

MINUTES
ADJOURNED REGULAR MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
NOVEMBER 19, 1991

39294 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 1111 Sunset Boulevard in the City of Los Angeles, State of California, on Tuesday, November 19, 1991.

The Meeting was called to order by Chairman Krieger at 12:45 p.m.

39295 The Meeting was opened with an invocation by Ronald E. Kennedy, Director, Information Services.

39296 The Pledge of Allegiance to the Flag was given, led by Director Ina S. Roth.

39297 Secretary Killefer called the roll. Those answering present were: Directors Barker, Blake, Boen, Brandt, Brick, Dunihue, Ferguson, Foley, Garcia, Goldsworthy, Hill, Ibbetson, Jones, Kazarian, Killefer, Knauft, Krieger, Kussman, Lowry, Mason, Maulding, McMurray, Miller, Milne, B. Morris, Reed, Rez, Roth, Scott, Shaw, Stamper, Stuart, Ward, Witt, and Wysbeek.

Those not answering were: Directors Abernethy, Brewer, Davenport, Gage (entered 1:38 p.m.), Griffen, Krauel, Kymila, Madigan, Malburg, J. Morris (entered 12:50 p.m.), Starkey, Stelle (entered 12:50 p.m.), Stickney, Turney-Murph, Watkins, and Young.

The Chair declared a quorum present.

39298 Chairman Krieger 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.

39299 Chairman Krieger invited members of the public to address the Board on matters within the Board's jurisdiction.

Directors J. Morris and Stelle took their seats at 12:50 p.m.

39300 Assemblyman Richard Katz addressed the Board, expressing his appreciation for the Board's expression of support for AB 2090, the bill he authored which, if enacted into law, would enable water transfers.

Vice Chairman Garcia commended Assemblyman Katz for his creative attempt to resolve some of the State's water problems as evidenced by AB 2090. She stated Metropolitan's Board is increasing its focus on utilizing the legislative process to develop water policy, statewide as well as nationally.

Director Stuart withdrew from the Meeting at 1:02 p.m.

Director Reed stated when the legislative session begins in January, she will set aside at least two days to be in Sacramento. Assemblyman Katz stated he will advise the Board of the specific dates when AB 2090 will be heard. In the meantime, he urged Directors to contact legislators in their district offices during November and December to inform them of the importance of AB 2090.

Chairman Krieger thanked Assemblyman Katz for taking the time to address the Board.

39301 Director Scott introduced Martin Sherman, senior advisor to the Minister of Agriculture of the State of Israel, the agency having jurisdiction over the water supply. Mr. Sherman advised that the State of Israel and the State of California face similar water problems and informed the Board of some of the efforts Israel is using to resolve these problems.

On behalf of the Board, Chairman Krieger expressed appreciation to Mr. Sherman for his presentation.

39302 There being no objection, the Chair ordered the reading of the Minutes of September 17, 24-26, and October 8, 1991, dispensed with, copies having been mailed to all Directors.

Director Blake moved, seconded by Director Knauft and carried, that the foregoing Minutes be approved as mailed.

39303 Chairman Krieger received and filed a Declaration from the Executive Secretary dated October 9, 1991, stating that she had posted the Notice of Adjournment of the Board of Directors Meeting of November 12, 1991, to November 19, 1991, at 12:30 p.m. in the Board room in the Building located at 1111 Sunset Boulevard, Los Angeles.

39304 Chairman Krieger presented to Vice Chairman Kenneth H. Witt a pin emblematic of his ten years of service on Metropolitan's Board representing Municipal Water District of Orange County since October 13, 1981.

39305 Director Blake moved, seconded by Director Mason and carried, granting the request of Director Starkey for a sixty-day leave of absence, commencing November 30, 1991.

39306 Vice Chairman Witt moved, seconded by Vice Chairman Garcia and carried, approving a Mission Statement, revised slightly from the statement in Chairman Krieger's letter dated November 5, 1991, which reads as follows:

**THE MISSION OF THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA IS TO PROVIDE ITS SERVICE AREA WITH
ADEQUATE SUPPLIES OF HIGH QUALITY WATER TO MEET PRESENT
AND FUTURE NEEDS IN AN ENVIRONMENTALLY AND ECONOMICALLY
RESPONSIBLE WAY**

Director Blake stated he wanted the record to reflect that the newly approved Mission Statement does not in any way conflict with the MWD Act.

