

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

40471 The Board of Directors of The Metropolitan Water District of Southern California met in Regular Meeting in the Board Room located in the Building at 1111 Sunset Boulevard in the City of Los Angeles, State of California, on Tuesday, October 12, 1993.

The Meeting was called to order by Chairman Pro Tem Miller at 12:36 p.m.

40472 The Meeting was opened with an invocation by Director Larry L. Stamper.

40473 The Pledge of Allegiance to the Flag was given, led by Director Anthony R. Fellow.

40474 In the absence of a Board Secretary, Chairman Pro Tem Miller designated Director Ibbetson as Secretary Pro Tem.

40475 Secretary Pro Tem Ibbetson called the roll. Those answering present were: Directors Abernethy, Bannister, Barker, Blake, Boen, Brick, Davenport, Fellow, Foley, Frahm, French, Goldsworthy, Grandsen, Green, Griffen, Hawkins, Ibbetson, Kazarian, Krauel, Krieger, Kussman, Leach, Luddy, Mason, Meyer, Miller, Milne, Morris, Morse, Murph, O'Neil, Parker, Peterson, Reed, Rez, Shaw, Stamper, Stuart, Witt, and Wysbeek.

Those not answering were: Directors Brewer, Hill, Kymla, Malburg, McMurray, Webster, and Young.

The Chair declared a quorum present.

40476 Chairman Pro Tem Miller 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.

40477 Chairman Pro Tem Miller invited members of the public to address the Board on matters within the Board's jurisdiction. No member of the public responded.

40478 There being no objection, the Chair ordered the reading of the Minutes of September 14 and September 21, 1993, dispensed with, copies having been mailed to all Directors.

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

40479 The General Counsel's letter dated October 1, 1993, was presented, transmitting the credentials evidencing the appointment by Western Municipal Water District of Riverside County of John M. Mylne, III, as an additional representative on Metropolitan's Board for an indefinite term.

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.

40480 Executive Secretary Dorff, Notary Public, administered the Oath of Office to Mr. Mylne.

Chairman Pro Tem Miller ordered the Oath of Office filed.

Following an introduction by Director Krieger, Mr. Mylne took his seat as a Director representing Western Municipal Water District of Riverside County.

40481 The General Counsel's letter dated October 6, 1993, was presented, transmitting the credentials evidencing the appointment by the City of Los Angeles of George Wein as one of its representatives on Metropolitan's Board for the unexpired portion of a term ending December 31, 1994, replacing S. Dell Scott.

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.

40482 Executive Secretary Dorff, Notary Public, administered the Oath of Office to Mr. Wein.

Chairman Pro Tem Miller ordered the Oath of Office filed.

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

40483 Vice Chairman Blake moved, seconded by Director Mason and carried, approving the recommendation of the Executive Committee that Director John M. Mylne, III, be assigned to the Finance and Insurance and the Land Committees.

40484 Vice Chairman Blake moved, seconded by Director Mason and carried, approving the recommendation of the Executive Committee that Director Gary Morse be reassigned to the Finance and Insurance Committee from the Legal and Claims Committee.

40485 Chairman Pro Tem Miller announced that committee assignments for Director Wein will be deferred.

40486 Chairman Pro Tem Miller announced that Director Bannister has been appointed to the Owner Controlled Insurance Program Ad Hoc Committee, thereby increasing its membership to six.

40487 Chairman Pro Tem Miller referred to his October 11, 1993, letter before each Director announcing the appointment of Vice Chairman Blake to serve as the Chair of the Special Budget Committee.

40488 Director Krieger presented a Commendatory Resolution to former Director Marilyn L. Garcia, who represented the City of Los Angeles from October 9, 1984, to February 9, 1993.

40489 Director Krieger presented a Commendatory Resolution to former Director Douglas W. Ferguson, who represented Central Basin Municipal Water District from June 14, 1977, to August 11, 1993.

40490 Vice Chairman Blake moved, seconded by Vice Chairman Barker and carried, authorizing the preparation of a Commendatory Resolution for former Director John Killefer, who represented Coastal Municipal Water District from January 12, 1982, to September 9, 1993.

40491 Chairman Pro Tem Miller announced Agenda Item H, discussion of personnel matters, has been withdrawn.

40492 Legal and Claims Committee Chairman Krauel announced there is no report on legal issues arising out of space problems.

