

MINUTES
REGULAR MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
OCTOBER 13, 1992

39858 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, October 13, 1992.

The Meeting was called to order by Chairman Krieger at 12:34 p.m.

39859 The Meeting was opened with an invocation by Director Kenneth H. Witt.

39860 The Pledge of Allegiance to the Flag was given, led by Director E. Thornton Ibbetson.

39861 Secretary Killefer called the roll. Those answering present were: Directors Barker, Blake, Boen, Brandt, Brewer, Brick, Davenport, Foley, Frahm, French, Gage, Garcia, Goldsworthy, Green, Griffen, Hill, Ibbetson, Jones, Kazarian, Killefer, Knauft, Krauel, Krieger, Kussman, Kymla, Lowry, Malburg, Mason, Maulding, Miller, Milne, Morris, Murph, O'Neil, Reed, Scott, Shaw, Stelle, Stickney, Stuart, Ward, Webster, Witt, Wysbeek, and Young.

Those not answering were: Directors Ferguson, McMurray, Rez, and Stamper.

The Chair declared a quorum present.

39862 Chairman Krieger inquired if there were any additions to the agenda.

Legal and Claims Committee Chairman Krauel reported that, subsequent to the posting of the Board's agenda, the Legal and Claims Committee, at its October 12 meeting, had received a report of the Subcommittee on the Selection of the General Counsel, and that it was the view of the Legal and Claims Committee that, in light of the need that the selection process not be further delayed, this report should be submitted to and considered by the Board at this Meeting. Furthermore, she noted that since this report involves staff performance, it is appropriate for this matter to be considered in closed session pursuant to Government Code Section 54957.

Legal and Claims Committee Chairman Krauel moved, seconded by Organization and Personnel Committee Chairman Stelle, and carried unanimously, representing more than the required two-thirds vote, approving the addition of this item to the agenda for action at today's Meeting.

Chairman Krieger stated that the item will be added to the agenda for action at today's Meeting.

39863 Chairman Krieger invited members of the public to address the Board on matters within the Board's jurisdiction.

Chairman Krieger welcomed Mrs. Juana Gutierrez, President of the Santa Isabel Chapter of the Mothers of East Los Angeles. Mrs. Gutierrez gave a slide-illustrated presentation showing the benefits received from the Ultra-Low-Flush toilets installed in her community under the pilot retrofit program sponsored by Metropolitan, Los Angeles Department of Water and Power, and Central Basin Municipal Water District. The thanks she expressed to the Board from her community were warmly received.

Jules Kimmett, Chairman, Concerned Citizens of Burbank, expressed interest in Agenda Item 7-8, the contributions to the State Water Contractors for continued participation in the Bay/Delta Hearings; and Item 8-7, construction of the Lake Skinner Outlet Tower and Bypass Pipelines Chlorination System.

David Czamanske, Chair of the Water Committee of the Los Angeles Chapter of the Sierra Club, commended Metropolitan for its cooperation with environmental interests in efforts to seek passage of the Central Valley Project Reform legislation.

39864 There being no objection, the Chair ordered the reading of the Minutes of September 15, 1992, dispensed with, a copy having been mailed to all Directors.

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

39865 The General Counsel's letter dated October 9, 1992, was presented transmitting the credentials evidencing the appointment by the City of Los Angeles of William G. Luddy as one of its representatives on Metropolitan's Board for the unexpired portion of the term ending December 31, 1992, replacing former Director Robert J. Abernethy.

39866 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.

39867 Executive Secretary Dorff, Notary Public, administered the Oath of Office to Mr. Luddy.

The Chair ordered the Oath of Office filed.

Following an introduction by former Director Abernethy, Mr. Luddy took his seat as a Director representing the City of Los Angeles.

39868 Vice Chairman Witt moved, seconded by Director Boen and carried, approving the recommendation of the Executive Committee that Director William G. Luddy be assigned to the Engineering and Operations and the Land Committees.

