

MINUTES
REGULAR MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
APRIL 11, 1995

41334 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, April 11, 1995.

The Meeting was called to order by Chairman Foley at 12:43 p.m.

41335 The Meeting was opened with an invocation by Director Larry L. Stamper.

41336 The Pledge of Allegiance to the Flag was given, led by Director Harry Griffen.

41337 Secretary Murph called the roll. Those answering present were: Directors Alario, Bannister, Barker, Blake, Brick, Fellow, Foley, Frahm, Gilbert, Grandsen, Green, Griffen, Handelman, Harry, Hawkins, Hill, Huntley, Ibbetson, Krauel, Krieger, Little, Mason, McMurray, Meyer, Miller, Milne, Morris, Morse, Murph, Mylne, O'Neil, Pak, Parker, Peterson, Rez, Stamper, Troxel, Watton, Wein, Wright, and Wysbeek.

Those not answering were: Directors Brandt, King, Luddy, Malburg, Moret, Reed, Webster, and Witt.

The Chair declared a quorum present.

41338 Chairman Foley inquired if there were any additions to the agenda.

Committee Vice Chairman Hill advised that the Committee on Legislation, at its meeting of April 11, received information that if action is not taken at today's Board

Meeting on Senate Bill 281 (Ayala), which would restrict Metropolitan's ability to transfer water, Metropolitan's representatives will be unable to testify at the hearing on this matter scheduled for next week. Committee Vice Chairman Hill stated that knowledge of the need 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 Vice Chairman Blake and carried unanimously, representing more than the required two-thirds vote.

Committee on Legislation Vice Chairman Hill reported the committee acted on Agenda Items 9-14 and 9-15, Assembly Bills 733 (Speier) and 318 (Katz), respectively. Committee Vice Chairman Hill then moved that these information items be changed to action items. The motion was seconded by Director Fellow and carried unanimously, representing more than the required two-thirds vote.

Land Committee Chairman Wysbeek reported that at its April 10 meeting, an oral report was presented regarding the need to acquire property for the Inland Feeder Project. The committee determined that this issue has become a matter of urgency, needing action by the Board at today's Meeting. Committee Chairman Wysbeek advised that pursuant to the committee's request, before each Director is the General Manager's confidential letter, dated April 10, 1995, submitting information on this issue. Committee Chairman Wysbeek then moved that the Board, by a two-thirds vote, add this item to today's agenda for consideration in closed session pursuant to Government Code Section 54956.8. The motion was seconded by Vice Chairman Blake and carried unanimously, representing more than the required two-thirds vote.

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

41339 Chairman Foley invited members of the public to address the board on matters within the Board's jurisdiction. No member of the public responded.

41340 Chairman Foley called the Meeting into a Public Hearing to receive comments on the proposed Water Standby Charge for 1995-96.

Charles Gale, representing the Building Industry Association of Southern California, spoke in opposition to the proposed Water Standby Charge, noting that undeveloped land

not receiving water should not carry this financial burden as there is no need for a guaranteed water delivery service. The financial impact on buyers of new homes is the topic of ongoing discussions with Metropolitan's staff and to date this information is still pending, he pointed out.

The Chair reported that letters have been received from:

1. Robert F. Goldman, private citizen, dated March 29, 1995, objecting to the proposed Water Standby Charge.
2. Valley Center Municipal Water District, dated April 11, 1995, signed Gary T. Arant, General Manager, expressing support for the proposed Water Standby Charge.

Chairman Foley asked if there were any additional requests to present comments. There being none, the Chair declared the Public Hearing closed at 12:54 p.m., stating the comments received will be taken into consideration by the Finance and Insurance Committee and the Water Problems Committee prior to presenting a recommendation to the Board on May 9, 1995.

41341 There being no objection, the Chair declared the Minutes for the Board Meeting held March 14, 1995, are deferred.

41342 The General Counsel's letter dated March 29, 1995, was presented, transmitting the credentials evidencing the appointment by West Basin Municipal Water District of Bondie O. Gambrell, for an indefinite term, replacing Charles L. Stuart.

