

MINUTES
REGULAR MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
JULY 14, 1992

39690 The Board of Directors of The Metropolitan Water District of Southern California met in 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, July 14, 1992.

The Meeting was called to order by Chairman Krieger at 12:45 p.m.

39691 The Meeting was opened with an invocation by Ronald E. Kennedy, Director of Information Systems.

39692 The Pledge of Allegiance to the Flag was given, led by Director James M. Rez.

39693 Secretary Killefer called the roll. Those answering present were: Directors Abernethy, Barker, Blake, Boen, Brandt, Brick, Davenport, Ferguson, Foley, Gage, Garcia, Goldsworthy, Griffen, Hill, Ibbetson, Jones, Kazarian, Killefer, Knauft, Krieger, Kussman, Kymla, Lowry, Madigan, Malburg, Mason, Maulding, McMurray, Miller, Milne, Morris, O'Neil, Rez, Scott, Shaw, Stelle, Stickney, Stuart, Ward, Witt, Wysbeek, and Young.

Those not answering were: Directors Brewer, Frahm, French (entered 12:55 p.m.), Krauel, Murph, Reed, Stamper, Watkins, and Webster.

The Chair declared a quorum present.

39694 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.

39695 Chairman Krieger invited members of the public to address the Board on matters within the Board's jurisdiction.

Jules Kimmett, Chairman, Concerned Citizens of Burbank, requested more information be made available to the public regarding the arrangements for leasing additional office space.

Director French took his seat at 12:55 p.m.

Former Director Michael A. Nolan urged Directors to become well acquainted with their legislators, irrespective of party affiliation, so that the legislators' questions about water-related issues will be directed to them, opening up a valuable channel of communication.

Bryan Bridges, resident of Huntington Beach representing the Taxpayers Action Network of Orange County, expressed his concerns about, and opposition to, Metropolitan imposing any fees, rate increases, assessments, or charges for the specific purpose of raising revenues until Metropolitan has exhausted all avenues of reducing operating and administrative costs. He urged the Board to investigate the cost-benefit of constructing desalination plants versus constructing the proposed \$6 billion capital improvement plan.

Linda Grau, a resident of Irvine, strongly urged that, before Metropolitan imposes any additional fees and charges, there be major cost-cutting across-the-board.

39696 Kathleen Dale, representing the Association of Environmental Professionals, presented an award to the Board in recognition of Metropolitan's outstanding contribution in furthering the standards of environmental reporting in connection with the Santa Rosa Plateau Mitigation Agreement.

In accepting the award on behalf of the Board, Chairman Krieger commended staff for this major accomplishment and those staff members deserving special recognition; namely, Kathy Kunysz, Dennis Majors, Greg Taylor, and Jarlath Oley.

39697 There being no objection, the Chair ordered the reading of the Minutes of April 23-25, May 12, and May 29, 1992, dispensed with, copies having been mailed to all Directors.

Director Stuart moved, seconded by Director Barker and carried, that the foregoing Minutes be approved as mailed.

39698 Vice Chairman Griffen moved, seconded by Director Barker and carried, authorizing the Chairman of the Board to approve an amendment to the existing contract with Price Waterhouse, in an amount not to exceed \$5,000, to finalize District-wide goals and objectives, as recommended in the Chair's letter dated June 29, 1992.

Directors Hill and Kazarian requested to be recorded as voting no.

Chairman Krieger announced that a workshop to review and prepare language to finalize the District-wide goals and objectives is scheduled for August 4, 1992, at 9:30 a.m. in the Board Room, and urged all Directors to participate. The results of this workshop will be presented to the Executive Committee and then to the Board at the August meetings, for final action.

39699 Vice Chairman Griffen moved, seconded by Director Blake and carried, adjourning the Board Meeting regularly scheduled for August 11, 1992, without transaction of business to Thursday, August 20, 1992, to establish the 1992-93 tax levy. Most committees will meet on Wednesday, August 19, 1992.

39700 Special Nominating Committee Chairman Stuart submitted the committee's nomination of Director James M. Rez to serve as a nonofficer member of the Executive Committee for the unexpired portion of the term ending December 31, 1993, to fill the vacancy created by the resignation of Ina S. Roth.

The Chair called for other nominations from the floor.

Director Madigan nominated, seconded by Director Witt, Helen Romero Shaw to serve as a nonofficer member of the Executive Committee.

Chairman Krieger announced that Director Shaw's name has been placed in nomination. and requested any other nominations from the floor. There being none, Director Barker moved, seconded by Director Kussman and carried, closing the nominations for the nonofficer member of the Executive Committee.