39869 The General Counsel's letter dated October 9, 1992, was presented transmitting the credentials evidencing the appointment by San Diego County Water Authority of John M. Leach as one of its representatives on Metropolitan's Board for the unexpired portion of the term ending December 31, 1994, replacing former Director Michael D. Madigan.

39870 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.

39871 Executive Secretary Dorff, Notary Public, administered the Oath of Office to Mr. Leach.

The Chair ordered the Oath of Office filed.

Following an introduction by Vice Chairman Griffen, Mr. Leach took his seat as a Director representing San Diego County Water Authority.

39872 Special Nominating Committee Chairman Stuart submitted the committee's nomination, as set forth in the committee's letter to the Board dated September 22, 1992, that Director James H. Blake be elected to the office of Chairman of the Board for the two-year term commencing January 1, 1993.

Chairman Krieger called for other nominations from the floor for the office of Chairman of the Board.

Director O'Neil nominated, seconded by Director Milne, Michael Gage for the office of Chairman of the Board.

Chairman Krieger announced that Director Gage's name has been placed in nomination, and requested any other nominations from the floor. There being none, Director Barker moved, seconded by Director Krauel and carried, closing the nominations for the office of Chairman of the Board.

Board Secretary Killefer called for a vote on the nominee of choice, and announced that Director Gage received a majority of the total vote of the Board.

Director Blake thereupon moved, seconded by Director Barker, and unanimously carried, that it be recorded that Director Gage was elected to the office of the Chairman of the Board by acclamation.

Chairman Krieger declared that Director Michael Gage has been duly elected to the office of Chairman of the Board for the two-year term beginning January 1, 1993.

Chairman Krieger stated it has been an honor and a privilege to have served as Chairman for three and one-half years, and thanked the Board for this opportunity. The Board, in recognition of her leadership and outstanding dedication, gave her a standing ovation.

39873 The Chair presented to Director A. Macneil Stelle a pin emblematic of his completion of twenty years of service on October 5, 1992, representing Las Virgenes Municipal Water District.

39874 Assistant General Manager McGuire reported that his efforts over this past month have been dedicated to ensuring an orderly transfer of his duties and responsibilities upon his retirement.

Director of Finance Leddy gave a slide-illustrated presentation on Metropolitan's financial condition. Mr. Leddy announced there will be a Board Workshop on Financial Requirements on October 27 in the Board Room, at 9:30 a.m. The workshop, he said, will begin preparations for the fiscal year 1993-94 rate setting cycle and will include presentations on system reliability goals, programs designed to achieve the goals, revenue and rate requirements, as well as presenting alternative revenue programs.

Chief of Operations Singer presented an update on the water supply.

Chief Engineer Snyder reported that there will be a lawsuit filed by the City of Monterey Park against Metropolitan's Garvey Reservoir Restoration Project. Mr. Snyder advised that Ebasco Services and its subcontracting team, Black and Veatch and Woodman-Clyde, has been selected as the design consultant for the Domenigoni Valley Reservoir Project. The request for authorization of award of contract will be submitted to the Board at its November Meeting, he said.

Director Kymla stated that until the Board receives a status report assessing the risks arising from the threatened litigation regarding the Garvey Reservoir Restoration Project, no funds be expended for this project. General Manager Boronkay stated that prior to making any large expenditures for the Garvey Reservoir Restoration Project, a recommendation will be submitted to the Board for approval.

Assistant General Manager Georgeson reported that due to the low levels of storage and the potential for further limitations in deliveries through the Delta, staff is negotiating for a water supply from a 1993 Water Bank, as well as for the purchase of a portion of the Dudley Ridge Water District entitlement if the final State Water Project allocation of water for 1993 is less than 50 percent.

39875 General Manager Boronkay reported how the Central Valley Project Reform Legislation will benefit urban, agricultural, and environmental interests. Mr. Boronkay suggested it would be worthwhile for Directors individually to write to the President, Secretary of the Interior, and Secretary of Agriculture urging the legislation be supported and recommending the President sign the bill.

