

MINUTES
REGULAR MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
MARCH 8, 1994

40699 The Board of Directors of The Metropolitan Water District of Southern California met in Regular Meeting on the 3rd Floor of the building located at 350 South Grand Avenue in the City of Los Angeles, State of California, on Tuesday, March 8, 1994.

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

40700 The Meeting was opened with an invocation by Director Larry L. Stamper.

40701 The Pledge of Allegiance to the Flag was given, led by Director Kenneth T. Lombard.

40702 Secretary Murph called the roll. Those answering present were: Directors Bannister, Barker, Blake, Boen, Brick, Davenport, Fellow, Foley, Frahm, French, Grandsen, Green, Handelman, Harry, Hawkins, Kazarian, King, Krauel, Krieger, Lombard, Luddy, Malburg, Mason, McMurray, Meyer, Miller, Moret, Morris, Morse, Murph, Mylne, O'Neil, Pak, Parker, Peterson, Reed, Rez, Stamper, Stuart, Watton, Wein, Witt, and Wysbeek.

 Those not answering were: Directors Brandt, Griffen, Hill, Ibbetson, Milne (entered 12:39 p.m.), and Webster.

40703 Chairman Foley inquired if there were any additions to the agenda.

 Vice Chairman Blake stated that subsequent to the posting of the agenda, information has been received that legislation relating to the Environmental Protection Agency's proposed Water Quality Standards for the San Francisco Bay/Delta Estuary has been introduced which could have serious

impacts on Metropolitan, and moved, seconded by Director Krieger, that, by a two-thirds vote of the Board, this matter be added to the agenda for action at today's Meeting.

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

Vice Chairman Blake stated that subsequent to the posting of the agenda, information has been received that legislation providing for reallocation of property taxes by California counties has been introduced which could have serious impacts upon Metropolitan and moved, seconded by Director Krieger, that, by a two-thirds vote of the Board, this matter be added to the agenda for action at today's Meeting.

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

Chairman Foley stated these matters will be added to the agenda for consideration at today's Meeting.

40704 There being no objection, the Chair ordered the reading of the Minutes of January 11, 1994, dispensed with, a copy having been mailed to all Directors.

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

40705 The General Counsel's letter, dated March 2, 1994, was presented, transmitting the credentials evidencing the appointment by West Basin Municipal Water District of Edward C. Little for an indefinite term, replacing Robert Goldsworthy.

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.

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

Following an introduction by Director Stuart, Mr. Little took his seat as a Director representing West Basin Municipal Water District.

Director Milne took his seat at 12:39 p.m.

40706 The General Counsel's letter, dated March 3, 1994, was presented, transmitting the credentials evidencing the appointment by the City of Torrance of Bill Wright for the unexpired portion of the term ending December 31, 1996, replacing the late Marvin Brewer.

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.

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

Following an introduction by Richard Burtt, City Engineer of Torrance, Mr. Wright took his seat as a Director representing the City of Torrance.

40707 Chairman Foley stated the committee assignments for the newly inducted Directors will be recommended at the April Meeting.

40708 Chairman Foley presented a Commendatory Resolution to former Director Robert J. Abernethy, who had represented the City of Los Angeles.

40709 Chairman Foley presented a Commendatory Resolution to former Director S. Dell Scott who had represented the City of Los Angeles from February 11, 1975, to October 12, 1993.

40710 Chairman Foley presented a Memorial Resolution to Paul Smedley and Peggy Hainley, the son and daughter of former Director A. B. Smedley who had represented Foothill Municipal Water District from April 13, 1965, to August 1, 1990.

40711 Vice Chairman Barker moved, seconded by Director Harry and carried, authorizing the preparation of a Commendatory Resolution for former Director Daniel H. Young who had represented the City of Santa Ana from July 9, 1991, to December 31, 1993.

40712 Chairman Foley invited members of the public to address the Board on matters within the Board's jurisdiction.

Property owners in the Domenigoni Valley addressed the Board, each stating concerns about the land acquisition procedure, as follows: David Phares, Andy Domenigoni, Bonnie Gold, David Ledbetter, Bobbie Faulkner, Robin Burkell, Lucile Prather, Morty MacMillan, Millie Sontra, and Scott Vaughn.

