Upon a motion duly made by Director Vasquez and seconded by Director Hawkins, the Board approved the staff recommendation.

16. DIRECTOR ATTENDANCE AT MEETINGS

RECOMMENDATION: That the Board approves adding the Center for Water Education meetings to the list of approved meetings that Directors may attend for which Per Diem will be paid.

ACTION: Upon a motion duly made by Director Hawkins and seconded by Director Gonzalez, the Board approved the staff recommendation.

INFORMATION ITEMS

- 17. **LEGISLATIVE UPDATE - ORAL REPORT**
- 18. **SOUTHEAST WATER RELIABILITY PROJECT OUTREACH UPDATE**
- 19. **CENTRAL BASIN'S ASSESSED VALUATION CHANGES**
- 20. **SOUTHEAST WATER RELIABILITY PROJECT UPDATE - ORAL REPORT**
- 21. **RECYCLED WATER CUSTOMER DEVELOPMENT UPDATE - ORAL REPORT**

The Board reviewed Items 17 and 21; these items were received and filed.

COMMENTS

22. GENERAL MANAGER'S REPORT ON DISTRICT ACTIVITIES. Aguilar stated that the 5th Annual Central Basin BBQ was scheduled for Thursday, September 28 at 5:30 p.m. at the Clarke Estate in the City of Santa Fe Springs. He reported that the California Contract Cities Association Seminar was scheduled from October 6-8, in San Diego. Aguilar stated that the joint monthly luncheon with WRD was tentatively scheduled for Friday, October 20 at 12:00 p.m. at WRD. Lastly, he had Deputy General Manager of External Affairs Joone Lopez report on two recent conservation efforts.

Lopez reported that Central Basin hosted the first Conservation Master Plan Workshop at the Energy Resource Center in the City of Downey which was very well attended and successful. She also reported that back in June 2006, staff assisted the City of Bell Gardens in submitting a grant application titled "California Friendly City - A Model for Inner City Transformation" to Metropolitan's Enhanced Conservation Grant Program and that the District had received news that the grant had been awarded for this project. She also stated that it was due to come before the MWD Board of Directors in October for approval.

23. GENERAL COUNSEL'S REPORT. Wance thanked Central Basin staff for being very accommodating with Sedgwick staff.

24. DIRECTORS' COMMENTS. Director Gonzalez requested that staff look into changing the late waiver request policy in order to streamline the process for the purveyor and District staff. Director Hawkins stated that this meeting had been educational and found

it very interesting to learn about all the current projects that the District was involved in.

President Apodaca recessed to Closed Session at 1:05 p.m. without objection.

President Apodaca reconvened the Board meeting at 1:47 p.m.

25. **CLOSED SESSION - Pursuant to Government Code Section 54956.9 (a) Conference with Legal Counsel - Existing Litigation - 1 Item - West Basin Municipal Water District v. Central Basin Municipal Water District, West and Central Basin Financing Authority, and All Persons Unknown, Claiming Any Legal or Equitable Right, Title, Estate, Lien or Interest in the Property described herein, Los Angeles Superior Court Case No. BC354819 (Los Angeles); and 54956.8 Property Negotiations – 1 Item; [17140 S. Avalon Blvd., Carson, CA 90746] Tom Calderon and Art Aguilar Negotiating Party.** Upon a motion duly made by Director Vasquez , the Central Basin Board of Directors directed Sedgwick, Detert, Moran, & Arnold, LLP to respond and pursue all appropriate litigation as necessary against West Basin Municipal Water District , Case: West Basin Municipal Water District v. Central Basin Municipal Water District, West and Central Basin Financing Authority, and All Persons Unknown, Claiming Any Legal or Equitable Right, Title, Estate, Lien or Interest in the Property described herein, Los Angeles Superior Court Case No. BC354819 (Los Angeles), was seconded by Director Apodaca and approved by the Board by a 3-0 vote ; Director Cole was absent and Director Gonzalez was excused; the Board took no other reportable actions in close session.