Secretary Killefer called the roll for a vote on the nominee of choice, and recorded the results from that vote. The majority of the weighted vote of the Board was cast in favor of Helen Romero Shaw. Chairman Krieger declared that Helen Romero Shaw has been duly elected to serve as a nonofficer member of the Executive Committee for the unexpired portion of the term ending December 31, 1993.

39701 Vice Chairman Griffen moved, seconded by Water Problems Committee Chairman Barker and carried, that the Board repeal **Resolution 8368**, which would have imposed an availability of service charge, and rely on available reserves for any resulting shortfall, as set forth in the General Manager's letter dated July 13, 1992, revised from his letter of July 1, 1992.

General Manager Boronkay explained with the introduction of SB 2070 by Senator Ayala, and in light of the opinion rendered by Legislative Counsel and the Attorney General supporting the Senator's position that Metropolitan does not have the authority to impose both a standby (parcel) charge and an availability of service charge concurrently, it appears prudent not to impose both charges at this time. By repealing the availability of service charge and imposing only the standby (parcel) charge, there will be a \$25 million shortfall in anticipated firm revenue. The committees have instructed staff to investigate and report on viable options for a firm source of revenue which could be imposed in the year 1993, he advised.

Special Budget Committee Chairman Kymla reported that the committee will be reviewing the budget to determine if further reductions can be made, and to evaluate if any of the capital improvement programs can be deferred. The determinations of the committee will be reported to the appropriate committees and to the Board in the near future, he stated.

39702 Director Blake moved, seconded by Director Barker and carried, granting the requests for a sixty-day leave of absence from:

Director Dan Webster, commencing July 14
Director Regina Murph, commencing August 1

39703 Assistant General Manager McGuire reported that with the increased activities in the areas of legislation, capital improvement projects, and water management, the volume of Board letters increased accordingly.

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

Assistant General Manager Balcerzak reported that no damage was experienced on either Metropolitan's or the State Water Project facilities as a result of the recent earthquakes. He advised that the recommendation for selection of the consultant to serve as program manager for the Eastside Reservoir Project is before the Board today for action, and that the request for proposals for the main design consultant has been distributed. The Eastside Reservoir Project group will be relocated to Cal Plaza Two on August 1.

Chief Engineer Snyder gave a slide-illustrated presentation showing the progress of the construction program at the Jensen Plant and of the Washwater Reclamation facility at Diemer.

Chief of Operations Singer gave a water supply update; reporting that water sales for fiscal year 1991-92 totalled 1,889,000 acre-feet. He advised that for calendar year 1992, there will be 2,250,000 acre-feet of water available to Metropolitan with projected demands of 2,150,000 acre-feet, providing 100,000 acre-feet for storage. The available water supply for calendar year 1993 does not look promising, he said, as the Sacramento River Index, the measurement of runoff, is now projecting 8,800,000 acre-feet, reduced from the previous forecast of 10,400,000 acre-feet. On the Colorado River System, he advised, the runoff into Lake Powell is fifty percent of average.

Assistant General Manager Georgeson reported that the representatives from the Seven Colorado River Basin States met on July 9, and approved the decision by the Secretary of Interior to continue into 1993 the same water allocation as in 1992; thereby assuring Metropolitan will have a full Colorado River Aqueduct, but obligated to repay any overage during the subsequent three-year period. The land fallowing program in Palo Verde Irrigation District is anticipated to provide the water supply to cover any overage, he stated. On July 29, there will be a meeting with the Director of the Department of Water Resources to investigate the available options for improving the State Water Project supplies, he advised. The State Water Resources Control Board has scheduled a hearing on July 17 to receive testimony in connection with the Bay/Delta Interim Standards, with Metropolitan's Board Chair and staff participating, he reported.

39704 General Manager Boronkay presented an update on pending Federal legislation pertaining to the Central Valley Project, which has the potential of supplying very substantial quantities of water to urban areas in California, including Southern California.

39705 General Counsel Vendig reported on the activities of the Legal Department in connection with (1) the office space lease for 166,000 square feet at Cal Plaza Two, and issues in connection with the WCT Building; and (2) the Bay/Delta Interim Standard process. Mr. Vendig announced his retirement effective December 31, 1992.

Director Knauft moved, seconded by Director Blake, and the Board approved the Consent Calendar Items **M.I. 39706** through **M.I. 39722**, as follows:

39706 Authorized the General Counsel to amend the existing agreement with Mr. John Dibbern to increase the maximum amount payable to \$70,000 for consulting services in Arizona v. California III, as set forth in the General Counsel's letter dated June 23, 1992.

39707 Authorized the General Manager to execute an agreement with the City of Burbank to implement the Lake Street GAC Treatment Plant, said agreement to be consistent with the major terms and conditions in the General Manager's letter dated June 30, 1992, subject to the agreement being in form approved by the General Counsel.

