

**Regular Board Meeting**

**March 11, 2008**

**12:00 p.m. -- Board Room**

| <b>Tuesday, March 11, 2008<br/>Meeting Schedule</b> |            |                         |
|-----------------------------------------------------|------------|-------------------------|
| 7:00-8:00 a.m.                                      | Rm. 2-413  | Dirs. Computer Training |
| 8:00 a.m.                                           | Rm. 2-145  | L&HR                    |
| 10:00 a.m.                                          | Rm. 2-456  | C&L                     |
| 12:00 p.m.                                          | Board Room | Board Meeting           |

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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: Bobby McDonald, President & CEO, Black Chamber of Commerce of Orange County
- (b) Pledge of Allegiance: Bobby McDonald, Member, Buffalo Soldiers

**2. Roll Call**

**3. Determination of a Quorum**

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**PUBLIC HEARING**

Comments on the proposed standby charge for Calleguas Annexation No. 93 to Calleguas 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 Meeting for February 12, 2008. (A copy has been mailed to each Director)  
Any additions, corrections, or omissions
- B. Report on Directors' meetings attended at Metropolitan expense
- C. Presentation of 15-year service pin to Director Glen D. Peterson, representing Las Virgenes Municipal Water District
- D. Authorize preparation of Memorial Resolutions for former Directors Steve Anderson and Edward L. Kussman. (Exec.)
- E. Authorize preparation of Commendatory Resolutions for former Directors Phillip J. Pace and John H. Mylne, III. (Exec.)
- F. Approve committee assignments
- G. Chairman's Monthly Activity Report

## **6. DEPARTMENT HEADS' REPORTS**

- A. General Manager'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** Adopt final resolutions for annexation and impose water standby charge for Annexations Nos. 89 and 90 to Calleguas Municipal Water District and to Metropolitan. (B&F)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determinations and**

- a. **Adopt resolution granting Calleguas' request for approval of Annexation No. 89, concurrently to Metropolitan and to Calleguas, conditioned upon approval by the Ventura Local Agency Formation Commission, and establishing Metropolitan's terms and conditions for the annexation;**
- b. **Adopt resolution granting Calleguas' request for approval of Annexation No. 90, concurrently to Metropolitan and to Calleguas, conditioned upon approval by the Ventura Local Agency Formation Commission, and establishing Metropolitan's terms and conditions for the annexation; and**
- c. **Adopt resolutions to impose water standby charge at a rate of \$9.58 per acre or per parcel of less than one acre within the proposed annexation areas.**

- 7-2** Approve Appropriation No. 15453 in the amount of \$900,000 to pay costs of issuance for Water Revenue Refunding Bonds through December 31, 2008. (B&F)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. **Authorize General Fund Appropriation No. 15453 in the amount of \$900,000 to cover the expenses associated with the water revenue refunding bond transactions; and**
- b. **Authorize reimbursement of expenses paid from the General Fund by bond proceeds. The appropriation would expire on December 31, 2008.**

- 7-3** Appropriate \$470,000; and authorize three electrical improvement projects at the Jensen and Mills plants (Approps. 15442, 15452). (E&CP)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determinations and**

- a. Appropriate \$470,000 in budgeted funds;**
- b. Authorize electrical system reliability studies at the Jensen and Mills plants; and**
- c. Authorize preliminary design of seismic upgrades to Mills Electrical Buildings Nos. 1 and 2.**

- 7-4** Appropriate \$564,000; and award \$332,932 contract to Cora Constructors, Inc. for replacement of Diemer plant hatch covers (Approp. 15436). (E&CP)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. Appropriate \$564,000 in budgeted funds; and**
- b. Award a \$332,932 contract to Cora Constructors, Inc. to replace hatch covers at the Diemer plant.**

- 7-5** Appropriate \$1.22 million; and authorize (1) four rehabilitation projects at the Weymouth treatment plant, and (2) an agreement with MWH Americas, Inc. (Approps. 15440, 15369). (E&CP)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determinations and**

- a. Appropriate \$1.22 million in budgeted funds;**
- b. Authorize preliminary design of the Weymouth Washwater Reclamation Reliability Upgrade;**
- c. Authorize preliminary and final design of the Weymouth Reservoir Inlet Gates Replacement;**
- d. Authorize final design of the Weymouth Filter Rehabilitation;**
- e. Authorize a study of the Weymouth Dry Polymer System; and**
- f. Authorize an agreement with MWH Americas in an amount not to exceed \$375,000.**

**(END OF CONSENT CALENDAR)**

## 8. OTHER BOARD ITEMS — ACTION

- 8-1** Approve proposed 2008/09 fiscal year budget. (B&F)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. Approve the 2008/09 Budget;
- b. Appropriate \$1.08 billion 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, \$315.7 million for 2008/09 debt service on Metropolitan general obligation and revenue bonds;
- d. Authorize the use of \$45 million in operating revenues to fund Replacement and Refurbishment and General Fund construction during 2007/08; and
- e. Authorize the use of \$30 million in operating revenues to fund Replacement and Refurbishment and General Fund construction and up to an additional \$65 million if water sales exceed 2.23 million acre-feet during 2008/09.