ADJOURNMENT: There being no further business to come before the Board, President Apodaca adjourned the meeting at 1:47 p.m.

President

ATTEST:

Secretary
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**MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS
CENTRAL BASIN MUNICIPAL WATER DISTRICT
OCTOBER 9, 2006**

A special meeting of the Board of Directors of Central Basin Municipal Water District was held on Monday, October 9, 2006 at 9:00 a.m., at 17140 South Avalon Boulevard, Carson, California.

President Apodaca called the meeting to order at 9:00 a.m. and presided thereover.

1. ROLL CALL. The following Directors were present: Apodaca, Hawkins and Vasquez; Directors Cole and Gonzalez were excused. Also present were Deputy General Manager of Technical Operations Apodaca and Deputy General Manager of External Affairs Lopez.

2. PUBLIC COMMENT. (Members of the public are invited to present comments to the board on matters within the District's jurisdiction but not on the agenda. The public may present comments on agenda items when the matter is called.) **NONE.**

NOTE: At the discretion of the Board, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

**PRESIDENT APODACA RECESSED THE MEETING AT 9:05 A.M. TO TOUR THE
POTENTIAL OFFICE BUILDING LOCATIONS WITHOUT OBJECTION.**

3. DEPART DISTRICT HEADQUARTERS

9:30 a.m. 6252 Telegraph Road, Commerce, CA 90040

10:30 a.m. 1417 West Beverly Boulevard, Montebello, CA 90640

11:30 a.m. 7200 Greenleaf Avenue, Whittier, CA 90602

LUNCH

12:30 p.m. Dal Rae, 9023 Washington Boulevard, Pico Rivera, CA 90660

2:00 p.m. 100 Washington Boulevard, Montebello, CA 90640

RETURN TO DISTRICT HEADQUARTERS

President Apodaca reconvened the Board meeting at 2:35 p.m.

President Apodaca recessed the meeting to Closed Session at 2:35 p.m. without objection.

President Apodaca reconvened the Board meeting at 2:45 p.m.

4. **CLOSED SESSION. Pursuant to Government Code Section 54956.8 Conference with Negotiator Over Real Property - 4 Items; [6252 Telegraph Road, Commerce, CA 90040; 1417 West Beverly Boulevard, Montebello, CA 90640; 7200 Greenleaf Avenue, Whittier, CA 90602; and 100 Washington Boulevard, Montebello, CA 90640] – Tom Calderon Negotiating Party**

Calderon, Negotiating Party, reported that the Board had met in Closed Session on the items listed above and that the need to take action on one of the items arose.

ACTION: Upon a motion duly made by Director Hawkins to have Tom Calderon and Art Aguilar enter into negotiations with Majestic Realty for the purchase or lease of the property located on 6252 Telegraph Road, Commerce, CA 90040 was seconded by Director Vasquez, and was approved by the Board by a 3-0 vote.

5. **COMMENTS.** None.

ADJOURNMENT: There being no further business to come before the Board, President Apodaca adjourned the meeting at 2:45 p.m.

President

ATTEST:

Secretary

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**MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS
CENTRAL BASIN MUNICIPAL WATER DISTRICT
OCTOBER 18, 2006**

A special meeting of the Board of Directors of Central Basin Municipal Water District was held on Wednesday, October 18, 2006 at 1:00 p.m., at 17140 South Avalon Boulevard, Carson, California.

President Apodaca called the meeting to order at 1:07 p.m. and presided thereover.

1. ROLL CALL. The following Directors were present: Apodaca, Cole, Hawkins and Vasquez; Director Gonzalez was excused. Also present were General Manager Aguilar and Legal Counsel Wance.

2. PUBLIC COMMENT. (Members of the public are invited to present comments to the board on matters within the District's jurisdiction but not on the agenda. The public may present comments on agenda items when the matter is called.) NONE.

NOTE: At the discretion of the Board, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

WORKSHOP

3. SEMI ANNUAL INVESTMENT WORKSHOP

Staff and Michelle Durgey of PFM Asset Management, LLC presented; no action was taken.

