

MINUTES
ADJOURNED REGULAR MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
APRIL 13, 1999

43469 The Board of Directors of The Metropolitan Water District of Southern California met in Adjourned Regular Meeting in the Board Room located in the building at 700 North Alameda Street in the City of Los Angeles, State of California, on Tuesday, April 13, 1999.

The Meeting was called to order by Chairman Pace at 10:06 a.m.

43470 The Meeting was opened with an invocation by Director Wyatt L. Troxel.

43471 The Pledge of Allegiance to the Flag was given, led by Director Gary A. Morse.

43472 Secretary Hansen called the roll. Those answering present were: Directors Abdo, Bannister, Barbosa, Barker, Battey, Blake, Borenstein, Brick, Coughran, Fellow, Foley, Forbes, Freeman, Grandsen, Hansen, Herman, Huntley, King, Krauel, Krieger, Lewis, Little, Luddy, McMurray, Moret, Morris, Morse, Murph, Mylne, Owen, Pace, Peterson, Rascon, Rez, Stanton, Tinker, Treviño, Troxel, Turner, Watton, Webster, Wein, Witt, and Wright.

Those not answering were: Directors Gilbert, Koopman, Kosmont, Murray, and O'Neil.

The Chair declared a quorum present.

43473 At 10:09 a.m., Chairman Pace called the Meeting into a Public Hearing to receive comments on the proposed Water Standby Charge for 1999-2000.

Acting General Manager Quinn reported that this hearing is being held to satisfy a requirement of the Code.

Chairman Pace invited interested parties to comment on the proposed Water Standby Charge for 1999-2000. No member of the public responded. The Chairman declared the Public Hearing closed at 10:11 a.m., stating that the Board's final action on the proposed charge is expected to take place at its regular monthly meeting on May 11, 1999.

43474 Chairman Pace 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.

43475 Chairman Pace invited members of the public to address the Board on matters within the Board's jurisdiction.

Greg Wilkinson of the law firm Best, Best & Krieger reported on his firm's pro bono representation of some small farmers in the southern Oregon area who were told by the Ninth Circuit Court of Appeals that they could not go to court to challenge government misconduct under the Endangered Species Act. Because this case also affected water users, Metropolitan, among others, contributed \$30,000 towards the cost. The case eventually went to the U.S. Supreme Court where a favorable ruling came down for the farmers. The U.S. District Court also awarded the farmers attorneys' fees, and in light of that award, Mr. Wilkinson returned the \$30,000 to Metropolitan.

43476 The General Counsel's letter dated April 5, 1999, was presented, transmitting the credentials evidencing the appointment by Calleguas Municipal Water District of Jeffrey A. Borenstein as one of its representatives on Metropolitan's Board for an indefinite term, replacing Patrick H. Miller.

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

The Chair reported the Oath of Office had been administered to Mr. Borenstein on April 7, 1999, and ordered the Oath filed.

Following an introduction by Director Grandsen, Director Borenstein took his seat as a Director representing Calleguas Municipal Water District.

43477 The General Counsel's letters, dated March 31 and April 8, 1999, were presented, transmitting the credentials evidencing the reappointments by the City of Los Angeles of Katherine W. Moret and George Wein, respectively, as two of its representatives, to be members on Metropolitan's Board, each for a term ending December 31, 2002.

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

Bobbi A. Becker, Notary Public, administered the Oaths of Office to Directors Moret and Wein. The Chair ordered the Oaths filed.

43478 Vice Chairman Brick moved, seconded by Director Blake and carried, approving the committee appointments as recommended by the Chair and approved by the Executive Committee, as follows:

Director Borenstein to the Legal and Claims and Budget and Finance Committees, and the Special Audit Committee

Director Grandsen to the Engineering and Operations and Water Planning and Resources Committees, transferred from the Legal and Claims and Budget and Finance Committees

Director Grandsen, as Chair of the Special Audit Committee, to be added to the Executive Committee

Director Brick as Vice Chair of the Strategic Plan Steering Committee

Directors Tinker and Watton to the Strategic Plan Steering Committee

Directors Blake and Mylne to be the at-large members of the Asset Financing Corporation

Director Wright to the Subcommittee on Real Property and Asset Management

Renaming the Subcommittee on Real Property Management to **Subcommittee on Real Property and Asset Management**

43479 Vice Chairman Brick moved, seconded by Director Murph and carried, authorizing the preparation of a Commendatory Resolution for former Director Christine M. Frahm, who represented the San Diego County Water Authority.

43480 Chairman Pace presented a Commendatory Resolution to former Director Christine M. Frahm, who represented the San Diego County Water Authority from April 1992 to March 1999.

Director Luddy withdrew from the Meeting at 10:28 a.m.

