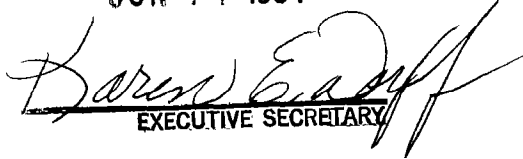


JUN 14 1994

  
EXECUTIVE SECRETARY

MINUTES

REGULAR MEETING OF THE

BOARD OF DIRECTORS

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MAY 10, 1994

**40801** The Board of Directors of The Metropolitan Water District of Southern California met in Regular Meeting on the third floor of the building located at 350 South Grand Avenue in the City of Los Angeles, State of California, on Tuesday, May 10, 1994.

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

**40802** The Meeting was opened with an invocation by Director Larry L. Stamper.

**40803** The Pledge of Allegiance to the Flag was given, led by Director Bill D. Wright.

**40804** Secretary Murph called the roll. Those answering present were: Directors Bannister, Barker, Blake, Boen, Brick, Davenport, Fellow, Foley, Frahm, French, Grandsen, Green, Griffen, Handelman, Harry, Hawkins, Hill, Ibbetson, Kazarian, Krauel, Krieger, Little, Lombard, Malburg, Mason, McMurray, Meyer, Miller, Milne, Moret, Morris, Morse, Murph, Mylne, O'Neil, Parker, Peterson, Reed, Rez, Stamper, Stuart, Wein, Witt, Wright, and Wysbeek.

Those not answering were: Directors Brandt (entered 1:38 p.m.), King, Luddy, Pak, Watton, and Webster.

The Chair declared a quorum present.

**40805** Chairman Foley 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.

**40806** Chairman Foley invited members of the public to address the Board on matters within the Board's jurisdiction. No member of the public responded.

**40807** There being no objection, the Chair ordered the reading of the Minutes of March 29 and April 12, 1994, dispensed with, copies having been mailed to all Directors.

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

Director Green requested to be recorded as abstaining.

**40808** Legal and Claims Committee Chairman Krauel announced there is no report in connection with Board Agenda Item G; legal issues arising out of space problems.

**40809** Ad Hoc Committee on Water Standby Charge Exemption Appeals Chairman Morris moved, seconded by Vice Chairman Blake and carried, and the Board:

1. Granted to Mr. Patrick H. Mallen one of the following: (a) exemption of his property under Category 3, providing Mr. Mallen signs the required agreement; or (b) after further research of the land use restrictions, if Mr. Mallen's property is found to be eligible, the General Manager be authorized to grant a partial exemption under Category 2, which does not require an agreement;

2. Denied the appeal of the Woodbridge Association on the basis that the open space parcels benefit from the District's water facilities but, due to the size and irregularity of most of the open space parcels, that the property be charged on the basis of total acreage rather than by individual parcel; and

3. Denied Mr. Tony Kato's appeal on the basis that the golf course benefits from the availability of the District's water facilities;

as recommended in the letter from the Ad Hoc Committee to the Board dated April 22, 1994.

**40810** Chairman Foley presented a plaque to Director Krieger commemorating the fortieth anniversary of Western Municipal Water District of Riverside County.

**40811** Assistant General Manager Balcerzak announced that the Engineering and Operations Committee is conducting a two-day inspection trip of Metropolitan's facilities on June 29 and 30, and urged all Directors to participate.

Chief Engineer Snyder, using a video tape, showed the dedication ceremonies for the San Diego Canal relocation, one of the major projects essential for the construction of the Domenigoni Valley Reservoir project, and of the completion of the equestrian trail around Lake Skinner.

Acting Chief of Operations Young gave a water supply update, stating that even though it is being forecasted that this will be a very dry year on both the State Water Project and the Colorado River Aqueduct, Metropolitan has adequate reserves to meet all its demands this year, including deliveries for the Cooperative Storage Program.

Assistant General Manager Georgeson reported that after a thorough analysis and a conservative estimate of our water needs for direct deliveries and storage, it was determined that 100,000 acre-feet of Metropolitan's allocation to the State Water Project can be turned back. He advised that other State Water Contractors also turned back quantities of their allocations. With the declaration by the Bureau of Reclamation that this may be the fourth driest year of the century, a water bank is being developed for agricultural use, he said.

