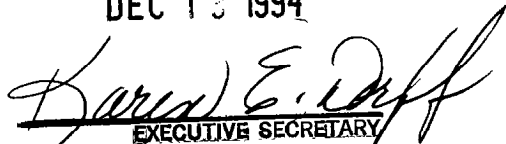


APPROVED
by the Board of Directors of
The Metropolitan Water District
of Southern California
at its meeting held

DEC 13 1994


EXECUTIVE SECRETARY

MINUTES

REGULAR MEETING OF THE

BOARD OF DIRECTORS

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

NOVEMBER 8, 1994

41091 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, November 8, 1994.

The Meeting was called to order by Chairman Foley at 12:38 p.m.

41092 The Meeting was opened with an invocation by Director Larry L. Stamper.

41093 The Pledge of Allegiance to the Flag was given, led by Director Charles D. Barker.

41094 In the absence of Secretary Murph, the Chair designated Director E. Thornton Ibbetson to act as Secretary Pro Tem.

41095 Secretary Pro Tem Ibbetson called the roll. Those answering present were: Directors Bannister, Barker, Blake, Brick, Fellow, Foley, Gilbert, Grandsen, Green, Griffen, Handelman, Harry, Hawkins, Ibbetson, King, Krauel, Krieger, Little, Lombard, Luddy, Malburg, Mason, McMurray, Meyer, Miller, Milne, Morris, Morse, Pak, Parker, Peterson, Rez, Stamper, Stuart, Troxel, Watton, Wein, Witt, Wright, and Wysbeek.

Those not answering were: Directors Brandt (entered 1:01 p.m.), Davenport, Frahm (entered 12:45 p.m.), Hill, Moret, Murph, Mylne, O'Neil, Reed, and Webster.

The Chair declared a quorum present.

41096 Director Morris reported on the strong support for the groundwater recharge project of Upper San Gabriel Valley Municipal Water District expressed at the WaterReuse Symposium in Sacramento, and urged continued support for this project.

41097 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.

41098 Chairman Foley invited members of the public to address the Board on matters within the Board's jurisdiction.

Craig de Recat, attorney with the firm of Graham and James representing 3M Property Investments Company, stated there are records supporting the position of his client that Metropolitan began acquiring property for the Domenigoni Valley Project because of proposed residential development in the area. In light of this information, he requested the Board reconsider its decision on what the fair market value is for his client's property. Mr. de Recat pointed out that there is time for continuing negotiations due to the extension of time granted by the Judge in this case.

Director Frahm took her seat at 12:45 p.m.

41099 Chairman Foley invited Ray Hart of the Department of Water Resources to address the Board. Mr. Hart advised that he is the State's representative on the Interstate Council for Water Quality, and presented that organization's award to Metropolitan in recognition of its outstanding leadership in the field of water management and innovative resources planning.

41100 There being no objection, the Chair ordered the reading of the Minutes of October 11, 1994, dispensed with, a copy having been mailed to all Directors.

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

41101 The General Counsel's letter dated October 24, 1994, was presented, transmitting the credentials evidencing the appointment by the City of Anaheim of Edward G. Alario, for an indefinite term, replacing the late Bob Kazarian.

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. Alario.

Chairman Foley ordered the Oath of Office filed.

Following an introduction by Director Harry, Mr. Alario took his seat as a Director representing the City of Anaheim.

41102 Vice Chairman Miller moved, seconded by Director Rez and carried, approving the recommendation of the Executive Committee assigning Director Alario to the Engineering and Operations Committee and the Organization and Personnel Committee.

41103 Chairman Foley announced that he has appointed Director Alario to the Ad Hoc Committee on Energy and Desalination.

41104 Vice Chairman Miller moved, seconded by Vice Chairman Blake and carried, authorizing the preparation of a Commendatory Resolution for former Director Doyle F. Boen, who represented Eastern Municipal Water District since March 9, 1982.

41105 Task Force to Review Office Space and Building Sites Chairman Brick reported that the Task Force, on November 2, reaffirmed its approval of Scheme B-5 as the design for the permanent headquarters facility at Union Station, as approved by the Board at its Meeting held October 11, 1994 (M.I. 41056). He advised that Metropolitan's negotiators have been successful in obtaining an acceptable land price for the expansion parcels.

41106 Task Force to Review Office Space and Building Sites Chairman Brick reported that discussions are continuing with several parties regarding the sale of Metropolitan's surplus property at 1111 Sunset Boulevard.

41107 Ad Hoc Committee on State Water Contract Negotiations Chairman Ibbetson reported that the committee received an extensive report on the status of the negotiations at its meeting held November 7, and invited all Directors to attend the meeting scheduled for November 22 to receive an update. General Manager Wodraska reported that representatives of the Contractors and the Department of Water

Resources have scheduled numerous meetings during the month of November to continue the negotiations relating to water allocation provisions of the State Water Contract. The Board will be kept informed of the progress of the negotiations, he said.

Director Brandt took his seat at 1:01 p.m.

