

MINUTES
REGULAR MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
MAY 11, 1993

40200 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, May 11, 1993.

The Meeting was called to order by Chairman Gage at 12:31 p.m.

40201 The Meeting was opened with an invocation by Director Larry L. Stamper.

40202 The Pledge of Allegiance to the Flag was given, led by Director Ted Grandsen.

40203 Secretary Killefer called the roll. Those answering present were: Directors Bannister, Barker, Blake, Boen, Brandt, Brick, Davenport, Fellow, Ferguson, Foley, Frahm, French, Gage, Goldsworthy, Grandsen, Green, Griffen, Hawkins, Hill, Ibbetson, Kazarian, Killefer, Krauel, Krieger, Kussman, Kymla, Leach, Luddy, Malburg, Mason, McMurray, Meyer, Miller, Milne, Morris, O'Neil, Peterson, Reed, Rez, Scott, Shaw, Stamper, Stuart, Witt, and Wysbeek.

Those not answering were: Directors Abernethy (entered 1:50 p.m.), Brewer, Murph, Parker, Webster (entered 1:09 p.m.), and Young.

The Chair declared a quorum present.

40204 Chairman Gage inquired if any member of the public wished to comment on Agenda Item H, the recruitment of the General Manager. Hearing none, at 12:37 p.m., pursuant to Government Code Section 54957, the Chair called the Meeting into closed session to consider Agenda Item H, the recruitment of the General Manager.

At 12:44 p.m., the Meeting was called into open session.

Chairman Gage reported that, in closed session, the appointment of John R. Wodraska as Metropolitan's General Manager was unanimously approved, effective July 6, 1993, subject to execution of an employment agreement.

At the invitation of the Chair, Mr. Wodraska addressed the Board expressing thanks for its vote of confidence.

40205 Chairman Gage 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.

40206 The Chair announced that the Board is conducting a hearing to receive comments on the Water Standby Charge and invited members of the public to address the Board on this subject.

James Gould, Flo Ginsburg, and Gilbert J. Calzada each spoke, expressing opposition to the imposition of a water standby charge.

The Chair determined that no other member of the public wished to comment on the water standby charge and declared the public hearing closed.

40207 Chairman Gage invited members of the public to address the Board on matters within the Board's jurisdiction.

David Phares of Chaparral Investments in Riverside County, stated he was representing five of the six property owners involved in the condemnation proceedings, Agenda Item 8-8. In recognition that Mr. Phares was speaking on behalf of several property owners, the Chair waived the three-minute time limitation.

Director Webster took his seat at 1:09 p.m.

Mr. Phares cited the appraisal problems experienced by Dwight and Mary Swaim, Philip and Vicki Pinard, and Richard and Joyce Darling, and in light thereof, requested an extension be granted before possession of the properties was obtained.

Referring to the property owned by the Stanifer family, Mr. Phares stated that it appears, if negotiations are continued, an early settlement could be reached. He requested Acting General Manager Balcerzak make arrangements with his right-of-way staff to continue the negotiations.

Mr. Phares referred to the incidents which have recently occurred due to barricading roads on property not acquired by Metropolitan while there are residents living in the area. He commended the right-of-way and legal staff for its efforts to remedy this situation, and urged this matter be investigated.

Peggy Swaim, on behalf of Dwight and Mary Swaim, described the difficulties encountered in the appraisal process of the family property, and requested negotiations continue in order to reach a settlement. She further requested the family be allowed to continue living in the home until negotiations are concluded.

Director Kazarian withdrew from the Meeting at 1:16 p.m.

40208 There being no objection, the Chair ordered the reading of the Minutes of April 13, 1993, dispensed with, a copy having been mailed to all Directors.

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

40209 The General Counsel's letter dated April 26, 1993, was presented, transmitting the credentials evidencing the reappointment by the City of Pasadena of Timothy F. Brick as its representative on Metropolitan's Board for a four-year term ending December 31, 1996.

General Counsel Taylor 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.

