

MINUTES
ADJOURNED REGULAR MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
SEPTEMBER 21, 1993

40415 The Board of Directors of The Metropolitan Water District of Southern California met in Adjourned 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, September 21, 1993.

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

40416 The Meeting was opened with an invocation by Director Larry L. Stamper.

40417 The Pledge of Allegiance to the Flag was given, led by Director Gary A. Morse.

40418 Chairman Gage announced that Board Secretary Killefer has submitted his resignation, and designated Director Foley as Secretary Pro Tem.

40419 Secretary Pro Tem Foley called the roll. Those answering present were: Directors Bannister, Barker, Boen, Brick, Davenport, Fellow, Foley, Frahm, Gage, Goldsworthy, Grandsen, Green, Griffen, Hawkins, Hill, Ibbetson, Kazarian, Krauel, Krieger, Kussman, Kymla, Leach, Luddy, Malburg, Mason, McMurray, Meyer, Miller, Morris, Morse, Murph, O'Neil, Parker, Peterson, Reed, Scott, Shaw, Stamper, Stuart, Webster, Wysbeek, and Young.

Those not answering were: Directors Abernethy (entered 12:37 p.m.), Blake, Brandt (entered 1:30 p.m.), Brewer, French, Milne (entered 12:37 p.m.), Rez, and Witt (entered 12:37 p.m.).

The Chair declared a quorum present.

40420 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.

40421 Chairman Gage invited members of the public to address the Board on matters within the Board's jurisdiction.

Jules Kimmett, Chairman, Concerned Citizens of Burbank, requested additional information on Agenda Items 7-4, the contract with Intergraph Corporation for maintenance of CAD/CAE; 7-13, the retention of special counsel; 8-9, contracts with employment service agencies and consultants; and 8-14, the contract with Stockmar Industrial, Inc., for supplemental labor for the Special Services Maintenance Shops.

Directors Abernethy, Milne, and Witt took their seats at 12:37 p.m.

Paul Garrett, property owner in the Domenigoni Valley, reported on what he perceives as inequities experienced by property owners through Metropolitan's land acquisition process. He stated his belief that Metropolitan did not comply with certain CEQA requirements in connection with the realignment of Newport Road.

40422 There being no objection, the Chair ordered the reading of the Minutes of August 10 and 24, 1993, dispensed with, copies having been mailed to all Directors.

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

40423 Chairman Gage received and filed a Declaration from the Executive Secretary dated August 25, 1993, stating that she had posted the Notice of Adjournment of the Board of Directors Meeting of September 14, 1993, at 12:30 p.m. to September 21, 1993, at 12:30 p.m.

40424 The General Counsel's letter dated July 27, 1993, was presented, transmitting the credentials evidencing the reappointment by San Diego County Water Authority of Dale Mason as one of its representatives on Metropolitan's Board for a four-year term ending December 31, 1994.

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.

The Chair reported that the Oath of Office had been previously administered to Director Mason by Executive Secretary Dorff, Notary Public, and ordered the Oath filed.

40425 Special Nominating Committee Chairman Stuart reported the committee consisting of Directors Boen, Malburg, Krauel, and Wysbeek, by a unanimous vote, nominates John T. Morris to serve as a nonofficer member of the Executive Committee for the unexpired portion of the term ending December 31, 1994, replacing Douglas W. Ferguson, who resigned.

Chairman Gage called for other nominations from the floor. There being none, Director Barker moved, seconded by Director Kussman and carried, that the nominations be closed and that it be recorded that John T. Morris has been elected to serve as a nonofficer member on the Executive Committee for the unexpired term ending December 31, 1994.

Director Davenport requested to be recorded as voting no.

40426 Chairman Gage presented to Director Charles D. Barker a pin emblematic of his completion of thirty years of service on September 10, 1993, representing the West Basin Municipal Water District.

40427 Vice Chairman Griffen moved, seconded by Director Ibbetson and carried, authorizing the preparation of a Commendatory Resolution for former Director Douglas W. Ferguson, who had represented Central Basin Municipal Water District on Metropolitan's Board from June 14, 1977, to August 11, 1993.

40428 Vice Chairman Griffen moved, seconded by Director Murph and carried, creating an Ad Hoc Committee on Insurance.

Chairman Gage announced he has appointed Directors Green (Chair), Luddy, Morse, Peterson, and Rez to serve on the Ad Hoc Committee.

40429 Chairman Gage announced he has appointed Director Glen Peterson to the Building Site Task Force to fill the vacancy created by the resignation of Director Killefer.