43481 There being no objection, the Chair ordered the reading of the Minutes of the Meeting held December 8, 1998, dispensed with, a copy having been mailed to each Director.

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

43482 Vice Chairman Brick moved, seconded by Director Peterson and carried, and the Board:

1. Revised the current Metropolitan Business Outreach policy to read as follows:

"Recognizing the fact that minority and women-owned firms currently comprise approximately one-half of all Southern California businesses and evidence that race and gender discrimination within the Southern California marketplace has negatively affected minority and women-owned businesses, it is policy of The Metropolitan Water District of Southern California (Metropolitan) to ensure that minority and women-owned firms can compete for Metropolitan purchases and other

business opportunities in an environment free from the effects of race and gender discrimination."

2. Authorized the Chairman of the Board to designate a standing committee as the committee of jurisdiction to monitor the implementation of the Metropolitan Business Outreach policy whose responsibility will include the development of strategies to:

(a) ensure compliance by Metropolitan with open and competitive purchasing procedures;

(b) improve Metropolitan's contracting and procurement systems; and

(c) implement refinements to the Business Outreach Program including (i) a debarment procedure and a non-discrimination in subcontracting policy, (ii) modifications to the consulting and procurement portions of the program, and (iii) monitor and communicate ongoing progress and diversity initiatives.

43483 Chairman Pace reported on various events in which he participated during the months of March and April on behalf of Metropolitan, as follows: March 11, he was the keynote speaker at the Urban Water Institute conference in Long Beach; March 12, he and Director Krieger met with Senator David Kelley, the vice-chancellor and his staff from UC Riverside, and local business leaders regarding the feasibility of developing a proposed Western Center on Archeology and Paleontology Museum; March 17, he and other Directors participated in the joint hearing of the Senate Agriculture & Water Resources Committee, the Assembly Parks & Wildlife Committee, and the Senate Select Committee on Southern California Water Districts' Expenditures and Governance held in Sacramento; March 25, he met with officials from the Egyptian government who were interested in various American water studies; March 29, a Special Board Meeting was held to select the new General Manager and the appointment of Ronald R. Gastelum who is scheduled to start working on April 19; March 30, Metropolitan hosted a luncheon where Senator Costa spoke before the Board and discussed his priorities for the coming years with Board members engaging him in discussions that were important to Metropolitan; April 5-7, Metropolitan held its "MWD Sacramento Days" which was

well attended by Board members; April 8, the second in a series of discussions was held with IID and Coachella; April 9, he and Director Foley were the keynote speakers at the Water Advisory Committee of Orange County meeting where they discussed Metropolitan's perspective on various issues including Colorado River matters, CALFED, rate structure, and the new General Manager; April 11, on behalf of Metropolitan, Board Executive Officer Gilbert F. Ivey received a plaque and scroll from the FAME Renaissance Center and Los Angeles County Supervisor Yvonne Brathwaite-Burke for Metropolitan's support and participation in the Job Fair Expo and Marketplace to be held in South Central Los Angeles as part of our outreach efforts.

Director King reported on the beautification award received from the Los Angeles Business Council Chamber of Commerce for Metropolitan's new Headquarters building which enhanced the area, and that the Headquarters is one of the nominees for the "Rose" award.

Regarding the Eastside Reservoir audit, Special Audit Committee Chairman Grandsen reported that in anticipation of the auditors completing their audit this week, he recommended the following interim goals and timelines with respect to approval and acceptance by the Board: On April 20 the external auditors will present their "draft" report to the Special Audit Committee, where Metropolitan's senior management and project management will respond to the Special Audit Committee's inquiries relating to the draft report. On April 26 the external auditors will present their "final" report to the Executive Committee where management will respond to any inquiries. On May 11 the management staff will present their written response to the external audit to the Executive Committee, which response will include a description of all action that has been commenced, contemplated, or recommended to remedy any management or reporting deficiencies that are identified in the external audit. Also, on May 11, Metropolitan's Board will consider the final audit report together with management's response, and take such action which the Board deems warranted. Based upon the schedule, Director Grandsen said Chairman Pace intends to write Senator Kelley a letter informing him of this process and suggest that any Select Committee hearing to consider the ESRP audit matter be held some time after May 17.

43484 Director Brick reported that with the hiring of Ronald Gastelum as the General Manager, this adds further momentum to the Strategic Planning process as Mr. Gastelum will be able to participate in the discussions regarding the new policies he will be charged to implement. The Strategic Planning Steering Committee met on March 30 to review stakeholder feedback on the eleven alternative visions. A draft report summarizing all comments to date revealed that while most stakeholders did not prefer a dramatic change in Metropolitan's role, they clearly believed that changes were necessary. The feedback indicated that Metropolitan must retain its core commitment to providing a cost-effective, reliable supply of high-quality water. Director Brick then commented on some of the opinions submitted by the stakeholders, and with this feedback the Steering Committee has directed the consultants to present a short list of vision alternatives at the next meeting scheduled for May 4.

