

**Revised Adjourned Regular Board Meeting**

**January 9, 2001**

**10:00 a.m. -- Board Room**

Tuesday, January 9, 2001 Meeting Schedule		
8:00 a.m.	Rm. 1-102	Museum Committee
9:00 a.m.	Board Room	Executive Committee
10:00 a.m.	Board Room	Board Meeting
11:30 a.m.	Rm. 1-102	Subcom. on Inspection Trips

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

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**1. Call to Order**

- (a) Invocation: Director Wyatt L. Troxel
- (b) Pledge of Allegiance: Director Judy Abdo

**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 proposed standby charge for Annexation No. 68 to Calleguas Municipal Water District

## 6. OTHER MATTERS

- A. Receive and file resolutions/minutes re appointment of Directors from:
  - Calleguas Municipal Water District
  - Central Basin Municipal Water District
  - Coastal Municipal Water District
  - Inland Empire Utilities Agency
  - Los Angeles
  - Municipal Water District of Orange County
  - San Diego County Water Authority
  - Upper San Gabriel Valley Municipal Water District
  - West Basin Municipal Water District
  - Western Municipal Water District
  
- B. Induction of new Director, Marion V. Ashley, from Eastern Municipal Water District
  - (a) Receive credentials
  - (b) Report on credentials by General Counsel
  - (c) File credentials
  - (d) Administer Oath of Office
  - (e) File Oath
  
- C. Administer Oath of Office to Board of Directors for 2001
  
- D. Approval of the Minutes of the Meeting held December 12, 2000. (A copy has been mailed to each Director)  
Any additions, corrections, or omissions
  
- E. Chairman's Monthly Activity Report
  
- Added** E-1. Committee structure and appointments. (Exec.)
  
- F.** Evaluation of performance of General Manager and ratify pay-for-performance consideration  
**[Evaluation of performance element of discussion may be held in closed session pursuant to Gov. Code § 54957]**

G. 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, Salton Sea issues, and resolution of remaining issues in Arizona v. California before U.S. Supreme Court. (L&C) **[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. Any discussion of existing litigation will be heard in closed session. Conference with legal counsel--pursuant to Gov. Code § 54956.9(a)]**
  - b. Discussion of Bay-Delta related issues; including progress on developing and implementing the CALFED program; potential litigation regarding the EIR/EIS for the CALFED program and the EIR for the Monterey Amendments to the State Water Contract; and State Water Resources Control Board's Phase 8 hearings to allocate responsibility to meet Bay-Delta environmental obligations. (L&C, 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 December. **(Written report to be sent separately)**
- H. General Counsel's oral summary of Legal Department activities for the month of December. **(Written report to be sent separately)**

**7. ORAL REPORTS OF STANDING COMMITTEES**

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

## 8. CONSENT CALENDAR ITEMS (Action)

- 8-1** Authorize increasing the General Manager's previously approved authority by \$116,058 to procure rights of way for a portion of San Diego Pipeline No. 6. (E&O)

**Recommendation:**

**Option #1:**

**Authorize increasing the General Manager's previously approved authority by \$116,058 to procure the rights of way through Johnson Ranch and University of California Riverside properties for a portion of San Diego Pipeline No. 6.**

- 8-2** Authorize increase of \$25,000 in contract with Clark & Weinstock. (C&L)

**Recommendation:**

**Authorize the General Manager to increase Contract 29371 with Clark and Weinstock by \$25,000 to a total amount of \$275,000 to pay outstanding balance of work contracted for by Metropolitan.**

- 8-3** Adopt resolution providing for changes in Metropolitan's contributions to medical plans maintained by Public Employees' Retirement System for the period February 1, 2001 through December 31, 2001. (Exec.)

**Recommendation:**

**Option #1:**

**In accordance with the negotiated labor agreements with Metropolitan's four bargaining units and Metropolitan Water District Administrative Code Section 6522, adopt the resolution increasing Metropolitan's contributions to the medical plans maintained by PERS for employees and annuitants, said changes to be effective February 1, 2001 through December 31, 2001.**

**(END OF CONSENT CALENDAR)**

## 9. OTHER BOARD ITEMS (Action)

- 9-1** Certify the FEIR for the Diemer Plant Improvements Program; approve the program; and authorize funding for four Capital Investment Plan projects for the Diemer plant: (1) \$915,000 for seismic retrofit of the finished water reservoir (Appn. 15362); (2) \$1.995 million for design/construction of Phase 1 solids handling (Appn. 15363); (3) \$430,000 for preliminary engineering for Basin 8 Spillway (Appn. 15331); and (4) \$775,000 for relocation of the plant entrance (Appn. 15227). (E&O)

### Recommendation:

#### Option #1:

(a) Certify that the Board has reviewed and considered the information presented in the Diemer Improvements Program Final Environmental Impact Report (FEIR); certify that the FEIR has been completed in compliance with CEQA; and adopt the Findings of Fact and Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program.

(b) Approve the Robert B. Diemer Filtration Plant Improvements Program.

(c) Appropriate \$4.115 million, authorize the General Manager to have all work performed and delegate to the General Manager the authority to award contracts for four CIP projects as described in the letter:

- Design, procurement of equipment, and installation of seismic retrofit of the Finished Water Reservoir at the Diemer plant (\$915,000);
- Design and construction of Phase 1 solids handling and water reclamation facilities at the Diemer plant (\$1.995 million);
- Conceptual design and preliminary engineering for the Sedimentation Basin 8 Spillway at the Diemer plant (\$430,000); and
- Design and construction of relocation of the main entrance facilities at the Diemer plant (\$775,000).

Also, determine that pursuant to CEQA, the proposed action qualifies for a Categorical Exemption (Class 1, Section 15301 of the State CEQA Guidelines).

