

Regular Board Meeting

March 12, 2002

10:00 a.m. -- Board Room

Tuesday, March 12, 2002 Meeting Schedule		
8-8:30 a.m.	Rm. 2-413	Dirs. Computer Training
8:30 a.m.	Rm. 2-456	CO&L
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: (Guest)
- (b) Pledge of Allegiance: Director Ted Grandsen

2. Roll Call

3. Determination of a Quorum

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 February 12, 2002. (A copy has been mailed to each Director)
Any additions, corrections, or omissions
- B. Induction of new Director, David D. De Jesus, from Three Valleys 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. Committee appointments. (Exec.)
- D. 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 February. (Written report to be sent separately)
- B. General Counsel's summary of Legal Department activities for the month of February. (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 (Anthony R. Fellow, Vice 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)

- 8-2** Authorize \$2.85 million for five Capital Investment Plan projects for the Power Reliability and Energy Conservation Program (Approp. 15391). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. Appropriate \$2.85 million in budgeted and non-budgeted funds; and**
- b. Authorize the Chief Executive Officer to have all work performed in advance of award of competitively bid contracts as required for the five projects identified under the Power Reliability and Energy Conservation Program, as described in the board letter and its attachments.**

- 8-3** Adopt final resolutions for annexation and to impose water standby charge for Annexation No. 75 to Calleguas Municipal Water District and Metropolitan.

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. Adopt a resolution granting Calleguas' request for approval of Annexation No. 75 concurrently to Metropolitan and Calleguas, conditioned upon approval by the Ventura Local Agency Formation Commission, and establishing Metropolitan's terms and conditions for this annexation; and**
- b. Adopt a resolution to impose water standby charge at a rate of \$9.58 per acre or per parcel of less than one acre within the proposed annexation.**

(END OF CONSENT CALENDAR)

9. OTHER BOARD ITEMS (Action)

- 9-1** Adopt (1) recommended water rates and charges; (2) resolutions to impose charges, for fiscal year 2002/03; (3) authorize \$693,000 for the modification of the Water Information System to support the information and invoicing requirements of the new rate structure; and (4) approve changes to the Administrative Code to support the implementation of the approved rates and charges. (BF&I)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. **Adopt the following resolutions:**
 1. **Resolution 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 3 to the board letter.**
 2. **Resolution to impose the Readiness-to-Serve Charge in the form shown as Attachment 4 to the board letter.**
 3. **Resolution to impose a Capacity Reservation Charge and Peaking Surcharge in the form shown as Attachment 5 to the board letter.**
- b. **Authorize \$693,000 for the modification of the Water Information System to support the information and invoicing requirements of the newly adopted rate structure.**
- c. **Approve changes to the Administrative Code necessary to implement the new rates and charges as shown in underline/strikeout format in Attachment 6 and as a complete draft in Attachment 7 to the board letter.**
- d. **Direct the CEO to finalize the implementation of the new rate structure by taking the following actions:**
 1. **Develop the form of a purchase order consistent with the new rate structure adopted by the Board.**
 2. **Modify Metropolitan's billing system to accommodate the new rate structure.**

- 9-2** Approve Metropolitan's Annual Statement of Investment Policy and delegate authority to the Treasurer to make investments on behalf of Metropolitan. (BF&I)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. **Approve the re-delegation of authority to the Treasurer to make investments on behalf of Metropolitan; and**
- b. **Approve the Statement of Investment Policy with changes as indicated.**

- 9-3** Authorize the CEO to award a contract for the construction of the Highland Pipeline of the Inland Feeder Program. (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and authorize the CEO to award a contract to the lowest responsive bidder for construction of the Highland Pipeline in an amount not to exceed \$52 million.

- 9-4** Authorize \$3.511 million for an Alternative Disinfectant Evaluation to meet U.S. Environmental Protection Agency regulations and enhance the ability to treat higher blends of State Water Project supplies at the blend plants (Approp. 15390). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. Authorize funds for an Alternative Disinfectant Evaluation to meet U. S. Environmental Protection Agency regulations; and**
- b. Enhance the ability to treat higher blends of SWP supplies at the blend plants.**

- 9-5** Authorize \$5.63 million for preliminary design and environmental documentation for ozone or an alternative disinfectant at the Skinner and Diemer filtration plants (Approps. 15388 and 15389). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. Appropriate \$5.63 million in budgeted CIP funds, and delegate to the Chief Executive Officer the authority to award competitively selected consultant agreements in an amount not to exceed \$500,000 per contract; and**
- b. Authorize the Chief Executive Officer to have all work performed as described in the board letter and its attachments.**

- 9-6** Adopt policy principles for formation of a CALFED Bay-Delta Program long-term governance structure. (WPQ&R, CO&L)

Recommendation:

Option #1:

Adopt the CEQA determination and the proposed policy principles for a CALFED Bay-Delta Program long-term governance structure.

- 9-7** Adopt policy principles on global climate change as related to water resources planning. (WPQ&R, CO&L)

Recommendation:

Option #1:

Adopt the CEQA determination and approve staff recommendation to adopt the proposed policy principles regarding global climate change and water resources.

- 9-8** Authorize the CEO to enter into agreement(s) with the lowest responsible bidder(s) for security guard services for a three-year period. (E&O)

Recommendation:

Adopt the CEQA determination and authorize the CEO to enter into agreement(s) with the lowest responsible bidder(s) for security guard services for a three-year period.

- 9-9 Express support for AB 1778 (Nakano) if amended – Drinking Water: Water Treatment Plant Security (background screening). (CO&L) **(To be mailed separately)**
- 9-10 Express support for AB 2734 (Pavley) if amended: Water Conservation. (CO&L) **(To be mailed separately)**
- 9-11 Authorize amendment of contract with the law firm of Ellison, Schneider & Harris for legal services relating to Colorado River and State Water Resources Control Board matters. (LC&P) **(To be mailed separately)**

10. BOARD INFORMATION ITEMS

- 10-1** Status report for the Inland Feeder Program for the month ending January 2002. (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 Oral report on perchlorate. (WPQ&R, CO&L)

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.