

MINUTES
ADJOURNED REGULAR MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
AUGUST 19, 1997

42518 The Board of Directors of The Metropolitan Water District of Southern California met in Adjourned 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, August 19, 1997.

The Meeting was called to order by Chairman Foley at 12:39 p.m.

42519 The Meeting was opened with an invocation by Director Wyatt L. Troxel.

42520 The Pledge of Allegiance to the Flag was given, led by Director Langdon W. Owen.

42521 Secretary Murph called the roll. Those answering present were: Directors Abdo, Alario, Bannister, Barbosa, Barker, Blake, Brick, Castro, Coughran, Dymally, Fellow, Foley, Forbes, Frahm, Gilbert, Grandsen, Herman, Hill, Huntley, King, Kosmont, Krauel, Krieger, Little, Mason, McCauley, McMurray, Miller, Murph, Mylne, O'Neil, Owen, Pace, Parker, Peterson, Rascon, Rez, Russell, Troxel, Watton, Webster, Wein, Witt, and Wright.

Those not answering were: Directors Griffen, Ibbetson, Luddy, Moret, and Morris.

The Chair declared a quorum present.

42522 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.

42523 Chairman Foley invited members of the public to address the Board on matters within the Board's jurisdiction.

General Counsel Taylor reported that before each Director was a letter from the Moring Family Trust dated August 15, 1997, objecting to Agenda Item 8-10, the Resolution of Necessity regarding Parcel No. INFED1-11-120PEA1, and requested that the letter be made a part of the record.

Chairman Foley invited San Diego City Councilman Harry Mathis to address the Board.

Mr. Mathis shared with the Board the City of San Diego's perspective on important water issues facing the city, and assured the Board that a cooperative relationship between San Diego and Metropolitan is an essential element to San Diego's future well-being. He reported on the factors that have caused the city to develop a strategy to insure that its future is not clouded by uncertainty regarding long-term availability of water to meet its growing needs. He stated that the Imperial Irrigation District's transfer agreement is an essential element in their strategy for assuring a long-term availability of adequate future water supplies, and assured the Board that San Diego has no intention to adversely impact any of the member agencies, and that the Imperial transfer agreement will benefit everyone in the long run.

Jan Zuppardo spoke on behalf of her mother Marylouise Zuppardo, and expressed her concern for the necessity of the Inland Feeder Project.

Attorney Jeff Caufield spoke on behalf of several property owners in the Inland Feeder Project area and expressed his concern regarding the siting and location of the project and felt that no valid offers were made to the owners.

Craig Banta, property owner in the Inland Feeder Project area, stated his concern for his property being included in the project, the amount offered for the tunnel easement, and the impact of the tunnel on his groundwater well.

42524 Director Dymally introduced Elvin Moon, a prominent businessman and activist in the community, who was recently appointed by President Clinton to the Committee on Infrastructure Protection.

Director Krauel introduced Nora Jaeschke, member of the San Diego County Water Authority Board.

Director Castro introduced Albert Robles, member of the Central Basin Municipal Water District's Board and Treasurer of the City of Southgate.

42525 There being no objection, the Chair ordered the reading of the Minutes of the Meetings held June 10 and July 8, 1997, dispensed with, copies having been mailed to each Director.

Director Blake moved, seconded by Director Dymally and carried, approving the foregoing Minutes as mailed.

42526 The General Counsel's letter dated August 5, 1997, was presented, transmitting the credentials evidencing the appointment by the City of Long Beach of Helen Z. Hansen as its representative on Metropolitan's Board for a term ending December 31, 2000, replacing Henry J. Meyer.

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 Oath of Office as a Director of Metropolitan was administered to Mrs. Hansen by Dee Baca, Notary Public. The Chair ordered the Oath of Office received and filed.

Following an introduction by Charles H. Parks, President, Long Beach Water Commission, Mrs. Hansen took her seat as a Director representing the City of Long Beach.