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 had been administered to Mr. Gambrell, and ordered the Oath filed.

Following an introduction by Larry Gallagher, President of the Board of Directors of West Basin Municipal Water District, Mr. Gambrell took his seat as a Director representing West Basin Municipal Water District.

41343 The General Counsel's letter dated April 7, 1995, was presented, transmitting the credentials evidencing the appointment by the City of Los Angeles of Bonny L. Capobianco, for a term ending December 31, 1996, replacing Kenneth T. Lombard.

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 had been administered to Mrs. Capobianco, and ordered the Oath filed.

Following an introduction by Director Wein, Mrs. Capobianco took her seat as a Director representing the City of Los Angeles.

41344 Chairman Foley announced that the committee assignments for Directors Gambrell and Capobianco are deferred for one month.

41345 Chairman Foley presented a pin to Director Howard H. Hawkins emblematic of his completion of twenty-five years of service as a Director representing Upper San Gabriel Valley Municipal Water District.

41346 On behalf of the Special Nominating Committee, Director Rez reported the committee consisting of former Director Charles Stuart (Chair), Directors Krauel, Rez, Stamper, and Wysbeek, by a unanimous vote, nominates Henry J. Meyer to serve as a nonofficer member of the Executive Committee for the unexpired portion of the term ending December 31, 1995, replacing Carolyn L. Green due to her election as a Vice Chairman of the Board.

Chairman Foley called for other nominations from the floor. There being none, Director Rez moved, seconded by Vice Chairman Blake, that the nominations be closed and that it be recorded that Henry J. Meyer has been elected to serve as a nonofficer member of the Executive Committee for the unexpired portion of the term ending December 31, 1995.

Chairman Foley declared Director Meyer has been elected to serve as a nonofficer member of the Executive Committee for the unexpired portion of the term ending December 31, 1995.

41347 Task Force to Review Office Space and Building Sites Chairman Brick announced that an update will be presented by the General Manager as part of his activity report.

41348 Ad Hoc Committee on State Water Contract Negotiations Chairman Ibbetson announced there is nothing to report regarding the State Water Contract.

41349 The Board viewed the video tape report by Chief of Operations Means showing the recent relocation of Metropolitan's Emergency Operations Center, and presenting an update on the Seasonal Storage Service Joint Program Advisory Committee activities.

Through the medium of video, Chief of Planning and Resources Man gave an update on the Integrated Resources Planning process.

Chief Financial Officer Becker gave a video tape report on Metropolitan's financial condition. He presented an estimate of the water sales for the year at 1.75 million acre-feet, approximately 100,000 acre-feet less than budgeted, with revenues estimated at \$784,000, or \$12 million less than budgeted.

The Board viewed a video tape report by Chief Engineer Snyder on the progress of construction projects.

Deputy General Manager Horne advised that he has joined Metropolitan's team which is meeting with all the interest groups to develop a preferred plan to resolve the Bay/Delta problems. He announced that the proposed 1995-96 Annual Budget will be under review by the Special Budget Committee on May 1, 2, and 3, urging all Directors to attend.

41350 General Manager Wodraska reported the equipment for the pilot seawater desalination project is now operational and will be producing 200,000 gallons-per-day of fresh water in the near future. He explained that as a result of Metropolitan's engineering improvements in the design of this desalination equipment, it became apparent that Metropolitan needed to protect its intellectual property rights. Consequently, he advised, language will be added into Metropolitan's consultant agreements to protect its intellectual property rights, including patents, copyrights and trademarks. Mr. Wodraska reported that the purchase and sale agreement between Metropolitan and Catellus for the property at Union Station has been executed, for closing prior to December of this year. The agreement for the development

of the property has been signed with Union Station Partners, he said, calling for completion of the building by December 1998. He announced that Byron Buck, formerly the Assistant General Manager of the San Diego County Water Authority, has been selected for the position of Executive Director of the California Urban Water Agencies.

41351 General Counsel Taylor reported that shortly after entering escrow on the Sunset property, a dissident group of members of the Church filed a lawsuit against the primary part of the Church, which has now been settled. The Church located on the Sunset property has since changed its name to the Holy Hill Community Church.