39876 General Manager Boronkay announced this will be Assistant General Manager Michael J. McGuire's last Board Meeting, and both he and the Board commended Dr. McGuire for his outstanding service to Metropolitan and wished him well in his future endeavors.

39877 General Counsel Vendig assured the Board that certified Environmental Impact Reports do exist for both the Domenigoni Valley Reservoir Project and the Garvey Reservoir Restoration. Mr. Vendig advised that the City of Monterey Park will be filing a lawsuit to prevent the restoration of Garvey Reservoir, and cautioned against awarding major contracts until this matter has been resolved by the Court.

Director Barker moved, seconded by Director Kussman, and the Board approved the Consent Calendar Items, M.I. 39878 through M.I. 39884, as follows:

39878 Authorized (1) the General Manager to have a study performed for use of ferric chloride at the Diemer, Weymouth, and Skinner filtration plants; and (2) Appropriation No. 653 in the amount of \$110,000 from the Pay-As-You-Go Fund to finance the costs for performing a study for ferric chloride use at the above plants, as recommended in the General Manager's letter dated September 29, 1992.

39879 Adopted two Resolutions in the form transmitted with the General Manager's letter dated September 17, 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 Metropolitan'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 8376

Braemar/Pico Rivera Mixed Use
Project; City of Pico Rivera

Resolution 8377

Northwest El Monte Redevelopment
Project (Boundary Change), City
of El Monte

39880 Approved funding of \$1.5 million for the Commercial, Industrial, and Institutional Conservation (CII) Program from the fiscal year 1992-93 Conservation budget; and authorized the General Manager to enter into agreements in excess of \$250,000 with member agencies and other parties as he deems desirable to implement the CII Program projects as outlined in the General Manager's letter dated September 29, 1992, subject to all agreements being in form approved by the General Counsel.

39881 Approved funding of \$1.2 million for the Urban Water Conservation Best Management Practice program from the fiscal year 1992-93 Conservation budget; and authorized the General Manager to enter into agreements in excess of \$250,000 with member agencies and other parties as he deems desirable to implement the program as described in the General Manager's letter dated September 29, 1992.

39882 Approved a contribution of \$250,000 to the State Water Contractors for the legal services of Best, Best & Krieger in the State Water Resources Control Board's Bay/Delta Hearing and related proceedings, as set forth in the letter of the General Manager and the General Counsel dated September 29, 1992.

39883 Approved the recommendation contained in the confidential letter of the General Manager dated September 22, 1992, regarding acquisition of Domenigoni Valley Reservoir Property 144-001-017 (APN 454-140-027 & 30 -- Tai Hemet Partnership).

39884 Approved the recommendation contained in the confidential letter of the General Manager dated September 22, 1992, regarding acquisition of Domenigoni Valley Reservoir Property 144-001-163 (APN 465-190-018 -- Fundador and Lydia Rojas).

39885 Vice Chairman Witt reported the Executive Committee revised language for the Goal and Objective for Health and Safety as set forth in the General Manager's letter dated September 21, 1992, by deleting the words "... all District employees with ...", and as revised moved, seconded by Organization and Personnel Committee Chairman Stelle and carried, approving the Goal and Objective for Health and Safety as follows:

"MWD will provide a safe and healthful working environment, and identify and reduce the potential for District equipment, facilities, and programs to harm its employees, the public, and/or the environment."

39886 Land Committee Vice Chairman Kussman moved, seconded by Legal and Claims Committee Chairman Krauel, that, by a two-thirds vote, the Board adopt **Resolution 8378** attached to the General Manager's letter dated August 27, 1992, declaring the necessity for the Domenigoni Valley Reservoir Project and for the properties described in Exhibit A attached thereto, as amended by Exhibit A attached to the General Manager's letter dated September 28, 1992, with reference to Parcel 20, and directing the General Counsel to commence condemnation proceedings in Riverside County to acquire the properties.

