

REGULAR MEETING OF THE  
BOARD OF DIRECTORS  
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA  
NOVEMBER 14, 1995

41625       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 14, 1995.

            The Meeting was called to order by Chairman Foley at 12:44 p.m.

41626       The Meeting was opened with an invocation by Director Gary A. Morse.

41627       The Pledge of Allegiance to the Flag was given, led by Director John T. Morris.

41628       In the absence of Board Secretary Murph, Chairman Foley designated Vice Chairman Barker as Secretary Pro Tem.

41629       Secretary Pro Tem Barker called the roll. Those answering present were: Directors Alario, Bannister, Barker, Blake, Brick, Capobianco, Fellow, Foley, Gambrell, Gilbert, Grandsen, Green, Griffen, Harry, Hawkins, Hill, Huntley, King, Krauel, Mason, McCauley, Meyer, Miller, Milne, Moret, Morris, Morse, Mylne, O'Neil, Pace, Pak, Parker, Peterson, Rez, Troxel, Watton, Wein, Witt, Wright, and Wysbeek.

Those not answering were: Directors Brandt, Frahm, Handelman, Ibbetson, Krieger, Little, Luddy, McMurray, Murph, Reed, and Webster.

The Chair declared a quorum present.

**41630** 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.

**41631** Chairman Foley invited members of the public to address the Board on matters within the Board's jurisdiction.

General Counsel Taylor announced that Mr. Pavlovich is here to address the Board. Mr. Taylor reminded the Board that Metropolitan recently purchased his home located on the Eastside Reservoir site and a settlement has been concluded for some personal property. He further reported that Mr. Pavlovich has been advised that Metropolitan has made a full and complete settlement with him and expressed appreciation for his cooperation when the property was originally purchased.

Bogoljub Pavlovich expressed his desire to have a hearing to improve the terms of the settlement. He further requested an extension of time for the sale of his horses.

Tom Michali, board member of the Los Angeles Conservancy, expressed concerns about the impacts upon Union Station, an historic site, due to the construction of the Headquarters Facility, and urged the Board to delay certifying the Final EIR until these impacts have been mitigated.

**41632** There being no objection, the Chair ordered the reading of the Minutes of October 10, 1995, dispensed with, a copy having been mailed to all Directors.

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

41633 Vice Chairman Green moved, seconded by Vice Chairman Blake and carried, that recommended changes to the committee structure as set forth in the Board Chairman's letter dated October 23, as amended by his supplemental letter dated November 14, 1995, be approved, and that the Administrative Code be amended to reflect the following changes:

1. The dissolution of the Special Committee on Eminent Domain Litigation, the Ad Hoc Committee on Owner-Controlled Insurance, the Ad Hoc Committee on Colorado River Issues and State Water Contract Negotiations.

2. The modification of the reporting requirements of several Special/Ad Hoc Committees as follows: (a) The Special Committee on Water Quality and Environmental Compliance shall report to the Engineering and Operations Committee; (b) the Special Audit Committee shall report to the Executive Committee; (c) the Bay/Delta Political Advisory Committee shall report to the Water Planning and Resources Committee; (d) the Ad Hoc Committee on Information Systems shall report to the Engineering and Operations Committee; (e) the Facility Naming Ad Hoc Committee shall report to the Executive Committee; (f) the Section 135 Ad Hoc Committee shall report to the Executive Committee; (g) the Special Goals and Objectives Committee shall report to the Executive Committee; (h) the Special Committee on Department Head Compensation shall report to the Board; and (i) the Integrated Resources Plan Steering Committee shall report to the Water Planning and Resources Committee.

3. The dissolution of Subcommittee on Travel and Inspection and the Vendor's Hearing Subcommittee. These committees shall be reinstated by the Chair of the Board as the need arises.

The matters which have been removed along with consideration of the merging of the Land and Legal and Claims Committees will be further discussed at the December meeting.

41634 Chairman Foley announced he has appointed Director Wein to the Ad Hoc Committee on Agricultural Water Policy, replacing Director Green who has resigned from that committee.

41635 The General Counsel's letters, each dated October 16, 1995, were presented, transmitting the credentials evidencing the reappointments by San Diego County Water Authority of Dale Mason, Joseph Parker, and Mark Watton as three of its representatives on Metropolitan's Board for a four-year term ending December 31, 1998.