President Apodaca recessed to Closed Session at 1:50 p.m. without objection.

President Apodaca reconvened the Board meeting at 2:40 p.m.

4. CLOSED SESSION. Pursuant to Government Code Section 54956.9(a) Conference with Legal Counsel - Existing Litigation - 1 Item - West Basin Municipal Water District v. Central Basin Municipal Water District, West and Central Basin Financing Authority, and All Persons Unknown, Claiming any Legal or Equitable Right, Title, Estate, Lien or Interest in the property described herein, Los Angeles Superior Court Case No. BC354819 (Los Angeles); and 54956.8 Conference with Negotiator Over Real Property – 2 Items; [17140 S.

**Avalon Blvd., Carson, CA 90746 and 6252 Telegraph Road, Commerce, CA
90040] Tom Calderon and Art Aguilar Negotiating Party**

Legal Counsel Wance reported that the Board had met in Closed Session on the items listed above; no action was taken.

5. COMMENTS. None.

ADJOURNMENT: There being no further business to come before the Board, President Apodaca adjourned the meeting at 2:40 p.m.

President

ATTEST:

Secretary

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**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
CENTRAL BASIN MUNICIPAL WATER DISTRICT
OCTOBER 24, 2006**

A regular meeting of the Board of Directors of Central Basin Municipal Water District was held on Tuesday, October 24, 2006 at 1:00 p.m., at 17140 South Avalon Boulevard, Carson, California.

President Apodaca called the meeting to order at 1:00 p.m. and presided thereover.

1. ROLL CALL. The following Directors were present: Apodaca, Cole, Gonzalez, Hawkins and Vasquez. Also present were General Manager Aguilar and District Counsel Wance.

PLEDGE OF ALLEGIANCE. Director Hawkins led the Pledge.

INVOCATION. Director Gonzalez delivered the Invocation.

2. PUBLIC COMMENT AND PRESENTATIONS –

(Members of the public are invited to present comments to the board on matters within the District's jurisdiction but not on the agenda. The public may present comments on agenda items when the matter is called.)

- Gil Vasquez of Vasquez & Company, LLP reported that the annual independent audit for FY 2005-06 had been performed and that there were no management comments from Vasquez & Company, LLP. He stated that staff was doing a great job in financial reporting.

3. ITEMS TOO LATE TO BE AGENDIZED (Determine the need to discuss and/or take action on item(s) introduced that came to the attention of the District subsequent to the posting of the agenda.) **None.**

NOTE: At the discretion of the Board, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

4. MWD ACTIVITIES UPDATE -

- Staff informed the Board that they have been attending MWD Member Agency meetings to discuss and develop new guidelines for the Local Resources Program. Staff reported that the issues discussed at the meetings centered on the criteria for the Local Resources Program that was applied in the 1998 and 2003 allocation. Furthermore, that member agency representatives had broadened the scope of issues to incorporate discussions regarding the enhancement of the partnership between the member agencies and MWD partnership--increasing

MWD's role in sharing the financial risk for recycled water programs and being proactive in other realms.

- President Apodaca reported that Chairman Bannister submitted a letter of resignation as a representative of Municipal Water District of Orange County to be effective as of November 1, 2006.
- Director Murray, MWD representative, reported that the MWD Board had selected a new Chairman, Board member Tim Brick of the City of Pasadena.

CONSENT CALENDAR

5. ACTION ON MINUTES – September 12, 2006 (Special)

6. FINANCIAL REPORT

A. Demand Numbers 70295 through 70437 for a total amount of (Excluding Demand No.s 70322, 70332, 70335, 70338, 70339, 70347, 70360, 70364, 70365, 70368 and 70370) for a total amount of \$5,733,335.92 (including net payroll and wire transfer to MWD).

