

REVISED

Adjourned Regular Board Meeting

August 15, 2006

11:00 a.m. -- Board Room

Tuesday, August 15, 2006 Meeting Schedule		
7:30-8:30 a.m.	Rm. 2-413	Dirs. Computer Training
8:00 a.m.	Rm. 2-145	Jt. Mtg. of L&C and E&O
8:30 a.m.	Rm. 2-456	C&L
10:00 a.m.	Rm. 2-145	L&C
11:00 a.m.	Board Room	Board Meeting

MWD Headquarters Building

• 700 N. Alameda Street

• Los Angeles, CA 90012

1. Call to Order

- (a) Invocation: (Guest)
- (b) Pledge of Allegiance: Director John V. Foley

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 July 11, 2006. (A copy has been mailed to each Director)
Any additions, corrections, or omissions
- B. Report on Directors' meetings attended at Metropolitan expense
- C. Report from Board Secretary regarding candidates for Office of Board Chairman
- D. Approve committee assignments
- E. Chairman's Monthly Activity Report

- F. Tax levy for fiscal year 2006/07. (BFI&I)
 - F-1 Report on list of certified assessed valuations for fiscal year 2006/07 and tabulation of assessed valuations, percentage participation, and vote entitlement of member public agencies as of August 15, 2006. (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)
 - F-2 Adopt resolution establishing the tax rate for fiscal year 2006/07.
(Roll call vote—two-thirds vote required) (To be distributed at meeting)

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 July
- B. Interim 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
- D. Ethics Officer's summary of activities for the month of July

7. CONSENT CALENDAR ITEMS — ACTION

- 7-1 Grant conditional approval for the 94th Fringe Area Annexation to Eastern Municipal Water District and Metropolitan; and adopt resolution of intention to impose water standby charge. (A&R)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. **Grant conditional approval for the 94th Fringe Area Annexation concurrently to Eastern and Metropolitan, conditioned upon receipt in full of annexation fee of \$23,614.80 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 Appropriate \$700,000; and authorize final design of additional ozone system capacity at the Mills plant (Approp. 15434). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. **Appropriate \$700,000; and**
- b. **Authorize final design of additional ozone system capacity at the Mills plant.**

- 7-3 Appropriate \$1.928 million for four security system improvement projects; award a \$529,350 construction contract to the Fishel Company for Copper Basin Security Fiber Optic Cable Network System; and authorize an agreement not to exceed \$1.1 million for a floating waterway security barrier system at Whitsett Intake Pumping Plant (Approp. 15295). (E&O)
[Any discussion of specific threats or facilities to be heard in closed session. Conference with Metropolitan Security Manager—threat to public services or facilities; to be heard in closed session pursuant to Gov. Code Section 54957(a)]

Recommendation:

Option #1:

Adopt the CEQA determinations and

- a. **Appropriate \$1.928 million in budgeted funds;**
- b. **Authorize implementation of four security projects;**
- c. **Award a \$529,350 construction contract to the Fishel Company for the Copper Basin Security Fiber Optic Cable Network System; and**
- d. **Authorize an agreement in an amount not to exceed \$1.1 million to provide a floating waterway barrier system at the Whitsett Intake Pumping Plant, including maintenance for a period of five years. The recommended firm will be discussed during the August 2006 Engineering and Operations Committee meeting.**

- 7-4 Authorize entering into a five-year agreement with the California Department of Forestry and Fire Protection, with a yearly amount not to exceed \$665,000 to provide weed abatement services. (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and authorize the General Manager to enter into a five-year agreement with the California Department of Forestry and Fire Protection, with a yearly amount not to exceed \$665,000.

- 7-5 Authorize refinements for Metropolitan's Water Conservation Program. (WPQ&R)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. **Authorize incentives for (1) steam sterilizers, (2) zero water and high efficiency urinal upgrades, (3) rotating nozzle retrofits for pop-up spray heads, and (4) large landscape surveys; and**
- b. **Authorize the following program changes: (5) choice of contracting options for landscape irrigation equipment retrofit projects, and (6) streamline payment process for landscape surveys and irrigation equipment retrofit projects.**

- 7-6 Approval of Education Plan. (C&L)

Recommendation:

Option #1:

Adopt the CEQA determination and approve the Education Plan.

