

MINUTES
REGULAR MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
OCTOBER 10, 1995

41591 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, October 10, 1995.

The Meeting was called to order by Chairman Foley at 12:40 p.m.

41592 The Meeting was opened with an invocation by Director Gary A. Morse.

41593 The Pledge of Allegiance to the Flag was given, led by Vice Chairman James H. Blake.

41594 Secretary Murph called the roll. Those answering present were: Directors Alario, Bannister, Barker, Blake, Brick, Capobianco, Fellow, Foley, Gambrell, Gilbert, Grandsen, Green, Griffen, Handelman, Harry, Huntley, King, Krauel, Krieger, Little, Mason, McCauley, McMurray, Miller, Milne, Moret, Morris, Morse, Murph, Mylne, O'Neil, Pace, Pak, Parker, Peterson, Reed, Rez, Troxel, Watton, Webster, Wein, Witt, Wright, and Wysbeek.

Those not answering were: Directors Brandt, Frahm (entered 12:47 p.m.), Hawkins, Hill, Ibbetson, Luddy (entered 12:47 p.m.), and Meyer.

The Chair declared a quorum present.

41595 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.

41596 Chairman Foley invited members of the public to address the Board on matters within the Board's jurisdiction. No member of the public responded.

41597 There being no objection, the Chair ordered the reading of the Minutes of August 8 and 22, and September 12, 1995, dispensed with, copies having been mailed to all Directors.

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

Vice Chairman Green requested to be recorded as abstaining.

41598 Vice Chairman Green moved, seconded by Director Griffen and carried, and the Board approved the ethics policy for Directors and employees, as set forth in the Board Chairman's letter dated September 22, 1995, and ordered this policy be added to the Administrative Code (Section 7300).

41599 Vice Chairman Green moved, seconded by Vice Chairman Blake and carried, and the Board approved (1) expanding the scope and charge of the Task Force to Review Office Space and Building Sites to assume responsibility for reviewing and advising the Executive Committee on the oversight and coordination of the development of the Headquarters at Union Station and the Real Property Asset Management Program, working in cooperation with the appropriate Standing Committees; and (2) renaming the Task Force as the Real Property and Asset Management Ad Hoc Committee, consisting of eleven members, and that conforming changes be made to the Administrative Code to implement these actions, as recommended in Board Chairman Foley's letter dated October 10, 1995.

41600 Vice Chairman Green moved, seconded by Vice Chairman Barker and carried, and the Board (1) approved the Audit Department Charter, containing the language as set forth in Attachment A, as revised, and the recommendations contained in the revised letter from the Special Audit Committee Chairman dated October 6, 1995; and (2) amended Administrative Code Section 6450 as set forth in Attachment B, together with the necessary conforming changes in Administrative Code Sections 2560 and 2561 as set forth in Attachment D of the foregoing letter.

41601 Real Property and Asset Management Ad Hoc Committee Chairman King advised that the comments received in connection with the Draft EIR for the permanent Headquarters facility at Union Station are being reviewed and it is expected that the Final EIR will be submitted to the Board in November.

Directors Frahm and Luddy took their seats at 12:47 p.m.

41602 General Manager Wodraska stated that the final contract amendments and the Final EIR for the Monterey Agreement will be submitted to the Board at its November Meeting.

41603 Chairman Foley presented to Auditor Hondorp a pin emblematic of his completion of fifteen years of service.

41604 Chairman Foley introduced State Senator Jim Costa, Chairman of the Senate Committee on Agriculture and Water Resources, who addressed the Board on water-related legislation and issues.

41605 General Manager Wodraska reported that the committees discussed Colorado River matters extensively in closed sessions and he will be glad to answer any remaining questions. The Chair determined there were no requests or additional questions from Directors.

41606 Vice Chairman Green moved, seconded by Vice Chairman Blake and carried, approving the appointments by the Chair of Directors Ibbetson and Krieger to the Special Nominating Committee.