39708 The Board established new capital appropriations in the General Fund and authorized the transfer of costs from the operating equipment appropriation as set forth in the General Manager's letter dated June 15, 1992, as follows:

1. Appropriation No. 642, in the amount of \$1,720,100, for the development and implementation of an on-line Procurement System and the transfer of costs and appropriated amounts from the operating equipment Appropriation No. 099; and

2. Appropriation No. 643, in the amount of \$700,000, for the development and implementation of the Water Accounting, Classification and Invoicing System and the transfer of costs and appropriated amounts from the Operation Equipment Appropriation No. 099.

Director Scott requested to be recorded as abstaining.

39709 Authorized (1) the General Manager to approve and undertake capital projects costing less than \$250,000 during fiscal year 1992-93, provided that the General Manager report quarterly to the Engineering and Operations Committee on such projects; and (2) Appropriation No. 645 in the amount of \$1,000,000 from the 1991 Revenue Bond Construction Fund to finance capital projects costing less than \$250,000 during fiscal year 1992-93, as set forth in the General Manager's letter dated June 26, 1992.

Director Kazarian requested to be recorded as voting no.

Director Scott requested to be recorded as abstaining.

39710 The Board (1) prior to reaching a decision on the proposed action, considered the information contained in the final EIR and Addendum; (2) found that any changes or alterations to the project to mitigate or avoid the significant environmental effects are within the responsibility and jurisdiction of another public agency and such changes have been adopted by such other agency, or can and should be adopted by such other agency; (3) authorized the General Manager to have all work performed and delegated to him the authority to award contracts for the design and construction of a second intertie to the Rialto Pipeline at the Devil Canyon Power Plant, such contracts to be in form approved by the General Counsel, consistent with the provisions of Administrative Code Section 8113; and (4) authorized Appropriation No. 646 in the amount of \$1,500,000 from the 1991 Revenue Bond Construction Fund to finance all estimated costs for the aforementioned construction work, as set forth in the General Manager's letter dated June 26, 1992.

Director Kazarian requested to be recorded as voting no.

Director Scott requested to be recorded as abstaining.

39711 Authorized Appropriation No. 647 in the amount of \$186,000 from the General Fund to finance Metropolitan's share of the environmental documentation work for the proposed All American Canal Lining Project and the Coachella Canal Lining Project, as set forth in the General Manager's letter dated June 30, 1992.

Director Davenport requested to be recorded as voting no.

39712 Consented to Deputy General Counsel James Roberts continuing to represent Metropolitan in Golden Gate Audubon Society, et al. v. SWRCB, as set forth in the General Counsel's letter dated June 15, 1992.

39713 The Board considered the information contained in the Negative Declaration and found that, based on Metropolitan's independent judgment of the Initial Study and the comments received, there is no substantial evidence that the project will have a significant effect on the environment, and approved the Negative Declaration as proposed for the San Gabriel Basin Groundwater Cleanup Pilot and Demonstration Plants, as set forth in the General Manager's letter dated June 30, 1992.

Directors Davenport and Scott requested to be recorded as abstaining.

39714 Expressed opposition to AB 2020 (Costa and Kelley) regarding agriculture-supported water transfer legislation, as set forth in the General Manager's letter dated June 18, 1992.

Director Scott requested to be recorded as abstaining.

39715 Expressed support for AB 2897 (Cortese), if amended in accordance with the principles set forth in the General Manager's letter dated June 18, 1992, regarding water transfer authorization legislation.

Director Scott requested to be recorded as abstaining.

39716 Authorized the General Manager to support and seek passage of AB 3030 (Costa), and to support SB 867 (Thompson/Presley), if amended to facilitate Metropolitan's water supply efforts, regarding groundwater management legislation, as set forth in the General Manager's revised

letter dated July 7, 1992, and further revised in his letter of July 10, 1992.

Director Scott requested to be recorded as abstaining.

39717 Expressed opposition to AB 3730 (Costa) regarding water transfer legislation, as set forth in the General Manager's letter dated June 18, 1992.

Director Scott requested to be recorded as abstaining.

39718 Expressed opposition to SB 434 (Bergeson), unless amended in a manner consistent with the objectives expressed in the General Manager's letter dated June 19, 1992, as revised by his letter dated June 24, 1992, regarding a regional planning proposal.

Director Scott requested to be recorded as abstaining.

39719 Expressed support for S. 792 (Lautenberg) relating to radon in drinking water, as set forth in the General Manager's letter dated June 16, 1992.

Director Scott requested to be recorded as abstaining.

39720 Authorized the General Manager to bind \$75 million of liability insurance in excess of a \$25 million self-insured retention with the American Excess Insurance Association at a net annual premium of \$760,500 for fiscal year 1992-93, as set forth in the General Manager's letter dated June 29, 1992.

