

MINUTES
REGULAR MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
MAY 9, 1995

41378 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 9, 1995.

The Meeting was called to order by Chairman Foley at 12:30 p.m.

41379 The Meeting was opened with an invocation by Director Larry L. Stamper.

41380 The Pledge of Allegiance to the Flag was given, led by Director Bondie O. Gambrell.

41381 Secretary Murph called the roll. Those answering present were: Directors Alario, Blake, Brick, Foley, Gambrell, Grandsen, Handelman, Harry, Hawkins, Huntley, King, Krauel, Little, Luddy, McMurray, Meyer, Miller, Moret, Morse, Murph, Mylne, O'Neil, Parker, Peterson, Rez, Stamper, Witt, and Wright.

Those not answering were: Directors Bannister, Barker, Brandt, Capobianco, Fellow, Frahm, Gilbert, Green, Griffen, Hill, Ibbetson, Krieger, Mason, Milne (entered 12:40 p.m.), Morris, Pak, Reed, Troxel, Watton, Webster, Wein, and Wysbeek.

The Chair declared a quorum present

41382 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.

41383 Chairman Foley invited members of the public to address the Board on matters within the Board's jurisdiction.

Jules Kimmett, Chairman, Concerned Citizens of Burbank, requested additional information on three of the General Manager's letters regarding (1) the Change Order in the amount of \$1,325,000, (2) Appropriation No. 706 for \$995,000, and (3) Appropriation No. 708 for \$1,271,000.

41384 There being no objection, the Chair declared the Minutes for the Board Meetings held March 14 and April 11, 1995, are deferred.

41385 The General Counsel's letter dated April 24, 1995, was presented, transmitting the credentials evidencing the appointment by Central Basin Municipal Water District of Phillip J. Pace, for an indefinite term, replacing Leonis C. Malburg.

General Counsel Taylor reported the credentials had been examined and found legally sufficient.

The Chair ordered the credentials, together with the letter of the General Counsel, received and filed.

The Chair reported the Oath of Office had been administered to Mr. Pace, and ordered the Oath filed.

Following an introduction by Director Morse, Mr. Pace took his seat as a Director representing Central Basin Municipal Water District.

41386 Vice Chairman Blake moved, seconded by Director Witt and carried, approving the committee assignments recommended by the Executive Committee, as follows:

1. Director Gambrell to the Finance and Insurance and Land Committees;
2. Director Capobianco to the Organization and Personnel and the Legal and Claims Committees;
3. Director Pace to the Engineering and Operations and the Legal and Claims Committees;
4. Director John Mylne reassigned to the Engineering and Operations Committee from the Land Committee;

5. Director Bannister reassigned to the Organization and Personnel Committee from the Legal and Claims Committee;
6. Director Morris reassigned to the Water Problems Committee from the Finance and Insurance Committee; and
7. Director Brick to serve as Chairman of the Water Problems Committee.

Director Milne took his seat at 12:40 p.m.

41387 Chairman Foley announced that he has made the following appointments:

1. Directors Rez and Wright to the Special Budget Committee;
2. Director Griffen to the Special Financial Policy Committee;
3. Director Huntley to the Special Audit Committee; and
4. Director King to Chair the Task Force to Review Office Space and Building Sites, formerly chaired by Director Brick.

41388 Vice Chairman Blake moved, seconded by Vice Chairman Miller and carried, increasing the membership of the Special Goals and Objectives Committee to eleven members (currently seven), thereby amending Section 2580 of the Administrative Code to read as set forth in Attachment A to the Board Chairman's letter dated April 26, 1995, which states: The Special Goals and Objectives Committee shall consist of eleven members comprised of the Chairs of the Standing Committees and members selected at large by the Chairman of the Board.

41389 Water Problems Committee Chairman Brick moved, seconded by Vice Chairman Blake and carried, amending specified sections of the Administrative Code to read as shown on Attachment A to the Board Chairman's revised letter dated May 9, 1995, thereby changing the name of the Water Problems Committee to the Water Planning and Resources Committee.

