

OCT 11 1994


EXECUTIVE SECRETARY

MINUTES

REGULAR MEETING OF THE
BOARD OF DIRECTORS

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

SEPTEMBER 13, 1994

41001 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, September 13, 1994.

The Meeting was called to order by Chairman Foley at 12:34 p.m.

41002 The Meeting was opened with an invocation by Director Larry L. Stamper.

41003 The Pledge of Allegiance to the Flag was given, led by Director Doude Wysbeek.

41004 Secretary Murph called the roll. Those answering present were: Directors Bannister, Barker, Blake, Boen, Brick, Davenport, Fellow, Foley, Frahm, Grandsen, Green, Griffen, Harry, Hawkins, Hill, Ibbetson, Krauel, Krieger, Little, Lombard, Luddy, Malburg, Mason, McMurray, Meyer, Miller, Milne, Moret, Morse, Murph, Mylne, O'Neil, Parker, Peterson, Reed, Rez, Stamper, Troxel, Watton, Wein, Witt, Wright, and Wysbeek.

Those not answering were: Directors Brandt, Handelman, King, Morris, Pak, Stuart, and Webster.

Not Represented: City of Anaheim.

The Chair declared a quorum present.

41005 Chairman Foley inquired if there were any additions to the agenda.

Legal and Claims Committee Chairman Krauel reported that at its meeting of September 12, 1994, subsequent to the posting of the Agenda, the committee became aware of a proposed settlement in the case of The Metropolitan Water District of Southern California v. JWP Controls, Inc., requiring immediate action by the Board. Committee Chairman Krauel then moved that the Board, by a two-thirds vote, add this item to the Agenda for action at today's Meeting. The motion was seconded by Vice Chairman Blake and carried unanimously, representing more than the required two-thirds vote.

Director Mason stated inspection trips of the State Water Project facilities and Metropolitan's facilities are scheduled to begin this month. Therefore, he said, it is a matter of urgency that there be a discussion of the new regulations covering these inspection trips, and moved that the Board, by a two-thirds vote, add to the Agenda for today's meeting a discussion of the new regulations for inspection trips. The motion was seconded by Director Reed and unanimously carried, representing more than the required two-thirds vote.

Engineering and Operations Committee Chairman Miller reported that at its meeting of September 12, 1994, the committee became aware of negotiations concluded late Friday, September 9, 1994, regarding the assignment of the design services contract for the Domenigoni Valley Reservoir Project from Ebasco Services, Incorporated to Raytheon Infrastructure Services, Incorporated, a subsidiary of Raytheon Engineers and Constructors, Inc., which requires immediate approval by the Board in order to maintain work continuity on the project. Committee Chairman Miller stated that knowledge to act on this matter arose subsequent to the posting of the Agenda, and, therefore, moved that the Board, by a two-thirds vote, add this item to the Agenda for action at today's Meeting. The motion was seconded by Director Boen and carried unanimously, representing more than the required two-thirds vote.

Chairman Foley announced that these matters will be added to the Agenda for action at today's Meeting.

41006 Chairman Foley invited members of the public to address the Board on matters within the Board's jurisdiction.

Thomas H. McCauley, Burbank resident, referred to Metropolitan's 1993-94 financial statement, questioning the accounting practices used by Metropolitan and requested a copy of the 1994-95 Budget. General Manager Wodraska stated staff will be meeting with Mr. McCauley to answer his questions and furnish him with the requested information.

Craig de Recat, attorney with the firm of Graham & James representing 3M Property Investments Company, stated his client's preference is to reach a mutually acceptable resolution rather than further litigation.

41007 There being no objection, the Chair ordered the reading of the Minutes of August 9 and 19, 1994, dispensed with, copies having been mailed to all Directors.

Board Secretary Murph moved, seconded by Vice Chairman Blake and carried, approving the foregoing Minutes as mailed.

41008 The General Counsel's letter dated September 1, 1994, was presented, transmitting the credentials evidencing the reappointment by Municipal Water District of Orange County of John V. Foley as one of its representatives on Metropolitan's Board for a four-year term ending December 31, 1998.