The Chair called for a vote on the motion. The Chair declared **Resolution 8378** was adopted by more than the required two-thirds vote, said Resolution entitled:

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
DIRECTING THE CONDEMNATION OF CERTAIN PROPERTIES SITUATED
IN RIVERSIDE COUNTY (DOMENIGONI VALLEY RESERVOIR PROJECT)**

Directors Brick, Davenport, Kymla, and Witt requested to be recorded as voting no.

39887 Legal and Claims Committee Chairman Krauel moved, seconded by Land Committee Vice Chairman Kussman, that, by a two-thirds vote, the Board adopt **Resolution 8379** attached to the General Manager's letter dated September 28, 1992, declaring the necessity for the Domenigoni Valley Reservoir Project and for the properties described in Exhibit A attached thereto and directing the General Counsel to commence condemnation proceedings in Riverside County to acquire the properties.

The Chair called for a vote on the motion. The Chair declared **Resolution 8379** was adopted by more than the required two-thirds vote, said resolution entitled:

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
DIRECTING THE CONDEMNATION OF CERTAIN PROPERTIES SITUATED
IN RIVERSIDE COUNTY (DOMENIGONI VALLEY RESERVOIR PROJECT)**

Directors Brick, Davenport, Kymla, and Witt requested to be recorded as voting no.

Director Kazarian requested to be recorded as abstaining.

39888 Water Problems Committee Chairman Barker moved, seconded by Director Boen and carried, (1) approving the Plans for Implementing Water Use Efficiency Guidelines for this proposed annexation; and (2) giving informal approval for the concurrent annexation of Annexation No. 35 to Calleguas Municipal Water District and Metropolitan based on cash payment of the annexation charge of \$302,011.96, if completed in calendar year 1992, on the condition that a cash payment of such amount be received before completion of the annexation, subject to such terms and conditions as may be fixed by the Board in granting formal consent to such annexation when request therefor has been received, as set forth in the General Manager's letter dated September 30, 1992.

Directors Davenport and Webster requested to be recorded as voting no.

Directors Miller and Ward requested to be recorded as abstaining.

39889 Water Problems Committee Chairman Barker moved, seconded by Director Morris and carried, (1) approving the Plan for Implementing Water Use Efficiency Guidelines for this proposed annexation; and (2) giving informal approval for the concurrent annexation of Cactus Valley Area Annexation to Eastern Municipal Water District and Metropolitan based on cash payment of the annexation charge of \$121,759.68, if completed by June 30, 1993, on the condition that a cash payment of such amount be received before completion of the annexation, subject to such terms and conditions as may be fixed by the Board in granting formal consent to such annexation when a request therefor has been received, as set forth in the General Manager's letter dated September 30, 1992.

Director Scott requested to be recorded as voting no.

39890 Water Problems Committee Chairman Barker moved, seconded by Director Morris and carried, and the Board (1) prior to reaching a decision on this action, considered the environmental effects of the proposed annexation as shown on specified pages from the EIR attached to the General Manager's letter dated September 24, 1992; and (2) adopted **Resolution 8380** transmitted with the foregoing letter granting Western Municipal Water District of Riverside County's request to the

concurrent annexation of Thirty-Third Fringe Area to Western and Metropolitan and fixing Metropolitan's terms and conditions for the annexation, including a cash payment of \$68,977.60, if completed by June 30, 1993, 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 THIRTY-THIRD FRINGE AREA UPON CONCURRENT ANNEXATION TO WESTERN MUNICIPAL WATER DISTRICT AND FIXING THE TERMS AND CONDITIONS OF SAID ANNEXATION TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Directors Brick, Scott, and Webster requested to be recorded as voting no.

Director Young requested to be recorded as abstaining.