43485 Chairman Pace reported on recent developments in the Colorado River discussions where Metropolitan has taken a clear public policy position that the California Plan must be based on water use efficiency, with officials from Sacramento supporting this public policy. On April 8 Metropolitan met with representatives from both Imperial Irrigation District (IID) and Coachella Valley Water District to discuss their respective interests and issues of concern. Department of Water Resources Director Tom Hannigan and Secretary of the Interior representative David Hayes both participated in the meeting. Metropolitan, IID, and Coachella made presentations which highlighted areas of agreement amongst the parties, as well as identified the remaining issues to be resolved. All agencies renewed their firm commitments to a process to resolve these issues and reach agreement on quantification. Messrs. Hannigan and Hayes will meet with each of the parties separately and develop such a process for all parties to consider at the next meeting scheduled for April 22. A series of meetings with all parties has been scheduled over the next two months.

Director Foley reported the Colorado River is in good shape as far as storage. However, at this time there is a need to designate a lead agency to conduct the necessary environmental work, pursuant to the California Environmental Quality Act

(CEQA), for the development of a Multi-Species Habitat Plan. This work would be done in conjunction with work prepared by the Bureau of Reclamation to comply with the National Environmental Policy Act. The Colorado River Board (CRB) has been discussing whether the CRB or one of the member agencies of the CRB, or a joint powers arrangement, would be the most appropriate entity to serve as the lead agency. Director Foley requested the Board's authorization to have either he or Director Krieger be able to vote and asked for a motion from the Board.

Director Blake moved, seconded by Director Stanton and carried, that the Board authorize the CRB delegates to work with the other California agencies on compliance with CEQA for the lower California river multi-species conservation program and either designate one of the California agencies to act as a CEQA lead agent or to form a joint powers authority to act as a lead agency.

43486 Acting General Manager Quinn also commented on "Sacramento Days" and thanked members of the staff, especially Legislative Representative Kathy Cole, for their hard work in making this event a successful one. Regarding CALFED matters, Mr. Quinn reported that for the first time all the stakeholder groups are lined up in support of common positions on appropriations and how to spend the Federal appropriation of \$95 million. Initially there was no unanimity of opinion to support a formula in which \$60 million would be for ecosystem restoration and \$35 million for various things that benefit water supply and water quality, including the study of storage. However, agreement has now been reached amongst the stakeholders regarding the uses of the \$95 million. Also to be looked at are the different types of storage and the removal of certain infrastructure to open up habitat for the fish. Mr. Quinn stated there is a working group looking into the concept of an environmental water account and how to basically reinvent how to manage the system for the environment in ways that potentially would be beneficial for both the environment and ourselves. Lastly, Mr. Quinn thanked the Board for its support in his role as Acting General Manager and pledged his support for the incoming new General Manager.

Chairman Pace thanked the members of the staff involved for all the conferences put together to make the "Sacramento Days" a success. He also thanked Mr. Quinn for all his hard work and support during the months it took for the Board to hire a new General Manager.

43487 General Counsel Taylor reported on two legal cases won by Metropolitan. One is the Bionghi case which was a termination of a consulting agreement for temporary help and which case was affirmed unanimously by the Court of Appeals. The other is the Workers' Compensation Appeals Board sustaining the alternative dispute resolution process that is contained in the Reform Workers Compensation Act that validates the process Metropolitan has for a streamlined workers' compensation processing of any events that occur on our two capital projects, the Eastside Reservoir and Inland Feeder. With that procedural hurdle out of the way, Metropolitan can now continue to rapidly process any employee in the field who has a worker's compensation problem. As a result of this alternative program, Metropolitan has had very few claims filed and has had prompt treatment of whatever problems that have occurred.

43488 The reports of the Standing Committee Chairs are as follows:

On behalf of the Executive Committee, Chairman Pace had nothing further to report.

Due to the absence of Directors Kosmont and Luddy, there were no reports from the Budget and Finance and the Engineering and Operations Committees.

Legal and Claims Committee Chairman Owen reported that after discussion in committee, he is requesting Agenda Items 9-5, 9-6, and 9-7 be added to the Consent Calendar. He also stated the committee discussed in detail Agenda Item 8-8, the initiation of litigation to oppose the U.S. Fish and Wildlife Service's decision to list the Sacramento splittail as a threatened species.

Communications and Legislation Committee Chairman King reported that after lengthy discussions of Agenda Items 10-14

(AB 786-Machado) and 10-15 (AB 903-Cardenas), the committee voted to take positions on these bills and requested that they be added to the Consent Calendar for action.