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 the Oath of Office has been administered by Executive Secretary Dorff, Notary Public, and ordered the Oath filed.

41009 Vice Chairman Griffen moved, seconded by Director Hill and carried, authorizing the preparation of a Commendatory Resolution for former Director Dwight F. French, who represented Chino Basin Municipal Water District.

Director Moret withdrew from the Meeting at 12:58 p.m.

41010 Vice Chairman Griffen moved, seconded by Director Krieger and carried, that the Board (1) authorize the Chairman to transmit a letter to Nelson Rising, Chairman of the Blue Ribbon Task Force (BRTF), together with a narrative statement of the recommendations and Metropolitan's response thereto; and (2) direct the General Manager to continue to apprise the Chairs of the subcommittees of the BRTF on the progress Metropolitan is making in the implementation of their recommendations and that the General Manager continue to inform members of the BRTF regarding Metropolitan's overall progress in achieving our mission of providing reliable, high quality water supplies to Southern California in an economical and environmentally sound manner.

41011 Legal and Claims Committee Chairman Krauel announced there is no report on legal issues arising out of space problems.

41012 Special Committee on WCT Transaction Chairman Ibbetson moved, seconded by Director Wysbeek and carried, that the special committee be dissolved. The Board, acknowledging the special committee has discharged its responsibilities, dissolved the committee.

41013 Task Force to Review Office Space and Building Sites Chairman Brick reported there are no new developments in connection with the permanent headquarters facility at Union Station.

41014 Task Force to Review Office Space and Building Sites Chairman Brick reported that the Executive Committee took no action at its meeting this morning in connection with Metropolitan-owned surplus property at 1111 Sunset Boulevard in Los Angeles.

41015 Director Reed moved, seconded by Board Secretary Murph and carried, approving the recommendation of the Ad Hoc Committee on Water Standby Charge Exemption Appeals to deny Mr. and Mrs. Jess C. Ramirez's appeal on the basis that their property benefits from Metropolitan's water facilities, as set forth in the Ad Hoc Committee Chairman's letter dated August 31, 1994.

Director Moret returned to the Meeting at 1:02 p.m.

41016 Vice Chairman Griffen moved, seconded by Director Witt and carried, approving the request of Director Wayne T. McMurray for a sixty-day leave of absence commencing September 14, 1994.

41017 Vice Chairman Griffen presented a pin to Chairman Foley emblematic of his completion of five years of service on August 22, 1994, as a Director representing Municipal Water District of Orange County.

41018 General Manager Wodraska reported that he, along with other representatives of California Urban Water Agencies, presented testimony before the State Water Resources Control Board on Bay/Delta issues and that copies of his testimony are available. He reported on the status of the Safe Drinking Water Act, advising the desired language for source protection remains a provision in the bill before the House. He advised that the Chair, Director Ibbetson, and members of staff will tour the Central Arizona Project in October, primarily to investigate the possibility of entering into a second groundwater agreement, which, when drafted, would be presented to the Board for approval.

41019 Deputy General Manager Quinn reported on the efforts to maintain a full Colorado River Aqueduct and the proposals received from the States of Nevada and Arizona for the transfer of water amongst the Lower Basin States. He advised of the continuing negotiations relating to the water allocation provisions of the State Water contract.

Deputy General Manager Horne reported that before each Director is a copy of the milestones for the Integrated Resource Plan Phase Two, noting that a third draft of the Nexus Study is being prepared. He announced that there will be an all-day Integrated Resource Plan Board Workshop on November 1, and urged all Directors to attend. He suggested all Directors mark their calendars for the November 22 joint meeting of the Special Budget Committee and the Special Financial Policy Committee to discuss the long range financial plan.

Chief of Operations Means referred to the graph before each Director taken from the 1994 Operating Plan, showing the water supply and demand projections, and advised that seasonal storage deliveries will resume in October.

Chief Engineer Snyder gave a slide-illustrated report on the progress of construction projects.

