

**Regular Board Meeting**

**January 8, 2002**

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

<b>Tuesday, January 8, 2002 Meeting Schedule</b>		
7:30-8:00 a.m.	Rm. 2-413	Dirs. Computer Training
8:00 a.m.	Room 2-456	CO&L
9:30 a.m.	Room 2-145	R&E
10:00 a.m.	Board Room	Board Meeting

---

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

---

**1. Call to Order**

- (a) Invocation: Reverend James Conn, United Methodist Church, Santa Monica
- (b) Pledge of Allegiance: Vice Chair John V. Foley

**2. Roll Call**

**3. Determination of a Quorum**

---

**PUBLIC HEARING**

Comments on the proposed standby charge for:

- a. Annexation No. 76 to Calleguas Municipal Water District
- b. 45<sup>th</sup> Fringe Area Annexation to Western Municipal Water District

---

**4. 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))**

**5. OTHER MATTERS**

- A. Approval of the Minutes of the Meeting for December 11, 2001. (A copy has been mailed to each Director)  
Any additions, corrections, or omissions

- B. Presentation of five-year service pin to Director Gary A. Morse, representing Central Basin Municipal Water District
- C. Reappointment of Director Anthony R. Fellow, representing Upper San Gabriel Valley Municipal Water District
- D. Report of Nominating Committee
  - (a) Nomination of three nonofficer members of the Executive Committee
  - (b) Election
- E. Report from the Subcommittee on Rules and Ethics regarding Ethics Officer position
- F. Committee appointments. (Exec.)
- G. Chairman's Monthly Activity Report

## 6. DEPARTMENT HEADS' REPORTS

- A. Chief Executive Officer's Reports:
  - i. Oral report on Colorado River matters. (LC&P)
  - ii. Oral report on Bay-Delta and State Water Project matters. (LC&P, WPQ&R)
  - iii. Chief Executive Officer's summary of Metropolitan's activities for the month of December. **(Written report to be sent separately)**
- B. General Counsel's 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 Asset, Real Estate and Infrastructure Policy (Glen D. Peterson, Chair)
- 7-3 Budget, Finance and Investment (Jorge G. Castro, Chair)
- 7-4 Communications, Outreach and Legislation (Henry S. Barbosa, Chair)
- 7-5 Engineering and Operations (Marion V. Ashley, Chair)
- 7-6 Legal, Claims and Personnel (Langdon W. Owen, Chair)
- 7-7 Water Planning, Quality and Resources (Gary A. Morse, Chair)

## 8. CONSENT CALENDAR ITEMS (Action)

- 8-1** Authorize \$640,000 and delegate authority to award a contract for the Oracle Procurement System Upgrade Program (Approp. 15383). (ARE&IP)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. **Appropriate \$640,000;**
- b. **Authorize the Chief Executive Officer to have all work performed; and**
- c. **Delegate to the CEO the authority to award a contract to Oracle Corporation exceeding \$250,000 for software and services to implement Oracle's E-Commerce software.**

**This option will significantly improve the purchasing system and services by providing a more functional purchasing application that is easier to use and yields purchasing efficiencies.**

- 8-2** Authorize \$2.7 million for a Capital Investment Plan project and award a \$2.03 million contract to Steve Bubalo Construction Co. to demolish the service center/warehouse and relocate the reclaimed washwater line at the Jensen filtration plant as part of the Jensen and Mills Oxidation Retrofit Program (Approp. 15173). (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. **Appropriate \$2.7 million;**
- b. **Authorize the Chief Executive Officer to have all work performed as described in the letter; and**
- c. **Award a construction contract in the amount of \$2.03 million for the service center/warehouse demolition and reclaimed washwater line installation.**

- 8-3** Authorize \$8.22 million for four Capital Investment Plan program appropriations to implement improvements to maintain and enhance the reliability of the Colorado River Aqueduct (Approp. 15373, 15374, 15384, and 15385). (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determinations for all projects described herein and appropriate \$8.22 million in budgeted funds.**

- 8-4** Adopt six resolutions pertaining to property taxes for new redevelopment projects in the counties of Los Angeles, Orange and San Bernardino. (BF&I)

**Recommendation:**

**Adopt the CEQA determination and resolutions, providing in substance that Metropolitan elects to be allocated that additional portion of revenue from taxes levied on redevelopment property which is attributable to any increase in Metropolitan's base year tax rate applied to the incremental assessed value of the project property.**

<b><u>Name of Project</u></b>	<b><u>County</u></b>
<b>Rosemead Redevelopment Project Area No. 2 in the city of Rosemead</b>	<b>Los Angeles</b>
<b>Artesia Redevelopment Project Area in the city of Artesia</b>	<b>Los Angeles</b>
<b>Orange Merged and Amended Redevelopment Project in the city of Orange</b>	<b>Orange</b>
<b>El Toro-Marine Corps Air Station Redevelopment Project in the Unincorporated Area of Orange County</b>	<b>Orange</b>
<b>Huntington Beach Southeast Coastal Redevelopment Project in the city of Huntington Beach</b>	<b>Orange</b>
<b>Mission Boulevard Redevelopment Project in the city of Montclair</b>	<b>San Bernardino</b>

