

# AGENDA

## ADJOURNED REGULAR MEETING OF THE BOARD OF DIRECTORS

### THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

**June 8, 1999**

**10:00 AM**

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MWD Headquarters Building • Board Room • 700 North Alameda Street • Los Angeles, CA 90012

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**1. Call to Order**

- (a) Invocation: Director Wyatt L. Troxel
- (b) Pledge of Allegiance, led by Director Gene Koopman

**2. Roll Call**

**3. Determination of a Quorum**

**4. Additions to Agenda (As required by Gov. Code, § 54954.2(b))**

**5. Opportunity for members of the public to address the Board on matters within the Board's jurisdiction. (As required by Gov. Code, § 54954.3(a))**

**6. OTHER MATTERS**

- A. Approval of the Minutes of the Meetings held August 10, 1998, and February 9, 1999. (Copies have been mailed to each Director)

Any additions, corrections, or omissions

- B. Induction of new Director(s)
  - (a) Receive credentials
  - (b) Report on credentials by General Counsel
  - (c) File credentials
  - (d) Administer Oath of Office
  - (e) File Oath
- C. Presentation of Commendatory Resolution to former Director William T. O'Neil
- D. Committee appointments. (Exec.)
- E. Authorize preparation of Commendatory Resolution for former Director Chester Gilbert. (Exec.)
- F. Adopt Resolution in support of James H. Blake for ACWA President. (Exec.)
- G. Chairman's Monthly Activity Report
- H. Report on the Strategic Plan
- I. Report on Colorado River matters, including negotiations to develop a California plan for river operations, settlement of the San Luis Rey water rights dispute and Salton Sea issues. (Exec., WP&R)  
**[Conference with Real Property Negotiators; Agency Negotiator: Paul Cunningham; Negotiating Parties: United States Department of the Interior, State of California, State of Nevada, State of Arizona, Palo Verde Irrigation District, Imperial Irrigation District, Coachella Valley Water District, Los Angeles Department of Water and Power, San Diego County Water Authority, Colorado River Indian Tribes Coalition, San Luis Rey Settlement Parties; Property: Water Rights, Colorado River Allocations; Under Negotiation: Price and Terms; to be heard in closed session pursuant to Gov. Code § 54956.8]**
- J. General Manager's oral summary of District activities for the month of May
- K. General Counsel's oral summary of Legal Department activities for the month of May

**7. ORAL REPORTS OF STANDING COMMITTEES**

- 7-1 Executive Committee (Phillip J. Pace, Chairman)
- 7-2 Budget and Finance (Larry J. Kosmont, Interim Chairman)
- 7-3 Engineering and Operations (William G. Luddy, Chairman)
- 7-4 Legal and Claims (Langdon W. Owen, Chairman)

- 7-5 Communications and Legislation (Jerry A. King, Chairman)
- 7-6 Water Planning and Resources (Bill D. Wright, Vice Chairman)

**8. CONSENT CALENDAR ITEMS (Action)**

- 8-1 Appropriate \$1,950,000 for design and construction for Standpipe Strengthening Project. (Appn. 15342) (E&O)

**Recommendation:**

**To perform design and construction activities to strengthen 19 standpipes on Metropolitan's distribution system, it is recommended that the Board:**

- 1. Determine that the project qualifies for Categorical Exemption under the California Environmental Quality Act;**
- 2. Appropriate \$1,950,000 of budgeted funds to finance all associated costs; and**
- 3. Authorize the General Manager to have all work performed, except for contracts of \$250,000 or more.**

- 8-2 Approve agreement with Riverside County for acceptance of relocated East Newport Road (Domenigoni Parkway); and authorize entering into a contract not to exceed \$400,000 for construction of curbs and related drainage facilities on Domenigoni Parkway. (Exec.)

