

**Adjourned Regular Board Meeting**

**August 19, 2003**

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

<b>Tuesday, August 19, 2003 Meeting Schedule</b>		
7:30-8:15 a.m.	Rm. 2-413	Dirs. Computer Training
8:30 a.m.	Rm. 2-145	ARE&IP
10:00 a.m.	Rm. 2-456	CO&L
12:00 p.m.	Board Room	Board Meeting

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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: Carmen Apelgren, Braille Institute of America
- (b) Pledge of Allegiance: Director Timothy F. Brick

**2. Roll Call**

**3. Determination of a Quorum**

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**PUBLIC HEARING**

Comments on the proposed standby charges for:

Annexation No. 82 to Calleguas Municipal Water District  
46<sup>th</sup> and 48<sup>th</sup> Fringe Areas Annexations to Western Municipal Water District  
Re-attachment of the Altmann Property to San Diego County Water Authority

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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 Meetings for April 22 and July 8, 2003.  
(Copies have been mailed to each Director)  
Any additions, corrections, or omissions
- B. Induction of new Director, Larry D. Dick, from Municipal Water District of Orange County
  - (a) Receive credentials
  - (b) Report on credentials by General Counsel
  - (c) File credentials
  - (d) Administer Oath of Office
  - (e) File Oath
- C. Committee assignments. (Exec.)
- D. Chairman's Monthly Activity Report
- E. Tax levy for fiscal year 2003/04. (BF&I)
  - E-1 Report on list of certified assessed valuations for fiscal year 2003/04 and tabulation of assessed valuations, percentage participation, and vote entitlement of member public agencies as of August 19, 2003. (Copies distributed—Compare with preceding year—Ordered received and filed, spread on the Minutes, a copy to be sent each Director and to each member public agency). **(To be distributed at meeting)**
  - E-2 Adopt resolution establishing the tax rate for fiscal year 2003/04. **(Roll call vote—two-thirds vote required) (To be distributed at meeting)**

## 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 Close Out Business Plan report for fiscal year 2002/03
- B. General Counsel's summary of Legal Department activities for the month of July
- C. General Auditor's summary of activities for the month of July

## 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 (Wesley M. Bannister, Chair)
- 7-7 Water Planning, Quality and Resources (Bill D. Wright, Chair)

## 8. CONSENT CALENDAR ITEMS — ACTION

- 8-1 Appropriate \$2.2 million for final design of the Solids Handling Facilities Project at the F. E. Weymouth Filtration Plant (Approp. 15369). (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

**a. Appropriate \$2.2 million; and**

**b. Authorize all final design activities up to award of a competitively bid construction contract for the Weymouth Solids Handling Facilities Project.**

- 8-3 Authorize purchase of demonstration-scale reverse osmosis system for up to \$800,000 to evaluate large-diameter reverse osmosis elements (Approp. 15301). (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and grant the Chief Executive Officer authority to purchase a large-scale RO system for no greater than \$800,000.**

- 8-4 Approve reauthorization for purchase or tender of Metropolitan's bonds in the secondary market and extend Fourteenth Supplemental Resolution. (BF&I)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**  
**a. Authorize the Chief Executive Officer to use up to \$75 million of unrestricted funds in an amount not to exceed \$75 million to purchase discounted Metropolitan bonds in the secondary market; and**  
**b. Extend the expiration date of the bond authorization under the Fourteenth Supplemental Resolution to August 31, 2004.**

- 8-5 Authorize entering into and amending existing contracts with employment service agencies and professional firms supplying temporary personnel in the amount of \$4.76 million. (LC&P)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and authorize the Chief Executive Officer to amend existing agreements and enter into new contracts with employment service agencies and professional firms supplying temporary personnel in excess of \$250,000. No individual contract will exceed \$2 million in a single contract year.**

- 8-6 Authorize entering into an agreement with Thermo Electron Corporation not to exceed \$395,000 to purchase and implement software to upgrade Metropolitan's Laboratory Information Management System (Approp. 15406). (ARE&IP)

**Recommendation:**

**Adopt the CEQA determination and authorize entering into an agreement with Thermo Electron Corporation not to exceed \$395,000 to purchase and implement software to upgrade Metropolitan's Laboratory Information Management System.**

- 8-7 Adopt final resolutions for annexation and to impose water standby charge for Annexation No. 82 to Calleguas Municipal Water District and Metropolitan. (Exec. 7/22)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. **Adopt a resolution granting Calleguas' request for approval of Annexation No. 82, 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.**

