

MINUTES
REGULAR MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
NOVEMBER 10, 1992

39904 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, November 10, 1992.

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

39905 The Meeting was opened with an invocation by Director Larry L. Stamper.

39906 The Pledge of Allegiance to the Flag was given, led by Director William G. Luddy.

39907 Secretary Killefer called the roll. Those answering present were: Directors Barker, Blake, Boen, Brandt, Brewer, Brick, Ferguson, Foley, Frahm, French, Garcia, Goldsworthy, Green, Griffen, Hill, Jones, Kazarian, Killefer, Knauft, Krauel, Krieger, Kussman, Kymla, Leach, Lowry, Luddy, Malburg, Maulding, McMurray, Miller, Milne, Murph, O'Neil, Reed, Rez, Shaw, Stamper, Stelle, Stickney, Stuart, Ward, Witt, and Wysbeek.

Those not answering were: Directors Davenport, Gage (entered 12:55 p.m.), Ibbetson, Mason, Morris, Scott (entered 1:05 p.m.), Webster, and Young.

The Chair declared a quorum present.

39908 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.

39909 Chairman Krieger invited members of the public to address the Board on matters within the Board's jurisdiction. No member of the public responded.

39910 There being no objection, the Chair ordered the reading of the Minutes of October 7 and October 13, 1992, dispensed with, copies having been mailed to all Directors.

Director Blake moved, seconded by Director Shaw, that the foregoing Minutes be approved as mailed.

Director Brandt requested the October 7 Minutes be revised to reflect that he announced his fiancée is employed with the law firm of Morrison & Foerster.

As revised, the foregoing Minutes were approved.

39911 Vice Chair Witt moved, seconded by Director Griffen and carried, amending Sections 2200 and 2202 of the Administrative Code to read as shown in Attachment A to Chair-Elect Gage's letter of October 26, 1992, thereby approving the increase in the number of Vice Chairs from three to four.

39912 Special Nominating Committee Chairman Stuart moved, seconded by Director Barker and carried, deferring the election of the Vice Chairs and Board Secretary to the Meeting of December 8, thereby waiving the provisions of Section 2202 of the Administrative Code.

39913 Chairman Krieger announced the Executive Committee adjourned its meeting to November 24, at 1:00 p.m. to conduct a workshop to develop its goals and objectives, and urged all Directors to attend.

39914 Chairman Krieger announced that the letter from the Subcommittee on Tours dated October 29, 1992, presenting a modified 1992-93 tour program, has been deferred.

39915 Vice Chair Witt moved, seconded by Director Kussman and carried, authorizing the preparation of Commendatory Resolutions for former Directors Robert J. Abernethy who represented the City of Los Angeles, and Michael D. Madigan who represented the San Diego County Water Authority.

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

39916 Vice Chair Witt moved, seconded by Director Blake and carried, approving the recommendation of the Executive Committee that Director John M. Leach be assigned to the Land and the Organization and Personnel Committees.

39917 Search Committee for General Counsel Chairman Rez moved, seconded by Director Barker and carried, approving the recommendations contained in the committee's letter dated November 4, 1992, thereby approving (1) retaining Robert J. Logan, Esq., at the rate of \$165 per hour plus reasonable and necessary expenses, as the consultant to assist in the selection of the General Counsel; and (2) reimbursing all participants in the interview for reasonable and necessary expenses incurred for travel from outside the Los Angeles metropolitan area.

39918 Director Reed moved, seconded by Director Gage and carried, granting the requests for sixty-day leaves of absence for:

Director Alf W. Brandt, commencing November 20, 1992
Director Edward L. Kussman, commencing December 1, 1992

39919 Assistant General Manager Horne reported procedures are being instituted to ensure the operations of Metropolitan continue effectively and efficiently during this period of financial austerity as well as meeting the Board's goals and objectives. The program for the women and minority-owned businesses has been implemented, he said, and will require the hiring of a contract administrator.

Assistant General Manager Balcerzak commended the Water Quality Division for virtually eliminating the taste and odor problems during the past five years. He advised that the San Joaquin Reservoir is being drawn down for cleaning. The pump rehabilitation program is in its final stage and upon completion Metropolitan will operate 45 pumps which will exceed the efficiency of the current state-of-the-art pumps, he said.