**Recommendation:**

**It is recommended that the Board:**

- 1. Authorize the General Manager to execute a supplemental agreement between The Metropolitan Water District of Southern California (Metropolitan) and Riverside County relating to completion of the improvements to relocated East Newport Road (Domenigoni Parkway) and acceptance of Domenigoni Parkway as a public road by the County; and,**
- 2. Authorize the General Manager to enter into a construction contract not to exceed \$400,000 for construction of curbs and related drainage facilities on Domenigoni Parkway.**

- 8-3 Approve (1) Annual Statement of Investment Policy; and (2) the annual delegation of authority to the Treasurer to make investments. (B&F)

**Recommendation:**

**It is recommended that your Board approve Metropolitan's Statement of Investment Policy dated June 8, 1999 (Attachment A), and approve**

**the annual delegation of authority to the Treasurer to make investments on behalf of Metropolitan.**

- 8-4 Informally approve Annexation No. 58 concurrently to Metropolitan and Calleguas Municipal Water District; and adopt Resolution of Intent to impose standby charges. (B&F)

**Recommendation:**

**It is recommended that the Board:**

- 1. Give informal approval as defined in Administrative Code 3100(b) for the concurrent annexation of Annexation No. 58 to Calleguas Municipal Water District (Calleguas) and The Metropolitan Water District of Southern California (Metropolitan); conditioned upon an annexation charge paid in full of approximately \$167,511.70, if completed by December 31, 1999, or at the then current annexation charge rate, if completed after December 31, 1999, subject to such terms and conditions as may be fixed by the Board in granting formal consent to such annexation when a request therefore has been received;**
- 2. Approve the plans for Implementing Water Use Efficiency Guidelines for this proposed annexation attached hereto as Exhibit A; and**
- 3. Approve the resolution of intention to impose standby charges at the rate of \$9.58 per acre or per parcel of less than one acre within the proposed annexation, substantially in the form of Exhibit B to this letter.**

- 8-5 Informally approve Fortieth Fringe Area Annexation concurrently to Metropolitan and Western MWD of Riverside County; and adopt Resolution of Intent to impose standby charges. (B&F)

**Recommendation:**

**It is recommend that the Board:**

- 1. Give informal approval as defined in Administrative Code 3100(b) for the Fortieth Fringe Annexation concurrently to The Metropolitan Water District of Southern California (Metropolitan) and Western Municipal Water District of Riverside County (Western); conditioned upon a cash payment to Metropolitan of the annexation charge of approximately \$163,426.40, if completed by December 31, 1999, or at the then current annexation charge rate if completed after December 31, 1999, subject to such terms and conditions as may be fixed by the Board in granting formal consent to such annexation when a request therefore has been received;**

2. **Approve the plans for Implementing Water Use Efficiency Guidelines (Plan) for this proposed annexation attached as Exhibit A; and**
3. **Approve the form of resolution of intention to impose water standby charges at the rate of \$9.23 per acre or per parcel of less than one acre within the proposed annexation, substantially in the form of Exhibit B to this letter.**

8-6 Adopt (1) Resolution for consent to the concurrent annexation of Thirty-Eighth Fringe Area Annexation to Metropolitan and Western MWD of Riverside County; and (2) Resolution of Intent to impose standby charges. (B&F)

**Recommendation:**

**It is recommended that the Board:**

1. **Certify that it has reviewed and considered the information contained in the Notice of Exemption attached as Exhibit A prior to reaching a decision in the project;**
2. **Adopt resolution granting Western Municipal Water District of Riverside County's (Western) request for consent to the annexation of Thirty-Eighth Fringe Area concurrently to The Metropolitan Water District of Southern California (Metropolitan) and Western by establishing Metropolitan's terms and conditions for the annexation, in the form of Exhibit B to this letter; and**
3. **Adopt resolution to impose standby charges at a rate of \$9.23 per acre or per parcel of less than one acre within the proposed annexation, in the form of Exhibit C to this letter.**

8-7 Authorize supplemental payment of up to \$5,000 to ACWA for activities related to the Pacific Gas & Electric hydroelectric asset divestiture. (Exec.)

**Recommendation:**

**It is recommended that the Board authorize payment to the Association of California Water Agencies for supplemental assessments of up to \$5,000 total for activities related to the Pacific Gas and Electric hydroelectric facility divestiture.**

8-8 Approve renewal of internal audit support services contract with KPMG, LLP, not to exceed \$200,000, for fiscal year 1999-2000. (Exec., Audit)

**Recommendation:**

**It is recommended that the Auditor be granted authority to renew the existing contract with the accounting firm of KPMG, LLP, to provide**

**various internal audit support services during fiscal 1999-2000 in an amount not to exceed \$200,000.**

- 8-9 Authorize amendment of agreement with Vargas Lopez and Company to increase the maximum fee limit of \$341,000 by up to \$38,500 for additional services. (Exec., Audit)

**Recommendation:**

**It is recommended that authority be granted to amend the Board's existing contract with the accounting firm of Vargas, Lopez and Company, LLP, to increase the maximum fee limit of \$341,000 by up to \$38,500 for additional services.**

- 8-10 Approve technical and editorial changes to new procedures pertaining to Board and Committees' Structure and Administrative Code clean-up items. (Exec.)