General Counsel Taylor advised that the staff members who have been working on this project are in Committee Room 305, and invited the property owners to meet with them to continue discussions about their concerns in the hopes of resolving the differences.

Ted Tanner, representing Catellus Development Corporation, commented on the site selection for Metropolitan's permanent Headquarters Building, expressing the company's commitment and unqualified support to successfully completing negotiations for the permanent headquarters at Union Station.

40713 Vice Chairman Barker moved, seconded by Vice Chairman Blake and carried, approving the reappointments of Directors Stuart and Wysbeek to the Special Nominating Committee for a second two-year term ending February 28, 1996.

40714 Building Site Task Force Chairman Brick reported that an unsolicited bid for the 1111 Sunset Boulevard site has been received.

Pursuant to the action taken at the February 16 meeting, Building Site Task Force Chairman Brick moved, seconded by Director Stuart and carried, that the previously tabled proposal submitted by MS Management Services regarding Two California Plaza be removed from the table, and that the subsequently amended MS Management Services proposal be thoroughly evaluated on a comparative basis with the present build-to-suit long-term headquarters project proposed by the Catellus Development Corporation at the Union Station site, and that the results of such an evaluation be presented to the Board on or before April 12, 1994, as recommended in the letter of the Task Force Chairman dated February 28, 1994.

Directors Frahm, Lombard, Morris, Mylne, O'Neil, Peterson, Reed, Wein, and Wysbeek requested to be recorded as voting no.

40715 Vice Chairman Barker moved, seconded by Director Murph and carried, approving the proposal made in the Board Chairman's letter dated February 23, 1994, thereby establishing a Standing Committee on Legislation, and amending the Administrative Code to read as shown on Attachment A to the foregoing letter.

40716 Legal and Claims Committee Chairman Krauel announced there is no report on legal issues arising out of space problems.

40717 Assistant General Manager Horne described the participation between Metropolitan's staff and representatives from the member agencies to assist in the preparation of the long range financial plan and the nexus study. He reported that the emergency preparedness effort is also a joint effort with the member agencies. He advised that the cost containment efforts for the fiscal year 1994-95 Annual Budget will be reviewed by the Special Budget Committee during its three-day meeting on May 2, 3, and 4.

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

Assistant General Manager Georgeson reported that on February 17, the urban contractors presented a proposal to the Director of the Department Water Resources and the agricultural State Water Contractors in connection with the Article 18 negotiations. A response to this proposal will be submitted at the meeting scheduled on March 16, he advised. He further advised that five member units of Kern County Water Agency have executed a contract to sell from 24,000 acre-feet up to 184,000 acre-feet of water outside the Kern County Water Agency to Westlands Water District. The urban contractors are responding to this transaction, citing they have the first right of refusal, and secondly, no water is to be transferred outside of the State Water Project if it would have an adverse impact on the other contractors or if it would have an adverse impact on carryover storage into 1995.

Assistant General Manager Balcerzak reported on the shutdowns taking place throughout the system for maintenance and repairs. He advised that negotiations are in progress for the acquisition of the Allen-McColloch Pipeline, with the takeover date targeted for July 1, 1994.

Acting Chief of Operations Young gave a slide-illustrated presentation on the water supply situation, projecting sales will approximate 1.8 million acre-feet for

the year. By video, he showed the break in the Mojave Siphon on the East Branch of the State Water Project, upstream of Lake Silverwood.

Director Moret withdrew from the Meeting at 2:07 p.m.

Chief Engineer Snyder explained the nature of the break in the Mohave Siphon, and the procedures followed by Metropolitan to prevent such an occurrence. He advised that the State will be replacing this section of prestressed concrete pipe with a steel pipe.

