

MINUTES
REGULAR MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
JANUARY 12, 1993

39987 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, January 12, 1993.

The Meeting was called to order by Chairman Gage at 12:35 p.m.

39988 The Meeting was opened with an invocation by Director Larry L. Stamper.

39989 The Pledge of Allegiance to the Flag was given, led by Director Kenneth H. Witt.

39990 Secretary Killefer called the roll. Those answering present were: Directors Barker, Blake, Boen, Brandt, Brick, Davenport, Ferguson, Foley, Frahm, French, Gage, Goldsworthy, Green, Griffen, Hill, Ibbetson, Jones, Killefer, Krauel, Krieger, Kussman, Kymla, Leach, Lowry, Mason, Maulding, McMurray, Miller, Morris, Murph, O'Neil, Reed, Rez, Shaw, Stamper, Stelle, Stickney, Stuart, Ward, Webster, Witt, Wysbeek, and Young.

Those not answering were: Directors Brewer, Garcia, Kazarian, Luddy (entered 1:26 p.m.), Malburg, Milne, and Scott (entered 12:54 p.m.).

The Chair declared a quorum present.

39991 Immediate past Chairman Krieger turned the gavel over to Chairman Gage, with an offer of assistance and a pledge of support.

On behalf of the Board, Chairman Gage presented to past Chairman Krieger a pin emblematic of her service as Board Chairman from July 11, 1989, through December 31, 1992, expressing appreciation for her dedication and commended her for her leadership.

39992 Chairman Gage invited members of the public to address the Board on matters within the Board's jurisdiction.

Richard Norton of the law firm of Berger and Norton, representing the Domenigoni family, expressed concern about issues arising out of the proposed condemnation of property for the Domenigoni Valley Reservoir Project, Agenda Item 8-17.

Susan Traeger, an attorney representing the Domenigoni family on water-related legal issues, advised that negotiations are continuing with Metropolitan staff to reach agreement on the in-lieu source of water supply to be made available to the Domenigoni family, as provided for in the EIR.

Director Kyma requested staff respond to these comments when Agenda Item 8-17 is being considered.

39993 Chairman Gage inquired if there were any additions to the agenda.

Organization and Personnel Committee Chairman Rez announced that at its meeting on January 11 and at the Executive Committee meeting this morning, a determination was made that, in order to expedite the selection process for the replacement of the General Manager, it would be appropriate to retain a search firm to assist in the recruitment for the new General Manager. Since this determination was made subsequent to the posting of the Board agenda, Committee Chairman Rez moved that the Board, by a two-third vote, add this item to today's agenda. The motion was seconded by Vice Chairman Blake and unanimously carried, representing more than the required two-thirds vote.

The Chair announced that this matter will be added to the agenda.

39994 There being no objection, the Chair ordered the reading of the Minutes of December 8, 1992, dispensed with, a copy having been mailed to all Directors.

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

39995 The General Counsel's letter dated January 4, 1993, was presented transmitting the credentials evidencing the appointment by Municipal Water District of Orange County of Wesley M. Bannister as one of its representatives on Metropolitan's Board for the term ending December 31, 1996, replacing former Director M. Roy Knauft, Jr.

39996 Assistant General Counsel Tachiki 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.

39997 Executive Secretary Dorff, Notary Public, administered the Oath of Office to Mr. Bannister.

The Chair ordered the Oath of Office filed.

Following an introduction by Director Davenport, Mr. Bannister took his seat as a Director representing Municipal Water District of Orange County.

Director Scott took his seat at 12:54 p.m.

39998 Vice Chairman Barker moved, seconded by Director Stuart and carried, approving the recommendation of the Executive Committee that Director Wesley M. Bannister be assigned to the Legal and Claims and the Organization and Personnel Committees.

39999 Assistant General Counsel Tachiki reported that the credentials evidencing the reappointments of the following listed Directors have been examined and found legally sufficient:

Director Dan Webster, for a four-year term ending December 31, 1996, representing the City of Beverly Hills

Directors Carl J. Kymala and Kenneth H. Witt, each for a four-year term ending December 31, 1996, representing the Municipal Water District of Orange County.