Vice Chairman Blake moved, seconded by Vice Chairman Green, and the Board approved the Consent Calendar Items, M.I. 41352 through M.I. 41361, as follows:

41352 Authorized the General Manager to enter into an agreement with Black & Veatch, not to exceed \$423,000, for specialized design assistance for the Oxidation Retrofit Program for the Joseph Jensen and Henry J. Mills Filtration Plants, subject to the agreement being in form approved by the General Counsel, as set forth in the General Manager's letter dated March 28, 1995.

41353 Expressed support for Senate Bill 323 (Kopp), Amendments to the California Public Records to: (1) clarify what constitutes "systems", "technologically and economically feasible", and "industry-standard format"; (2) clarify the agency's decision-making authority regarding the determination of what is "technologically and economically feasible"; and (3) that a Task Force be created comprised of experts and representatives of affected agencies to address the technological and implementation issues generated by Senate Bill 323, as set forth in the General Manager's letter dated April 10, 1995.

41354 Expressed support for Assembly Bill 1025 (Aguilar) which clarifies property tax relief granted last year to Chino Basin Municipal Water District, as set forth in the General Counsel's letter dated March 27, 1995.

41355 Expressed its opposition to Senate Bill 466 (Leonard), inverse condemnation for reduction in property value, unless it is amended to limit its effect to land use regulations, as set forth in the General Manager's letter dated April 11, 1995, which revised the recommendation contained in his letter dated March 24, 1995.

41356 Expressed its opposition to Senate Bill 1304 (Mountjoy) regarding San Gabriel Basin reclaimed water, as set forth in the General Manager's letter dated March 30, 1995.

41357 Expressed support for Senate Bill 1011 (Polanco) on revisions to the Urban Water Management Planning Act, as set forth in the General Manager's letter dated March 28, 1995.

41358 Expressed support for Assembly Bill 561 (Archie-Hudson) relating to water conservation services, as set forth in the General Manager's letter dated March 30, 1995.

41359 Authorized the General Counsel to make a final offer in the eminent domain action titled Metropolitan Water District v. Francis Domenigoni, et al., Riverside County Superior Court Case No. 229049, to acquire Domenigoni Valley Project Properties 144-1-29, -30, -269, and -525, as set forth in the General Counsel's confidential letter dated March 21, 1995.

41360 Authorized the General Manager to acquire Domenigoni Valley Project Properties 144-001-215 and 227 owned by Gary E. Wanczuk, et al., and settle related litigation titled Metropolitan Water District v. Adelaide R. McKiernan, et al., Riverside County Superior Court Case No. 234245, as set forth in the General Manager's confidential letter dated March 22, 1995.

41361 Took a "watch" position on Assembly Bill 733 (Speier) which would mandate fluoridation of water under specified conditions, as reported in the General Manager's letter dated March 23, 1995.

Directors Bannister and Harry requested to be recorded as voting no.

41362 Committee on Legislation Vice Chairman Hill moved, seconded by Vice Chairman Blake and carried, and the Board expressed opposition to Assembly Bill 318 (Katz) which would limit the rates charged by an agency of an incorporated city that acquires, transports, treats, stores and delivers water, or water and power, at retail; and prohibit the City of Los

Angeles from transferring money from its Department of Water and Power to the city's general fund, and would similarly affect any incorporated city containing a municipal water and power department.

Director Mason requested to be recorded as voting no.

Director Griffen withdrew from the Meeting at 1:48 p.m.

41363 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 Black & Veatch, not to exceed \$6 million, for geological/geotechnical and tunnel design consulting services for the Mt. Olympus Tunnel of the San Diego Pipeline No. 6 Project, subject to the agreement being in form approved by the General Counsel, as set forth in the General Counsel's letter dated March 28, 1995.

Director Milne requested to be recorded as voting no.

41364 Organization and Personnel Committee Chairman Rez moved, seconded by Engineering and Operations Committee Chairman Miller and carried, authorizing the General Manager to amend Agreement No. 3925 with Raytheon Infrastructure Services Incorporated to increase the maximum amount payable from \$37,600,000 to \$46,300,000, including expenses, to provide additional engineering design services for the Domenigoni Valley Reservoir Project, subject to the amendment being in form approved by the General Counsel, as set forth in the General Manager's letter dated March 17, 1995.

