

Adjourned Regular Board Meeting

June 12, 2001

12:00 p.m. -- Board Room

Tuesday, June 12, 2001 Meeting Schedule		
8:00 a.m.	Rm. 2-145	Museum
9:30 a.m.	Rm. 2-456	CO&L
12:00 p.m.	Board Room	Board Meeting

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 George E. Battey, Jr.

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 for May 8 and 15, 2001. (Copies have been mailed to each Director)
Any additions, corrections, or omissions
- B. Committee appointments. (Exec.)
- C. Chairman's Monthly Activity Report
- D. Report from the Subcommittee on Rate Structure Implementation

- E. General Manager's Reports:
 - a. Oral report on Colorado River matters. (LC&P)
 - b. Oral report on Bay-Delta and State Water Project matters. (LC&P, WPQ&R)
 - c. General Manager's summary of District activities for the month of May. (**Written report to be sent separately**)

- F. General Counsel's summary of Legal Department activities for the month of May. (**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** Authorize purchase of 2.5-cubic feet per second (cfs) of service rights in the Mills Gravity Line from Western Municipal Water District of Riverside County for \$1.8 million. (EO&RP)

Recommendation:

Option #1:

Adopt the CEQA determination and authorize purchase of 2.5 cfs of service rights in the Mills Gravity Line from Western.

- 8-2** Authorize increasing funding by \$1.2 million to \$2.255 million for preliminary design, agency coordination and permitting, and environmental documentation for Metropolitan's Colorado River Aqueduct—Whitewater Siphon protection and mining pit reclamation program. (Appn. 15341) (EO&RP)

Recommendation:

- a. Adopt the CEQA determination and authorize increasing the appropriation by \$1.2 million for preliminary design and preparation of environmental documentation for the Colorado River Aqueduct—Whitewater Siphon protection and mining pit reclamation project; and**
- b. Delegate to the Chief Executive Officer the authority to award contracts exceeding \$250,000 for environmental documentation and preliminary design of the Whitewater Siphon protection.**

- 8-3** Authorize \$690,000 and delegate authority to award a construction contract for modifications to Metropolitan's building at Union Station. (Appn. 15361) (EO&RP)

Recommendation:

Option #1:

Adopt the CEQA determination, appropriate \$690,000, and authorize the Chief Executive Officer to have all work performed, and delegate to the CEO the authority to award a construction contract for modifications to Union Station.

- 8-4** Authorize an increase of \$97,000 to the cafeteria services contract for Metropolitan's building at Union Station. (Appn. 11002) (EO&RP)

Recommendation:

Option #1:

Adopt the CEQA determination, appropriate \$97,000, and authorize the Chief Executive Officer to amend the existing contract with Guckenheimer Enterprises, Inc. by increasing the limit to \$346,900 to maintain cafeteria operations and catering services through September 27, 2001.

- 8-5 Recommendation of Subcommittee to Select Outside Auditing Firm. (AB&F) **(To be mailed separately)**

- 8-6 Approve casualty and property insurance program and amend the insurance broker contract. (AB&F) **(To be mailed separately)**

- 8-7** Authorize entering into and amending existing contracts with employment service agencies and professional firms supplying temporary personnel in excess of \$250,000. (LC&P)

Recommendation:

Option #1:

Adopt the CEQA determination and authorize the CEO to amend existing agreements and enter into new contracts with employment service agencies and professional firms supplying temporary personnel in excess of \$250,000. No individual contract will exceed \$2 million in a single contract year.

- 8-8** Authorize amendment to agreement with Riordan & McKinzie to increase the amount payable for legal services in connection with the negotiation and drafting of the contract(s) for the Cadiz Groundwater Storage and Dry-Year Supply Program to \$325,000. (LC&P)

Recommendation:

Option #1:

Adopt the CEQA determination and authorize amendment to Agreement No. 38724 with Riordan & McKinzie to increase maximum compensation from \$100,000 to \$325,000.

- 8-9** Grant conditional approval for annexation of 71st Fringe Area to Eastern Municipal Water District and Metropolitan, and adopt resolution of intention to impose water standby charges. (Exec.)

Recommendation:

Option #1:

Adopt the CEQA determination; and

a. Grant conditional approval, as defined in the Metropolitan Water District Administrative Code Section 3100(b), for annexation of the 71st Fringe Area concurrently to Eastern and Metropolitan, conditioned upon receipt in full of annexation fee of \$117,104 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 71st Fringe Area 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.

- 8-10** Adopt final resolutions for annexation and to impose water standby charges for 70th Fringe Area to Eastern Municipal Water District and Metropolitan. (Exec.)

Recommendation:

Option #1:

Adopt the CEQA determination; and

- a. Adopt a resolution granting Eastern's request for approval of 70th Fringe Area, concurrently to Metropolitan and Eastern, by establishing Metropolitan's terms and condition for this annexation, conditioned upon approval by the Local Agency Formation Commission of Riverside County; and**
- b. Adopt the resolution to impose water standby charge at a rate of \$6.94 per acre or per parcel of less than one acre within the proposed annexation.**

- 8-11** Adopt final resolutions for annexation and to impose water standby charges for Annexation Nos. 69 and 70 to Calleguas Municipal Water District and Metropolitan. (Exec.)