Water Planning and Resources Committee Vice Chairman Wright reported that the committee considered and supported efforts to develop groundwater conjunctive use in Metropolitan's service area in light of having only four years of storage from the Colorado River and one year from the State Water Project. For those interested in the CALFED Bay-Delta matters, Director Wright invited Directors to participate in the work group meetings to be held on the third Tuesdays of each month at 12 noon, with the exception of the meeting to be held on Wednesday, April 21.

Director Freeman commented on the IID/SDCWA water transfer and because of its implications with the current Colorado River negotiations, he requested that at the next Board Meeting our negotiator should be invited to tell us precisely where we are and that it is crucial for the Board as a whole to understand our negotiating position and be able to articulate why Metropolitan is being blamed unfairly. Chairman Pace stated that before the next Board Meeting there will be several meetings with all the parties involved, and that an update will be given to the Board so we can all understand the position being taken.

43489 The Chair reported that Agenda Items 9-5, 9-6, 9-7, 10-14, and 10-15 have been added to the Consent Calendar; and that Agenda Items 8-3, 8-4, 8-8, and 8-11 have been withdrawn from the Consent Calendar.

Director Blake moved, seconded by Director Coughran and carried, and the Board approved the Consent Calendar Items, **M.I. 43490** through **M.I. 43507**, as follows:

43490 Authorized the General Manager to execute an amendment to Agreement 1146 with the Los Angeles Department of Water and Power for use of a portion of West Valley Feeder No. 1, substantially in accordance with the terms outlined in the General Manager's letter dated March 26, 1999.

43491 To replace the four vertical turbine pumping units at the Joseph Jensen Filtration Washwater Reclamation Plant No. 1, the Board (1) authorized Appropriation No. 15333 in the amount of \$575,000 in budgeted funds from the Pay-As-You-Go Fund to finance all associated costs; (2) authorized the General Manager to have all work performed; (3) delegated to the General Manager the authority to award a procurement contract for equipment, not to exceed \$400,000; and (4) determined that the project qualifies for categorical exemption under the California Environmental Quality Act, as set forth in the General Manager's letter dated March 23, 1999.

43492 Authorized Stage III work on the System Upgrades for Server & Workstation Program to migrate existing Banyan VINES network servers to the Microsoft NT operating system estimated to cost \$1,137,000 and using existing Stage II appropriated funds to complete the Stage III work; the total program budget to be reduced to \$4,737,000 from \$6,299,000, as set forth in the General Manager's letter dated March 26, 1999.

43493 Authorized Metropolitan to provide corrosion engineering services for a fee to Longview Inspection, Inc., pursuant to an \$80,000 contract approved as to form by the General Counsel, as set forth in the General Manager's letter dated March 23, 1999.

Director Stanton requested to be recorded as voting no.

43494 Authorized the General Counsel to amend an existing agreement with the law firm of Hawkins, Delafield & Wood for disclosure counsel services to permit this firm to complete requisite disclosure services on three currently proposed financings which will extend beyond the March 31, 1999 termination date of the current contract, as set forth in the General Counsel's letter dated March 15, 1999.

43495 The Board (1) found, based on its independent judgment and analysis of the initial study and comments received, that there is no substantial evidence that the Hayfield Basin Groundwater Storage Project (Project) will have a significant effect on the environment; (2) adopted the Mitigated Negative Declaration and mitigation monitoring program for the Project;

and (3) approved proceeding with the implementation of the demonstration portion of the Project, as set forth in the General Manager's letter dated March 31, 1999.

43496 Approved annual voluntary dues of \$125,000, beginning in fiscal year 1998-99, to be paid out of the Annual Budget appropriation, which represents one-half of the requested California Urban Water Conservation Council dues for the Council members within Metropolitan's service territory, as set forth in the General Manager's letter dated March 26, 1999.

43497 Expressed support for Assembly Bill 237 (Machado) to fund research related to water recycling, as set forth in the General Manager's letter dated March 26, 1999.

Directors Krauel, Lewis, Tinker, Turner, and Watton requested to be recorded as abstaining.

43498 Expressed support for, and seek amendments to, Assembly Bill 732 (Machado) regarding a water transfer clearinghouse, as set forth in the General Manager's letter dated March 26, 1999.

Directors Krauel, Lewis, Tinker, Turner, and Watton requested to be recorded as abstaining.

43499 Expressed support for, and seek clarifying amendments to, Senate Bill 478 (Escutia) to fund conservation and infrastructure repair projects, as set forth in the General Manager's letter dated March 26, 1999.

