

**REVISED**

**Regular Board Meeting**

**June 13, 2006**

**11:00 a.m. -- Board Room**

<b>Tuesday, June 13, 2006 Meeting Schedule</b>		
7:30-8:30 a.m.	Rm. 2-413	Dirs. Computer Training
9:00 a.m.*	Rm. 2-456	C&L
9:00 a.m.*	Rm. 2-145	Education
11:00 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.

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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: (Guest)
- (b) Pledge of Allegiance: Director Aaron A. Grunfeld

**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 Meetings for May 9 and 16, 2006. (Copies have been mailed to each Director)  
Any additions, corrections, or omissions
- B. Report on Directors' meetings attended at Metropolitan expense
- C. Presentation of ten-year service pin to Director Judy Abdo, representing City of Santa Monica

- D. Approve sixty-day leaves of absence for:
  - Director John T. Morris, commencing June 13, 2006
  - Director Betty Harris, commencing June 23, 2006
  - Director Anthony R. Fellow, commencing July 4, 2006
- E. Approve committee assignments
- F. Chairman's Monthly Activity Report
- G. Discussion of labor negotiations with Employees Association—AFSCME Local 1902  
**[Conference with labor negotiators—Metropolitan designated representatives: Bruce Barsook, Stephen Lem; MWD Organization: Employees Association-AFSCME, Local 1902; to be heard in closed session pursuant to Gov. Code Section 54957.6]**

## 6. DEPARTMENT HEADS' REPORTS

- A. 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. General Manager's summary of Metropolitan's activities for the month of May
- B. Interim General Counsel's summary of Legal Department activities for the month of May
- C. General Auditor's summary of activities for the month of May
- D. Ethics Officer's summary of activities for the month of May
- E. Approve General Manager's Business Plan for fiscal year 2006/07

## 7. CONSENT CALENDAR ITEMS — ACTION

- 7-1 Grant conditional approval for the 95<sup>th</sup> Fringe Area Annexation 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 95<sup>th</sup> Fringe Area Annexation concurrently to Eastern and Metropolitan, conditioned upon receipt in full of an annexation fee of \$39,842.20 to Metropolitan if completed by December 31, 2006, 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 territory substantially in the form of Attachment 3 to the board letter.**

- 7-2 Authorize increase of \$250,000 in maximum amount payable under contract with Keyser Marston Associates, Inc. and increase of \$150,000 in maximum amount payable under contract with Richards, Watson & Gershon for services related to negotiations for the Diamond Valley Recreation and Land Development Project. (Rec., L&C)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and authorize the General Counsel to increase the maximum amount payable under the contract with Keyser Marston Associates, Inc. by \$250,000, and increase the maximum amount payable under contract with Richards, Watson & Gershon by \$150,000 for services related to negotiations for the Diamond Valley Recreation and Land Development Project.**

- 7-3 Approve up to \$1.125 million to purchase insurance coverage for Metropolitan's Casualty and Property Insurance Program (BFI&I)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and approve up to \$1.125 million to renew or replace the Aircraft Liability, Crime, Excess General Liability policies, and Excess Workers' Compensation policy and retain the \$5 million self-insured retention for the excess Workers' Compensation coverage.**

- 7-4 Approve Fiscal Year 2005/2006 Year-End Community Partnering Program Applicants. (Ed&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and approve the semiannually recommended Community Partnering Program sponsorships for fiscal year 2005/06, for discretionary community activities as listed in Attachment 1 to the board letter.**

- 7-5 Amend Metropolitan Water District Administrative Code to reflect new committee structure. (Exec.)

**Recommendation:**

**Adopt the CEQA determination and**

- a. Approve the changes to Division 2, Chapters 4 and 5 of the Administrative Code set forth in Attachment 1 of the board letter to reflect the new structure of the Board's committees; and**
- b. Authorize the General Counsel to conform other Administrative Code committee references to these committees.**

**(END OF CONSENT CALENDAR)**

## 8. OTHER BOARD ITEMS — ACTION

- 8-1 Authorize (1) expenditure of \$1.61 million from the Diamond Valley Lake Recreation Appropriation; (2) design of two projects; and (3) amending agreements for professional services (Approp. 15334). (Rec.)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determinations and**

- d. Authorize expenditure of \$1.61 million in previously appropriated, budgeted funds for total approved expenditures of \$69.76 million;**
- e. Authorize final design and all activities up to award of competitively bid contracts for the East Marina Utilities and Marina Dock Facilities and Wave Attenuator;**
- c. Authorize an increase of \$786,400 to the existing agreement with Moffat & Nichol Engineers, for a new not-to-exceed total of \$2 million;**
- d. Authorize an increase of \$800,000 to the existing agreement with Cash & Associates, for a new not-to-exceed total of \$1.05 million; and**
- e. Authorize an amendment to Agreement No. 56013 with Riverside County Sheriff Law Enforcement to increase the maximum amount payable to \$300,000 per year to provide law enforcement services at diamond Valley Lake, for up to five years.**

