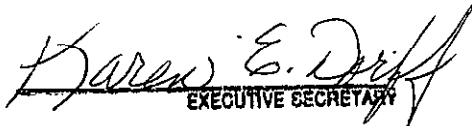


MAY 12 1992


EXECUTIVE SECRETARY

MINUTES

ADJOURNED REGULAR MEETING OF THE
BOARD OF DIRECTORS

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MARCH 10, 1992

39480 The Board of Directors of The Metropolitan Water District of Southern California met in Adjourned Regular Meeting in the Board Room located in the Building at 1111 Sunset Boulevard in the City of Los Angeles, State of California, on Tuesday, March 10, 1992.

The Meeting was called to order by Chairman Krieger at 12:33 p.m.

39481 The Meeting was opened with an invocation by Director Larry L. Stamper.

39482 The Pledge of Allegiance to the Flag was given, led by Director Dwight F. French.

39483 Secretary Killefer called the roll. Those answering present were: Directors Abernethy, Barker, Blake, Boen, Brick, Davenport, Ferguson, Foley, French, Gage, Garcia, Goldsworthy, Kazarian, Killefer, Knauft, Krauel, Krieger, Kussman, Kymla, Lowry, Madigan, Malburg, Mason, Maulding, McMurray, Miller, Milne, Morris, O'Neil, Reed, Rez, Scott, Shaw, Stamper, Starkey, Stelle, Stickney, Stuart, Turney-Murph, Ward, Witt, Wysbeek, and Young.

Those not answering were: Directors Brandt (entered 1:05 p.m.), Brewer, Griffen, Hill, Ibbetson, Jones, and Watkins.

The Chair declared a quorum present.

39484 Chairman Krieger inquired if there were any additions to the agenda. There being none, the Chair declared only those matters listed on the agenda would be considered.

39485 Chairman Krieger invited members of the public to address the Board on matters within the Board's jurisdiction.

Mr. Lincoln Marini, representing Goodwill Industries, expressed appreciation to the Board on behalf of the 450 handicapped members of the organization for the opportunity to participate in the water conservation program by assembling and packaging over 600,000 Water Wise kits. This effort gave those workers an opportunity to express their gratitude to the community for its generosity throughout the years. Mr. Marini presented the Board with a Certificate of Appreciation.

The Board then viewed a film showing some of the workers participating in the conservation effort.

39486 The Chair announced that consideration of the Minutes of the Meetings of January 14 and February 11, 1992, will be deferred.

39487 Chairman Krieger received and filed a Declaration from the Executive Secretary dated February 12, 1992, stating that she had posted the Notice of Adjournment of the Board of Directors Meeting of March 10, 1992, at 11:00 a.m. to March 10, 1992, at 12:30 p.m.

39488 The General Counsel's letter dated February 26, 1992, was presented transmitting the credentials evidencing the appointment by the City of Beverly Hills of Dan Webster as its representative on Metropolitan's Board for the unexpired portion of the term ending December 31, 1992, replacing Ina S. Roth, who resigned.

39489 General Counsel Vendig reported the credentials had been examined and found legally sufficient.

The Chair ordered the credentials, together with the General Counsel's letter, received and filed.

Secretary to the General Counsel Dee Baca, Notary Public, administered the Oath of Office to Mr. Webster.

Following an introduction by Vice Chairman Garcia, Mr. Webster, took his seat as a Director representing the City of Beverly Hills.

39490 Vice Chairman Garcia moved, seconded by Director Barker and carried, approving the recommendation of the Executive Committee that Director Webster be assigned to the Land and the Legal and Claims Committees.

39491 Vice Chairman Garcia moved, seconded by Director Shaw and carried, reassigning Director O'Neil to the Engineering and Operations Committee from the Land Committee.

39492 Vice Chairman Garcia moved, seconded by Director Blake and carried, authorizing the preparation of a Commendatory Resolution for former Director Anne W. Dunihue who had represented Chino Basin Municipal Water District from September 11, 1988, to February 11, 1992.

39493 Director Stuart moved, seconded by Director Kussman and carried, granting the requests for sixty-day leaves of absence for:

Director Bill M. Hill, commencing March 6
Director James H. Blake, commencing April 1

39494 Chairman Krieger reported that the Organization and Personnel Committee tabled Agenda Item 7-6, the General Manager's letter dated February 21, 1992, requesting establishment of two new classifications.