40718 General Manager Wodraska reported on the activities in connection with the Safe Drinking Water Act, the Clean Water Act, and the Bay/Delta issues. He announced that Assistant General Manager Balcerzak has been assigned to assist the Blue Ribbon Task Force Ad Hoc Committee. Mr. Wodraska gave a slide-illustrated overview of the Integrated Resource Plan. Subject to the Board approval of the compensation package (M.I. 40740), he announced that he has hired a Director of Personnel.

Director Mason withdrew from the Meeting at 2:17 p.m.

40719 General Counsel Taylor reported on the efforts of the Legal Department in connection with the Domenigoni Valley Reservoir and Inland Feeder Projects. He announced that Henry Torres has been hired as a Deputy General Counsel III to fill an existing vacancy, and will primarily be responsible for personnel and affirmative action matters. The Legal Department, he advised, is available to assist Directors to complete the economic disclosure form, due no later than April 1.

Directors Hawkins and Wein withdrew from the Meeting at 2:20 p.m.

Director Davenport moved, seconded by Director Kazarian and carried, and the Board approved the Consent Calendar Items, M.I. 40720 through M.I. 40730, as follows:

40720 Authorized the General Manager to issue extra work orders to the contractor constructing the Etiwanda Power Plant, Advanco Constructors, Inc., that, in the aggregate, will not exceed \$370,000, subject to the agreement being in form approved by the General Counsel, as set forth in the General Manager's letter dated February 9, 1994.

40721 Endorsed the CALPAW Bond Act Initiative on the June 1994 State ballot which authorizes the issuance of bonds to acquire park and wildlife areas throughout California, as set forth in the General Manager's letter dated February 14, 1994.

40722 Authorized the General Manager to execute a contract with Pascal & Ludwig Engineers in the amount of \$1,230,000 to relocate a portion of the Calabasas Feeder, and upon execution of the contract, reject all other bids received, as set forth in the General Manager's letter dated February 14, 1994.

40723 Adopted Resolution 8434 in form attached to the General Manager's letter dated February 3, 1994, mandated by the State Office of Emergency Services and Federal Emergency Management Agency, authorizing representatives of the District to file for Federal and State disaster assistance for damages resulting from the January 17, 1994, Northridge earthquake, said Resolution entitled:

DESIGNATION OF APPLICANT'S AGENT RESOLUTION

40724 Approved the removal of surplus property as listed in Attachment A to the General Manager's letter dated February 10, 1994, after determining that these parcels are no longer surplus.

40725 Expressed support for Assembly Bill 2098 (Costa) on recommended public health levels, as set forth in the General Manager's letter dated February 23, 1994.

40726 Amended specified sections of the Administrative Code to read as set forth in Attachment A to the General Counsel's letter dated February 15, 1994, to conform with provisions of the new MOU with the Employees Association.

40727 Amended Section 6326(e) of the Administrative Code to read as shown in Attachment A to the General Counsel's letter dated February 15, 1994, to conform with the IRS regulations that there shall be no reimbursement for spousal expense.

40728 Amended the Administrative Code to transfer the duties of the Executive Committee to evaluate and recommend salary and compensation for Department Heads to the Special Committee on Department Head Compensation, by deleting Section 2417(1)(5) and adding Division II, Chapter 5, Article 7.5, sections 2575 and 2576 as set forth in Attachment 1 to the General Counsel's letter dated February 23, 1994.

40729 Authorized the General Counsel to amend the existing contract with Bruce Briggs Professional Investigations to provide for total payments not to exceed \$50,000, as set forth in the General Counsel's letter dated February 25, 1994.

40730 Authorized the General Manager to acquire Domenigoni Valley Reservoir Property 144-001-505 owned by Fred and Narlene Douma, and Herman and Betty Douma, as set forth in his confidential letter dated March 4, 1994.