39307 Chairman Krieger announced that during the California Water Policy Conference sponsored by the Local Governments Commission on Friday, November 8, Metropolitan received two awards in recognition of its water conservation, reclamation and management efforts and one for its joint efforts in this endeavor with Imperial Irrigation District.

Director Knauft moved, seconded by Director J. Morris and carried, and the Board approved the Consent Calendar Items, M.I. 39308 through M.I. 39316, as follows:

39308 Waived the two-appraisal requirement in Administrative Code Division VIII, Chapter 2, Article 1, Section 8200, and authorized the preparation and use of single fair market value appraisals of properties in Domenigoni

Valley required for and in connection with the Eastside Reservoir Project, and negotiated acquisition of such properties for values established thereby, as set forth in the General Manager's letter dated October 31, 1991.

39309 Authorized the General Manager, in the purchase of Parcels SDA-C-3-113 and SDA-C-3-101, 103, 104, and 120 for \$22,838, to pay thereon an additional sum in interest equal to the apportionment rate of earnings of the State Surplus Money Investment Fund, as if paid in accordance with California Code of Civil Procedure Sections 1268.310, 1268.350, and 1268.360, computed for each parcel from the date after which Metropolitan was authorized to take possession of such parcels in the case of The Metropolitan Water District of Southern California vs. George H. Dilworth, et al., Riverside Superior Court No. 199010, to the close of escrow, as set forth in the General Manager's letter dated October 25, 1991.

39310 Authorized the General Manager to issue extra work orders in an amount not to exceed \$51,000 to C. W. Roen Construction Company, the contractor constructing the Washwater Reclamation Plant Expansion at the F. E. Weymouth Filtration Plant, subject to the work orders being in form approved by the General Counsel, as set forth in the General Manager's letter dated November 1, 1991.

39311 Approved the recommendation of the General Counsel as set forth in his confidential letter dated October 28, 1991, in Shapell Industries, Inc., et al. v. MWD.

39312 Authorized the General Counsel to seek, if he deems necessary, intervention as a party in California Sportfishing Protection Alliance v. State Water Resources Control Board, et al., and to do all things necessary to protect Metropolitan's interest in this litigation, as set forth in the General Counsel's letter dated October 25, 1991.

39313 Agreed that all expenses incurred by or on behalf of Directors prior to January 1, 1990, shall be treated as having been incurred for a District purpose without requiring further documentation of such expenses, as set forth in the General Manager's letter dated October 14, 1991.

39314 Amended Sections 6200, 6324, 6532, 6762, 6765, 6766, 6767, 6768, 8119, 10103, and 10203 of the Administrative Code; and added Section 10105 to the Code, to read as set forth in Attachment A of the General Manager's letter dated November 13, 1991, to reflect changes in District practice,

conform with pertinent laws, or provide consistency with previously enacted Administrative Code sections.

39315 Amended various provisions of Article 6 of Chapter 7 of Division VI of the Administrative Code (commencing with Section 6780), effective January 1, 1992, to read as shown on Attachment A of the General Manager's letter dated October 31, 1991, regarding amendments to Savings Plan II.

39316 Approved a contribution of \$250,000 to State Water Contractors (SWC) for legal services of Best, Best & Krieger in the State Water Resources Control Board's (SWRCB) Bay/Delta Hearing and related proceedings (Audubon vs. SWRCB), in accordance with the allocation of costs agreed upon by Metropolitan's Board and the SWC Board of Directors and discussed in the report of the General Manager's letter dated November 5, 1991.

39317 Finance and Insurance Committee Chairman Knauff moved, seconded by Engineering and Operations Committee Chairman Boen and carried, authorizing Appropriation No. 636 in the amount of \$600,000 to finance all costs for purchase and other improvement for four homes near the Chemical Unloading Facility, and authorizing a change in the source of funding from the 1991 Construction Fund, as set forth in the General Manager's letter dated October 10, 1991, to the Pay-As-You-Go Fund.