Assistant General Manager Horne reported that following the review of the proposed 1994-95 Annual Budget, the Special Budget Committee has offered numerous recommendations which ultimately will improve the budget process. He urged all Directors to attend the Integrated Resource Plan meetings, the final one scheduled for May 24 in San Diego at the Town and Country Hotel, coinciding with the ACWA Conference. Mr. Horne advised that the issue papers for the May 24 Integrated Resource Plan meeting will be mailed in advance in order to give all Directors the opportunity to review and submit comments.

Director of Finance Leddy reported on Metropolitan's financial condition.

**40812** General Manager Wodraska reported on attending the Bay Area Economic Forum meeting in San Francisco, attended by Chairman Foley, Vice Chairman Blake, the Chairman of the Federal Reserve Board, and the Chairman of the Bank of America, where it was noted water issues in California will

have a genuine effect on the State's credit quality. Since this announcement, the business community within the State has become more aware of the need to resolve water-related issues and is taking a greater interest in water matters, including the Bay/Delta proceedings. Mr. Wodraska advised that Metropolitan has taken the lead on drafting amended language for the Safe Drinking Water Act, relating to source protection and watershed management, and commended Director of Water Quality Mark Beuhler for his outstanding efforts in achieving the compromise position. He announced this legislation will be voted on in the United States Senate this week. He gave a cursory overview of the proposed reorganization.

**40813** General Counsel Taylor reported on the decision in Brydon v. East Bay MUD, validating East Bay MUD's drought management program. He advised that he, along with other attorneys, will be attempting to achieve a coordinated plan in Westlands v. CVPIA. The acquisition of property for the Domenigoni Valley Reservoir Project is nearing completion, he stated.

Director Stuart moved, seconded by Vice Chairman Blake and carried, and the Board approved the Consent Calendar Items, M.I. 40814 through M.I. 40829, as follows:

**40814** Authorized (1) 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 the seismic upgrade of the auto repair and utility shop building at the La Verne Facilities; and (2) Appropriation No. 678 in the amount of \$200,000 from the Pay-As-You-Go Fund to finance final design and all estimated costs in advance of award of a construction contract for the above seismic work, as set forth in the General Manager's letter dated April 14, 1994.

**40815** Authorized (1) 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 installing centralized standby emergency power generation systems at the F. E. Weymouth and R. B. Diemer Filtration Plants; (2) Appropriation No. 681 in the amount of \$1,075,000 from the Pay-As-You-Go Fund to finance all estimated costs in advance of award of a contract for the above installation work; and (3) the General Manager to enter into an agreement, not to exceed \$500,000 including expenses, with Burns and Roe Pacific Company, substantially on the terms outlined in the General Manager's letter dated April 20, 1994, to perform consulting services for design and construction support for

installing centralized standby emergency power generation systems at the F. E. Weymouth and R. B. Diemer Filtration Plants, subject to the agreement being in form approved by the General Counsel.

**40816** Authorized (1) 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, to relocate the polymer and alum chemical feed system at the Robert B. Diemer Filtration Plant; and (2) Appropriation No. 682 in the amount of \$1,450,000 from the Pay-As-You-Go Fund to finance all estimated costs for the relocation, as set forth in the General Manager's letter dated April 20, 1994.

**40817** Adopted legislative policy principles for the California Endangered Species Act as set forth in the General Manager's revised letter dated April 21, 1994; and, if amended, expressed support for Senate Bill 1549 (Hart), relating to the California Endangered Species Act.

**40818** Authorized the General Manager to execute the Memorandum of Understanding (MOU) with the Bureau of Land Management, Bureau of Reclamation, Fish and Wildlife Service, Arizona Game and Fish Department, California Department of Fish and Game, and Anglers United to implement the Lake Havasu Fisheries Improvement Program, as set forth in the General Manager's letter dated April 21, 1994, subject to the MOU being in form approved by the General Counsel.

**40819** Expressed opposition to Senate Bill 1534 (Johnston) regarding eminent domain provisions of the Williamson Act, as set forth in the General Counsel's letter dated April 28, 1994.

**40820** Authorized the General Manager to acquire Domenigoni Valley Reservoir Property 144-001-165 owned by Mr. and Mrs. John R. Roeder, as set forth in his confidential letter dated April 29, 1994.

**40821** Authorized the General Manager to acquire Domenigoni Valley Reservoir Property 144-001-179 owned by Jona Goldrich, and settle the related litigation titled Metropolitan Water District of Southern California v. Jona Goldrich, et al, Orange County Superior Court Case No. 718624, as set forth in his confidential letter dated April 29, 1994.