- 9-2** Recommended water rates and charges for fiscal year 2001-02 and adopt resolution giving notice of intention to impose charges. (B&F)

**Recommendation:**

1. Set a time for a hearing of the Budget and Finance Committee at which interested parties may present their views regarding the General Manager's recommendation. The water rates and charges for the first six months of Fiscal Year 2001-02 will remain unchanged. It is recommended that the rates and charges effective January 1, 2002, be set by the Board as defined in the General Manager's letter.
2. Find that the setting of rates and charges recommended in the 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.
3. Approve the following resolutions:
  - (a) Resolution of intention to impose the Readiness-to-Serve charge in the form shown as Attachment 2 to the letter, declaring the Board's intention (i) at its March 13, 2001 meeting to consider and act upon the General Manager's recommendation to impose a Readiness-to-Serve charge at the current level, and (ii) at its May 15, 2001 meeting to consider and act upon the General Manager's recommendation to impose standby charges within the territories of member agencies that have requested that charge as a means of collecting all or a portion of their RTS charge.
  - (b) Resolution of intention to impose a New Demand Charge (NDC) at the current level and suspend collection of the NDC for Fiscal Year 2001-02, in the form shown as Attachment 3 to the letter.

- 9-3** Adopt (1) Thirteenth Supplemental Resolution to the Master Revenue Bond Resolution authorizing the issuance of Water Revenue Bonds; (2) First Supplemental Resolution to Resolution 8386 to issue Waterworks General Obligation Refunding Bonds; and (3) authorize appropriation of \$925,000 to pay the costs of issuance. (B&F)

**Recommendation:**

**Option #1:**

Determine that the issuance of bonds recommended in the letter is exempt from the California Environmental Quality Act (CEQA) by Public Resources Code Section 21080(b)(8) since it is for the purpose of 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.

Approval of the form of supplemental resolution of the Master Revenue Bond Resolution in order to execute the proposed sale of up to \$100 million of Water Revenue Bonds. Approval of the First Supplemental Resolution to Resolution 8386 to negotiate the sale of up to \$125 million of Waterworks General Obligation Refunding Bonds. Each of the supplemental resolutions will expire on January 31, 2002. Approve General Fund Appropriation No. 15364 against which to charge expenses associated with the sale of bonds. Express intent to reimburse expenses paid from the General Fund from bond proceeds, if deemed appropriate, and authorize the General Manager to effect such reimbursement to the extent permitted under federal laws and regulations in accordance with instructions from bond counsel.

- 9-4** Authorize payments for State Water Project and Devil Canyon/Castaic contracts for 2001 statement of charges. (B&F)

**Recommendation:**

**Option #1:**

Authorize the General Manager to approve and make all payments determined to be due and payable under the terms of the State Water Service and Devil Canyon/Castaic contracts for the 2001 calendar year.

- 9-5 Authorize General Counsel to file a lawsuit and take all steps necessary to obtain relief against I A Machinery Co. and J. M. Montgomery Inc. (L&C) [Conference with legal counsel—initiation of litigation; to be heard in closed session pursuant to Gov. Code § 54956.9(c)]
- 9-8** Authorize entering into a one-year Environmental Water Account demand shifting agreement with California Department of Water Resources. (WP&R)

**Recommendation:**

**Option #1:**

**Certify that the Board has reviewed and considered the information contained in the Negative Declaration for the project, and adopt the Lead Agency's findings relating to the Negative Declaration. Authorize the General Manager to enter into a One-Year EWA Demand Shifting Agreement with the Department consistent with the terms listed in the letter and in Attachment 1 and Attachment 2, and in form approved by the General Counsel.**

- 9-9** Authorize (1) increase in appropriation from \$2.3 million to \$2.515 million; (2) increase in maximum amount payable with P&D Consultants; and (3) amendment of cost sharing agreement with the Bureau of Land Management for the Cadiz Groundwater Storage and Dry-Year Supply Program. (WP&R, B&F)

**Recommendation:**

**Option #1:**

**Authorize (1) increase in Appropriation No. 15324 from \$2.3 million to \$2.515 million; (2) increase in maximum amount payable with P&D Consultants; and (3) amendment of cost sharing agreement with the Bureau of Land Management for the Cadiz Groundwater Storage and Dry-Year Supply Program. Increases are needed to complete environmental and financial work required to finalize information and documents to support the EIR and Board discretionary decisions on this project.**

**Revised**

- 9-10 Approve Definitive Economic Terms and Responsibilities between Metropolitan and Cadiz, Inc. for Cadiz Groundwater Storage and Dry-Year Supply Project. (WP&R, B&F)
- 9-11 Authorize the General Manager to pursue a settlement agreement with Sacramento Valley upstream interests, consistent with proposed principles, for equitable resolution of the State Water Resources Control Board's Phase 8 Water Rights 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]



- Added**            9-12     Authorize the General Manager to implement as recommended the Award of Excellence Program for Fiscal Year 1999/2000. (Exec.)

**Recommendation:**

**Option #1:**

**Program budget authorized by Board of Directors in December 2000 was \$100,000 per fiscal year. This year's program totals \$98,000.**

**10. BOARD INFORMATION ITEMS**

- 10-1**     Status report for the Diamond Valley Lake Project for the month ending November 2000. (E&O)
- 10-2**     Status report for the Inland Feeder Project for the month ending November 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)]
- 10-3**     Report to the California Legislature on Metropolitan's efforts on water conservation, water recycling, and groundwater storage and replenishment measures pursuant to MWD Act, Section 130.5. (C&L)

**11. PENDING ITEMS**

- 11-1**     Proposed desalination policy principles. (WP&R)

**12. REPORTS OF SPECIAL COMMITTEES**

**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.