Directors Hill and Kazarian requested to be recorded as voting no.

39318 Water Problems Committee Chairman Barker moved, seconded by Director Ward, approving (1) the Plans for Implementing Water Use Efficiency Guidelines for this proposed annexation; and (2) the informal concurrent annexation of Annexation No. 34 to Calleguas Municipal Water District and Metropolitan based on cash payment of the annexation charge of \$49,949.76, if completed in calendar year 1991, on the condition that a cash payment of such amount be received before completion of the annexation, subject to such terms and conditions as may be fixed by the Board in granting formal consent to such annexation when a request therefor has been received, as set forth in the General Manager's letter dated October 28, 1991.

Director Scott stated that, if it had been considered separately, he would have granted informal approval for the annexation of Parcel C since it is a hardship case.

The Chair called for a vote on the motion. The motion was voted upon and carried.

Directors Brandt, Brick, Garcia, Hill, Reed, Roth, Shaw, and Scott requested to be recorded as voting no.

Water Problems Committee Chairman Barker stated that in December, a recommendation will be submitted to the Board to defer further annexations to provide time to develop a new fee schedule.

Director Killefer withdrew from the Meeting at 1:37 p.m.

39319 Water Problems Committee Chairman Barker moved, seconded by Director Jones and carried, approving the recommendation of the Water Problems Committee, at its November 1991 meeting, directing the Executive Secretary to notify all member public agencies and interested parties who have requested to receive such notification that the Water Problems Committee, at its meeting on December 9, 1991, will provide an opportunity to interested parties to present their views to the committee on the potential discontinuance of service of surplus water, as recommended in the General Manager's letter dated November 5, 1991.

Director Gage took his seat at 1:38 p.m.

Directors Brick and Hill withdrew from the Meeting at 1:38 p.m.

39320 Water Problems Committee Chairman Barker moved, seconded by Director Ferguson and carried, approving the delay of monthly disincentive charges under the Incremental Interruption and Conservation Plan for the months of October, November, and December of 1991, until a reconciliation of firm water use can be completed in January 1992, as recommended in the General Manager's letter dated November 5, 1991.

Director Roth requested to be recorded as voting no.

Director Killefer returned to the Meeting at 1:40 p.m.

39321 Water Problems Committee Chairman Barker moved, seconded by Engineering and Operations Committee Chairman Boen and carried, authorizing the General Manager to enter into a Memorandum of Understanding with Castaic Lake Water Agency and Calleguas Municipal Water District for mutual assistance and

the sharing of water facilities and rights of way substantially along the terms outlined in the General Manager's letter dated November 5, 1991, subject to the Memorandum of Understanding being in form approved by the General Counsel.

Directors Miller and Ward requested to be recorded as abstaining.

39322 Finance and Insurance Committee Chairman Knauft moved, seconded by Engineering and Operations Committee Chairman Boen and carried, approving the recommendations contained in the General Manager's letter dated November 18, 1991, revised from his October 16, 1991 letter, authorizing Revision No. 1 to Appropriation No. 604 to increase funding by \$150,000 to a total of \$650,000 from the 1991 Construction Fund, to finance continuation of preliminary engineering studies and design work for a five million-gallon-a-day seawater desalination demonstration plant.

39323 Engineering and Operations Committee Chairman Boen moved, seconded by Director Blake and carried, authorizing the General Manager to issue an extra work order in an amount not to exceed \$160,000 to C. A. Rasmussen, Inc., the contractor performing the site preparation for the Jensen Plant Expansion No. 1, for furnishing and installing 108 pressure relief wells, as set forth in the General Manager's letter dated November 1, 1991, subject to the extra work order being in form approved by the General Counsel.

Directors Gage and Milne withdrew from the Meeting at 1:45 p.m.

39324 Engineering and Operations Committee Chairman Boen moved, seconded by Director Blake and carried, authorizing the General Manager to amend contracts with Vaughan's Industrial Repair Company, Inc., and Stockmar Industrial, Inc., to include Phase IX, deferred Phase VII work, and the minor modification and maintenance work; and to increase the maximum amount payable under both contracts to \$4.7 million, or an additional \$2 million to the total contract amount, as set forth in the General Manager's letter dated October 10, 1991.

