

**Regular Board Meeting**

**May 13, 2003**

**12:00 p.m. -- Board Room**

<b>Tuesday, May 13, 2003 Meeting Schedule</b>		
7:30-8 a.m.	Rm. 2-413	Dirs. Computer Training
8:00 a.m.*	Board Room	ARE&IP
9:45 a.m.*	Rm. 2-456	CO&L
12:00 p.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.

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

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**1. Call to Order**

- (a) Invocation: Director Gary A. Morse
- (b) Pledge of Allegiance: Director Kenneth M. Orduna

**2. Roll Call**

**3. Determination of a Quorum**

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**PUBLIC HEARING**

Comments on the proposed Water Standby Charge for fiscal year 2003/04

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**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 April 8, 2003. (A copy has been mailed to each Director)  
Any additions, corrections, or omissions
- B. Authorize preparation of Commendatory Resolution for former Director Regina Murph. (Exec. 4/22)
- C. Committee assignments. (Exec.)
- D. Chairman's Monthly Activity Report

## 6. DEPARTMENT HEADS' REPORTS

- A. Chief Executive Officer's Reports:
  - i. Oral report on Colorado River matters  
**[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]**
  - 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 April
- B. General Counsel's summary of Legal Department activities for the month of April
- C. General Auditor's summary of activities for the month of April
- D. Ethics Officer's summary of activities for the month of April

## **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 (Bill D. Wright, Vice Chair)

## **8. CONSENT CALENDAR ITEMS — ACTION**

- 8-1** Authorize Appropriation No. 15409 in the amount of \$725,000 to pay the costs associated with the sale of water revenue refunding bonds and interest rate swaps through December 31, 2003. (BF&I)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. Approve General Fund Appropriation No. 15409 in the amount of \$725,000 against which to charge expenses associated with the sale of water revenue bonds and interest rate swaps; and**
- b. Authorize the reimbursement of expenses paid from the General Fund by bond proceeds. The authorization will expire on December 31, 2003.**

- 8-2** Approve payment of \$25,000 for annual membership dues for U.S. Desalination Coalition. (Desal., WPQ&R)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and approve payment of membership dues for participation in U.S. Desalination Coalition.**

- 8-3** Appropriate \$605,000 to upgrade the Maintenance Management System (Approp. 15408). (ARE&IP)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and appropriate funds in the amount of \$605,000 for the Maintenance Management System Upgrade.**

- 8-4** Appropriate \$335,000 for financial analysis consulting services with Alfred Gobar Associates and Starpointe Ventures in conjunction with the preparation of the master plan for the Diamond Valley East Recreation Area and Lake Skinner (Approp. 15334). (ARE&IP)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and increase Appropriation 15334 by \$335,000 to a total of \$18.847 million.**

- 8-5** Grant conditional approval for Annexation No. 82 to Calleguas Municipal Water District and Metropolitan; and adopt resolution of intention to impose water standby charge. (Exec. 4/22)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. Grant conditional approval for Annexation No. 82, concurrently to Calleguas and Metropolitan, conditioned upon receipt in full of annexation fee of \$22,161.60 to Metropolitan if completed by December 31, 2003, or if completed later, at the then current annexation charge rate;**
- b. Approve Calleguas' 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 1 to the board letter.**

- 8-6** Grant conditional approval for the 46<sup>th</sup> and 48<sup>th</sup> Fringe Area Annexations to Western Municipal Water District and Metropolitan; and adopt resolution of intention to impose water standby charges. (Exec. 4/22)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. **Grant conditional approval for the 46<sup>th</sup> Fringe Area Annexation, concurrently to Western and Metropolitan, conditioned upon receipt in full of annexation fee of \$904,600 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 § 3100 et seq.;**
- b. **Grant conditional approval for the 48<sup>th</sup> Fringe Area Annexation, concurrently to Western and Metropolitan, conditioned upon receipt in full of annexation fee of \$158,797 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 § 3100 et seq.;**
- c. **Approve Western's proposed Plans for Implementing Water Use Efficiency Guidelines for the 46<sup>th</sup> Fringe Area and for the 48<sup>th</sup> Fringe Area; and**
- d. **Adopt the Resolutions of Intention to Impose Water Standby Charge within the proposed annexation territories, substantially in the form of Attachment 5 to the board letter for the 46<sup>th</sup> Fringe Area and Attachment 6 to the board letter for the 48<sup>th</sup> Fringe Area.**

- 8-7** Adopt final resolutions for annexation and to impose water standby charge for Annexation No. 79 to Calleguas Municipal Water District and Metropolitan. (Exec. 4/22)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. **Adopt a resolution granting Calleguas' request for approval of Annexation No. 79, 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 parcel of less than one acre within the proposed annexation.**

- 8-8** Adopt resolution of intention to impose water standby charge for the reattachment of the Altmann Property to San Diego County Water Authority and Metropolitan. (Exec. 4/22)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and the resolution of intention to impose water standby charge for the reattachment of the Altmann Property to SDCWA and Metropolitan substantially in the form of Attachment 2 to the board letter, conditioned upon receipt of \$5,031.93 to Metropolitan if completed by December 31, 2003.**