B. Cash & Investment Report

C. Water Sales Statement

D. Recycled Water Summary

7. YEAR-TO-DATE WATER SALES – BUDGET TO ACTUALS

8. DRAFT ANNUAL INDEPENDENT AUDIT FOR FISCAL YEAR 2005-06

A. CBMWD

B. JFA

ACTION: Upon a motion duly made by Director Hawkins and seconded by Director Gonzalez the Board approved the Consent Calendar; Director Cole abstained on Demand No. 70421.

ACTION CALENDAR

9. RELOCATION OF THE RECYCLED WATER MAIN ADJACENT TO THE I-5 PROJECT

RECOMMENDATION: That the Board authorizes the General Manager to enter into a contract with Daniel Boyle Engineering to provide professional design services for the

relocation of the Recycled Water Main Adjacent to I-5 Project for an amount of \$136,475, plus 10% for contingencies for a total not-to-exceed amount of \$150,123.

ACTION: Upon a motion duly made by Director Vasquez and seconded by Director Hawkins, the Board approved staff recommendation.

10. RIO HONDO PUMP STATION LAND SITE

RECOMMENDATION: That the Board authorizes the General Manager and staff to investigate the possible purchase and development of the Rio Hondo Pump Station site.

ACTION: Upon a motion duly made by Director Vasquez and seconded by Director Hawkins, the Board approved staff recommendation.

11. THINK EARTH IT'S MAGIC - CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO COLLEGE OF EDUCATION ENVIRONMENTAL EDUCATION RESOURCE CENTER

RECOMMENDATION: That the Board authorizes the General Manager to enter into an agreement with California State University, San Bernardino College of Education Resource Center for environmental education services for a not-to-exceed amount of \$35,000.

ACTION: Upon a motion duly made by Director Hawkins and seconded by Director Gonzalez, the Board approved staff recommendation.

12. WATER WANDERINGS: A JOURNEY THROUGH CALIFORNIA'S WATER - LOS ANGELES CONSERVATION CORPS (S.E.A. LAB)

RECOMMENDATION: That the Board authorizes the General Manager to enter into an agreement with the Los Angeles Conservation Corps for environmental education services for a not-to-exceed amount of \$30,000.

ACTION: Upon a motion duly made by Director Hawkins and seconded by Director Vasquez, the Board approved staff recommendation.

13. CONSERVATION UPDATE

RECOMMENDATION: That the Board authorizes the General Manager to enter into an agreement with Ms. Frances Spivy-Weber for a term of 18 months at an hourly rate of \$125 for a not-to-exceed amount of \$75,000.

ACTION: Upon a motion duly made by Director Cole and seconded by Director Vasquez, the Board approved staff recommendation.

14. LATE FEE WAIVER POLICY

RECOMMENDATION: That the Board adopts the new procedures as outlined in the memorandum regarding the waiver of late penalty.

ACTION: Upon a motion duly made by Director Hawkins and seconded by Director Gonzalez, the Board approved staff recommendation.

15. VACATION AND SICK LEAVE CASH OUT

RECOMMENDATION: That the Board approves the Vacation and Sick Leave Cash Out Plan.

ACTION: Upon a motion duly made by Director Hawkins and seconded by Director Cole, the Board approved staff recommendation.

15A. TRANSFER OF THE TITLE 22 GROUNDWATER MONITORING PROGRAM

RECOMMENDATION: That the Board authorizes the General Manager to negotiate the possible transfer of the Title 22 Groundwater Monitoring Program to the Water Replenishment District.

ACTION: Upon a motion duly made by Director Cole and seconded by Director Hawkins, the Board approved staff recommendation.

- Director Norm Ryan of WRD thanked the Board for approving the potential transfer of the Title 22 Groundwater Monitoring Program and stated he looks forward to finalizing the transfer.
- Director Rob Katherman of WRD also thanked the Board and stated that this was a very positive move as WRD enters into their Conjunctive Use negotiations with the pumpers.

