

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS
CENTRAL BASIN MUNICIPAL WATER DISTRICT
NOVEMBER 20, 2006

A special meeting of the Board of Directors of Central Basin Municipal Water District was held on Monday, November 20, 2006 at 11:00 a.m., at 17140 South Avalon Boulevard, Carson, California.

President Apodaca called the meeting to order at 11:20 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 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. OUTSOURCING OF HEALTH BENEFITS WORKSHOP

Karen Martin, SPHR, of Flex Benefit Systems and staff presented; no action was taken.

President Apodaca recessed to Closed Session at 11:35 a.m. without objection.

President Apodaca reconvened the Board meeting at 12:28 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 reportable action was taken.

5. COMMENTS. None.

ADJOURNMENT: There being no further business to come before the Board, President Apodaca adjourned the meeting at 12:28 p.m.

President

ATTEST:

Secretary

/112006spcb

**MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS
CENTRAL BASIN MUNICIPAL WATER DISTRICT
NOVEMBER 21, 2006**

A special meeting of the Board of Directors of Central Basin Municipal Water District was held on Tuesday, November 21, 2006 at 1:00 p.m., at 17140 South Avalon Boulevard, Carson, California.

President Apodaca called the meeting to order at 1:15 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. POTENTIAL CHANGES TO THE ADMINISTRATIVE CODE

Legal Counsel Wance presented. During review of the Administrative Code the Board requested that Wance clarify the process for appointments, specifically to Part 2. Administration, Chapter 1. Board of Directors, Article 1. Articles of Election or Appointment, Section 2-1.102 Appointments of the Administrative Code due to the fact that the Board had been informed that Director Gonzalez would be resigning effectively February 28, 2007 which would create a vacancy on the Board.

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

ACTION: Upon a motion duly made by Director Cole, to adopt the following process of appointment:

1. Announce the vacancy and request applications of interest from qualified candidates within Division IV to be due back to the District by December 8, 2006;
2. Have the Board review all applications and invite potential candidates to an interview

to be conducted on Tuesday, December 19, 2006 at a special Board meeting; and
3. Consider appointing one of the interviewed candidates to the Board of Directors for
Division IV to be effective March 1, 2007,
was seconded by Director Hawkins, and was approved by the Board.

**The Board suggested having an Administrative Code subcommittee to review the
Administrative Code.**

**President Apodaca appointed Director Hawkins as Chair and Director Vasquez to
serve on the Administrative Code subcommittee.**

President Apodaca recessed to Closed Session at 1:45 p.m. without objection.

President Apodaca reconvened the Board meeting at 2:00 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 reportable action was taken.

- 5. COMMENTS. None.**

ADJOURNMENT: There being no further business to come before the Board, President
Apodaca adjourned the meeting at 2:00 p.m.

President

ATTEST:

Secretary
/112106spcb

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
CENTRAL BASIN MUNICIPAL WATER DISTRICT
NOVEMBER 28, 2006

A regular meeting of the Board of Directors of Central Basin Municipal Water District was held on Tuesday, November 28, 2006 at 1:00 p.m., at 17140 South Avalon Boulevard, Carson, California.

President Apodaca called the meeting to order at 1:20 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 District Counsel Wance.

PLEDGE OF ALLEGIANCE. Director Cole led the Pledge.

INVOCATION. Director Hawkins 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.)

- Jeanne-Marie Bruno, General Manager of Park Water Company asked to comment on Item 12 when presented.

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 -

- Dave Hill informed the Board that the LRP Task Force continues to meet to discuss the options for increasing recycled water yield. He stated that the options being considered are setting a flat rate of \$250 for each acre foot of recycled water produced, upfront financing to the member agencies, extending or expanding all LRP contracts, or possibly share risks between Metropolitan Water District and the member agencies for this particular project.

CONSENT CALENDAR

5. ACTION ON MINUTES – September 25, 2006 (Regular); October 9, 2006 (Special);

October 18, 2006 (Special); and October 28, 2006 (Regular)

6. FINANCIAL REPORT

A. Demand Numbers 70438 through 70557 for a total amount of (Excluding Demand No.s) for a total amount of \$5,859,958.65 (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. FINAL ANNUAL INDEPENDENT AUDIT FOR FISCAL YEAR 2005-06

A. CBMWD

B. JFA

9. AUDIT OF THE CODE OF CONDUCT FOR FISCAL YEARS 2004-05 AND 2005-06

ACTION: Upon a motion duly made by Director Hawkins and seconded by Director Cole the Board approved the Consent Calendar; Director Cole abstained on Demand No. 70460.

PUBLIC HEARING

10. AMENDMENT TO THE 2005 URBAN WATER MANAGEMENT PLAN (UWMP)

A. PUBLIC HEARING

President Apodaca read the following statement:

THIS IS A PUBLIC HEARING TO RECEIVE COMMENTS ON AN AMENDMENT TO THE 2005 URBAN WATER MANAGEMENT PLAN. TODAY, THE BOARD WILL RECEIVE COMMENTS AND CONSIDER APPROVAL OF THE PLAN.