- 8-8 Adopt final resolutions for annexation and to impose water standby charge for the 73<sup>rd</sup> and 74<sup>th</sup> Fringe Areas Annexations to Eastern Municipal Water District and Metropolitan. (Exec. 7/22)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. **Adopt a resolution granting Eastern's request for approval of the 73<sup>rd</sup> Fringe Area Annexation, concurrently to Metropolitan and Eastern, conditioned upon approval by the Riverside Local Agency Formation Commission, and establishing Metropolitan's terms and conditions for this annexation;**
- b. **Adopt a resolution granting Eastern's request for approval of the 74<sup>th</sup> Fringe Area Annexation, concurrently to Metropolitan and Eastern, conditioned upon approval by the Riverside Local Agency Formation Commission, and establishing Metropolitan's terms and conditions for this annexation; and**
- c. **Adopt resolutions to impose water standby charge at a rate of \$6.94 per acre or per parcel of less than one acre, within the proposed annexations.**

- 8-9 Adopt final resolution to impose water standby charge for the Altmann Property reattachment to San Diego County Water Authority and Metropolitan. (Exec. 7/22)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and a resolution to impose water standby charge at a rate of \$11.51 per acre or per parcel of less than one acre within the proposed annexation.**

- 8-10 Adopt final resolutions for annexation and to impose water standby charge for Podrasky Ohlson Annexation to San Diego County Water Authority and Metropolitan. (Exec. 7/22)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. **Adopt a resolution granting SDCWA's request for approval of Podrasky Ohlson Annexation, concurrently to Metropolitan and SDCWA, conditioned upon approval by the San Diego County 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 \$11.51 per acre or per parcel of less than one acre within the proposed annexation.**

- 8-11 Approve amendment to increase professional services contract with the law firm of Muys & Associates in the amount of \$100,000 for legal services in *Arizona v. California*, No. 8 Original (U.S. Sup. Ct.). (LC&P)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and approve amendment to increase professional services contract with the law firm of Muys & Associates by \$100,000 for calendar year 2003.**

- 8-12 Approve amendments for three agreements for expert analysis of water use issues in *Imperial Irrigation District v. United States* to increase contract amounts by a total of \$225,000. (LC&P)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and approve amendments to agreements with Agricultural Salinity Consulting, Allen Consulting, and Agricultural Services Co., Inc.**

**(END OF CONSENT CALENDAR)**

## 9. OTHER BOARD ITEMS — ACTION

- 9-1 Approve entering into interest rate swap transactions of up to \$700 million to capture savings and reduce interest rate risk. (BF&I)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and approve the use of interest rate swaps, in a total notional amount not to exceed \$700 million to enable Metropolitan to lower its cost of debt.**

Revised

- 9-2 Approve Principles of Agreements with North Kern Water Storage District and Mojave Water Agency to demonstrate the feasibility of water banking programs and to take full delivery of available 2003 State Water Project supplies. (WPQ&R)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. **Approve the Demonstration Program Principles, and authorize development of an agreement with North Kern; and**
- b. **Approve the Demonstration Program Principles, and authorize development of an agreement with Mojave.**

- 9-3 Discuss settlement of *Soboba Band of Mission Indians v. The Metropolitan Water District of Southern California*, U.S.D.C. Case No. CV 00-04208-GAF (MANx). (LC&P)

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

- 9-4 Adopt Fifteenth Supplemental Resolution to the Master Revenue Bond Resolution authorizing the sale of up to \$500 million of Water Revenue Bonds, 2003 Authorization; and approve Appropriation No.15412 for the costs of issuance. (BF&I) **(Two-thirds vote required)**

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. **Adopt the Fifteenth Supplemental Resolution to the Master Revenue Bond Resolution in order to authorize the issuance of up to \$500 million in Water Revenue Bonds, with any unused portion of the authorization to expire on September 30, 2005; and**
- b. **Approve Appropriation No. 15412 in the amount of \$825,000, against which to charge expenses associated with the issuance of debt. Authorize the reimbursement of expenses paid from the General Fund by bond proceeds. Any unused portion of the appropriation will expire on September 30, 2005.**

**10. BOARD INFORMATION ITEMS**

- 10-1 Status report for the Inland Feeder Program for activities through June 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 Completion of the Diamond Valley Lake Program. (E&O)
- 10-3 Correction of Readiness-to-Serve Charge and Capacity Charge allocations. (BF&I)

**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.