Director William F. Davenport, for the unexpired portion of the term ending December 31, 1994, representing the Municipal Water District of Orange County.

Chairman Gage ordered the credentials filed.

Executive Secretary Dorff administered the Oaths of Office. The Chair ordered the Oaths filed.

40000 Chairman Gage presented a Commendatory Resolution to former Director Michael D. Madigan, who had represented San Diego County Water Authority from August 18, 1982, to October 13, 1992.

40001 On behalf of the Board and in recognition of their outstanding service, Chairman Gage presented plaques to former Standing Committee Chairmen and Board Officers:

Charles D. Barker, Chair of Water Problems Committee from January 1, 1991 through December 31, 1992

Doyle Boen, Chair of the Engineering and Operations Committee from January 1, 1989 through December 31, 1992

A. Macneil Stelle, Chair of the Organization and Personnel Committee from January 1, 1991 through December 31, 1992

Kenneth H. Witt, who served as Vice Chairman of the Board from January 1, 1991 through December 31, 1992

Lois B. Krieger, who served as Chairman of the Board and of the Executive Committee from July 11, 1989 through December 31, 1992.

40002 Vice Chairman Barker moved, seconded by Board Secretary Killefer, and unanimously carried, authorizing the preparation of a Memorial Resolution for former Director Lyndon L. Aufdenkamp, who served with dedication and distinction from January 22, 1957, through February 12, 1991, as a representative of Coastal Municipal Water District.

In honor of the memory of Mr. Aufdenkamp, the Board observed a moment of silence.

40003 Chairman Gage introduced Laurent McReynolds, Engineer in Charge of the Water Operating Division, Los Angeles Department of Water and Power, who gave a slide-illustrated presentation on the effectiveness of implementing Total Quality Management in his division.

Chairman Gage stated his perception as to the future direction of the Metropolitan Water District, and thanked the Board for its expression of confidence in electing him Chairman.

Director Luddy took his seat at 1:26 p.m.

40004 Vice Chairman Barker moved, seconded by Vice Chairman Blake and carried, approving (1) the dissolution of the Special, Ad Hoc, and Sub-committees as listed in the Board Chairman's letter dated January 7, 1993, with the recommended revision by the Executive Committee that the Water Standby Charge Exemption Appeals Committee be dissolved effective May 31, 1993; (2) establishing a seven-member Special Goals and Objectives Committee; (3) enlarging the Special Audit Committee from nine to eleven members, deleting the requirement that the Chair of that committee be a member of the Finance and Insurance Committee; and (4) changing the times of the meetings of the Standing Committees as follows:

MONDAYS PRECEDING BOARD MEETING DAY

8:00 a.m. - Land Committee
 8:30 a.m. - Engineering and Operations Committee
 11:00 a.m. - Finance and Insurance Committee
 12:30 p.m. - Organization and Personnel Committee
 2:00 p.m. - Water Problems Committee
 3:30 p.m. - Legal and Claims Committee

TUESDAY - BOARD MEETING DAY

8:30 a.m. - Executive Committee
 12:30 p.m. - Board Meeting

Chairman Gage announced the membership of the Special Committee on Goals and Objectives will be: Directors Krieger (Chair), Barker, Foley, Green, Krauel, Rez, and Stamper.

Director Leach withdrew from the Meeting at 1:36 p.m.

40005 Vice Chairman Blake moved, seconded by Director Stuart and carried, adopting the goal of the Special Audit Committee as set forth in the Special Audit Committee Chairman's corrected letter dated January 4, 1993, as follows:

MWD, will maintain an internal audit function to ensure that MWD's systems of internal controls are adequate; that bond covenants, organizational policies, and applicable laws and regulations are complied with; that assets and resources are properly accounted for and safeguarded against waste, loss, or misuse; and that financial systems and reports are accurate and reliable.

