

Date: **May 30, 2000**
To: **Board of Directors**
From: **Secretary, Board of Directors**

The Board of Directors of The Metropolitan Water District of Southern California will meet in Adjourned Regular Session on **Tuesday, June 13, 2000 at *1:00 p.m.** approximately (*immediately following the Executive Committee meeting), in the **Board Room** at the District's Headquarters Building, 700 North Alameda Street, Los Angeles.


Thom Coughran

Adjourned Regular Board Meeting

June 13, 2000

***1:00 p.m. -- Board Room**

Tuesday, June 13, 2000 Meeting Schedule		
8:00 a.m.	Room 2-145	Comm. & Leg.
9:30 a.m.	Room 2-456	Executive
*1:00 p.m.	Board Room	Board Meeting
* Board meeting time approximate – or immediately following Executive Committee		

MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012

1. Call to Order

- (a) Invocation: Director Wyatt L. Troxel
- (b) Pledge of Allegiance, led by Director James H. Blake

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))

PUBLIC HEARING

Comments on the proposed standby charge for Annexation No. 66 to Calleguas Municipal Water District

6. OTHER MATTERS

- A. Approval of the Minutes of the Meeting held May 17, 2000. (A copy has been mailed to each Director)
Any additions, corrections, or omissions
- B. Presentation of five-year service pins to:
 - Director Edward C. Little
 - Director Mark W. Watton
- C. Presentation of 15-year service pin to Director Timothy F. Brick
- D. Adopt Resolution in Appreciation to Robert G. Berlien, General Manager of Upper San Gabriel Valley Municipal Water District. (Exec.)
- E. Chairman's Monthly Activity Report
- F. Report on the Strategic Plan
- G. Report from the Special Committee on Ethics
- H. Approve 30-day leave of absence for Director Wayne T. McMurray, commencing June 25, 2000.
- I. Committee appointments. (Exec.)
- J. General Manager's Reports:
 - a. 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]

- b. 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)]
- c. General Manager's oral summary of District activities for the month of May
 - (1) Reorganization
 - (2) Communications/Legislation
- 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 (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** Authorize amendment to agreement with Michael Willis Architects, an increase of \$315,000, to continue to provide technical services for the Jensen Oxidation Retrofit Program. (E&O)

Recommendation:

Option #1:

Authorize the General Manager to amend Agreement No. 285 with Michael Willis Architects by an additional \$315,000 to complete design work on the reduced capacity Jensen ORP. This would increase the current contract amount by \$315,000 to a revised contract amount of \$950,000, and is part of the Jensen ORP approved budget.

- 8-2** Approve acquisition of right-of-way; and authorize execution of environmental mitigation agreements in Assessment District No. 161 Sub-Regional Habitat Conservation Plan for San Diego Pipeline No. 6. (E&O)

Recommendation:

Option #1:

Authorize the General Manager to perform all activities necessary to establish Metropolitan as a participant in the A.D. 161 Sub-Regional Habitat Conservation Plan, negotiate for mitigation credits and take authorization for endangered species, take all appropriate actions regarding CEQA and/or other environmental documents, execute agreements for environmental mitigation exceeding \$250,000, and acquire necessary right of way through the affected properties.

- 8-3** Approve amendment to Administrative Code Section 4207 to clarify General Manager's authority to execute water quality exchange agreements. (WP&R)

Recommendation:

Option #1:

Approve the proposed amendment to Administrative Code Section 4207 set forth in Attachment 2 to specify the General Manager's authority to enter into water quality exchange agreements.

- 8-4** Approve entering into a two-year agreement between Metropolitan and the Los Angeles Regional Water Quality Control Board to establish a Metropolitan-funded task force to assist in protecting groundwater sources. (WP&R)

Recommendation:

Option #1:

Authorize the General Manager to enter into a two-year agreement with the Los Angeles Regional Water Quality Control Board to establish a task force made up of Metropolitan staff to assist the Regional Board in protecting groundwater supplies.

- 8-5** Approve entering into a one-year water management agreement with Westlands Water District. (WP&R)

Recommendation:

Option #1:

Authorize the General Manager to enter into a One-Year Management Agreement with Westlands, and any related agreements, including the proposed sharing of cost savings with Arvin-Edison, in form approved by the General Counsel.