41108 Through the medium of video, the Board received the water supply update from Chief of Operations Means as set forth in the General Manager's letter dated November 1, 1994, before each Director.

Through the medium of video, the Board received the report on the progress of construction projects from Chief Engineer Snyder.

Chief of Planning and Resources Man reported that, by optimizing the resources mix, the estimated cost of the Capital Improvement Program has been reduced to \$4.5 billion from the previously projected \$6 billion figure.

Acting Chief Financial Officer Becker gave a slide-illustrated report of Metropolitan's financial condition.

Deputy General Manager Horne reported on the activities in developing the revenue requirements and an equitable rate structure.

Deputy General Manager Quinn reported on the efforts relating to Bay/Delta issues and external affairs.

Director Lombard withdrew from the Meeting at 1:24 p.m.

41109 General Manager Wodraska reported that the October 20 conference hosted by San Bernardino Valley Municipal Water District and the Santa Ana Watershed featured Secretary of Interior Bruce Babbitt as the keynote speaker with an attendance of 600. He advised he was asked to make a presentation and a copy of his speech, "Who's Driving the Bus?", relating to Bay/Delta problems, is before each Director. On November 4 at March Air Force Base, he was the recipient of the Valley Group's 1994 Agency Infrastructure Award for the Domenigoni Valley and Inland Feeder Projects, he advised. If the Board approves establishing a Washington, D.C. office, he advised it will be his recommendation that Brad Hiltcher be the future Washington representative. In pursuit of continuing the in-depth management process, Dale

Hunter and Kathy Cole will assume greater responsibilities in Sacramento. He announced Gilbert Ivey has been promoted to the position of Executive Assistant for Strategic Policy Development.

Director Stuart withdrew from the Meeting at 1:28 p.m.

41110 General Counsel Taylor summarized the legal issues connected with the rate structure being proposed to provide an appropriate level of fixed revenues, independent of water sales, for the Capital Improvement Program, and to ensure that all member agencies pay a fair share for these capital improvements irrespective of the amount of water purchased.

Director Watton withdrew from the Meeting at 1:38 p.m.

Vice Chairman Blake moved, seconded by Director Harry, and the Board approved the Consent Calendar Items, M.I. 41111 through M.I. 41120, as follows:

41111 Authorized the General Manager to enter into a contract with Fisons Instruments, Inc., for an amount not to exceed \$765,000, including applicable sales tax, for the nonbid, do not substitute purchase of a Fisons AutoSpec-FPD-OA-Time of Flight mass spectrometer, under Appropriation No. 670, subject to the contract being in form approved by the General Counsel, as set forth in the General Manager's letter dated October 13, 1994.

41112 Authorized Appropriation No. 697 in the amount of \$1,640,000 from the Pay-As-You-Go Fund to cover proposed activities pertaining to the relocation of the Data Center to the San Dimas facility, as set forth in the General Manager's letter dated October 16, 1994.

41113 Chairman Foley reported that Agenda Item 7-3 regarding membership in the Inland Empire Economic Partnership, the General Manager's letter dated October 18, 1994, has been withdrawn.

41114 Approved Metropolitan's Executive membership in the Central City Association, and authorized the General Manager to pay the annual membership dues in the amount of \$12,000, with the General Manager to be Metropolitan's representative to the association, as set forth in the General Manager's letter dated October 20, 1994.

41115 Authorized the General Manager to enter into an agreement with the Finisterra Farms owners and the other members of the Reserve Management Committee of the Multi-Species Reserve to accept a 205-acre privately held land parcel into the Multi-Species Reserve, substantially in accordance with the terms described in the General Manager's letter dated October 27, 1994, subject to the agreement being in form approved by the General Counsel.

41116 Approved the recommendations set forth in the confidential supplemental letter of the General Manager and the General Counsel dated November 2, 1994, regarding The Metropolitan Water District of Southern California v. JWP Controls, Inc., Los Angeles Superior Court Case No. BC107599.

41117 Authorized the General Manager to acquire Domenigoni Valley Project Property 144-1-279 owned by John Carlon, and settle the related litigation titled Metropolitan Water District v. John Carlon, et al., Riverside County Superior Court Case No. 231209. as set forth in the General Counsel's confidential letter dated October 17, 1994.

41118 Authorized the General Counsel to make a final offer in the eminent domain action titled Metropolitan Water District v. Wayne Whitehurst, et al., Riverside County Superior Court Case No. 231211, to acquire Domenigoni Valley Project Property 144-1-209, as set forth in the General Counsel's confidential letter dated October 18, 1994.

41119 Authorized the General Counsel to make a final offer in the eminent domain action titled Metropolitan Water District v. Scott L. Vaughn, et al., Riverside County Superior Court Case No. 226917, to acquire Domenigoni Valley Project Property 144-1-57, as set forth in the General Counsel's confidential letter dated October 18, 1994.

41120 Authorized the General Counsel to stipulate to amend the complaint to acquire an uneconomic remainder in the eminent domain action titled Metropolitan Water District v. Ruth Hansen, et al., Riverside County Superior Court Case No. 232140, for the Domenigoni Valley Project, as set forth in the General Counsel's confidential letter dated October 18, 1994.