40006 Chairman Gage announced Agenda Item J, the modified Director-travel policy detailed in the attachment to the Subcommittee on Tours Chairman letter dated December 22, 1992, has been deferred.

40007 Vice Chairman Blake moved, seconded by Organization and Personnel Committee Chairman Rez and carried, approving (1) the employment of a recruitment firm to assist the General Counsel Search Committee in order to reduce the number of candidates to a reasonable number for recommendation to the appropriate committees and to the Board of Directors; (2) the profile-criteria for the recruitment attached to the General Counsel Search Committee Chairman's letter dated December 21, 1992; (3) recruitment efforts be directed to both in-house candidates and qualified outside candidates; and (4) that the final three candidates are to be interviewed by the Executive Committee.

40008 Legal and Claims Committee Chairman Krauel announced that at this time there is nothing to report on issues arising out of space problems.

Director Leach returned to the Meeting at 1:41 p.m.

40009 Organization and Personnel Committee Chairman Rez moved, seconded by Director Blake and carried, adopting the 1992-93 Audit Work Plan as set forth in the attachment to the January 4, 1993, letter from Special Audit Committee Chairman Brewer.

Director Scott withdrew from the Meeting at 1:43 p.m.

40010 Vice Chairman Blake moved, seconded by Director Griffen and carried, approving an amendment to the Administrative Code to add the duties and functions to the jurisdiction of the Executive Committee as set forth in the Board Chairman's letter dated January 6, 1993; directing the General Counsel to make the required changes to the Administrative Code.

40011 Vice Chairman Blake moved, seconded by Director Shaw and carried, amending Section 2401 of the Administrative Code to read as set forth in Attachment A to the Board Chairman's letter dated January 7, 1993, regarding officers and members of Standing Committees, to delete the requirement that the Chairman of the Board serve on two standing committees.

Item Director Stuart moved, seconded by Director Murph and carried, granting the requests for sixty-day leaves of absence from:

Director John Killefer, commencing January 14
Director Helen Romero Shaw, commencing February 1

40012 Assistant General Manager Horne reported that Metropolitan is continuing in its efforts to strengthen the partnership relations with its member agencies. In that regard, he advised that the Environmental Compliance Division has completed its training program and catalog on hazardous materials, with employees of member agencies participating.

Director of Finance Leddy gave a slide-illustrated presentation of Metropolitan's financial condition.

Assistant General Manager Balcerzak referred to the presentation by the Los Angeles Department of Water and Power, pointing out that Total Quality Management is being implemented at Metropolitan. Meetings will be held between the Department's and Metropolitan's staff, he said, to gain the benefit of their experience in this endeavor. He advised that the relocation of the Engineering Division to Two California Plaza Building was accomplished on schedule. He gave a status report on the activities in connection with the Domenigoni Valley Reservoir Project, advising that bids for the relocation of the San Diego Canal will be coming in shortly. The Los Angeles County Department of Public Works has been notified that all documents required for the transfer of Morris Reservoir have been completed, and it is expected the transfer will be accomplished in the immediate future, he said.

Director Kymla asked about the status of the Endangered Species Act requirements. Executive Assistant to General Manager Taylor stated Metropolitan has received a permit for the sixteen species listed in the Multi-Species Agreement, and noted that Metropolitan's mitigation activities will eliminate the need for obtaining additional permits.

Director Frahm withdrew from the Meeting at 1:54 p.m.

The water supply update was presented by Chief of Operations Adams.

Chief Engineer Snyder gave a slide-illustrated report showing the progress of construction in connection with the Capital Improvement Program.

Director Scott returned to the Meeting at 1:59 p.m.