43500 Expressed support for Senate Bill 520 (Johnson) if it is amended to define "complaint" and to qualify "litigation" to make reporting requirements workable and informative regarding annual reports to the Legislature on complaints from member public agencies and litigation against Metropolitan, as set forth in the General Counsel's letter dated March 24, 1999.

Directors Krauel, Lewis, Tinker, Turner, and Watton requested to be recorded as voting no.

43501 Expressed support for Senate Bill 854 (Costa), the Arroyo Pasajero Flood Protection bill, as set forth in the General Manager's letter dated March 26, 1999.

43502 Expressed support for Senate Bill 970 (Costa) and seek further amendments as specified regarding amendments to a number of Water Code sections and procedures relating to water transfers, as set forth in the General Manager's letter dated March 26, 1999.

Directors Krauel, Lewis, Tinker, Turner, and Watton requested to be recorded as abstaining.

43503 The Board adopted, by a two-thirds vote, **Resolution 8629**, an amended resolution of necessity amending Resolution 8616, to condemn the property described in Exhibits A and B attached to the General Manager's letter dated March 23, 1999, in accordance with the eminent domain law and directing the General Counsel to commence condemnation proceedings to acquire the property owned by Frank Tyler, for the Inland Feeder Project; said Resolution entitled:

AN AMENDED 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 Krauel, Lewis, Tinker, Turner, and Watton requested to be recorded as voting no.

43504 The Board adopted, by a two-thirds vote, **Resolution 8630** attached to the General Manager's letter dated March 23, 1999, to condemn the property located as shown on Attachment 1 in relation to the Inland Feeder Project as a whole, and described and shown in Attachments 2 and 3 attached to the foregoing letter, in accordance with the eminent domain law and directing the General Counsel to commence condemnation proceedings to acquire the property owned by San Bernardino Valley Water Conservation District, for the Inland Feeder Project, pursuant to the resolution of necessity; 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 Krauel, Lewis, Tinker, Turner, and Watton requested to be recorded as voting no.

43505 Approved the amendment of Agreement No. 12189 with Fox, Siegler; & Spillane, LLP, for legal services relating to MWD, Bolsa Chica Land Trust et al. v. Aera Energy et al., Orange County Superior Court Case No. 797705, as set forth in the General Counsel's confidential letter dated March 24, 1999.

53506 Expressed opposition, unless amended, to Assembly Bill 786 (Machado), which would prohibit State participation or funding to implement the Vernalis Adaptive Management Plan which is incorporated in the San Joaquin River Agreement, as reported in the General Manager's letter dated March 24, 1999.

43507 Instructed the General Manager, General Counsel, and Metropolitan's legislative representatives to protect Metropolitan's interests regarding District projects with respect to the Cardenas legislation, Assembly Bill 903, now being considered by the State Legislature, as set forth in the letter signed jointly by the General Manager and the General Counsel dated April 1, 1999, and supplemented by their letter dated April 12, 1999.

Director Treviño withdrew from the Meeting at 11:07 a.m.

43508 In answer to Director Borenstein's question regarding the reimbursement to Metropolitan of total costs or estimated costs, Chief Engineer Snyder replied that the costs to be reimbursed will be at an hourly rate for the actual costs Metropolitan spends for the work.

For the relocation of approximately 2,900 feet of Metropolitan's 48-inch-inside-diameter East Valley Feeder pipeline, Director Morris moved, seconded by Director Blake and carried, that the Board (1) authorize the General Manager to

execute an agreement with the Vulcan Materials Company, Calmat Division, substantially on the terms outlined in the General Manager's letter dated March 19, 1999, subject to the agreement being in form approved by the General Counsel; and (2) determine that the project qualifies for a categorical exemption under the California Environmental Quality Act.

Director Herman withdrew from the Meeting at 11:10 a.m.

43509 Director of Information Technology Edwards explained to Director Tinker why Metropolitan is purchasing about 2,300 or less licenses for the Microsoft Office product suite.

Director Murph then moved, seconded by Director Blake, authorizing the General Manager to purchase an upgrade for the Microsoft Office product suite at a cost of \$650,000, as set forth in the General Manager's letter dated March 26, 1999.

A request was made for a roll call vote. The Chair called for a vote on the motion.