40493 Assistant General Manager Balcerzak reported that the 2,000 gpd desalination plant is being assembled at La Verne where it will be thoroughly tested prior to shipping to the Southern California Edison Company site at Huntington Beach in the spring of 1994. An RFP for the geotech and design of the Inland Feeder has been distributed, he said. He advised that the period for public comments on the EIR required for covering the San Joaquin Reservoir has lapsed, and no comments were received.

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

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

Assistant General Manager Georgeson reported that Metropolitan and the other State Water Contractors are concerned about the water quality standards for the Sacramento-San Joaquin Delta being proposed by the Environmental Protection Agency. He advised that the urban water users have united in an effort to ameliorate, before the standards are established, those elements which would have serious negative impacts on the delivery of water.

Assistant General Manager Horne reported that, in preparation for the determination of revenue requirements and setting the water rates for fiscal year 1994-95, meetings have been scheduled with the member agencies and the Special Committee on Financial Policy to consider the proposed financial rate structure. It is expected draft letters on these subjects will be submitted to the Board in November, he said. He then pointed out the anticipated benefits from the implementation of the Business Outreach Program, Phase One of the Information Systems Strategic Plan, and the Employee Suggestion and Recognition Program.

Director Morris withdrew from the Meeting at 1:30 p.m.

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

40494 General Manager Wodraska urged all Directors to attend the two-day Strategic Plan Assembly scheduled on October 29 and 30 at the Doubletree Hotel in San Pedro. He announced that the Senate Agriculture and Water Resources Committee has scheduled two interim hearings: (1) a legislative oversight of Metropolitan on November 16 in San Diego, and (2) on December 15 in Orange County to examine water supply, demand, and financing issues for the State Water Project.

Director Kussman withdrew from the Meeting at 1:46 p.m.

Mr. Wodraska spoke of the need for the Board to make a determination, hopefully no later than December, on the location of the permanent headquarters site and called upon Director of Administrative Services Ivey to present an update on the activities to date in this regard. Mr. Ivey gave a slide-illustrated presentation pointing out the numerous factors which need to be considered by the Board in its decision-making process. Building Site Task Force Chairman Brick then urged all Directors to attend the October 28 meeting of the Building Site Task Force where information will be furnished that is essential to this decision-making process with action on this matter to take place at the December Board Meeting.

Directors Brick and Griffen withdrew from the Meeting at 2:00 p.m.

40495 General Counsel Taylor reported on the Colorado River Wildlife v. Turner proceeding, advising that the Federal District Court denied the plaintiff's motion, taking the position that no interim final regulation on the critical habitat for four listed endangered species could be issued without the required economic analysis; in Audubon v. EPA, which would require EPA to issue Bay/Delta proposed water quality standards by December 15, 1993, Metropolitan, the urban and agricultural users filed objections and the Court has ordered EPA to respond to those objections, setting a hearing date on November 1, 1993; in the MWD v. Beitler case, a motion for summary judgment has been rescheduled before a new judge on November 18, 1993. Mr. Taylor pointed out that before each Director is a memorandum outlining the changes to the Brown Act, which will go into effect on April 1, 1994.

Director Stuart moved, seconded by Director Shaw and carried, and the Board approved the Consent Calendar Items, M.I. 40496 through M.I. 40505, as follows:

40496 Adopted Resolution 8423 in the form transmitted with the General Manager's letter dated September 21, 1993, providing in substance that Metropolitan 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 College Community Redevelopment Project in the City of San Diego, said 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

40497 Adopted the Clean Water Act policy principles recommended in the General Manager's letter dated October 4, 1993, and authorized the General Manager to observe these principles in all Metropolitan activities regarding the Clean Water Act.

40498 Authorized (1) the General Manager to have all work performed for the modification and upgrade of the Lake Mathews service water system, other than work to be performed under competitively bid contracts involving an expenditure of \$250,000 or more; and (2) Appropriation No. 667 in the amount of \$640,000 from the Pay-As-You-Go Fund to finance all estimated costs for this work, as recommended in the General Manager's letter dated September 1, 1993.

40499 Authorized (1) staff to conduct an inventory and inspection of the Allen-McColloch Pipeline prior to possible purchase from the Municipal Water District of Orange County; and (2) Appropriation No. 669 for \$906,900 from the Revenue Bond Construction Fund to perform this work, as set forth in the General Manager's letter dated September 17, 1993.

Directors Bannister, Davenport, Foley, Kazarian, and Witt requested to be recorded as abstaining.

