

MINUTES
REGULAR MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
DECEMBER 10, 1996

42179 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, December 10, 1996.

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

42180 The Meeting was opened with an invocation by Director Gary A. Morse.

42181 The Pledge of Allegiance to the Flag was given, led by Director E. Thornton Ibbetson.

42182 In the absence of Board Secretary Murph, Chairman Foley designated Director Ibbetson as Secretary Pro Tem.

42183 Secretary Pro Tem Ibbetson called the roll. Those answering present were: Directors Abdo, Alario, Bannister, Barker, Blake, Brick, Fellow, Foley, Gambrell, Gilbert, Grandsen, Hawkins, Herman, Hill, Huntley, Ibbetson, King, Kosmont, Krauel, Krieger, Luddy, Mason, McMurray, Meyer, Michaelson, Miller, Moret, Morris, Morse, Mylne, O'Neil, Owen, Pace, Parker, Peterson, Rez, Russell, Wein, Witt, Wright, and Wysbeek.

Those not answering were: Directors Frahm, Green, Griffen, Harry, Little (entered 12:50 p.m.), McCauley, Milne, Murph, Troxel, Watton, and Webster.

The Chair declared a quorum present.

42184 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.

42185 Chairman Foley invited members of the public to address the Board on matters within the Board's jurisdiction.

Robert A. McCullough, Manager, Planning and Engineering, Water Department, Imperial Irrigation District, expressed the desire of Imperial Irrigation District's Board and staff, as well as other agricultural agencies, for the opportunity to have a dialogue with the Metropolitan Board.

42186 There being no objection, the Chair ordered the reading of the Minutes of the Meeting of October 8, 1996, 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.

42187 The General Counsel's letter dated November 21, 1996, was presented, transmitting the credentials evidencing the appointment by Coastal Municipal Water District of Langdon W. Owen as its representative on Metropolitan's Board for an indefinite term, replacing Donald C. Simpson.

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. Owen, and ordered the Oath filed.

Following an introduction by Director McMurray, Mr. Owen took his seat as a Director representing Coastal Municipal Water District.

Director Little took his seat at 12:50 p.m.

42188 Special Nominating Committee Chairman Rez reported the committee, consisting of Directors Grandsen, Ibbetson, Krauel, and Krieger, nominates for non-officer members of the Executive Committee Directors:

John T. Morris for a second two-year term
Joseph Parker and Glen D. Peterson, each for a first two-year term
Robert J. Huntley for the unexpired portion of the term ending December 31, 1997

Chairman Foley called for other nominations from the floor. Hearing none, Vice Chairman Barker moved, seconded by Director Krieger and carried, that the nominations be closed and for the Board Secretary to record that Directors Morris, Parker, Peterson, and Huntley have been elected as non-officer members of the Executive Committee.

42189 Chairman Foley presented a pin to Director Doude Wysbeek emblematic of his completion of ten years of service as a Director representing the City of San Fernando since December 9, 1986.

42190 Chairman Foley announced that Mike Antonovich, Chairman of the Los Angeles County Board of Supervisors, has presented us with a Commendatory Resolution for our leadership role in the passage of the Safe Drinking Water Act and for continuing our emphasis on maintaining our high water quality standards. Chairman Foley recognized Mark Beuhler, Director of Water Quality, for his efforts in this outstanding accomplishment.

42191 Chairman Foley reported that General Manager Wodraska has been honored as the recipient of the 1996 President's Award from the Association of Metropolitan Water Agencies; and Senator Costa and Secretary of State Jones have personally recognized

Mr. Wodraska for his efforts resulting in the passage of Proposition 204.

42192 Chairman Foley stated that the Board at its November Meeting took action dealing with the relationship between Metropolitan and San Diego County Water Authority, and reaffirmed that that action taken established a conceptual framework to provide a basis upon which future negotiations could proceed. He advised that the framework has been unanimously approved by the Authority, which has in turn submitted to Metropolitan its modifications to this framework now being reviewed by staff. The staff report on those modifications to the framework will be presented to the Executive Committee.

Chairman Foley announced that Jim Waldo, the negotiator in the Metropolitan/SDCWA discussions, has been hospitalized with a leg infection and, in his absence, Brian Thomas, Assistant Chief of Planning and Resources, will present an update on these discussions. Mr. Thomas commented on those major points of the submitted modifications. General Manager Wodraska noted that staff's in depth review of these modifications will be presented to the Board at its January 1997 Meeting.

Director Krauel withdrew from the Meeting at 1:01 p.m.

Directors Gambrell and Moret withdrew from the Meeting at 1:05 p.m.

42193 Vice Chairman Wein moved, seconded by Vice Chairman Blake and carried, approving the restructuring and dissolution of existing committees as set forth in the Chairman's letter dated December 10, 1996.