Chief of Planning and Resources Man reported that if 1994 continues to be a dry water year, Metropolitan is preparing to participate in a State Water Bank or a State

Water Project supplemental purchase program. The EIR for the Central Pool Augmentation has been issued, she said, with the review date closing at the end of October. She reported discussions are continuing regarding conjunctive use of the Las Posas groundwater basin.

Chief Financial Officer Leddy reported on Metropolitan's financial condition.

41020 General Counsel Taylor advised of the growing interest in privatization of water companies. Chairman Foley stated a workshop will be scheduled to fully apprise the Board on the privatization issue. General Counsel Taylor reported that Metropolitan has been permitted to intervene in the Bay Institute v. U.S. Fish and Wildlife Service case over the Delta Smelt. He reported on the action by Miller Brewing Company against San Gabriel Basin to stop injection of reclaimed water into the Basin.

Vice Chairman Blake moved, seconded by Director Reed and carried, and the Board approved the Consent Calendar Items, M.I. 41021 through M.I. 41027, as follows:

41021 Authorized the General Manager to enter into an agreement with KPMG/Peat Marwick, for a maximum amount not to exceed \$275,000, to analyze the organizational structure of the Engineering Division and to conduct a benchmarking study for the division, subject to the agreement being in form approved by the General Counsel, as set forth in the General Manager's letter dated August 19, 1994.

41022 Authorized the attendance of Duane Georgeson and Chief of Operations Means at the 4th Japan-U.S. Government Conference on Drinking Water Quality from October 24-28, 1994, in Osaka, Japan, as set forth in the General Manager's letter dated August 25, 1994.

41023 By a two-thirds vote, the Board adopted **Resolution 8453** transmitted with the General Manager's letter dated August 22, 1994, supplemented by his letter dated September 12, 1994, declaring the necessity for the Domenigoni Valley Reservoir Project and for the property described in Exhibits A and B to the foregoing letter, and directing the General Counsel to commence condemnation proceedings in Riverside County to acquire the property, 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 Little requested to be recorded as voting no.

41024 By a two-thirds vote, the Board adopted Resolution **8454** transmitted with the General Manager's letter dated August 22, 1994, supplemented by his letter dated September 12, 1994, declaring the necessity for the Domenigoni Valley Reservoir Project and for the property described in Exhibits A and B to the August 22 letter, and directing the General Counsel to commence condemnation proceedings in Riverside County to acquire the property, 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)**

41025 Authorized the General Counsel to make a final offer in the eminent domain action titled Metropolitan Water District v. William A. MacMillan, et al., Riverside County Superior Court Case No. 226614, to acquire Domenigoni Valley Reservoir Property 144-1-243, as set forth in the General Counsel's confidential letter dated August 22, 1994.

41026 Authorized the General Counsel to make a final offer in the eminent domain action titled Metropolitan Water District v. David Kent Patton, et al., Riverside County Superior Court Case No. 231208, to acquire Domenigoni Valley Reservoir Property 144-1-193, as set forth in the General Counsel's confidential letter dated August 22, 1994.

41027 Authorized the General Counsel to settle all claims in Metropolitan Water District v. Pavlovich, Riverside County Superior Court Appellate Case No. APP-2049, and Pavlovich v. Metropolitan Water District, Riverside County Superior Court Case No. 239453, as set forth in the General Counsel's confidential letter dated September 1, 1994.

41028 Director Reed moved that the recommendation set forth in the General Manager's letter dated August 22, 1994, be amended, and accordingly moved, seconded by Director Luddy and carried, that the General Counsel be authorized to amend or renew the contract for services of Mason & Mason as

appraisal experts in eminent domain and related litigation for the Domenigoni Valley Reservoir Project the amount of \$100,000, with future action subject to the report of staff regarding participation in the MBE/WBE program.

41029 Vice Chairman Griffen moved, seconded by Director Ibbetson and carried, that the Board (1) approve the General Manager's Priorities for Fiscal Year 1994-95; (2) authorize the General Manager's Priorities for Fiscal Year 1994-95 to be used as a basis for performance evaluation for unrepresented employees; and (3) request the General Manager to bring a status report to the Board in February 1995 that will include progress to date and any adjustments or additions to the priorities and a final report to the Board in June 1995, as set forth in the General Manager's letter dated August 25, 1994.