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40500 Authorized the General Manager to enter into a transmission service agreement with Pacific Gas and Electric Company for the sale of power generated by the Etiwanda Power Plant substantially in accord with the terms outlined in the General Manager's letter dated September 28, 1993, subject to the agreement being in form approved by the General Counsel.

40501 Authorized the General Manager to enter into an agreement with the San Bernardino County Museum for the maximum amount not to exceed \$662,000 for paleontological monitoring and recovery services for the Domenigoni Valley Reservoir Project, as recommended in the General Manager's letter dated September 16, 1993, subject to the agreement being in form approved by the General Counsel.

40502 Authorized the General Manager to support and seek passage of H.R. 2853 (Torres) and S. 1352 (Feinstein), with appropriate amendments as may be needed, each authorizing the San Gabriel Basin Demonstration Project to clean up volatile organic chemical contamination in several areas of the San Gabriel groundwater basin, as set forth in the General Manager's letter dated September 13, 1993.

40503 Adopted legislative policy principles for wetlands as recommended in the General Manager's letter dated September 23, 1993.

40504 Amended Administrative Code Sections 7100 and 7200 through 7216, and added Section 7217, to read as set forth in Attachment A to the General Counsel's letter dated September 27, 1993, regarding Conflict of Interest and Disclosure of Personal Finances Code.

40505 Authorized the General Counsel to enter into a contract in the amount of \$150,000 for the services of Katherine Stone to represent Metropolitan in the eminent domain action filed to acquire Parcels 89, 335, 645, and 677 for the Domenigoni Reservoir Project, as set forth in the General Counsel's letter dated September 23, 1993.

40506 Organization and Personnel Committee Chairman Rez moved, seconded by Director Witt and carried, authorizing the General Manager to amend existing agreements and enter into new agreements with temporary employment agencies in excess of the \$250,000 limitation, as specified in Metropolitan's Administrative Code, with an overall limitation to this delegation of authority of \$3,968,850 through the second quarter of fiscal year 1993-94 (\$1,984,425 quarterly), substantially in accordance with the terms outlined in the

General Manager's letter dated September 23, 1993, subject to the agreements being in form approved by the General Counsel.

40507 Finance and Insurance Committee Chairman Mason moved, seconded by Engineering and Operations Committee Chairman Foley and carried, authorizing the General Manager to (1) enter into agreements without regard to the limitations contained in Administrative Code Sections 8115(b) and 8117 for purchases of equipment or hiring of consultants consistent with the cost estimates shown in Attachment "A", and as necessary to complete the Phase One tasks as outlined in Attachment "B" to the General Manager's letter dated September 17, 1993, subject to the agreements being in form approved by the General Counsel; (2) use formal requests for proposals and other applicable competitive bidding procedures to acquire the necessary Phase One hardware, software, and services; (3) issue quarterly reports to the Board on all contracts awarded by the General Manager that exceeded \$250,000; (4) issue quarterly reports to the Board on the status and costs incurred on the Phase One program activities; further authorizing (5) an increase in continuing Appropriation No. 099 by the amount of \$2,100,000, to a total of \$12,186,800 for equipment purchases related to the Phase One implementation; and (6) Revision No. 2 to Appropriation No. 634 to a total of \$26.8 million, an increase of approximately \$21.1 million, to fund the estimated costs of implementing Phase One of the Information Systems Strategic Plan.

40508 Finance and Insurance Committee Chairman Mason moved, seconded by Engineering and Operations Committee Chairman Foley and carried, authorizing Revision No. 8 to Appropriation No. 560, an increase of \$112,000,000 to a total amount of \$419,300,000, to finance remaining costs in advance of construction of the Domenigoni Valley Reservoir Project, as set forth in the General Manager's letter dated September 17, 1993.

40509 Chairman Pro Tem Miller reported that Agenda Item 8-4, the Owner-Controlled Insurance Program for the Domenigoni Valley Reservoir Project, was deferred.

40510 On behalf of the Water Problems Committee, Vice Chairman Barker moved, seconded by Director Mason and carried, and the Board (1) approved the Plan for Implementing Water Use Efficiency Guidelines; and (2) informally approved the concurrent annexation of Annexation No. 38 to Calleguas Municipal Water District and Metropolitan conditioned upon a cash payment to Metropolitan of the annexation charge of \$519,852.80 if completed by December 31, 1993, and at the then

applicable rate if the annexation is completed after December 31, 1993, subject to such terms and conditions as may be fixed by the Board in granting formal consent to such annexation when a request therefor has been received, as set forth in the General Manager's letter dated September 17, 1993.