42527 Vice Chairman Miller moved, seconded by Director Blake and carried, approving the committee assignments recommended by the Executive Committee of Director Hansen to the Budget and Finance and the Organization and Personnel Committees.

42528 Chairman Foley announced he has appointed Directors Murph and Wright to the Information Systems Ad Hoc Committee, and Directors Barbosa and Kosmont to the Special Audit Committee.

42529 Chairman Foley presented a Commendatory Resolution to former Director Gary A. Morse for his three and one-half years of service on Metropolitan's Board, representing Central Basin Municipal Water District.

42530 The Chair ordered the Declaration of the Executive Secretary as to posting the Notice of Adjournment of the Regular Meeting of August 12, 1997, to August 19, 1997, received and filed.

42531 A letter from the General Manager dated August 15, 1997, was presented, reporting that the Original Certificates of the County Auditors for the six counties in which areas of the District lie are on file in the Office of the Controller, certifying the fiscal year 1997-98 assessed valuations of all property used for calculating Metropolitan's tax. There being no objection, Chairman Foley ordered the tabulations transmitted with the foregoing letter from the General Manager setting forth the assessed valuations, percentage participation, and vote entitlement of member public agencies of The Metropolitan Water District of Southern California, as of August 19, 1997, based on certificates of assessed valuation of property taxable by Metropolitan for fiscal year 1997-98, as submitted by the various County Auditors, be filed, spread on the Minutes, and that the Executive Secretary be directed to send a copy to each absent Director and to each member public agency.

Assessed Valuations, Percentage Participation, and Vote
Entitlement of Member Public Agencies of
The Metropolitan Water District of Southern California
as of August 19, 1997

Assessed Valuation

<u>Member Agency</u>	<u>Amount Certified</u>	<u>Percent of Total</u>	<u>Vote Entitlement</u>
Anaheim	\$ 16,120,366,458	1.84	1,612
Beverly Hills	8,197,142,032	0.93	820
Burbank	8,566,701,404	0.98	857
Calleguas MWD	33,861,006,258	3.86	3,386
Central Basin MWD	57,111,524,901	6.50	5,711
Chino Basin MWD	32,511,434,830	3.70	3,251
Coastal MWD	26,936,567,890	3.07	2,694
Compton	1,640,003,744	0.19	164
Eastern MWD	18,035,521,845	2.05	1,803
Foothill MWD	5,506,719,450	0.63	551
Fullerton	6,504,540,365	0.74	650
Glendale	10,712,525,368	1.22	1,071
Las Virgenes MWD	8,495,584,414	0.97	849
Long Beach	17,721,448,420	2.02	1,772
Los Angeles	180,986,222,760	20.62	18,099
MWD of Orange County	114,848,189,116	13.08	11,485
Pasadena	8,821,343,824	1.00	882
San Diego County Water Authority	137,396,688,689	15.65	13,740
San Fernando	746,914,177	0.09	75
San Marino	1,973,225,710	0.22	197
Santa Ana	10,131,619,098	1.15	1,013
Santa Monica	9,492,225,204	1.08	949
Three Valleys MWD	25,117,758,964	2.86	2,512
Torrance	11,133,727,506	1.27	1,113
Upper San Gabriel Valley MWD	36,137,475,067	4.12	3,614
West Basin MWD	62,568,007,711	7.13	6,257
Western MWD	26,649,320,586	3.03	2,665
 TOTAL ASSESSED VALUATIONS WITHIN DISTRICT	 <u>\$877,923,805,791</u>	 <u>100.00</u>	 <u>87,792</u>

The above valuations include only those which have been certified by the County Auditors, in accordance with Section 305 of the Metropolitan Water District Act, Statutes of 1969, as amended. The certified valuations have been reduced to reflect Homeowners' Property Exemptions and do not include areas excluded from the District.