- 8-6** Authorize (1) appropriation of \$413,744; and (2) execution of "Advance Funding Agreement Among the Bureau of Reclamation, California Department of Water Resources, Coachella Valley Water District, and Metropolitan Water District of Southern California to Provide Funds to Initiate Preliminary Work Necessary for the Coachella Canal Lining Project." (Appn. 15354) (B&F)

Recommendation:

Option #1:

Approve the creation of Appropriation No. 15354 in the amount of \$413,744 and authorize the General Manager to execute the "Advance Funding Agreement Among the Bureau of Reclamation, California Department of Water Resources, the Coachella Valley Water District, and the Metropolitan Water District of Southern California to Provide Funds to Initiate Preliminary Work Necessary for the Coachella Lining Project" in a form approved by the General Counsel.

- 8-7** Authorize amendment of contract with Mason & Mason, an increase of \$80,000, for eminent domain litigation to acquire property for the Inland Feeder Project. (L&C)

Recommendation:

Option #1:

That the Board authorize the General Counsel to amend the contract with Mason & Mason to increase the maximum payable from \$600,000 to \$680,000, including expenses.

- 8-8** Certify review and consideration of Mitigated Negative Declaration; and adopt Resolutions for Annexation No. 66 to Calleguas and Metropolitan and to impose water standby charges. (Exec.)

Recommendation:

Option #1:

1. **Certify that the Board has reviewed and considered the information contained in the Mitigated Negative Declaration for the project (available in the Executive Secretary's Office), and adopt the Lead Agency's findings related to the Declaration;**
2. **Adopt resolution granting Calleguas' request for consent for Annexation No. 66 concurrently to Metropolitan and Calleguas by establishing Metropolitan's terms and conditions for this annexation (Attachment 2 Resolution Fixing Terms and Conditions); and**
3. **Adopt the resolution to impose water standby charges at a rate of \$9.58 per acre or per parcel of less than one acre within the proposed annexation (Attachment 3 Resolution Fixing and Adopting Water Standby Charge).**

- 8-9** 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:

Option #1:

Authorize the General Manager to amend existing agreements and enter into new contracts with employment service agencies and professional firms supplying temporary personnel exceeding the General Manager's \$250,000 contract authority limitation. No individual contract will exceed \$2,000,000 in a single year. Amounts paid for temporary personnel labor shall not exceed \$8,677,785, as stated in the Annual Budget for the 2000/01 fiscal year.

- 8-10** Authorize execution of joint use agreements with Kaiser Eagle Mountain, Inc. for rights-of-way at the Eagle Mountain Pumping Plant. (Real Prop.)

Recommendation:

Option #1:

Authorize the execution of the proposed agreement in accordance with the 1992 memorandum of understanding to transfer rights-of-way to Metropolitan, and to renew and grant Kaiser rights-of-way subject to Metropolitan's authority to review and approve the construction and maintenance of facilities.

- 8-11 Approve entering into Community Partnering Program Agreements for fiscal year 2000-2001 with specified organizations. (C&L) **(To be mailed separately)**

(END OF CONSENT CALENDAR)

9. OTHER BOARD ITEMS (Action)

- 9-1** Approve 2000-01 Annual Budget. (B&F)

Recommendation:

Option #1:

- 1. Approve the 2000-01 Annual Budget;**
- 2. Appropriate \$575.5 million for the projected annual cash outlays for district operations and maintenance (O&M), including power costs on the Colorado River Aqueduct, State Water Project (SWP) operations, maintenance, power and replacement costs, and SWP capital charges; water management programs; and O&M costs associated with the Metropolitan/Imperial Irrigation District Phase 1 Agreement;**
- 3. Appropriate, as continuing appropriations, \$225.0 million for debt service on District general obligation and revenue bonds and interest payments on commercial paper;**
- 4. Appropriate, as continuing appropriations, \$3.5 million for operating equipment and inventory supplies;**
- 5. Authorize the use of \$75.0 million in Pay-As-You-Go funds to finance a portion of the Capital Investment Plan during fiscal year 2000-01;**
- 6. Find that the actions recommended in this letter are not subject to the California Environmental Quality Act either because the actions proposed herein are (i) exempted by Section 15301 of the State CEQA Guidelines as simply providing for the continued operation of existing facilities with no expansion of use beyond that previously existing; or (ii) exempted by Section 15378(b)(5) of the State CEQA Guidelines as constituting the creation of government funding mechanisms or other government fiscal activities which do not involve commitment to any specific project which may result in a potentially significant physical impact on the environment.**

- 9-2** Authorize execution of agreement to facilitate the transfer of water from Western Water Company to Santa Margarita Water District. (L&C)

Recommendation:

Option #1:

It is recommended that the Board determine that proposed agreement qualifies for a Categorical Exemption as a Class 1 project under section 15301 of the State CEQA Guidelines and authorize the General Manager to execute, in a form acceptable to the General Counsel, an agreement to facilitate the transfer of water from Western Water Company to Santa Margarita Water District.

