

MINUTES
REGULAR MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
SEPTEMBER 12, 2000

44155 The Board of Directors of The Metropolitan Water District of Southern California met in 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, September 12, 2000.

The Meeting was called to order by Chairman Pace at 12:34 p.m.

44156 The Meeting was opened with an invocation by Director Kenneth H. Witt.

44157 The Pledge of Allegiance to the Flag was given, led by Director Wesley M. Bannister.

44158 Secretary Coughran called the roll. Those answering present were: Directors Abdo, Bannister, Barbosa, Barker, Battey, Blake, Brick, Castro, Coughran, Edwards, Fellow, Foley, Forbes, Grandsen, Harris, Hansen, Herman, Koopman, Krieger, Lewis, Little, Luddy, Mejia, Moret, Morris, Morse, Murray, Mylne, Owen, Pace, Parker, Record, Rez, Royce, Swan, Treviño, Turner, Watton, Wein, Witt, and Wright.

Those not answering were: Directors Borenstein, Freeman, Kosmont, Krauel, McMurray, Murph, Peterson, Stanton, Tinker, and Troxel.

The Chair declared a quorum present.

44159 Chairman Pace inquired if there were any additions to the agenda. Special Audit Committee Chairman Edwards advised, that subsequent to the posting of the agenda and because of the

closed session held at yesterday's Special Audit Committee meeting regarding the evaluation and performance of the General Auditor, he is requesting that this item be added to today's Board agenda to be held in closed session.

Director Blake moved, seconded by Director Edwards and carried by a unanimous vote, that this item be added to the agenda.

44160 Director Little presented a check for \$274,571.99 to Metropolitan for reimbursement of excess incentive payments to West Basin Municipal Water District in fiscal years 1996-97 and 1998-99 for the West Basin Desalter Project as determined by the annual reconciliation and recent audit under Metropolitan's Groundwater Recovery Program agreement.

44161 Chairman Pace invited members of the public to address the Board on matters within the Board's jurisdiction.

Ellen Stern Harris, Director Emeritus on Metropolitan's Board, stated it was a pleasure to be at today's meeting especially after hearing the discussion earlier on the Strategic Plan. She recalled how she was once concerned about the future of the Metropolitan Water District, but is now heartened by what is being done today. In telling Metropolitan's story to the community in Southern California, she suggested that Metropolitan should (a) keep its information on the website more up to date; (b) consider having 28-minute segments of interviews with staff, the General Manager, and the Directors on the government cable television access channel in every community in Southern California and Northern California; and (c) consider teleconferencing its meetings.

44162 There being no objection, the Chair ordered the reading of the Minutes of the Meetings held August 8, 21, and 22, 2000, dispensed with, copies having been mailed to each Director.

Director Morse moved, seconded by Director Lewis and carried, approving the foregoing Minutes as mailed.

44163 Chairman Pace reported on events in which he participated on behalf of Metropolitan, as follows: On August 25 he presented a check in the amount of \$35,000 from Metropolitan, as part of its Community Partnering Program, to the Urban Water

Institute to continue their efforts to educate their members and the public about water issues. Chairman Pace has been requested to serve on the Governor's Advisory Drought Planning Panel. The panel had its first meeting on August 30 in Sacramento, and was given the assignment to prepare a drought contingency plan and schedule to reduce the impacts of critical water shortages. The plan will identify all available resources, appropriate funding mechanisms, and CALFED agencies' commitment to facilitate transfers of water consistent with legal requirements. The panel will submit the plan to the Governor by December 2000.

Chairman Pace commented on the invitation by the Catfish Club in San Diego to Board Executive Officer Gilbert Ivey to speak at its luncheon on September 1 on water issues. The Chair announced the reception scheduled for October 16 to honor a "New Generation of Water Leaders", with special guest Congresswoman Grace F. Napolitano.

The Museum Feasibility Committee continues to meet with staff presenting a broad description of the master plan, budgeting components and schedule for the proposed museum. Discussions have included the role of the Master Developer, the pre-development schedule activities through December, the existing displays and exhibit inventory, and the scheduled museum site visit tours for Directors. Also discussed was the establishment of quarterly meetings between Metropolitan and the Western Center Community Foundation to clarify their expectations of their planned museum and Metropolitan's commitment.

44164 Strategic Plan Steering Committee Vice Chairman Brick commented on the preview of the rate structure that was presented at the Executive Committee earlier today pursuant to the framework that the Board approved in April. A detailed report on the rate structure, to include cost allocation formula, administrative implementation and billing issues associated with the rate structure changes, and the impact on each member agency will be given at a workshop on October 17.

44165 The Chair stated there were no new committee appointments.

44166 Director Blake moved, seconded by Director Forbes and carried, adjourning the Board Meeting of October 10 to October 17, 2000. Committee meetings will take place on October 16 and 17, 2000.