42532 Budget and Finance Committee Chairman Blake moved, seconded by Director Little, that the Board adopt **Resolution 8549** transmitted with the General Manager's letter dated August 15, 1997, which fixes Metropolitan's secured property tax rate for its purposes for fiscal year 1997-98 at .0089 percent of assessed valuations and the unsecured rate at .0089 percent (the same rates as for fiscal year 1996-97), together with the various tax rates for annexation charges due Metropolitan, thereby producing a total levy of \$93,378,826, including an allocation estimated at \$8,475,350 for countywide taxes on utilities, resulting in projected net tax revenues of \$84,391,166, after allowing for estimated delinquencies, allocations for redevelopment agencies and adjustments for supplemental tax collections and prior years' tax collections, said Resolution entitled:

A RESOLUTION LEVYING TAXES FOR THE FISCAL YEAR COMMENCING JULY 1, 1997 AND ENDING JUNE 30, 1998 FOR THE PURPOSES OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Chairman Foley called for a vote on the motion.

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

Ayes: Anaheim (Dir. Alario, 1,612 votes), Beverly Hills (Dir. Webster, 820 votes), Burbank (Dir. McCauley, 857 votes), Calleguas Municipal Water District (Dirs. Grandsen and Miller, 3,386 votes), Central Basin Municipal Water District (Ayes: Dirs. Castro and Pace. Absent: Dir. Ibbetson. 5,711 votes), Chino Basin Municipal Water District (Dirs. Hill and Troxel, 3,251 votes), Coastal Municipal Water District (Dirs. McMurray and Owen, 2,694 votes), Compton (Dir. Murph, 164 votes), Eastern Municipal Water District (Dir. Gilbert, 1,803 votes), Foothill Municipal Water District (Dir. O'Neil, 551 votes), Fullerton (Dir. Blake, 650 votes), Glendale (Dir. Rez, 1,071 votes), Las Virgenes Municipal Water District (Dir. Peterson, 849 votes), Long Beach (Dir. Hansen, 1,772 votes), Los Angeles (Ayes: Dirs. Herman, Kosmont, Russell, and Wein. Absent: Dirs. Luddy and Moret. 18,099 votes), Municipal Water District of Orange County (Dirs. Bannister, Foley, Huntley, King, and Witt, 11,485 votes), Pasadena (Dir. Brick, 882 votes), San Diego County Water Authority (Ayes: Dirs. Frahm, Krauel, Mason, Parker, and Watton. Absent: Dir. Griffen. 13,740 votes), San Fernando (Dir. Rascon,

75 votes), Santa Ana (Dir. Coughran, 1,013 votes), Santa Monica (Dir. Abdo, 949 votes), Three Valleys Municipal Water District (Dir. Barbosa, 2,512 votes), Torrance (Dir. Wright, 1,113 votes), Upper San Gabriel Valley Municipal Water District (Dirs. Fellow and Forbes, 3,614 votes), West Basin Municipal Water District (Dirs. Barker, Dymally, and Little, 6,257 votes), Western Municipal Water District of Riverside County (Dirs. Krieger and Mylne, 2,665 votes). Total 87,595 votes.

Noes: None.

Abstains: None.

Absent: San Marino (Dir. Morris, 197 votes). Total 197 votes.

The Chair declared **Resolution 8549** adopted by a unanimous vote of the Board representing more than the required two-thirds vote.

42533 Vice Chairman Miller moved, seconded by Director Blake and carried, authorizing preparation of a Commendatory Resolution for former Director Doude Wysbeek.

42534 Chairman Foley reported on the progress of the negotiations being conducted by David Kennedy, Director of the Department of Water Resources, on the San Diego/IID transfer and the development of a California Plan on the Colorado River. The Chairman also reported that at the workshop held in San Diego, the Directors listed governance as one of the main issues to be discussed. He stated he is considering the formation of a Blue Ribbon panel to assist in this matter, and asked Directors to submit names of individuals who would be able to serve on this panel.

