

AGENDA

REGULAR MEETING OF THE BOARD OF DIRECTORS THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

July 13, 1999

10:00 AM

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

1. Call to Order

- (a) Invocation: Director Wyatt L. Troxel
- (b) Pledge of Allegiance, led by Director Mark W. Watton

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))

a. Discussion of Bay-Delta Issues

Honorable Mary D. Nichols, Secretary, of The California Resources Agency

Lester Snow, Executive Director, CALFED Bay-Delta Program

6. OTHER MATTERS

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

Any additions, corrections, or omissions

- B. Presentation of Commendatory Resolution to former Director Bill M. Hill
- C. Presentation of Commendatory Resolution to former Director William T. O'Neil
- D. Adopt motion to adjourn the August Board Meeting (to August 17, 1999, to establish tax rate). (Exec.)
- E. Committee appointments. (Exec.)
- F. Chairman's Monthly Activity Report
- G. Report on the Strategic Plan
- H. 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]
- I. Report on Issues Related to Wheeling Legislation—SB506 (Peace). (L&C, C&L)
- J. Discussion of Bay-Delta related issues; including progress on developing and implementing the CALFED program; potential litigation regarding the EIR/EIS regarding the CALFED program; the State Water Resources Control Board's Phase 8 hearings to allocate responsibility to meet Bay-Delta environmental obligations. (WP&R)
(Conference with Legal Counsel—(1) 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; (2) Pending Litigation; Parties: CALFED State and Federal Agencies; including California Resources Agency; Litigation to Challenge the EIR/EIS Certified by the CALFED Agencies Regarding the CALFED Program)
- K. Report on the Process Development for Evaluating the General Manager, General Counsel and the Auditor. (Exec.)
- L. Report on MAPA Negotiations
(Conference with Labor Negotiator, Don Becker; to be heard in closed session pursuant to Gov. Code §54957.6)

- M. General Manager's oral summary of District activities for the month of June
- N. General Counsel's oral summary of Legal Department activities for the month of June

7. ORAL REPORTS OF STANDING COMMITTEES

- 7-1 Executive Committee (Phillip J. Pace, Chairman)
- 7-2 Budget and Finance (Glen D. Peterson, Chairman)
- 7-3 Engineering and Operations (William G. Luddy, Chairman)
- 7-4 Legal and Claims (Gary A. Morse, Chairman)
- 7-5 Communications and Legislation (Jerry A. King, Chairman)
- 7-6 Water Planning and Resources (Langdon W. Owen, Chairman)

8. CONSENT CALENDAR ITEMS (Action)

- 8-1 Award a pipe fabrication contract to Ameron International in the amount of \$359,000 to relocate the Orange County Feeder into Brea Canyon Road. (E&O)

Recommendation:

It is recommended that the Board award a lump-sum pipe fabrication contract, in form approved by the General Counsel, to Ameron International in the amount of \$359,000 to relocate the Orange County Feeder into Brea Canyon Road.

- 8-2 Authorize additional work estimated to cost \$300,000 using existing funds to relocate below-ground vacuum and air release valve assemblies to above ground locations. (E&O)

Recommendation:

It is recommended that the Board authorize the General Manager to have all work performed for the relocation and/or modification of below-ground vacuum air release valve (VARV) assemblies on Metropolitan's treated water pipelines on installations that constitute a high risk of cross-connection contamination using existing funds in Appropriation No. 15171.

- 8-3 Appropriate \$616,100 for the Robert B. Diemer Filtration Plant Alum/Ferric Jet Mix Retrofit. (Appn. 15337) (E&O)

Recommendation:

For the retrofit of aluminum sulfate (alum)/ferric chloride (ferric) jet mix facilities at the Robert B. Diemer Filtration Plant (Diemer), it is recommended that the Board:

- 1. Appropriate \$616,100 in budgeted funds to finance all costs;**
- 2. Authorize the General Manager to have all work performed; and**
- 3. Determine that the project qualifies for Categorical Exemption under the California Environmental Quality Act.**

- 8-4 Authorize entering into an agreement with Cox, Castle & Nicholson LLP for disclosure counsel services. (L&C)

Recommendation:

It is recommended that the Board authorize the General Counsel enter into an agreement with the law firm Cox, Castle & Nicholson LLP for disclosure counsel services from the date of the execution of the contract through December 31, 2001.

- 8-5 Informally approve Annexation No. 57 concurrently to Calleguas Municipal Water District and Metropolitan; and adopt Resolution of Intent to impose standby charges. (Exec.)

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. 57 to Calleguas Municipal Water District (Calleguas) and The Metropolitan Water District of Southern California (Metropolitan); conditioned upon an annexation charge paid in full of \$56,192.71, 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.**

8-6 Informally approve Thirty-Ninth Fringe Area Annexation concurrently to Western MWD of Riverside County and Metropolitan; and adopt Resolution of Intent to impose standby charges. (Exec.)

