

REVISION 2
Regular Board Meeting

March 8, 2005

10:00 a.m. -- Board Room

Tuesday, March 8, 2005 Meeting Schedule		
7:30-8:30 a.m.	Rm. 2-413	Dirs. Computer Training
8:00 a.m.*	Rm. 2-145	Colorado River
9:00 a.m.*	Rm. 2-456	O&P
10:00 a.m.*	Board Room	Board Meeting
12:00 p.m.*	Board Room	Media Training

*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: (Guest)
- (b) Pledge of Allegiance: Director Daniel E. Griset

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 8, 2005. (A copy has been mailed to each Director)
Any additions, corrections, or omissions
- B. Presentation of Commendatory Resolution to former Director Harold W. Ball, representing San Diego County Water Authority
- C. Presentation of 15-year service pin to Director John Morris, representing city of San Marino

D. Adopt resolution in support of Glen D. Peterson for vice president of the Association of California Water Agencies (ACWA). (Exec.)

E. Report of Nominating Committee
(a) Nomination of six nonofficer members to the Executive Committee
(b) Election

F. Chairman' s Monthly Activity Report

Added G. Committee assignments

Added H Reports on evaluation rating for General Counsel, General Auditor, and Ethics Officer

Corrected I. Discussion on Rate Structure Integrity language, including member agency presentations

6. DEPARTMENT HEADS' REPORTS

A. Interim Chief Executive Officer's Reports:

i. Oral report on Colorado River matters

ii. Oral report on Bay-Delta and State Water Project matters. (LC&P, WPQ&R)

iii. Interim Chief Executive Officer's summary of Metropolitan's activities for the month of February

B. General Counsel's summary of Legal Department activities for the month of February

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. CONSENT CALENDAR ITEMS — ACTION

- 7-1 Grant conditional approval for annexations of 80th and 82nd Fringe Areas to Eastern Municipal Water District and Metropolitan; and adopt resolutions of intention to impose water standby charge. (A&RP)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. Grant conditional approval for 80th Fringe Area, concurrently to Eastern and Metropolitan, conditioned upon receipt in full of annexation fee of \$119,605.58 to Metropolitan if completed by December 31, 2005, or if completed later, at the then current annexation charge rate;
- b. Grant conditional approval for 82nd Fringe Area, concurrently to Eastern and Metropolitan, conditioned upon receipt in full of annexation fee of \$427,742.80 to Metropolitan if completed by December 31, 2005, or if completed later, at the then current annexation charge rate;
- c. Approve Eastern's Statement of Compliance with the current Water Use Efficiency Guidelines; and
- d. Adopt the resolutions of intention to impose water standby charge within the proposed annexation territories, substantially in the form of Attachment 5 and Attachment 6 to the board letter.

- 7-2 Grant conditional approval for annexations of 81st and 83rd Fringe Areas to Eastern Municipal Water District and Metropolitan; and adopt resolutions of intention to impose water standby charge. (A&RP)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. Grant conditional approval for 81st Fringe Area, concurrently to Eastern and Metropolitan, conditioned upon receipt in full of annexation fee of \$32,887.60 to Metropolitan if completed by December 31, 2005, or if completed later, at the then current annexation charge rate;
- b. Grant conditional approval for 83rd Fringe Area, concurrently to Eastern and Metropolitan, conditioned upon receipt in full of annexation fee of \$29,012.40 to Metropolitan if completed by December 31, 2005, or if completed later, at the then current annexation charge rate;
- c. Approve Eastern's Statement of Compliance with the current Water Use Efficiency Guidelines; and
- e. Adopt the resolutions of intention to impose water standby charge within the proposed annexation territories, substantially in the form of Attachment 5 and Attachment 6 to the board letter.

- 7-3 Approve amendment to agreement for a one-time increase of \$164,970 with Urban Park Concessionaires at the Diamond Valley Lake East Marina to cover start-up costs. (Rec.)

Recommendation:

Option #1:

Adopt the CEQA determination and authorize the Chief Executive Officer to expand an existing agreement with Urban Park Concessionaires at the Diamond Valley Lake East Marina for a one-time increase to cover start-up costs.

- 7-4 Approve revisions to the Diamond Valley Lake and Lake Skinner Recreation Area Rules and Regulations. (Rec.)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. Approve revisions to the Diamond Valley Lake and Lake Skinner Recreation Area Rules and Regulations; and**
- b. Direct staff to perform the necessary public notification of the Rules and Regulations in accordance with applicable portions of the California Health and Safety Code.**

- 7-5 Appropriate \$480,000 to repair overflow damage at Red Mountain Hydroelectric Plant (Approp. 15423). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and appropriate \$480,000 for design, procurement, installation, and testing of equipment damaged by an overflow at Red Mountain Hydroelectric Plant.