**40822** Authorized the General Manager to acquire Domenigoni Valley Reservoir Property 144-002-020PEA1 owned by Mr. and Mrs. William A. Hurst, as set forth in the General Manager's confidential letter dated April 29, 1994.

**40823** Authorized the General Manager to acquire Domenigoni Valley Reservoir Property 144-002-006, 144-002-006TEA1, 144-002-008, and 144-002-008TEA1 owned by Brigham T. Jarvis, as set forth in the General Manager's confidential letter dated April 29, 1994.

**40824** Authorized the General Manager to acquire Domenigoni Valley Reservoir Property 144-005-002 and 144-005-002TEA1 owned by the Harold and Nadine Jongsma Children's Trust, as set forth in his confidential letter dated April 29, 1994.

**40825** Authorized the General Manager to acquire Domenigoni Valley Reservoir Property 144-001-619 owned by SJV Development, Inc., and settle the related litigation titled Metropolitan Water District of Southern California v. SJV Development, Inc., Riverside County Superior Court Case No. 246744, as set forth in the General Manager's confidential letter dated April 29, 1994.

Directors Morris and Peterson requested to be recorded as voting no.

**40826** Authorized the General Counsel to make a settlement offer in the eminent domain action titled Metropolitan Water District of Southern California v. Dale W. Long, et al., Riverside County Superior Court Case No. 218541, to acquire Domenigoni Valley Reservoir Property 144-1-41, as set forth in the General Counsel's confidential letter dated April 22, 1994.

**40827** Authorized the General Manager to acquire Domenigoni Valley Reservoir Properties 144-001-047 owned by the Stanifer Family Trust; and 144-001-048 and 48.1 owned by Mr. and Mrs. Dennis J. Bennett, and settle the related litigation titled Metropolitan Water District of Southern California v. Bennett, et al., Riverside County Superior Court Case No. 234571, as set forth in the General Manager's confidential letter dated March 24, 1994.

**40828** Authorized the General Manager to acquire property for the San Diego Emergency Intertie Pipeline, Parcel Nos. 144-1-328PEA1 and 144-1-328TEA1 owned by Charles R. and Virginia L. Polk, as set forth in the General Manager's confidential letter dated April 28, 1994.

**40829** Authorized the General Manager to acquire Domenigoni Valley Reservoir Property 144-001-061 owned by Mr. and Mrs. John K. Stanifer, and settle the related litigation titled Metropolitan Water District of Southern California v. Stanifer, Riverside County Superior Court Case No. 231541, as set forth in the General Manager's confidential letter dated March 24, 1994.

**40830** Water Problems Committee Chairman Malburg moved, seconded by Finance and Insurance Committee Chairman Mason and carried, approving the recommendations in the General Manager's letter dated May 10, 1994, revised from his April 20 letter, regarding the Interim Agricultural Water Program, as follows:

1. Adopting the principles for the Interim Agricultural Water Program set forth in the April 20 letter with the modification that the Program will have a sunset/renewal in 3 years.
2. Declaring and determining that a partial discontinuance of surplus water shall be implemented under Section 132 of the MWD Act and pursuant to the notice of a potential interruption in 1994 which was provided by the Board on March 9, 1993.
3. Delegating to the General Manager the authority to implement partial discontinuance of surplus water deliveries, at the levels shown in Item 7 of Attachment A to the May 10 letter.
4. Subject to a public hearing on the water rates, the discounts for agricultural water deliveries be set at \$137/AF and \$113/AF for treated and untreated water, respectively, for the three-year term of the Program.
5. Approving the additional features of the Program as set forth in Attachment A, as modified.
6. Find that such rates are exempt from the California Environmental Quality Act by Public Resources Code Section 21080(b)(8) since it recommends restructuring of rates and other charges which are for the purposes of meeting operating expenses, purchasing or leasing supplies, equipment or materials, meeting financial needs and requirements, and obtaining funds for capital projects necessary to maintain service within existing service areas.

