

Regular Board Meeting

June 11, 2002

10:00 a.m. -- Board Room

Tuesday, June 11, 2002 Meeting Schedule		
8-8:30 a.m.	Rm. 2-413	Dirs. Computer Training
8:00 a.m.	Rm. 2-145	Audit
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: Barbara Perkins, President of the Los Angeles County Commission on the Status of Women
- (b) Pledge of Allegiance: Director Helen Z. Hansen

2. Roll Call

3. Determination of a Quorum

PUBLIC HEARING

Comments on the proposed standby charge for Annexation No. 78 to Calleguas 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 May 14, 2002. (A copy has been mailed to each Director)
Any additions, corrections, or omissions

- B. Approve thirty-day leave of absence for Director Bonny Herman, effective June 9, 2002
- 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 May. **(Written report to be sent separately)**
- B. General Counsel's summary of Legal Department activities for the month of May. **(Written report to be sent separately)**
- C. Ethics Officer's summary of 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 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, 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 \$19.66 million for three Capital Investment Plan appropriations for the Colorado River Aqueduct Reliability Programs, and award a \$8,968,550 construction contract to Griffith Company for the canal repair project (Approps. 15373, 15384 and 15385). (E&O)

Recommendation:

Adopt the CEQA determination for the projects described herein and

- a. Appropriate \$19.66 million in budgeted and non-budgeted funds;**
- b. Award a construction contract in the amount of \$8,968,550 to Griffith Company for the CRA Conveyance Rehabilitation; and**
- c. Delegate to the CEO the authority to award competitively bid contracts, not to exceed (1) 1.2 million for the Iron Mountain circuit breaker construction contract, and (2) \$350,000 for the CRA Pumping Wells Conversion equipment procurement contract.**

- 8-2** Approve Metropolitan's Casualty and Property Insurance Program. (BF&I)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. Approve up to \$800,000 to obtain the expiring insurance coverages.**
- b. Direct staff to investigate risk finance alternatives during this difficult insurance market cycle.**

- 8-4** Approve rates for previously authorized emergency water service for Tijuana, Mexico for July 2002 through December 2003. (WPQ&R)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. Set the charges for emergency deliveries for Tijuana from July 1, 2002 through December 31, 2002 at a rate of \$230 per AF plus actual net electrical energy costs; and**
- b. Set the charges for emergency deliveries for Tijuana from January 1, 2003 through December 31, 2003 at a rate of \$246 per AF plus actual net electrical energy costs.**

- 8-6** Adopt final resolutions for annexation and to impose water standby charge for Annexation No. 76, Parcel B, to Calleguas Municipal Water District and Metropolitan. (Exec. 5/21)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. **Adopt a resolution granting Calleguas' request for approval of Annexation No. 76, Parcel B, 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** Approve fiscal year 2002/03 Annual Budget. (BF&I)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. **Approve the 2002/03 annual Budget;**
- b. **Appropriate \$706.9 million for the projected annual cash outlays for Metropolitan O&M, including power costs on the Colorado River Aqueduct, SWP operations, maintenance, power and replacements costs and SWP capital charges; water management programs; and costs associated with supply programs paid from the Water Transfer Fund;**
- c. **Appropriate as continuing appropriations, \$204.4 million for debt service on Metropolitan general obligation and revenue bonds;**
- d. **Appropriate, as continuing appropriations, \$8.5 million for operating equipment, computers and inventory supplies;**
- e. **Authorize \$21 million to be used to cash defease debt as directed by the Board in July 2000;**
- f. **Authorize the use of \$90 million in Pay-As-You-Go funds to finance a portion of the Capital Investment Plan during fiscal year 2002/03; and**
- g. **Authorize \$25 million to be deposited into the Water Transfer Fund in fiscal year 2001/02 and \$45 million in fiscal year 2002/03.**

- 9-2** Adopt asset replacement funding methodology, reserve policy changes, and a resolution establishing guidelines for intended use of unreserved fund balances. (BF&I)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. **Approve PAYG policy and R&R funding mechanism;**
- b. **Adopt resolution in accordance with § 125.5 of the Metropolitan Water District Act; and**
- c. **Amend Administrative Code to reflect change in PAYG policy.**

- 9-3** Approve principles for San Diego Surface Storage Operating Agreement. (BF&I, WPQ&R)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. **Approve principles for San Diego Surface Storage Operating Agreement; and**
- b. **Direct staff to develop draft agreement.**

- 9-4** Authorize entering into an agreement with Rodbat/Worldwide Joint Venture, LLC to provide security guard services for a three-year period not to exceed \$19.5 million. (E&O)

Recommendation:

Adopt the CEQA determination and authorize entering into an agreement with Rodbat/Worldwide Joint Venture, LLC to provide security guard services for a three-year period not to exceed \$19.5 million.

- 9-5 Approve amendment of expert witness contract for History Associates, Inc. in *Arizona v. California*. (LC&P)

[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code § 54956.9(a)]

- 9-6 Express support for AB 1561 (Kelley) – High Efficiency Clothes Washers. (CO&L) **(To be mailed separately)**

- 9-7 Express support if amended for AB 1972 (Frommer) – Consumer Confidence Reports. (CO&L) **(To be mailed separately)**

- 9-8 Express support for SB 1993 (Machado) with recommended amendments – Water Transfer Clearinghouse. (CO&L) **(To be mailed separately)**

10. BOARD INFORMATION ITEMS

- 10-1** Status report for the Inland Feeder Program for the month ending April 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** Review of Perchlorate Action Plan. (WPQ&R)

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.