41390 Vice Chairman Blake moved, seconded by Director Little and carried, authorizing the preparation of a Commendatory Resolution for former Director Charles L. Stuart, who represented West Basin Municipal Water District since July 11, 1989.

41391 Vice Chairman Miller moved, seconded by Director Murph and carried, granting the request of Director McMurray for a sixty-day leave of absence commencing May 15, 1995.

41392 Task Force to Review Office Space and Building Sites Chairman Brick announced there is nothing to report regarding the development of a permanent headquarters facility at Union Station.

41393 Deputy General Manager Quinn announced there is nothing to report regarding the implementation of the Monterey agreement revising the State Water Contract.

41394 Through the medium of video, Chief of Operations Means gave a status report on the activities of the Joint Program Advisory Committee, established to assess the Seasonal Storage Program; the Total Dissolved Solids Workshop scheduled for June 28; the breakage of a vacuum valve on the Santiago Lateral; and the replacement of the Type M meters.

Through the medium of video, Chief Financial Officer Becker reported on Metropolitan's financial condition.

The Board viewed a video tape by Chief Engineer Snyder presenting a status report on the Colorado River Feeder relocation, the repair of the Garvey Reservoir, the Domenigoni Valley Reservoir Project, and Inland Feeder.

The Board viewed a video tape of the Chief of Planning and Resources Man presenting an update on the efforts of Metropolitan and its member agencies to develop local water resources under the Local Projects Program and the Groundwater Recovery Program.

Deputy General Manager Horne referred to the handout before each Director, a graphic of the IRP Policy Milestones, requesting Directors to review and offer suggestions. He announced that the Attorney General has expressed his support of Metropolitan's practice in connection with the parcel charge offset to the Readiness-to-Serve Charge.

Deputy General Manager Quinn announced that Robert Perciasepe, Assistant Administrator for Water at EPA, has been appointed to fill the vacancy created by the departure of Betsy Rieke from CalFed. He advised that there has been correspondence from the California Urban Water Agencies to the Central Valley Project Water Association suggesting there be discussions in an attempt to reach consensus solutions on the CVPIA.

41395 General Manager Wodraska urged all Directors to participate in forthcoming events: the May 17 dedication ceremony for the Domenigoni Valley Reservoir Project, and the Special Budget Committee meeting. The status of the General Manager's Priorities for fiscal year 1994-95 will be submitted in June, he said. He advised that Wally Lieu and Dennis Majors have been promoted to the positions of Assistant Chief Engineer.

41396 Chairman Foley presented to General Counsel Taylor a pin emblematic of completion of five years of service with Metropolitan as of April 23, 1995.

41397 General Counsel Taylor reported that all of the paperwork for the new Headquarters Building at Union Station has been completed, and we are in escrow.

41398 Committee on Legislation Chairman Luddy reported that the committee at its May 9 meeting took action on a matter submitted for information, AB 733 (Speier), and moved, seconded by Vice Chairman Blake and carried, that this issue set forth in the General Manager's letter dated May 1, 1995, become an action item on today's agenda.

Committee on Legislation Chairman Luddy moved, seconded by Vice Chairman Blake, that Metropolitan oppose Assembly Bill 733 (Speier) unless amended to provide fluoridation if authorized by the local community and if adequate funding is provided, as recommended in the General Manager's revised letter dated May 9, 1995.

Director Peterson offered a substitute motion that no action be taken on Assembly Bill 733 (Speier), but that Metropolitan take a "watch with concern" position until it has been determined that the language of the bill will not be amended to contain the desired language: to provide fluoridation if authorized by the local community and if adequate funding is provided. The substitute motion was seconded by Director Brick, voted upon and did not carry.

The Chair called for a vote on the original motion. The original motion was voted upon and carried.

Directors Brick, McMurray, Peterson, O'Neil, and Rez requested to be recorded as voting no.

Vice Chairman Blake moved, seconded by Vice Chairman Miller, and the Board approved M.I. 41399 through M.I. 41418, as follows:

41399 Approved the removal of the parcels listed on Attachment A to the General Manager's letter dated April 18, 1995, from the Surplus Property Inventory as these parcels are no longer surplus.