42535 Director Wein moved, seconded by Director Dymally and carried unanimously, adopting **Resolution 8550** expressing support of Director Blake for Vice President of the Association of California Water Agencies, said Resolution entitled:

RESOLUTION IN SUPPORT OF JAMES H. BLAKE FOR ACWA VICE-PRESIDENT

42536 Special Committee on Real Property Management Chairman King reported on the continuing development and construction of the new Headquarters Building, and that the project remains on schedule and within budget. He also reported on the successful purchase of the seven acres of land at the Weymouth plant, and the development of the Real Property Asset Information Management System.

42537 General Manager Wodraska reported that there was a meeting on August 11 of the seven states where Director David Kennedy presented the California Plan for the Colorado River; and although the other states have been in support of the process, they are less enthusiastic about the progress made to date by California. He stated that Director Kennedy will be concluding his process of trying to come up with a California Plan within the next several months. Mr. Wodraska reported there is nothing new on the status of the negotiations with San Diego County Water Authority regarding the transfer and the wheeling rates, but that this matter has been folded into the negotiations with Director Kennedy.

42538 By video, the Board received the following reports:

Chief Engineer Snyder reported on the Engineering Division's management planning efforts. He stated that presentations regarding the draft Management Plan are being made to various stakeholder groups and feedback is being actively solicited. The division's goal is to incorporate stakeholder input, finalize the Management Plan, and begin implementation by October 1997.

Chief of Planning and Resources Man reported on the CALFED Bay-Delta Category III Program which is central to Metropolitan's long-term strategy of attaining water supply reliability while restoring the Bay-Delta environment. To date, 38 Category III projects located throughout the Bay-Delta watershed have been funded by diversified partnerships. She then introduced Steve Hirsch, Senior Resource Specialist, who gave a brief overview of some of the projects funded by the Category III Program.

Chief of Operations Malinowski reported on the power outage in the eastern part of California which affected Metropolitan's hydroelectric power plants; the failure on the Department of Water Resources' California Aqueduct where a crack in a side panel downstream of the Banks pumping plant in the Delta forced DWR to draw sections of the aqueduct down faster than normal, and then further downstream toward San Luis Reservoir, about 150 linear feet of aqueduct sidewall slumped into the aqueduct and closed it down for nearly a week. Mr. Malinowski commented on the planning in process to deal with the anticipated El Nino condition this winter. He also reported that with the recent hot weather, water demands went up to nearly 9,000 acre-feet a day, but have since receded to about 6,000 acre-feet a day with the cooler weather of mid-August.

Chief Financial Officer Becker reported on Metropolitan's financial condition, and of the two awards Metropolitan received from the Government Finance Officers Association for our 1996-97 Annual Budget and our comprehensive annual financial report for fiscal year 1995-96. Mr. Becker stated the records management is a part of the Finance and Business Services Division. He then introduced Assistant Chief Financial Officer Steve Ferguson and staff members Terry Harman and Rita Mendoza who reported on the cooperative agreement with the Los Angeles Department of Water and Power to share the use of their new multi-million dollar records center.

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

42539 General Manager Wodraska recognized Chief Engineer Snyder's outstanding staff support unit's work on the Engineering report which shows a forty percent reduction in staff over a period of time, and reported that the Operations Division had gone through a similar exercise with a twenty percent reduction in its staff. He reported on the Business Resumption Plan with Bert Becker being in charge of the business aspect and that a mock simulation of a terrorist takeover was held. Mr. Wodraska advised the Board of the Bass brothers' selling of their land holdings and associated water rights in the Imperial Valley to U.S. Filter Corporation of Palm Desert. He reported on the

August 12 letter of Governor Wilson to President Clinton urging the President's support and to extend the Bay-Delta Accord. Senator Feinstein also expressed support for the extension of this Accord, which expires in December 1997. On behalf of himself, the General Counsel, and the Auditor, Mr. Wodraska invited the Board to an appreciation reception on August 26 at the Huntington Library and to view the exhibit "Envisioning Eden--Water and the Selling of Los Angeles--1880 to 1930".