Chief of Operations Singer reported that deliveries under the Seasonal Storage Program in October amounted to 206,000 acre-feet of water, which is less than anticipated. He advised that during 1992, water sales amounted to about 2.2 million acre-feet, less than the previous year. Due to the reduced deliveries anticipated during the current water year, about 190,000 acre-feet of water can be stored, he said. It is projected that the State Water Project will deliver only ten- to twenty-percent of Metropolitan's allocation in

December. With a full Colorado River Aqueduct, and the carryover storage water, it might not be necessary to implement a higher stage under the Incremental Interruption and Conservation Plan, he said. He announced that before each Director is a copy of the Department of Water Resources technical information paper, "The Hydrology of the 1987-1992 California Drought", prepared by Maurice Roos, Chief Hydrologist.

Chief Engineer Snyder gave a slide-illustrated presentation on the projects being constructed under the Capital Improvement Program.

Assistant General Manager Georgeson reported on the continuing efforts by staff to search out water marketing opportunities. It is anticipated, he said, that a land following contract with Imperial Irrigation District will be presented to the Board for approval in the near future. He advised that staff is negotiating with Semitropic Water District, a Kern County Water District agency, to arrange an agreement for the storage of water in its groundwater basin during wet years for use in dry years.

39920 General Manager Boronkay reported the Central Valley Reform legislation was signed into law by the President, but that the program can only be successful if all interests cooperate.

On behalf of the Board, Director Brick commended the staff for the major role it played in the successful passage of the Central Valley Reform Act. He predicted that this Act will be recognized as the most significant legislation affecting California water policy in fifty years.

39921 General Counsel Vendig reported the City of Monterey Park filed suit against Metropolitan alleging that the EIR on the Garvey Reservoir Restoration Project is legally inadequate, as well as charging the actions of the Board in reaching its decision on this matter are possibly in violation of the Brown Act. Metropolitan's efforts in the case of Arizona v. California, the Indian Reservation boundary dispute, is presently concentrated on preventing the possible diversion of about 21,000 acre-feet of water by the Colorado River Indian Reservation, he said. He announced that Metropolitan will participate in the proceeding opened by the State Water Resources Control Board regarding alleged water quality standard violations in the Bay/Delta.

39922 Chairman Krieger announced Agenda Item 7-4, the General Manager's letter dated October 27, 1992, regarding the proposed Dyer Road Well Field Color Removal Project, has been deferred.

39923 Chairman Krieger announced Agenda Item 7-9, the General Manager's letter dated October 26, 1992, regarding a contract for building maintenance services, has been withdrawn.

Director Brandt moved, seconded by Director Blake, and the Board approved the Consent Calendar Items, M.I. 39924 through M.I. 39929, as follows:

39924 Authorized (1) the General Manager to have all work performed for preliminary design for a Hazardous Waste Storage Area at the La Verne facility; and (2) Appropriation No. 655 in the amount of \$150,000 from the 1991 Revenue Bond Construction Fund to finance all estimated costs for its preliminary design for a Hazardous Waste Storage Area at the La Verne Facility, as recommended in the General Manager's letter dated October 27, 1992.

39925 Amended Sections 5200 and 5201 of the Administrative Code to read as set forth in Attachment A to the General Manager's letter dated October 21, 1992, to provide reference to the new fund established in connection with the Water Standby Parcel Charge program.

Directors Brandt, Gage, Garcia, Green, Kussman, Luddy, Scott, and Shaw requested to be recorded as abstaining.

39926 Amended Section 8115(d) of the Administrative Code to read as set forth in Attachment A to the General Manager's letter dated October 13, 1992, thereby authorizing the General Manager to issue change orders for capital construction contracts in amounts up to \$250,000 per contract or an aggregate amount not to exceed five percent of the initial amount of the contract, whichever is greater.

39927 Approved a contribution of \$87,5000 to the State Water Contractors' Bay/Delta general fund for continued participation in the State Water Resources Control Board's Bay/Delta Hearing and related proceedings for fiscal year 1992-92, as recommended in the General Manager's letter dated October 27, 1992.

39928 Expressed support for the issues summarized in the General Manager's letter dated October 28, 1992, as initial positions on amendments to the Safe Drinking Water Act during its reauthorization.

39929 Expressed support for the Clean Water Act policy principles summarized in the General Manager's letter dated October 16, 1992, and authorized the General Manager to observe these principles in all Metropolitan's activities regarding the Clean Water Act.

39930 Engineering and Operations Committee Chairman Boen reported the committee revised part one of the three-part motion contained in the General Manager's letter dated October 20, 1992 regarding the landfill project at the abandoned Eagle Mountain Mine, as well as recommending the word "sole" in paragraph 12 of the MOU be deleted.