Assistant General Manager Georgeson announced that, as a result of the rain, the Department of Water Resources will increase water deliveries from the State Water Project by twenty-five percent, increasing deliveries to Metropolitan by an additional 100,000 acre-feet over what had been the previously estimated. He advised that the Bureau of Reclamation is proposing to the signatories of the Seven Party Agreement to consider allocating definitive amounts of water available under the first three priorities, as set forth in the General Manager's letter dated December 29, 1992 (Agenda Item 9-8). Mr. Georgeson stated the position developed in concert with other statewide urban water agencies on D-1630, the Bay/Delta proposed interim standards, is a remarkable achievement, and special commendation is due Director of State Water Project and Conservation Quinn, Senior Engineer Arakawa, and Deputy General Counsel Roberts. The Board expressed its appreciation and commended them for their efforts.

40013 General Manager Boronkay reported he has appointed Mark D. Beuhler, Associate Director of Water Quality, to the position of Director of Water Quality. Mr. Boronkay referred to an article written by Board Chairman Gage, emphasizing that change is inevitable. Mr. Boronkay cited some of the innovative and creative changes the Board has implemented; land fallowing, conservation efforts, developing water banks, groundwater management, reclamation; thereby establishing Metropolitan as the leader in the water industry, a radical change from its historical role as an importer of water.

Director Stickney withdrew from the Meeting at 2:16 p.m.

40014 Assistant General Counsel Tachiki reported that the Legal Department spent a substantial amount of time in assisting the General Manager and Special Counsel for State Water Contractors in analyzing the legal options that might be available in connection with the State Water Resources Control

Board's proposed Bay/Delta interim standards, D-1630. Additionally, the preparation of legal documents for the recommended Bond Refunding and Water Standby Charge were major activities of the Legal Department, she advised. The Garvey Reservoir Restoration litigation will be a time-consuming activity for the Legal Department, she said.

Director Morris moved, seconded by Vice Chairman Blake, and the Board approved the Consent Calendars Items, M.I. 40015 and M.I. 40016, as follows:

40015 Adopted two Resolutions in the form transmitted with the General Manager's letter dated December 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 8383	South Gate Commercial Corridors Redevelopment Project, City of South Gate
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Resolution 8384	Central Long Beach Redevelopment Project, City of Long Beach
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40016 Authorized Revision No. 1 to Appropriation No. 638, an increase of \$390,000 to a total of \$710,000, Marketing Expense for Sale of Water Revenue Bonds, Issue of 1992, to purchase a surety bond to replace the Water Revenue Bonds, Issue of 1992, Reserve Fund, as set forth in the General Manager's letter dated January 5, 1993.

40017 Water Problems Committee Vice Chairman Kymla moved, seconded by Director Krieger and carried, scheduling a public hearing on Monday, February 8, 1993, at 1:30 p.m., to receive comments from interested parties regarding the recommended water rates for fiscal year 1993-94, as set forth in the General Manager's letter dated December 15, 1992.

40018 Water Problems Committee Vice Chairman Kymla moved, seconded by Finance and Insurance Committee Chairman Mason and carried, adopting **Resolution 8385** transmitted as Attachment A to the General Manager's letter dated December 18, 1992, declaring the Board's intention to consider and act upon at

its May 1993 meeting, the General Manager's recommendation to impose a water standby charge composed of a base charge of \$5 and a variable charge based on each member agency's historical use of water from the District, with the maximum standby charge not to exceed \$15 per acre for each acre or parcel less than an acre, said Resolution entitled:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA GIVING NOTICE OF INTENTION TO CONSIDER AND ACT UPON RECOMMENDATION TO IMPOSE WATER STANDBY CHARGES

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

Director Murph requested to be recorded as abstaining.

40019 Finance and Insurance Committee Chairman Mason moved, seconded by Organization and Personnel Committee Chairman Rez and carried, authorizing the General Manager to execute an agreement with Reiter-Lowry-Consultants to provide services required to administer the 1993-94 water standby charge program, and appropriate \$1.67 million from the Operations and Maintenance Fund to pay the costs for such services, subject to the agreement being in form approved by the General Counsel, as set forth in the General Manager's letter dated December 17, 1992.

Director Stelle withdrew from the Meeting at 2:21 p.m.