**Recommendation:**

**It is recommended that the technical and editorial changes to the Administrative Code sections describing the new procedures pertaining to the board and committee structure, and the Administrative Code clean-up items, set forth in Attachment A be approved.**

- 8-11 Express support for AB 1521 (Machado) regarding Delta flood control, levee maintenance, and recreational programs. (C&L)

**Recommendation:**

**It is recommended that the Board take a position of support for AB 1521.**

**(END OF CONSENT CALENDAR)**

**9. OTHER BOARD ITEMS (Action)**

- 9-1 Approve 1999-2000 Annual Budget. (B&F) **[To be mailed separately]**

- 9-2 Approve use of water rate stabilization funds. (B&F)

**Recommendation:**

**It is recommended that the Board of Directors approve the use of up to \$80 million to cover expenditures for Fiscal Year 1998-99 from the Water Rate Stabilization Fund (WRSF).**

- 9-3 Reauthorize the purchase of up to \$75 million of Metropolitan bonds in the secondary market. (B&F)

**Recommendation:**

**It is recommended that the Board of Directors re-authorize the General Manager to purchase up to \$75 million of Metropolitan bonds in the secondary market subject to the conditions described in the Detailed Report section of this letter. This re-authorization will be effective July 1, 1999, and will expire on June 30, 2000. It is also recommended that if bonds are purchased the Pay-As-You-Go Fund (PAYG) would be used as the funding source.**

- 9-4 Authorize amendment of agreement with Parsons Constructors, Inc., an increase of \$250,000 for a total amount of \$1,030,000, to perform administrative services for the Project Labor Agreement for the Inland Feeder Project. (E&O)

**[To be mailed separately]**

- 9-5 Appropriate \$2,860,000 and award a contract to Mitchell Pacific Constructors, Inc., in the amount of \$2,216,764, for the North Slope Remediation for Settling Basin No. 8 at the Robert B. Diemer Filtration Plant. (Appn. 15220, No. 2) (E&O)

**Recommendation:**

**To construct North Slope Remediation for Settling Basin No. 8 (Basin 8) at the Robert B. Diemer Filtration Plant (Diemer plant), it is recommended that the Board:**

- 1. Appropriate \$2,860,000 to finance all budgeted costs; and**
- 2. Award a lump-sum construction contract, in form approved by the General Counsel, to Mitchell Pacific Constructors, Inc., in the amount of \$2,216,764.**

- 9-6 Adopt policy statement regarding implementation of CALFED's preferred alternative. (WP&R)

**Recommendation:**

**It is recommended that the Board review and consider adoption of the proposed policy statement related to implementation of CALFED's Preferred Alternative for the Bay/Delta; and direct staff to work with other urban water agencies, regulatory agencies, and other water quality interests to pursue the merits of developing a water quality index as a communication strategy to promote greater public understanding of water quality issues and costs associated with the Bay/Delta.**

- 9-8 Adopt Resolution of Necessity directing the General Counsel to condemn property required for the Inland Feeder Project in San Bernardino County, identified by Assessor's Parcel Nos., MWD's Right-of-Way Parcel Nos., and Owners' Names attached hereto. (Cheeley, Miller, et al., and Kreutzer). (L&C)

**Recommendation:**

**It is recommended that the Board of Directors adopt, by a two-thirds vote, the resolution of necessity to condemn the properties described in Exhibits A and B, attached hereto, in accordance with the eminent domain law, and directing the General Counsel to commence condemnation proceedings to acquire the properties.**

- 9-9 Adopt Resolution of Necessity directing the General Counsel to condemn property required for the Inland Feeder Project in San Bernardino County, identified by Assessor's Parcel Nos., MWD's Right-of-Way Parcel Nos., and Owners' Names attached hereto. (Delameter, Gomez, et al.) (L&C)

**Recommendation:**

**It is recommended that the Board of Directors adopt, by a two-thirds vote, the resolution of necessity to condemn the properties described in Exhibits A and B, attached hereto, in accordance with the eminent domain law, and directing the General Counsel to commence condemnation proceedings to acquire the properties.**

