

Revised Adjourned Regular Board Meeting

February 13, 2001

1:15 p.m. -- Board Room

Tuesday, February 13, 2001 Meeting Schedule		
8:00 a.m.	Rm. 2-145	Museum
9:30 a.m.	Rm. 2-456	CO&L
11:15 a.m.	Board Room	Executive
1:15 p.m.	Board Room	Board Meeting
2:30 p.m.	Rm. 2-456	Rate Structure

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: Director Henry S. Barbosa

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 January 9 and 16, 2001.
(Copies have been mailed to each Director)
Any additions, corrections, or omissions
- B. Report of Nominating Committee
 - (a) Nomination of Board Secretary and four Nonofficer Members of the Executive Committee
 - (b) Election

- C. Committee appointments. (Exec.)
- D. Chairman's Monthly Activity Report
- E. Report from the Subcommittee on Rate Structure Implementation
- F. 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. (LC&P) **[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. (LC&P) **[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 January. **(Written report to be sent separately)**
 - d. Oral report on Definitive Economic Terms and Responsibilities between Metropolitan and Cadiz, Inc. for Cadiz Groundwater Storage and Dry-Year Supply Program. (WPQ&R)
- G. General Counsel's oral summary of Legal Department activities for the month of January. **(Written report to be sent separately)**

7. ORAL REPORTS OF STANDING COMMITTEES

- 7-1 Executive Committee (Phillip J. Pace, Chair)
- 7-2 Audit, Budget and Finance (Wesley M. Bannister, Chair)
- 7-3 Engineering, Operations and Real Property (Henry S. Barbosa, Chair)
- 7-4 Legal, Claims and Personnel (Gary A. Morse, Chair)
- 7-5 Communications, Outreach and Legislation (Helen Z. Hansen, Chair)
- 7-6 Water Planning, Quality and Resources (Langdon W. Owen, Chair)

8. CONSENT CALENDAR ITEMS (Action)

- 8-1** Adopt resolution of intent to amend contract and agreement to pool assets and liabilities to increase to the Fourth Level of the 1959 Survivor Benefits through the Public Employees' Retirement System. (LC&P)

Recommendation:

In accordance with the Employees Association/AFSCME Local 1902 negotiated labor agreement with Metropolitan and Government Code Section 21574, adopt the attached resolution of intent to amend contract with PERS and agreement with PERS to pool 1959 Survivor Benefits assets and liabilities to increase to the Fourth Level of 1959 Survivor Benefits for all eligible employees.

- 8-2** Authorize an amendment to the reimbursable agreement for \$1.5 million with Calleguas Municipal Water District to provide technical and program management services for the Calleguas/Metropolitan Groundwater Storage and Conjunctive-Use Program. (EO&RP)

Recommendation:

Option #1:

a. Determine that amending Agreement No. AR4942 to increase the maximum amount to \$2.6 million to provide reimbursable services to Calleguas Municipal Water District does not constitute a project under the California Environmental Quality Act (CEQA) and is not subject to CEQA as provided under Section 15061(b)(3) and Section 15378(b)(4) of the State CEQA Guidelines; and

b. Authorize the General Manager to amend Agreement No. AR4942 to increase the maximum amount to \$2.6 million to provide reimbursable services to Calleguas Municipal Water District.

- 8-3** Authorize \$210,000 to complete Phase 1 of the Digital Microwave Services to Plants and Desert Facilities program (Appn. 15282, No. 3). (EO&RP)

Recommendation:

Option #1:

- a. Determine that the proposed action qualifies for a Categorical Exemption as a Class 3 project pursuant to CEQA and State CEQA Guidelines;
- b. Increase Appropriation 15282 by \$210,000 to a total of \$3,229,000; and
- c. Authorize staff to perform all work necessary to construct a "passive" microwave relay station on Bachelor Mountain, make related modifications at plants in the area, transfer the project from the Inland Feeder program to the Digital Microwave program, and prepare a preliminary scoping study for Phase II of the Digital Microwave program.

This option provides more reliable telecommunications to the Wadsworth pumping plant and Skinner filtration plant, reduces the program estimate to provide microwave services by approximately \$1.1 million, reduces the ongoing cost of leased lines by about \$4,100 per month, and significantly reduces environmental impacts.

- 8-4** Authorize \$700,000 to upgrade the Oracle financial applications as part of the Enterprise Server Replacement project (Appn. 15351, No. 2). (EO&RP)

Recommendation:

Option #1:

Combine the Projects and Perform Work Concurrently

- a. Increase existing Appropriation No. 15351 by \$700,000 to a total of \$2.184 million;
- b. Combine the Oracle financial applications upgrade into the Enterprise Server Replacement project; and
- c. Authorize staff to perform all work necessary to upgrade the Oracle financial applications in addition to the previously authorized work for the enterprise server replacement.

This option expedites project completion, reduces the cost of consulting services, eliminates some of the originally envisioned application migrations, and saves approximately \$300,000.

- 8-5** **Withdrawn**

- 8-6** Grant conditional approval for Pacific Century Homes Arboretum Annexation to Eastern Municipal Water District and Metropolitan; and adopt resolution of intention to impose water standby charges. (Exec.)