Director Blake moved, seconded by Director Knauff and carried, and the Board approved the Consent Calendar Items, M.I. 39495 through M.I. 39502, as follows:

39495 Adopted two Resolutions in the form transmitted with the General Manager's letter dated February 18, 1992, providing in substance that the District elects to be allocated that additional portion of revenue from taxes levied on redevelopment property which is attributable to either or both of the following: (1) any increase in the District's base year tax rate applied to incremental assessed value of project property; and (2) that portion of the increase in assessed valuation attributable to the annual inflation adjustment applied to the base year tax rate on the following specific redevelopment projects:

Resolution 8359 San Fernando Road Corridor
Redevelopment Project, City of
Glendale

Resolution 8360 South Harbor Boulevard/Fairview
Street Project Area (Amendment), City
of Santa Ana

each Resolution entitled:

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN
WATER DISTRICT OF SOUTHERN CALIFORNIA ELECTING TO RECEIVE
ALLOCATION OF TAXES PURSUANT TO PROVISIONS OF THE
COMMUNITY REDEVELOPMENT LAW**

39496 Added Section 5101(b)(2)(x) of the Administrative Code to read as shown in Exhibit A of the General Manager's letter dated February 24, 1992, regarding authorizing a mechanism for investment of idle District funds.

Directors Ferguson, Knauff, Malburg, Mason, and Stelle requested to be recorded as abstaining.

39497 Amended Section 5101(b)(2)(vi) of the Administrative Code to read as shown in Exhibit A of the General Manager's letter dated February 24, 1992, increasing to 30 percent the limitation for investment of repurchase agreements.

39498 Authorized the General Manager to execute a contract with Anchor Fence, PPA Industries, Inc., conditioned upon the receipt of the contractor's Affirmative Action Plan, for constructing property fencing for the Henry J. Mills Filtration Plant under Specifications No. 1241, as amended, in the amount of \$469,000; and that after the contract has been executed, authorized the General Manager to reject all other bids, as set forth in the General Manager's letter dated February 18, 1992.

39499 Authorized the General Manager to amend Agreement No. 2879 with Harding Lawson Associates, Inc., to increase the dollar limit by \$117,000 from \$220,000 to \$337,000 for geotechnical consulting services related to the washwater reclamation facilities for the Mills Plant Expansion No. 2 in accordance with the General Manager's letter dated February 18, 1992, subject to the amendment being in form approved by the General Counsel.

39500 Amended Sections 2100, 2450, 2460, 2470, and 2480 of the Administrative Code to read as set forth in Attachment A to the General Manager's letter dated February 18, 1992, regarding the meeting times of the Board and Standing Committees, as follows:

Monday

8:00 a.m. Land
 8:30 a.m. Engineering & Operations
 11:15 a.m. Organization & Personnel
 1:30 p.m. Water Problems
 3:30 p.m. Legal & Claims

Tuesday

8:30 a.m. Finance & Insurance
 10:00 a.m. Executive
 12:30 p.m. Board Meeting

39501 Deferred its determination under Section 4601 of the Administrative Code regarding the availability of water for Interruptible Water Service until action is taken regarding merger of the Interruptible Water Service and Seasonal Storage Service and/or adoption of a new rate structure, as set forth in the General Manager's letter dated February 21, 1992.

39502 Authorized the General Manager to seek legislation to amend the Endangered Species Act in accordance with the principles described in the General Manager's letter dated February 12, 1992.

39503 Water Problems Committee Chairman Barker moved, seconded by Director Starkey, that the water rates for fiscal year 1992-93, effective July 1, 1992, be set by the Board as follows:

<u>Class of Service</u>	<u>Rates in Dollars per Acre-Foot</u>
Noninterruptible	
Untreated	\$ 269
Treated	322
Emergency Water	
Untreated	807
Treated	860
Reclaimed Water	84
Seasonal Storage	
Untreated	168
Treated	203

and that the Board supplement its action setting water rates by adopting the written findings as set forth in Attachment A to the General Manager's letter dated December 27, 1991.