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

Executive Secretary Dorff administered the Oath of Office to Directors Mason, Parker, and Watton.

The Chair ordered the credentials, together with the General Counsel's letters, and the Oaths of Office received and filed.

41636 Facility Naming Ad Hoc Committee Chairman Miller reported the committee has developed categories to be used in its naming selection process: geography, geological features, native American names, historical names, board members (mainly past), past staff members, water leaders other than Board or staff, and community leaders.

41637 Vice Chairman Blake moved, seconded by Vice Chairman Green and carried, approving the request of Director E. Thornton Ibbetson for a sixty-day leave of absence, commencing November 10, 1995.

41638 Real Property and Asset Management Ad Hoc Committee Chairman King reported on the many discussions held between representatives of the Los Angeles Conservancy and the City of Los Angeles, noting that no satisfactory alternatives to the design of the building have been developed to date.

41639 General Manager Wodraska gave a video tape viewing of the new Visitors Center at the Eastside Reservoir Project, housing a model archaeological dig to provide an historical background of the area to visitors. On that video, he and the

Chiefs described the six key elements of the regional water supply reliability goal, as follows:

Chief of Operations Means stated that Metropolitan will take all necessary actions to ensure that the Colorado River Aqueduct will be operating at full capacity;

Chief Financial Officer Becker reported on Metropolitan's financial condition and further discussed the key element of being competitive by supplying affordable water in the future;

Chief of Planning and Resources Man reported on the reliability goal to be achieved through the implementation of the Integrated Resources Plan;

Chief Engineer Snyder stated that Metropolitan remains committed to completing the Eastside Reservoir Project with water deliveries to storage commencing in 1999.

Deputy General Manager Quinn reported that one of the major issues being discussed with the member agency managers is the rate refinement issue. To assist in the ongoing discussions and reach a resolution that will protect the interests of all the agencies, there will be a mediator to assist in the negotiation process. He pointed out that in December, the staff will be seeking direction from the Board on this issue.

Deputy General Manager Horne reported on some of the activities relating to Bay-Delta, advising that the key item on the agenda for the November 21 meeting of the Bay-Delta Political Advisory Committee will be a review of Senate Bill 900 (Costa). Lester Snow, Executive Director of CALFED Bay-Delta Program, will present an update on the progress of the program to the Executive Committee at its meeting on January 9, 1996, he said.

**41640** General Counsel Taylor reported that the recent comments of the Court in Metropolitan Water District v. Domenigoni has enhanced our grounds for appeal in this case.

41641 Chairman Foley announced that Agenda Item 7-12, the General Counsel's letter regarding closed meeting procedures, has been withdrawn.

Vice Chairman Blake moved, seconded by Vice Chairman Green and the Board approved the Consent Calendar Items, M.I. 41642 through M.I. 41658, as follows:

41642 Adopted **Resolution 8484** in the form attached to the General Manager's letter dated October 24, 1995, providing in substance that Metropolitan elects to be allocated that additional portion of revenue from taxes levied on redevelopment property which is attributable to any increase in Metropolitan's base year tax rate applied to incremental assessed value of the San Ysidro Redevelopment Project in the City and County of San Diego, said Resolution entitled:

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN  
WATER DISTRICT OF SOUTHERN CALIFORNIA ELECTING TO RECEIVE  
ALLOCATION OF TAXES PURSUANT TO PROVISIONS OF THE COMMUNITY  
REDEVELOPMENT LAW**

41643 Authorized (1) a detailed facilities location study and geotechnical and environmental investigations for a second finished-water reservoir at the Robert B. Diemer Filtration Plant; and (2) Appropriation No. 719 in the amount of \$1,650,000 from the Pay-As-You-Go Fund to finance this study, as set forth in the General Manager's letter dated October 24, 1995.

41644 Authorized (1) the General Manager to have all work performed for the repair of deteriorated joints in the Colorado River Aqueduct Lakeview Siphon First Barrel, and negotiate and execute a construction contract with Miller Pipeline Company in accordance with the terms set forth in the General Manager's letter dated October 24, 1995, subject to the contract being in form approved by the General Counsel; and (2) Appropriation No. 720 in the amount of \$858,000 from the Pay-As-You-Go fund to finance this work.