Recommendation:

Option #1:

Adopt the CEQA determination; and

- a. Adopt resolution granting Calleguas' request for approval of Annexation No. 69, concurrently to Metropolitan and Calleguas, by establishing Metropolitan's terms and conditions for this annexation, conditioned upon approval of Ventura Local Agency Formation Commission (LAFCO);**
- b. 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 No. 69;**
- c. Adopt resolution granting Calleguas' request for approval of Annexation No. 70, concurrently to Metropolitan and Calleguas, by establishing Metropolitan's terms and conditions for this annexation, conditioned upon LAFCO approval; and**
- d. 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 No. 70.**

- 8-13** Adopt resolution supporting the Business Outreach Program. (LC&P)

Recommendation:

Option #1:

Adopt CEQA determination and resolution approving the modified Business Outreach program and policy.

- 8-14** Adopt resolution naming the Diamond Valley Lake Overlook the Clayton A. Record, Jr. Viewpoint.

Recommendation:

Adopt CEQA determination and resolution naming the Diamond Valley Lake Overlook the "Clayton A. Record, Jr. Viewpoint".

- 8-15** Approve scope and guidelines and an initial \$2 million authorization for predevelopment planning and program development for the Southern California Water Education Center.

Recommendation:

Option #1:

Adopt the CEQA determination and approve the project scope and guidelines, and initial authorization of \$2 million, to support predevelopment planning activities for Metropolitan's Center and programs.

(END OF CONSENT CALENDAR)

9. OTHER BOARD ITEMS (Action)

- 9-1** Approve increase in the fiscal year 2000-01 budget appropriations. (AB&F)

Recommendation:

Option #1:

- a. **Adopt the CEQA determination;**
- b. **Approve a \$133.8 million increase in the fiscal year 2000-01 annual budget appropriation for a total appropriation of \$731.8 million for the projected annual cash outlays for Metropolitan O&M, including power costs on the Colorado River Aqueduct; SWP operations, maintenance, power and replacement costs, and SWP capital charges (including a portion of the July 2001 capital invoice); water management programs; and O&M costs associated with water transfer programs; and**
- c. **Appropriate an additional \$8 million, as continuing appropriations, for debt service on Metropolitan revenue bonds.**

9-2 Approve fiscal year 2001-02 annual budget. **(Two-thirds vote required)**

Recommendation:

Option #1:

- a. **Adopt the CEQA determination and approve the 2001-02 Annual Budget;**
- b. **Appropriate \$695.3 million for the projected annual cash outlays for Metropolitan O&M, including power costs on the Colorado River Aqueduct, SWP operations, maintenance, power and replacement costs and SWP capital charges; water management programs; and O&M costs associated with water transfer programs;**
- c. **Appropriate as continuing appropriations, \$218.4 million for debt service on Metropolitan general obligation and revenue bonds;**
- d. **Appropriate, as continuing appropriations, \$8.4 million for operating equipment, computers and inventory supplies;**
- e. **Authorize the use of \$85.0 million in Pay-As-You-Go funds to finance a portion of the Capital Investment Plan during fiscal year 2001-02;**
- f. **Authorize \$45 million to be deposited into the Water Transfer fund; and**
- g. **Establish a Rate Structure Transition Account and authorize that funds over the maximum reserve level at June 30, 2001 be deposited into this account. The allocation of funds for each member agency will be based on the member agency's relative share of basic water sales, less any treatment surcharge revenues during fiscal year 2000-01, subject to final review and approval of allocation of the deposited sums by the Board in August 2001.**

- 9-3** Approve extending the authority for the sale of water revenue bonds and to implement a water revenue bond tender program during fiscal year 2001-02, and an update on other debt financing matters of Metropolitan. (AB&F)

Recommendation:

Option #1:

Adopt the CEQA determination and approve extension of the authority granted under the eleventh and twelfth Supplemental Resolutions to June 30, 2002, respectively, to execute the sale of \$200 million of variable rate water revenue bonds to fund a portion of CIP expenditures, and to approve up to \$500 million of variable rate water revenue bonds to tender outstanding fixed rate water revenue bonds.

- 9-4** Approve Metropolitan's Annual Statement of Investment Policy and delegation of authority to the Treasurer to make investments on behalf of Metropolitan. (AB&F)

Recommendation:

Adopt the CEQA determination; approve the re-delegation of authority to the Treasurer to make investments on behalf of Metropolitan and approve the Statement of Investment Policy with changes as indicated.

- 9-5** Authorize change of State Water Project capital charges payment from July 2001 to June 2001. (AB&F)

Recommendation:

Option #1:

Adopt the CEQA determination and authorize the Chief Executive Officer to pay SWP capital charges in June 2001 rather than July 2001.

- 9-6** Authorize entering into loan and grant agreements with the California Department of Boating and Waterways for design and construction of Phase III of the recreational boating facilities at Diamond Valley Lake. (EO&RP)

Recommendation:

Option #1:

- a. **Adopt the CEQA determination; and**
- b. **Authorize the CEO to enter into the Phase III Grant Agreement with the California Department of Boating and Waterways (DBAW) for a grant of \$2,500,000 and the Phase III Loan Agreement with DBAW for a loan of \$4,470,000.**

- 9-7 Authorize partial settlement of *Soboba Band of Mission Indians v. The Metropolitan Water District of Southern California*, U.S.D.C. Case No. 00-04208 GAF (MANx). (LC&P)
[Conference with legal counsel—pending litigation; to be heard in closed session pursuant to Gov. Code § 54956.9(a)]

10. BOARD INFORMATION ITEMS

- 10-1** Status report for the Inland Feeder Project for the month ending April 2001. (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)]
- 10-2** Status report on the FERC relicensing of the Oroville facilities. (EO&RP)

11. REPORTS OF SPECIAL COMMITTEES

Special Committee on Museum Feasibility and Development

12. FUTURE AGENDA ITEMS

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