

**Adjourned Regular Meeting of the
Board of Directors**

**REVISED
March 9, 2000, 9:28 a.m.**

March 14, 2000

***Approximately 1:00 PM
(*Immediately following Strategic Plan Workshop)**

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 Ed Royce, Sr.

- 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))**

Presentation of Certificate of Appreciation to Huell Howser, Host of KPBS California's Gold Program

- 6. OTHER MATTERS**
 - A. Approval of the Minutes of the Meeting held February 8, 2000. (A copy has been mailed to each Director)
Any additions, corrections, or omissions
 - B. Presentation of ten-year service pin to Director John T. Morris

- C. Presentation of twenty-year service pin to Director Regina Murph
- D. Committee appointments. (Exec.)
- E. Chairman's Monthly Activity Report
- F. Report on the Strategic Plan
- G. Report from the Special Committee on Ethics
Principles, rules, and process for development of Office of Ethics.
(Exec.)
- H. Amend Administrative Code re Director-sponsored inspection trips.
(Exec.)
- I. Consideration of Carver-type general policy statements. (Exec.)
- J. 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.
[Any discussion of real property negotiations will be held in closed session. 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]
- K. 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)
[Any discussion of litigation will be held in closed session. 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); (2) Initiation of Litigation (one potential case); to be heard in closed session pursuant to Gov. Code § 54956.9(c)]
- L. General Manager's oral summary of District activities for the month of February

- M. General Counsel's oral summary of Legal Department activities for the month of February

7. ORAL REPORTS OF STANDING COMMITTEES

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

8. CONSENT CALENDAR ITEMS (Action)

- 8-1 Adopt additional policy principles for watershed management. (WP&R, C&L)

Recommendation:

Option #1:

Adopt the additional policy principles for watershed management as proposed.

Support public financing for watershed management projects that provide broad public benefits, including environmental and water quality improvements.

Support funding mechanisms for watershed management projects that allocate costs to project beneficiaries only if: (1) costs are also fairly allocated among entities responsible for water quality degradation, (2) the level of benefits project beneficiaries are expected to receive is commensurate with costs allocated to them, (3) the determination of watershed management program benefits is based on proven scientific information, and (4) the project beneficiaries agree with the cost allocation.

Oppose watershed management funding mechanisms that impose mandatory water user fees or target water supply exporters, without agreements from those users.

Watershed management programs should provide accountability to those entities, including the public, that provide funding.

Accountable watershed management funding programs should include justification that funding levels represent actual needs, well-defined criteria for the distribution of funds, oversight for the funding program, and specific monitoring and reporting requirements for those entities receiving funding.

- 8-2 Approve payment of \$5,000 as a sponsor of Water Education Foundation Water Leader Class 2000. (C&L)

Recommendation:

Option #1:

Authorize the expenditure of \$5,000 as a sponsor of the Water Education Foundation Water Leaders Class 2000.

- 8-3 Approve payment of \$5,000 special assessment to American Public Power Association for power marketing administration activities. (Exec.)

Recommendation:

Option #1:

Authorize payment of the \$5,000 American Public Power Association special assessment for power marketing administration activities.

(END OF CONSENT CALENDAR)

9. OTHER BOARD ITEMS (Action)

- 9-1 Adopt (1) recommended water rates and charges for fiscal year 2000-01 to become effective January 1, 2001; and (2) Resolutions to Impose Charges. (B&F)

Recommendation:

- 1. Adopt the water rates and charges as defined in the General Manager's letter for fiscal year 2000-01 effective January 1, 2001 as required by Metropolitan Administrative Code Section 4304.**
- 2. Approve the following resolutions:**
 - (a) Resolution to fix and adopt the readiness-to-serve charge for fiscal year 2000-01 in the form shown as Attachment 3 to the General Manager's letter.**

(b) Resolution of intention to impose a new demand charge at the current level and suspend collection of the charge for fiscal year 2000-01, in the form shown as Attachment 4 to the General Manager's letter.

- 3. Find that the setting of rates and charges recommended in the General Manager's letter is exempt from the California Environmental Quality Act (CEQA) by Public Resources Code Section 21080(b)(8), since it is for the purposes of: (a) meeting operating expenses; (b) purchasing or leasing supplies, equipment or materials; (c) meeting financial reserve needs and requirements; and (d) obtaining funds for capital projects necessary to maintain service within existing service areas; and, additionally, it is exempt from CEQA under State CEQA Guidelines 15378(b)(5), since it constitutes the creation of government funding mechanisms, which does not involve commitment to any specific project which may result in a potentially significant physical impact on the environment, or which will be used to fund projects which have CEQA documentation, or which will have CEQA documentation in place prior to construction of any facility or facilities.**

- 9-2 Authorize (1) entering into an agreement with California Department of Transportation for reimbursement of costs incurred to protect a portion of the Rialto Feeder Pipeline; and (2) the General Manager to award a contract not to exceed \$3,000,000 for all construction activities. (E&O)

Recommendation:

Option #1:

Execute a reimbursable agreement with Caltrans to protect the Rialto Feeder pipeline at the proposed State Route 30 crossings and authorize the General Manager to award a construction contract in an amount not to exceed \$3,000,000 for all related construction activities.