- 8-2** Adopt (1) recommended water rates and charges; and (2) resolutions to impose charges, for fiscal year 2008/09. (B&F)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and**

- a. Approve water rates effective January 1, 2009 as shown in Table 1 in the board letter;
- b. Adopt Resolution to Impose the Readiness-to-Serve Charge in the form shown as Attachment 3 to the board letter; and
- c. Adopt Resolution to Impose the Capacity Charge in the form shown as Attachment 4 to the board letter.

- 8-3** Appropriate \$2.45 million; and authorize (1) final design of La Verne Shops Upgrades at the Weymouth plant; (2) La Verne Shops ISO 9000-2001 certification, Phase I; and (3) agreement with Tetra Design (Approp. 15395). (WQ&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determinations and**

- a. **Appropriate \$2.45 million in budgeted funds;**
- b. **Authorize final design of the La Verne Shops Upgrades and ISO 9000-2001 certification, Phase I; and**
- c. **Authorize agreement with Tetra Design in an amount not to exceed \$1.55 million.**

- 8-4 Report on *Cadiz, Inc., etc. v. Metropolitan*, LASC Case No. BC343232; and authorize increases of \$175,000 for a total of \$275,000 in maximum amount payable under contract with RECON Research Corp; \$75,000 for a total of \$175,000 in maximum amount payable under contract with A+N Technical Services, Inc. to provide expert assistance in the defense of Metropolitan; and \$125,000 for a total of \$225,000 in maximum amount payable to Executive Presentations for trial graphics. (L&HR)  
**[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(a)]**
- 8-5 Authorize settlement of eminent domain action entitled *Metropolitan Water District v. FR/Cal Perris II, LLC*, Riverside County Superior Court Case No. RIC 486341, and acquisition of easement in real property for the Perris Valley Pipeline Project. (L&HR)  
**[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(a)]**
- 8-6** Hearing on adoption of resolution of necessity directing the General Counsel to condemn interests in real property required for the Perris Valley Pipeline Project in Riverside County, identified by Riverside County Assessor's Parcel Nos. 294-070-016, 297-230-019, and 297-230-020, Metropolitan's Parcel Nos. PEVAL1-01-745PEA1, PEVAL1-01-770PEA1, and PEVAL1-01-780PEA1, and owner's name, LNR Riverside, LLC. (L&HR) **(Two-thirds vote required)**

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and the resolution of necessity directing the General Counsel to commence an eminent domain proceeding to acquire Metropolitan Parcel Nos. PEVAL1-01-745PEA1, -770PEA1, and -780PEA1.**

- 8-7 Authorize settlement of claim by Shields Restaurant Group, Inc. related to the Perris Valley Pipeline Project. (L&HR)  
**[Conference with legal counsel—anticipated litigation (one potential case); to be heard in closed session pursuant to Gov. Code Section 54956.9(b)]**

- 8-8** Approval to extend by one year the Memoranda of Understanding between The Metropolitan Water District of Southern California and AFSCME, Local 1902; Management and Professional Employees Association; Association of Confidential Employees; and Supervisors Association; and adopting resolution to Metropolitan's contribution medical plans. (L&HR)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination and authorize the General Manager to exercise discretion under Administrative Code Sections 6101(k) and (l) to enter into revised MOUs with AFSCME, MAPA, ACE and Supervisors Association.**

- 8-9 Express support if amended for AB 2175 (Laird, D-Santa Cruz and Feuer, D-Los Angeles) – Water Conservation. (C&L) **(To be mailed separately)**

- 8-10 Oppose SB 27 (Simitian, D-Palo Alto) regarding the "Sacramento-San Joaquin River Delta, Clean Drinking Water, Water Supply Security, and Environmental Improvement Act of 2008" and proposed Delta Water and Land Use Authority. (C&L) **(To be mailed separately)**

## 9. BOARD INFORMATION ITEMS

- 9-1 Status report for the Inland Feeder Program for activities through January 2008. (E&CP)
- 9-2 Review of Metropolitan's Water Use Efficiency Effort and Future Opportunities. (WP&S)
- 9-3 Review funding agreement terms for Drop 2 Reservoir for Colorado River supplies. (WP&S)
- 9-4 Update report on the Governor's Blue Ribbon Task Force Delta Vision Report, the Bay-Delta Conservation Plan, and conveyance options. (WP&S) **(To be mailed separately)**

## 10. FUTURE AGENDA ITEMS

## 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&CP, B&F). Committee agendas may be obtained from the Board Executive Secretary.

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site <http://www.mwdh2o.com>.

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 Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.