Director Milne requested to be recorded as voting no.

Director Morris requested to be recorded as abstaining.

41365 Finance and Insurance Committee Chairman Mason moved, seconded by Engineering and Operations Committee Chairman Miller and carried, and the Board (1) authorized No. 3 to Appropriation No. 610, an increase of \$10 million to a total of \$44 million from the 1992 Revenue Bond Construction Fund, to expend budgeted funds to finance all estimated costs for site preparation for the Joseph Jensen Filtration Plant Oxidation Retrofit Program (ORP) and all costs in advance of

construction for oxidation retrofit at the Henry J. Mills and Joseph Jensen Filtration Plants; and (2) awarded a construction contract to Calex Engineering Company in the amount of \$6,584,700 for the site preparation for the Jensen Plant ORP, in accordance with Specifications No. 1321, as amended; 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 March 28, 1995.

Director Hill withdrew from the Meeting at 1:55 p.m.

41366 Finance and Insurance Committee Chairman Mason moved, seconded by Vice Chairman Blake and carried, approving Appropriation No. 707 in the amount of \$30,505,000 from the General Fund, and authorizing the General Manager to deposit with the trustee the funds needed to prepay Series A and B of the Allen-McColloch Pipeline 1989 Certificates of Participation, as set forth in the General Manager's letter dated March 28, 1995.

Director Handelman requested to be recorded as abstaining.

41367 Water Problems Committee Vice Chairman Brick moved, seconded by Finance and Insurance Committee Chairman Mason and carried, approving Option A attached to the General Manager's letter dated March 28, 1995, as the structural form for Program Phase Four, wherein a single Request for Proposal (RFP) solicitation and selection would be made for a single toilet purchase and a toilet distribution marketing contractor; and upon approval, an RFP would be issued by April 28, selection by June 30, and a contractor in place by September 1, 1995; with the added proviso approved by the Finance and Insurance Committee that member agencies, subagencies, and retail representatives be included in the RFP review and selection process.

41368 Water Problems Committee Vice Chairman Brick moved, seconded by Vice Chairman Blake and carried, and the Board (1) approved the Plan for Implementing Water Use Efficiency Guidelines for this proposed annexation; and, accordingly, (2) granted informal approval for the concurrent annexation of Annexation No. 47 to Calleguas Municipal Water District and Metropolitan conditioned upon the requirement that the Annexation Agreement be executed before formal approval is given to this annexation, and upon a cash payment to Metropolitan of the annexation charge of \$219,792.56 if completed by December 31, 1995, or at the then current rate if

completed after December 31, 1995, subject to such terms and conditions as may be fixed by the Board in granting formal consent to such annexation when a request therefor has been received, as set forth in the General Manager's letter dated March 20, 1995.

Directors Grandsen and Miller requested to be recorded as abstaining.

41369 Water Problems Committee Vice Chairman Brick moved, seconded by Vice Chairman Blake and carried, and the Board (1) approved the Plan for Implementing Water Use Efficiency Guidelines for this proposed annexation; and (2) gave informal approval for the concurrent annexation of Pigeon Pass II Annexation to Eastern Municipal Water District and Metropolitan conditioned upon a cash payment to Metropolitan of the annexation charge of \$46,530.32 if completed by December 31, 1995, or at the then current rate if completed after December 31, 1995, subject to such terms and conditions as may be fixed by the Board in granting formal consent to such annexation when a request therefor has been received, as set forth in the General Manager's letter dated March 15, 1995.

Director Gilbert requested to be recorded as abstaining.