7. Following a public hearing, adopt, by a two-thirds vote, the Resolution under Section 132 of the MWD Act providing notice of a potential whole or partial discontinuance of surplus water deliveries in 1995 pursuant to the Program.
8. Authorizing the General Counsel to amend the Administrative Code consistent with the program description in the General Manager's revised letter dated May 10, 1994.
9. Directing staff to retain a consultant to assess the value of agricultural interruptibility to Metropolitan with the results reported to the Board at the end of the first year of the Program.
10. Directing staff to have the Request for Proposals for the outside consultant's work on the value of agricultural interruptibility reviewed by the Finance and Insurance, Water Problems, and Executive Committees.
11. Directing staff to develop a long-term strategy to resolve reliability issues for agricultural water in Metropolitan's service area. At the end of the second year of the Program, a long-term strategy will be proposed for adoption and the Program will be reviewed by the Board in light of the recommended strategy.

Director Peterson requested to be recorded as voting no.

Director Reed requested to be recorded as abstaining.

40831 Water Problems Committee Chairman Malburg moved, seconded by Vice Chairman Blake and carried, adopting Resolution 8439 directing the giving of notice of potential discontinuance of service of surplus water, said Resolution entitled:

**RESOLUTION OF MAY 10, 1994 OF THE BOARD OF DIRECTORS OF  
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA  
DIRECTING THE GIVING OF NOTICE OF POTENTIAL  
DISCONTINUANCE OF SERVICE OF SURPLUS WATER IN 1995**



**40832** Finance and Insurance Committee Chairman Mason moved, seconded by Water Problems Committee Chairman Malburg and carried, and the Board (1) found that the imposition 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 8440** shown as Attachment A to the General Manager's letter dated April 22, 1994, supplemented by his letter of May 9, 1994, 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 IMPOSING WATER STANDBY CHARGES FOR FISCAL YEAR 1994-1995**

Director Reed requested to be recorded as voting no.

**40833** Water Problems Committee Chairman Malburg moved, seconded by Director Krauel and carried, and the Board (1) certified that it has reviewed and considered the Negative Declarations for the Chino Basin Desalination Program, Phase I; and (2) authorized the General Manager to execute an agreement with the Santa Ana Watershed Project Authority, the Chino Basin Municipal Water District, and the Western Municipal Water District of Riverside County to implement the program, said agreement to be consistent with the major terms and conditions in the General Manager's letter dated April 20, 1994, subject to the agreement being in form approved by the General Counsel.

Directors French, Hill, and Mylne requested to be recorded as abstaining.

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

**40834** On behalf of the Committee on Legislation, Vice Chairman Blake moved, seconded by Water Problems Committee Chairman Malburg and carried, and the Board expressed support for Assembly Bill 3096 (Katz), subject to modifications that will assure a firm money source for the Environmental Water Fund (Mono Lake) independently of State Water Project revenues previously committed to the California Water Fund, as set forth in the General Manager's letter dated April 21, 1994.

**40835** Chairman Foley announced that Agenda Item 8-7 has been deferred, the General Manager's letter dated April 21, 1994, relating to the impact of Assembly Bill 3250 (Haynes) upon Metropolitan regarding the California Environmental Quality Act.

**40836** Engineering and Operations Committee Chairman Miller moved, seconded by Vice Chairman Barker and carried, awarding a contract in the amount of \$420,420 to Wakeham-Baker Inc., for construction of the Temporary Visitor Center at the Domenigoni Valley Reservoir Project; and that after the contract has been executed, authorized the General Manager to reject all other bids, as set forth in the General Manager's letter dated April 25, 1994.

Directors Bannister, Davenport, Kazarian, and Lombard requested to be recorded as voting no.

**40837** Engineering and Operations Committee Chairman Miller moved, seconded by Organization and Personnel Committee Chairman Rez and carried, authorizing the General Manager to approve Amendment No. 1 to Agreement No. 3759 with the Ralph M. Parsons Company, increasing the agreement amount by \$2.95 million to a maximum amount not to exceed \$8.95 million to perform Program Management Services at the Domenigoni Valley Reservoir Project, and to extend the time of completion for these services to November 30, 1995, subject to the amendment being in form approved by the General Counsel, as set forth in the General Manager's letter dated April 19, 1994.

Directors Boen and Morris requested to be recorded as abstaining.

**40838** Chairman Foley announced that Agenda Item 8-10 has been withdrawn, the General Manager's letter dated April 20, 1994, regarding the security and protective services contract renewal.

Director Brandt took his seat at 1:38 p.m.