40210 Executive Secretary Dorff, Notary Public, administered the Oath of Office to Mr. Brick.

Chairman Gage ordered the Oath of Office filed.

40211 The General Counsel's letter dated April 26, 1993, was presented, transmitting the credentials evidencing the reappointment by the City of Los Angeles of William G. Luddy as one of its representatives on Metropolitan's Board for a four-year term ending December 31, 1996.

General Counsel Taylor 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.

40212 Executive Secretary Dorff, Notary Public, administered the Oath of Office to Mr. Luddy.

Chairman Gage ordered the Oath of Office filed.

Director Kazarian returned to the Meeting at 1:20 p.m.

40213 Chairman Gage presented a Commendatory Resolution to former Director A. Macneil Stelle, who had represented Las Virgenes Municipal Water District from October 5, 1972, to February 9, 1993.

40214 Chairman Gage presented a Commendatory Resolution to former Director Burton E. Jones, who had represented Upper San Gabriel Valley Municipal Water District from January 9, 1979, to February 9, 1993.

40215 The Chair invited Thomas F. Andrews, executive director of the Historical Society of Southern California, to address the Board. In appreciation for Metropolitan sponsoring the republication of the society's water-wise gardening book, Mr. Andrews presented the historical society's Centennial Award, and a painting of the Charles F. Lummis home, a model for xeriscape gardens.

Director Hawkins withdrew from the Meeting at 1:31 p.m.

40216 Director Stuart moved, seconded by Vice Chairman Blake and carried, granting the requests for sixty-day leaves of absence for:

Director Marvin Brewer, commencing May 7
Director William F. Davenport, commencing May 27
Director Anthony R. Fellow, commencing June 1
Director E. Thornton Ibbetson, commencing June 1
Director S. Dell Scott, commencing May 30

40217 Chairman Gage announced that Agenda Item I, legal issues arising out of space problems, has been withdrawn.

40218 Assistant General Manager Horne urged all Directors attend the May 18 Special Budget Committee meeting at which time staff will be submitting additional budget reductions. He announced that the 1993 O&M Budget will be less than the 1992 O&M Budget and it is anticipated future budgets will remain flat, relying on increased productivity and performance to satisfy requirements.

Director Hawkins returned to the Meeting at 1:38 p.m.

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

Chief Engineer Snyder, with the aid of slides, gave a progress report on some of the construction projects.

Chief of Operations Adams graphically-illustrated some of the operations for the month.

Assistant General Manager Georgeson reported on the continuing efforts to have a state water transfer bill enacted into law this year, which, among other activities, includes meetings with the editorial staffs of major statewide newspapers.

Acting General Manager Balcerzak reported that staff is actively engaged in the continuing effort to develop the Strategic Plan, noting that this will be the main topic of discussion at the forthcoming meeting of the member agency managers. Mr. Balcerzak advised that incoming General Manager Wodraska will be present for the review of the proposed Strategic Plan at the June 29 meeting of the Executive Committee.

Director Abernethy took his seat at 1:50 p.m.

40219 General Counsel Taylor reported that two actions have been filed in connection with office space problems.

Director Shaw moved, seconded by Vice Chairman Blake and carried, and the Board approved the Consent Calendar Items, M.I. 40220 through M.I. 40227, as follows:

40220 Authorized Revision No. 1 to Appropriation No. 632, Marketing Expense for Sale of Water Revenue Bonds, Issue of 1991, an increase of \$231,000 to a total of \$654,500, to purchase a surety bond to replace the Water Revenue Bonds, Issue of 1991, Reserve Fund, as set forth in the General Manager's letter dated May 3, 1993.

40221 The Board (1) certified it has considered the information contained in the mitigated Negative Declaration prior to making a decision on the relocation of approximately 985 lineal feet of Metropolitan's 54-inch-inside-diameter Calabajas Feeder (Project); (2) authorized the General Manager to execute an agreement with the California Department of Transportation substantially on the terms outlined in the General Manager's letter dated April 23, 1993, for the Project, subject to the agreement being in form approved by the General Counsel; and (3) authorized the General Manager to quitclaim a portion of Permanent Easement Parcel 1803-2-1A to record owners in exchange for the California Department of Transportation conveying to Metropolitan an alternate Permanent Easement, at no cost to Metropolitan, containing substantially the same rights now held by Metropolitan, subject to the conveyance documentation being in form approved by the General Counsel.