42194 Special Committee on Real Property Management Chairman King reported that the construction of the Headquarters Building remains on schedule and within budget.

42195 General Manager Wodraska stated there is no report on the litigation regarding the Monterey Amendment revising the State Water Contract.

42196 General Manager Wodraska stated the Board, at its January Meeting, will be presented with some options and a proposed long-range plan on all of California's Colorado River use. Chairman Foley encouraged all Directors to attend the Executive Committee meeting where this matter will be discussed at length. The Chair suggested that it would be valuable for each Director to review the video on the Law of the River.

42197 By video, the Board received the following reports:

Chief Financial Officer Becker reported on Metropolitan's financial condition.

Chief of Planning and Resources Man reported on the progress that has been made in water system modeling.

Directors Gambrell and Moret returned to the Meeting at 1:21 p.m.

Chief of Operations Malinowski reported on the number of components in the Metropolitan distribution system which need to be maintained. He advised that a brochure detailing all of these components, equipment, pipelines, and roads will be distributed this month.

Chief Engineer Snyder described the repair to the leak occurring on the Casa Loma pipeline, caused by subsidence. He advised that two staff members went to Japan to conduct a quality control inspection of a scale model of the twelve 6,000 hp vertical turbine pumps that will fill the Eastside Reservoir. He reported on the measures taken to prevent seepage of water at the East Dam of the Eastside Reservoir.

42198 Director Krieger questioned if there will be a need to modify the Integrated Resources Plan adopted by the Board in light of future Colorado River operations. General Manager Wodraska stated this is being examined to see if the dates projected for a full Colorado River Aqueduct are still valid and the results of this analysis will be reported to the Board.

42199 General Manager Wodraska reported that Deputy General Manager Quinn received an award from both Governor Wilson and Senator Costa in recognition of the leadership he provided in the passage of Senate Bill 900, the foundation of Proposition 204. Mr. Wodraska announced that Executive Assistant to the General Manager Deister received an award from Senator Costa and Secretary of State Jones for her efforts in the passage of Proposition 204. He commented on his meetings with each of the five commissioners of the Federal Energy and Regulatory Commission, informing each of them of Metropolitan's unique position in its consumption of power. Mr. Wodraska introduced the successful candidates for the Executive Fellowship program: Craig Brackbill and Fernando Paludi.

42200 General Counsel Taylor reported that Metropolitan received a favorable court ruling on its Project Labor Agreement; that Metropolitan has been dismissed in the Bolsa Chica litigation; and that the letter before each Director from Duncan, Weinberg, Miller & Pembroke, attorneys representing Metropolitan in Washington, D.C., in connection with the restructuring of the power industry, presented a section-by-section analysis of the Federal Energy Regulatory Commission's discussion of issues.

Vice Chairman Blake moved, seconded by Vice Chairman Miller, and the Board approved the Consent Calendar Items, **M.I. 42201** through **M.I. 42204**, as follows:

42201 Authorized the General Manager to enter into an agreement with United/COREStaff, Inc., in an amount not to exceed \$1,196,400 for the period January 1, 1997, through June 30, 1998, to manage the Operations Division's Don Adams Memorial Jobs Program (DAMP) for a period of up to 4-1/2 years, renewable annually, subject to the agreement being in form approved by the General Counsel, as set forth in the General Manager's letter dated November 21, 1996..

Director Mason requested to be recorded as voting no.

42202 Approved the appropriation of \$200,000 and authorized the General Manager to enter into a consulting contract with Gordon, Thomas, Honeywell, Malanca, Peterson & Deheim, PLIC, for

professional services and expenses to facilitate negotiations between Metropolitan and the San Diego County Water Authority (SDCWA) relating to the proposed transfer from Imperial Irrigation District to SDCWA and to provide technical support to help resolve matters relating to the Bay-Delta, Colorado River, and other water supply issues, as set forth in the General Manager's letter dated November 26, 1996.

42203 Authorized the General Manager to ratify, in writing, oral amendments to Ultra-Low-Flush (ULF) Toilet Participation Agreements with the Las Virgenes Municipal Water District and the City of Santa Monica to correspond with the actual volumes distributed, as described in the General Manager's letter dated November 21, 1996.

Directors Abdo and Peterson requested to be recorded as abstaining.

42204 Authorized the General Counsel to amend Agreement No. 6255 with the law firm of Duncan, Weinberg, Miller & Pembroke to increase the maximum amount payable under the Agreement by \$211,000, for additional legal services related to restructuring of the electric utility industry, as set forth in the General Counsel's letter dated November 25, 1996.