Recommendation:

It is recommended that the Board:

- 1. Give informal approval as defined in Administrative Code 3100(b) for the Thirty-Ninth 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 \$152,449.64 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.**

8-7 Approve payment to the State Water Contractors for membership dues and contributions to the Bay-Delta Fund and Bay-Delta Urban Fund for fiscal year 1999-2000 in the amounts of \$502,875, \$150,000, and \$32,000, respectively. (Exec.)

Recommendation:

Option 1--The Board approve the payment of the SWC membership dues and contributions to the SWC Bay/Delta Fund and Bay/Delta Urban Fund for FY 1999-2000 in the amounts of \$502,875, \$150,000, and \$32,000 respectively, from funds provided for in Metropolitan's 1999-200 budget.

8-8 Appropriate \$1,834,200 for third year funding of the Desalination Research and Innovation Partnership. (Exec.)

Recommendation:

Approve an increase of \$1,834,200 in Appropriation No. 15301 from \$576,200 to \$2,410,400 from the Pay-As-You-Go Fund to finance the third year of the Desalination Research and Innovation Partnership (DRIP).

(END OF CONSENT CALENDAR)

9. OTHER BOARD ITEMS (Action)

9-1 Appropriate an additional amount of funds for completion of the Eastside Reservoir Project. (Appn. 15123, No. 44) (E&O, B&F)

Recommendation:

It is recommended that your Board appropriate an additional \$115,000,000 to a total of \$2,087,100,000 to fund the Eastside Reservoir Project through completion of all remaining work.

9-1A Authorize the additional expenditure of \$3,650,000 and execution of change orders for the P-1 Pumping Plant of the Eastside Reservoir Project. (E&O, B&F)

Recommendation:

It is recommended that the Board authorize the General Manager to expend an additional \$3,650,000 and to execute Change Orders to the Contract with Advanco Constructors at the P-1 Pumping Plant, not to exceed a total including previously approved change orders of \$13,450,000 (21.6 percent of the original contract amount), in a form approved by the General Counsel.

9-2 Approve inclusion of and negotiate siting for Western Center for Archaeology and Paleontology at Eastside Reservoir Recreation Project. (Exec.)

Recommendation:

It is recommended that the Board approve inclusion of the concept of the Western Center for Archaeology and Paleontology (Center) in the Eastside Reservoir Recreation Project and authorize the General Manager to negotiate proposed terms and conditions for siting the proposed Center subject to Board approval.

- 9-3 Approve principles for participation in the development of a procedure for introduction of non-project water into the California Aqueduct. (WP&R)

Recommendation:

Option #1 -- Adopt principles as written. Fiscal Impact: Might lower costs in dry years.

- 9-4 Authorize entering into and amending existing contracts with employment service agencies and professional firms supplying temporary personnel in excess of the \$250,000 limitation. (Exec.)

Recommendation:

It is recommended that the General Manager be authorized to amend existing agreements and enter into new contracts with employment service agencies and professional firms supplying temporary personnel without regard to the \$250,000 limitation on the General Manager's contract authority. No individual contract will exceed \$2,500,000 in a single-contract year. Amounts paid shall not exceed \$14,394,500 as stated in the Annual Budget for the 1999/00 FY.

- 9-5 Board authorization for full implementation of reorganization plan by the General Manager. (Exec.)

Recommendation:

Option #1 -- Grant authorization to the General Manager to appoint, reassign, transfer or remove new and existing positions and all and any other necessary actions to implement the new organizational structure without further action by the Board.

- 9-7 Approve establishment of Office of Ethics. (Exec.)

Recommendation:

Authorize establishment of Metropolitan Office of Ethics with guidelines for implementation.

- 9-9 Report on eminent domain actions (Metropolitan v. Fletes, San Bernardino County Superior Court Case No. SCV 44155; and Metropolitan v. Cozzolino, San Bernardino County Superior Court Case No. SCV 42816) for the Inland Feeder Project; and authorize amendment to agreement with special counsel. (L&C)

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

- 9-10 Receive and File Audit Report on the Eastside Reservoir Project and Accept the General Manager's Response to Auditor's Findings and Recommendations. (Exec., Audit)

Recommendation:

It is recommended that the Board:

- 1. Accept the final Vargas Lopez Audit Report on the Eastside Reservoir Project and bring closure to the external audit process initiated by the Board in October 1998.**
- 2. Accept the General Manager's May 7, 1999, response to the audit and management actions.**

- 9-11 Adoption of Legal Strategy for Phase 8 (Allocation of Bay-Delta Flow Obligations) of State Water Resources Control Board Hearings. (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)**

10. BOARD INFORMATION ITEMS

- 10-1 Operating data for the month of May.
- 10-2 Activity report of the Legal Department for the month of June.
- 10-3 Activity report of the Audit Department for the month of June.
- 10-4 Executive Financial Summary for the month of May. (B&F)
- 10-5 Audited cash basis financial statements as of March 31, 1999, and the nine months then ended. (B&F, Audit)
- 10-6 Status report for the Eastside Reservoir Project for the month ending May 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)]
- 10-7 Status report for the Inland Feeder Project for the month ending May 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)]

11. REPORTS OF SPECIAL COMMITTEES

12. 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.