41400 Awarded a change order in the amount of \$1,325,000 to Systems Integrated for furnishing SCADA system hardware and software in compliance with the requirements of Specifications No. 1207, for the Henry J. Mills Filtration Plant, Expansion No. 2 Project, as set forth in the General Manager's letter dated April 21, 1995.

41401 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 design, purchase of equipment, and construction to upgrade the domestic water pumping system at the Robert B. Diemer Filtration Plant; and (2) Appropriation No. 706 in the amount of \$995,000 from the Pay-As-You-Go Fund to finance all estimated costs for this work, as set forth in the General Manager's letter dated April 25, 1995.

41402 Authorized (1) the General Manager to have all work performed, other than contracts in an amount of \$250,000 or more, to complete Phase One of the two-phase Record Drawing Restoration Program; and (2) Appropriation No. 708 in the amount of \$1,271,000 from the Pay-As-You-Go Fund to finance all estimated costs for this work, as set forth in the General Manager's letter dated April 25, 1995.

41403 Authorized the General Manager to enter into an agreement with Michael Willis & Associates, not to exceed \$504,000, for architectural design assistance for the Joseph Jensen Filtration Plant Oxidation Retrofit Program, subject to the agreement being in form approved by the General Counsel, as set forth in the General Manager's letter dated April 25, 1995.

41404 Authorized the General Manager to (1) make water available during the summer of 1995 for purchase by the member agencies for local storage for future regional benefit under the terms described in his letter dated April 25, 1995; (2) modify the Administrative Code provisions relating to the Cooperative Storage Program to make them consistent with this letter, subject to the modifications being in form approved by the General Counsel; and (3) fix the Readiness-to-Serve Charge for water stored in 1995 at \$36 per acre-foot of water delivered under this Program.

41405 Approved payment of dues to the American Public Power Association in the amount of \$2,900, discounted to \$1,669.97 for the period February 1995 to January 1996, as set forth in the General Manager's letter dated April 24, 1995.

41406 Expressed support for Senate Bill 369 (Kelley), amending the County Water Authority Act to delete its requirement for voter approval of leases, installment purchase agreements and other contracts payable over a term of more than twenty years, as set forth in the General Manager's letter dated April 25, 1995.

41407 Authorized the General Manager to execute an agreement with Stone & Webster Engineering Corporation, for an amount not to exceed \$520,000, to establish a comprehensive Records Retention Program, subject to the agreement being in form approved by the General Counsel, as set forth in the General Manager's letter dated April 24, 1995.

41408 Authorized the amendment of Consulting Services Contract No. 4779 with Hildebrandt, Inc., to increase the maximum amount payable from \$70,000 to \$150,000 for a study of the organization of the Legal Department, as set forth in the General Counsel's letter dated May 4, 1995.

41409 Expressed support for Senate Bill 1280 (O'Connell), to create tax credits for the value of land donated for conservation purposes, as set forth in the General Manager's letter dated April 27, 1995.

41410 Expressed opposition to Senate Bills 771 (Lockyer) and 894 (Leslie) regarding changes to eminent domain and property acquisition statutes, as set forth in the General Manager's letter dated April 28, 1995.

41411 The Board (1) found that the adoption of water standby charges is exempted 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 the form of Resolution shown as Exhibit A attached to the General Manager's letter dated April 20, 1995 (**Resolution 8472**), 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 FIXING AND ADOPTING
WATER STANDBY CHARGES FOR FISCAL YEAR 1995-96**

41412 The Board (1) authorized No. 1 to Appropriation No. 611, an increase of \$2,404,000 to a total of \$2,854,000 from the Pay-As-You-Go Fund, for furnishing and installing a centralized emergency power generation system at the Robert A. Skinner Filtration Plant; and (2) awarded a construction contract in the amount of \$1,429,000 to Turning Point Construction, Inc., for this work; and, upon execution of the contract, authorized the General Manager to reject all other bids, as set forth in the General Manager's letter dated April 25, 1995.

Director Luddy requested to be recorded as voting no.

