

MINUTES
REGULAR MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
SEPTEMBER 12, 1995

41556 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 12, 1995.

 The Meeting was called to order by Chairman Foley at 12:35 p.m.

41557 The Meeting was opened with an invocation by Director Gary A. Morse.

41558 The Pledge of Allegiance to the Flag was given, led by Director Francesca M. Krauel.

41559 Secretary Murph called the roll. Those answering present were: Directors Alario, Bannister, Barker, Blake, Brick, Capobianco, Foley, Gambrell, Gilbert, Grandsen, Griffen, Handelman, Harry, Hawkins, Hill, Huntley, Ibbetson, King, Krauel, Krieger, Little, Mason, McCauley, McMurray, Milne, Moret, Morris, Morse, Murph, Mylne, O'Neil, Pace, Parker, Peterson, Troxel, Wein, Witt, Wright, and Wysbeek.

 Those not answering were: Directors Brandt, Fellow, Frahm, Green, Luddy (entered 12:48 p.m.), Meyer, Miller, Pak, Reed, Rez, Watton, and Webster.

 The Chair declared a quorum present.

41560 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.

41561 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, stated the importance for the Director representing Burbank to appear before the Burbank City Council and report on events taking place at Metropolitan.

41562 There being no objection, the Chair declared the Minutes for the Board Meeting on August 8 and for the Meeting held August 22, 1995, are deferred.

41563 Chairman Foley presented a Commendatory Resolution to former Director Larry L. Stamper, who represented the City of Burbank from July 7, 1991, to June 13, 1995.

41564 Chairman Foley presented a pin to Director Bill M. Hill emblematic of his completion of five years of service on August 21, 1995, representing Chino Basin Municipal Water District.

Director Luddy took his seat at 12:48 p.m.

41565 Chairman Foley announced that Agenda Item E, the Ethics Policy for Directors and employees, has been deferred.

41566 Task Force to Review Office Space and Building Sites Chairman King discussed the merits of accelerating the schedule for the development of the new headquarters building at Union Station, stating the opportunities offered by the City of Los Angeles if drawings can be submitted by December 15, 1995, and, accordingly, moved that the Board approve instructing Union Station Partners to proceed with, and accelerate where possible, the design and construction of a new Headquarters Building along

the lines proposed in Scheme B-5 presented to the Board at its May meeting. The motion was seconded by Vice Chairman Blake and carried.

Director Mason requested to be recorded as voting no.

Director Krauel requested to be recorded as abstaining.

41567 Deputy General Manager Quinn advised there is nothing to report regarding the implementation of the Monterey Agreement revising the State Water Contract.

41568 Chief of Planning and Resources Man gave a video tape presentation on the Palo Verde land fallowing test program and the Bay/Delta process.

Director Mylne withdrew from the Meeting at 12:59 p.m.

Chief of Operations Means gave a video tape report on the water supply forecast for 1996 as well as advising of the forthcoming shutdowns to perform routine maintenance which have been planned to cause minimum interruptions in service.

Chief Financial Officer Becker gave a video tape report on Metropolitan's financial condition.

The Board viewed the video of Chief Engineer Snyder reporting on the progress of construction projects.

Deputy General Manager Horne announced the IRP Workshop is being rescheduled to October 16 to avoid a conflict with the E. Thornton Ibbetson Century Recycling Plant renaming ceremony scheduled for October 17. He urged all Directors to attend the September 19 meeting of the Bay/Delta Political Advisory Committee to participate in the discussions regarding Category 3, and water and environmental issues.

Deputy General Manager Quinn reported on pending Federal and State legislation, and advised that the urban managers met to consider CVP-related legislation, and unanimously concluded that a letter be drafted expressing concern about the

proposed CVP transfer as part of the Reconciliation Process. However, now that the legislation has been withdrawn, the urban managers will be considering what arrangements would be appropriate for a CVP transfer from Federal control to entities within the State of California.

41569 General Manager Wodraska stated that before each Director is a copy of the County of Los Angeles Consensus Recovery Plan, reporting that an announcement was made at a news conference this morning of the bailout package for Los Angeles County developed by the State Legislature, which will not impact Metropolitan.

41570 Assistant General Counsel Tachiki reported that Metropolitan has retained special counsel in Washington, D.C., to assist in the Power Marketing Administrations' activities.

41571 Chairman Foley announced that Agenda Items 7-7, change of meeting time for Legal and Claims Committee; and 7-8, increasing authority of the General Manager and the General Counsel to settle claims and lawsuits, have been deferred.

Vice Chairman Blake moved, seconded by Director Hill and the Board approved the Consent Calendar Items, **M.I. 41572** through **M.I. 41579**, as follows:

41572 Authorized (1) the General Manager to have all work performed for improvement of the Lake Perris Pumpback Facility; and (2) Appropriation No. 717 in the amount of \$680,000 from the Pay-As-You-Go Fund to expend budgeted funds to finance all estimated costs for improvement of the pumpback facility, as set forth in the General Manager's letter dated August 29, 1995.