39721 Adopted an allocation Conservation Credits funding policy based on percent of average total urban demand in Metropolitan's service area for the fiscal period 1987-88 to 1990-91, as set forth in the General Manager's letter dated June 30, 1992.

39722 Expressed opposition to AB 2995 (Costa) regarding public water supplier fees, as set forth in the General Manager's letter dated June 25, 1992, revised by his letter of July 10, 1992.

Director Scott requested to be recorded as abstaining.

39723 Engineering & Operations Committee Chairman Boen moved, seconded by Organization and Personnel Committee Chairman Stelle, that the General Manager be authorized to enter into an agreement with Stone Marraccini Patterson for the maximum amount payable of \$300,000 for the conceptual and preliminary design of the expansion of the Water Quality Laboratory Facility in La Verne, as set forth in the General Manager's letter dated June 26, 1992.

Director of Water Quality Means described the overcrowded conditions existing in the Water Quality Laboratory, designed in 1980 to accommodate 57 specialists but, to satisfy the 1986 Safe Drinking Water Act amendments, the number of personnel has increased to 83 and will be increasing proportionately to monitor the requirements of the Act in future amendments.

Director Abernethy withdrew from the Meeting at 2:14 p.m.

Director Davenport moved, seconded by Director Hill, that this matter be tabled for one month.

The motion to table was voted upon and did not carry.

Director Kymla suggested there is a need to investigate the possibility of utilizing the private sector in lieu of expanding the Water Quality Laboratory both in size and staff so that these major capital improvements could be deferred. Director Kymla also suggested that all matters that will require large expenditures be reviewed by the Finance and Insurance Committee.

Director Mason withdrew from the Meeting at 2:20 p.m.

Director Gage urged the Board to approve the expansion of the Water Quality Laboratory to ensure that Metropolitan is in a position to comply with current and anticipated future Federal and State safe drinking water standards, which should not preclude an investigation of the possibility of utilizing the private sector.

Director Kymla offered an amendment to the motion, seconded by Director Gage, that, concurrently with the conceptual and preliminary design phase of the Water Quality Laboratory expansion, staff investigate and report on the possibility of utilizing the private sector, as well as other

alternatives that could eliminate the need for future expansion, and to submit progress reports at regular intervals. The Chair determined that the amendment was acceptable to the maker and seconder of the main motion.

The Chair called for a vote on the motion as amended. The motion was voted upon and carried.

Directors Hill and Witt withdrew from the Meeting at 2:30 p.m.

39724 Engineering and Operations Committee Chairman Boen moved, seconded by Director Stelle and carried, authorizing the General Manager to execute a three-year lease agreement beginning August 1, 1992, between Metropolitan and Xerox Corporation for a DocuTech Production Publisher, at an estimated total cost of \$318,835, based on a monthly volume of 486,000 copies, plus applicable tax, subject to the agreement being in form approved by the General Counsel, as set forth in the General Manager's letter dated June 12, 1992.

Director Stickney stated that Director Mason is suggesting an analysis be made of furnishing lap top computers to Directors, thereby enabling electronic communication which could substantially reduce the amount of printed material.

39725 Director Madigan moved the recommendation of the Executive Committee, seconded by Director Blake and carried, and the Board (1) withdrew its opposition to SB 2070 (Ayala) and AB 3304 (Tucker), and instructed the General Manager to seek clarification regarding the ability of Metropolitan to simultaneously levy a standby charge and an availability of service charge; and (2) authorized the Chair to extend an invitation to Senator Ayala to meet with the Executive Committee and with the Special Committee on Legislation to discuss the Senator's legislation as well as Metropolitan's long-term financial needs, revised from the recommendations contained in the letters of the General Manager dated June 17, June 24, and July 10, 1992.

39726 Director Barker moved the recommendation of the Executive Committee, seconded by Director Kymla and carried, and the Board expressed its support of AB 1875 (Cannella), if amended, or a separate Metropolitan Water District Act vehicle, to provide additional review requirements including (1) creation of an advisory committee; (2) the limitation of concurrent assessments of connection fees and standby charges by the same agency; and (3) create a connection fee of \$500 that would increase annually by an amount equal to the

percentage increase of the rate increase for treated water as of January 1 of a given year beginning January 1993 (Option 4), all as set forth in the General Manager's revised letter dated June 19, 1992.

Director Madigan requested to be recorded as abstaining.

39727 Organization and Personnel Committee Chairman Stelle moved the recommendation contained in his letter dated July 9, 1992, seconded by Legal and Claims Committee Vice Chairman Rez and carried, and the Board unilaterally adopted the terms and conditions of employment attached to the foregoing letter for employees represented by the Supervisors and Professional Personnel Association of The Metropolitan Water District of Southern California, commencing June 21, 1992.