40731 Water Problems Committee Chairman Malburg moved, seconded by Vice Chairman Blake and carried, and the Board (1) found that restructuring of rates recommended in the General Manager's supplemental letter dated March 7, 1994, is exempt from the California Environmental Quality Act by Public Resources Code Section 21080(b)(8) since it is for the purposes of (a) meeting operating expenses, (b) purchasing or leasing supplies, equipment or materials, (c) meeting financial reserve needs and requirements, and (d) obtaining funds for capital projects necessary to maintain service within existing service areas; and (2) adopted water rates to become effective July 1, 1994, as shown on the following schedule:

<u>Class of Service</u>	<u>Rates in Dollars per AF</u>		
	<u>Current 1993-94</u>	<u>Proposed 1994-95</u>	<u>Change</u>
Noninterruptible			
Untreated	318	335	+17
Treated	385	412	+27
Emergency Water			
Untreated	954	1,005	+51
Treated	1,021	1,082	+61
Reclaimed Water	113	113	0
Seasonal Storage			
Untreated	208	222	+14
Treated	253	275	+22

40732 Chairman Foley announced that Agenda Item 8-2, regarding Chino Basin Groundwater Storage Program studies, has been withdrawn.

40733 Legal and Claims Committee Chairman Krauel moved, seconded by Land Committee Chairman Kazarian, that by a two-thirds vote, the Board adopt Resolution 8435 transmitted with

the General Manager's supplemental letter dated March 7, 1994, revised from his February 14 letter, 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 8435 was adopted by a unanimous vote, representing more than the required two-thirds vote, said Resolution entitled:

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
DIRECTING THE CONDEMNATION OF CERTAIN PROPERTIES SITUATED
IN RIVERSIDE COUNTY (DOMENIGONI VALLEY RESERVOIR PROJECT)**

Director Hawkins returned to the Meeting at 2:23 p.m.

40734 Organization and Personnel Committee Chairman Rez moved, seconded by Engineering and Operations Committee Chairman Miller and carried, authorizing the General Manager to enter into an agreement with P&D Technologies for an amount not to exceed \$4.5 million for mitigation monitoring services for the Inland Feeder, as set forth in the General Manager's letter dated February 22, 1994.

40735 Organization and Personnel Committee Chairman Rez moved, seconded by Legal and Claims Committee Chairman Krauel and carried, authorizing the General Counsel to increase the total number of permanent full-time attorneys from 13 to 14 and the total number of full-time secretaries from 6 to 8 with the resulting overall number of full-time positions for the General Counsel's office set at 26, as set forth in the General Counsel's letter dated February 17, 1994.

40736 Finance and Insurance Committee Vice Chairman Green moved, seconded by Engineering and Operations Committee Chairman Miller and carried, and the Board (1) authorized the General Manager to have all work performed, other than work to be performed under construction contracts involving an expenditure of \$250,000 or more, for design and purchase of equipment for the expansion of the chlorine system at the Robert B. Diemer Filtration Plant; (2) authorized the General Manager to negotiate and execute a contract with Anderson-Columbiana Trading Corporation for the purchase of four 19-ton chlorine trailers at a total cost not to exceed \$450,000 including sales taxes and freight, subject to the contract

being in form approved by the General Counsel; (3) approved Appropriation No. 676 in the amount of \$1,150,000 from the Pay-As-You-Go Fund to finance design and all estimated costs in advance of award of a construction contract for modification of the chlorine system at the Diemer plant; and (4) authorized an increase of \$540,000 in Appropriation No. 099 from the General Fund for the purchase of the chlorine trailers, as set forth in the General Manager's letter dated February 16, 1994.

40737 Organization and Personnel Committee Chairman Rez moved, seconded by Vice Chairman Blake and carried, approving the appointment of Edward G. Means III to the position of Chief of Operations, effective July 3, 1994, pursuant to subsection (b) of Section 6401 of the Administrative Code, as set forth in the General Manager's letter dated March 1, 1994.

40738 Vice Chairman Barker moved, seconded by Vice Chairman Blake and carried, and the Board remained neutral on Assembly Bill 2673 (Cortese) -- Local Public Water Systems: Service Needs; and instructed staff to continue to monitor the bill, and forward information on the legislation to member agencies for their consideration, as set forth in the General Manger's letter dated February 25, 1994.