39891 Water Problems Committee Chairman Barker moved, seconded by Director Boen and carried, and the Board (1) prior to reaching a decision on this action, considered the environmental effects of the proposed annexation as shown on the Negative Declaration; and (2) adopted **Resolution 8381** transmitted with the General Manager's letter dated September 24, 1992, granting San Diego County Water Authority's request to the concurrent annexation of Paradise Mountain (formerly known as Friedman, et al. Annexation) to Valley Center Municipal Water District, San Diego County Water Authority, and Metropolitan and fixing Metropolitan's terms and conditions for the annexation, including a cash payment of \$15,130.56, if completed by June 30, 1993, 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 PARADISE MOUNTAIN ANNEXATION UPON CONCURRENT ANNEXATION TO SAN DIEGO COUNTY WATER AUTHORITY AND FIXING THE TERMS AND CONDITIONS OF SAID ANNEXATION TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Director Scott requested to be recorded as voting no.

Directors Frahm, Griffen, Krauel, Leach, Mason, and Stickney requested to be recorded as abstaining.

39892 Finance and Insurance Committee Chairman Knauft moved, seconded by Engineering and Operations Committee Chairman Boen and carried, (1) authorizing Revision No. 1 to Appropriation No. 573, an increase of \$3,775,000 to a total of \$4,400,000, from the 1991 Revenue Bond Construction Fund for construction of the Lake Skinner Outlet Tower and Bypass Pipelines Chlorination System; and (2) consistent with the provisions of Administrative Code Section 8113, 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 September 25, 1992.

39893 Finance and Insurance Committee Chairman Knauft moved the two-part recommendation contained in the General Manager's letter dated September 24, 1992, approving the procedure for exemption appeals recommended in the letter, and rescinding the action taken on August 19, 1992, which required execution of an agreement as a condition for all exemptions from the Water Standby Charge. Chairman Knauft pointed out that all exemption approvals by the General Manager under exemption category 3 would be conditioned upon the execution of a protective agreement by the landowner.

Water Problems Committee Chairman Barker reported that the Water Problems Committee had approved an amended recommendation requiring review of all approvals of exemption applications submitted by The Irvine Company and the Santa Margarita Company. Chairman Barker then stated that it was his understanding that further explanations by the staff in the Finance and Insurance Committee meeting, following the Water Problems Committee, resulted in the Finance and Insurance Committee's approval of the General Manager's original recommendation, rather than the action taken by the Water Problems Committee.

Director Stuart then seconded Finance and Insurance Committee Chairman Knauft's motion, which motion then carried.

Director Scott requested to be recorded as voting no.

Chairman Krieger announced that the membership of the Ad Hoc Committee on Water Standby Charge Exemption Appeals is composed of Directors Ferguson (Chair), Brick, McMurray, Morris, and Murph.

39894 Chairman Krieger announced that Agenda Item 8-12, the Auditor's letter dated September 29, 1992, regarding the Goal Statement for Internal Audit, has been withdrawn.

39895 Water Problems Committee Chairman Barker moved, seconded by Director Griffen and carried, authorizing the General Manager to enter into agreements with the United States, San Diego County Water Authority, and Otay Water District for the delivery of Mexican Treaty water for Tijuana, substantially in accordance with the terms outlined in the General Manager's letter dated October 6, 1992, subject to the agreements being in form approved by the General Counsel.

39896 Engineering and Operations Committee Chairman Boen moved, seconded by Director Morris, that, by a two-thirds vote, the Board ratify the urgent necessity contract made with Kiewit Pacific Company in accordance with Section 8115(b) of the Administrative Code, in an amount not to exceed \$750,000, for vegetation clearing at Domenigoni Valley Reservoir, and authorize the General Manager to pay the contractor upon receipt of detailed invoices, as set forth in the General Manager's letter dated October 6, 1992.

The Chair called for a vote on the motion. Chairman Krieger announced that the motion was carried by more than the required two-thirds vote.

Director Kymla requested to be recorded as abstaining.