**41645** Authorized No. 1 to Appropriation No. 710, an increase of \$200,000 to a total amount of \$850,000, to finance all estimated costs for the removal and replacement of the remaining 34 cast iron flanges on the Santa Monica Feeder, as set forth in the General Manager's letter dated October 25, 1995.

**41646** The Board (1) stated it has considered the environmental effects of the proposed action as described in the final Environmental Impact Report/Statement prior to reaching a decision on proposed relocation of a portion of the Orange County Feeder; (2) found that any changes or alterations to the project to mitigate or avoid significant environmental effects of the proposed action are within the responsibility and jurisdiction of the California Department of Transportation (Caltrans), and that such changes have been adopted by that agency, or that they can and should be adopted by that agency; (3) authorized the General Manager to execute an agreement with Caltrans substantially on the terms outlined in the General Manager's letter dated October 24, 1995, for relocation of approximately 832 feet of Metropolitan's 34-inch-inside-diameter Orange County Feeder, subject to the agreement being in form approved by the General Counsel; and (4) authorized the General Manager to quitclaim portions of Permanent Easement Parcel Nos. 1423-10-2, 1423-10-5, 1423-10-9, 1423-10-10, 1423-10-18, 1423-10-20, and 1423-10A-1A to record owners in exchange for Caltrans conveying to Metropolitan an alternate permanent Easement/Joint Use Agreement, at no cost to Metropolitan, containing substantially the same rights now held by Metropolitan, subject to the conveyance documentation being in form approved by the General Counsel.

**41647** The Board, having reviewed and considered the proposed Mitigated Negative Declaration (MND), the Initial Study and the public comments received in response to these documents, (1) approved and adopted the MND for the Lake Mathews Multiple Species Habitat Conservation Plan and Natural Community Conservation Plan (Lake Mathews MSHCP/NCCP); (2) authorized the General Manager to enter into the Cooperative Management Agreement and related documents for implementation of the Lake Mathews MSHCP/NCCP, subject to the agreement being in form approved by the General Counsel; and (3) approved the amendment to the 1979 Memorandum of Agreement Regarding Mitigation of State

Water Project Wildlife Losses in Southern California among Metropolitan, California Department of Fish and Game, and Department of Water Resources for payment of \$500,000 to implement the Lake Mathews MSHCP/NCCP, as set forth in the General Manager's letter dated October 31, 1995.

**41648** Authorized the General Manager to amend Agreement No. 4614 with Woodward-Clyde Consultants, to increase the maximum amount payable from \$247,000 to \$352,000, for additional design-level and post-design geologic and geotechnical services for the Joseph Jensen Filtration Plant Oxidation Retrofit Program, subject to the amendment being in form approved by the General Counsel, as set forth in the General Manager's letter dated October 24, 1995.

**41649** Authorized the General Manager to amend Agreement No. 4622 with Woodward-Clyde Consultants, to increase the maximum amount payable from \$248,000 to \$288,000, for additional reconnaissance-level geologic and geotechnical services for the Robert B. Diemer Filtration Plant Oxidation Retrofit Program, subject to the amendment being in form approved by the General Counsel, as set forth in the General Manager's letter dated October 24, 1995.

**41650** Authorized the General Counsel to execute contracts retaining the following listed law firms to act as special bond counsel or disclosure counsel, on the terms and conditions contained in the relevant firm's proposal and such other terms and conditions as are approved by the General Counsel, as set forth in his letter dated October 23, 1995:

1. The law firm of O'Melveny & Myers, as Metropolitan's Special Bond Counsel for the term commencing on January 1, 1996, and ending on December 31, 1999;

2. The firms of Robinson & Pearman; Curls, Schwartz, Brown & Roushon; and Ochoa & Sillas as co-Special Bond Counsel, to rotate on financial transactions during the period from January 1, 1996, through December 31, 1999; and

3. The law firm of Hawkins, Delafield & Wood as Metropolitan's Disclosure Counsel for a term commencing on the date of execution of the contract and ending December 31, 1998.