40020 Finance and Insurance Committee Chairman Mason moved, seconded by Vice Chairman Blake and carried, approving the draft preliminary official statement substantially in the form of the draft attached to the letter signed by the General Manager and the General Counsel dated December 17, 1993, as supplemented by related materials furnished to the Board prior to this action; authorizing the General Manager to develop, publish, and distribute preliminary official statements for the water revenue bond refunding and the general obligation bond refunding, and produce final official statements for underwriters.

40021 Finance and Insurance Committee Chairman Mason moved, seconded by Vice Chairman Blake, that the Board of Directors, by a two-thirds vote, adopt the two Resolutions in the form attached to the General Manager's letter dated December 16, 1992, authorizing the issuance of Water Revenue

Refunding Bonds, Issue of 1993, and Waterworks Refunding General Obligation Bonds, Issue of 1993, with such authority to remain in effect through December 31, 1993, and that a guideline of five percent net per value savings on advance refundings, with a minimum guideline of three percent, be used to determine if the sale or sales will occur, said Resolutions entitled:

Resolution 8386 RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA TO PROVIDE FOR THE ISSUANCE OF WATERWORKS REFUNDING GENERAL OBLIGATION BONDS, ISSUE OF 1993

Resolution 8387 RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA AUTHORIZING THE ISSUANCE OF WATER REFUNDING REVENUE BONDS AND PROVIDING THE TERMS AND CONDITIONS OF SAID BONDS (FOURTH SUPPLEMENTAL RESOLUTION)

The motion was voted upon and unanimously carried.

The Chair declared the foregoing Resolutions adopted by a unanimous vote, representing more than the required two-thirds vote.

40022 Finance and Insurance Committee Chairman Mason moved, seconded by Vice Chairman Blake, that the Board (1) determine, by a two-thirds vote of the total vote of the Board, that the interests of the District and the public interest or necessity require private (negotiated) sales of water revenue refunding bonds and waterworks refunding general obligation bonds; and (2) authorize the General Manager to enter into contracts for the services of the underwriters shown on Attachment A to the General Manager's letter dated December 29, 1992, for the sale of water revenue refunding bonds and waterworks refunding general obligation bonds, subject to the contracts being in form approved by the General Counsel.

The motion was voted upon and unanimously carried, representing more than the required two-thirds vote.

40023 Finance and Insurance Committee Chairman Mason moved, seconded by Vice Chairman Blake and carried, and the Board (1) authorized Appropriation No. 654 in the amount of \$500,000 for marketing expenses arising from preparations for

the possible sale of Water Revenue Refunding Bonds, Issue of 1993, and Waterworks Refunding General Obligations Bonds, Issue of 1993, to be paid from the General Fund; and (2) expressed its intent, if the sales occur, to reimburse expenses paid from the General Fund from bond proceeds, and authorized the General Manager to effect such reimbursement to the extent permitted under federal laws and regulations in accordance with instructions from bond counsel, as set forth in the General Manager's letter dated December 16, 1992.

40024 Water Problems Committee Vice Chairman Kymla moved, seconded by Director Mason, that the Board (1) find that the interests of Metropolitan will not be adversely affected by the creation of the new resulting window; (2) approve the Plan for Implementing Water Use Efficiency Guidelines for the proposed annexation; (3) informally approve the concurrent annexation of Murrieta County Water District Annexation to Eastern Municipal Water District and Metropolitan based on cash payment of the annexation charge of \$85,384.64 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 recommended in the General Manager's letter dated December 18, 1992.

Director Brandt moved that this matter be tabled to the February Board Meeting. The motion was seconded by Director Reed and carried.

Directors Boen and Ibbetson requested to be recorded as voting no.

Director Stelle returned to the Meeting at 2:30 p.m.

Director Mason withdrew from the Meeting at 2:30 p.m.