Director Killefer offered a substitute motion, seconded by Director Stuart, that to reduce the amount of the projected deficit, \$21 per acre-foot be added to the \$47 per acre-foot rate recommended by the Water Problems Committee, and that the remaining classes of service be adjusted accordingly.

Director Stuart stated that it is important to maintain the excellent rating Metropolitan has in the financial community, and urged support for the substitute motion.

Director Brandt took his seat at 1:05 p.m.

After a lengthy discussion, the Chair called for a roll call vote on the substitute motion.

The following is a record of the roll call vote on the substitute motion:

Ayes: Central Basin Municipal Water District (Ayes: Dirs. Ferguson and Malburg. Absent: Dir. Ibbetson. 4,937 votes), Coastal Municipal Water District (Dirs. Killefer and McMurray, 2,514 votes), Long Beach (Dir. Lowry, 1,758 votes), West Basin Municipal Water District (Dir. Stuart, 1,958 votes). Total 11,167 votes.

Noes: Anaheim (Dir. Kazarian, 1,507 votes), Beverly Hills (Dir. Webster, 846 votes), Burbank (Dir. Stamper, 733 votes), Calleguas Municipal Water District (Dirs. Miller and Ward, 2,768 votes), Chino Basin Municipal Water District (No: Dir. French. Absent: Dir. Hill. 2,795 votes), Compton (Dir. Turney-Murph, 129 votes), Eastern Municipal Water District (Dir. Boen, 1,696 votes), Foothill Municipal Water District (Dir. B. Morris, 430 votes), Fullerton (Dir. Blake, 636 votes), Glendale (Dir. Rez, 993 votes), Las Virgenes Municipal Water District (Dir. Stelle, 765 votes), Los Angeles (Noes: Dirs. Abernethy, Brandt, Gage, Garcia, Kussman, Scott, and Shaw. Absent: Dir. Watkins. 17,783 votes), Municipal Water District of Orange County (Dirs. Davenport, Foley, Knauft, Kymla, and Witt, 10,441 votes), Pasadena (Dir. Brick, 778

votes), San Diego County Water Authority (Noes: Dirs. Krauel, Madigan, Mason, Starkey, and Stickney. Absent: Dir. Griffen. 12,389 votes), San Fernando (Dir. Wysbeek, 67 votes), San Marino (Dir. J. Morris, 154 votes), Santa Ana (Dir. Young, 1,103 votes), Santa Monica (Dir. Reed, 853 votes), Three Valleys Municipal Water District (Dir. Milne, 2,191 votes), Upper San Gabriel Valley Municipal Water District (No: Dir. Maulding. Absent: Dir. Jones. 3,037 votes), West Basin Municipal Water District (Dirs. Barker and Goldsworthy, 3,916 votes), Western Municipal Water District of Riverside County (Dir. Krieger, 2,371 votes). Total 68,381 votes.

Abstains: None.

Absent: Torrance (Dir. Brewer, 1,031 votes). Total 1,031 votes.

The Chair announced the substitute motion failed by a vote of 11,167 ayes (13.86 percent) to 68,381 noes (84.86 percent).

The original motion was voted upon and carried.

Directors Davenport, Ferguson, Killefer, Krauel, Malburg, Turney-Murph, Webster, and Witt requested to be recorded as voting no.

39504 Director Killefer moved, seconded by Director Stuart, that staff prepare a revenue and cost sensitivity analysis for the fiscal years 1992-93 and 1993-94. The analysis is to show whether the Board should consider a rate adjustment in mid-1992-93 in order to address the changed conditions and alleviate the revenue shortage Metropolitan is facing.

Director Kymla suggested the motion be amended to include directing staff to prepare an analysis of the reduction in expenditures necessary to match revenues. The suggestion was accepted by the maker and the seconder of the motion.

The motion as amended was voted upon and carried.

39505 Director Kymla announced that the Special Budget Committee will begin its intensive review of the proposed 1992-93 budget May 4, 5, and 6.

39506 Water Problems Committee Chairman Barker moved, seconded by Director Morris and carried, and the Board authorized the implementation of Stage III of the Incremental Interruption and Conservation Plan beginning with the water billing period ending March 31, 1992, as set forth in the General Manager's revised letter dated March 9, 1992, a copy before each Director.