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

Ayes: Beverly Hills (Dir. Webster, 855 votes), Burbank (Dir. Battey, 889 votes), Calleguas Municipal Water District (Dirs. Borenstein and Grandson, 3,554 votes), Central Basin Municipal Water District (Aye: Dir. Morse. Absent: Dir. Treviño. 2,923 votes), Inland Empire Utilities Agency (Aye: Dir. Troxel. Absent: Dir. Koopman. 3,380 votes), Coastal Municipal Water District (Dirs. McMurray and Owen, 2,904 votes), Compton (Dir. Murph, 170 votes), Fullerton (Dir. Blake, 662 votes), Glendale (Dir. Rez, 1,117 votes), Las Virgenes Municipal Water District (Dir. Peterson, 882 votes), Long Beach, (Dir. Hansen, 1,779 votes), Los Angeles (Ayes: Dirs. Freeman, Moret, and Wein. Absent: Dirs. Herman, Kosmont, and Luddy. 18,608 votes), Municipal Water District of Orange County (Dirs. Foley, King, and Witt, 7,311-3/5 votes), Pasadena (Dir. Brick, 924 votes), San Fernando (Dir. Rascon, 76 votes), San Marino (Dir. Morris, 203 votes), Santa Ana (Dir. Coughran, 1,049 votes), Santa Monica (Dir. Abdo, 1,016 votes), Three Valleys Municipal Water District (Dir. Barbosa, 2,589 votes), Torrance (Dir. Wright, 1,173 votes), Upper San Gabriel Valley Municipal Water District

(Dirs. Fellow and Forbes 3,712 votes), West Basin Municipal Water District (Ayes: Dirs. Barker and Little. Absent: Dir. Murray. 6,493 votes), Western Municipal Water District of Riverside County (Dirs. Krieger and Mylne, 2,731 votes). Total 65,000-3/5 votes.

Noes: Anaheim (Dir. Stanton, 1,687 votes), Municipal Water District of Orange County (Dir. Bannister, 2,437-1/5 votes), San Diego County Water Authority (Dirs. Krauel, Lewis, Tinker, Turner, and Watton, 14,791 votes). Total 18,915-1/5 votes.

Abstains: Central Basin Municipal Water District (Dir. Pace, 2,923 votes), Municipal Water District of Orange County (Dir. Huntley, 2,437-1/5 votes). Total 5,360-1/5 votes.

Absent: Eastern Municipal Water District (Dir. Gilbert, 1,815 votes), Foothill Municipal Water District (Dir. O'Neil, 580 votes). Total 2,395 votes.

The Chair declared the motion carried by a vote of 65,000-3/5 ayes, 18,915-1/5 noes, 5,360-1/5 abstains, and 2,395 absent.

Director Herman returned to the Meeting at 11:15 a.m.

Director Bannister withdrew from the Meeting at 11:15 a.m.

43510 Legal and Claims Committee Chairman Owen reported that this item was discussed at length at the committee. Discussion then followed by the Board as to whether Metropolitan should be filing litigation against another public entity, and why should Metropolitan wish to file an action individually and not be a party together with the State Water Contractors. Director Owen therefore moved, seconded by Director Krieger, that the Board authorize the General Counsel to file litigation regarding the United States Fish and Wildlife Service's listing of the Sacramento splittail as a threatened species under the Endangered Species Act, either individually or with others, and to take all action necessary to protect Metropolitan's interest in the

litigation, as set forth in the General Counsel's letter dated March 25, 1999.

A request was made for a roll call vote. The Chair called for a vote on the motion.

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

Ayes: Beverly Hills (Dir. Webster, 855 votes), Burbank (Dir. Battey, 889 votes), Calleguas Municipal Water District (Dirs. Borenstein and Grandsen, 3,554 votes), Central Basin Municipal Water District (Aye: Dir. Morse. Absent: Dir. Treviño. 2,923 votes), Inland Empire Utilities Agency (Aye: Dir. Troxel. Absent: Dir. Koopman. 3,380 votes), Coastal Municipal Water District (Dirs. McMurray and Owen, 2,904 votes), Fullerton (Dir. Blake, 662 votes), Glendale (Dir. Rez, 1,117 votes), Las Virgenes Municipal Water District (Dir. Peterson, 882 votes), Long Beach, (Dir. Hansen, 1,779 votes), Municipal Water District of Orange County (Ayes: Dirs. Foley, King, and Witt. Absent: Dir. Bannister. 9,139-1/2 votes), San Fernando (Dir. Rascon, 76 votes), San Marino (Dir. Morris, 203 votes), Santa Ana (Dir. Coughran, 1,049 votes), Three Valleys Municipal Water District (Dir. Barbosa, 2,589 votes), Torrance (Dir. Wright, 1,173 votes), Upper San Gabriel Valley Municipal Water District (Dirs. Fellow and Forbes, 3,712 votes), West Basin Municipal Water District (Ayes: Dirs. Barker, and Little. Absent: Dir. Murray. 6,493 votes), Western Municipal Water District of Riverside County (Dirs. Krieger and Mylne, 2,731 votes). Total 46,110-1/2 votes.

