

MINUTES

ADJOURNED REGULAR MEETING OF THE

BOARD OF DIRECTORS

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

NOVEMBER 14, 2000

**44221** 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, November 14, 2000.

The Meeting was called to order by Chairman Pace at 11:43 a.m.

**44222** The Meeting was opened with an invocation by Director Wyatt L. Troxel.

**44223** The Pledge of Allegiance to the Flag was given, led by Director George Wein.

**44224** Secretary Coughran called the roll. Those answering present were: Directors Abdo, Bannister, Barbosa, Barker, Battey, Blake, Brick, Coughran, Edwards, Fellow, Foley, Forbes, Grandsen, Harris, Herman, Kosmont, Lewis, Little, Luddy, McMurray, Mejia, Morris, Morse, Murray, Mylne, Pace, Parker, Record, Rez, Royce, Stanton, Swan, Tinker, Troxel, Turner, Wein, Witt, and Wright.

Those not answering were: Directors Borenstein, Castro, Freeman, Hansen, Koopman, Krauel, Krieger, Moret (entered 11:53 a.m.), Murph, Owen, Peterson (entered 11:53 a.m.), Treviño (entered 11:53 a.m.), and Watton.

The Chair declared a quorum present.

**44225** 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.

**44226** Chairman Pace invited members of the public to address the Board on matters within the Board's jurisdiction.

Eldon Hughes, member of the Sierra Club, commented on the Cadiz Groundwater Storage Program and urged the Board to extend the time for comments on the Supplemental Environmental Impact Statement for at least another ninety days.

**44227** There being no objection, the Chair ordered the reading of the Minutes of the Meetings for October 10 and 17, 2000, dispensed with, copies having been mailed to each Director.

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

Director Stanton requested to be recorded as abstaining.

**44228** Director Murray moved, seconded by Director Kosmont and carried, approving a thirty-day leave of absence for Director James Blake, commencing December 2, 2000.

**44229** Chairman Pace reported on events in which he participated on behalf of Metropolitan, as follows: On November 2 Metropolitan hosted a special event featuring a "New Generation of Latino Water Industry Leaders". The event began with a panel discussion on water quality and infrastructure with speakers Dr. David Hayes-Bautista, Director, UCLA Center for the Study of Latino Health; Dr. Ricardo de Leon, Metropolitan's Principal Microbiologist; and Francisco Ugalade, Reporter with KMEX-TV, Channel 34. A reception followed in which Jesse Silva, General Manager of Imperial Irrigation District; Pete Silva, Member of the State Resources Control Board; and Metropolitan's General Manager Ron Gastelum, were recognized for all their contributions to the water industry. The Chair attended the ACWA 2000 fall conference in Anaheim last week where their agenda included issues critical to the water community at the

federal and state level. On October 27 the Southern California Water Committee held its annual dinner and honored Mary Jane Forster for her dedicated service on the State Water Resources Control Board. The Chair announced the forthcoming retirement, after 33-1/2 years of service, of Tom Lovil, one of the inspection trip managers who has taken many Directors on their trips of the Colorado River and the State Water Project.

Directors Moret, Peterson, and Treviño took their seats at 11:53 a.m.

**44230** Strategic Plan Steering Committee Chairman Kosmont commented on the workshop held earlier today, and stated that a next scheduled session will be held on Tuesday, November 28, 2000, at 9:00 a.m. The purpose of the session is to bring back the materials requested from today's discussion and the answers imposed. At the next workshop, it is expected that some conclusions will be brought back on the outstanding issues and questions and for a rate structure action plan that can be ratified in December.

**44231** Chairman Pace reported there are no new committee appointments.

**44232** Director Blake moved, seconded by Director Stanton and carried, deferring the election of the Board Secretary and the three nonofficer members of the Executive Committee until the February 2001 Board Meeting, as set forth in the letter signed by Chairman Pace on October 24, 2000.

Board Secretary Coughran requested to be recorded as abstaining.

**44233** General Manager Gastelum requested Assistant General Counsel Kightlinger to give a report on the Colorado River matters. Mr. Kightlinger stated that the parties met with Deputy Secretary of the Interior Hayes at the ACWA conference and held three days of detailed negotiations among all the Colorado River agencies in California. The negotiations are not quite complete as there are a couple of outstanding issues yet to be resolved. A conference call is scheduled for next Wednesday in the hopes of completing this matter in the next couple of weeks. Regarding the environmental documentation for

this project, Imperial and San Diego have completed an administrative draft that they plan to have out for public circulation early next year. The various environmental documents needed for surplus criteria, as well as for the quantification settlement agreement, are in draft form and now out for public review, particularly on the interim surplus criteria, and the parties hope to have the interim surplus criteria complete by January.