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

42540 General Counsel Taylor reported on the status of the validation action filed by Metropolitan regarding short-term wheeling rates. At the July 28 hearing Judge Kay found that (1) Metropolitan's summons was adequate, (2) Metropolitan may properly use the validation statute to validate its wheeling rates, and (3) Metropolitan's validation complaint, on its face, does not appear to be unreasonable or invalid. The judge has scheduled a hearing for October 9 on the issues of whether Metropolitan may set wheeling rates in advance or must do so on a case by case basis; and the legality of our methodology for calculating the rates, including the "postage stamp" calculations, and whether Metropolitan may include costs of the entire system, or just those portion of the system used in the wheeling transaction.

Mr. Taylor reported on the CTSI litigation where a judgment for \$150,000 was entered against Metropolitan, and that the District filed a petition for a new trial, which was granted. The new trial date is February 4, 1998.

Mr. Taylor reported that the Guy F. Atkinson Company has filed for bankruptcy, which company is part of a joint venture with Washington and Zachry working on the Eastside Reservoir Project. He stated special counsel has been retained and that staff will be meeting with the chief executive officers of the companies involved to review this matter.

Mr. Taylor further reported on the dust control measures being taken at the Eastside Reservoir Project and that the contractors are operating under a dust control plan approved

and monitored by the Southern California Air Quality Management District.

42541 The Chair noted Agenda Item 8-1, the agreement with Stockmar Industrial, Inc., and Agenda Item 8-15, the agreement with Edelman Public Relations Worldwide, have been withdrawn.

42542 Director Blake moved, seconded by Board Secretary Murph and carried, adding Agenda Items 8-4, 8-5, 8-7 through 8-11, and 8-13 to the Consent Calendar.

Vice Chairman Miller moved, seconded by Director Blake and carried, and the Board approved the Consent Calendar Items, M.I. 42543 through M.I. 42567, as follows:

42543 Awarded a fixed price construction contract in the amount of \$1,992,757 to Mitchell Pacific Constructors, Inc., to install rock anchors and complete the seismic upgrade of the discharge pipelines at the Julian Hinds Pumping Plant, as set forth in the General Manager's letter dated July 29, 1997.

42544 Authorized (1) Appropriation No. 15303 in the amount of \$750,000 from the Pay-As-You-Go Fund, to finance all estimated costs for the design and construction of a fence along the San Diego Canal; (2) the General Manager to have all work performed; and (3) delegating to the General Manager the authority to award a lump-sum contract not to exceed \$525,000 for the removal and replacement of the fence along the west side of the San Diego Canal, subject to the contract being in form approved by the General Counsel, as set forth in the General Manager's letter dated July 29, 1997.

42545 Authorized (1) No. 15 to Appropriation No. 15122, an increase of \$700,000 to a total of \$299,327,000 from the 1996 Revenue Bond Construction Fund, to provide administrative services for the Project Labor Agreement for the Inland Feeder Program; and (2) the General Manager to amend an agreement with Parsons Constructors Inc., in the amount of \$700,000 for a total

agreement amount of \$780,000, as set forth in the General Manager's letter dated July 29, 1997.

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

42546 Authorized (1) No. 2 to Appropriation No. 15160, an increase of \$1,212,000 to a total of \$1,842,000 from the Pay-As-You-Go Fund, to finance the construction of a protective roof over the existing San Jacinto Diversion Structure; (2) awarding of a fixed price construction contract to Advanco Constructors, Division of Zurn Constructors, Inc., for \$739,826; and (3) the General Manager to amend an agreement for construction support services with Myers, Nelson & Houghton, Inc., for a total agreement amount of \$305,000, as set forth in the General Manager's letter dated July 29, 1997.