41413 Authorized the General Manager to amend agreements with (1) Bechtel Corporation for an increase of \$2,750,000, not to exceed \$11 million; and (2) Daniel Mann Johnson & Mendenhall for an increase of \$1,000,000, not to exceed \$6.7 million, for additional groundwater monitoring and geotechnical investigation services for the San Bernardino Mountains segment and Riverside Badlands segment of the Inland Feeder Project, subject to the amendments being in form approved by the General Counsel, as set forth in the General Manager's letter dated April 25, 1995.

41414 Adopted **Resolution 8473** attached to the General Manager's supplemental letter dated May 8, 1995, revised from his April 25, 1995 letter, supporting the development of seawater desalination technology.

41415 Adopted four additional policy principles regarding local agency investments, as follows: (1) support amendments to state law designating officials responsible for local agency investments as fiduciaries and holding them to the prudent investor standard with respect to their investments; (2) support amendments requiring broker-dealers to conform to local agency investment policies in the investments they sell to those local agencies; (3) oppose legislation which provides additional limits on maturities of local agency investments; and (4) oppose legislation which restricts the award of contracts for financial services more than contracts for professional services generally, as set forth in the General Manager's letter dated May 9, 1995, revised from his letter dated April 21, 1995.

41416 Reaffirmed the agreement in connection with the transfer of Morris Dam, as set forth in the General Manager's confidential letter dated April 25, 1995.

41417 Authorized the General Manager to acquire Domenigoni Valley Project Property 144-001-255 owned by Babubhai and Vimlaben Prajapati, Trustees of the Babubhai and Vimlaben Prajapati Trust, and settle the related litigation titled Metropolitan Water District v. Babubhai and Vimlaben Prajapati, Riverside County Superior Court Case No. 227228, as set forth in the General Manager's confidential letter dated April 26, 1995.

41418 Authorized the General Manager to acquire Domenigoni Valley Project Property 144-001-265 owned by Percy A. and Belva Stiles, and settle the related litigation titled Metropolitan Water District v. Percy A. and Belva Stiles, et al., Riverside County Superior Court Case No. 225011, as set forth in the General Manager's confidential letter dated April 26, 1995.

41419 On behalf of the Finance and Insurance Committee, Director Handelman moved, seconded by Engineering and Operations Committee Chairman Miller, that the Board (1) authorize No. 2 to Appropriation No. 567, an increase of \$2,811,000 to a total of \$3,561,000 from the Revenue Bond Construction Fund, to expend budgeted funds to finance all remaining costs for the construction of the Operations Control Center at the Eagle Rock Facility; and (2) award a \$1,523,289 contract to Cavecche Engineering and Construction Co., Inc., for this work in accordance with Specifications No. 1275A, as amended; and that after the contract has been executed, the

General Manager be authorized to reject all other bids, as set forth in the General Manager's letter dated April 25, 1995.

Director Moret expressed concerns about awarding a contract that does not adhere to the MBE/WBE goals. Chief Engineer Snyder explained that the good faith effort submitted by the contractor was reviewed and proved satisfactory.

The Chair called for a vote on the motion.

The following is a record of the vote on the motion:

Ayes: Anaheim (Dir. Alario, 1,575 votes), Burbank (Dir. Stamper, 810 votes), Calleguas Municipal Water District (Dirs. Grandsen and Miller, 3,039 votes), Central Basin Municipal Water District (Ayes: Dirs. Morse and Pace. Absent: Dir. Ibbetson. 5,586 votes), Foothill Municipal Water District (Dir. O'Neil, 504 votes), Fullerton (Dir. Blake, 668 votes), Glendale (Dir. Rez, 1,111 votes), Long Beach (Dir. Meyer, 1,856 votes), Los Angeles (Dir. Handelman, 6,398.67 votes), Municipal Water District of Orange County (Ayes: Dirs. Foley, Huntley, King, and Witt. Absent: Dir. Bannister. 10,989 votes), Santa Ana (Dir. Harry, 1,082 votes), Three Valleys Municipal Water District (Dir. Milne, 2,443 votes), Torrance (Dir. Wright, 1,141 votes), Upper San Gabriel Valley Municipal Water District (Aye: Dir. Hawkins. Absent: Dir. Fellow. 3,457 votes), West Basin Municipal Water District (Aye: Dir. Little. Absent: Dir. Barker. 3,159 votes), Western Municipal Water District of Riverside County (Aye: Dir. Mylne. Absent: Dir. Krieger. 2,618 votes). Total 46,436.67 votes.