42205 Organization and Personnel Committee Chairman Rez moved, seconded by Vice Chairman Blake and carried, authorizing the General Manager to amend existing agreements and enter into new contracts with employment service agencies and consultants supplying temporary personnel in excess of the \$250,000 limitation with an overall limitation in amounts paid of \$3,089,926 for the second half of fiscal year 1996-97, substantially in accordance with the terms outlined in the General Manager's letter dated November 19, 1996, subject to the agreements being in form approved by the General Counsel.

42206 Engineering and Operations Committee Chairman Miller moved, seconded by Organization and Personnel Committee Chairman Rez and carried, authorizing the General Manager to amend existing contracts and enter into new contracts with employment service agencies and consultants supplying temporary personnel

without regard to the \$250,000 limitation on the General Manager's contract authority and to employ temporary and part-time personnel for the Engineering Division in addition to the Board-approved, District-wide personnel limit for fiscal year 1996-97, with an overall limitation in amounts paid of \$25,000,000 for fiscal year 1996-97, substantially in accordance with the terms outlined in the General Manager's letter dated November 19, 1996, subject to the agreements being in form approved by the General Counsel.

42207 Finance and Insurance Committee Chairman Mason moved, seconded by Engineering and Operations Committee Chairman Miller and carried, authorizing the General Manager to (1) amend Agreement No. 4532 with Bechtel Corporation to increase the maximum amount payable from \$13,250,000 to \$20,050,000 to provide post-design consulting services for the Arrowhead East Tunnel of the Inland Feeder Project; and (2) No. 10 to Appropriation No. 15122, an increase of \$7,600,000 to a total of \$151,760,000 from the Commercial Paper Note Construction Fund, to finance all budgeted costs for the above services, as set forth in the General Manager's letter dated November 19, 1996.

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

42208 Finance and Insurance Committee Chairman Mason moved, seconded by Water Planning and Resources Committee Chairman Brick and carried, approving the Finance and Insurance Committee's recommendation that (1) a determination be made that revenues required from water sales during fiscal year 1997-98 should not be less than \$674.9 million; and (2) these determinations be forwarded to the Water Planning and Resources Committee for consideration at its January 1997 meeting, as set forth in the General Manager's letter dated November 25, 1996.

Director Parker requested to be recorded as voting no.

42209 On behalf of the Legal and Claims Committee, Director Rez moved, seconded by Vice Chairman Blake and carried, adopting, by a two-thirds vote, **Resolution 8518** declaring the necessity for the Inland Feeder Project and for the interests in the properties

described in Exhibits A and B attached to the General Manager's letter dated November 20, 1996, and directing the General Counsel to commence condemnation proceedings in San Bernardino 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 PROPERTIES SITUATED IN SAN BERNARDINO COUNTY (INLAND FEEDER PROJECT)

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

The Chair declared the motion carried by more than the required two-thirds vote.

42210 On behalf of the Legal and Claims Committee, Director Rez moved, seconded by Vice Chairman Blake and carried, adopting by a two-thirds vote, **Resolution 8519** declaring the necessity for the Inland Feeder Project and for the interests in the properties described in Exhibits A and B attached to the General Manager's letter dated November 20, 1996, and directing the General Counsel to commence condemnation proceedings in Riverside and San Bernardino Counties 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 PROPERTIES SITUATED IN SAN BERNARDINO AND RIVERSIDE COUNTIES (INLAND FEEDER PROJECT)

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

The Chair declared the motion carried by more than the required two-thirds vote.

42211 The following listed communications were submitted to the Board for information:

- a. Report of the General Manager on the operating data for the month of October, dated November 19, 1996.
- b. Report of the General Counsel on the activities of the Legal Department for the month of November, dated November 27 and December 5, 1996.
- c. Report of the Auditor on the activities of the Audit Department for the month of November, dated November 26, 1996.
- d. Letter of the General Manager dated November 20, 1996, transmitting the Executive Financial Summary for the month of October.
- e. Letter of the Auditor dated November 18, 1996, transmitting the Single Audit Reports for the fiscal year ended June 30, 1996.
- f. Letter of the General Manager dated November 19, 1996, reporting on the 1997 per-acre annexation charge.
- g. Letter of the General Manager dated November 22, 1996, reporting on the status of the Commercial, Industrial, and Institutional Conservation Program.
- h. Letter of the General Manager dated November 26, 1996, reporting on allocation of Proposition 204 funds.
- i. Letter of the General Manager dated November 25, 1996, reporting on the status of Phase One of the Information Systems Strategic Plan for quarter ended June 30, 1996.
- j. Letter of the General Manager dated November 25, 1996, reporting on the status of Phase One of the Information Systems Strategic Plan for quarter ended September 30, 1996.

42212 There being no objection, Chairman Foley adjourned the Meeting at 1:47 p.m.

E. THORNTON IBBETSON
SECRETARY PRO TEM

JOHN V. FOLEY
CHAIRMAN