Directors Gage and Hill returned to the Meeting at 1:46 p.m.

Director Kussman withdrew from the Meeting at 1:48 p.m.

39325 Vice Chairman Witt reported the Executive Committee separated the five-part recommendation contained in the General Manager's letter dated November 7, 1991 and, accordingly moved, seconded by Director Barker and carried, authorizing the General Manager to:

1. Proceed with plans and all work necessary to rehabilitate and maintain only the seven-story tower of the Los Angeles Headquarters Building facility to ensure the safety of our employees and members of the public at a capital cost not to exceed \$3.4 million plus minimal incidental expenses;

2. Maintain the Board Room and any ancillary facilities in the south wing of the Headquarters facility if feasible and as necessary for Directors' meeting purposes only, vacating the remaining portions of the south, east, and west wings of the Headquarters Building except for the basement area;

3. Amend the provisions of the existing WCT lease and obtain up to 100,000 gross square feet of additional space at a cost not to exceed \$2.5 million annually for District occupation at the earliest possible date, subject to the amendment being in form approved by the General Counsel; and

4. Amend the provisions of the existing San Dimas lease and obtain up to 25,000 gross square feet of additional space not to exceed approximately \$375,000 annually for District occupation at the earliest possible date, subject to the amendment being in form approved by the General Counsel.

39326 Vice Chairman Witt moved, seconded by Director Shaw, that the location of the proposed centralized Headquarters complex will be in the vicinity of downtown Los Angeles, the fifth recommendation set forth in the General Manager's letter dated November 7, 1991.

Director Barker pointed out that if the location of the proposed Headquarters complex was not limited to an area in the vicinity of downtown Los Angeles, there could be exceptional opportunities to acquire choice property within Metropolitan's service area due to the depressed economy.

Director Barker then moved, seconded by Director Boen, that this matter be tabled.

The Chair called for a roll call vote on the motion to table.

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

Ayes: Anaheim (Dir. Kazarian, 1,507 votes), Burbank (Dir. Stamper, 733 votes), Calleguas Municipal Water District (Dirs. Miller and Ward, 2,768 votes), Central Basin Municipal Water District (Aye: Dir. Ferguson. Absent: Dir. Malburg. 2,468.50 votes), Chino Basin Municipal Water District (Dirs. Dunihue and Hill, 2,795 votes), Eastern Municipal Water District (Dir. Boen, 1,696 votes), Foothill Municipal Water District (Dir. B. Morris, 430 votes), Glendale (Dir. Rez, 993 votes), Las Virgenes Municipal Water District (Dir. Stelle, 765 votes), Long Beach (Dir. Lowry, 1,758 votes), Municipal Water District of Orange County (Dir. Knauft, 3,480.33 votes), San Fernando (Dir. Wysbeek, 67 votes), San Marino (Dir. J. Morris, 154 votes), Santa Monica (Dir. Reed, 853 votes), West Basin Municipal Water District (Ayes: Dirs. Barker and Goldsworthy. Absent: Dir. Stuart. 5,874 votes), Western Municipal Water District of Riverside County (Dir. Krieger, 2,371 votes). Total 28,712.83 votes.

Noes: Beverly Hills (Dir. Roth, 846 votes), Central Basin Municipal Water District (Dir. Ibbetson, 2,468.50 votes), Coastal Municipal Water District (Dirs. Killefer and McMurray, 2,514 votes), Fullerton (Dir. Blake, 636 votes), Los Angeles (Noes: Dirs. Brandt, Gage, Garcia, Scott, and Shaw. Absent: Dirs. Abernethy, Kussman, and Watkins. 17,783 votes), Municipal Water District of Orange County (Noes: Dirs. Foley and Witt. Absent: Dirs. Davenport and Kymla. 6,960.67 votes), San Diego County Water Authority (No: Dir. Mason. Absent: Dirs. Griffen, Krauel, Madigan, Starkey, and Stickney. 12,389 votes), Upper San Gabriel Valley Municipal Water District (Dirs. Jones and Maulding, 3,037 votes). Total 46,634.17 votes.