41573 Authorized (1) the General Manager to have all work performed, other than work to be performed under competitively bid equipment and material procurement contracts involving contracts of \$250,000 or more, for design of flocculator equipment to replace 24 vertical flocculators at the Robert A. Skinner Filtration Plant, Modules 1 and 2; and (2) Appropriation No. 718 in the amount of \$190,000 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 August 29, 1995.

41574 Authorized (1) all work in advance of construction for the design and purchase of equipment to retrofit the Weymouth Filtration Plant for use of ferric chloride, and to construct additional storage for coagulants; and (2) No. 1 to Appropriation No. 653, an increase of \$611,000 to a total of \$721,000 from the Pay-As-You-Go Fund for this work, as set forth in the General Manager's letter dated August 29, 1995.

41575 Authorized the General Manager to enter into an agreement with EARTH TECH, not to exceed \$840,000, for geologic and geotechnical services for the pipeline segment 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 Manager's letter dated August 29, 1995.

41576 Authorized the General Manager to (1) enter into an agreement with Aerial Information Systems in accordance with Request for Proposals No. 155, not to exceed \$250,000, to provide services that will support Phase I of the Bay-Delta Resources Database Program, subject to the agreement being in form approved by the General Counsel; and (2) execute contract amendments within this cost ceiling providing for changes in scope and required personnel, as set forth in the General Manager's letter dated August 29, 1995.

41577 Adopted by a unanimous vote, representing more than the required two-thirds vote, **Resolution 8483** transmitted with the General Manager's letter dated August 23, 1995, declaring the necessity for the Domenigoni Valley Reservoir Project and for the properties described in Exhibits A and B attached thereto, and directing the General Counsel to commence condemnation proceedings in Riverside County to acquire the properties, said Resolution entitled:

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN
WATER DISTRICT OF SOUTHERN CALIFORNIA DIRECTING THE
CONDEMNATION OF CERTAIN PROPERTY SITUATED IN RIVERSIDE
COUNTY (DOMENIGONI VALLEY RESERVOIR PROJECT)**

41578 Authorized the General Counsel to make a final offer in the eminent domain action titled Metropolitan Water District v. Boersma Brothers, et al., Riverside County Superior Court Case No. 231544, to acquire Domenigoni Valley Project Parcel 144-1-31, as set forth in the General Counsel's confidential letter dated August 22, 1995.

41579 Authorized the General Counsel to make settlement offers in the eminent domain actions titled (1) Metropolitan Water District v. James Dilworth, et al., Riverside County Superior Court Case No. 263476, to acquire Domenigoni Valley Project Parcel 144-3-100; and (2) Metropolitan Water District v. Louis R. Wilhelm, et al., Riverside County Superior Court Case No. 263474, to acquire Domenigoni Valley Project Parcels 144-3-102, 144-3-6, and 144-3-6TEA1, as set forth in the General Counsel's confidential letter dated August 28, 1995.

41580 Finance and Insurance Committee Chairman Mason moved, seconded by Vice Chairman Blake and carried, and the Board:

1. Adopted, in concept, the financial goals and objectives contained in the Long Range Finance Plan; and

2. Reaffirmed the policy of maintaining working capital of \$175 million, subject to annual review of adequacy, and authorized the transfer of \$25 million, currently held in excess of the \$175 million, to the Pay-As-You-Go Fund, for the purpose of financing pay-as-you-go capital expenditures in accordance with the Board's policy as stated in Administrative Code Section 5109, as set forth in the General Manager's revised letter dated August 28, 1995.

41581 Finance and Insurance Committee Chairman Mason moved, seconded by Vice Chairman Blake and carried, and the Board:

1. Established a cap of \$200 million for the Water Rate Stabilization Fund, and determined that available monies that exceed the cap shall be placed into the Pay-As-You-Go Fund for the purpose of financing pay-as-you-go capital expenditures in

accordance with the Board's policy as stated in Administrative Code Section 5109;

2. Authorized an increase in annual pay-as-you-go expenditures in an amount equal to the transfers to the Pay-As-You-Go Fund authorized in Recommendation 2 (M.I.41580) and Recommendation 1 (M.I. 41581);

3. Established the Water Transfer Fund, and authorized the transfer of the \$14 million budgeted for 1995-96 water transfers as the initial deposit into the fund; provided that the Water Transfer Fund shall be used only for the purposes of funding water transfer programs and the costs of filling the completed Domenigoni Valley Reservoir Project; and designated the expiration date for the Water Transfer Fund as June 30, 2004;

4. Authorized the General Manager to purchase Metropolitan bonds, subject to a maximum purchase price of 100 percent of par value, without regard to maturity dates of the bonds, in an aggregate amount not to exceed \$75 million. Under current tax regulations, such bonds purchased by Metropolitan must be canceled and retired and may not be held for investment or resold. This authorization will be valid for a period of 12 calendar months following the month of adoption;

5. Amended the District's Administrative Code by adopting the language contained in Attachment A to the General Manager's revised letter dated August 28, 1995, to effect Recommendations 2 (M.I. 41580) and 3 (M.I. 41581) and make conforming changes to related Code sections; and

6. Found that the proposed actions are exempt from the provisions of the California Environmental Quality Act since they constitute the creation of government funding mechanisms which do not involve commitment to any specific project.