**41651** Adopted Resolution 8485, as set forth in the attachment to the General Manager's letter dated October 25, 1995, increasing Metropolitan's contributions to the medical plans maintained by the Public Employees' Retirement System for employees and annuitants in classifications within the General Employees Unit (AFSCME Local 1902), said changes to be effective on a retroactive basis to August 1, 1995, said Resolution entitled:

**RESOLUTION FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE  
PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT**

**41652** Amended Sections 4113, 4115, 4401, 4516(c)(1), 6200(b), 6205(c) to (f), 6244, 6326, 6329(a), 6400(b), 6411, and 8119 of the Administrative Code to read as set forth in the revised Attachment A to the General Counsel's letter dated October 18, 1995, to (1) reflect changes in Metropolitan's practices; (2) to conform with pertinent laws; and (3) to correct minor errors or provide consistency with previously enacted Administrative Code sections.

**41653** The Board (1) by a unanimous vote representing more than the required two-thirds vote, extended the authority of the Ad Hoc Committee composed of the Board Chairman, the Finance and Insurance Committee Chairman, and the General Manager or his designee, to negotiate the sale of refunding bonds under Board Resolutions 8386 and 8387, through December 31, 1996; and (2) authorized Appropriation No. 721 in the amount of \$411,000 for marketing expenses arising from the potential sale of additional refunding bonds to be paid from the General Fund, as set forth in the General Manager's letter dated November 2, 1995.

**41654** Authorized a settlement in the eminent domain action entitled Metropolitan Water District v. Paul Garrett, et al., Riverside County Superior Court Case No. 240534, as set forth in the General Counsel's confidential letter dated November 10, 1995.

41655 Authorized the General Counsel to make a settlement offer in the eminent domain action titled Metropolitan Water District v. Boersma Brothers, et al., Riverside County Superior Court Case No. 231544, to acquire Eastside Reservoir Project Parcel 144-1-31, as set forth in the General Counsel's confidential letter dated October 23, 1995.

41656 Authorized the General Counsel to make settlement offers in the eminent domain actions titled (1) Metropolitan Water District v. Norman Morse, et al., Riverside County Superior Court Case No. 232133, to acquire Eastside Reservoir Project Parcel 144-1-293; and (2) Metropolitan Water District v. Felix Partono, et al., Riverside County Superior Court Case No. 231543, to acquire Eastside Reservoir Project Parcel 144-1-291, as set forth in the General Counsel's confidential letter dated October 23, 1995.

41657 Approved the filing of an appeal in the action entitled Metropolitan Water District v. Domenigoni, Riverside County Superior Court Case No. 229049; and authorized the General Counsel to retain the firm of Horvitz & Levy to represent Metropolitan on appeal, as set forth in the General Counsel's confidential letter dated November 13, 1995.

41658 Authorized the General Counsel to file legal action to compel transfer of shares to Metropolitan and/or assure provision of water to Eagle Valley property, as set forth in the General Counsel's confidential letter dated October 27, 1995.

41659 Vice Chairman Green moved, seconded by Vice Chairman Blake and carried, and the Board (1) certified it has reviewed and considered the information presented in the Headquarters Facility Final Environmental Impact Report (FEIR), and exercised its independent judgment prior to approving the project; (2) certified that the FEIR has been prepared and completed in compliance with the requirements of the California Environmental Quality Act; (3) adopted the Findings of Fact and the Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program, and approved the project; and (4) authorized and directed the General Manager to take all necessary and appropriate actions to implement the new Headquarters Facility at

Union Station, as set forth in the General Manager's letter dated October 24, 1995.

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

Director Krauel requested to be recorded as voting no as there was no opportunity for her to read the FEIR.

**41660** Vice Chairman Green moved, seconded by Vice Chairman Blake, that the Board, as part of its commitment to a new era of reliability for the citizens and economy of Southern California, reaffirm the six key principles: Reliability, Balance, Competitiveness, Eastside Reservoir, Colorado River Aqueduct, and Adaptability, as set forth in the General Manager's letter dated October 31, 1995, with detailed explanatory language to be presented to the Board for approval.