Regarding the Bay-Delta and CALFED matters, and the summary of District activities, General Manager Gastelum referred to his monthly activity report for October, signed November 7, 2000, which was distributed earlier.

**44234** General Counsel Walston referred to his activity report dated November 7, 2000, which was distributed earlier. Mr. Walston reported that in the Planning and Conservation League, et al. v. California Department of Water Resources, et al. (the Monterey Amendment case), the Central Coast Water Agency and the Department of Water Resources have filed petitions for review in the State Supreme Court. It is expected that the Court will decide whether to review the case within the next 60 to 90 days.

Mr. Walston also stated that in the San Luis Coastal Unified School District v. City of Morro Bay case, the California Supreme Court denied the petition for review and the decision is now final. The Court of Appeal held that transferees (buyers of water) have the right to wheel water through public conveyance systems, not just sellers or transferors. According to the Court, the phraseology in the wheeling statute of a bonafide transferor applies equally to sellers and buyers, and both have the right to enter into wheeling arrangements.

In the Solid Waste Agency of Northern Cook County v. U.S. Army Corps of Engineers case, two weeks ago the U.S. Supreme Court heard oral arguments. That case raises the question whether the Army Corps of Engineers has jurisdiction under Section 404 of the Clean Water Act to regulate isolated wetlands or isolated ponds that are not really navigable. The Corps has asserted authority to regulate all waters in the country whether they are navigable or not. General Counsel

Walston felt that the Court was disturbed by the Corps' position and seemed likely to embrace the result that the Corps' jurisdiction only extends to waters that are navigable and not all waters as the Corps has asserted.

Mr. Walston announced that the next Member Agency Legal Counsel Dinner will be held on Thursday, November 16, 2000, starting at 5:30 p.m. The featured speaker will be Bill Kahrl, former member of the Editorial Board of the Sacramento Bee, and a distinguished commentator on California water issues.

**44235** The reports of the Standing Committees are as follows:

On behalf of the Executive Committee, Chairman Pace reported that the committee heard a report from Director Foley on the activities pertaining to the Colorado River Board, the Consent Calendar items passed with one abstention, and the postponement of the election for Board Secretary and three nonofficer members of the Executive Committee also passed with one abstention. On November 28 the Subcommittee on Rules will begin at 8:00 a.m. and the Strategic Plan Workshop at 9:00 a.m., with the other subcommittee meetings following.

Budget and Finance Committee Chairman Bannister reported there were no Consent Calendar Items, and Agenda Item 9-6 relating to the Cadiz Groundwater Storage Program was withdrawn. The committee heard a presentation on the review of Metropolitan's Treasury Operations and will continue the review and discussions at the December meeting.

Engineering and Operations Committee Vice Chairman Tinker reported the committee unanimously approved the Consent Calendar items. The committee also approved Agenda Item 9-1 and requested it be moved to the Consent Calendar. Agenda Item 9-7, ratifying award of a sole source urgent necessity contract, not to exceed \$125,000, to DeZurik International, was withdrawn from the agenda due to the previously approved authority of the General Manager and no Board approval is required at this time. The committee heard an extensive report on alternative contingency alignments for the Arrowhead Tunnels on the Inland Feeder Project. Staff is to complete a written report to be mailed to all Directors. This item will be further discussed at

the December committee meeting, with a decision by the Board at its January meeting.

Legal and Claims Committee Chairman Morse reported the committee had a healthy discussion on the State Water Resources Control Board's Phase 8 hearings, which will be continued at the December meeting. The committee unanimously approved the Consent Calendar item. Agenda Items 9-3 and 9-4 were also approved, with two opposing votes on Item 9-4. Director Morse requested that Agenda Items 9-3 and 9-4 be added to the Consent Calendar.

Communications and Legislation Committee Chairman Peterson reported the committee heard an update on federal legislative matters, including the election results and a discussion of bills signed recently, especially the federal cost sharing for Diamond Valley Lake educational facilities, which the President signed last Thursday, and funds for salinity control in the Colorado River basin, and the Desalination Research and Innovation Partnership (DRIP). There was also a report on potential state and federal legislation impacting Metropolitan. The staff also provided an outlook for state legislative proposals for potential sponsorship by Metropolitan on either water quality or reliability.