Recommendation:

Option #1:

- a. Grant conditional approval, as defined in the Metropolitan Water District Administrative Code section 3100(b), for Pacific Century Homes Arboretum Annexation, concurrently to Eastern and Metropolitan; conditioned upon receipt in full of annexation charge payment of \$140,874.20 to Metropolitan if subject annexation is completed by December 31, 2001, or if completed after said date, at the then current annexation charge rate;**
- b. Approve Eastern's proposed Pacific Century Homes Arboretum Annexation Plan for Implementing Water use Efficiency Guidelines; and**
- c. Adopt the resolution of intention to impose water standby charges within the proposed annexation territory, substantially in the form attached to the letter.**

(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 five 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); (4) \$775,000 for relocation of the plant entrance (Appn. 15227); and (5) \$150,000 for storm drain replacement (Appn. 15355). (EO&RP)

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 \$4.265 million, authorize the General Manager to have all work performed and delegate to the General Manager the authority to award contracts for five 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).

- Design and construction of replacement of the north side storm drain at the Diemer plant (\$150,000).**

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** Approve restructuring of underwriting team for Metropolitan. (AB&F)

Recommendation:

Option #1:

Determine that the selection of an underwriting team as recommended in this letter is not subject to the California Environmental Quality Act (CEQA) since it constitutes the creation of government funding mechanisms or other government fiscal activities which do not involve the commitment to any specific project which may result in a potentially significant impact on the environment (State CEQA Guidelines Section 15378(b)(4).

Approve selection of the underwriting team for services associated with the future issuance of Metropolitan debt.

- 9-3 Approve Memorandum of Understanding between The Metropolitan Water District of Southern California and Metropolitan's Supervisors' Association. (LC&P) **(To be distributed at meeting)**
[Any conference with labor negotiators will be heard in closed session pursuant to Gov. Code § 54957.6. Agency representatives: Joseph E. Tait, Debbie Dillon. Employee organization: Supervisors' Association]
- 9-4 Authorize amending agreement with Geoscience Support Services to increase the maximum amount payable for service in Metropolitan Water District v. Hartford, U.S. District Court Case Nos. CV 00-4040-GHK (Mcx) and CV 00-10536-GHK (Mcx). (LC&P)
[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code § 54956.9(a)]
- 9-5 Amendment of contract for legal services of The Law Offices of Charles S. LiMandri in Metropolitan Water District v Hartford Financial Services Group, et al., U. S. District Court Case No. CV 00-4040-GHK (Mcx). (LC&P)
[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code § 54956.9(a)]
- 9-6 Authorize settlement in action entitled Metropolitan Water District v. Hartford Fire Insurance Company, U. S. District Court Case No. CV 99-03825-GHK (Mcx). (LC&P)
[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code § 54956.9(a)]
- 9-7 Report on the recent California Supreme Court decision in Hi-Voltage Wire Works, Inc. v. City of San Jose (November 30, 2000) involving Proposition 209, its effect on Metropolitan's business outreach programs, and recommended action concerning current business outreach programs. (LC&P)
[Any discussion of potential litigation (against Metropolitan) will be held in closed session pursuant to Gov. Code § 54956.9(b)]

9-8 Settlement proposal in the matter of Metropolitan Water District v. EOP-Two California Plaza, LLC, Los Angeles Superior Court Case No. BC200673; and amendment of agreements with Bergman, Wedner & Dacey, Inc. and with Fox, Siegler & Spillane, LLP. (LC&P)
[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code § 54956.9(a)]

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. (WPQ&R)

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.

9-10 **Withdrawn**

9-11 **Withdrawn**

9-12 Approve recommended Brackish and Seawater Desalination Policy Principles. (WPQ&R)

Recommendation:

Option #1:

Determine that the proposed action is not subject to CEQA pursuant to Section 15061(b)(3) of the State CEQA Guidelines. Approve the recommended draft desalination policy principles.

9-13 Adopt policy governing the quality of new sources of water introduced into conveyance facilities and authorize General Manager to implement policy. (WPQ&R)

Recommendation:

Option #1:

Determine that establishing a water quality policy is not defined as a project under the California Environmental Quality Act (CEQA) (State CEQA Guidelines Section 15378(b)(5), adopt water quality policy governing the introduction of new water sources into treated and untreated conveyance facilities, and authorize General Manager to implement the policy.

- 9-14** Authorize the negotiation and entering into agreements for Supplemental State Water Project Water Supplies and the transfer of up to \$22.5 million from the Revenue Remainder Fund to the Water Transfer Fund. (WPQ&R)

Recommendation:

Option #1:

Determine that the proposed action of delegation of authority to the General Manager is not subject to CEQA pursuant to State CEQA Guidelines Section 15061(b)(3). Authorize the General Manager to negotiate and enter into agreements, in a form approved by the General Counsel, to purchase up to 150,000 acre-feet of supplement SWP water supplies subject to compliance with all legal requirements. Authorize the General Manager to transfer up to \$22.5 million from the Revenue Remainder Fund to the Water Transfer Fund.

- 9-15 Report on San Diego County Water Authority v. Metropolitan Water District, et al., San Diego Superior Court Case No. GIC 761526; and authorize filing of associated litigation. (LC&P)
[Conference with legal counsel—existing and anticipated litigation (one potential case); to be heard in closed session pursuant to Gov. Code § 54956.9(a) and (c)]

10. BOARD INFORMATION ITEMS

- 10-1** Status report for the Diamond Valley Lake Project for the month ending December 2000. (EO&RP)
- 10-2** Status report for the Inland Feeder Project for the month ending December 2000. (EO&RP)
[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 Colorado River Interim Surplus Guidelines Overview. (WPQ&R)

10-4 Proposed reservoir or reservoirs near the All-American Canal. (WPQ&R)

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. (EO&RP, AB&F). Committee agendas may be obtained from the Executive Secretary.