40430 Director Morris moved, seconded by Director Shaw and carried, approving the committee reassignments from the Land Committee of Director Boen to the Water Problems Committee, and Director Meyer to the Finance and Insurance Committee.

40431 Chairman Gage stated that there is no report on legal issues arising out of space problems.

40432 Director Stuart moved, seconded by Director Shaw and carried, granting the requests for sixty-day leaves of absence for:

Director Marvin Brewer, commencing September 17
Director Leonis C. Malburg, commencing October 1
Director Wayne T. McMurray, commencing September 22

40433 Director Peterson presented to General Manager Wodraska a book describing, and a color photograph illustrating, the evolution of Las Virgenes Municipal Water District during its 35-year history.

40434 Assistant General Manager Balcerzak reported that the consultants have reviewed and expressed satisfaction with the geotech investigations of the Domenigoni Valley Reservoir Project, and indicated a typical dam section can be used in the design of the three dams. He advised that an RFP for the geotech and the design of the tunnels for the Inland Feeder will be issued in the near future. He stated the peer review group is in the process of completing its report on the design, construction, maintenance, and operations of Metropolitan's facilities. It is expected, he said, that the report will be submitted to the Blue Ribbon Task Force and the Board in October.

Chief Engineer Snyder gave a slide-illustrated presentation showing the progress of construction projects.

Chief of Operations Adams gave a slide-illustrated presentation showing some of the operations for the month.

Assistant General Manager Horne announced that the Special Budget Committee will be meeting at 1:00 p.m. on Thursday, October 7, as the initial meeting to begin the review process of the 1994-95 Annual Budget. Mr. Horne advised of the cost-cutting measures being implemented and, with the aid of slides, showed a three-year projection of how these measures would favorably impact future water rates.

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

40435 General Manager Wodraska announced the Strategic Plan Assembly, bringing together Directors, member agency managers, and Metropolitan management will take place on

October 29-30 at the Doubletree Hotel in San Pedro. The Blue Ribbon Task Force, he advised, has retained David Friedman as its Executive Director, with its chairman, Nelson Rising, presenting an update to the Executive Committee at its October 12 meeting and a final report to the Board at its Meeting in January. He reported that the agenda he developed to become acquainted with employees, member agencies, elected officials, the media, and the bond rating agencies continues on schedule.

40436 General Counsel Taylor explained the weighted-vote process at the Board Meetings and the requirement of confidentiality of all activities during closed sessions. He reported that members from the Legal Department and the General Manager's staff met with Elizabeth Rieke in Washington, D.C., on the development of a multi-species habitat conservation plan for the Lower Colorado River. He advised the status of litigation, and that the Garvey Reservoir Restoration Project will begin now that the settlement has been accepted by the City of Monterey Park. He announced that the Legal Department has scheduled a retreat on September 27-28 to develop its Strategic Plan.

Director Krieger suggested that, at the appropriate time, there be an analysis of the Board voting system to determine if the process should be changed.

Director Brandt took his seat at 1:30 p.m.

40437 Chairman Gage announced that Agenda Item 7-6, the General Manager's letter dated September 1, 1993, regarding Appropriation No. 667 for \$640,000 to finance all estimated costs for the modification of the Lake Mathews Service Water System; and Agenda Item 7-14, the General Manager's letter dated August 19, 1993, regarding proposed revisions to the Board's Goals and Objectives for Water Supply and Reliability, have been deferred.

Director Milne withdrew from the Meeting at 1:35 p.m.

Director Stuart moved, seconded by Director Shaw and carried, and the Board approved the Consent Calendar Items, M.I. 40438 through M.I. 40449, as follows:

40438 Authorized the General Manager to execute a Second Amendment to Agreement No. 3825 with Kosmont & Associates, Inc., in an amount not to exceed \$160,000, to provide for continuing predevelopment support services for the site

selection for Metropolitan's permanent headquarters in accordance with the terms set forth in the General Manager's letter dated September 7, 1993, subject to the agreement being in form approved by the General Counsel.

Director Reed requested to be recorded as abstaining.

40439 Authorized the General Manager to enter into an agreement with EDAW, Inc., in an amount not to exceed \$385,500, for design services for the Roadside Landscape Screening for the Domenigoni Valley Reservoir Project, as set forth in the General Manager's letter dated September 1, 1993.

40440 Authorized the General Manager to enter into a contract with Intergraph Corporation for maintenance services for the Computer-Aided-Drafting/Computer-Aided-Engineering system for a period of three years, renewable at the start of each fiscal year, with the estimated annual maintenance cost for fiscal year 1993-94 at \$475,000, subject to the contract being in form approved by the General Counsel, as set forth in the General Manager's letter dated September 1, 1993.