41030 Vice Chairman Griffen moved, seconded by Vice Chairman Barker and carried, authorizing the General Manager to enter into an interim agreement with Union Station Partners (USP) in an amount not to exceed \$275,000 to reimburse USP for consultant fees for planning studies for a permanent headquarters facility at Union Station, subject to the agreement being in form approved by the General Counsel, as set forth in the General Manager's letter dated August 23, 1994.

Director Davenport requested to be recorded as voting no.

41031 Engineering and Operations Committee Chairman Miller, seconded by Organization and Personnel Committee Chairman Rez and carried, authorizing the General Manager to enter into an agreement with the Ralph M. Parsons Corporation for a maximum amount payable of \$3,850,000 for project management support services for the Inland Feeder System Project, subject to the agreement being in form approved by the General Counsel, as set forth in the General Manager's letter dated August 23, 1994.

41032 Finance and Insurance Committee Chairman Mason moved, seconded by Engineering and Operations Committee Chairman Miller and carried, and the Board (1) certified it has considered the information contained in the Mitigated Negative Declaration and found, on the basis of the Initial Study and comments received, that the project will not have a significant effect on the environment; and in approving the project, adopted the Mitigation Monitoring Program; authorized (2) 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 expansion of the Water Quality Laboratory (WQL) in La Verne; (3) Revision No. 1 to Appropriation No. 635, an increase of \$840,000 to a total amount of \$1,840,000 from the Pay-As-You-Go Fund, to finance all estimated costs in advance of award of a construction contract, for the expansion of the WQL; (4) amending Agreement No. 3664 with Stone Marraccini Patterson substantially on the terms outlined in the General Manager's letter dated August 23, 1994, to increase the maximum amount payable under the terms of the agreement to \$1,300,000 for architectural and engineering consulting services, subject to the amendment being in form approved by the General Counsel; and (5) work to be accomplished for final design, preparation of specifications, and advertisement for bid for the WQL expansion.

Directors Luddy, Milne, and Moret requested to be recorded as voting no.

41033 Finance and Insurance Committee Chairman Mason moved, seconded by Engineering and Operations Committee Chairman Miller and carried, authorizing (1) the General Manager to have all work performed, other than work to be performed under contracts involving an expenditure of \$250,000 or more, for the selection and installation of the Strategic Operations and Maintenance Management System (SOMMS) in a pilot worksite; and (2) Appropriation No. 696 in the amount of \$939,400 from the Pay-As-You-Go Fund, and increase Appropriation No. 099 by \$88,000, for operating equipment, and to finance all estimated costs for the SOMMS pilot worksite, as set forth in the General Manager's letter dated August 30, 1994.

41034 Water Problems Committee Chairman Malburg moved, seconded by Finance and Insurance Committee Chairman Mason and carried, authorizing the General Manager to execute appropriate documentation to amend the letter of intent with the San Diego Gas & Electric Company to provide a water supply, upon the terms and conditions outlined in the General Manager's letter dated August 29, 1994, subject to the agreement being in form approved by the General Counsel.

Director Bannister requested to be recorded as abstaining.

41035 Water Problems Committee Malburg moved, seconded by Director Boen and carried, and the Board (1) in reaching a decision on this project, certified consideration of the information contained in the EIR; and (2) adopted Resolution 8452 transmitted with the General Manager's revised letter dated September 12, 1994, granting Calleguas Municipal Water District's request for consent to the concurrent annexation of Annexation No. 46 to Calleguas and Metropolitan, and fixing Metropolitan's terms and conditions for the annexation, including a cash payment of \$74,439.24 if completed by December 31, 1994, or at the then current rate if completed during the 1995 calendar year, said Resolution entitled:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSENTING TO ANNEXATION NO. 46 UPON CONCURRENT ANNEXATION TO CALLEGUAS MUNICIPAL WATER DISTRICT AND FIXING THE TERMS AND CONDITIONS OF SAID ANNEXATION TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Director Reed requested to be recorded as voting no.