- 9-3** Approve annual Statement of Investment Policy and delegate authority to the Treasurer to make investments on behalf of Metropolitan. (B&F)

Recommendation:

Options #1 and #3:

Approve the Statement of Investment Policy with changes as indicated. Approve the Delegation of Authority to the Treasurer to make investments on behalf of Metropolitan.

- 9-4** Authorize entering into loan and grant agreements with the California Department of Boating and Waterways for the design and construction of Phase 2 of the recreational boating facilities at the Diamond Valley Lake. (Real Prop.)

Recommendation:

Option #1:

Authorize the General Manager to enter into the Phase 2 Grant Agreement with the California Department of Boating and Waterways (DBAW) for a grant of \$4,000,000 and the Phase 2 Loan Agreement with DBAW for a loan of \$6,250,000.

- 9-5** Authorize increase in appropriation from \$2 million to \$2.3 million for the Cadiz Groundwater Storage and Dry-Year Supply Program for preparation of supplemental environmental documentation. (Appn. 15324) (B&F, WP&R)

Recommendation:

Option #1:

Board approve additional funding for technical studies and completion of a Supplemental Draft EIS for the Cadiz Program.

- 9-6** Authorize implementation of the Hayfield/Chuckwalla Groundwater Storage Program; and appropriate \$7,375,000 for land acquisition/exchange, environmental documentation, and feasibility studies. (B&F, WP&R)

Recommendation:

Option #1:

Approve implementation of the Program and appropriate partial Program funding but defer final design appropriation until the land exchange is completed.

- 9-7** Authorize entering into a Coordinated Operating Agreement between Metropolitan and San Bernardino Valley Municipal Water District establishing a cooperative resources and operational plan to improve water supply reliability. (WP&R)

Recommendation:

Option #1:

Authorize the General Manager to enter into a Coordinated Operating Agreement, in a form acceptable to the General Counsel, with Valley District.

- 9-8** Authorize \$2,276,200 for the fourth year funding of the Desalination Research and Innovation Partnership for treatment of brackish water sources. (Appn. 15301) (WP&R)

Recommendation:

Option #1:

Appropriate \$2,276,200 for the fourth year funding of the Desalination Research and Innovation Partnership.

- 9-9** Authorize (1) phasing out the Cooperative Storage Program; and (2) entering into agreements with participating member agencies to either sell the water at Seasonal Storage Service rates or transfer the water into existing conjunctive-use accounts. (WP&R)

Recommendation:

Option #1:

Authorize the General Manager to phase out the Cooperative Storage Program and enter into agreements with the participating member agencies to either sell the water and the Seasonal Storage Service rates or transfer the water into existing conjunctive-use accounts as described in Attachment 3 to the General Manager's letter.

- 9-11** Report on DeWayne Cargill et al. v. Metropolitan, LACSC Case No. BC 191881 (consolidated with LACSC Case Nos. BC 194444 and BS 052318) and Emirkhanian v. Metropolitan, LACSC Case No. BC 210658; and request for authorization to amend contract with Bergman, Wedner & Dacey to defend Metropolitan in four related lawsuits challenging the employment status of temporary workers. (L&C)
[Conference with Legal Counsel--Existing Litigation; to be heard in closed session pursuant to Gov. Code § 54956.9(a)]

10. BOARD INFORMATION ITEMS

- 10-1** Status report for the Diamond Valley Lake Project for the month ending April 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 April 2000. (E&O)
[Any 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)]

11. PENDING ITEMS

- 11-1** Metropolitan's Various Roles for Desalination. (WP&R)

12. REPORTS OF SPECIAL COMMITTEES

13. DEPARTMENT HEADS' EVALUATION

- 13-1 Report from Executive Committee on evaluation rating and incentive pay schedule for Department Heads. (Exec.) **(To be distributed at meeting)**
[Public Employees' Performance Evaluation; to be heard in closed session pursuant to Gov. Code § 54957]

14. GENERAL COUNSEL SEARCH

Interview of candidates and selection of General Counsel.
[Public Employee Appointment; to be held in closed session pursuant to Gov.
Code § 54957]

15. 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.