Abstains: None.

Absent: Compton (Dir. Turney-Murph, 129 votes), Pasadena (Dir. Brick, 778 votes), Santa Ana (Dir. Young, 1,103 votes), Three Valleys Municipal Water District (Dir. Milne, 2,191 votes), Torrance (Dir. Brewer, 1,031 votes). Total 5,232 votes.

The Chair announced the motion to table failed by a vote of 28,712.83 ayes, to 46,634.17 noes.

Directors Brick and Milne returned to the Meeting at 1:52 p.m.

Director Maulding withdrew from the Meeting at 2:08 p.m.

Director Ibbetson offered a substitute motion, seconded by Director Ward, that staff be instructed to investigate all the options available on property located anywhere within our service area that will accommodate Metropolitan's needs.

Director Stamper asked for a definition of the area within the vicinity of Los Angeles, which Building Site Task Force Chairman Killefer described as the area within a five-mile radius of the Headquarters Building.

The Chair called for a roll call vote on the substitute motion.

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

Ayes: Anaheim (Dir. Kazarian, 1,507 votes), Burbank (Dir. Stamper, 733 votes), Calleguas Municipal Water District (Dir. Ward, 1,384 votes), Central Basin Municipal Water District (Ayes: Dirs. Ferguson and Ibbetson. Absent: Dir. Malburg. 4,937 votes), Chino Basin Municipal Water District (Dirs. Dunihue and Hill, 2,795 votes), Eastern Municipal Water District (Dir. Boen, 1,696 votes), Foothill Municipal Water District (Dir. B. Morris, 430 votes), Long Beach (Dir. Lowry, 1,758 votes), Municipal Water District of Orange County (Dir. Knauft, 3,480.33 votes), San Fernando (Dir. Wysbeek, 67 votes), San Marino (Dir. J. Morris, 154 votes), Santa Monica (Dir. Reed, 853 votes), Three Valleys Municipal Water District (Dir. Milne, 2,191 votes), West Basin Municipal Water District (Ayes: Dirs. Barker and Goldsworthy. Absent: Dir. Stuart. 5,874 votes), Western Municipal Water District of Riverside County (Dir. Krieger, 2,371 votes). Total 30,230.33 votes.

Noes: Beverly Hills (Dir. Roth, 846 votes), Calleguas Municipal Water District (Dir. Miller, 1,384 votes), Coastal Municipal Water District (Dirs. Killefer and McMurray, 2,514 votes), Fullerton (Dir. Blake, 636 votes), Glendale (Dir. Rez, 993 votes), Las Virgenes Municipal Water District (Dir. Stelle, 765 votes), Los Angeles (Noes: Dirs. Brandt, Gage, Garcia, Scott, and Shaw. Absent: Dirs. Abernethy, Kussman, and Watkins. 17,783 votes), Municipal Water District of Orange County (Noes: Dirs. Foley and Witt. Absent: Dirs. Davenport and Kymla. 6,960.67 votes), Pasadena (Dir. Brick, 778 votes), San Diego County Water Authority (No: Dir. Mason. Absent: Dirs. Griffen, Krauel, Madigan, Starkey, and Stickney. 12,389 votes), Upper San Gabriel Valley Municipal

Water District (No: Dir. Jones. Absent: Dir. Maulding. 3,037 votes). Total 48,085.67 votes.

Abstains: None.

Absent: Compton (Dir. Turney-Murph, 129 votes), Santa Ana (Dir. Young, 1,103 votes), Torrance (Dir. Brewer, 1,031 votes). Total 2,263 votes.

The Chair announced the substitute motion failed by a vote of 30,230.33 ayes to 48,085.67 noes.

Directors Milne and Rez withdrew from the Meeting at 2:14 p.m.

The Chair then called for a roll call vote on the original motion.