44167 Regarding the Colorado River matters, Bay-Delta and CALFED matters, and the General Manager's summary of District activities, General Manager Gastelum referred to his monthly activity report for August, signed September 7, 2000, and the Colorado River activity report for August, signed September 11, 2000, which were distributed earlier.

44168 General Counsel Walston referred to his activity report dated August 31, 2000, which was distributed earlier. Mr. Walston commented on the Defenders of Wildlife v. Babbitt case, where plaintiff states the Federal Endangered Species Act has extra-territorial application. Metropolitan has filed a motion to intervene in this case, and the motion is now pending before the court. It is expected that the motion will be opposed. Mr. Walston further reported on the Westlands Water District water rights application to the State Water Resources Control Board for the right to be treated as a county of origin and area of origin. There has not been a case like this presented to the courts in California. Metropolitan is reviewing the legal issues involved and the status of this matter. The Legal Department will closely monitor these two cases, and keep the Board apprised of their status.

44169 The reports of the Standing Committees are as follows:

On behalf of the Executive Committee, Chairman Pace reported all action items were approved. Senior Executive Assistant to the General Manager Dennis Underwood provided a detailed report on activities relating to the Quantification Settlement Agreement. On the Strategic Plan, staff made a presentation on the development of the proposed rate design. A closed session was held to resolve the conflict on Agenda Item 9-10 between the Legal and Claims and the Water Planning and Resources Committees. This item, relating to the CALFED Final Programmatic EIS/EIR, has been scheduled for resolution at a joint meeting of the Executive Committee and the Board on September 26.

Budget and Finance Committee Chairman Bannister reported there were no action items on the committee's agenda.

On behalf of the Engineering and Operations Committee, Director Morris reported that the five action items on the agenda were approved unanimously, with the exception of Agenda Item 9-3 that received a majority vote. Director Morris requested Agenda Items 9-1, 9-3, and 9-4 be added to the Consent Calendar.

Legal and Claims Committee Chairman Morse reported the committee approved the action items on its agenda, and requested Agenda Item 9-5 be added to the Consent Calendar. He stated Agenda Item 9-10 has been reported on by Chairman Pace from the Executive Committee.

Communications and Legislation Committee Vice Chair Abdo reported the committee heard the legislative reports from the Sacramento and Washington offices. In Sacramento, the Legislature adjourned on August 31. Bills that failed to pass included SB 2042, the CALFED governance bill, SB 1586 for CALFED funding, and all Metropolitan-related bills calling for an elected board, mandating contracts between Metropolitan and the member agencies, and the three wheeling bills. Senator Jim Costa is leading an effort during the fall legislative recess to identify potential issues for wheeling legislation next year. In Washington, Senator Feinstein's bill, S. 2977, will be presented to the Senate Energy and Natural Resources Subcommittee on Forests and Public Land Management at a hearing on September 13, where Committee Chair Peterson has been invited to testify on Metropolitan's behalf. Representative Doolittle has introduced a new bill authorizing \$60 million in fiscal year 2001 for CALFED. Congress is expected to adjourn around October 6.

Water Planning and Resources Committee Chairman Owen reported the committee heard Agenda Items 6Fb (Bay-Delta issues), 9-10 (CALFED Final Programmatic EIS/EIR), and 8d (State Water Project contract billings) in closed session, with no actions taken on Items 6Fb and 8d. Regarding Item 9-10, the committee moved that the General Counsel is to prepare and file a declaratory relief action before the statute of limitations expires on September 27, 2000; and that if the General Counsel determines another form of action better protects the interests of the District, he should discuss that proposed action with the Board at a special meeting or at a joint meeting of the Executive Committee and the Board on September 26, 2000. The report on dry-year transfers was deferred to October.

Director Blake moved, seconded by Director Foley and carried, adding Agenda Item 9-6 to the Consent Calendar.

Director Blake moved, seconded by Director Bannister and carried, and the Board approved the Consent Calendar Items, **M.I. 44170 through M.I. 44177**, as follows:

44170 Authorized the General Manager to amend (1) Agreement No. 4803 with Keith Companies, Inc. (formerly known as John Tettermer and Associates) by \$420,000, for a maximum agreement amount of \$2.887 million, to complete all construction support activities for the Lake Mathews Watershed-Drainage Water Quality Management Plan; and (2) Agreement No. 16504 with the County of Riverside Transportation Department by \$568,500, for a maximum agreement amount of \$626,500, for all construction support activities during the relocation of the Cajalco Road portion of the project, as set forth in the letter signed by the General Manager on August 28, 2000.

44171 Amended Agreement No. 30402 with Pressure Pipe Inspection Company to increase the contract amount by \$340,000, for a total contract amount of \$560,000, for a detailed analysis of the previously inspected 25-mile reach of the Second Lower Feeder, as well as inspection and analysis of an additional 5.4-mile reach; and the inspection and analysis of a 16-mile reach of the Sepulveda Feeder, as set forth in the letter signed by the General Manager on August 28, 2000.