- 8-5** Approve amendments to Metropolitan Water District Administrative Code for changes to the committee structure. (LC&P)

**Recommendation:**

**Adopt the CEQA determination and approve changes to the Administrative Code set forth in Attachment 1 to the letter to reflect the new committee structure approved by the Board at its December 2001 meeting, effective January 1, 2002.**

- 8-6** Support proposed water bond initiative, "Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002". (CO&L)

**Recommendation:**

**Adopt the CEQA determination and express Board support for the "Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002".**

**(END OF CONSENT CALENDAR)**

**9. OTHER BOARD ITEMS (Action)**

- 9-1** Apportionment of revenues and setting of water rates and charges to raise firm revenues, and adopt resolutions giving notice of intention to impose rates and charges. (BF&I)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. Set a time for a hearing of the Budget, Finance and Investment Committee at which interested parties may present their views regarding the Chief Executive Officer's recommendation. The water rates and charges for the first six months of FY 2002/03 will remain unchanged. It is recommended that the rates and charges effective January 1, 2003, be set by the Board as defined in the board letter.**
- b. Adopt the following resolutions:**
  - 1. Resolution of intention to impose rates and charges to be effective January 1, 2003, and to direct further actions in connection herewith in the form shown as Attachment 1 to the letter.**
  - 2. 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 12, 2002 meeting to consider and act upon the Chief Executive Officer's recommendation to impose a Readiness-to-Serve Charge and (ii) at its May 14, 2002 meeting to consider and act upon the Chief Executive Officer'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.**
  - 3. Resolution of intention to impose a Capacity Reservation Charge and Peaking Surcharge in the form shown as Attachment 3 to the letter, declaring the Board's intention, at its March 12, 2002 meeting to consider and act upon the Chief Executive Officer's recommendation to impose a Capacity Reservation Charge and Peaking Surcharge.**
  - 4. Resolution of intention to impose a New Demand Charge (NDC) at the current level and suspend collection of the NDC for FY 2002/03, in the form shown as Attachment 4 to the letter.**

- 9-2** Authorize \$5.92 million and delegate authority to enter into contracts in excess of \$250,000 for preliminary design and preparation of environmental documentation for the Cross Connection Prevention Program (Approp. 15171). (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. Appropriate \$5.92 million in budgeted funds; and**
- b. Authorize the CEO to enter into contracts in excess of \$250,000 to have all preliminary design work and environmental documentation performed.**

- 9-3** Authorize entering into an agreement for construction management services for the construction of the Arrowhead Tunnels of the Inland Feeder Program. (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and delegate authority to the CEO to enter into an agreement with the successful respondent for RFP 468 to provide construction management services for the Arrowhead Tunnels.**

- 9-4** Approve muck disposal sites and expanded staging area for the Arrowhead Tunnels and construction of a pipeline connection to San Bernardino Valley Municipal Water District's Foothill Pipeline as part of the Inland Feeder Highland Pipeline (Approp. 15122). (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. Approve the addition of the muck disposal sites and the expanded Strawberry Creek staging area for the Arrowhead Tunnels.**
- b. Approve construction of pipeline connection between SBVMWD's Foothill Pipeline and Metropolitan's proposed Highland Pipeline and utilize existing Inland Feeder Program funding to cover the cost.**

- 9-7** Authorize the execution of an agreement based on the Sacramento Valley Phase 8 Short-Term Workplan Settlement Principles. (WPQ&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); State Water Resources Control Board consideration of alternatives to implement water quality objectives for the Bay-Delta Estuary and related matters]

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and authorize the execution of an agreement based on the Sacramento Valley Phase 8 Short-Term Workplan Settlement Principles.**

- 9-8** Authorize execution of agreement dismissing protest filed by the Metropolitan Water District to the Petition to the State Water Resources Control Board filed by Imperial Irrigation District and San Diego County Water Authority for transfer of Colorado River water. (LC&P)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and authorize the CEO to execute the Protest Dismissal Agreement among Metropolitan, CVWD, IID and SDCWA dismissing Metropolitan's and CVWD's protests of the SWRCB approval of the IID/SDCWA Agreement for transfer of water from IID to SDCWA.**

- 9-9 Oral report on *Metropolitan Water District of Southern California v. Campus Crusade for Christ*, San Bernardino County Superior Court Case No. SCV35498, and *Metropolitan Water District of Southern California v. Arrowhead Springs Partners*, San Bernardino County Superior Court Case No. SCV37085. (LC&P)  
[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 Inland Feeder Program for the month ending November 2001. (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)]

- 10-2 Transmittal of February 2002 Metropolitan Annual Progress Report to the California State Legislature on Achievements in Conservation, Recycling, and Groundwater Recharge. (WPQ&R, CO&L) **(To be mailed separately)**

## **11. REPORTS OF SPECIAL COMMITTEES**

## **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. (E&O, BF&I). Committee agendas may be obtained from the Executive Secretary.