



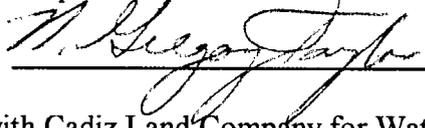
MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

SUPPLEMENTAL 8-6

July 14, 1998

To: Board of Directors (Water Planning and Resources Committee--Action)
(Budget and Finance Committee--Action)
(Engineering and Operations Committee--Action)

From: General Counsel 

Subject: Approve Principles of Agreement with Cadiz Land Company for Water Storage and Transfer Program and Authorize \$2,000,000 for Preparation of Environmental Documentation

REPORT

In response to comments and requests yesterday from Directors at the Engineering and Operations Committee and the Budget and Finance Committee meetings, staff is providing two clarifications to Board Letter 8-6 regarding the proposed program with the Cadiz Land Company:

1. The Principles of Agreement reflect the basic parameters of the program and provide a scope for environmental review. The Principles are not a legally binding document. In compliance with the California Environmental Quality Act, information regarding the program which is discovered during the environmental review phase of the program will be taken fully into account in analyzing the program and all information learned regarding the program will be reflected in the drafting of the final agreement and the terms of the Principles of Agreement may be adjusted accordingly.
2. Metropolitan will contract with a nationally recognized financial consultant to review the scope and structure of the final agreement to advise Metropolitan that the program is financially sound and fair to all parties in the context of a dry year water supply program.