41607 Through the medium of video, Chief Financial Officer Becker reported on Metropolitan's financial condition.

Chief of Planning and Resources Man gave a video tape update on activities concerning power resources and the Bay/Delta water rights contract.

Chief Engineer Snyder gave a video tape report on the progress of construction contracts.

The Board viewed the video of Chief of Operations Means reporting on the water supply situation for 1996, and an overview of activities relating to fish barriers on the San Diego Canal.

Directors Milne and Pak withdrew from the Meeting at 1:40 p.m.

Deputy General Manager Horne reported on activities in connection with the Bay/Delta Accord, focusing on Category III Project issues.

Director Handelman withdrew from the Meeting at 1:43 p.m.

Director Griffen withdrew from the Meeting at 1:46 p.m.

Deputy General Manager Quinn reported on the activities to gain support for Senate Bill 900 (Costa), a measure to be on the November 1996 statewide ballot requesting voter approval for the issuance of state bonds to finance various improvements to California's water infrastructure including a comprehensive Delta solution.

41608 General Manager Wodraska advised that copies of the speech he delivered at the ACWA Region 1 meeting on September 22 in Northern California are available, the speech entitled "The Olive Branch: Metropolitan Water District's Integrated Resources Plan" emphasizing Metropolitan's lead in the stewardship of water resources management for Southern California, and to develop an equitable balance of statewide resources to protect the interests of both the north and the south.

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

41609 General Counsel Taylor reported that all the post-trial motions have been filed in the Domenigoni case; pointed out the far-reaching effects of the decision in the Bennett v. Plenert case, ruling that only environmental interests have standing to sue the Federal government under the Endangered Species Act; and that the Administrative Code has been put on the "R" drive of the District's computer system and will be available to all Directors on diskettes.

41610 Chairman Foley announced that Agenda Item 7-2, Appropriation No. 719 for the second finished water reservoir at the Diemer plant, has been withdrawn.

Vice Chairman Blake moved, seconded by Vice Chairman Miller, and the Board approved the Consent Calendar Items, **M.I. 41611** through **M.I. 41616**, as follows:

41611 Authorized (1) the General Manager to have all work performed in advance of award of a contract for construction of renovations at the Materials Testing Laboratory; and (2) Appropriation No. 715 in the amount of \$140,000 from the Pay-As-You-Go Fund to finance the above work, as set forth in the General Manager's letter dated September 19, 1995.

41612 Authorized No. 1 to Appropriation No. 678, an increase of \$310,000 to a total of \$510,000, to finance all costs of construction for the seismic upgrade of the auto repair and utility shop building at the La Verne Facilities, as set forth in the General Manager's letter dated September 19, 1995.

41613 Authorized the expenditure of up to \$500,000 from the contingency contained in the Annual Budget Appropriation for the preservation and protection of Metropolitan's power entitlements and interests, as set forth in the General Manager's letter dated September 22, 1995.

41614 Adopted Metropolitan's Regional Urban Water Management Plan and authorized the General Manager to transmit the Plan to the Department of Water Resources, as set forth in the General Manager's letter dated September 26, 1995.

41615 Amended the Administrative Code to renumber Sections 9200-9202 to Sections 6433 et seq., and amend same as shown on Attachment A to the letter signed jointly by the General Manager and the General Counsel dated September 19, 1995, to consolidate the General Counsel's litigation authority.

41616 Adopted the policy described in the report of the General Manager dated September 22, 1995, regarding the rights of new and existing employees to inventions and intellectual property.

Director Morris moved, seconded by Vice Chairman Green, and the Board approved the Board Action Items, **M.I. 41617** through **M.I. 41622**, as follows:

41617 The Board (1) adopted the 1995 User Handbook for Seasonal Storage Service and authorized the General Manager to amend the Handbook as required from time to time consistent with the controlling Administrative Code provisions; and (2) amended specified sections of the Administrative Code to reflect modifications as set forth in Attachment A to the General Manager's letter dated September 26 and his supplemental letter dated October 6, 1995.