The Chair recognized Robin S. Hanks, representing the Supervisors and Professional Personnel Association, expressing the concerns of the members of that association regarding the action taken by the Organization and Personnel Committee and the Board in resolving, by unilateral action, the impasse. She affirmed that, irrespective of this action, all employees in this association will continue to perform responsibly, with dedication and loyalty.

Director Gage moved, seconded by Director Jones and carried, and the Board approved reconsideration of the action of the Board in connection with the salary adjustments for the Supervisors and Professional Personnel Association.

Director Stelle offered a substitute motion, seconded by Director Brick, that approval be given to the Memorandum of Understanding with the Supervisors and Professional Personnel Association, which was submitted to, and approved by, the Organization and Personnel Committee at its June 8 meeting, transmitted as an attachment to the General Manager's letter dated May 27, 1992.

The Board expressed its recognition that the employees in this association have served with loyalty and dedication, but stated in these extraordinary economic times, fiscal constraints must be applied throughout Metropolitan.

The Chair called for a vote on the substitute motion. The substitute motion was voted upon and failed.

The Chair called for a vote on the original motion. The original motion was voted upon and carried.

Director Maulding withdrew from the Meeting at 2:45 p.m.

39728 Finance and Insurance Committee Chairman Knauff moved, seconded by Director Jones and carried, and the Board approved the Preliminary Official Statement substantially in the form of the draft transmitted with the letter jointly signed by the General Manager and the General Counsel dated June 25, 1992, and authorized the General Manager to distribute the Preliminary Official Statement to prospective purchasers of Metropolitan's bonds.

Directors Scott and Ward requested to be recorded as abstaining.

39729 Finance and Insurance Committee Chairman Knauff moved, seconded by Director Malburg, that, by a two-thirds vote of the Board, it adopt the second supplemental resolution (**Resolution 8371**) to the master revenue bond resolution in the form transmitted with the General Manager's letter dated June 22, 1992, authorizing the issuance of Water Revenue Bonds, Issue of 1992, said Resolution entitled:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$550,000,000 WATER REVENUE BONDS AND PROVIDING THE TERMS AND CONDITIONS OF SAID BONDS (SECOND SUPPLEMENTAL RESOLUTION)

The Chair called for a vote on the motion:

The following is a record of the vote on the motion:

Ayes: Anaheim (Dir. Kazarian, 1,507 votes), Calleguas Municipal Water District (Dirs. Miller and Ward, 2,768 votes), Central Basin Municipal Water District (Dirs. Ferguson, Ibbetson, and Malburg, 4,937 votes), Chino Basin Municipal Water District (Aye: Dir. French. Absent: Dir. Hill. 2,795 votes), Coastal Municipal Water District (Dirs. Killefer and McMurray, 2,514 votes), Eastern Municipal Water District (Dir. Boen, 1,696 votes), Foothill Municipal Water District (Dir. O'Neil, 430 votes), Fullerton (Dir. Blake, 636 votes), Glendale (Dir. Rez, 993 votes), Las Virgenes Municipal Water District (Dir. Stelle, 765 votes), Long Beach (Dir. Lowry, 1,758 votes), Los Angeles (Ayes: Dirs. Brandt, Gage, Garcia, Kussman, Scott, and Shaw. Absent: Dirs. Abernethy and Watkins. 17,783 votes), Municipal Water District of Orange County (Ayes: Dirs. Davenport, Foley, Knauff, and Kymla. Absent: Dir. Witt. 10,441 votes), Pasadena (Dir.

Brick, 778 votes), San Diego County Water Authority (Ayes: Dirs. Griffen, Madigan, and Stickney. Absent: Dirs. Frahm, Krauel, and Mason. 12,389 votes), San Fernando (Dir. Wysbeek, 67 votes), San Marino (Dir. Morris, 154 votes), Santa Ana (Dir. Young, 1,103 votes), Three Valleys Municipal Water District (Dir. Milne, 2,191 votes), Upper San Gabriel Valley Municipal Water District (Aye: Dir. Jones. Absent: Dir. Maulding. 3,037 votes), West Basin Municipal Water District (Dirs. Barker, Goldsworthy, and Stuart, 5,874 votes), Western Municipal Water District of Riverside County (Dir. Krieger, 2,371 votes). Total 76,987 votes.

Noes: None.

Abstains: None.

Absent: Beverly Hills (Dir. Webster, 846 votes), Burbank (Dir. Stamper, 733 votes), Compton (Dir. Murph, 129 votes), Santa Monica (Dir. Reed, 853 votes), Torrance (Dir. Brewer, 1,031 votes). Total 3,592 votes.

The Chair declared **Resolution 8371** carried by a unanimous vote, representing more than the required two-thirds vote.