39897 Chair-elect Gage requested that the matter of increasing the number of Vice Chairs from three to four be an item on the Agenda for the November Board Meeting. The Chair so ordered.

39898 Legal and Claims Committee Chairman Krauel moved, seconded by Engineering and Operations Committee Chairman Boen and carried, approving the recommendation contained in the confidential letter of the General Manager and the General Counsel dated October 1, 1992, concerning the Hemet Unified School District dispute, as modified by the Legal and Claims Committee and the Engineering and Operations Committee.

Directors Gage, Jones, and Witt withdrew from the Meeting at 2:33 p.m.

39899 At 2:33 p.m., Chairman Krieger called the Meeting into closed session pursuant to Government Code Section 54957 to receive the report of the Subcommittee on the Selection of the General Counsel.

Chairman Krieger withdrew from the Meeting at 2:35 p.m.

At 2:35 p.m., Vice Chairman Garcia assumed the Chair.

Director Webster withdrew from the Meeting at 2:49 p.m.

Directors Blake, Kazarian, Miller, and Ward withdrew from the Meeting at 2:55 p.m.

At 3:12 p.m., Acting Chairman Garcia reconvened the Meeting in open session.

Legal and Claims Committee Chairman Krauel reported that in closed session the Board approved a redefinition of the role of the Search Committee, which will be deciding whether or not it will be necessary to appoint an Acting General Counsel as of January 1, 1993, and which will also develop the criteria for the selection of the permanent General Counsel.

39900 The following listed communications were presented for the information of the Board:

- a. Reports of the General Manager:
 - i. Activities for the month of September, dated September 28, 1992.
 - ii. Operating data for the month of August, dated September 22, 1992.
- b. Report of the General Counsel on the activities of the Legal Department for the month of September, dated September 30, 1992.
- c. Report of the Auditor on the activities of the Audit Department for the month of September, dated September 28, 1992.

- d. Letter of the General Manager dated October 5, transmitting the Monthly Financial Report for the month of August.
- e. Letter of the General Manager dated September 11, 1992, submitting the updated projected costs for fiscal year 1993-94 and alternatives to lost revenues from the connection fee and availability of service charge.
- f. Letter of the General Counsel dated September 28, 1992, regarding the Legal Department involvement in ensuring compliance with equal opportunity and affirmative action requirements.
- g. Letter of the General Manager dated August 25, 1992, reporting on the Affirmative Action Plan compliance activities.
- h. Letter of the General Manager dated September 25, 1992, submitting a status report on the progress of Phase Zero of the Information Systems Strategic Plan.
- i. Letter of the General Manager dated September 29, 1992, submitting a progress report on the Los Angeles Department of Water and Power Headworks Spreading Grounds Pilot Study.
- j. Letter of the General Manager dated October 9, 1992, presenting a water supply update.
- k. Letter of the General Manager dated September 29, 1992, submitting the first quarter status report on the Local Projects Program.
- l. Letter of the General Counsel dated September 28, 1992, reporting on approval of committee minutes in absence of a quorum.
- m. Letter of the General Counsel dated September 23, 1992, regarding Ward Valley radioactive waste disposal litigation.
- n. Letter of the General Manager dated September 29, 1992, submitting a progress report on San Joaquin Reservoir Improvement Project.

- o. Letter of the General Manager dated September 30, 1992, regarding 1993/94 cost and revenue alternatives.
- p. Letter of the General Manager dated October 5, 1992, regarding minority, women-owned business enterprise program components.

39901 Director Shaw recommended that no future Board Meetings be called on Jewish Holidays.

39902 Acting Chairman Garcia announced the Board Workshop on Financial Requirements will be held on Tuesday, October 27, 1992, at 9:30 a.m. in the Board Room, and urged all Directors to attend.

39903 There being no objection, Vice Chairman Garcia adjourned the Meeting at 3:15 p.m.

JOHN KILLEFER
SECRETARY

LOIS B. KRIEGER
CHAIRMAN