**40839** Finance and Insurance Committee Chairman moved, seconded by Engineering and Operations Committee Chairman Miller and carried, authorizing (1) the General Manager to amend Agreement No. 4330 with CH2M Hill to increase the amount under the contract from \$750,000 to \$1,150,000 to provide for additional field investigation services and related facility planning analyses, subject to the amendment being in form approved by the General Counsel; and (2) Revision No. 4 to

Appropriation No. 399, an increase of \$1,000,000 to a total of \$4,790,000 from the Pay-As-You-Go Fund, to finance Chino Basin Groundwater Storage program studies, as set forth in the General Manager's letter dated April 20, 1994.

**40840** Organization and Personnel Committee Chairman Rez moved, seconded by Finance and Insurance Committee Chairman Mason and carried, adopting the Resolution of Intention (**Resolution 8441**) transmitted with the General Manager's letter dated April 15, 1994, regarding the proposed Early Retirement Program; and certifying compliance with Government Code Sections 7507 and 20818 as set forth in Attachments A, B, C, and D to the foregoing letter; said Resolution entitled:

**RESOLUTION OF INTENTION TO APPROVE AN AMENDMENT TO CONTRACT BETWEEN THE BOARD OF ADMINISTRATION OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**40841** Organization and Personnel Committee Chairman Rez moved, seconded by Director Stuart and carried, authorizing the General Manager to amend existing agreements and enter into new agreements in excess of the \$250,000 limit with temporary employment agencies, with the amendments to be made in accordance with the provisions of Metropolitan's Administrative Code and on the terms outlined in the General Manager's letter dated April 12, 1994, subject to the amendments being in form approved by the General Counsel.

**40842** Legal and Claims Committee Chairman Krauel moved, seconded by Land Committee Chairman Kazarian, that, by a two-thirds vote, the Board adopt **Resolution 8442** transmitted with the General Manager's supplemental letter dated May 9, 1994, revised from his April 21 letter, declaring the necessity for the Domenigoni Valley Reservoir Project and for the properties described in Exhibits A and B to the April 21 letter, and directing the General Counsel to commence condemnation proceedings in Riverside County to acquire those properties.

The Chair called for a vote on the motion. The Chair declared **Resolution 8442** 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)**

**40843** Committee on Legislation Chairman Brandt moved, seconded by Director Malburg and carried, expressing support for Proposition 178 as proposed on the June 7, 1994, primary election ballot, advocating tax exemptions for agricultural water conservation devices, as recommended in the General Manager's letter dated May 5, 1994.

**40844** The following listed communications were submitted for the information of the Board:

- a. Reports of the General Manager
  - i. Activities for the month of April, dated April 28, 1994.
  - ii. Operating data for the month of March, dated April 14, 1994.
- b. Report of the General Counsel on the activities of the Legal Department for the month of April, dated April 29, 1994.
- c. Report of the Auditor on the activities of the Audit Department for the month of April, dated May 2, 1994.
- d. Letter of the General Manager dated April 29, 1994, transmitting the Monthly Financial Report for the month of March.
- e. Letter of the General Manager dated April 18, 1994, submitting the quarterly status report for the Domenigoni Valley Reservoir Project.
- f. Letter of the General Manager dated April 12, 1994, submitting the quarterly report on changes in funding sources for capital program expenditures.
- g. Letter of the General Manager dated April 20, 1994, reporting on the Government Finance Officers Association Distinguished Budget Presentation Award.
- h. Letter of the General Manager dated April 29, 1994, transmitting the Variance Report for the quarter ending March 31, 1994.
- i. Letter of the General Manager dated May 6, 1994, presenting a water supply update.

- j. Letter of the General Manager dated April 20, 1994, reporting on the Southern California Water and Energy Partnership.
- k. Letter of the General Manager dated April 20, 1994, reporting on implementation of measures to secure the resources for the Ultra-Low-Flush Toilet Program.
- l. Letter of the General Manager dated April 20, 1994, transmitting Regional Groundwater Quality Report No. 991.
- m. Letter of the General Manager dated April 13 1994, transmitting the Semiannual Report on Equal Employment Opportunity.
- n. Letter of the General Manager dated April 19, 1994, reporting on the Administrative Services Division sponsorship of University Intern Program.
- o. Letter of the General Manager dated April 18, 1994, describing the impact upon Metropolitan of Assembly Bill 3035 (Katz) - Water Transfers.
- p. Letters of the General Manager dated April 18, and May 9, 1994, presenting an update on the Safe Drinking Water Act Reauthorization.

40845 There being no objection, Chairman Foley adjourned the Meeting at 1:43 p.m.

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REGINA MURPH  
SECRETARY

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JOHN V. FOLEY  
CHAIRMAN