42547 Authorized (1) No. 1 to Appropriation No. 15229, an increase of \$800,000 to a total amount of \$1,300,000 from the Pay-As-You-Go Fund, to finance all estimated costs for construction, contract administration, and field inspection for continued delivery of high quality water by providing more reliable filters in Module 4 at the Robert A. Skinner Filtration Plant; (2) the General Manager to have all work performed; and (3) the award of a lump sum contract to ERS Industrial Services, Inc., in the amount of \$549,000 to remove and dispose of existing filter media and replace with new filter media, subject to the contract being in form approved by the General Counsel, as set forth in the General Manager's letter dated July 29, 1997.

42548 Authorized (1) the development of the Real Property Asset Information Management System; and (2) No. 1 to Appropriation No. 15293, an increase of \$1,513,800 to a total of \$2,093,400 from the Pay-As-You-Go Fund, to finance the above system, as set forth in the General Manager's letter dated July 7, 1997.

42549 Authorized the General Manager to execute a sole source contract with Raytheon Aircraft Services of Van Nuys, California, for the purchase of a new 1997 Beechcraft Baron 58, twin-engine, six-place aircraft, complete with all standard equipment and

avionics, as set forth in the General Manager's letter dated July 22, 1997.

42550 Adopted **Resolution 8551** as shown in Exhibit A to the General Manager's letter dated July 28, 1997, giving notice of intention to impose standby charges at the rate of \$9.23 per acre or per parcel of less than one acre within the proposed Thirty-Seventh Fringe Area Annexation to Metropolitan, Western Municipal Water District of Riverside County, and Murrieta County Water District, as set forth in the General Manager's letter dated July 28, 1997, said Resolution entitled:

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN
WATER DISTRICT OF SOUTHERN CALIFORNIA GIVING NOTICE OF
INTENTION TO IMPOSE STANDBY CHARGE CONTINGENT UPON
ANNEXATION**

42551 Approved \$300,000 (\$100,000 annually for three consecutive years, beginning fiscal year 1997-98) for an educational water fountain exhibit at the entrance of the renovated California Science Center, a state museum, located at 700 State Drive, Los Angeles, California, as set forth in the General Manager's letter dated August 4, 1997.

Director Mason requested to be recorded as voting no.

42552 Adopted **Resolution 8552** authorizing an Amendment to the Contract Between the Board of Administration of the Public Employees' Retirement System and the Board of Directors of The Metropolitan Water District of Southern California to provide the 2% at 55 benefit formula for local miscellaneous members effective December 28, 1997, and certifying the final action of the governing body, as set forth in Exhibits A, B, and C to the General Manager's letter dated July 11, 1997, said Resolution entitled:

RESOLUTION AUTHORIZING AN AMENDMENT TO THE CONTRACT

42553 The Board (1) approved the reallocation of an existing budgeted position to a new Chief of Communications position as set forth in Attachment A to the General Manager's letter dated August 7, 1997; (2) amended the Administrative Code as

appropriate; and (3) approved the appointment of John (Jack) Maloy as interim Chief of Communications.

Director Mason requested to be recorded as voting no.

42554 Authorized (1) Metropolitan to provide water quality services to the Tucson Water Department pursuant to a contract approved in form by the General Counsel; and (2) all ancillary activities necessary to implement the contract, as set forth in the General Manager's letter dated July 17, 1997.

42555 Authorized the General Manager to execute a third amendment to Agreement No. 6523 with Munger, Tolles & Olson to raise the maximum amount of the contract by \$250,000 to a maximum of \$923,000 as allocated in the project budget to provide for continuing legal and related consulting services for the development of the new Headquarters Building, subject to the amendment being in form approved by the General Counsel, as set forth in the letter jointly signed by the General Manager and the General Counsel dated August 5, 1997.

Director Mason requested to be recorded as voting no.