41036 Organization and Personnel Committee Chairman Rez moved, seconded by Director Davenport and carried, authorizing the General Manager to execute the agreement attached to the General Manager's letter dated September 8, 1994, covering the wages, hours, terms and working conditions of employees represented by the Field Supervisors and Professional Personnel Association of The Metropolitan Water District of Southern California.

Director Stamper withdrew from the Meeting at 2:00 p.m.

41037 Legal and Claims Committee Chairman Krauel moved, seconded by Vice Chairman Blake and carried, authorizing the General Counsel to negotiate a settlement agreement in The Metropolitan Water District of Southern California v. JWP Controls, Inc., Los Angeles Superior Court Case No. BC107599, as set forth in the General Counsel's confidential letter dated September 13, revised from his September 8, 1994 letter.

41038 Vice Chairman Miller moved, seconded by Vice Chairman Blake and carried, authorizing the General Manager to consent to the assignment by Ebasco Services, Incorporated, or any parent or successor entity, to Raytheon Infrastructure Services, Incorporated, of Metropolitan Agreement No. 3925, conditioned upon a guarantee by Raytheon Engineers and Constructors, Inc., on terms and conditions as set forth in

the General Manager's letter dated September 12, 1994, subject to the agreement being in form approved by the General Counsel.

Director Parker withdrew from the Meeting at 2:08 p.m.

41039 Director Mason moved, seconded by Director Krieger and carried, that a conference room be available to participants in the inspection trip of the State Water Project facilities.

Director Griffen withdrew from the meeting at 2:10 p.m.

41040 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 August 28, 1994.
 - ii. Operating data for the month of July, dated August 22, 1994.
- b. Report of the General Counsel on the activities of the Legal Department for the month of August, dated August 31, 1994.
- c. Report of the Auditor on the activities of the Audit Department for the month of August, dated August 29, 1994.
- d. Letter of the General Manager dated September 8, 1994, transmitting the Monthly Financial Report for the month of July.
- e. Letter of the General Manager dated August 25, 1994, submitting 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 24, 1994, reporting on the budgetary status of Imperial Irrigation District--Metropolitan Water Conservation Program.

- g. Letter of the General Manager dated August 23, 1994, transmitting the second draft Nexus Study supporting new demand charge.
- h. Letter of the General Manager dated August 30, 1994, reporting on funding for Metropolitan member agency conservation programs from the Bureau of Reclamation.
- i. Letter of the General Manager dated August 30, 1994, reporting on the five-year supplemental water purchase agreement EIR funding.
- j. Letter of the General Manager dated August 30, 1994, reporting on the California Urban Water Agencies' proposal to the State Water Resources Control Board regarding Bay/Delta protection.
- k. Letter of the General Manager dated August 24, 1994, submitting the quarterly status report ended June 30, 1994, on Phase One of the Information Systems Strategic Plan.
- l. Letter of the General Counsel dated August 23, 1994, reporting on the status of Peat Marwick as external auditor.
- m. Letter of the General Counsel dated August 23, 1994, reporting on the U.S. Supreme Court decision in P.U.D. No. 1 of Jefferson County and City of Tacoma v. State of Washington, Department of Ecology.
- n. Letter of the General Counsel dated August 29, 1994, reporting on the Clean Water Act Criminal Liability --U.S. v. Weitzenhoff.

41041 At 2:12 p.m., the Chair called the Meeting into closed session pursuant to Government Code Section 54956.9 regarding condemnation of property in the Domenigoni Valley.

Directors Brick, Mason, and Meyer withdrew from the Meeting at 2:15 p.m.

At 2:29 p.m., the Chair called the Meeting into open session.

The Chair announced that the Board took no action in the closed session.

41042 There being no objection, Chairman Foley adjourned the Meeting at 2:31 p.m.

REGINA MURPH
SECRETARY

JOHN V. FOLEY
CHAIRMAN