41582 Finance and Insurance Committee Chairman Mason moved, seconded by Vice Chairman Blake on behalf of the Engineering and Operations Committee, and the Board authorized Appropriation No. 703 in the amount of \$1.5 million from the Pay-As-You-Go Fund to finance the first year of a proposed three-year program to

address issues associated with Cryptosporidium, as set forth in the General Manager's letter dated August 29, 1995.

41583 Finance and Insurance Committee Chairman Mason moved, seconded by Vice Chairman Blake on behalf of the Engineering and Operations Committee, and the Board (1) authorized No. 1 to Appropriation No. 676, an increase of \$2,686,000 to a total amount of \$3,836,500 from the Pay-As-You-Go Fund for the construction of modifications to upgrade the chlorine system at the Robert B. Diemer Filtration Plant; and (2) awarded a \$2,238,670 contract to Pascal & Ludwig Engineers, Inc., for this work; and that after the contract has been executed, authorized all other bids be rejected, as set forth in the General Manager's letter dated August 29, 1995.

41584 Organization and Personnel Committee Vice Chairman McMurray moved, seconded by Vice Chairman Blake on behalf of the Engineering and Operations Committee, and the Board authorized the General Manager to enter into an agreement with Inter-Con Security Systems, Inc., in the amount of \$2,333,300 for a one-year period commencing October 1, 1995, and ending September 30, 1996, with the option to renew up to 36 months on a year-to-year basis, subject to the agreement being in form approved by the General Counsel, as set forth in the General Manager's letter dated August 21, 1995.

Directors Gambrell and Moret withdrew from the Meeting at 1:35 p.m.

41585 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 July, dated August 29, 1995.
- b. Report of the General Counsel on the activities of the Legal Department for the month of August, dated August 30, 1995.

- c. Report of the Auditor on the activities of the Audit Department for the month of August, dated August 29, 1995.
- d. Letter of the Auditor dated August 9, 1995, transmitting the Single Audit Reports for the Fiscal Year Ended June 30, 1994.
- e. Letter of the General Manager dated August 30, 1995, transmitting Certificate of Achievement for Excellence in Financial Reporting.
- f. Letter of the General Manager dated August 29, 1995, reporting on the Casualty Insurance Program for 1995-96.
- g. Letter of the General Manager dated August 25, 1995, reporting on the Strategic Operations and Maintenance Management System (SOMMS).
- h. Letter of the General Manager dated August 8, 1995, submitting a status report on the development of the Business Resumption Plan.
- i. Letter of the General Manager dated August 24, 1995, reporting on the Colorado River Watershed Sanitary Survey.
- j. Letter of the General Manager dated August 28, 1995, transmitting the status report on Phase One of the Information Systems Strategic Plan--Quarter Ended June 30, 1995.
- k. Letter of the General Manager dated August 18, 1995, reporting on the general labor contract to supply supplemental labor to assist the Operations Division's construction and maintenance personnel.

- l. Letter of the General Manager dated August 29, 1995, transmitting the Semiannual Report on Equal Employment Opportunity.
- m. Letter of the General Manager dated September 7, 1995, submitting a status report on the Sale of Power Marketing Administrations.
- n. Letter of the General Manager dated August 29, 1995, submitting the concluding report on Palo Verde Test Land Fallowing Program.
- o. Letter of the General Manager dated August 29, 1995, reporting on the incentive and pricing alternatives for Local Storage Programs.

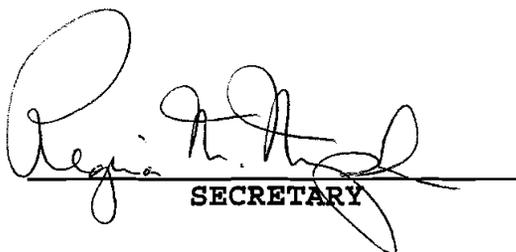
41586 General Manager Wodraska advised of the meeting scheduled in San Diego on September 20 with representatives from Arizona, California, and Nevada to discuss the alternatives for pursuing a regional solution in connection with Colorado River matters.

41587 Chairman Foley announced the Board Workshop is scheduled for September 26 and 27 at the Doubletree Hotel in San Pedro.

41588 Vice Chairman Blake announced the meeting of the Bay/Delta Political Advisory Committee on September 19 at 10:00 a.m., and the Workshop on the Integrated Resources Plan on October 16, and urged all Directors to attend.

41589 Director Morris advised the desalination demonstration unit will be operating on September 26 and urged Directors to take a tour of the facility en route to the workshop.

41590 There being no objection, Chairman Foley adjourned the Meeting at 1:37 p.m.


REGINA H. HYL
SECRETARY


J. M. FOLEY
CHAIRMAN