39730 Organization and Personnel Committee Chairman Stelle moved, seconded by Legal and Claims Committee Vice Chairman Rez and carried, and the Board approved the Memoranda of Understanding attached to the General Manager's letter of June 29, 1992, to be executed by the General Manager and (1) the Management and Professional Employees Association of The Metropolitan Water District of Southern California, and (2) the Association of Confidential Employees of The Metropolitan Water District of Southern California.

The Chair recognized Edward A. Rigdon, President of the Management and Professional Employees Association; and Sheila H. Landsman, President of the Association of Confidential Employees; each expressing the concerns of their respective membership because of the apparent failure in the bargaining process, the inequity in the salary adjustments, and the problems that can occur due to the inequity. Nevertheless, each said, the employees in these associations will continue to serve loyally, perform in a professional manner, and carry out the mission of the Metropolitan Water District.

39731 Organization and Personnel Committee Chairman Stelle moved, seconded by Director Shaw and carried, (1) adopting **Resolution 8372** attached to the General Manager's letter dated June 24, 1992, increasing the District's contributions to the medical plans maintained by the Public Employees' Medical and Hospital Care Act for all employees and annuitants, said increases to be effective August 1, 1992 through July 31, 1993; and (2) amending Section 6522 of the Administrative Code to read as shown in Attachment B to the General Manager's letter; said resolution entitled:

**RESOLUTION FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE
PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT**

39732 Organization and Personnel Committee Chairman Stelle moved, seconded by Director Kussman and carried, authorizing, effective June 21, 1992, the flat rate annual salary for each Department Head as set forth below (remaining at the same rate as fiscal year 1991-92), and that all fringe benefits available to other employees be made available to the Department Heads, as set forth in the Organization and Personnel Committee Chairman's letter dated June 24, 1992:

General Manager	--	\$189,000
General Counsel	--	\$149,100
Auditor	--	\$100,275

39733 Organization and Personnel Committee Chairman Stelle moved, seconded by Director Stuart and carried, authorizing (1) an increase, effective June 21, 1992, of 3.57% in the salaries of all unrepresented classifications, except for the positions of Assistant General Manager, Assistant General Counsel, and Assistant Auditor as the incumbents have requested their salaries not be adjusted; (2) amending Administrative Code Section 6500 to reflect these increases as shown in Attachment A to the General Manager's letter dated June 24, 1992; and (3) changes in the level of benefits for unrepresented employees resulting in increased medical contributions and dental provisions, and participation in a group vision care plan, with this increase in the level of benefits to be consistent with increases previously authorized by the Board for employees represented by the Employees Association and the Association of Confidential Employees.

39734 Organization and Personnel Committee Chairman Stelle moved, seconded by Director Lowry and carried, amending Sections 6506, 6523, and 6524 of the Administrative Code, and adding Section 6534 to the Code, to read as shown in Attachment A to the General Manager's letter dated June 24,

1992, to implement changes in benefits for unrepresented managers.

39735 The Chair announced that Agenda Item 8-8, the General Manager's letter dated June 10, 1992, regarding contracts with temporary employment agencies, has been deferred.

39736 The Chair announced that Agenda Item 8-9, the General Manager's letter dated June 26, 1992, regarding contracts with employment service agencies and consultants for the Engineering Division, has been deferred.

39737 Organization and Personnel Committee Chairman Stelle moved, seconded by Engineering and Operations Committee Chairman Boen, that the General Manager be authorized to execute a consulting agreement with The Ralph M. Parsons Company, on a time and materials basis not to exceed \$6,000,000, to perform Program Management Services during the design phase of the Eastside Reservoir Project, subject to the agreement being in form approved by the General Counsel, as set forth in the General Manager's letter dated July 7, 1992.

Director Killefer asked about the status of the Environmental Impact Report. General Counsel Vendig advised that the Board certified the Environmental Impact Report last year, but extensions to October of 1992 have been granted to the Hemet Unified School District to determine if it wishes to litigate issues under CEQA. Mr. Vendig stated that this circumstance does not jeopardize the integrity of the project. Discussions continue with representatives of the Hemet Unified School District, and it appears a successful conclusion can be reached, he said.

Director Kymla suggested that it become the practice for contracts involving expenditures of this magnitude be reviewed by the Finance and Insurance Committee to investigate and determine if there are potential risks.

Director Shaw withdrew from the Meeting at 3:22 p.m.

The Chair called for a vote on the motion. The motion was voted upon and carried.

Directors Morris and Scott requested to be recorded as abstaining.

Directors French and Kymla requested to be recorded as voting no.