40025 Water Problems Committee Vice Chairman Kymla moved, seconded by Vice Chairman Blake and carried, approving the recommendation set forth in the General Manager's revised letter before each Director, dated January 11, 1993, which deleted reference to Parcel B as set forth in the recommendation of the General Manager's letter December 29, 1992, and, as revised, the Board (1) considered the environmental effects of the proposed annexation as shown on the environmental documentation prior to reaching a decision on this action; (2) adopted Resolution 8388 transmitted with

the General Manager's revised letter dated January 11, 1993, which includes Metropolitan's standard provisions, granting Calleguas Municipal Water District's request for consent to the concurrent annexation of Parcels A and D of Annexation No. 35 to Calleguas and Metropolitan, and fixing Metropolitan's terms and conditions for the annexation, including a cash payment of \$142,380.92, if completed by December 31, 1993, said Resolution entitled:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSENTING TO THE ANNEXATION OF PARCELS A AND D OF ANNEXATION NO. THIRTY-FIVE UPON CONCURRENT ANNEXATION TO CALLEGUAS MUNICIPAL WATER DISTRICT AND FIXING THE TERMS AND CONDITIONS OF SAID ANNEXATION TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Director Reed and Webster requested to be recorded as voting no.

Director Ward requested to be recorded as abstaining.

40026 Water Problems Committee Vice Chairman Kymla moved, seconded by Vice Chairman Blake and carried, adopting **Resolution 8389** transmitted with the General Manager's letter dated December 28, 1992, which includes Metropolitan's standard provisions, granting Calleguas Municipal Water District's request for consent to the concurrent annexation of Annexation No. 36 to Calleguas and Metropolitan, and fixing Metropolitan's terms and conditions for the annexation, including a cash payment of \$12,052.16, if completed by June 30, 1993, said Resolution entitled:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSENTING TO THE ANNEXATION OF ANNEXATION NO. THIRTY-SIX UPON CONCURRENT ANNEXATION TO CALLEGUAS MUNICIPAL WATER DISTRICT AND FIXING THE TERMS AND CONDITIONS OF SAID ANNEXATION TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

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

Director Ward requested to be recorded as abstaining.

40027 Water Problems Committee Vice Chairman Kymla moved, seconded by Vice Chairman Blake and carried, and the Board (1) considered the environmental effects of the proposed annexation as shown on the Negative Declaration prior to reaching a decision on this action; (2) adopted **Resolution 8390** transmitted with the General Manager's letter dated December 18, 1992, which includes Metropolitan's standard provisions, granting Eastern Municipal Water District's request for consent to the concurrent annexation of the Fifty-Fifth Fringe Area to Eastern and Metropolitan, and fixing Metropolitan's terms and conditions for the annexation, including a cash payment of \$471,565.76, if completed by June 30, 1993, said resolution entitled:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSENTING TO THE ANNEXATION OF FIFTY-FIFTH FRINGE AREA 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 Reed, Scott, and Webster requested to be recorded as voting no.

Director Boen requested to be recorded as abstaining.

Directors Killefer and Webster withdrew from the Meeting at 2:33 p.m.

40028 On behalf of the Finance and Insurance Committee, Director Krauel moved, seconded by Special Committee on Charges and Payments Committee Chairman Jones and carried, authorizing the General Manager to execute an agreement with the Department of Water Resources for the reduction of State Water Project Variable Charges in the 1993 Statement of Charges, subject to the agreement being in form approved by the General Counsel, as set forth in the General Manager's letter dated January 4, 1993.

Director Brick withdrew from the Meeting at 2:34 p.m.

40029 On behalf of the Finance and Insurance Committee, Director Krauel moved, seconded by Engineering and Operations Committee Chairman Foley and carried, and the Board (1) reviewed and considered the Negative Declaration attached to the letter of the General Manager dated December 18, 1992; (2) authorized the General Manager to execute an agreement with

Semitropic Water Storage District for a water storage agreement substantially based upon the principles described in the General Manager's letter, subject to the agreement being in form approved by the General Counsel; and (3) the expenditure of \$2,400,000 to store up to 30,000 acre-feet of 1992 carryover water per the terms of the agreement. The Board instructed staff to present a status report of the costs in approximately six months.

Directors Davenport, Murph, and Stuart requested to be recorded as voting no.