- 9-10 Adopt Resolution of Necessity directing the General Counsel to condemn property required for the Inland Feeder Project in San Bernardino County, identified by Assessor's Parcel Nos., MWD's Right-of-Way Parcel Nos., and Owners' Names attached hereto. (McPeters, Persian International). (L&C)

**Recommendation:**

**It is recommended that the Board of Directors adopt, by a two-thirds vote, the resolution of necessity to condemn the properties described in Exhibits A and B, attached hereto, in accordance with the eminent domain law, and directing the General Counsel to commence condemnation proceedings to acquire the properties.**

- 9-11 Authorize settlement in Metropolitan v. San Bernardino Valley Water Conservation District, Robertson's Ready Mix, Inc., et al., Santa Barbara County Superior Court Case No. 225737, with Robertson's Ready Mix, Inc. (L&C)

**[Conference with Legal Counsel Existing Litigation; to be heard in closed session pursuant to Gov. Code § 54956.9(a)]**



- 9-12 Authorize settlement of eminent domain action entitled The Metropolitan Water District of Southern California v. Craig S. Banta, et al., San Bernardino County Superior Court Case No. SCV 42671, for the Inland Feeder Project. (L&C)  
**[Conference with Legal Counsel--Existing Litigation; to be heard in closed session pursuant to Gov. Code § 54956.9(a)]**
- 9-13 Authorize settlement of eminent domain action entitled The Metropolitan Water District of Southern California v. James Reineman, et al., San Bernardino County Superior Court Case No. SCV 42065, for the Inland Feeder Project. (L&C)  
**[Conference with Legal Counsel--Existing Litigation; to be heard in closed session pursuant to Gov. Code § 54956.9(a)]**
- 9-14 Discussion of potential legal strategies for Phase 8 (Allocation of Bay-Delta Flow Obligations) of State Water Resources Control Board Hearings. (L&C, WP&R)  
**[Conference with Legal Counsel--Existing Litigation; Parties: Water Right Holders in Bay-Delta Watershed; to be heard in closed session pursuant to Gov. Code § 54956.9(a); SWRCB Consideration of Alternatives to Implement Water Quality Objectives for the Bay-Delta Estuary and Related Matters]**
- 9-15 Report on the Eastside Reservoir Project. (E&O) **[To be mailed separately]**

**10. BOARD INFORMATION ITEMS**

- 10-1 Operating data for the month of April.
- 10-2 Activity report of the Legal Department for the month of May.
- 10-3 Activity report of the Audit Department for the month of May.
- 10-4 Executive Financial Summary for the month of April. (B&F)
- 10-5 Operating equipment capitalization. (B&F, Audit)
- 10-7 Status report for the Eastside Reservoir Project for the month ending April 1999. (E&O, B&F)  
**[Any discussion of claims will be heard in closed session. Conference with Legal Counsel--Significant Exposure to Litigation (two matters); to be heard in closed session pursuant to Gov. Code § 54956.9(b)] [To be mailed separately]**
- 10-8 Status report for the Inland Feeder Project for the month ending April 1999. (E&O, B&F)  
**[Any discussion of claims will be heard in closed session. Conference with Legal Counsel--Significant Exposure to Litigation (two matters); to be heard in closed session pursuant to Gov. Code § 54956.9(b)]**

- 10-9 Status report on Phase One of the Information Systems Strategic Plan covering the period from January 1, 1999 through March 31, 1999. (Exec.)
- 10-10 Quarterly Information Technology Projects Status Report. (Exec.)
- 10-11 Year 2000 Project Update. (Exec.)
- 10-12 Operations Division May 1999 Operating Plan. (E&O)

**11. REPORTS OF SPECIAL COMMITTEES**

**12. COMMITTEE ITEMS--(For purposes of acting on Committee recommendations, if any, to the Board)**

**Executive Committee**

- 8b. Review of the reporting responsibilities of the General Manager, General Counsel, and Auditor

**13. ADJOURNMENT**

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

Each agenda item with a committee designation will be considered and a recommendation may be made by one or more committees prior to consideration and final action by the full Board of Directors. The committee designation appears in parenthesis at the end of the description of the agenda item e.g. (E&O, B&F). Committee agendas may be obtained from the Executive Secretary.