Director Frahm withdrew from the Meeting at
1:50 p.m.

41121 Committee on Legislation Chairman Brandt reported the committee amended the recommendation set forth in the General Counsel's letter dated October 18, 1994, and as

amended moved, seconded by Vice Chairman Blake and carried, that the General Counsel be authorized to support the Supreme Court review of the Ninth Circuit Court of Appeals' opinion in United States v. Weitzenhoff, ___F3d___, 9th Circuit, 1994 WL411785, filed August 3, 1993, amended August 8, 1994, and adopted a policy principle to support amending the Clean Water Act and Safe Drinking Water Act to include a "willful" standard in order to impose a criminal liability for violations of permits issued under those acts.

Director McMurray withdrew from the Meeting at 1:51 p.m.

41122 Vice Chairman Miller moved, seconded by Vice Chairman Griffen and carried, and the Board approved (1) the proposed budget of \$265,000 for costs associated with the newly created Washington, D.C., office in fiscal year 1994-95; and (2) the title change of the current Legislative Representative to Executive Legislative Representative, addition of a Principal Legislative Representative at salary range 62 (unrepresented) and the Assistant Legislative Representative at salary range 54 (MAPA), which would apply to both the Sacramento as well as the Washington, D.C., legislative programs, as set forth in the General Manager's letter dated October 17, 1994.

Director Bannister requested to be recorded as voting no.

41123 Water Problems Committee Chairman Malburg moved, seconded by Vice Chairman Miller and carried, and the Board (1) authorized the dissolution of Stage I of the current Incremental Interruption and Conservation Plan based on the 1989-90 Administrative Procedures; and (2) adopted the 1995 Drought Management Plan attached to and described in the General Manager's letter dated October 18, 1994.

41124 Chairman Foley announced that Agenda Item 8-3, the General Manager's letter dated October 18, 1994, regarding Appropriation No. 690 to finance all estimated costs for selection and installation of the Facilities Security System, has been withdrawn.

41125 Engineering and Operations Committee Chairman Miller moved, seconded by Director Harry and carried, authorizing the General Manager to execute the Boulder Canyon Project Implementation Agreement substantially in accordance with the terms outlined in the General Manager's letter dated

October 17, 1994, subject to the agreement being in form approved by the General Counsel.

Director Lombard returned to the Meeting at 1:52 p.m.

41126 The following listed communications were submitted for the information of the Board:

- a. Report of the General Manager on the operating data for the month of September, dated October 25, 1994.
- b. Report of the General Counsel on the activities of the Legal Department for the month of October, dated October 31, 1994.
- c. Report of the Auditor on the activities of the Audit Department for the month of October, dated October 31, 1994.
- d. Letter of the General Manager dated November 3, 1994, transmitting the Monthly Financial Report for the month of September.
- e. Letter of the Auditor dated October 17, 1994, transmitting the audited comparative financial statements as of June 30, 1994 and 1993.
- f. Letter of the General Manager dated October 18, 1994, submitting the quarterly report on changes in funding sources for capital program expenditures.
- g. Letter of the General Manager dated October 24, 1994, transmitting the Variance Report for the quarter ending September 30, 1994.
- h. Letter of the General Manager dated November 3, 1994, transmitting the Assessment Report of the District's Response to the January 17, 1994, Northridge Earthquake.
- i. Letter of the General Manager dated October 25, 1994, submitting the quarterly status report for the Domenigoni Valley Project.
- j. Letter of the General Manager dated October 18, 1994, reporting on domestic water treatment system for Metropolitan's desert pumping plants.

- k. Letter of the General Manager dated October 25, 1994, reporting on the Semitropic-style Groundwater Storage Program and System Reliability Development with the Calleguas Municipal Water District.
- l. Letter of the General Manager dated October 18, 1994, reporting on the water resources element for Metropolitan Water District service area for the Regional Comprehensive Plan of Southern California Association of Governments.
- m. Letter of the General Manager dated October 18, 1994, reporting on the Bureau of Reclamation's interim proposal to offset future overuse of Colorado River water by users of California's first three priorities.
- n. Letter of the General Manager dated October 24, 1994, transmitting the monthly water use by member agency for fiscal year 1993-1994.
- o. Letter of the General Manager dated November 1, 1994, presenting a water supply update.
- p. Letter of the General Counsel dated October 18, 1994, reporting on the legislative reform of the California Environmental Quality Act.
- q. Letter of the General Manager dated October 21, 1994, reporting on the Joint Urban/Agricultural Proposal on Bay-Delta Water Quality Standards.

41127 Chairman Foley announced a Special Board Meeting is required to consider Metropolitan's proposed rate structure and revenue requirements. There being no objection, the Special Meeting was scheduled for 10:00 a.m. on Tuesday, December 6, 1994.

41128 There being no objection, Chairman Foley adjourned the Meeting at 1:53 p.m.

E. THORNTON IBBETSON
SECRETARY PRO TEM

JOHN V. FOLEY
CHAIRMAN