Water Planning and Resources Committee Vice Chairman Wright reported that at the public hearing on the Draft Regional Urban Water Management Plan for Metropolitan, comments from the public were received and noted. Additionally, Director Brick will be submitting his comments on the plan which staff will address prior to the plan's adoption in December. The committee unanimously approved Agenda Item 9-2 and Director Wright requested that Agenda Item 9-2 be added to the Consent Calendar. In the discussion on the State Water Resources Control Board's Phase 8 proceedings, the committee directed staff to calendar an item for the December meeting to address the introduction of water into the State Water Project aqueduct system and Metropolitan's Colorado River Aqueduct and distribution system.

Director Morris moved, seconded by Director Stanton and carried, and the Board approved the Consent Calendar Items, **M.I. 44236** through **M.I. 44246**, as follows:

**44236** The Board (1) authorized Appropriation No. 15360 in the amount of \$325,000 to finance the feasibility study, preliminary engineering, preparation of environmental documentation, and the preparation and submission to the Federal Energy Regulatory Commission of the application for a small conduit hydroelectric exemption; and (2) determined that pursuant to the California Environmental Quality Act (CEQA), the proposed action qualified for a Categorical Exemption (Class 6, Section 15306 of the State CEQA Guidelines), as set forth in the letter signed by the General Manager on October 24, 2000.

**44237** Authorized the General Counsel to amend the contract with Duncan, Weinberg, Genzer & Pembroke for an additional \$200,000 for legal advice and representation on electric industry restructuring matters, as set forth in the letter signed by the General Counsel on October 24, 2000.

**44238** In accordance with the negotiated labor agreements with Metropolitan's four bargaining units, the Board adopted **Resolution 8711** increasing Metropolitan's contributions to the medical plans maintained by Public Employees' Retirement System for employees and annuitants in classifications represented by these units, said changes to be effective January 1, 2001 through December 31, 2001, as set forth in the letter signed by the General Manager on October 24, 2000, said Resolution entitled:

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

**44239** Regarding two Capital Investment Plan projects, the Board:

1. Authorized (a) \$244,000 (Appropriation No. 15355, No. 2) from the Pay-As-You-Go Fund; (b) the General Manager to have all work performed to replace two existing domestic water system pumps at the Weymouth plant; and (c) determined that pursuant to the California Environmental Quality Act (CEQA), the proposed action qualified for a Categorical Exemption (Class 1, Section 15301 and Class 2, Section 15302 of the State CEQA Guidelines); and

2. Authorized (a) Appropriation No. 15352 in the amount of \$1.033 million from the Pay-As-You-Go Fund; (b) the General Manager to have all work performed for staged replacement of Accusonic flowmeter control units and installation of SCADA remote terminal units; (c) the General Manager to execute procurement contracts exceeding \$250,000; and (d) determined that pursuant to the CEQA, the proposed action for the purpose of procuring the flowmeters qualified for a Categorical Exemption (Class 1, Section 15301 of the State CEQA Guidelines), all as set forth in the letter signed by the General Manager on October 24, 2000.

**44240** The Board (a) certified that it has reviewed and considered the information contained in the Final Environmental Impact Report (FEIR) for the Annexation No. 63 project, and adopted the Lead Agency's findings related to the FEIR; (b) adopted **Resolution 8712** granting Calleguas Municipal Water District's request for consent of Annexation No. 63, concurrently to Metropolitan and Calleguas, by establishing Metropolitan's terms and conditions for this annexation; and (c) adopted **Resolution 8713** to impose water standby charges at a rate of \$9.58 per acre or per parcel of less than one acre within the proposed annexation, as set forth in the letter signed by the General Manager on October 19, 2000; said Resolutions entitled:

**Resolution 8712**                    **RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSENTING TO CALLEGUAS' ANNEXATION NO. 63 AND FIXING THE TERMS AND CONDITIONS OF SAID ANNEXATION TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**Resolution 8713**                    **RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA FIXING AND ADOPTING WATER STANDBY CHARGE CONTINGENT UPON CALLEGUAS ANNEXATION NO. 63**

**44241** The Board (a) certified that it has reviewed and considered the information contained in the Negative Declaration and adopted the Lead Agency's findings related to the



Declaration prior to reaching a decision on the 66<sup>th</sup> Fringe Annexation (formerly American Beauty Annexation); (b) adopted **Resolution 8714** granting Eastern Municipal Water District's request for consent of the 66<sup>th</sup> Fringe Annexation concurrently to Metropolitan and Eastern, by establishing Metropolitan's terms and conditions for this annexation; and (c) adopted **Resolution 8715** to impose water standby charges at a rate of \$6.94 per acre or per parcel of less than one acre within the proposed annexation, as set forth in the letter signed by the General Manager on October 19, 2000; said Resolutions entitled:

**Resolution 8714**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSENTING TO EASTERN'S 66<sup>TH</sup> FRINGE ANNEXATION (FORMERLY AMERICAN BEAUTY ANNEXATION) AND FIXING THE TERMS AND CONDITIONS OF SAID ANNEXATION TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**Resolution 8715**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA FIXING AND ADOPTING WATER STANDBY CHARGE CONTINGENT UPON 66<sup>TH</sup> FRINGE ANNEXATION TO EASTERN (FORMERLY AMERICAN BEAUTY ANNEXATION)**

**44242** The Board (a) certified that it has reviewed and considered the information contained in the Negative Declaration of Eastern Municipal Water District and the Exemption of Western Municipal Water District for the proposed actions; (b) approved Eastern's and Western's proposed Plans for Implementing Water Use Efficiency Guidelines; and (c) adopted **Resolutions 8716 and 8717**, respectively, granting Eastern's 65<sup>th</sup> Fringe Area and Western's 41<sup>st</sup> Fringe Area Annexation requests for approval of annexation, concurrently to Metropolitan, by establishing Metropolitan's terms and conditions for these annexations, as set forth in the letter signed by the General Manager on October 19, 2000; said Resolutions entitled:

**Resolution 8716**            **RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSENTING TO EASTERN'S 65<sup>TH</sup> FRINGE AREA ANNEXATION AND FIXING THE TERMS AND CONDITIONS OF SAID ANNEXATION TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**Resolution 8717**            **RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSENTING TO WESTERN'S 41<sup>ST</sup> FRINGE AREA ANNEXATION AND FIXING THE TERMS AND CONDITIONS OF SAID ANNEXATION TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

Director Mylne requested to be recorded as abstaining.

**44243**            The Board authorized (1) \$43.5 million (Appropriation No. 15173, No. 7) from the Construction Funds for the Jensen and Mills Oxidation Retrofit Program (ORP); (2) the General Manager to have all work performed as described in his letter signed on October 19, 2000; and (3) awarded a construction contract in the amount of \$28.947 million to Kiewit Pacific Co. for the construction of Oxygen/Ozone Facilities for the Mills plant ORP.

**44244**            Authorized the General Manager to amend the Main San Gabriel Basin Cyclic Storage Agreement as described in the letter signed by the General Manager on October 19, 2000.

**44245**            Approved amendment of contract for legal services of McCutchen, Doyle, Brown & Enersen, LLP, in Soboba Band of Mission Indians v. Metropolitan Water District, United States Central District Court Case No. 00-04208 GAF (MANx), as set forth in the confidential letter signed by the General Counsel on October 20, 2000.

**44246**            Authorized settlement in eminent domain action entitled Metropolitan Water District of Southern California v. Ruffen B. Kirkland, et al., San Bernardino County Superior Court Case No. SCVSS 61260, for the Inland Feeder Project, as set

forth in the confidential letters signed by the General Counsel on October 24 and supplemented on November 7, 2000.

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

**44247** The following communications were submitted to the Board for information:

- a. Status report for the Diamond Valley Lake Project for the month ending September 2000, signed by the General Manager on October 19, 2000.
- b. Status report for the Inland Feeder Project for the month ending September 2000, signed by the General Manager on October 24, 2000.

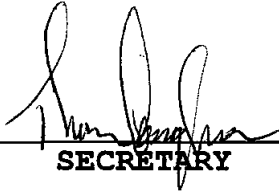
**44248** Chairman Pace reported the Museum Feasibility Committee will be developing a mission statement for the museum that will assist in the development of the theme, design criteria and theme. The Chair also reported he has designated five subcommittee chairs for the museum committee, as follows:

<u>Subcommittee</u>	<u>Chair(s)</u>
Architectural	Director Wein
Historical	Directors Morris and Brick
Member Agency Coordination	Directors Wright and Little
Landscaping	Director Grandsen
Museum Theme and Exhibits	Director Mylne

Additionally, the General Managers from the member agencies, Coachella Valley Water District, Imperial Irrigation District, and Palo Verde Water District will be included in a meeting to survey interest in participating in the development of the museum.

At the committee meeting, Allan Preston, interim Desert Facilities Manager, made a presentation on his development of the Metropolitan museum at Gene Headquarters. Mr. Preston suggested a letter be sent to all retirees asking for any artifacts they may have that could be included in exhibits at the museum.

44249 There being no objection, Chairman Pace adjourned the Meeting at 12:16 p.m.

  
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SECRETARY

  
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CHAIRMAN