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

Ayes: Beverly Hills (Dir. Roth, 846 votes), Calleguas Municipal Water District (Dir. Miller, 1,384 votes), Coastal Municipal Water District (Dirs. Killefer and McMurray, 2,514 votes), Fullerton (Dir. Blake, 636 votes), Las Virgenes Municipal Water District (Dir. Stelle, 765 votes), Los Angeles (Ayes: Dirs. Brandt, Gage, Garcia, Scott, and Shaw. Absent: Dirs. Abernethy, Kussman, and Watkins. 17,783 votes), Municipal Water District of Orange County (Ayes: Dirs. Foley and Witt. Absent: Dirs. Davenport and Kymla. 6,960.67 votes), Pasadena (Dir. Brick, 778 votes), San Diego County Water Authority (Aye: Dir. Mason. Absent: Dirs. Griffen, Krauel, Madigan, Starkey, and Stickney. 12,389 votes), San Fernando (Dir. Wysbeek, 67 votes), Upper San Gabriel Valley Municipal Water District (Aye: Dir. Jones. Absent: Dir. Maulding. 3,037 votes), West Basin Municipal Water District (Ayes: Dirs. Barker and Goldsworthy. Absent: Dir. Stuart. 5,874 votes). Total 53,033.67 votes.

Noes: Anaheim (Dir. Kazarian, 1,507 votes), Burbank (Dir. Stamper, 733 votes), Calleguas Municipal Water District (Dir. Ward, 1,384 votes), Central Basin Municipal Water District (Noes: Dirs. Ferguson and Ibbetson. Absent: Dir. Malburg. 4,937 votes), Chino Basin Municipal Water District (Dirs. Dunihue and Hill, 2,795 votes), Eastern Municipal Water District (Dir. Boen, 1,696 votes), Foothill Municipal Water District (Dir. B. Morris, 430 votes), Long Beach (Dir. Lowry, 1,758 votes), Municipal Water District of Orange County (Dir. Knauft, 3,480.33 votes), San Marino (Dir. J. Morris, 154 votes), Santa Monica (Dir. Reed, 853 votes), Western Municipal

Water District of Riverside County (Dir. Krieger, 2,371 votes). Total 22,098.33 votes.

Abstains: None.

Absent: Compton (Dir. Turney-Murph, 129 votes), Glendale (Dir. Rez, 993 votes), Santa Ana (Dir. Young, 1,103 votes), Three Valleys Municipal Water District (Dir. Milne, 2,191 votes), Torrance (Dir. Brewer, 1,031 votes). Total 5,447 votes.

The Chair declared the original motion carried by a vote of 53,033.67 ayes to 22,098.33 noes.

Director Wysbeek withdrew from the Meeting at 2:16 p.m.

39327 Vice Chairman Witt announced that the Executive Committee deferred considering Item 8-10, the resolution requesting the Association of California Water Agencies to create an Urban Water Management Issues Section. General Manager Boronkay stated that in accordance with the action taken by the Executive Committee, he withdraws his letter dated November 13, 1991.

Director Mason stated that in view of the fact that this matter will be considered at the ACWA Conference Wednesday, November 20, the Board should act on this matter today.

Director Hill moved, seconded by Director Gage, that the Board adopt **Resolution 8340** attached to the General Manager's letter dated November 13, 1991, said resolution entitled:

RESOLUTION OF NOVEMBER 19, 1991 OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA REQUESTING CREATION OF AN URBAN WATER MANAGEMENT ISSUES SECTION OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES

Following a lengthy discussion, the motion was voted upon and carried.

Chairman Krieger and Vice Chairman Witt requested to be recorded as abstaining.

39328 Vice Chairman Witt announced that Agenda Item 8-11, the Water Transfer Policy Statement transmitted with the General Manager's letter dated November 5, 1991, was deferred by the Executive Committee.

Directors Brandt and Kazarian withdrew from the Meeting at 2:45 p.m.

39329 Assistant General Manager McGuire reported that final design of the tenant improvements at the WCT Building have been approved and that a contract has been awarded, maintaining the planned schedule for the move of the Engineering and Right of Way and Land Divisions in March.

Assistant Director of Finance Becker gave a presentation on Metropolitan's financial condition.

