

Regular Board Meeting

March 11, 2003

10:00 a.m. -- Board Room

Tuesday, March 11, 2003 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

*Meetings will begin at the posted time, or upon the conclusion of the preceding meeting if the preceding meeting exceeds its scheduled time period.

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

1. Call to Order

- (a) Invocation: Rev. Brenda Lamothe – First African Methodist Episcopal Church
- (b) Pledge of Allegiance: Director James F. Turner

2. Roll Call

3. Determination of a Quorum

PUBLIC HEARING

Comments on the proposed standby charge for 72nd Fringe Area Annexation to Eastern 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 Meetings for January 29, February 11 and 25, 2003. (Copies have been mailed to each Director)
Any additions, corrections, or omissions
- B. Committee assignments. (Exec.)
- C. Report on discussion of scheduling and Directors' participation at committee meetings
- 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 mailed separately)**
- B. General Counsel's summary of Legal Department activities for the month of February. **(Written report to be mailed separately)**
- C. General Auditor's summary of activities for the month of February
- D. Ethics Officer's summary of activities for the month of February

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 (George I. Loveland, Chair)
- 7-5 Engineering and Operations (David D. De Jesus, Chair)
- 7-6 Legal, Claims and Personnel (Gary A. Morse, Chair)
- 7-7 Water Planning, Quality and Resources (Langdon W. Owen, Chair)

8. CONSENT CALENDAR ITEMS — ACTION

- 8-1** Authorize \$1.095 million for four Capital Investment Plan projects as part of the Weymouth Filtration Plant Improvements Program (Approp. 15369). (E&O)

Recommendation:

Adopt the CEQA determination and

- a. Appropriate \$1.095 million in budgeted and non-budgeted CIP funds; and**
- b. Authorize all work as described in the board letter for four projects within the Weymouth Filtration Plant Improvements Program.**

- 8-2** Authorize negotiation and execution of contracts for special bond counsel and co-special bond counsel. (LC&P)

Recommendation:

Option #1:

Adopt the CEQA determination and authorize the General Counsel to retain the firms listed on Attachment 1 to the board letter as special bond counsel for the three years ending December 31, 2005, at maximum fees negotiated on a transaction-by-transaction or project basis.

- 8-3** Approve amendment to increase by \$300,000 the contract for legal services with Harkins Cunningham and report on Colorado River negotiations. (LC&P)
[Conference with real property negotiators; property is Colorado River water rights; agency negotiators: Dennis Underwood and Jeffrey Kightlinger; negotiating parties: U.S. Department of the Interior, State of California, Imperial Irrigation District, Coachella Valley Water District and San Diego County Water Authority; under negotiation: price and terms of agreement; to be heard in closed session pursuant to Gov. Code § 54956.8]

Recommendation:

Option #1:

Adopt the CEQA determination and authorize the amendment of the contract with the law firm of Harkins Cunningham to increase the maximum compensation payable by \$300,000 to complete negotiations on the QSA and related documents for the California Colorado River Water Use Plan.

- 8-4** Grant conditional approval for the 73rd Fringe Area Annexation to Eastern Municipal Water District and Metropolitan; and adopt resolution of intention to impose water standby charge. (Exec. 2/25)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. Grant conditional approval for the 73rd Fringe Area Annexation, concurrently to Eastern and Metropolitan, conditioned upon receipt in full of annexation fee of \$52,471.20 to Metropolitan if completed by December 31, 2003, or if completed later, at the then current annexation charge rate, and compliance with those terms and conditions fixed upon final request for approval pursuant to Administrative Code Section 3100 et seq.;**
- b. Approve Eastern's proposed Plan for Implementing Water Use Efficiency Guidelines; and**
- c. Adopt the Resolution of Intention to Impose Water Standby Charge within the proposed annexation territory, substantially in the form of Attachment 3 to the board letter.**

- 8-5** Authorize revisions to the Administrative Code of The Metropolitan Water District of Southern California to conform to current laws and practices and make corrections. (Exec. 2/25)

Recommendation:

Adopt the CEQA determination and approve the changes to the Administrative Code set forth in Attachment 2 to reflect the changes recommended in the board letter.