39507 Water Problems Committee Chairman Barker moved, seconded by Director Blake and carried, authorizing the General Manager to modify the Incremental Interruption and Conservation Plan to include a definite time period for applying for adjustments under the IICP as described in the General Manager's letter dated February 25, 1992.

Directors Stuart and Webster withdrew from the Meeting at 1:24 p.m.

39508 Vice Chairman Garcia moved, seconded by Water Problems Committee Chairman Barker and carried, authorizing the General Manager to do all things necessary and appropriate to retain and strengthen the states' primary authority under the Clean Water Act to allocate and regulate quantities of water within their jurisdiction; and that he be urged to seek (1) the incorporation of the language of the Wallop Amendment (section 101(g)) into appropriate sections of the Act, and (2) specific recognition of the importance of reclaimed water in the arid regions of the west and directing the Environmental Protection Agency to support the states in adopting water quality standards that would facilitate the use of reclaimed water, as set forth in the General Manager's letter dated March 5, 1992, which revised the recommendation contained in his letter dated February 12, 1992.

39509 Vice Chairman Garcia moved, seconded by Water Problems Committee Chairman Barker and carried, and the Board readopted the Drought Contingency Plans based on the changes as described in the General Manager's letter dated February 25, 1992.

39510 Finance and Insurance Committee Chairman Knauff moved, seconded by Engineering and Operations Committee Chairman Boen and carried, authorizing Revision No. 3 to Appropriation No. 399, an increase of \$1,570,000 to a total of \$3,790,000 from the 1991 Revenue Bond Construction Fund, to finance the Environmental Impact Report and other related work for the Chino Basin Groundwater Storage Program, as recommended in the General Manager's letter dated February 25, 1992.

Director Maulding withdrew from the Meeting at 1:25 p.m.

39511 Organization and Personnel Committee Chairman Stelle moved, seconded by Engineering and Operations Committee Chairman Boen and carried, authorizing the General Manager to amend Agreement No. 2041 with Engineering Science, Inc., to increase the maximum amount payable by \$500,000 for a total of \$2,350,000 including expenses, in accordance with the General Manager's letter dated February 18, 1992, subject to the amendment being in form approved by the General Counsel.

Director Morris requested to be recorded as abstaining.

Director Stuart returned to the Meeting at 1:26 p.m.

39512 Organization and Personnel Committee Chairman Stelle moved, seconded by Engineering and Operations Committee Chairman Boen and carried, authorizing the General Manager to amend Agreement No. 2354 with CH₂M Hill California, Inc., to increase the dollar limit by \$300,000 from \$2,050,000 to \$2,350,000 for preparation of design, drawing, and specifications standards in accordance with the General Manager's letter dated February 18, 1992, subject to the amendment being in form approved by the General Counsel.

Director Brandt requested to be recorded as abstaining.

39513 Vice Chairman Garcia moved, seconded by Legal and Claims Committee Chairman Krauel and carried, and the Board expressed opposition to AB 3522 (Polanco), regarding proposed amendments to the Metropolitan Water District Act, as set forth in the General Manager's letter dated February 28, 1992, revised from his February 24, 1992 letter.

Director Foley suggested the March 4 letter prepared by General Counsel Vendig be sent to all member agencies. The General Counsel stated this had been done.

Director Davenport suggested a copy of that memorandum also be sent to Assemblyman Polanco.

39514 Chairman Krieger reported Agenda Item 8-10, the February 1992 letter jointly signed by the General Manager and General Counsel pertaining to AB 573 (Kelley) has been deferred.

39515 Vice Chairman Garcia announced that the Executive Committee revised the recommendation of the General Manager contained in his letter dated February 25, to read as set forth in his revised letter dated February 28, 1992, and moved, seconded by Special Committee on Legislation Chairman Barker, and the Board adopted the motion, as follows:

1. Support efforts of the State of California to transfer the Central Valley Project (CVP) to the State of California;

2. Authorize the General Manager to support provisions of CVP reform legislation that promote: water transfers; fish and wildlife improvements, including water for the environment; water management reforms, including water metering and changes in water pricing; appropriate federal actions to pursue needed facilities; and other provisions consistent with Metropolitan's objectives to increase the quantity, quality, and reliability of Metropolitan's water resources; and

3. Encourage all parties to continue negotiations with all members of the State Legislature, the United States Congress, the Governor of California, and other interests who have been and are making efforts to resolve water issues in California, recognizing the need for balance among environmental, agricultural, and urban uses of the State's water supplies.