Director Killefer returned to the Meeting at 2:35 p.m.

Director McMurray withdrew from the Meeting at 2:35 p.m.

40030 Engineering and Operations Committee Chairman Foley moved, seconded by Director Morris and carried, authorizing the General Manager to award contracts to Disposal Control Services, Inc., and to Findly Chemical Disposal, Inc., for hazardous waste removal and disposal services, at a total annual cost not to exceed \$1,250,000 and \$1,100,000 respectively, including sales tax, as applicable, subject to the contracts being in form approved by the General Counsel, as set forth in the General Manager's letter dated December 28, 1992.

Director Mason returned to the Meeting at 2:36 p.m.

40031 Chairman Gage reported that the General Manager's letter dated November 20, 1992, regarding amending the Administrative Code provisions concerning contracts and quarterly reports, has been withdrawn.

40032 Legal and Claims Committee Chairman Krauel moved, seconded by Vice Chairman Blake, that, by a two-thirds vote, the Board adopt the Resolution attached to the General Manager's letter dated December 18, 1992, declaring the necessity for the Domenigoni Valley Reservoir Project and for the property described in Exhibit A attached thereto and directing the General Counsel to commence condemnation proceedings in Riverside County to acquire the property.

Assistant General Manager Balcerzak reported that staff is continuing to negotiate with the attorneys representing the Domenigoni family in an attempt to reach a mutually acceptable settlement for the value of the property.

He advised that efforts to mitigate for the loss of the water supply to the property owned by the Domenigoni family also continue.

Executive Assistant to the General Manager Taylor further reported on the progress of the negotiations with property owners in Domenigoni Valley.

Director McMurray returned to the Meeting at 2:39 p.m.

Director Luddy withdrew from the Meeting at 2:39 p.m.

Director of Right of Way Drescher reported on the appraisal process, noting that Metropolitan made the offer to the Domenigoni family on October 28, 1992, and advised that negotiations are ongoing.

Director Kymla inquired if it would be appropriate to recognize representatives for the Domenigoni family to respond to staff. Chairman Gage stated that representatives for the Domenigoni family have earlier in the Meeting expressed the Domenigoni family concerns. It would appear, he said, further discussions will only prove beneficial if held between staff and representatives of the Domenigoni family.

The Chair called for a vote on the motion. The motion carried by a unanimous vote, representing more than the required two-thirds vote.

The Chair declared Resolution 8391 was adopted, 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 Brick returned to the Meeting at 2:44 p.m.

40033 Water Problems Committee Vice Chairman Kymla moved, seconded by Engineering and Operations Committee Chairman Foley and carried, authorizing the General Manager to execute agreements to acquire up to 100,000 acre-feet of additional water supplies at a total cost not to exceed \$20,000,000 from a 1993 Water Bank or other willing sellers, as well as necessary wheeling agreements as set forth in the General

Manager's letter dated December 18, 1992, subject to the agreements being in form approved by the General Counsel.

40034 Engineering and Operations Committee Chairman Foley moved, seconded by Land Committee Chairman Kussman and carried, that the Board (1) certified that it has considered the environmental effects of the Lake Mathews Drainage Water Quality Management Plan as shown in the EIR; (2) approved the plan; and (3) authorized the General Manager to enter into the Implementation Agreement for the Plan, as set forth in the General Manager's letter dated December 21, 1992.

40035 Vice Chairman Blake moved, seconded by Legal and Claims Committee Chairman Krauel and carried, and the Board (1) expressed support for the implementation of the water rights decision by the State Water Resources Control Board to achieve the objectives of Decision 1630, if modifications to the draft decision are included as described in the General Manager's letter dated December 28, 1992, and alternatively, that Metropolitan take all necessary actions to protect its interests if necessary changes are not incorporated in draft D-1630; and (2) authorized the General Counsel, at the request of the General Manager, to take all action necessary to protect Metropolitan's interest with regard to D-1630, including initiating or participating in litigation involving the decision if there is insufficient time to bring to the Board a recommendation to participate in litigation without jeopardizing Metropolitan's position.

