

**REVISED**  
**Regular Board Meeting**

**May 10, 2005**

**10:30 a.m. -- Board Room**

Tuesday, May 10, 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. 1-102	O&P
10:30 a.m.*	Board Room	Board Meeting
11:30 a.m.*	Rm. 2-456	CALFED

\*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: Gerald C. Riss, General Auditor
- (b) Pledge of Allegiance: Director James H. Blake

**2. Roll Call**

**3. Determination of a Quorum**

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**PUBLIC HEARING**

Comments on the proposed standby charges for the annexation of the 80<sup>th</sup>, 81<sup>st</sup>, 82<sup>nd</sup> and 83<sup>rd</sup> Fringe Areas to Eastern Municipal Water District

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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 1 and 12, 2005. (Copies have been mailed to each Director)  
Any additions, corrections, or omissions
  
- B. Induction of new Director, Ronald Deaton, from city of Los Angeles
  - (a) Receive credentials
  - (b) Report on credentials by General Counsel
  - (c) File credentials
  - (d) Administer Oath of Office
  - (e) File Oath
  
- C. Presentation of 10-year service pin to Chairman Emeritus Phillip J. Pace, representing Central Basin Municipal Water District
  
- D. Presentation of Commendatory Resolution to former Director Thom Coughran, representing city of Santa Ana
  
- E. Committee assignments
  
- F. Chairman' s Monthly Activity Report
  
- Added** G. Discussion of agreements with The Center for Water Education

## 6. DEPARTMENT HEADS' REPORTS

- A. 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. 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. CONSENT CALENDAR ITEMS — ACTION**

- 7-1 Grant conditional approval for annexation of the 84<sup>th</sup> Fringe Area to Eastern Municipal Water District and Metropolitan; and adopt resolution of intention to impose water standby charge. (A&RP)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. **Grant conditional approval for the 84<sup>th</sup> Fringe Area annexation concurrently to Eastern and Metropolitan, conditioned upon receipt in full of annexation fee of \$36,382.20 to Metropolitan if completed by December 31, 2005, or if completed later, at the then current annexation charge rate;**
  - b. **Approve Eastern's Statement of Compliance with the current Water Use Efficiency Guidelines; and**
  - c. **Adopt the resolution of intention to impose water standby charge within the proposed annexation territories, substantially in the form of Attachment 3 to the board letter.**
- 7-2 Grant conditional approval for Peaceful Valley Ranch Annexation to San Diego County Water Authority and Metropolitan; and adopt resolution of intention to impose water standby charge. (A&RP)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. Grant conditional approval for Peaceful Valley Ranch annexation concurrently to SDCWA and Metropolitan, conditioned upon receipt in full of annexation fee of \$561,091.20 to Metropolitan if completed by December 31, 2005, or if completed later, the then current annexation charge rate would apply;**
- b. Approve SDCWA's Statement of Compliance with the current Water Use Efficiency Guidelines; and**
- c. Adopt the resolution of intention to impose water standby charge within the proposed annexation territories, substantially in the form of Attachment 3 to the board letter.**

- 7-3 Appropriate \$100,000; and authorize preliminary design and environmental documentation for Rialto Pipeline Improvements (Approp. 15427). (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. Appropriate \$100,000 in unbudgeted funds; and**
- b. Authorize studies, preliminary design and environmental documentation for improvements to the Rialto Pipeline.**

- 7-4 Authorize entering into a joint agreement with Western Municipal Water District and Eastern Municipal Water District to prepare environmental documentation for the Perris Valley Pipeline; and to reimburse Western Municipal Water District for Metropolitan's share of design/construction costs for the Mills Water Treatment Plant/Perris Valley tie-in (Approp. 15425). (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determinations and**

- a. Authorize the CEO to enter into a joint agreement between Eastern MWD Western MWD and Metropolitan for the preparation of environmental documentation, design and pre-construction activities for the Perris Valley Pipeline; and**
- b. Reimburse Western MWD for Metropolitan's portion of design and construction activities for the Mills Water Treatment Plant/Perris Valley Pipeline tie-in.**

- 7-5 Approve principles for a Pilot Recharge and Recovery Operating Agreement; and authorize development and execution of a Recharge and Recovery Operating Agreement between Metropolitan, Eastern Municipal Water District and Rancho California Water District. (WPQ&R)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. Approve the proposed RROA principles; and**
- b. Authorize staff to develop and execute an RROA between Metropolitan, Eastern, and Rancho California based on proposed RROA principles.**

- 7-6 Authorize entering into a Local Resources Program agreement with Los Angeles Department of Water and Power for the Hansen Area Water Recycling Phase I Project. (WPQ&R)