42556 Approved Metropolitan's membership in the San Gabriel Valley Chamber of Commerce and Cities Consortium in the amount of \$5,000 for fiscal year 1997-98, as set forth in the General Manager's letter dated August 5, 1997.

42557 Approved, in accordance with Administrative Code Section 11203, Metropolitan's membership in the National Water Research Institute in the amount of \$50,000 for fiscal year 1997-98, as set forth in the General Manager's letter dated July 29, 1997.

42558 Approved a contribution of \$5,000 to the Agricultural Education Foundation's Agricultural Leadership Program in each of the next two years, as set forth in the General Manager's letter dated August 5, 1997.

42559 Amended Sections 5101(c), 6325, 6500, and 11202 of the Administrative Code to read as set forth in Attachment A to the General Counsel's letter dated July 21, 1997, relating to

safekeeping of securities, international travel, deletion of the position of Assistant Director of Human Resources from the list of unrepresented employees, and an increase in the authorized amount of annual dues which may be paid by a department head for organizations, respectively.

42560 Authorized (1) No. 39 to Appropriation No. 15123, an increase of \$27,900,000 to a total of \$1,711,152,000 from the 1996 Revenue Bond Construction Fund, to construct the Pressure-Control Structure for the Eastside Reservoir Project; and (2) award of a fixed price construction contract in the amount of \$22,369,407 to Advanco Constructors, Inc., as set forth in the General Manager's letter dated August 19, 1997.

42561 Authorized (1) No. 40 to Appropriation No. 15123, an increase of \$7,400,000 to a total of \$1,718,552,000 from the 1996 Revenue Bond Construction Fund, to provide continued post-design services for the Eastside Reservoir Project; and (2) amending the agreement with Raytheon Infrastructure Services, Incorporated, in the amount of \$7,400,000 for a total agreement amount of \$70,200,000, as set forth in the General Manager's letter dated August 1, 1997.

42562 Authorized (1) No. 2 to Appropriation No. 15257, an increase of \$10 million to a total amount of \$30 million, to provide the third and final installment of "seed money" for implementing the Bay-Delta Category III Program; and (2) the General Manager to expend up to such amount, upon issuance of appropriate credit by CALFED, subject to the credit being in form approved by the General Counsel, as set forth in the General Manager's letter dated August 5, 1997.

42563 Authorized No. 2 to Appropriation No. 15275, an increase of \$442,000 to a total of \$3,343,000 from the Pay-As-You-Go Fund, to finance the third year of the Cryptosporidium Action Plan, as set forth in the General Manager's letter dated July 11, 1997.

42564 Adopted, by a two-thirds vote, **Resolution 8553** declaring the necessity for the Inland Feeder Project and for the properties described in Exhibits A and B attached to the General Manager's letter dated July 29, 1997, and directing the General

Counsel to commence condemnation proceedings in San Bernardino County to acquire the easements, 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 THE COUNTY OF SAN BERNARDINO (INLAND FEEDER PROJECT)

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

42565 Adopted, by a two-thirds vote, **Resolution 8554** declaring the necessity for the Inland Feeder Project and for the properties described in Exhibits A and B attached to the General Manager's letter dated July 29, 1997, and directing the General Counsel to commence condemnation proceedings in Riverside County to acquire the easements, 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 THE COUNTY OF RIVERSIDE (INLAND FEEDER PROJECT)

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

42566 Adopted, by a two-thirds vote, **Resolution 8555** declaring the necessity for the Inland Feeder Project and for the properties described in Exhibits A and B attached to the General Manager's letter dated July 29, 1997, and directing the General Counsel to commence condemnation proceedings in San Bernardino County to acquire the easements, 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 THE COUNTY OF SAN BERNARDINO (INLAND FEEDER PROJECT)

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

42567 Authorized (1) Appropriation No. 15306 in the amount of \$2,000,000 from the Pay-As-You-Go Fund, to purchase real property adjacent to F.E. Weymouth Filtration Plant; and (2) the General Manager to acquire the parcel owned by Mr. and Mrs. Wiegand (MWD Parcel 1425-1-100, Assessor's Parcel No. 8381-005-018), as set forth in the General Manager's confidential letter dated July 29, 1997.