- 9-3 Certify and adopt the required CEQA documentation; and authorize \$1,679,000 for all activities in advance of award of a construction contract for San Diego Pipeline No. 3 Bypass Project. (Appn. 15318, No. 2) (E&O)

Recommendation:

Option #1:

- A. Certify that the Board has reviewed and considered the information presented in the SD-3 Bypass Project's FEIR; certify that the FEIR has been completed in compliance with CEQA; adopt the Findings of Fact and the Statement of Overriding Considerations and MMRP; approve the project; and**
- B. Appropriate \$1,679,000 and authorize the General Manager to take all actions necessary to implement the project in advance of award of a construction contract.**

- 9-4 Authorize entering into a three-year agreement with Honeywell DMC Services, Inc. for \$2.5 million to provide enhanced commercial, industrial and institutional services under the Conservation Credits Program. (WP&R)

Recommendation:

Option #2:

Authorize a three-year agreement with Honeywell not to exceed \$2.5 million for both phases of the proposed Regional Program. Accept a grant of \$150,000 from U.S. Bureau of Reclamation for the first phase of the Regional Program and additional funding from outside parties for the second phase.

- 9-5 Authorize amending agreement with Flavell, Tennenbaum & Edwards to continue appraisal services litigation support for the Inland Feeder Project in the eminent domain action entitled Metropolitan v. Campus Crusade for Christ, San Bernardino Superior Court Case No. SCV34598. (L&C)
[Conference with Legal Counsel--Existing Litigation; to be heard in closed session pursuant to Gov. Code § 54956.9(a)]
- 9-6 Authorize amending agreement with Woodward-Clyde International--Americas to provide construction, post-construction and expert witness consulting services for Metropolitan's Inland Feeder Project. (L&C)
[Conference with Legal Counsel--Anticipated Litigation, Significant Exposure (one potential case); to be heard in closed session pursuant to Gov. Code § 54956.9(b)]
- 9-7 Authorize settlement of eminent domain action entitled Metropolitan v. San Bernardino Valley Water Conservation District [Robertson's

Ready Mix], Santa Barbara Superior Court Case No. 227537; report on Metropolitan v. San Bernardino Valley Water Conservation District [Sunwest], Ventura Superior Court Case No. CIV190813, for the Inland Feeder Project; and authorize amendment to agreement with special counsel, McCormick, Kidman & Behrens. (L&C)
Conference with Legal Counsel--Existing Litigation; to be heard in closed session pursuant to Gov. Code § 54956.9(a)]

9-8 Authorize amendment of contract for legal services of the Law Offices of Charles S. LiMandri in Metropolitan Water District v. Hartford Fire Insurance Company, United States Central District Court Case No. 99-03825-GHK (Mcs). (L&C)
[Conference with Legal Counsel--Existing Litigation; to be heard in closed session pursuant to Gov. Code § 54956.9(a)]

9-9 Authorize initiation of litigation against The Hartford Insurance Company to recover third-party claims expenses pursuant to the Commercial General Liability Policy issued to Metropolitan by The Hartford. (L&C)
[Conference with Legal Counsel--Anticipated Litigation; to be heard in closed session pursuant to Gov. Code § 54956.9(c)]

9-10 Report on appeal in Metropolitan Water District v. All Persons Interested, California Court of Appeal, Second District, Case No. B119968; and authorize amending agreement with the Law Firm of Horvitz and Levy to revise the total amount payable. (L&C)
[Conference with Legal Counsel--Existing Litigation; to be heard in closed session pursuant to Gov. Code § 54956.9(a)]

9-11 Authorize amendment to agreement with Westaff (USA), Inc. to continue to provide technical services at Diamond Valley Lake. (Exec.)

Recommendation:

Option #1:

Authorize the General Manager to amend Agreement No. 1026 with Westaff (USA), Inc. by an additional \$250,000 to complete the work required to prepare for and conduct the Diamond Valley Lake dedication ceremony and to meet the accelerated schedule for cleanup of the reservoir valley floor in advance of reservoir fill.

Added 9-12 Certify review and consideration of the Categorical Exemption for the Juan Well Filter Facility; and authorize entering into an agreement with Central Basin Municipal Water District to implement the project. (WP&R)

Recommendation:

Option #1:

- A. Review and consider information provided in the project's categorical exemption; and**
- B. Authorize the General Manager to execute a LRP agreement for this project to provide incentive payments over seven years of \$75 per acre-foot.**

10. BOARD INFORMATION ITEMS

- 10-1 Status report for the Diamond Valley Lake Project for the month ending January 2000. (E&O)
[Any discussion of claims will be heard in closed session. Conference with Legal Counsel--Significant Exposure to Litigation (one matter); to be heard in closed session pursuant to Gov. Code § 54956.9(b)]
- 10-2 Status report for the Inland Feeder Project for the month ending January 2000, and discussion of potential litigation. (E&O)
[Status report to be heard in open session. Discussion of potential litigation to 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)]
- 10-3 Local water resources development in Metropolitan's service area. (WP&R)
- 10-4 Principles of agreement for clarifying amendments to the State Water Contract developed by the State Water Contractors and Department of Water Resources. (WP&R)
- Added** 10-5 Financial incentives under Metropolitan's Local Resources Program. (WP&R)

- Added** 10-6 Membership in WaterPower--The Energy Coalition. (C&L)

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.