40222 Authorized the General Manager to amend the existing contract with Austin Knight Advertising Agency for recruitment advertising services to increase the previously approved \$250,000 limitation set forth in the 1992-93 fiscal year budget to \$300,000, as recommended in the General Manager's letter dated April 29, 1993.

40223 Adopted two Resolutions in the form transmitted with the General Manager's letter dated April 20, 1993, 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 8403	Imperial-Prairie Redevelopment Project, City of Inglewood
Resolution 8404	Central Business District and Eastland Redevelopment Projects Merger/Amendment, City of West Covina

each Resolution entitled:

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

40224 Expressed support for Assembly Bill 892 (Frazee) relating to water management, planning, and reporting, authorizing staff to negotiate any additional amendments offered for the legislation, as set forth in the General Manager's letter dated April 27, 1993.

40225 Expressed opposition to Senate Bill 1250 (Boatwright) relating to development and water supply, as burdensome on water districts and inconsistent with Metropolitan's policy principles for growth management, as set forth in the General Manager's letter dated April 30, 1993.

40226 Expressed opposition to Assembly Bill 2272 (Martinez) providing cities with veto power over the decisions of Metropolitan's Board, as set forth in the General Manager's letter dated April 27, 1993.

40227 Authorized the General Manager to execute an amendment to Agreement No. 3825 with Kosmont & Associates, Inc., for an estimated amount of \$185,000, to provide for continuing predevelopment support services for the selection of a site for Metropolitan's long-term headquarters, in accordance with the terms of the General Manager's letter dated April 21, 1993, subject to the amendment being in form approved by the General Counsel.

Director Reed requested to be recorded as abstaining.

40228 Water Problems Committee Chairman Malburg moved, seconded by Finance and Insurance Committee Chairman Mason and carried, and the Board (1) found that the adoption of water standby charges is exempt from the California Environmental Quality Act by Public Resources Code Section 21080(b)(8) since the charges are for the purpose of obtaining funds for capital and water management projects necessary to maintain service within existing service areas; and (2) adopted **Resolution 8405** shown as Attachment A to the General Manager's letter dated April 20, 1993, imposing a water standby charge on real property within Metropolitan's service area to which water is made available for any purpose by Metropolitan, whether the water is actually used or not, subject to exemptions as provided, 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 Bannister, Davenport, Fellow, and Reed requested to be recorded as voting no.

40229 Finance and Insurance Committee Chairman Mason moved, seconded by Engineering and Operations Committee Chairman Foley and carried, and the Board authorized (1) an increase in the scope of work under Appropriation No. 634 to include activities relating to technology assessment, benefits and cost assessment, and the preparation of Requests for Proposal; and (2) Revision No. 1 to Appropriation No. 634, an increase of \$200,000 to a total of \$5,763,583, to include activities for the above Phase One work, as set forth in the General Manager's letter dated April 30, 1993.

Director Reed requested to be recorded as abstaining.

40230 Water Problems Committee Chairman Malburg moved, seconded by Finance and Insurance Committee Chairman Mason and carried, and the Board (1) found that the approval of the proposed revision to Metropolitan's water rates is exempt from the provisions of the California Environmental Quality Act since it is for the purpose of meeting operating expenses, financial reserve needs and requirements, and obtaining funds for capital projects necessary to maintain service within existing service areas; and that there is an urgent need to implement the Demonstration Local Storage Program (Program) by May 11, 1993, in order to maximize the amount of local storage of imported water; (2) set the rate for the 1993 Program at

\$138 per acre-foot for untreated water and \$163 per acre-foot for treated water; and (3) authorized the General Manager to execute agreements with member agencies to sell water at rates consistent with the Program description in the General Manager's letter dated April 27, 1993, subject to the agreements being in form approved by the General Counsel.