- 7-6 Approve amendments to the Metropolitan Water District Administrative Code to conform to current laws and practices and make corrections. (L&C)

Recommendation:

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

- 7-7 Authorize entering into a three-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 Chief Executive Officer to enter into a three-year EWA demand shifting agreement with DWR consistent with the terms described in the board letter, and in form approved by the General Counsel.

(END OF CONSENT CALENDAR)

8. OTHER BOARD ITEMS — ACTION

- 8-1 Adopt (1) recommended water rates and charges; and (2) resolutions to impose charges, for fiscal year 2005/06. (BFI&I)

Recommendation:

Option #2:

Adopt the CEQA determination and

- a. **Approve water rates effective January 1, 2006 as shown in Table 1, Alternative Proposal; the Board's intent is that the full cost of providing treated water, including any undercollection in FY 2005/06 be recovered by the treatment surcharge effective January 1, 2007;**
- b. **Direct staff to record any treatment cost undercollection and report such undercollection to the Board as part of the quarterly financial reporting process beginning June 30, 2006;**
- c. **Affirm, the board policy to collect the full cost of providing treated water through treatment rates and charges and to collect any unrecovered treatment costs from 2006 in 2007, 2008 and 2009, including interest;**
- d. **Direct staff to work with the member agencies and Budget, Finance, Investment and Insurance Committee to evaluate a treated water capacity charge to be considered by the Board in January of 2006 to be effective January of 2007;**
- e. **Adopt Resolution to Impose the Readiness-to-Serve Charge in the form shown as Attachment 2 to the board letter; and**
- f. **Adopt Resolution to Impose a Capacity Charge in the form shown as Attachment 3 to the board letter.**

- 8-2 Appropriate \$7.8 million; and authorize studies, preliminary design and environmental documentation for the Mills Plant Capacity Upgrade (Approp. 15424) and the Perris Valley Pipeline (Approp. 15425). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. **Appropriate \$7.8 million in unbudgeted funds;**
- b. **Authorize study, preliminary design and environmental documentation for the Mills Plant Capacity Upgrade Program; and**
- c. **Authorize preliminary design and environmental documentation for the Perris Valley Pipeline Program.**

- 8-3 Report on *Aerojet-General Corp., et al. v. Metropolitan Water District, et al.*; and authorize amendment of agreement with Manatt, Phelps & Phillips LLP to increase maximum amount payable by \$200,000 to defend litigation against Metropolitan. (L&C)
[Conference with legal counsel—existing litigation, *Aerojet-General Corp., et al. v. Metropolitan Water District of Southern California, et al.* (U.S.D.C. Case Nos. CV-02-4565, CV-02-5909, CV-02-6346, CV-02-6340); to be heard in closed session pursuant to Gov. Code Section 54956.9(a)]

8-4 Report on *Jaime Paz v. Metropolitan, et al.*, LASC Case No. BC 308448; and authorize increase of \$75,000 in maximum amount payable under contract with Weston, Benshoof, Rochefort, Rubalcava & MacCuish for legal services to defend Metropolitan. ((L&C)
[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(a)]

8-5 Express support for SB 866 (Kehoe) - Water Use Measurement. (C&L)

Recommendation:

Option #1:

Adopt the CEQA determination and express support for SB 866 as discussed in the board letter.

Corrected

8-6 Adopt positions on legislation pertaining to special district and local government reform: (1) SB 393 (Ortiz); (2) AB 1234 (Salinas); (3) SB 274 (Romero). (C&L)

Recommendation:

Option #1:

Adopt the CEQA determination and oppose SB 393 unless amended; support and amend AB 1234; and oppose SB 274 unless amended.

Added

8-7 Authorize lease of office space at Metropolitan's Union Station facility to the State of California – Office of Statewide Health Planning and Development and the Division of the State Architect
[Conference with Real Property Negotiators—Property is Metropolitan's Union Station Headquarters; agency negotiators: Roy L. Wolfe, Arlene K. Kokuga, John C. Clairday, Ronald E. Wheeler, and Nancy C. Webb; negotiating parties: State of California Department of General Services; under negotiation: terms of lease agreements; to be heard in closed session pursuant to Gov. Code Section 54956.8]

9. BOARD INFORMATION ITEMS

- 9-1 Status report for the Inland Feeder Program for activities through January 2005. (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 No. BC 283438); to be heard in closed session pursuant to Gov. Code Section 54956.9(a). Conference with legal counsel—potential litigation relating to contractor claims on Contract No. 1542 for the Arrowhead Tunnels; to be heard in closed session pursuant to Gov. Code Section 54956.9(b) (one potential case)]
- 9-2 Report on strategy to enhance the value of the State Water Project. (WPQ&R)
- 9-3 Report on Metropolitan's Five-Year Strategy for accomplishing conservation. (WPQ&R)
- 9-4 Status Report of Salton Sea Restoration Study. (WPQ&R)

10. REPORTS OF SPECIAL COMMITTEES

11. 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, BFI&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.