Director Watton read into the record the letter from Director Frahm dated November 14, 1995, expressing concerns about, and the need for additional consideration, the proposed Integrated Resources Plan Implementation Policies and the proposed principles for wheeling water by Metropolitan. (Director Frahm's letter is attached to these minutes as part of the record.)

Directors Capobianco and Griffen withdrew from the Meeting at 1:43 p.m.

Director Harry pointed out that what is being recommended are admirable goals, arrived at after three years of study, and urged the Board's support.

There being no further discussion, the Chair called for a vote on the motion, which carried.

Directors Krauel, Mason, Parker and Watton requested to be recorded as voting no.

**41661** Vice Chairman Green moved, seconded by Water Planning and Resources Committee Chairman Brick and carried, and the Board (1) certified it has reviewed and considered the information contained in the Final Program Environmental Impact Report for Implementation of the Monterey Agreement Statement of Principles by the State Water Contractors and the State of California Department of Water and Resources for Potential Amendments to the State Water Supply Contracts, and exercised its independent judgment prior to approving the project; adopted findings; and directed that Metropolitan, to the extent necessary, participate in the Mitigation Monitoring and Reporting Program; and (2) authorized the General Manager to execute the Monterey Amendment to Metropolitan's State Water Supply Contract and any necessary related documents, subject to the Amendment being in form approved by the General Counsel, as set forth in the General Manager's letter dated October 31, 1995.

Director Mason requested to be recorded as voting no.

**41662** Water Planning and Resources Committee Chairman Brick moved, seconded by Vice Chairman Blake and carried, and the Board reviewed and approved the proposed principles for (1) a negotiated settlement agreement for resolution of upstream water users responsibility for meeting Bay-Delta standards; and (2) Category III implementation, as set forth in the General Manager's letter dated October 31, 1995.

**41663** Finance and Insurance Committee Vice Chairman Green moved, seconded by Director Meyer and carried, approving Metropolitan's revised Statement of Investment Policy dated September 12, 1995, as set forth in the General Manager's letter dated October 24, 1995.

**41664** Finance and Insurance Committee Chairman Mason moved, seconded by Engineering and Operations Committee Chairman Miller and carried, and the Board (1) authorized No. 19 to Appropriation No. 560, an increase of \$540,000 to a total of \$709,055,000, to finance budgeted costs for construction of the landscape screening feature of the Eastside Reservoir Project; and (2) awarded a \$423,732 construction contract for the landscape screening to A&B Landscaping in accordance with Specifications

No. 1311A, as amended, and that after the contract has been executed, authorized the General Manager to reject all other bids received, as set forth in the General Manager's letter dated October 25, 1995.

**41665** Finance and Insurance Committee Chairman Mason moved, seconded by Engineering and Operations Committee Chairman Miller and carried, authorizing No. 5 to Appropriation No. 604, an increase of \$950,000 to a total of \$5.95 million from the Pay-As-You-Go Fund, to finance continued operation of the test unit and an independent review of test unit operating and water quality test results for the Seawater Desalination Demonstration Facility, as set forth in the General Manager's revised letter dated November 9, 1995.

**41666** 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. 3759 with The Ralph M. Parsons Company to increase the maximum amount payable from \$8,950,000 to \$11,450,000, including expenses, to provide additional Program Management Services for the Eastside Reservoir Project, and to extend the period of performance to March 1997, as set forth in the General Manager's letter dated October 25, 1995.

Director Morris requested to be recorded as abstaining.

**41667** Vice Chairman Green moved, seconded by Engineering and Operations Committee Chairman Miller, that the Board authorize the General Manager to (1) participate with Daniel, Mann, Johnson & Mendenhall (DMJM) for Metropolitan to provide pipeline inspection and potential design services for the Korean Water Resource Corporation (KWRC); and (2) negotiate an agreement with DMJM, if the proposal is accepted, for Metropolitan to provide pipeline inspection and potential design services for KWRC, in order to enhance the experience of staff in a field directly applicable to pipelines within Metropolitan's service area, subject to the agreements being in form approved by the General Counsel, as set forth in the General Manager's letter dated October 24, 1995; and (3) that Metropolitan will offer to participate in joint activities with other parties who are

willing to provide Metropolitan with similar terms and conditions as those proposed by DMJM.

The Chair called for a vote on the motion and determined a roll call vote is required.