44172 Authorized the General Counsel to amend the contract with Harkins Cunningham for an additional \$700,000 to complete negotiation of quantification issues and drafting of legal documents for California's share of Colorado River water, as set forth in the letter signed by the General Counsel on August 28, 2000.

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

44173 Regarding three Capital Investment Plan projects, the Board:

1. Authorized (a) \$1.05 million (Appropriation No. 15322, No. 2) from the Construction Funds, (b) the General Manager to have all work performed, and (c) delegated to the General Manager the authority to award contracts for the refurbishment of the East and West Washwater Tanks at the Diemer plant;

2. Authorized (a) \$352,000 (Appropriation No. 15357, No. 1) from the Pay-As-You-Go Fund, and (b) the General Manager to have all work performed to automate the sparger system in Modules 4, 5 and 6 at the Skinner plant;

3. Authorized (a) \$1.65 million (Appropriation No. 15358, No. 1) from the Construction Funds, and (b) delegated to the General Manager the authority to award contracts for the design and construction of two flow control facilities on the Orange County Feeder; and

4. Determined that the proposed projects qualify for Categorical Exemption under the California Environmental Quality Act (CEQA) in that they consist of the minor alteration of existing public facilities, involving no expansion of use beyond that currently existing (CEQA Section 15301, Class 1 Exemption), all as set forth in the letter signed by the General Manager on August 28, 2000.

44174 Authorized the General Manager to execute extra work orders in excess of five percent of contract value to the contractor of the Mentone Pipeline in an amount that in aggregate does not exceed \$6 million, as set forth in the General Manager's letter signed on September 5, 2000.

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

44175 Regarding construction of the Lake Mathews Outlet Facilities, the Board:

1. Authorized an increase in Appropriation No. 15277 (No. 3) by \$79.3 million to a total of \$92.2 million;

2. Awarded a construction contract to J. F. Shea Co., Inc., in the amount of \$44,293,773 to perform the construction of the Lake Mathews Outlet Facilities;

3. Amended the consulting contract with Jacobs Associates by \$1.35 million to a total of \$2.85 million to perform contractor submittal reviews, geologic interpretations, geotechnical instrumentation and monitoring, construction scheduling, grouting support, cofferdam construction support, technical support on blasting-related issues, and technical support for potential construction claims issues;

4. Amended the consulting contract with U.R.S. Greiner/Woodward-Clyde by \$100,000 to a total of \$700,000 to perform geologic mapping of the tunnel, junction shaft, and tower excavations, provide a geologist that is a certified diver to assist the resident engineer during the dredging of the

underwater approach, and provide geologic support throughout construction, as needed; and

5. Implemented contingency plan and delegated authority to the General Manager to approve and implement actions to provide water delivery reliability and award other construction contracts over \$250,000 for the contingency plan, all as set forth in the letter signed by the General Manager on August 29, 2000, with Item 5 revised by the Engineering and Operations Committee.

44176 Authorized settlement of Inland Feeder Project Eminent Domain Action entitled Metropolitan Water District of Southern California v. San Bernardino Valley Water Conservation District (Sunwest), Ventura County Superior Court Case No. CIV190813, as set forth in the confidential letter jointly signed by the General Counsel on August 17 and the General Manager on August 18, 2000.

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

44177 Authorized the General Manager to exercise discretion under Administrative Code Section 6101(k)(1) to enter into an agreement with AFSCME Local 1902 to approve a five-year Memorandum of Understanding with AFSCME from July 9, 2000 to June 30, 2005, as set forth in the letter signed by the General Manager on September 7, 2000.

44178 The following communications were submitted to the Board for information:

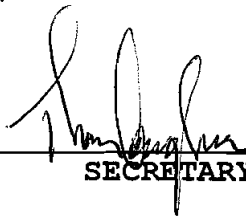
- a. Status report for the Diamond Valley Lake Project for the month ending July 2000, signed by the General Manager on August 28, 2000.
- b. Status report for the Inland Feeder Project for the month ending July 2000, signed by the General Manager on August 28, 2000.

44179 Director Brick announced a Board Water Quality Workshop is scheduled for September 23, 2000, from 8:00 a.m. to 1:30 p.m. at the Weymouth Water Quality Lab, and invited all Directors to attend.

44180 At 1:10 p.m. the Chair called the Meeting into closed session, pursuant to Government Code Section 54957, to conduct an evaluation performance of the General Auditor.

After performing the evaluation of the General Auditor, the Chair called the Meeting into open session at 1:34 p.m.

44181 At 1:35 p.m., there being no objection, Chairman Pace adjourned the Meeting to September 26, 2000.



SECRETARY



CHAIRMAN