41618 Awarded a \$2,625,000 construction contract to Serrot Corporation in accordance with Specifications No. 1239, as amended, for the Henry J. Mills Filtration Plant Expansion No. 2 floating covers and liners for Finished Water Reservoirs 1 and 2; and that after the contract has been executed, authorized all other bids be rejected, as set forth in the General Manager's letter dated September 19, 1995.

41619 Authorized No. 4 to Appropriation No. 688, an increase of \$13 million to a total of \$32 million, from the Pay-As-You-Go Fund to finance accelerated Headquarters development activities at Union Station, as set forth in the General Manager's letter dated September 18, 1995.

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

41620 The Board (1) found that the interests of Metropolitan Water District will not be adversely affected by the window created by Calleguas Annexation No. 48; (2) approved the Plans for Implementing Water Use Efficiency Guidelines for this proposed annexation; and (3) granted informal approval for the concurrent annexation of Annexation No. 48 to Calleguas Municipal Water District and Metropolitan conditioned upon a cash payment to Metropolitan of the annexation charge of approximately \$164,835.04, 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 September 19, 1995.

Director Reed requested to be recorded as voting no.

Directors Grandsen and Miller requested to be recorded as abstaining.

41621 Authorized the General Counsel to make a final offer in the eminent domain action titled Metropolitan Water District v. Norman Morse, et al., Riverside County Superior Court Case No. 232133, to acquire Domenigoni Valley Project Parcel 144-1-293, as set forth in the General Counsel's confidential letter dated September 20, 1995.

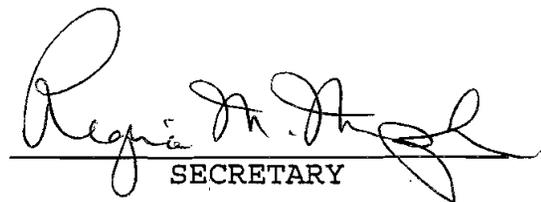
41622 Authorized the General Counsel to make a final offer in the eminent domain action titled Metropolitan Water District v. Lyle Morgan, et al., Riverside County Superior Court Case No. 232137, to acquire Domenigoni Valley Project Parcel 144-1-139, as set forth in the General Counsel's confidential letter dated September 20, 1995.

41623 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 August, dated September 19, 1995.
- b. Report of the General Counsel on the activities of the Legal Department for the month of September, dated September 30, 1995.
- c. Report of the Auditor on the activities of the Audit Department for the month of September, dated September 26, 1995.
- d. Letters of the General Manager dated October 5 and October 6, 1995, transmitting the Executive Financial Summary for the months of July and August, respectively.
- e. Letters of the General Manager dated September 26 and October 10, 1995, submitting the preliminary analysis of the 1996 Statement of Charges for the State Water Project.
- f. Letter of the General Manager dated September 19, 1995, reporting on the Engineering organization changes recommended by KPMG Peat Marwick.
- g. Letter of the General Manager dated September 26, 1995, submitting the First Quarter Status Report on the Local Projects Program.

- h. Letter of the General Manager dated September 26, 1995, reporting on transporting (wheeling) water by Metropolitan.
- i. Letter of the General Manager dated September 26, 1995, reporting on development of a shortage allocation methodology of imported supplies to be included in the Water Supply and Drought Management Plan.
- j. Letter of the General Manager dated September 26, 1995, reporting on Reform of the Endangered Species Act: Review of H.R. 2275 (Young-Pombo).
- k. Letter of the General Manager dated September 26, 1995, reporting on the proposed position of Executive Assistant for Member Agencies.
- l. Letter of the General Manager dated October 3, 1995, submitting an update on Senate Bill 900 (Costa) - Water Resources and Delta Restoration Act of 1966.

41624 There being no objection, Chairman Foley adjourned the Meeting at 2:05 p.m.


REGISTRY


CHAIRMAN