41370 Water Problems Committee Vice Chairman Brick moved, seconded by Vice Chairman Blake and carried, and the Board (1) certified that it has considered the information contained in the Negative Declaration and Notice of Determination attached to the General Manager's letter dated March 15, 1995, prior to reaching a decision on the project; (2) found that the changes or alterations to the project to avoid or substantially lessen the significant environmental effects are within the responsibility and jurisdiction of another public agency; and (3) adopted Resolution 8471 transmitted with the foregoing letter, granting Western Municipal Water District of Riverside County's request for consent to the concurrent annexation of the Thirty-Fifth Fringe Area to Western and Metropolitan, and fixing Metropolitan's terms and conditions for the annexation, including a cash payment of \$126,392.97 if completed by December 31, 1995, or at the then current rate if completed during the 1996 calendar year, said Resolution entitled:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSENTING TO THE ANNEXATION OF THIRTY-FIFTH FRINGE AREA UPON CONCURRENT ANNEXATION TO WESTERN MUNICIPAL WATER DISTRICT AND FIXING THE TERMS AND CONDITIONS OF SAID ANNEXATION TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Directors Krieger and Mylne requested to be recorded as abstaining.

41371 Water Problems Committee Vice Chairman Brick moved, seconded by Engineering and Operations Committee Chairman Miller and carried, and the Board approved that for 1995, Metropolitan provide a 25-percent system blend to the Weymouth, Diemer, and Skinner service areas for the period of April through September, as set forth in the General Manager's letter dated March 27, 1995; and after conducting a Board workshop in the near future, a strategy will be developed for 1996 and for the remainder of the interim period to be presented to the Board for action.

41372 Director Morris moved, seconded by Vice Chairman Blake and carried, expressing opposition to Senate Bill 281 (Ayala) which would restrict Metropolitan's ability to transfer water.

Director Bannister requested to be recorded as abstaining.

Director Milne requested to be recorded as voting no.

41373 Land Committee Chairman Wysbeek moved, seconded by Director Watton and carried, authorizing the General Manager to acquire property owned by Campus Crusade for Christ for the Inland Feeder Project, as set forth in the General Manager's confidential letter dated April 10, 1995.

41374 Chairman Foley reported Item 9-16, letter of the General Manager regarding potential to store additional groundwater in 1995 for future regional benefit, has been withdrawn.

41375 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 February, dated March 28, 1995.
- b. Report of the General Counsel on the activities of the Legal Department for the month of March, dated March 31, 1995.
- c. Report of the Auditor on the activities of the Audit Department for the month of March, dated April 3, 1995.
- d. Letter of the General Manager dated April 6, 1995, transmitting the Monthly Financial Report for the month of February.
- e. Letter of the Auditor dated March 14, 1995, transmitting the audited cash basis financial statements as of December 31, 1994.
- f. Letter of the General Manager dated March 30, 1995, reporting on partnership for safe water.
- g. Letter of the General Manager dated March 21, 1995, submitting the third quarter status report on the Local Projects Program.
- h. Letter of the General Manager dated March 28, 1995, submitting a status report on the interim agricultural water program.
- i. Letter of the General Manager dated March 28, 1995, submitting the April progress report on the Integrated Resources Plan Studies.
- j. Letter of the General Manager dated March 20, 1995, submitting cost of temporary agencies' services.
- k. Letter of the General Manager dated March 16, 1995, submitting an update on Clean Water Act and Safe Drinking Water Act reauthorizations.
- l. Letter of the General Manager dated March 27, 1995, regarding legislation on water availability and land use.

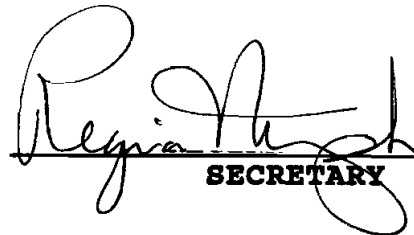
- m. Confidential letter of the General Manager dated March 28, 1995, reporting on the proposal for facilitating implementation of All American Canal Lining Project and San Luis Rey Indian water rights settlement.

41376 Engineering and Operations Committee Chairman Miller announced the committee will be conducting an inspection trip on Friday, April 28, 1995, and invited all Directors to participate.

41377 There being no objection, at 2:34 p.m. the Chair adjourned the Meeting in memory of Tracy Kildebeck, son of Linda and Larry Gallagher.



CHAIRMAN



SECRETARY