Director Reed requested to be recorded as voting no.

40511 On behalf of the Water Problems Committee, Vice Chairman Barker moved, seconded by Director Mason and carried, and the Board (1) approved the Plan for Implementing Water Use Efficiency Guidelines; and (2) informally approved the concurrent annexation of Annexation No. 40 to Calleguas Municipal Water District and Metropolitan conditioned upon a cash payment to Metropolitan of the annexation charge of \$118,340.92 if completed by December 31, 1993, and at the then applicable rate if the annexation is completed after December 31, 1993, subject to such terms and conditions as may be fixed by the Board in granting formal consent to such annexation when a request therefor has been received, as set forth in the General Manager's letter dated September 17, 1993.

Director Reed requested to be recorded as voting no

40512 On behalf of the Water Problems Committee, Vice Chairman Barker moved, seconded by Director Mason and carried, and the Board (1) found that the interests of Metropolitan will not be adversely affected by the creation of the new resulting window; (2) approved the Plan for Implementing Water Use Efficiency Guidelines; and (3) informally approved the concurrent annexation of Annexation No. 41 to Calleguas Municipal Water District and Metropolitan conditioned upon a cash payment to Metropolitan of the annexation charge of \$48,702.12 if completed by December 31, 1993, and at the then applicable rate if the annexation is completed after December 31, 1993, subject to such terms and conditions as may be fixed by the Board in granting formal consent to such annexation when a request therefor has been received, as set forth in the General Manager's letter dated September 17, 1993.

Director Reed requested to be recorded as voting no

40513 On behalf of the Water Problems Committee, Vice Chairman Barker moved, seconded by Director Mason and carried, and the Board (1) found that the interests of Metropolitan will not be adversely affected by the creation of the new resulting window; (2) approved the Plan for Implementing Water Use Efficiency Guidelines; and (3) informally approved the concurrent annexation of the Thirty-Fifth Fringe Area to Western Municipal Water District of Riverside County and Metropolitan conditioned upon a cash payment to Metropolitan of the annexation charge of \$116,276.24 if completed by December 31, 1993, and at the then applicable rate if the annexation is completed after December 31, 1993, subject to such terms and conditions as may be fixed by the Board in granting formal consent to such annexation when a request therefor has been received, as set forth in the General Manager's letter dated September 17, 1993.

Director Reed requested to be recorded as voting no

40514 The following listed communications were submitted for the information of the Board:

- a. Reports of the General Manager
 - i. Activities for the month of September, dated October 4, 1993.
 - ii. Operating data for the month of August, dated September 22, 1993.
- b. Report of the General Counsel on the activities of the Legal Department for the month of September, dated September 30, 1993.
- c. Report of the Auditor on the activities of the Audit Department for the month of September, dated September 27, 1993.
- d. Letter of General Manager dated October 20, 1993, transmitting the Monthly Financial Report for the month of August.
- e. Letter of the General Manager dated September 28, 1993, reporting on Metropolitan's groundwater activities in its service area.
- f. Letter of the General Manager dated September 28, 1993, submitting the first quarter status report on the Local Projects Program.

- g. Letter of the General Manager dated September 29, 1993, transmitting the final report on the Colorado River Aqueduct Pump Rehabilitation Project.
- h. Letter of the General Manager dated September 17, 1993, regarding the implementation of an Employee Suggestion and Recognition Program.
- i. Revised letter of the General Manager dated October 11, 1993, reporting on the Business Outreach Program.
- j. Letter of the General Manager dated September 23, 1993, submitting the Directors' travel expense report for fiscal year 1992-93.
- k. Letter of the General Manager dated September 24, 1993, reporting on land acquisition and appraisal processes.
- l. Letter of the General Manager dated September 28, 1993, reporting on the Financial Structure Study Alternatives.
- m. Letter of the General Manager dated September 22, 1993, presenting information on proposed water quality general obligation bonds.
- n. Confidential letter of the General Manager dated September 22, 1993, regarding full take acquisition of property owned by Kenneth Cloyd, et al. (APN 317-160-33, 34, 35, 36) for the Chemical Unloading Facility buffer zone in Riverside County.

40515 There being no objection, Chairman Pro Tem Miller adjourned the Meeting at 2:07 p.m.



SECRETARY PRO TEM



CHAIRMAN PRO TEM