

REVISED

Regular Board Meeting

January 10, 2006

11:30 a.m. -- Board Room

Tuesday, January 10, 2006 Meeting Schedule		
7:00-8:00 a.m.	Rm. 2-413	Dirs. Computer Training
8:00 a.m.*	Rm. 2-145	Colorado River
9:00 a.m.*	Rm. 2-456	CALFED
10:00 a.m.*	Rm. 1-102	O&P
11:30 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: (Guest)
- (b) Pledge of Allegiance: Director Anthony R. Fellow

2. Roll Call

3. Determination of a Quorum

PUBLIC HEARING

Comments on the proposed standby charge for the 93rd 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))

Lester Snow, Director, Department of Water Resources

5. OTHER MATTERS

- A. Approval of the Minutes of the Meeting for December 13, 2005. (A copy has been mailed to each Director)
Any additions, corrections, or omissions
- B. Induction of new Directors, Aaron A. Grunfeld, John W. Murray, Jr., Jesus Quiñonez, and Nancy Sutley, from City of Los Angeles
 - (a) Receive credentials
 - (b) Report on review of credentials by General Counsel
 - (c) File credentials
 - (d) Administer Oaths of Office
 - (e) File Oaths
- C. Committee assignments
- D. Directors' oral reports on meetings attended at Metropolitan expense
- E. Chairman's Monthly Activity Report
- Added** F. Process for appointment of CEO/General Manager
[Public employee appointment—CEO/General Manager; any discussion of potential appointees to be heard in closed session pursuant to Gov. Code Section 54957]

6. DEPARTMENT HEADS' REPORTS

- A. Interim CEO/General Manager's Reports:
 - i. Oral report on Colorado River matters
 - ii. Oral report on Bay-Delta and State Water Project matters. (L&C, WPQ&R)
 - iii. Interim CEO/General Manager's summary of Metropolitan's activities for the month of December
- B. General Counsel's summary of Legal Department activities for the month of December

- C. General Auditor's summary of activities for the month of December
- D. Ethics Officer's summary of activities for the month of December

7. CONSENT CALENDAR ITEMS — ACTION

- 7-1 Adopt final resolutions for annexations and to impose water standby charge for the 90th, 91st and 92nd Fringe Area Annexations to Eastern Municipal Water District and Metropolitan.

Recommendation:

Option #1:

Adopt the CEQA determinations and

- a. **Adopt resolutions granting Eastern's request for approval of the 90th, 91st and 92nd Fringe Area Annexations, concurrently to Metropolitan and Eastern, conditioned upon approval by the Riverside Local Agency Formation Commission, and establishing Metropolitan's terms and conditions for these annexations; and**
- b. **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 annexation areas.**

- 7-2 Appropriate \$1.6 million; and authorize the purchase of 83 replacement vehicles for Metropolitan's fleet (Approp. 10005). (BF1&I)

Recommendation:

Option #1:

Adopt the CEQA determination and authorize the purchase of 83 fleet vehicles.

(END OF CONSENT CALENDAR)

8. OTHER BOARD ITEMS — ACTION

- 8-1 Determine water revenue requirements, apportion revenues and recommend water rates and charges; set a public hearing date; and adopt resolutions giving notice of intention to impose rates and charges for fiscal year 2006/07. (BFI&I)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. Determine that revenues from rates and charges during FY 2006/07 should not be less than \$1.081 billion, and use this determination in establishing water rates and charges to be effective January 1, 2007.
- b. Set a time for a public hearing of the Budget, Finance, Investment and Insurance Committee at which interested parties may present their views regarding the Chief Executive Officer's recommendation for rates and charges to be effective January 1, 2007.
- c. Adopt the following resolutions:
 1. Resolution of intention to impose the Readiness-to-Serve Charge in the form shown as Attachment 2 to the board letter, declaring the Board's intention (i) at its March 7, 2006 meeting to consider and act upon the Chief Executive Officer's recommendation to impose a Readiness-to-Serve Charge and (ii) at its May 9, 2006 meeting to consider and act upon the Chief Executive Officer's recommendation to impose standby charges within the service territories of member agencies that have requested that charge as a means of collecting all or a portion of their RTS Charge.
 2. Resolution of intention to impose a Capacity Charge in the form shown as Attachment 3 to the board letter, declaring the Board's intention at its March 7, 2006 meeting to consider and act upon the Chief Executive Officer's recommendation to impose a Capacity Charge.

- 8-2 Appropriate \$8.59 million; and authorize final design of the Orange County Cross Feeder (Approp. 15428). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. Appropriate \$8.59 million in budgeted funds; and
- b. Authorize final design of the Orange County Cross Feeder.

- 8-3 Appropriate \$2,860,000; and award a \$2,708,964 procurement contract to Hughes Water & Sewer, Ltd. for seven large diameter valves for construction of distribution system improvements (Approps. 15428, 15427). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. **Appropriate \$2,860,000 in budgeted funds; and**
- b. **Award a \$2,708,964 procurement contract to Hughes Water & Sewer, Ltd. to furnish seven large diameter valves.**

- 8-4 Authorize execution of a settlement agreement and supplemental benefits fund agreement related to the Department of Water Resources' application for a new license from the Federal Energy Regulatory Commission under the Federal Power Act for the Oroville Facilities. (WPQ&R, CALFED) [Conference with legal counsel—significant exposure to litigation (two potential cases); may be heard in closed session pursuant to Gov. Code Section 54956.9(b); and conference with real property negotiators; property is Metropolitan's participation interest in Oroville facilities; agency negotiators: Timothy H. Quinn, Ken Kules, Jeffrey Kightlinger and John Schlotterbeck; negotiating parties: state Departments of Water Resources, Fish and Game and Parks and Recreation; Federal Energy Regulatory Commission; federal Departments of Interior, Commerce and Agriculture; American Rivers, Inc.; Cities of Oroville and Paradise; Oroville Chamber of Commerce; Butte County; Feather River Low-Flow Alliance; Feather River Recreation and Parks District; Western Canal Water District; Maidu Tribes; California State Horsemen's Association; under negotiation: price and terms of agreement; to be heard in closed session pursuant to Gov. Code Section 54956.8]
- 8-5 Report on *Lollett Jones-Boyce v. Metropolitan, et al.*, LASC Case No. BC 310915; and authorize increase of \$290,000 in maximum amount payable under contract with Jeffer, Mangels, Butler & Marmaro 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)]
- 8-6 Report on status in *Metropolitan Water District v. Campus Crusade for Christ*; and authorize increase of \$75,000 in maximum amount payable under contract with Cox, Castle & Nicholson for legal services to defend Metropolitan. (L&C) [Conference with legal counsel—existing litigation (*Metropolitan Water District of Southern California v. Campus Crusade for Christ*. SBSC Case No. SCV 35498); to be heard in closed session pursuant to Gov. Code Section 54956.9(a)]

- Added** 8-7 Report on ongoing labor negotiations and human resource initiatives; and authorize an increase of \$52,000 in maximum amount payable under contract with Bate, Peterson, Deacon, Zinn and Young for consulting services related to labor and human resources. (O&P) **(To be distributed at meeting)**
- Added** 8-8 Ratify the CALFED Statement of Principles dated December 20, 2005. (WPQ&R, CALFED) **(To be distributed at meeting)**

9. BOARD INFORMATION ITEMS

- 9-1 Status report for the Inland Feeder Program for activities through November 2005. (E&O) **(To be mailed separately)**
[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 Water Surplus and Drought Management Plan report on water supply and demand (as of December 15, 2005). (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.