A NOTICE OF THIS HEARING AND THE BOARD'S INTENT TO APPROVE THE AMENDMENT FOR THE 2005 URBAN WATER MANAGEMENT PLAN WAS PUBLISHED IN A DAILY NEWSPAPER OF GENERAL CIRCULATION IN THE GEOGRAPHICAL AREA OF THE PROPOSED PROJECT, AS PRESCRIBED BY LAW.

THE ORDER OF PRESENTATION OF COMMENTS AT THIS HEARING WILL BE: DISTRICT STAFF, PUBLIC AGENCIES, AND OTHER INTERESTED PARTIES. ANYONE SO DESIRING WILL BE HEARD. IF YOU HAVE NOT FILLED OUT ONE OF THE SPEAKER CARDS LOCATED ON THE TABLE IN THE LOBBY, PLEASE RAISE YOUR HAND AND ONE WILL BE PROVIDED TO YOU.

IT WILL BE APPRECIATED IF ALL PERSONS APPEARING BEFORE THE BOARD TODAY LEAVE WRITTEN COPIES OF THEIR TESTIMONY IF PREPARED. THE BOARD WILL CONSIDER ALL TESTIMONY; HOWEVER, IN THE INTEREST OF TIME, IT IS REQUESTED THAT ALL REPETITIVE AND REDUNDANT STATEMENTS BE AVOIDED.

MOTION: Upon a motion duly made by Director Hawkins and seconded by Director Vasquez, the Board opened the Public Hearing to receive comments.

Staff made a brief presentation, and noted that the District did not receive any written comments.

There were no other comments or presentations.

MOTION: Upon a motion duly made by Director Cole and seconded by Director Hawkins, the Board closed the Public Hearing.

B. CONSIDER AMENDMENT ADOPTION OF APPENDIX "H"

RECOMMENDATION: That the Board:

1. Conducts a public hearing to receive comments regarding the amendment to the 2005 Urban Water Management Plan; and
2. Approves, adopts and authorizes the President to sign Resolution No. 11-06-721, "A RESOLUTION OF THE BOARD OF DIRECTORS OF CENTRAL BASIN MUNICIPAL WATER DISTRICT ADOPTING AN AMENDMENT TO THE URBAN WATER MANAGEMENT PLAN."

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

ACTION CALENDAR

11. STANDBY CHARGE PROGRAM RESOLUTION OF INTENT AND DRAFT ENGINEER'S REPORT

RECOMMENDATION: That the Board approves, adopts, and authorizes the President to sign Resolution No. 11-06-722, "A RESOLUTION OF THE BOARD OF DIRECTORS OF CENTRAL BASIN MUNICIPAL WATER DISTRICT INITIATING PROCEEDINGS FOR THE

ESTABLISHMENT OF THE WATER AVAILABILITY OR STANDBY CHARGE FOR THE FISCAL YEAR COMMENCING JULY 1, 2007.”

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

12. DISABILITY AND RETIREE HEALTH BENEFITS

- Jeanne-Marie Bruno stated that she was concerned about the enrichment of Central Basin's benefits, saying she believes that the District offers a rich benefit package. She stated that when she read the Board memorandum it was not clear to her as to the reasons for the request to increase the benefits. Ms. Bruno stated that she had concerns on two items in the memorandum. First, that in the memorandum it was stated that the healthcare coverage premium for Cobra would be paid by the District for an employee who was terminated. She stated that her concern with this item was, would the Districts insurance carrier allow the District to do payments for three years for a non employee? *Directors and staff replied that the termination of the employee's service would have to be due to a permanent disability.* Secondly, regarding the retirement item, she stated that lowering the retirement age to 50 may result in an increase of 20% in the annual contribution of the retirement health benefits program and that to her that seemed like a significant amount and it also encouraged someone to retire early rather than retaining an employee. She stated that any increase in benefits such as the ones presented in the memorandum would definitely be a great factor for recruiting and retention purposes, but felt that these benefits could be a benchmark against competition or other agencies and wasn't sure if these factors had been taken into consideration in preparation of the memorandum. She restated that she was well aware the Central Basin's benefits were very generous, but felt that benefits should be competitive but also affordable and therefore, questioned the disability and retiree health benefits recommendation.

RECOMMENDATION: That the Board approves, adopts, and authorizes the President to sign Resolution No. 11-06-723, "A RESOLUTION OF THE BOARD OF DIRECTORS OF CENTRAL BASIN MUNICIPAL WATER DISTRICT AMENDING RESOLUTION NO. 3-04-

693 AS IT RELATES TO THE ADMINISTRATIVE CODE.” These changes will be reflected in the future revision of the Administrative Code.

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

13. SOUTHEAST WATER RELIABILITY PROJECT ENGINEERING DESIGN SERVICES AMENDMENT NO. 2

RECOMMENDATION: That the Board authorizes the General Manager to enter into Amendment No. 2 to Agreement C1699 for an amount of \$191,339, increasing the Agreement to a total not-to-exceed amount of \$5,129,026.