40441 Authorized (1) Revision No. 1 to Appropriation No. 647, an increase of \$15,000 to a total amount of \$201,000, from the General Fund to fund preliminary activities related to the All American Canal Lining Project; and (2) the General Manager to enter into a contract with the U.S. Bureau of Reclamation and Imperial Irrigation District to participate in preliminary activities associated with the All American Canal Lining Project in accordance with the terms outlined in the General Manager's letter dated August 30, 1993, subject to the contract being in form approved by the General Counsel.

40442 Authorized Appropriation No. 668 in the amount of \$642,000 for marketing expenses arising from the sale of Water Revenue Refunding Bonds, Issue of 1993, Series C, and Waterworks Refunding General Obligation Bonds, Issue of 1993, Series C, to be paid from the General Fund, as set forth in the General Manager's letter dated August 25, 1993.

40443 Amended Sections 5200 and 5201 of the Administrative Code to read as set forth in Attachment A to the General Manager's letter dated August 27, 1993, relating to optional redemption funds and excess earnings funds.

40444 Authorized the General Counsel to amend the existing contract with Liebert, Cassidy & Frierson, dated July 14, 1993, to increase the maximum amount payable under the

contract to \$150,000, providing for assistance to the General Counsel on disciplinary appeal hearings and associated matters, as set forth in the General Counsel's letter dated August 24, 1993.

40445 Ratified the action of the General Manager in amending the contract to FMC Corporation as approved by the Board at its Meeting of August 24, 1993 (M.I. 40384), to include payment of all applicable sales tax, an increase of \$52,395.89 to a total amount of \$728,184.89, as set forth in the General Manager's letter dated September 10, 1993.

40446 Authorized the General Counsel to contract for the services of the law firms identified in his letter dated August 30, 1993, to represent Metropolitan in eminent domain and related litigation for the Inland Feeder Pipeline Project for a four-year period commencing on September 1, 1993, at the rates agreed upon between the firms and the General Counsel, but not to exceed the rates stated in Attachment A to the General Counsel's foregoing letter.

Director Kazarian requested to be recorded as voting no.

40447 Authorized the General Counsel to settle the eminent domain action titled Metropolitan Water District v. Cornerstone Properties, Inc., et al., Riverside County Superior Court Case No. 224988, as set forth in his confidential letter dated August 30, 1993.

40448 Authorized the General Manager to acquire properties for the Domenigoni Valley Reservoir Project as set forth in his confidential letter dated August 27, 1993, as follows:

MWD v. McRae - Riverside County Superior Court Case
No. 231219

MWD v. Virk - Riverside County Superior Court Case
No. 231537

MWD v. Ontiveros - Riverside County Superior Court Case
No. 231539

MWD v. Peccorini - Riverside County Superior Court Case
No. 231540

MWD v. Darling - Riverside County Superior Court Case
No. 234574

MWD v. Pinard - Riverside County Superior Court Case
No. 234575

MWD v. Swaim - Riverside County Superior Court Case
No. 234576

40449 Approved settlement of claim in connection with Garvey Reservoir as set forth in the General Manager and the General Counsel's confidential letter dated August 27, 1993.

40450 Engineering and Operations Committee Chairman Foley moved, seconded by Director Boen and carried, approving the recommendation set forth in the General Manager's letter dated September 20, 1993, revised from his August 19 letter, regarding the new Operations and Maintenance Goal to read as follows:

"Metropolitan Water District of Southern California will operate and maintain water delivery, treatment, and distribution facilities in a manner that meets the needs of the Member Agencies and ensures long-term reliability, cost-effectiveness, safety, and security."

40451 Finance and Insurance Committee Chairman Mason moved, seconded by Vice Chairman Barker and carried, approving the recommendation set forth in the General Manager's letter dated September 20, 1993, revised from his August 19 letter, regarding the Goals and Objectives for Finance to read as follows:

"Metropolitan Water District of Southern California will maintain its financial integrity and its strong credit ratings by balancing fixed and variable revenue sources with appropriate use of debt to finance ongoing capital needs in a manner that will mitigate rate shock for the Member Agencies, stabilize revenue, and recognize that growth pays its fair share. Metropolitan will sell water to its Member Agencies based on a single uniform commodity rate for each class of service."

40452 Chairman Gage reported that Agenda Item 8-1, regarding the Memorandum of Understanding with the Employees Association, has been deferred.