Noes: Anaheim (Dir. Stanton, 1,687 votes), Compton (Dir. Murph, 170 votes), Los Angeles (Noes: Dirs. Freeman, Herman, Moret, and Wein. Absent: Dirs. Kosmont and Luddy. 18,608 votes), Pasadena (Dir. Brick, 924 votes), San Diego County Water Authority (Dirs. Krauel, Lewis, Tinker, Turner, and Watton, 14,791 votes), Santa Monica (Dir. Abdo, 1,016 votes). Total 37,196 votes.

Abstains: Central Basin Municipal Water District (Dir. Pace, 2,923 votes), Municipal Water District of Orange County (Dir. Huntley, 3,046-1/2 votes). Total 5,969-1/2 votes.

Absent: Eastern Municipal Water District (Dir. Gilbert, 1,815 votes), Foothill Municipal Water District (Dir. O'Neil, 580 votes). Total 2,395 votes.

The Chair declared the motion carried by a vote of 46,110-1/2 ayes, 37,196 noes, 5,969-1/2 abstains, and 2,395 absent.

Directors Bannister and Luddy returned to the Meeting at 11:22 a.m.

43511 Director King reported that two months ago the Board authorized benefits for domestic partners but missing was the authorization to allow the Public Employees' Retirement System (PERS) to make this offer at the election of the members. Assembly Bill 107 basically authorizes the State local employees to elect to include within the definition of family members domestic partners who have submitted certificates of eligibility to the PERS board and require forms containing specific information to be filed under penalty of perjury. The action being requested today does not mandate Metropolitan to do this but it does permit Metropolitan to make this offer as the Board voted to do two months ago.

Director Moret therefore moved, seconded by Director Freeman, that the Board express support for Assembly Bill 107 (Knox and Villaraigosa), as set forth in the General Manager's letter dated March 26, 1999. Assembly Bill 107, if passed, will extend health benefits plan coverage to domestic partners.

A request was made for a roll call vote. The Chair called for a vote on the motion.

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

Ayes: Beverly Hills (Dir. Webster, 855 votes), Calleguas Municipal Water District (Dirs. Borenstein and Grandson, 3,554 votes), Coastal Municipal Water District (Dirs. McMurray and Owen, 2,904 votes), Glendale (Dir. Rez, 1,117 votes), Las Virgenes Municipal Water District (Dir. Peterson, 882 votes), Long Beach, (Dir. Hansen, 1,779 votes), Los Angeles (Ayes: Dirs. Freeman, Luddy, Moret, and Wein. Absent: Dir.

Kosmont. 14,887-1/5 votes), Municipal Water District of Orange County (Dir. King, 2,437-1/5 votes), Pasadena (Dir. Brick, 924 votes), San Diego County Water Authority (Dirs. Krauel, Lewis, Tinker, Turner, and Watton, 14,791 votes), San Fernando (Dir. Rascon, 76 votes), Santa Monica (Dir. Abdo, 1,016 votes), Torrance (Dir. Wright, 1,173 votes), Upper San Gabriel Valley Municipal Water District (Dirs. Fellow and Forbes, 3,712 votes), West Basin Municipal Water District (Ayes: Dirs. Barker and Little. Absent: Dir. Murray. 6,493 votes), Western Municipal Water District of Riverside County (Dirs. Krieger and Mylne, 2,731 votes). Total 59,331-2/5 votes.

Noes: Anaheim (Dir. Stanton, 1,687 votes), Burbank (Dir. Battey, 889 votes), Central Basin Municipal Water District (No: Dir. Morse. Absent: Dir. Treviño. 2,923 votes), Inland Empire Utilities Agency (No: Dir. Troxel. Absent: Dir. Koopman. 3,380 votes), Fullerton (Dir. Blake, 662 votes), Municipal Water District of Orange County (Dirs. Bannister, Foley, and Witt, 7,311-3/5 votes, San Marino (Dir. Morris, 203 votes). Total 17,055-3/5 votes.

Abstains: Central Basin Municipal Water District (Dir. Pace, 2,923 votes), Compton (Dir. Murph, 170 votes), Los Angeles (Dir. Herman, 3,721-4/5 votes), Municipal Water District of Orange County (Dir. Huntley, 2,437-1/5 votes), Santa Ana (Dir. Coughran, 1,049 votes), Three Valleys Municipal Water District (Dir. Barbosa, 2,589 votes). Total 12,890 votes.

Absent: Eastern Municipal Water District (Dir. Gilbert, 1,815 votes), Foothill Municipal Water District (Dir. O'Neil, 580 votes). Total 2,395 votes.

The Chair declared the motion carried by a vote of 59,331-2/5 ayes, 17,055-3/5 noes, 12,890 abstains, and 2,395 absent.

Director Murph withdrew from the Meeting at 11:45 a.m.