39516 Water Problems Committee Chairman Barker moved, seconded by Finance and Insurance Committee Chairman Knauft and carried, authorizing the General Manager to execute an agreement to allow Metropolitan to participate in the 1992 Drought Emergency Water Bank and to deposit \$2 million pursuant to such agreement to secure options on 100,000 acre-feet of water, subject to the agreement being in form approved by the General Counsel, as recommended in the General Manager's letter dated March 6, 1992.

39517 Chief of Operations Singer reported that the Colorado River Aqueduct is operating on a five-pump flow, and will resume to an eight-pump flow next week when the repairs are completed on the number two discharge valve at Intake. He advised that the first responder crews handled a recent incident of a leak at the Chemical Unloading Facility in Riverside in a most professional, efficient, and effective manner. He reported on the improved water supply situation.

Directors Maulding and Webster returned to the Meeting at 1:34 p.m.

Directors Brandt, Gage, and Madigan withdrew from the Meeting at 1:34 p.m.

Chief Engineer Snyder gave a slide-illustrated presentation showing the progress of construction projects, as well as an aerial view of Domenigoni Valley.

Assistant General Manager McGuire reported that the Finance Division has been heavily engaged in developing the necessary material needed to set water rates, and the service and standby charges which require public hearings.

Assistant Director of Finance Becker gave a slide-illustrated presentation showing Metropolitan's financial condition.

Directors Kussman and Turney-Murph withdrew from the Meeting at 1:42 p.m.

Assistant General Manager Balcerzak urged all Directors to participate in the Engineering and Operations Committee field trip on April 30, to include an inspection of the Jensen Plant, Pearblossom, Etiwanda, and Garvey Reservoir. Mr. Balcerzak stated there will be a tour of the Santa Barbara Desalination Plant, and Directors will be notified when the date has been finalized.

39518 General Counsel Vendig advised that April 1 is the deadline for filing Form 730, the Conflict of Interest Statement. Any Director needing assistance should call the Legal Department, he suggested. The Legal Department has been heavily involved in activities in connection with the WCT Building and in preparation for the water rights phase of the Bay/Delta proceedings.

39519 The following listed communications were presented for the information of the Board:

- a. Reports of the General Manager
 - i. Activities for the month of February, dated February 28, 1992
 - ii. Operating data for the month of January, dated February 18, 1992.
- b. Report of the General Counsel on the activities of the Legal Department for the month of February, dated February 28, 1992.
- c. Report of the Auditor on the activities for the month of February, dated March 3, 1992.
- d. Letter of the General Manager dated March 9, 1992, transmitting the financial report for the month of January.
- e. Letter of the General Manager dated February 25, 1992, reporting on Water-Wise '91 Update.
- f. Letter of the General Manager and the General Counsel dated February 25, 1992, reporting on San Gabriel Basin Groundwater Storage Program.
- g. Letter of the General Manager dated February 28, 1992, submitting water supply update.
- h. Letter of the General Manager dated February 18, 1992, reporting on organizational review of the Operations Division.
- i. Letter of the General Manager dated February 26, 1992, regarding the proposed test land fallowing program with Palo Verde Irrigation District.

39520 Chairman Krieger announced that Director John P. Starkey has resigned his office as a Director on Metropolitan's Board as one of the representatives of the San Diego County Water Authority, and this will be his last meeting.

The Board expressed its appreciation to Director Starkey for his dedication and outstanding service over the past eleven years.

39521 Chairman Krieger urged all Directors to submit items for discussion at the Directors' Three-Day Workshop, April 23-25, at Pala Mesa.

39522 At 1:46 p.m., there being no objection, the Chair adjourned the Meeting to 7:00 p.m., Monday, March 30, 1992, at Poly High School, 5450 Victoria Avenue, Riverside.

JOHN KILLEFER
SECRETARY

LOIS B. KRIEGER
CHAIRMAN