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

14. EXTENSION OF TITLE 22 LABORATORY SERVICES CONTRACT

RECOMMENDATION: That the Board authorizes the General Manager to extend Agreement No. C2007 with SEQ Corp. through February 28, 2007 and increase the not-to-exceed amount by \$25,000, raising the total contract amount from \$104,034 to \$129,034.

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

15. CENTER FOR WATER EDUCATION PLEDGE OPPORTUNITY

ITEM 15 WAS TABLED TO THE DECEMBER BOARD MEETING

16. CONSERVATION MASTER PLAN IMPLEMENTATION

RECOMMENDATION: That the Board of Directors authorize the General Manager to allocate additional funding in the amount of \$80,000 to implement the recommended CMP implementation strategies.

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

17. WATER SCHOLAR AWARD

RECOMMENDATION: That the Board authorizes the allocation of \$30,000 for the Water Scholar Program to the Fiscal Year 2006-07 Budget.

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

INFORMATION ITEMS

18. CENTRAL BASIN MUNICIPAL WATER DISTRICT'S PLAN DOCUMENTS

19. INTEGRATED REGIONAL WATER MANAGEMENT PLAN MEMORANDUM OF UNDERSTANDING

20. LEGISLATIVE UPDATE - ORAL REPORT

21. SOUTHEAST WATER RELIABILITY PROJECT OUTREACH UPDATE

22. CUSTOMER DEVELOPMENT TARGET BASE

23. RECYCLED WATER CUSTOMER DEVELOPMENT UPDATE - ORAL REPORT

The Board reviewed Items 18-23; these items were received and filed.

COMMENTS

24. GENERAL MANAGER'S REPORT ON DISTRICT ACTIVITIES. Aguilar reported that the Integrated Regional Water Management Plan (IRWMP) had been awarded \$25 million and that he would be meeting with the parties involved in IRWMP to discuss the original proposal that was drafted and would keep the Board informed of the results of the meeting. He informed the Board that the San Gabriel River Discovery Center was in the process of hiring an Executive Officer to direct the daily operations of the Center. Aguilar reported that the District had received a letter from Lagerlof, Senecal, Gosney, and Kruse, LLP regarding the Central Basin Water Storage and Recovery Program and stated that due to the fact that a section in the letter referred to possible legal action in regards to Conjunctive Use that it would be best if it was discussed in closed session. He also reported that the joint monthly luncheon with WRD was scheduled for Friday, December 1 at 12:00 p.m. at WRD. Aguilar reported that the ACWA Conference would take place December 6-8 in Anaheim and the CRWUA Conference would take place December 13-15 in Las Vegas and informed the Directors as a reminder that they are required to report back to the Board on their attendance to any conference that is on the list of approved conferences. He reported that

due to upcoming conferences Committees for December had to be rescheduled to the following dates: Finance/Administration Committee to Tuesday, December 5 at 1:00 p.m.; Water Resources to Monday, December 11 at 1:00 p.m.; and Communications cancelled due to the fact there was only one item which would be brought directly to the Board meeting in December. Aguilar reported that a retirement celebration for Jim Stahl, Chief Engineer and General Manager of the Sanitation Districts of Los Angeles County, would be held in conjunction with the Sanitation Districts Annual Employee Open House on Thursday, December 14 at 5:30 p.m. at the Skylight Café in Whittier. He also informed the Board the WRD would be hosting a Title 22 Groundwater Monitoring Program Workshop on Thursday, November 30, 2006 from 10:00 a.m. - 12:00 p.m. at WRD. Lastly, he stated that during the ACWA conference HDR would be hosting a Client Appreciation Dinner at the Anaheim White House Restaurant on Wednesday, December 6.

25. GENERAL COUNSEL'S REPORT. None.

26. DIRECTORS' COMMENTS. Director Cole reported that ex-Director Albert Robles had appeared in court and had been sentenced to 10 years in a Federal Prison. Director Hawkins informed the Board the he attended the Legislative Visits in Washington, D.C. with General Manager Aguilar and Tom Calderon and that they were very successful in their lobbying efforts. Director Apodaca reported that due to the several requests from legislators to participate in certain events that require contributions, he has taken it upon himself to create water PAC which consists of contributing personal funds into the PAC. He stated that he has personally contributed \$5,000 and hopes that his colleagues will take it upon themselves to contribute to the water PAC in order to be able to contribute to such events hosted by the legislators. He also informed the Board the he would be attending the Swearing In ceremonies in Sacramento on Monday, December 4, for Senator-Elect Ron Calderon and Assemblyman-Elect Charles "Chuck" Calderon.

President Apodaca recessed to Closed Session at 2:33 p.m. without objection.

President Apodaca reconvened the Board meeting at 3:15 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 Legal Counsel Wance reported that the Board had met in Closed Session on the items listed above; no reportable action was taken.

ADJOURNMENT: There being no further business to come before the Board, President Apodaca adjourned the meeting at 3:15 p.m.

President

ATTEST:

Secretary
/112806cb