43512 Water Planning and Resources Committee Vice Chairman Wright moved, seconded by Director Morris and carried, and the Board (1) adopted the Salinity Management Policy attached to the General Manager's letter dated March 26, 1999; and (2) authorized the General Manager to (a) carry out the policy by implementing

the Salinity Management Action Plan attached to the foregoing letter, and (b) enter into a memorandum of understanding to initiate the Salinity Coalition described in the foregoing letter.

43513 Director Owen moved, seconded by Director Blake and carried, and the Board (1) approved the proposed timeline for developing and adopting additional Board policy regarding CALFED's Preferred Alternative, including scheduling a follow-up workshop in late April 1999; and (2) directed staff to prepare a series of Issue Papers that describe policy options for the Board on key issues related to the CALFED Preferred Alternative, as set forth in the General Manager's letter dated March 26, 1999.

43514 Director Morris moved, seconded by Director Wright and carried, adopting the Water Surplus and Drought Management Plan as set forth in the General Manager's letter dated March 26, 1999.

43515 To accomplish design and construction of chlorine containment and handling facilities at the Robert B. Diemer Filtration Plant, Director Morse moved, seconded by Director Coughran and carried, that the Board (1) authorize Appropriation No. 15346 in the amount of \$6,100,000 from the 1997 Revenue Bond Construction Fund, to finance all associated costs; (2) authorize the General Manager to have all work performed; (3) delegate to the General Manager the authority to award a lump-sum construction contract, in form approved by the General Counsel, and not to exceed \$3,350,000; and (4) determine that the project qualifies for Categorical Exemption under the California Environmental Quality Act, as set forth in the General Manager's letter dated March 19, 1999.

43516 Vice Chairman Brick moved, seconded by Director Blake and carried, and the Board (1) established a position of Assistant General Manager in the General Manger's Department; (2) approved a new job description for the Assistant General Manager; (3) approved the appointment of Joseph E. Tait to the position of Assistant General Manager, as set forth in the Acting General Manager's letter dated April 6, 1999. Upon approval by the Board, the appropriate Administrative Code sections shall be amended. General Counsel Taylor reported the effective date of

hire for Mr. Tait is April 19, 1999, and not April 12 as was stated in the letter.

43517 Vice Chairman Brick moved, seconded by Director Morris and carried, and the Board approved the following compensation and benefits for the new General Manager, Ronald R. Gastelum, as set forth in the Board Chairman's letter dated April 9, 1999, as follows:

- Base salary \$200,000 per annum, effective April 19, 1999
- District contribution of 7% of employee share of base for PERS
- Medical, dental, vision same as previous General Manager
- Three (3) weeks annual leave
- Sick, personal leave, and holidays as provided other executive Metropolitan employees
- Car allowance or appropriate District vehicle at the General Manager's option
- One(1) year salary for involuntary severance plus benefits
- Deferred compensation and life insurance benefits as provided other executive Metropolitan employees

43518 The following listed communications were submitted for the information of the Board:

- a. Letter of the General Manager dated March 19, 1999, reporting on the operating data for the month of February.
- b. Letter of the General Counsel dated March 30, 1999, transmitting the activity report of the Legal Department for the month of March.
- c. Letter of the Auditor dated March 29, 1999, transmitting the activity report of the Audit Department for the month of March.
- d. Letter of the General Manager dated March 15, 1999, transmitting the Executive Financial Summary for the month of February.

- e. Letter of the Auditor dated March 15, 1999, transmitting the Audited Cash Basis Financial Statements as of December 31, 1998, and the six months then ended.
- f. Letter of the General Manager dated March 26, 1999, explaining the service class rate differentials for treatment surcharge.
- g. Letter of the General Manager dated March 26, 1999, submitting the status report for the Eastside Reservoir Project for the month ending February 1999.
- h. Letter of the General Manager dated March 26, 1999, submitting the status report for the Inland Feeder Program for the month ending February 1999.
- i. Letter of the General Manager dated March 16, 1999, reporting on modifications to Environmental Compliance Division's current Health, Safety, & Environmental Auditing Program.
- j. Letter of the General Manager dated March 26, 1999, reporting on the status of Raymond Basin Groundwater Storage Program Development.
- k. Letter of the General Manager dated March 26, 1999, submitting a status report on the Colorado River Storage and Dry-Year Supply Program.
- l. Letter of the General Manager dated March 24, 1999, reporting on legislation regarding linkages between water supply availability and local land-use decisions.
- m. Letter of the General Manager dated March 25, 1999, reporting on Senate Bill 506 (Peace): Water Transfers.

43519 The following listed item was received as a pending item and will be discussed at a later date:

- a. 1999-2000 Proposed Annual Budget.

43520 There being no objection, Chairman Pace adjourned the Meeting at 11:58 a.m.

HELEN Z. HANSEN
SECRETARY

PHILLIP J. PACE
CHAIRMAN