Director Bannister requested to be recorded as abstaining.

40231 Vice Chairman Miller moved, seconded by Finance and Insurance Committee Chairman Mason and carried, amending Sections 2531 and 5107 of the Administrative Code regarding distribution of proposed budget, to read as set forth in Attachment A-1 to the General Manager's letter dated May 10, 1993, revised from his letter dated April 16, 1993.

Director Hill withdrew from the Meeting at 2:04 p.m.

40232 Organization and Personnel Committee Chairman Rez moved, seconded by Engineering and Operations Committee Chairman Foley and carried, authorizing the General Manager to amend Agreement No. 3773 for prehistoric archaeological services to INFOTEC Research, Inc., from \$2,000,000 to \$3,376,300 in accordance with the terms of the General Manager's letter dated April 23, 1993, subject to the amendment being in form approved by the General Counsel.

40233 Legal and Claims Committee Vice Chairman Goldsworthy moved, seconded by Land Committee Chairman Kussman and carried, authorizing the General Counsel to give informed consent to retain the law firm of Best, Best & Krieger to represent Metropolitan in the condemnation case Metropolitan Water District v. Francis Domenigoni, et al., Riverside County Superior Court Case No. 229049, as set forth in the General Counsel's letter dated April 30, 1993.

Director Kazarian requested to be recorded as voting no.

Directors Bannister and Scott requested to be recorded as abstaining.

40234 Legal and Claims Committee Vice Chairman Goldsworthy moved, seconded by Land Committee Chairman Kussman, that, by a two-thirds vote, the Board adopt **Resolution 8406** transmitted with the General Manager's letter dated April 27, 1993, declaring the necessity for the Domenigoni Valley Reservoir Project and for the property described in Exhibits A and B

attached thereto, and directing the General Counsel to commence condemnation proceedings in Riverside County to acquire the property.

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

Directors Reed and Scott requested to be recorded as abstaining.

The Chair declared **Resolution 8406** has been adopted by more than the required two-thirds vote, 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 Hill returned to the Meeting at 2:06 p.m.

40235 Vice Chairman Barker moved, seconded by Finance and Insurance Committee Chairman Mason and carried, approving a contribution not to exceed \$222,000 to the Six Agency Committee to provide funds for regulatory, biological, and economic analyses relative to the U.S. Fish and Wildlife Service's proposal to designate critical habitat for four endangered fish species in the Colorado River Basin, as set forth in the General Manager's letter dated April 27, 1993.

40236 Chairman Gage announced that the State Budget Policy Principles, Agenda Item 8-10, has been deferred.

40237 Land Committee Chairman Kussman moved, seconded by Director Shaw and carried, authorizing the acquisition of property in Domenigoni Valley in Riverside County designated as MWD Parcel No. 144-001-245, Assessor's Parcel No. 465-210-009, owned by Mr. and Mrs. Dennis Alan Engelhardt, as recommended in the General Manager's confidential letter dated April 27, 1993.

40238 Legal and Claims Committee Vice Chairman Goldsworthy moved, seconded by Vice Chairman Miller and carried, approving the recommendation in the General Counsel's revised confidential letter dated April 28, 1993, in connection with Golden Gate Audubon Society, et al. v. Browner, Administrator of the EPA.

Director Hill requested to be recorded as voting no.

40239 Vice Chairman Miller moved, seconded by Director Mason and carried, and the Board expressed its support of Assembly Bill 1316 (Richter), authorizing Yuba County Water Agency to enter into long-term contracts to transfer water outside its boundaries, as described in the General Manager's letter dated April 28, 1993.

40240 Director Mason moved, seconded by Director Hawkins, that the Board express its support for Senate Bill 778 (Dills) regarding compensation for use of reclaimed water, as described in the General Manager's letter dated April 27, 1993.

Special Committee on Legislation Chairman Brandt stated the committee had deferred taking a position on the bill, directing staff to monitor its progress.

The Chair called for a vote on the motion. The motion did not carry.