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

Ayes: Anaheim (Dir. Alario, 1,533 votes), Calleguas Municipal Water District (Dirs. Grandson and Miller, 3,097 votes), Foothill Municipal Water District (Dir. O'Neil, 516 votes), Fullerton (Dir. Blake, 616 votes), Glendale (Dir. Rez, 1,080 votes), Las Virgenes Municipal Water District (Dir. Peterson, 833 votes), Long Beach, (Dir. Meyer, 1,830 votes), Los Angeles (Ayes: Dirs. Green, Moret, Pak, and Wein. Absent: Dirs. Brandt, Capobianco, Handelman, and Luddy. 18,344 votes), Municipal Water District of Orange County (Dirs. Foley, King, and Witt, 6,561.60 votes), Pasadena (Dir. Brick, 896 votes), San Fernando (Dir. Wysbeek, 71 votes), San Marino (Dir. Morris, 183 votes), Santa Ana (Dir. Harry, 1,041 votes), Three Valleys Municipal Water District (Dir. Milne, 2,466 votes), Torrance (Dir. Wright, 1,135 votes), Upper San Gabriel Valley Municipal Water District (Dirs. Fellow and Hawkins, 3,485 votes), Western Municipal Water District of Riverside County (Aye: Dir. Mylne. Absent: Dir. Krieger. 2,639 votes). Total 46,326.60 votes.

Noes: Burbank (Dir. McCauley, 819 votes), Central Basin Municipal Water District (Noes: Dirs. Morse and Pace. Absent: Dir. Ibbetson. 5,595 votes), Chino Basin Municipal Water District (Dirs. Hill and Troxel, 3,045 votes), Eastern Municipal Water District (Dir. Gilbert, 1,838 votes), Municipal Water District of Orange County (Dirs. Bannister and Huntley, 4,374.40 votes), San Diego County Water Authority (Noes: Dirs. Krauel, Mason, Parker, and Watton. Absent: Dirs. Frahm and Griffen. 13,349 votes), West Basin Municipal Water District (Noes: Dirs. Barker and Gambrell. Absent: Dir. Little. 6,221 votes). Total 35,241.40 votes.

Abstains: None.

Absent: Beverly Hills (Dir. Webster, 837 votes), Coastal Municipal Water District (Dir. McMurray, 2,565 votes), Compton (Dir. Murph, 156 votes), Santa Monica (Dir. Reed, 923 votes). Total 4,481 votes.

The Chair declared the motion carried by a 46,326.60 ayes, 35,241.40 noes, with 4,481 votes absent.

**41668** 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 24, 1995.
- b. Report of the General Counsel on the activities of the Legal Department for the month of October, dated November 1, 1995.
- c. Report of the Auditor on the activities of the Audit Department for the month of October, dated October 30, 1995.
- d. Letter of the General Manager dated November 6, 1995, transmitting the Executive Financial Summary for the month of September.
- e. Letter of the Auditor dated October 31, 1995, transmitting the Audited Cash Basis Financial Statements as of June 30, 1995.
- f. Letter of the Auditor dated October 31, 1995, transmitting the Audited Comparative Financial Statements as of June 30, 1995 and 1994.
- g. Letter of the General Manager dated October 20, 1995, submitting the Annual Report of Payment of Claims for Lost Matured Bonds and Interest Coupons; Issuance of Duplicate Bearer Bonds; Replacement of Lost Registered Bonds.

- h. Letter of the General Manager dated October 31, 1995, reporting on Phase Four--Ultra-Low-Flush Toilet Distribution Program.
- i. Letter of the General Manager dated October 31, 1995, reporting on Westlands Water District's proposed programs to convey groundwater through the California Aqueduct.
- j. Letter of the General Manager dated October 24, 1995, submitting the Six-Month Conservation Branch Report.
- k. Letter of the General Manager dated October 24, 1995, reporting on the Engineering Division's Corrosion Engineering Branch.
- l. Letter of the General Manager dated October 26, 1995, reporting on the Weymouth Plant Sludge Dewatering Project.
- m. Letter of the General Manager dated October 24, 1995, submitting the Quarterly Status Report for the Eastside Reservoir Project--July through September 1995.
- n. Letter of the General Manager dated October 24, 1995, submitting the Quarterly Status Report for the Inland Feeder Project--July through September 1995.
- o. Letter of the General Manager dated October 24, 1995, reporting on the Engineering Division Field Inspection Branch.
- p. Letter of the General Counsel dated October 27, 1995, reporting on special counsel billing practices.
- q. Confidential letter of the General Manager dated October 31, 1995, reporting on the Colorado River Reliability Program.