40036 Organization and Personnel Committee Chairman Rez moved, seconded by Director Shaw and carried, authorizing the Chairman of the Organization and Personnel Committee to enter into a contract with an executive search firm to conduct a search for qualified candidates for the position of General Manager, with the terms and conditions of the contract to be determined at the Special Meeting of the Organization and Personnel Committee on January 19, 1993.

Director French withdrew from the Meeting at 2:51 p.m.

40037 The following listed communications were presented for the information of the Board

a. Reports of the General Manager

- i. Activities for the month of December, dated December 21, 1992.

- ii. Operating data for the month of November, dated December 22, 1992.
- b. Report of the General Counsel on the activities of the Legal Department for the month of December, dated December 30, 1992.
- c. Report of the Auditor on the activities of the Audit Department for the month of December, dated January 4, 1993.
- d. Letter of the General Manager dated December 28, 1992, transmitting the Monthly Financial Report for the month of November.
- e. Letter of the General Manager dated December 17, 1992, submitting a status report on the progress of Phase Zero of the Information Systems Strategic Plan.
- f. Letter of the General Manager dated December 29, 1992, regarding Chino Basin Conjunctive-Use Demonstration Program.
- g. Letter of the General Manager dated December 29, 1992, submitting the second quarter status report on the Local Projects Program.
- h. Letter of the General Manager dated December 29, 1992, reporting on the Bureau of Reclamation proposal for quantifying entitlements of California's first three priorities to use of Colorado River water.
- i. Letter of the General Manager dated December 29, 1992, reporting on meetings of representatives of Colorado River Basin Tribes Partnership and Colorado River Basin States.
- j. Letter of the General Manager dated December 29, 1992, submitting the San Gabriel Groundwater Conjunctive-Use Program Update.
- k. Letter of the General Manager dated January 4, 1993, presenting a water supply update.
- l. Letter of the General Manager dated December 10, 1992, reporting on the major organization membership list.

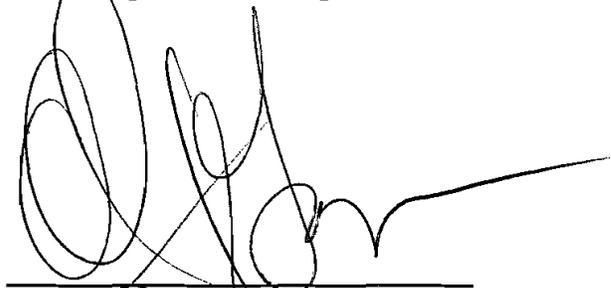
- m. Letter of the General Manager dated December 16, 1992, reporting on the status of the Strategic Planning Study.
- n. Letter of the General Counsel dated December 17, 1992, regarding Eagle Mountain Landfill litigation.
- o. Letter of the General Manager dated December 17, 1992, reporting on the effects of California's economy on growth and water demands.
- p. Letter of the General Counsel dated December 8, 1992, transmitting the Quarterly Statements of Cash and Investments and Cash Receipts and Disbursements as of September 30, 1992.

40038 Water Problems Committee Vice Chairman Kymia announced there is a workshop scheduled at 9:30 a.m. on January 26, 1993, in the Board Room to discuss major State Water Project issues, and urged all Directors to attend.

40039 Special Committee for Communications Chairman Shaw announced the committee will be meeting on Friday, February 19, to discuss the community and public relations programs regarding the Domenigoni Valley Reservoir Project. The workshop, she said, will be held at the Riverside County location of the reservoir site, and will include an inspection of the project area. She stated an itinerary will be forthcoming and urged Directors to reserve that date.

40040 As a result of the Board's action today approving the dissolution of the Special Charges and Payments Committee, Committee Chairman Jones expressed his thanks and appreciation to the committee members for their dedicated service and support.

40041 There being no objection, the Chair adjourned the Meeting at 2:55 p.m.



CHAIRMAN



SECRETARY