40241 Vice Chairman Miller moved, seconded by Director Shaw and carried, and the Board expressed its support, if amended, for Assembly Bill 2210 (Polanco), to provide a reporting system for Metropolitan's capital facilities projects, as described in the General Manager's letter dated April 30, 1993.

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

40242 The following listed communications were presented for the information of the Board:

- a. Reports of the General Manager
 - i. Activities for the month of April, dated April 30, 1993.
 - ii. Operating data for the month of March, dated April 23, 1993.
- b. Report of the General Counsel on the activities of the Legal Department for the month of April, dated April 30, 1993.
- c. Report of the Auditor on the activities of the Audit Department for the month of April, dated April 30, 1993.

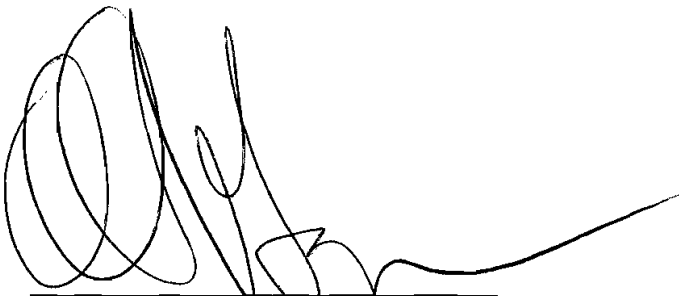
- d. Letter of the General Manager dated April 28, 1993, transmitting the Monthly Financial Report for the month of March.
- e. Letter of the General Manager dated April 19, 1993, submitting final status report on Phase Zero of the Information Systems Strategic Plan.
- f. Letter of the General Manager dated April 23, 1993, submitting update on Metropolitan's salvage program.
- g. Letter of the General Counsel dated April 30, 1993, regarding proposed change to language in Resolutions of Necessity.
- h. Letter of the General Manager dated April 23, 1993, reporting on Garvey Reservoir repair.
- i. Letter of the General Manager dated April 19, 1993, transmitting the quarterly status report for the Domenigoni Valley Reservoir Project.
- j. Letter of the General Manager dated April 20, 1993, submitting the quarterly report on changes in funding sources for capital program expenditures.
- k. Letter of the General Manager dated April 27, 1993, transmitting the variance report for the period ending March 1993.
- l. Letter of the General Manager dated April 27, 1993, reporting on the status of the Demonstration Program on Interstate Underground Storage of Colorado River Water in Arizona.
- m. Letter of the General Manager dated May 6, 1993, presenting a water supply update.
- n. Letter of the General Manager dated April 27, 1993, transmitting a status report on implementation of the Central Valley Project Improvement Act.
- o. Letter of the General Manager dated April 27, 1993, reporting on Senate Bill 967 (McCorquodale) reporting on negotiations for the proposed transfer of ownership and operation of the Central Valley Project.

- p. Letter of the General Manager dated April 27, 1993, reporting on Assembly Bill 1514 (Jones and Costa), the Delta Facilities and Central Valley Environmental Restoration Bond Law of 1994.
- q. Letter of the General Manager dated April 29, 1993, submitting report on completion of the Colorado River Aqueduct Pump Rehabilitation Program.
- r. Letter of the General Manager dated April 28, 1993, reporting on the Business Outreach Program.
- s. Letter of the General Manager dated April 29, 1993, reporting on Assembly Bill 2262 (Bowen) which would reduce the number of members on the California Water Commission from nine to seven.
- t. Letter of the General Manager dated April 27, 1993, reporting on Senate Bill 936 (McCorquodale), enactment of Sacramento-San Joaquin Valley Wetlands Mitigation Bank Act of 1993.

40243 Director Stuart commended Ed Ungerman, manager of Government Relations, for creating and distributing the legislative maps, which will prove to be a valuable tool.

40244 Chairman Gage announced that Director Krauel has resigned from the Office Space Task Force, and Director Parker has been assigned as her replacement.

40245 There being no objection, the Chair adjourned the Meeting at 2:19 p.m.



CHAIRMAN



SECRETARY