42568 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 June, dated July 29, 1997.
- b. Report of the General Counsel on the activities of the Legal Department for the month of July, dated August 6, 1997.
- c. Report of the Auditor on the activities of the Audit Department for the month of July, dated August 1, 1997.
- d. Letter of the General Manager dated August 4, 1997, transmitting the Executive Financial Summary for the month of June.
- e. Letter of the General Manager dated July 17, 1997, submitting the annual report of payment of claims for lost matured or called bonds and interest coupons; issuance of duplicate bearer bonds; replacement of lost registered bonds.
- f. Letter of the General Manager dated July 10, 1997, submitting the quarterly report on changes in funding sources for capital program expenditures.
- g. Letter of the General Manager dated August 5, 1997, submitting a status report on Department of Water Resources Administrative and Operations and Maintenance Activities.

- h. Letter of the General Manager dated July 29, 1997, submitting the stewardship report on Metropolitan Operations Insurance Program for fiscal years 1995-96 and 1996-97.
- i. Letter of the General Manager dated July 29, 1997, reporting on the Engineering Division Management Plan.
- j. Letter of the General Manager dated August 1, 1997, submitting the quarterly project status report for the Eastside Reservoir Project--April through June 1997.
- k. Letter of the General Manager dated July 29, 1997, submitting an executive summary of the Inland Feeder quarterly status report for April through June 1997.
- l. Letter of the General Manager dated July 28, 1997, regarding support for perchlorate research.
- m. Letter of the General Manager dated August 5, 1997, submitting an update on Federal Endangered Species Act activities.

Directors Dymally, Kosmont, Miller, and Owen withdrew from the Meeting at 2:04 p.m.

42569 At 2:07 p.m., pursuant to Government Code Section 54956.9(a), the Chair called the Meeting into closed session to consider Agenda Items:

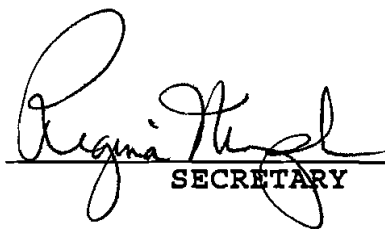
- 8-14 Authorize (1) amendment to agreement with special counsel Carlsmith Ball Wichman Case & Ichiki, to increase amount payable from \$300,000 to \$700,000, for legal services; and (2) a settlement offer in Christina Bionghi dba Abacus Technical v. The Metropolitan Water District of Southern California, Los Angeles County Superior Court Case No. BC146354, as set forth in the General Counsel's confidential letter dated August 4, 1997. (Appropriation No. 15123)

- 8-16 Authorization for settlement authority to assist relocation of displacees from the Eastside Reservoir Project in connection with pending eminent domain action Metropolitan v. Kiskila, Riverside County Superior Court Case No. 286123.
- 9-18 Confidential letters of the General Counsel dated July 21 and August 18, 1997, reporting on Metropolitan Water District v. Hyman/JWP West, Los Angeles Superior Court Case No. PC018069, and Hyman/JWP West v. Metropolitan Water District, Los Angeles Superior Court Case No. BC156768.

At 2:15 p.m., the Chair called the Meeting into open session, and reported that during the closed session the Board conferred with and received advice from its legal counsel regarding the status of the above-mentioned pending litigation.

On all three items, the Board authorized counsel to make settlement offers, the terms of which were not disclosed because each of the settlements requires approval of the opposing parties.

42570 There being no objection, Chairman Foley adjourned the Meeting at 2:17 p.m.


SECRETARY


CHAIRMAN