40453 Organization and Personnel Committee Vice Chairman Shaw moved, seconded by Legal and Claims Committee Chairman Krauel and carried, authorizing the General Manager to execute the Memoranda of Understanding attached to the General Manager's letter dated September 13, 1993, covering the wages, hours, terms and working conditions of employees represented by the Management and Professional Employees Association, and the Field Supervisors and Professional Personnel Association.

Directors Bannister and Barker withdrew from the Meeting at 1:39 p.m.

40454 Organization and Personnel Committee Vice Chairman Shaw moved, seconded by Legal and Claims Committee Chairman Krauel and carried, authorizing the General Manager to execute the Memorandum of Understanding attached to the General Manager's letter dated September 13, 1993, covering the wages, hours, terms and working conditions of employees represented by the Confidential Employees Association.

40455 Chairman Gage reported that Agenda Items 8-5 and 8-6, salaries and benefits for unrepresented managers, and salary and compensation adjustments for Department Heads, have been withdrawn.

40456 Organization and Personnel Committee Vice Chairman Shaw moved, seconded by Legal and Claims Committee Chairman Krauel and carried, (1) adopting **Resolution 8419** in the form transmitted with the General Manager's letter dated September 15, 1993, reflecting Metropolitan's contributions to the medical plans maintained by the Public Employees' Medical and Hospital Care Act for all employees and annuitants, said increases to be effective August 1, 1993, through July 31, 1994, said Resolution entitled:

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

and (2) amending Section 6522 of the Administrative Code to read as shown in Attachment B to the General Manager's September 15 letter, regarding medical insurance.

Directors Bannister and Barker returned to the Meeting at 1:41 p.m.

40457 Organization and Personnel Committee Vice Chairman Shaw moved, seconded by Engineering and Operations Committee Chairman Foley and carried, authorizing the General Manager to amend existing contracts and enter into new contracts with employment service agencies and consultants supplying temporary personnel in excess of the \$250,000 limitation and to employ temporary and part-time personnel for the Engineering Division in addition to the Board-approved, District-wide personnel limit for fiscal year 1993-94, with an overall limitation in amounts paid of \$6,000,000 for the first half of fiscal year 1993-94, substantially in accordance with the terms outlined in the General Manager's letter dated September 1, 1993, subject to the contracts being in form approved by the General Counsel.

40458 Engineering and Operations Committee Chairman Foley moved, seconded by Director Morris and carried, authorizing the General Manager to (1) execute the Memorandum of Understanding (MOU) with Riverside County, the City of Hemet, and Riverside County Flood Control and Water Conservation District substantially in accordance with the terms described in the General Manager's letter dated August 27, 1993, for the joint construction of relocated Newport Road and the Salt Creek Channel, subject to the MOU being in form approved by the General Counsel; and (2) approve any amendments to said MOU provided he determine such amendments to be justified.

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

40459 Finance and Insurance Committee Chairman Mason moved, seconded by Engineering and Operations Committee Chairman Foley and carried, authorizing (1) the General Manager to have all work performed, other than work to be performed under competitively bid contracts involving an expenditure over \$250,000 or more, for pilot-filter tests and all other work leading to a contract for replacement of filter media in 69 filters at the Skinner Filtration Plant; and (2) Appropriation No. 666 in the amount of \$500,000 from the 1991 Revenue Bond Construction Fund to finance all estimated costs for the abovementioned work, as set forth in the General Manager's letter dated August 11, 1993.

40460 Vice Chairman Barker moved, seconded by Finance and Insurance Committee Chairman Mason and carried, revising the recommendation contained in the General Manager's letter dated August 30, 1993, thereby authorizing the General Manager to enter into a contract with Stockmar Industrial, Inc., for a two-year period, renewable for an additional two years and the maximum amount payable not to exceed \$1,000,000 per year for the term of the contract, subject to the contract being in form approved by the General Counsel.

40461 Legal and Claims Committee Chairman Krauel moved, seconded by Finance and Insurance Committee Chairman Mason and carried, authorizing the General Counsel to file an action in Superior Court to validate Metropolitan's authorization to issue the remaining General Obligation Bonds, 1966 Election, in the maximum aggregate principal amount of \$50 million, as set forth in the General Manager's letter dated August 26, 1993.

Director Luddy returned to the Meeting at 1:45 p.m.

40462 Finance and Insurance Committee Chairman Mason moved, seconded by Director Shaw and carried, adopting **Resolution 8420** in the form attached to the General Manager's letter dated August 26, 1993, authorizing the issuance of General Obligation Bonds, Election 1966, Series H, in the maximum aggregate principal amount of \$50 million, said Resolution entitled:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA TO PROVIDE FOR THE ISSUANCE OF UP TO \$50,000,000 WATERWORKS BONDS, ELECTION 1966, SERIES H

Director Milne returned to the Meeting at 1:46 p.m.