Engineering and Operations Committee Chairman Boen then moved, seconded by Land Committee Vice Chairman Kussman and carried, approving, with the recommended revisions, the recommendations contained in the General Manager's three-part motion, as follows: The Board (1) reviewed and considered the information contained in the Final EIR of the Riverside County Board of Supervisors as set forth in the executive summary, the impact and mitigation tables, as well as the staff comments and presentations; (2) found that changes or alterations in the landfill project related to the Memorandum of Understanding are within the responsibility and jurisdiction of Riverside County, the U.S. Bureau of Land Management and additional public agencies other than Metropolitan; and (3) authorized the General Manager to execute the Memorandum of Understanding between Metropolitan and Kaiser Steel Resources, Inc., and Mine Reclamation Corporation, and further to enter into all grants or agreements to protect Metropolitan's rights and fulfill its obligations under such Memorandum of Understanding, subject to all being in form in form approved by the General Counsel.

Directors Brandt, Kazarian, and Reed requested to be recorded as abstaining.

39931 Water Problems Committee Chairman Barker moved, seconded by Finance and Insurance Committee Chairman Knauft and carried, approving the scheduling of a public hearing at the December 7, 1992 meeting of the Water Problems Committee at 1:30 p.m., so that interested parties may present their views regarding the General Manager's recommendation contained in his October 27, 1992, that effective January 1, 1993, the

reclaimed water rate for the balance of fiscal year 1992-93 be set by the Board at \$113 per acre-foot; and that the Executive Secretary give notice to the public of the proposed change in rate.

39932 Water Problems Committee Chairman Barker moved, seconded by Director Stuart and carried, and the Board (1) reviewed and considered the Negative Declaration; and (2) authorized the General Manager to execute an agreement with Dudley Ridge Water District for Metropolitan to purchase a portion of Dudley Ridge's 1993 State Water Project entitlement water, substantially based upon the principles described in the General Manager's letter of October 27, 1992, subject to the agreement being in form approved by the General Counsel.

39933 Engineering and Operations Committee Chairman Boen moved, seconded by Organization and Personnel Committee Chairman Stelle, that the General Manager be authorized to enter into a Fourth Amendment of Agreement No. 2739 with James M. Montgomery Consulting Engineers, Inc., increasing the maximum amount payable to \$3,844,500 from \$3,261,300 to complete the final design of the Mills Expansion, to prepare the operation manuals as required by the upcoming Surface Water Treatment Rule regulation, and for continued off-site office space, as set forth in the General Manager's letter dated October 27, 1992.

Directors Milne, Murph, and Green stated they were not in favor of the practice of approving substantial increases in contracts for consultants on previously approved projects.

Chief Engineer Snyder advised that this increase, in large part, is due to the need to comply with the newly established Surface Water Treatment Rule regulation which necessitates a change in the scope of the work for the preparation of operation manuals. This regulation, he said, was not in effect at the time the contract was originally executed.

The motion was voted upon and carried.

Directors Green and Milne requested to be recorded as voting no.

Directors Garcia and Scott requested to be recorded as abstaining.

39934 Engineering and Operations Committee Chairman Boen moved, seconded by Organization and Personnel Committee Chairman Stelle and carried, authorizing the General Manager to execute a contract with Ebasco Services Incorporated, substantially on the terms stated in the General Manager's letter dated October 27, 1992, for design services on the Domenigoni Valley Reservoir Project subject to a ceiling on total expenditures under the contract of \$37,600,000; and that he also be authorized to execute contract amendments within this ceiling providing for changes in scope and for annual rate adjustments provided he determines such adjustments to be justified, subject to the contract being in form approved by the General Counsel.

Director Milne requested to be recorded as voting no.

Directors Brandt, Kymla, Reed, and Scott requested to be recorded as abstaining.

39935 Legal and Claims Committee Chairman Krauel moved, seconded by Director Stuart, that, by a two-thirds vote, the Board adopt **Resolution 8382** transmitted with the General Manager's letter dated October 26, 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 8382** 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)**

Director Kymla requested to be recorded as voting no.

39936 Water Problems Committee Chairman Barker moved, seconded by Director Brandt and carried, adopting the principles to guide legislative actions in the area of water conservation as set forth in the General Manager's letter dated November 3, 1992.

39937 At 1:48 p.m., the Chair called the Meeting into closed session to consider matters relating to litigation or potential litigation pursuant to Government Code Section 54956: Agenda Items I, 8-6, 8-7, and 8-10.

At 2:02 p.m., Chairman Krieger reconvened the Meeting in open session.

39938 Chairman Krieger announced that in closed session the Board gave additional instructions to the Special Counsel retained to assist in resolving legal issues arising out of the space problems.

39939 Chairman Krieger announced that in closed session the Board approved the recommendation contained in the General Manager's confidential letter dated October 20, 1992, regarding the acquisition of Domenigoni Valley Reservoir property designated as Parcel No. 144-1-233.