39738 Engineering and Operations Committee Chairman Boen moved, seconded by Organization and Personnel Committee Chairman Stelle and carried, authorizing the General Manager to amend Agreement No. 2437 with Intergraph Corporation to increase the maximum amount payable from \$3 million to a total of \$6.5 million, to purchase budgeted computer software, hardware, training, maintenance, and support services for Eastside Reservoir and other capital projects, subject to the amendment being in form approved by the General Counsel, as set forth in the General Manager's letter dated June 26, 1992.

Directors French and Kymila requested to be recorded as voting no.

Director Scott requested to be recorded as abstaining.

39739 The Chair announced that Agenda Item 8-12, the General Manager's letter dated June 26, 1992, regarding Appropriation No. 640 for the repair of the Garvey Reservoir, and the certification of environmental documentation, has been deferred.

39740 Finance and Insurance Committee Chairman Knauff moved, seconded by Engineering and Operations Committee Chairman Boen and carried, (1) authorizing Revision No. 3 to Appropriation No. 550, an increase of \$8,000,000 to a total of \$25,700,000 from the 1991 Revenue Bond Construction Fund, to finance additional work required for the enlargement of the Washwater Reclamation Facility and plant modifications at the Robert B. Diemer Filtration Plant; and (2) consistent with the provisions of Administrative Code Section 8114, authorizing the General Manager to have the above work accomplished, and delegating to the General Manager the authority to award contracts, subject to the contracts being in form approved by the General Counsel, as set forth in the General Manager's letter dated June 26, 1992.

Directors Morris and Scott requested to be recorded as abstaining.

39741 Finance and Insurance Committee Chairman Knauff moved, seconded by Engineering and Operations Committee Chairman Boen and carried, (1) authorizing Revision No. 1 to Appropriation No. 562, an increase of \$10,000,000 to a total of \$24,000,000 from the Pay-As-You-Go Fund, for construction of the Etiwanda Power Plant; and (2) awarding a contract in the amount of \$3,820,000 to Advanco Constructors for construction of the Etiwanda Power Plant, 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 June 26, 1992.

Director Scott requested to be recorded as abstaining.

Director Madigan withdrew from the meeting at 3:30 p.m.

39742 Legal and Claims Committee Vice Chairman Rez moved, seconded by Organization and Personnel Committee Chairman Stelle and carried, authorizing the General Counsel to contract for the services of the following listed law firms to represent the District in eminent domain litigation by or against the District for a three-year period commencing on August 1, 1991, at the indicated rates as set forth in the General Counsel's letter dated June 11, 1992, subject to annual adjustment beginning July 1, 1993, by mutual agreement between each firm and the General Counsel:

Hill, Farrer & Burrill, with the responsible attorney being Kevin H. Brogan, at a blended rate of \$165 per hour for attorneys;

Best, Best & Krieger, with the responsible attorney being Kendall H. MacVey, at a blended rate of \$150 per hour for attorneys; services for paralegal and legal assistants at a rate of \$90 per hour;

Avila & Putnam, with the responsible attorney being Joseph S Avila, at a blended rate of \$150 per hour for attorneys, law clerk \$65 per hour; paralegal \$50 per hour; and

In the event that, in the General Counsel's judgment, the services of an additional firm are required, McCormick, Kidman & Behrens, with the responsible attorney being H. L. (Mike) McCormick, at a blended rate of \$150 per hour.

Director French requested to be recorded as voting no.

39743 Water Problems Committee Chairman Barker moved, seconded by Director Stelle and carried, and the Board (1) prior to reaching a decision on this action, considered the environmental effects of the proposed annexation as shown in the Negative Declaration; and (2) adopted **Resolution 8373**

transmitted with the General Manager's letter dated June 23, 1992, granting Eastern Municipal Water District's request for consent to the concurrent annexation of the Fifty-Fourth Fringe Area to Eastern and Metropolitan, and fixing Metropolitan's terms and conditions for the annexation, including a cash payment of \$7,476.16, if completed in calendar year 1992, with the Resolution to include Metropolitan's standard provisions, said resolution entitled:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSENTING TO THE ANNEXATION OF FIFTY-FOURTH FRINGE AREA ANNEXATION UPON CONCURRENT ANNEXATION TO EASTERN MUNICIPAL WATER DISTRICT AND FIXING THE TERMS AND CONDITIONS OF SAID ANNEXATION TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Directors Brandt, Gage, and Scott requested to be recorded as voting no.

39744 Water Problems Committee Chairman Barker moved, seconded by Finance and Insurance Committee Chairman Knauff and carried, approving the amendment of Section 3300 of the Administrative Code to reflect the new method of calculating the annexation charge as shown on Attachment A to the General Manager's letter dated June 29, 1992, as follows:

1. For annexations which have received informal or formal approval prior to July 14, 1992, and completed prior to June 30, 1993, the charge shall be as determined by the General Manager, but not less than \$832 per acre.
2. For all other annexations, the annexation charge shall be \$2,116 per acre.