INFORMATION ITEMS

16. WALNUT PARK MUTUAL WATER COMPANY GROUNDWATER STORAGE PROGRAM FUNDING AGREEMENT WITH METROPOLITAN WATER DISTRICT

17. LEGISLATIVE UPDATE

18. **OUTSOURCING OF THE HEALTH REIMBURSEMENT PLAN**
19. **BELL GARDENS: CALIFORNIA FRIENDLY CITY GRANT SUBMISSION UPDATE**
20. **SOUTHEAST WATER RELIABILITY PROJECT OUTREACH UPDATE**
21. **INVESTMENT POLICY UPDATE**

ACTION: Upon a motion duly made by Director Cole to make this an Action Item was seconded by Director Gonzalez, and was approved by the Board.

ACTION: Upon a motion duly made by Director Cole to adopt the Investment Policy changes was seconded by Director Gonzalez, and was approved by the Board.

22. **SOUTHEAST WATER RELIABILITY PROJECT UPDATE - ORAL REPORT**
23. **RECYCLED WATER CUSTOMER DEVELOPMENT UPDATE - ORAL REPORT**

The Board reviewed Items 16-20 and 22-23; these items were received and filed.

COMMENTS

24. **GENERAL MANAGER'S REPORT ON DISTRICT ACTIVITIES.** Aguilar reported that Golden State Water Company had requested a lease extension of the first floor on a month-to-month basis until February 1, 2007. In addition, he stated that at the time of the last lease extension the Board had given him authority to extend the lease if requested again by Golden State Water Company and therefore extended it. Aguilar informed the Board that the candidate they voted for, Jack Curtis (Incumbent), won the Region 5 CSDA Board of Directors seat. Aguilar stated that the November Communications Committee would be moved to Wednesday, November 8, 2006 at 1:30 p.m. due to legislative visits to Sacramento. He also stated that there would be additional legislative visits to Washington, D.C. from November 13-15, 2006 to meet with lobbyists. Aguilar informed the Board the District would be closed on the Friday, November 10 due to the Veteran's Day and on November 23-24 due to Thanksgiving. Aguilar informed the Board that the Employee Recognition Luncheon was scheduled for Friday, November 17 from 1:00 p.m.- 4:00 p.m. at the Dal Rae Restaurant in Pico Rivera. Aguilar reported that the Outsourcing Health Benefits Reimbursement Workshop for the Board was scheduled for Monday, November 20 at 11:00 a.m.

25. **GENERAL COUNSEL'S REPORT.** None.

26. **DIRECTORS' COMMENTS.** Director Gonzalez requested that staff consider putting a link on the Districts web site informing the public of the date and time change of the Regular Board meetings. Director Hawkins reported that his son's wife gave birth to a baby boy.

Director Cole reported that there would be a California Energy Commission information hearing on November 2 at the City of Vernon's Council Chambers to hear public comments regarding the planned power plant. He requested that staff attend the hearing. Director Apodaca thanked staff for their great work.

President Apodaca recessed to Closed Session at 2:35 p.m. without objection.

President Apodaca reconvened the Board meeting at 3:20 p.m.

27. CLOSED SESSION. Pursuant to Government Code Section 54956.9 (a) Conference with Legal Counsel - Existing Litigation - 1 Item - West Basin Municipal Water District v. Central Basin Municipal Water District, West and Central Basin Financing Authority, and All Persons Unknown, Claiming Any Legal or Equitable Right, Title, Estate, Lien or Interest in the Property described herein, Los Angeles Superior Court Case No. BC354819 (Los Angeles); and 54956.8 Property Negotiations – 2 Items; [17140 S. Avalon Blvd., Carson, CA 90746 and 6252 Telegraph Road, Commerce, CA 90040] Tom Calderon and Art Aguilar Negotiating Party Upon a motion duly made by Director Cole, the Central Basin Board of Directors authorized the General Manager to pursue Eminent Domain proceedings regarding the property located at 6252 Telegraph Road, Commerce, CA 90040 as necessary, was seconded by Director Gonzalez and approved by the Board by a 5-0 vote; the Board took no other reportable actions in closed session.

ADJOURNMENT: There being no further business to come before the Board, President Apodaca adjourned the meeting at 3:20 p.m.

President

ATTEST:

Secretary
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