39940 Chairman Krieger announced that in closed session the Board approved the recommendation in the General Counsel's confidential letter dated October 20, 1992.

39941 Chairman Krieger announced that in closed session the Board approved a recommendation contained in the confidential letter jointly signed by the General Manager and General Counsel dated November 5, 1992, regarding the Hemet Unified School District dispute.

39942 Organization and Personnel Committee Chairman Stelle moved, seconded by Director Blake and carried, approving the appointment of Don L. Adams to the position of Chief of Operations effective the first payroll period in December 1992, replacing Paul R. Singer who is retiring, as recommended in the General Manager's letter before each Director dated November 9, 1992.

39943 Director Brandt commented on the contents of the General Manager's letter dated October 20, 1992, submitting the semiannual report on Equal Employment Opportunity, noting the reduced percentage of the minorities in the work force during the six-month period. General Manager Boronkay advised that this condition is being carefully monitored and that it is anticipated the forthcoming semiannual report will reflect an improvement.

39944 Director Shaw referred to the October 28, 1992, letter before each Director from Assemblywoman Lucille Roybal-Allard, congratulating Metropolitan on adopting a Minority and Women-Owned Business Enterprise Policy and Program.

39945 Special Committee for Communications Chair Shaw reported on the activities of the Public Affairs Division in disseminating information to the general public on the

Domenigoni Valley Reservoir Project. In this regard, she urged all Directors to attend the November 24 meeting of the Special Committee on Communications to participate in developing an outreach program to reach the rate payers.

39946 The following listed communications were presented for the information of the Board:

- a. Reports of the General Manager:
 - i. Activities for the month of October, dated October 26, 1992.
 - ii. Operating data for the month of September, dated October 22, 1992.
- b. Report of the General Counsel on the activities of the Legal Department for the month of October, dated October 30, 1992.
- c. Report of the Auditor on the activities of the Audit Department for the month of October, dated October 30, 1992.
- d. Letter of the General Manager dated October 30, transmitting the Monthly Financial Report for the month of September.
- e. Letter of General Counsel dated November 2, 1992, transmitting the comparative financial statements as of June 30, 1992 and 1991, statements of cash and investments and cash receipts and disbursements as of June 30, 1992, and report of independent auditors.
- f. Letter of General Manager dated October 2, 1992, submitting the annual report of payment of claims for lost matured bonds and interest coupons; issuance of duplicate bearer bonds; replacement of lost registered bonds.
- g. Letter of General Manager dated October 13, 1992, submitting the quarterly report on changes in funding sources for capital program expenditures.
- h. Letter of General Manager dated November 2, 1992, transmitting the variance report for September 1992.

- i. Letter of General Manager dated October 20, 1992, presenting an update on the Lake Mathews Water Quality Management Plan.
- j. Letter of General Manager dated October 27, 1992, regarding the transfer of ownership of Morris Reservoir.
- k. Letter of General Manager, dated October 20, 1992, submitting a status report on the progress of Phase Zero of the Information Systems Strategic Plan.
- l. Letter of General Manager dated October 27, 1992 reporting on Metropolitan's special water storage programs to increase the District's water supply reliability.
- m. Letter of General Manager dated November 4, 1992 presenting a water supply update.
- n. Letter of General Manager dated October 27, 1992 presenting a progress report on the West Valley Project.
- o. Letter of General Manager dated October 26, 1992, regarding representation on Colorado River Board of California.
- p. Letter of General Manager dated October 27, 1992 reporting on comparative values of water for industry and agricultural uses.
- q. Letter of General Manager dated October 16, 1992, presenting an update on disinfectant/disinfection by-products regulation, arsenic regulation, radon regulation, and Safe Drinking Water Act reauthorization.
- r. Confidential letter of General Manager and General Counsel dated October 20, 1992, regarding a potential conflict of interest.

39947 Chair-Elect Gage requested any suggestions Directors may have on procedures which could be followed at Board Meetings, which, in their opinion, would improve the meetings be submitted to Director Jones.

39948 Special Charges and Payments Committee Chairman Jones announced the committee will be meeting on November 24, at the time specified in the notice.

39949 Special Committee on Department Head Compensation Chairman Stelle announced the next meeting of that committee is scheduled on November 17, 1992, at 1:00 p.m., to review the salary range of Metropolitan's General Counsel, and urged all Directors to attend.

39950 There being no objection, Chairman Krieger adjourned the Meeting at 2:14 p.m.

JOHN KILLEFER
SECRETARY

LOIS B. KRIEGER
CHAIRMAN