- 8-2 Approve Metropolitan's Annual Statement of Investment Policy and delegation of authority to the Treasurer to make investments on behalf of Metropolitan. (BFI&I)

**Recommendation:**

**Adopt the CEQA determination and**

- a. Approve the re-delegation of authority to the Treasurer to make investments on behalf of Metropolitan; and**
- b. Approve the Statement of Investment Policy.**

8-3 Approve Fiscal Year 2006/07 Annual Budget. (BFI&I)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. Approve the Fiscal Year 2006/07 Annual Budget;
- b. Appropriate \$832.2 million for the projected annual cash outlays for Metropolitan O&M and operating equipment, power costs on the Colorado River Aqueduct, SWP operations, maintenance, power and replacement costs and SWP capital charges; demand management programs including the local resources and conservation credits program; and costs associated with supply programs paid from the Water Transfer Fund;
- c. Appropriate as continuing appropriations, \$251.3 million for 2006/07 debt service on Metropolitan general obligation and revenue bonds;
- d. Authorize the use of \$95 million in operating revenues to fund Replacement and Refurbishment and General Fund construction; and
- e. Appropriate \$53.6 million for increases in fiscal year 2005/06 expenditures for Metropolitan O&M, SWP power costs, and costs associated with supply programs.

8-4 Authorize \$1.6 million for participation in the State Water Contractors, Inc. for fiscal year 2006/07. (WPQ&R) **(Two-thirds vote required)**

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and, by a two-thirds vote, authorize the General Manager to make payment of \$1,597,453 to the SWC in July 2006.**

8-5 Appropriate \$4.95 million; and authorize geotechnical investigations for the Central Pool Augmentation Program (Approp. 15119). (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. Appropriate \$4.95 million in budgeted funds;
- b. Authorize geotechnical, environmental, and siting studies for the CPA Program;
- c. Authorize an agreement with Kleinfelder, Inc. for geotechnical investigations in an amount not to exceed \$2.9 million;
- d. Authorize an agreement with GeoPentech, Inc. for geotechnical investigations in an amount not to exceed \$0.9 million; and
- e. Authorize a Collection Agreement with the USFS in an amount not to exceed \$0.75 million for preparing and administering permits for the CPA tunnel.

- 8-6 Authorize amendment to existing agreement with Hatch Mott MacDonald for construction management services for the Arrowhead Tunnels of the Inland Feeder Program. (Approp. 15122). (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and authorize an increase of \$8.9 million to the existing agreement with Hatch Mott MacDonald, for a new not-to-exceed total of \$20.9 million.**

- 8-7 Appropriate \$5.6 million for projects costing less than \$250,000 for fiscal year 2006/07 under the Minor Capital Projects Program (Approp. 15433). (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. Appropriate \$5.6 million for the Minor Capital Projects Program for FY 2006/07 for projects costing less than \$250,000;**
- b. Authorize the General Manager to initiate capital projects costing less than \$250,000 and perform all work including the preparation of necessary environmental documentation; and**
- c. Designate the General Manager as the decision-making body for purposes of reviewing, approving, and certifying any environmental documentation that may be required for such projects.**

- 8-8 Authorize amending contract for legal services with Cox, Castle & Nicholson to increase compensation by \$100,000. (L&C)  
[Conference with legal counsel—existing litigation (*Metropolitan Water District of Southern California v. Campus Crusade for Christ*, SBSC Case No. SCV 35498, Supreme Court Case No. S141148); to be heard in closed session pursuant to Gov. Code Section 54956.9(a)]

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and authorize the amendment of the contract with Cox, Castle & Nicholson to increase the maximum payable by \$100,000 to \$350,000.**

8-9 Report on potential litigation and authority to amend contract with outside counsel Jones Day by \$75,000 to an amount not to exceed \$475,000 for assistance related to the 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)]**

8-10 Report on *Carole King v. Metropolitan, et al.*, LASC Case No. BC336605; and authorize increase of \$50,000 in maximum amount payable under contract with Sheppard, Mullin, Richter & Hampton 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)]**

Withdrawn

~~8-11 Report on *Lollett Jones-Boyce v. Metropolitan, et al.*, LASC Case No. BC310915. (L&C)  
**[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(a)]**~~

8-12 Express support for AB 1881 (Laird, D-Santa Cruz) regarding landscape water use efficiency. (C&L)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and express position of support on AB 1881.**

## **9. BOARD INFORMATION ITEMS**

9-1 Status report for the Inland Feeder Program for activities through April 2006. (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 tentative order of the Santa Ana Regional Water Quality Control Board to regulate use of imported water for recharge of groundwater basins. (WPQ&R)



## **10. REPORTS OF SPECIAL COMMITTEES**

### **11. Signing of MOU between Metropolitan Water District and the Small Business Administration**

## **12. 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.