40739 Legal and Claims Committee Chairman Krauel moved, seconded by Water Problems Committee Chairman Malburg and carried, authorizing the General Counsel to intervene in litigation relating to the Delta smelt, as set forth in the General Counsel's confidential letter dated March 1, 1994.

40740 Organization and Personnel Committee Chairman Rez moved, seconded by Director Stuart and carried, authorizing the General Manager to negotiate a compensation package for the incoming Director of Personnel, as set forth in the General Manager's confidential letter dated March 2, 1994.

Director Brick withdrew from the Meeting at
2:29 p.m.

40741 Vice Chairman Blake moved, seconded by Water Problems Committee Chairman Malburg and carried, and the Board expressed support for the technical comments of the California Urban Water Agencies regarding the adoption of alternative Bay/Delta standards and the legal position of the coalition of urban water agencies as set forth in the March 7, 1994, letter jointly signed by the General Manager and the General Counsel dated March 7, 1994.

40742 Vice Chairman Blake moved, seconded by Director Stuart and carried, and the Board expressed its opposition to Senate Bill 1666 (Mello), which would provide for reallocation of property taxes by California counties, unless amended to exempt property tax revenues which are levied and pledged for the payment of voter-approved indebtedness, as recommended in the General Manager's letter dated March 7, 1994.

40743 The following listed communications were submitted for the information of the Board:

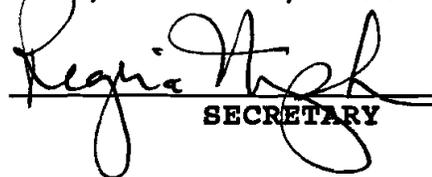
- a. Reports of the General Manager
 - i. Activities for the month of February, dated February 28, 1994.
 - ii. Operating data for the month of January, dated February 10, 1994.
- b. Report of the General Counsel on the activities of the Legal Department for the month of February, dated February 28, 1994.
- c. Report of the Auditor on the activities of the Audit Department for the month of February, dated February 28, 1994.
- d. Letter of the General Manager dated March 3, 1994, transmitting the Monthly Financial Report for the month of January.
- e. Letter of the General Manager dated February 15, 1994, reporting on the Water Quality Division's sponsorship of University Cooperative Programs.
- f. Letter of the General Manager dated February 16, 1994, submitting the status report on Phase One of the Information Systems Strategic Plan for the quarter ended December 31, 1993.
- g. Letter of the General Manager dated February 16, 1994, submitting a status report on the Imperial Irrigation District/Metropolitan Water District Water Conservation Program.
- h. Letter of the General Manager dated February 6, 1994, reporting on the 1992-93 workers' compensation liabilities.

- i. Letter of the General Manager dated February 16, 1994, transmitting a status report on the All American Canal Lining Project.
- j. Letter of the General Manager dated February 16, 1994, reporting on the release of the Coachella Canal Lining Project Draft Environmental Impact Statement/Report by U.S. Bureau of Reclamation.
- k. Letter of the General Manager dated February 16, 1994, transmitting a draft of the Agricultural Water Policy Issues paper.
- l. Letter of the General Manager dated March 4, 1994, presenting a water supply update.
- m. Letter of the General Manager dated February 17, 1994, reporting on the Cooperative Work/Study Program.
- n. Letter of the General Manager dated March 4, 1994, submitting a preliminary assessment of the January 17, 1994, Northridge earthquake on District facilities, distribution system, service area, and employees.
- o. Letter of the General Manager dated March 2, 1994, submitting responses to comments made by property owners in Domenigoni Valley, Mrs. Burkel and Mrs. Faulkner, at the February 1994 Board Meeting.
- p. Letter of the General Manager dated February 28, 1994, transmitting the variance report for the quarter ending December 31, 1993.
- q. Letter of the Board Chairman dated March 1, 1994, reporting on the Steering Committee members for the June 1994 Strategic Plan Assembly.

40744 There being no objection, Chairman Foley adjourned the Meeting at 2:31 p.m. to 10:00 a.m., March 29, 1994.



 CHAIRMAN



 SECRETARY