Director Scott requested to be recorded as voting no.

39745 Engineering and Operations Committee Chairman Boen moved, seconded by Land Committee Vice Chairman Kussman and carried, authorizing the General Manager to enter into a Memorandum of Understanding with the United States Department of the Interior Bureau of Land Management and the Riverside County Habitat Conservation Agency and related documentation for the purposes of acquisition of inundation rights in certain land required for the Eastside Reservoir Project owned by the United States of America in exchange for certain lands owned by Metropolitan in the Potrero Valley, substantially as described in the General Manager's letter dated June 26, 1992,

subject to the documentation being in form approved by the General Counsel.

39746 Land Committee Vice Chairman Kussman moved, seconded by Director Blake and carried, approving the recommendation contained in the General Manager's confidential letter dated June 18, 1992, thereby authorizing the acquisition of Parcel 144-1-145 from Jack and Lian N. Wybenga for the Eastside Reservoir property.

39747 Engineering and Operations Committee Chairman Boen moved, seconded by Land Committee Vice Chairman Kussman and carried, authorizing the General Manager to (1) enter into a Management Agreement and related documents for implementation of the Southwestern Riverside County Multi-species HCP/Reserve Plan; and (2) enter into an Enrollment Agreement and related documents to enroll the Southwestern Riverside County Multi-species HCP/Reserve Plan and the Lake Mathews Multi-species HCP/Reserve Plan in the State of California Natural Community Conservation Planning Coastal Sage Scrub Program, subject to the agreements being in form approved by the General Counsel, as set forth in the General Manager's letter dated June 16, 1992.

Director French requested to be recorded as voting no.

39748 Director Barker moved the recommendation of the Executive Committee, seconded by Director Boen and carried, and the Board opposed, unless amended, SB 929 (Presley), and authorized the General Manager to (1) seek amendments to SB 929 consistent with the objectives expressed in the General Manager's revised letter of July 6, 1992; and (2) take no action on ACA 44 (Farr), relating to the Economic and Environmental Recovery Act.

Director Scott requested to be recorded as abstaining.

39749 The Chair announced that Agenda Item 9-19, the General Manager's letter dated June 16, 1992, reporting on Program Management Consulting Service for the Eastside Reservoir Project, has been withdrawn.

39750 The following listed communications were presented for the information of the Board:

- a. Reports of the General Manager
 - i. Activities for the month of June, dated June 30, 1992
 - ii. Operating data for the month of May, dated June 23, 1992.
- b. Report of the General Counsel on the activities of the Legal Department for the month of June, dated June 30, 1992.
- c. Report of the Auditor on the activities of the Audit Department for the month of June, dated July 7, 1992.
- d. Letter of the General Manager dated June 26, 1992, transmitting the financial report for the month of May.
- e. Letter of the General Manager dated June 16, 1992, reporting on use of lands at the Santa Rosa Plateau and the Shipley Reserve for upland habitat mitigation.
- f. Letter of the General Manager dated June 30, 1992, reporting on arsenic in groundwater supplies.
- g. Letter of the General Manager dated June 23, 1992, submitting a status report on the progress of Phase Zero of the Information Systems Strategic Plan.
- h. Letter of the General Counsel dated June 11, 1992, transmitting the Cash Basis Financial Statements, as of March 31, 1992, and Report of Independent Auditors.
- i. Letter of the General Manager dated June 16, 1992, reporting on college savings bonds.
- j. Letter of the General Manager dated June 24, 1992, submitting response to Special Budget Committee Recommendations made at the 1992-93 Budget Workshop.
- k. Letter of the General Manager dated June 30, 1992, regarding the revenue design study.

- l. Letter of the General Manager dated June 30, 1992, reporting on proposed demonstration program for storage of unused Colorado River water.
- m. Letter of the General Manager dated June 30, 1992, submitting fourth quarter status report on the Local Projects Program.
- n. Letter of the General Manager dated June 30, 1992, submitting water supply update.
- o. Letter of the General Manager dated June 30, 1992, reporting on San Gabriel Basin Groundwater Storage Program.
- p. Letter of the General Manager dated June 30, 1992, reporting on the future direction of the Ultra-Low-Flush Toilet Replacement Program.
- q. Letter of the General Manager dated June 23, 1992, reporting on landfill prohibition in sand and gravel pits.

39751 Chairman Krieger announced that the one-day Board Workshop on setting the District-wide goals and objectives is scheduled on Tuesday, August 4, at 9:30 a.m. in the Board Room, and urged all Directors to attend.

39752 There being no objection, at 3:54 p.m., the Chair declared the Meeting adjourned to Thursday, August 20, 1992, at 12:30 p.m.



SECRETARY



CHAIRMAN