41669      There being no objection, Chairman Foley adjourned the Meeting at 2:02 p.m.

  
SECRETARY PRO TEM

  
CHAIRMAN

THE BRITT-SCRIPPS HOUSE  
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November 14, 1995

Board of Directors  
Metropolitan Water District of  
Southern California  
P.O. Box 11583  
Los Angeles, CA 90018

Re: Today's Executive Committee and Board Meetings

Dear Fellow Board Members:

I regret that I am unable to attend today's Executive Committee and Board meetings. Given the importance of certain of the issues on today's agenda, I have requested my Delegation to share these thoughts with you so that they may be made a part of the record.

Yesterday, we received two staff reports and one recommendation which, taken together, offer us a mirror into which we must look and ask ourselves, what will be the future of the Metropolitan Water District? I am referring to Board Items 8-2 Integrated Resources Plan Implementation Policies, and Pending 10-1, Adoption of Policy Principles for Transporting (Wheeling) Water by Metropolitan. The staff recognizes that this is an historic moment when it says,

"A discussion of 'unbundling' of Metropolitan services raises many questions, including the definition of its future role in the Southern California water industry and the region's commitment to the Capital Improvement Plan and water management programs."

I agree!

The time is now, for our Board to deliberate the issues which have been highlighted by the San Diego/IID water transfer!

The time is now, for our Board to consider how we can work together to make this an opportunity for all of the member agencies of the MWD!

It is almost inconceivable -- indeed, I believe that it is inconceivable to many respected local and state officials -- that

Metropolitan would not strongly support a member agency's efforts, and through that member agency, its own efforts, in seeking to firm up long term water supplies.

Last month, we believed that we were on the right track when the staff recommended that we take a close look at the capital improvement plan and water management programs -- indeed, the whole IRP -- in light of the San Diego/IID water transfer opportunity. We firmly believe that this review is necessary. Instead of beginning that substantive process, however, we have been presented with a "fait accompli" in Board Memo 8-2, proposing that the Board endorse moving forward with "IRP Implementation Policies." Metropolitan's very credibility is on the line:

- Are you sure that you want to recommend the new reliability goal to your ratepayers?
- Can you really guarantee your ratepayers what the new reliability is going to cost?
- Do you believe that it is wise or even intellectually honest to "assure" your ratepayers what the future cost of water will be over the next 10 years?
- What will the cost of water be after 2005? Is there any "backloading" of rates which will cause rates to soar after this arbitrary period?
- Do you know what it means to say that we want to use our ratepayers' money to make investments to "assure national leadership" (or even "leadership")? Is this a proper standard?
- Do you really believe that the "certainty" of full Colorado River Aqueduct deliveries over the long-term future has been "reaffirmed" by MWD's planning efforts? Doesn't this claim of "certainty" fly in the face of reality as we know it?
- Etc. Etc. See 8-2.

No, we will not just be dangerously close, we will cross the line if we adopt the 8-2 "policies" as a Board of Directors: We will have substituted PR "spin" for serious, substantive water planning! We stand to embarrass ourselves at state-wide levels!

Instead of adopting 8-2, we should table the item and take the time necessary to deliberate the substantive policy issues at hand, including but not limited to discussing:

- The nature of our relationship together as member agencies of the MWD;
- The impacts of wheeling and the "unbundling" of MWD services;
- How we can really provide ourselves as member agencies and MWD as a wholesale supplier with an agreed foundation for certainty, and rational business planning for our future water needs.

We, the Directors, hold the future of the Metropolitan Water District in our hands. In these changing times, let's figure out what it takes, exercise our fiduciary responsibilities, and thereby live up to the record of success and good reputation the Metropolitan Water District has historically enjoyed.

Very sincerely yours,

*Chris Felber*