40463 Finance and Insurance Committee Chairman Mason moved, seconded by Vice Chairman Barker and carried, amending Sections 4507(a) and 5102 of the Administrative Code to read as shown in Attachment A to the General Manager's letter dated August 24, 1993, to permit payments to be made by automated clearinghouse transfers.

40464 Legal and Claims Committee Chairman Krauel moved, seconded by Land Committee Chairman Kussman, that by a two-thirds vote, the Board adopt **Resolution 8421** transmitted with the General Manager's revised letter dated August 31, 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 Chair declared **Resolution 8421** was adopted by a unanimous vote, representing 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)

40465 Water Problems Committee Chairman Malburg moved, seconded by Director Ibbetson and carried, adopting the changes to the Cooperative Storage Program as described in the General Manager's letter dated September 17, 1993.

40466 Water Problems Committee Chairman Malburg moved, seconded by Vice Chairman Barker and carried, and the Board adopted **Resolution 8422** transmitted with the General Manager's letter dated August 30, 1993, endorsing water pricing policies that encourage use of reclaimed water, said Resolution entitled:

RESOLUTION OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA BOARD OF DIRECTORS ENDORSING WATER PRICING POLICIES THAT ENCOURAGE USE OF RECLAIMED WATER

40467 Water Problems Committee Chairman Malburg moved, seconded by Vice Chairman Barker and carried, authorizing the General Manager to finalize negotiations with Areias Dairy Farms for the initial agreement which would provide the terms of the final agreement to transfer Central Valley Project water consistent with the General Manager's letter dated September 7, 1993, and the principles attached thereto.

40468 The following listed communications were submitted for the information of the Board:

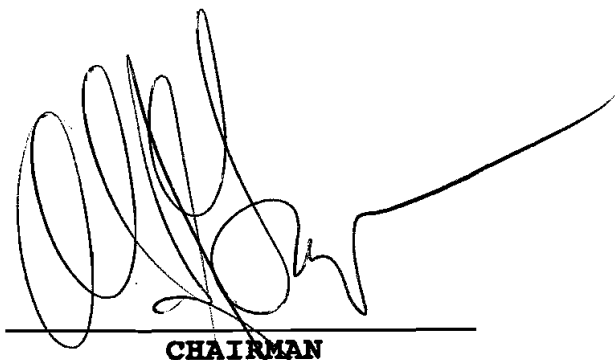
- a. Reports of the General Manager
 - i. Activities for the month of August, dated September 3, 1993.
 - ii. Operating data for the month of July, dated September 1, 1993.
- b. Report of the General Counsel on the activities of the Legal Department for the month of August, dated August 31, 1993.
- c. Report of the Auditor on the activities of the Audit Department for the month of August, dated August 31, 1993.
- d. Letter of the General Manager dated September 29, 1993, transmitting the Monthly Financial Report for the month of July.
- e. Letter of the General Manager dated August 25, 1993, transmitting the annual report of payment of claims for lost matured bonds and interest coupons; issuance of duplicate bearer bonds; replacement of lost registered bonds.

- f. Letter of the General Manager dated August 26, 1993, reporting on Water Quality Bond Authorization.
- g. Letter of the General Counsel dated September 1, 1993, reporting on potential penalties for failure to comply with provisions of the Safe Drinking Water Act.
- h. Letter of the General Manager dated August 23, 1993, submitting the annual report on the status of inactive appropriations.
- i. Letter of the General Manager dated August 25, 1993, reporting on the history and current status of Chemical Unloading Facility buffer zone acquisition.
- j. Letter of the General Manager dated August 30, 1993, reporting on the status of the Financial Structure Study.
- k. Letter signed by the General Manager and General Counsel dated September 17, 1993, submitting an update on Audubon v. Environmental Protection Agency.

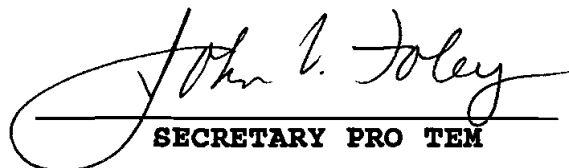
Directors Brandt and Scott withdrew from the Meeting at 1:50 p.m.

40469 Building Site Task Force Chairman Brick announced the Task Force will be meeting at 8:00 a.m. on September 28 at the Sunset Building, and urged all Directors to attend.

40470 There being no objection, the Chair adjourned the Meeting at 1:52 p.m.



CHAIRMAN



SECRETARY PRO TEM