Noes: Coastal Municipal Water District (Dir. McMurray, 2,573 votes), Compton (Dir. Murph, 156 votes), Las Virgenes Municipal Water District (Dir. Peterson, 839 votes), Los Angeles (Noes: Dirs. Luddy and Moret. Absent: Dirs. Brandt, Capobianco, Green, Pak, and Wein. 12,797.33 votes), Pasadena (Dir. Brick, 873 votes), San Diego County Water Authority (Noes: Dirs. Krauel and Parker. Absent: Dirs. Frahm, Griffen, Mason, and Watton. 13,223 votes), West Basin Municipal Water District (Dir. Gambrell, 3,159 votes). Total 33,620.33 votes.

Abstains: None.

Absent: Beverly Hills (Dir. Webster, 888 votes), Chino Basin Municipal Water District (Dir. Hill and Troxel, 3,123 votes), Eastern Municipal Water District (Dir. Gilbert, 1,877 votes), San Fernando (Dir. Wysbeek, 74 votes), San Marino (Dir. Morris, 177 votes), Santa Monica (Dir. Reed, 959 votes). Total 7,098 votes.

The Chair declared the motion carried.

41420 On behalf of the Finance and Insurance Committee, Director Handelman moved, seconded by Engineering and Operations Committee Chairman Miller and carried, authorizing No. 7 to Appropriation No. 584, an increase of \$1,122,000 to a total of \$6,791,000 from the Pay-As-You-Go Fund, to finance additional costs in the communications upgrade-expansion of the Local Area Networks to the field facilities, as set forth in the General Manager's letter dated April 25, 1995.

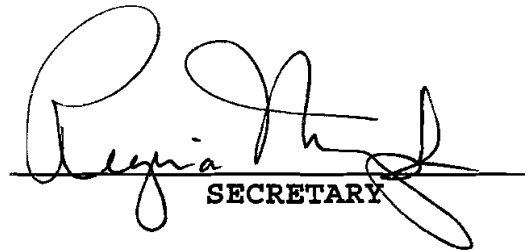
41421 The following listed communications were submitted for the information of the Board:

- a. Report of the General Manager on the operating data for the month of March, dated April 25, 1995.
- b. Report of the General Counsel on the activities of the Legal Department for the month of April, dated April 30, 1995.
- c. Report of the Auditor on the activities of the Audit Department for the month of April, dated May 1, 1995.
- d. Letter of the General Manager dated May 5, 1995, transmitting the Monthly Financial Report for the month of March.
- e. Letter of the General Manager dated May 1, 1995, reporting on the Las Vegas Cryptosporidium outbreak.
- f. Letter of the General Manager dated April 25, 1995, submitting the quarterly status report for the Domenigoni Valley Reservoir Project, January through March 1995.
- g. Letter of the General Manager dated April 25, 1995, submitting the quarterly status report for the Inland Feeder Project, January through March 1995.

- h. Letter of the General Manager dated April 21, 1995, submitting background information on San Joaquin Reservoir.
- i. Letter of the General Manager dated April 18, 1995, submitting the quarterly report on changes in funding sources for capital program expenditures.
- j. Letter of the General Manager dated April 28, 1995, submitting the variance report for the quarter ending March 1995.
- k. Letter of the General Manager dated April 25, 1995, reporting on the status of the 1995 California Drought Water Bank.
- l. Letter of the General Manager dated April 27, 1995, reporting on the Groundwater Storage Program and System Reliability Development with the Calleguas Municipal Water District.

41422 There being no objection, Chairman Foley adjourned the Meeting at 1:30 p.m.


CHAIRMAN


SECRETARY