- 8-6** Authorize entering into a one-year Environmental Water Account demand shifting agreement with the California Department of Water Resources. (WPQ&R)

Recommendation:

Option #1:

Adopt the CEQA determination and authorize the CEO to enter into an EWA demand shifting agreement with DWR consistent with the terms in Attachment 1 to the board letter, and in form approved by the General Counsel.

- 8-7** Authorize amending agreement with the California Department of Water Resources for reimbursable services. (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and authorize the Chief Executive Officer to negotiate and execute revisions to the existing Services Agreement as described in the board letter, in form approved by the General Counsel, relating to the scope and the annual and total dollar amount of services that can be provided.

- 8-8** Approve amendments to Metropolitan Water District Administrative Code regarding the Internal Audit Department. (Audit 2/25)

Recommendation:

Option #1:

Adopt the CEQA determination and approve the changes to the Administrative Code set forth in Attachment 1 to the board letter.

(END OF CONSENT CALENDAR)

9. OTHER BOARD ITEMS — ACTION

- 9-1** Adopt (1) recommended water rates and charges; and (2) resolutions to impose charges, for fiscal year 2003/04. (BF&I)

Recommendation:

Option #1:

Adopt the CEQA determination and the following:

- a. Resolution to impose the Readiness-to-Serve Charge in the form shown as Attachment 3 to the board letter;**
- b. Resolution to impose a Capacity Charge in the form shown as Attachment 4 to the board letter; and**
- c. Approve the changes to the Administrative Code necessary to administer the capacity charge.**

- 9-2** Adopt resolution authorizing execution of agreement for low-interest financing from the Drinking Water State Revolving Fund for the Oxidation Retrofit Program at the Henry J. Mills Filtration Plant, and pledging funds for repayment. (BF&I)

Recommendation:

Option #1:

Adopt the CEQA determination and the resolution, authorizing execution of agreement for low-interest financing from the Drinking Water State Revolving Fund for the Oxidation Retrofit Program for the Henry J. Mills Filtration Plant, and pledging funds for repayment.

- 9-3** Appropriate \$3.095 million in funds and award a \$2.65 million construction contract to AA-1 Services, Inc., for the Sepulveda Canyon Tanks exterior and interior recoating as part of the Distribution System Rehabilitation Program (Approp. 15377). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. Appropriate \$3.095 million in budgeted CIP funds; and**
- b. Award a competitively bid contract in the amount of \$2,654,400 to AA-1 Services, Inc., for recoating of the interior and exterior of the Sepulveda Canyon water storage tanks.**

- 9-4** Authorize entering into agreement with the San Diego County Water Authority for enhanced operations through surface storage in San Diego County. (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and authorize the CEO with the approval of the General Counsel to enter into agreement substantially in the form of Attachment 1 to the board letter.

- 9-5** Adopt policy principles on consumers' right to know and understand the quality of their drinking water. (CO&L)

Recommendation:

Option #1:

Adopt the CEQA determination and the policy principles as proposed.

- 9-6 Authorize funds and award a construction contract in the amount of \$(TBA) to (TBA) for Phase I of the Diamond Valley East Marina Program (Approp. 15401). (ARE&IP) **(To be mailed separately)**
- 9-7 Report on the trial of Inland Feeder Pipeline eminent domain action, *The Metropolitan Water District of Southern California v. Campus Crusade for Christ, Inc.*, San Bernardino Superior Court Case No. SCV35498. (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 activities through January 2003. (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** Purchase 25 boat engines for recreation use at Lake Skinner. (ARE&IP)
- 10-3** Report on the Innovative Supply Program. (WPQ&R)
- 10-4** Water Surplus and Drought Management Plan report on water supply and demand as of February 18, 2003. (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.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.