



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

MWD MEETING AGENDA

REVISED AGENDA

Regular Board Meeting

May 11, 2010

12:00 p.m. -- Board Room

Tuesday, May 11, 2010 Meeting Schedule		
7:00-8:00 a.m.	Rm. 2-413	Dirs. Computer Training
8:30 a.m.	Rm. 2-145	L&C
10:00 a.m.	Rm. 2-456	C&L
12:00 p.m.	Board Room	Board Meeting
1:30 p.m.	Rm. 2-145	IRP

MWD Headquarters Building •

700 N. Alameda Street •

Los Angeles, CA 90012

1. Call to Order

- (a) Invocation: (Guest)
- (b) Pledge of Allegiance: Director Laura Friedman

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 Section 54954.3(a))

5. OTHER MATTERS

- A. Approval of the Minutes of the Meeting for April 13, 2010. (A copy has been mailed to each Director)
Any additions, corrections, or omissions

- B. Report on Directors' meetings attended at Metropolitan expense for month of April
- C. Approve 30-day leave of absence for Director Phillip Hawkins, commencing May 15, 2010
- D. Approve committee assignments
- E. Chairman's Monthly Activity Report

6. DEPARTMENT HEADS' REPORTS

- A. General Manager'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** Appropriate \$180,000; and authorize final design to replace four sodium hydroxide tanks at the Mills plant (Approp. 15452). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. Appropriate \$180,000; and**
- b. Authorize final design to replace four sodium hydroxide tanks at the Mills plant.**

- 7-2** Appropriate \$560,000; and authorize two rehabilitation projects at the Weymouth and Jensen plants (Approps. 15369 and 15442). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determinations and

- a. Appropriate \$560,000;**
- b. Authorize preliminary design of the Weymouth Washwater Tanks Seismic Upgrades; and**
- c. Authorize final design of the Jensen Washwater Tanks Seismic Upgrades.**

- 7-3** Appropriate \$450,000; and authorize initial investigations of control and protection upgrades for the Hiram W. Wadsworth Pumping Plant (Approp. 15467). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. Appropriate \$450,000; and**
- b. Authorize initial investigations for control and protection upgrades at the Hiram W. Wadsworth Pumping Plant.**

(END OF CONSENT CALENDAR)

8. OTHER BOARD ITEMS — ACTION

- Revised** 8-1 Approve proposed budget for fiscal years 2010/11 and 2011/12. (B&F)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. **Approve the 2010/11 Budget;**
 - i. **Appropriate \$1.04 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;**
 - ii. **Appropriate as continuing appropriations, \$338.9 million for 2010/11 debt service on Metropolitan general obligation and revenue bonds; and**
 - iii. **Authorize the use of \$95 million in operating revenues to fund Replacement and Refurbishment expenditures in 2010/11.**
- b. **Approve the 2011/12 Budget;**
 - i. **Appropriate \$1.13 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;**
 - ii. **Appropriate as continuing appropriations, \$367.2 million for 2011/12 debt service on Metropolitan general obligation and revenue bonds; and**
 - iii. **Authorize the use of \$125 million in operating revenues to fund Replacement and Refurbishment expenditures in 2011/12.**

- 8-2** Adopt resolution to continue Metropolitan's Water Standby Charge for fiscal year 2010/11. (B&F)

Recommendation:

Option #1:

Adopt the CEQA determination and the resolution to continue the water standby charges for FY 2010/11.

- 8-3** Appropriate \$7.1 million; award \$4,966,937 contract to Zusser Company, Inc. for construction of the Diemer Fire and Potable Water Pump Station; and authorize amendment to existing agreement with Camp Dresser & McKee (Approp. 15436). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. Appropriate \$7.1 million;**
- b. Award \$4,966,937 construction contract to Zusser Company, Inc. to construct the Diemer Fire and Potable Water Pump Station; and**
- c. Authorize increase of \$258,000 to the existing agreement with CDM, for a new not-to-exceed total of \$19,838,000.**

- 8-4** Adopt two resolutions to accept potential funding; and authorize entering into contract on two grant proposal applications as part of the Bureau of Reclamation's WaterSMART: Water and Energy Efficiency Grants for Fiscal Year 2010. (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and two resolutions which:

- a. Authorize acceptance of potential grant funding of \$1 million;**
- b. Delegate authority to the General Manager to execute necessary agreements, including the Reclamation grant contracts;**
- c. Metropolitan agrees to enter into future contracts necessary to fulfill the grant contract, including provision of Metropolitan's matching funds of \$1 million; and**
- d. State that Metropolitan, if awarded a grant, will work with Reclamation to meet established deadlines upon entering into a cooperative agreement.**

- 8-5** Express opposition, unless amended, to AB 2583 (Hall, D-Los Angeles) regarding water treatment: hazardous materials. (C&L)

Recommendation:

Option #1:

Adopt the CEQA determination and express an oppose position on AB 2583 unless it is amended to remove any regulatory agencies' jurisdictional conflicts regarding transportation of hazardous material and current risk management planning practices.

- 8-7** Authorize (1) Water Conservation Plan for fiscal year 2010/11; (2) new three-year contract with Honeywell International for the regional commercial conservation program not to exceed \$120 million; and (3) amendment to existing contract with Honeywell International to increase maximum payable by \$5 million. (WP&S)

Recommendation:

Option #1:

Adopt the CEQA determination and authorize:

- a. Metropolitan's FY 2010/11 Water Conservation Plan and incentive modifications with an effective date of June 1, 2010;
- b. Elimination of Enhanced Conservation Program and Water Savings Performance Program, upon completion of existing agreements;
- c. Execution of new three-year contract not to exceed \$120 million with Honeywell International to administer Metropolitan's Regional Commercial Conservation Program; and
- d. Execution of an amendment to the existing contract with Honeywell International, increasing the maximum amount payable from \$85 million to \$90 million, to continue processing commercial incentives under this contract.

8-8 Express opposition to Proposition 16: Taxpayers' Right to Vote Act. (C&L)

Recommendation:

Option #1:

Adopt the CEQA determination and oppose Proposition 16 as stated in the board letter.

8-9 Adopt resolution authorizing the second amendment of Metropolitan's Master Swap Policy. (B&F) **(Two-thirds vote required)**

Recommendation:

Option #1:

Adopt the CEQA determination and

- a. Adopt the resolution authorizing the second amendment to the Master Swap Policy as described in Attachment 1 to the board letter;
- b. Authorize novation of interest rate swap transactions with UBS AG to another Qualified Swap Counterparty on substantially the same terms and conditions, as approved by the General Manager; and
- c. Authorize the General Manager/Chief Financial Officer to amend existing swap transactions, which may include the transactions novated to another Qualified Swap Counterparty, to provide early cancellation options as described in the board letter.

8-10 Report on *Foxfire Constructors, Inc. v. W. A. Rasic Construction Company*, Case No. 30-2009-00118788, Superior Court of Orange County, California; and authorize (1) a contract with Construction Management Services in the amount of \$230,000; (2) increase of \$300,000 for a total of \$400,000 in maximum amount payable under contract with Theodora Oringer Miller & Richman PC; and (3) increase of \$50,000 for a total of \$150,000 in maximum amount payable under contract with Subterra, Inc. (L&C)
[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(a)]

8-11 Report on status of FERC relicensing of the Oroville Facilities and associated litigation; and authorize increase of \$100,000 for a total of \$500,000 in maximum amount payable under contract with Davis Wright Tremaine LLP for legal services. (L&C)
[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(a)]

Revised

8-12 Approve entering into 18-month (July 1, 2009 – December 31, 2010) Memoranda of Understanding between The Metropolitan Water District of Southern California and AFSCME, Local 1902; the Management and Professional Employees' Association; and the Association of Confidential Employees. (O&P)
[Conference with labor negotiators; to be heard in closed session pursuant to Gov. Code Section 54957.6. Agency representative: Gilbert Ivey. Employee organizations: The Employees Association of The Metropolitan Water District of Southern California/AFSCME Local 1902; the Management and Professional Employees Association MAPA/AFSCME Chapter 1001; the Association of Confidential Employees; and the Supervisors Association]

Recommendation:

Option #1:

Adopt the CEQA determination and authorize the General Manger to enter into successor MOUs with AFSCME, MAPA and ACE, consistent with the terms of the tentative agreements and the parameters authorized by the Board on March 9, 2010.

9. BOARD INFORMATION ITEMS

9-1 Renewal status of Metropolitan's Property and Casualty Insurance Program. (B&F)

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&O, 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.