**Recommendation:**

**Adopt the CEQA determination and authorize the Chief Executive Officer to enter into an LRP agreement with Los Angeles Department of Water and Power for the Hansen Area Water Recycling Phase I Project to provide incentive payments ranging from \$12 to \$250 per acre-foot over 25 years.**

- 7-7 Authorize entering into three Local Resources Program agreements with Three Valleys Municipal Water District and Upper San Gabriel Valley Municipal Water District for the City of Industry Regional Recycled Water Project. (WPQ&R)

**Recommendation:**

**Adopt the CEQA determination and authorize the Chief Executive Officer to enter into separate Local Resources Program agreements with:**

- 1. Three Valleys MWD and Rowland Water District;**
- 2. Three Valleys MWD and Walnut Valley Water District; and**
- 3. Upper San Gabriel Valley MWD and Suburban Water system,**  
**to provide financial incentives ranging from \$50 to \$200 per acre-foot over 25 years.**

**(END OF CONSENT CALENDAR)**

## 8. OTHER BOARD ITEMS — ACTION

- 8-1 Adopt resolution to impose and extend a Water Standby Charge for fiscal year 2005/06. (BFI&I)

**Recommendation:**

**Option #1:**

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

- 8-2 Adopt Sixteenth Supplemental Resolution to the Master Revenue Bond Resolution authorizing the sale of up to \$500 million of Water Revenue Bonds, 2005 Authorization; and approve (1) entering into interest rate swap transactions of up to \$500 million; and (2) Appropriation No. 15426 to pay costs of issuance. (BFI&I) **(Two-thirds vote required)**

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

**a. Adopt the sixteenth Supplemental Resolution to the Master Revenue Bond Resolution authorizing the sale of up to \$500 million of Water Revenue Bonds, 2005 Authorization; and approve entering into interest rate swap transactions of up to \$500 million to capture savings and reduce interest rate risk; and**

**b. Approve Appropriation No. 15426 for \$1.387 million to cover the expenses associated with the bond and interest rate swap transactions. Authorize reimbursement of expenses paid from the General Fund by bond proceeds. The appropriation would expire on May 30, 2007.**

- 8-3 Appropriate \$38.53 million; award a \$29.26 million contract to Brutoco Engineering and Construction, Inc. for construction of the Diemer Solids Handling Facilities and Vehicle Maintenance Center; and authorize a new consulting agreement and amendments to existing agreements (Approps. 15363, 15389, and 15227). (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. **Appropriate \$38.53 million in budgeted funds;**
- b. **Award a contract for \$29.26 million to Brutoco Engineering and Construction, Inc. to construct the Diemer Solids Handling Facilities, Vehicle Maintenance Center, and Entrance Enhancements;**
- c. **Authorize an increase of \$0.95 million to the agreement with Black & Veatch Corporation, for a new not-to-exceed total of \$4.75 million;**
- d. **Authorize an increase of \$0.25 million to the agreement with RNL Design, for a new not-to-exceed total of \$2.495 million; and**
- e. **Authorize an agreement with Ecosystems Restoration Associates in the amount not to exceed \$1.5 million for Diemer plant environmental services.**

8-4 Report on *Carlita Villanueva v. Metropolitan*, LASC Case No. BC 296912; and authorize increase of \$235,000 in maximum payable amount under contract with Hill, Farrer & Burrill LLP 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 Report on potential claims and authority to amend contracts with outside counsel Jones Day and experts Lemley & Associates, Inc. California and A. W. Hutchison & Associates, LLC for Arrowhead Tunnels construction within the Inland Feeder Program. (L&C)  
**[Conference with legal counsel—potential litigation (one matter); to be heard in closed session pursuant to Gov. Code Section 54956.9(b)]**

8-6 Express support and seek amendments to AB 1466 (Laird, D-Santa Cruz) concerning the control or eradication of tamarisk. (C&L)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and support AB 1466 and seek amendments as noted in the board letter.**

**Corrected**

8-7 Authorize participation in a Joint Powers Agreement to coordinate the planning of the Central Pool Augmentation Program and a transportation utility corridor between Riverside and Orange Counties. (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and authorize the Chief Executive Officer to enter into the multi-agency JPA to coordinate the planning of the Central Pool Augmentation Program and a transportation utility corridor between Riverside and Orange Counties, and in form approved by the General Counsel.**

**9. BOARD INFORMATION ITEMS**

- 9-1 Status report for the Inland Feeder Program for activities through March 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 Renewal status of Metropolitan's Casualty and Property Insurance Program. (BFI&I)
- 9-3 Report on Water Surplus and Drought Management Plan as of April 15, 2005. (WPQ&R)
- 9-4 Report on SB 113 (Machado, D-Linden) regarding CALFED financing. (CALFED Subcomm., C&L)
- 9-5 Report on SB 1081 (Ducheny, D-San Diego) regarding Salton Sea restoration. (C&L)

**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.