- 8-9** Approve amendments to the Administrative Code regarding Director-sponsored inspection trips. (Educ., Exec. 4/22)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and approve the recommended Administrative Code changes as specified on Attachment 1 to the board letter.**

- 8-10** Appropriate \$7.8137 million for three Capital Investment Plan program appropriations for sludge handling upgrades at the Skinner and Weymouth plants; and award contracts to Gantry Constructors, Inc., Kiewit Pacific Co., and Black & Veatch Corporation in the amounts of \$3.2595 million, \$3.83 million, and not to exceed \$3 million, respectively (Approps. 15365, 15369 and 15363). (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determinations and**

- a. Appropriate \$7.8137 million;**
- b. Award a construction contract in the amount of \$3.2595 million to Gantry Constructors, Inc., to perform all work as described in Specifications No. 1467 for the Skinner Filtration Plant Sludge Handling Facilities Project;**
- c. Award a construction contract in the amount of \$3.83 million to Kiewit Pacific Co. to perform all work as described in Specifications No. 1447 for the F. E. Weymouth Filtration Plant Basins Nos. 3 and 4 Rehabilitation Project;**
- d. Authorize entering into a professional services agreement with Black & Veatch Corporation for water treatment process engineering services in an amount not to exceed \$3 million; and**
- e. Reallocate total program budget estimate in the amount of \$4.4078 million from Approp. 15345 to Approp. 15369.**

- 8-11** Appropriate \$3.950 million and award three construction contracts in the amounts of \$527,461 to Western Pump, Inc.; \$875,058 to Western Pump, Inc.; and \$1.255 million to Fleming Environmental, Inc.; for the Underground Storage Tank Upgrades and Dispenser Spill Containment Project for the Desert Region, Orange County/La Verne Region, and Los Angeles Region, respectively (Approp. 15386). (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determinations and**

- a. Appropriate \$3.950 million in budgeted and non-budgeted CIP funds;**
- b. Award a construction contract in the amount of \$527,461 to Western Pump, Inc., to perform all work detailed in Specifications No. 1461 for the Desert Region UST Upgrades;**
- c. Award a construction contract in the amount of \$875,058 to Western Pump, Inc., to perform all work detailed in Specifications No. 1462 for the Orange County/La Verne Region UST Upgrades; and**
- d. Award a construction contract in the amount of \$1.255 million to Fleming Environmental, Inc., to perform all work detailed in Specifications No. 1463 for the Los Angeles Region UST Upgrades.**

- 8-12** Authorize an increase in Appropriation No. 15361 of \$120,000 for additional modifications to Metropolitan's Headquarters Building at Union Station. (ARE&IP)

**Recommendation:**

**Adopt the CEQA determination and authorize an increase in Appropriation No. 15361 of \$120,000.**

**(END OF CONSENT CALENDAR)**

## 9. OTHER BOARD ITEMS — ACTION

- 9-1** Adopt resolution to impose and extend a Water Standby Charge for fiscal year 2003/04. (BF&I)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and the resolution to impose and extend a Water Standby Charge.**

- 9-3** Authorize an amendment to the existing contract with WaterWise Consulting for up to \$1 million of services for water conservation. (WPQ&R)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and authorize an amendment in form approved by the General Counsel with WaterWise Consulting to increase the maximum contract amount to \$1 million over the current three-year term.**

- 9-4** Authorize entering into an agreement for the State Water Project Joint Powers Authority. (WPQ&R)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. Authorize entering into an agreement consistent with the summary of the JPA Agreement, in form acceptable to the General Counsel; and**
- b. Authorize the CEO to support JPA start-up expenditures and the JPA providing consulting services.**

- 9-5 Adopt policy principles on water infrastructure financing. (CO&L) **(To be mailed separately)**

- 9-6** Express support, if amended, for SB 21 (Machado) – Water: Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002. (CO&L)



**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. Express support, if amended, for SB 21 (Machado); and**
- b. Provide policy direction to staff regarding desired amendments.**

- 9-7** Express support, if amended, for SB 312 (Machado) – Urban Landscape Water Conservation Act of 2003. (CO&L)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and express support for SB 312 if amended as discussed in the board letter.**

- 9-9 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)]

- 9-10** Authorize \$14 million loan agreement with The Center for Water Education for final design and construction of its facility. (BF&I, ARE&IP)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. Find that the design and construction of The Center will benefit Metropolitan by providing a forum for Metropolitan's education programs and community outreach;**
- b. Authorize the Chief Executive Officer to enter into a loan agreement for \$14 million with The Center for Water Education and disburse the funds according to the loan agreement terms; and**
- c. Increase funding for The Center for Water Education Program by \$14 million from \$2 million to \$16 million.**

## 10. BOARD INFORMATION ITEMS

- 10-1 Status report for the Inland Feeder Program for activities through March 2003. (E&O)  
[Any discussion of litigation to be heard in closed session. Conference with legal counsel—existing litigation (Shank/Balfour Beatty, a Joint Venture vs. Metropolitan Water District of Southern California, LASC Case Nos. BC283438 and BC283439); to be heard in closed session pursuant to Gov. Code § 54956.9(a)]
- 10-2 Semiannual report on diversity for the period July 1, 2002 through December 31, 2002. (LC&P)
- 10-3 Water Surplus and Drought Management Plan report on water supply and demand as of April 30, 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.