(END OF CONSENT CALENDAR)

8. OTHER BOARD ITEMS — ACTION

Revised

- 8-1 Authorize terminating the exclusive negotiating agreement with Shopoff/Centex; authorize entering into discussions with Shea/Parsons/LEDO for the Diamond Valley Lake Recreation and Land Development Program; and direct staff to develop a plan for proceeding with the program. (A&R)
[Conference with real property negotiators: Jill Wicke, Lilly Shraibati, Joseph Vanderhorst, and Curtis Baynes; negotiating parties: J.F. Shea & Company; under negotiation: price and terms; may be heard in closed session pursuant to Gov. Code Section 54956.8]

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. **Authorize the General Manager to terminate the ENA with Shopoff/Centex on terms that include acquisition of the topographic mapping from Shopoff/Centex in accordance with the ENA;**
- b. **Authorize the General Manager to enter into discussions with Shea/Parsons/LEDO for the Diamond Valley Lake Recreation and Land Development Program; and**
- c. **Should discussions with Shea/Parsons/LEDO fail, direct staff to return to the Board with a plan for proceeding with negotiations with Lennar/Rancon or pursuing the entitlement and sale of the North Property and a plan and budget for development of the recreation facilities under direct supervision of Metropolitan's staff.**

- 8-2 Adopt Seventeenth Supplemental Resolution to the Master Revenue Bond Resolution authorizing the sale of up to \$500 million of Water Revenue Bonds, 2006 Authorization; and approve (1) entering into interest rate swap transactions of up to \$500 million; and (2) Appropriation No. 15437 to pay costs of issuance. (BFI&I)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. **Adopt Seventeenth Supplemental Resolution to the Master Revenue Bond Resolution authorizing the sale of up to \$500 million of Water Revenue Bonds, 2006 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. 15437 for \$860,000 to cover the expenses associated with the bond and interest rate swap transactions; and authorize reimbursement of expenses paid from the General Fund by bond proceeds. The appropriation would expire on August 31, 2008.**

- 8-3 Appropriate \$7.97 million; award a \$6,109,028 construction contract to J.F. Shea Construction, Inc. for Phase I of the Rialto Pipeline Improvements; and authorize an agreement with Marris Services, Inc. for construction inspection services (Approp. 15427). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. **Appropriate \$7.97 million in budgeted funds;**
- b. **Award a \$6,109,028 construction contract to J.F. Shea Construction, Inc. for Phase I of the Rialto Pipeline Improvements Program; and**
- c. **Authorize an agreement with Marris Services, Inc. in an amount not to exceed \$710,000 for construction management and inspection services.**

- 8-4 Authorize entering into a Memorandum of Understanding with California Department of Parks and Recreation for Phase II of the Diemer North Access Road Improvements. (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and delegate authority to the General Manager to enter into an MOU with State Parks to support the Diemer North Access Road Improvements project, conditioned on future environment, regulatory, and project approvals.

Revised

- 8-5 Approve proposed settlement agreement with Shea-Kenny Joint Venture and amendment of Contract No. 1542 for construction of the Arrowhead Tunnels of the Inland Feeder Program (Approp. 15122). (L&C, E&O)
(To be distributed at meeting)

[Conference with legal counsel regarding 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)]

- 8-6 Report on *Lance Charles, Sr. v. Metropolitan*, LASC Case No. BC313797; and authorize increase of \$200,000 (to a maximum of \$750,000) under contract with Williams, Yasinski & Jones 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)]

- 8-7 Report on *Carlita Villanueva v. Metropolitan*, LASC Case No. BC296912; and authorize increase of \$35,000 (to a maximum of \$165,000) under contract with Meserve, Mumper & Hughes for legal services to defend Lance Charles. (L&C)
[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(a)]

Revised

- 8-8 Report on *Cadiz, Inc., etc. v. Metropolitan*, LASC Case No. BC343232; and authorize increase of \$225,000 (to a maximum of \$325,000) under contract with Christensen, Glaser, Fink, Weil & Shapiro for legal services performed; and authorize increase of \$500,000 (to a maximum of \$600,000) under contract with Miller Barondess LLP 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)]

- 8-9 Express opposition to eminent domain reform proposals: Proposition 90 and Senate Bills 1210 and 1650. (C&L)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. **Oppose Proposition 90;**
- b. **Oppose SB 1210 and SB 1650 as currently written; and**
- c. **Adopt staff's recommended policy position on future eminent domain reform measures.**

9. BOARD INFORMATION ITEMS

- 9-1 Status report for the Inland Feeder Program for activities through June 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 development of the Planning Agreement for the Bay-Delta Conservation Plan. (WPQ&R)

10. ADJOURNMENT — In memory of former employee Arnold Kirk Dimmitt

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.