Assistant General Manager Balcerzak reported that Phase VIII of the Colorado River Pump Rehabilitation Program is essentially complete.

Director Blake requested a column be added to the water supply update fact sheet giving percentages of available storage capacity in the reservoirs.

Chief Engineer Snyder advised that the Garvey Reservoir Draft Environmental Impact Report is out for public review and that the comment period will end December 13. The organizational structure for the Eastside Reservoir design team is being developed and when additional information is available, a presentation will be made to the Board, he advised.

Assistant General Manager Georgeson reported on the discussions being held with the Palo Verde Irrigation District to initiate a land fallowing arrangement. During the fiscal years 1992-93 and 1993-94, 200,000 acre-feet of water could be made available to Metropolitan through this land fallowing arrangement, he said. The Board will be kept advised of the progress of these discussions, he said.

39330 General Manager Boronkay advised that the land fallowing program could add \$9 million to \$10 million to the cost of water for fiscal year 1992-93, but emphasized Metropolitan's stated goal of water reliability. He advised that the possibility of drafting Federal legislation to allow Metropolitan to purchase Central Valley Project water is being considered by Congress at this time.

Directors Miller and Ward withdrew from the Meeting at 3:00 p.m.

39331 General Counsel Vendig reported that the Legal Department is devoting considerable time and efforts to the preservation of available resources, which are being challenged in a number of proceedings.

Director Gage withdrew from the Meeting at 3:02 p.m.

39332 Director Reed urged Directors read the report transmitted with the General Manager's letter dated November 5, 1991, the Executive Summary of Regional Implementation Plan for Conservation Best Management Practices.

39333 The following listed communications were presented for the information of the Board:

- a. Reports of the General Manager
 - i. Activities for the month of October, dated October 31, 1991.
 - ii. Operating data for the month of September, dated October 25, 1991.
- b. Report of the General Counsel on the activities of the Legal Department for the month of October, dated October 31, 1991.
- c. Report of the Auditor on the activities of the Audit Department for the month of October, dated November 1, 1991.
- d. Letter of the General Manager dated October 28, 1991, transmitting the financial report for the month of September.
- e. Letter of the General Counsel dated October 31, 1991, reporting on firm revenue sources.
- f. Letter of the General Manager dated October 11, 1991, regarding compliance with fund requirements, bond indenture and commercial paper provisions.

- g. Letter of the Auditor dated October 17, 1991, transmitting the Comparative Financial Statements, as of June 30, 1991 and 1990, and Report of Independent Auditors.
- h. Letter of the General Counsel dated October 28, 1991, regarding CEQA compliance for the La Vina Annexation.
- i. Letter of the General Manager dated October 29, 1991, reporting on water supply update.
- j. Letter of the Auditor dated October 15, 1991, transmitting Cash Basis Financial Statements as of June 30, 1991, and Report of Independent Auditors.
- k. Letter of the General Manager dated October 31, 1991, regarding variance reporting for September 1991.
- l. Letter of General the Manager dated October 31, 1991, transmitting the annual statement of investment policy.
- m. Letter of the General Manager dated November 5, 1991, regarding merger of interruptible service and seasonal storage service.
- n. Letter of the General Manager dated November 7, 1991, regarding firm revenue source alternatives.
- o. Letter of the General Manager dated November 8, 1991, transmitting a draft framework of the Three-Way Agreement Process.
- p. Letter of the General Manager dated November 5, 1991, presenting an update on the Drought Water Bank.

39334 Finance and Insurance Committee Chairman Knauft announced a Special Meeting of the Finance and Insurance Committee is scheduled for December 19 at 9:30 a.m. to consider Metropolitan's financial problems, and urged all Directors to attend.

39335 Engineering and Operations Committee Chairman Boen urged all Directors to attend the Special Meeting of the Engineering and Operations Committee on Tuesday, December 17, at 9:30 a.m., to review the capital projects programs.

39336 Director Scott inquired if Metropolitan is involved in the low-level nuclear waste dump site in Ward Valley, which is located 13 miles from the Colorado River. Assistant General Manager Georgeson stated this matter will be investigated. Assistant General Manager Balcerzak advised that there has been a request to use Metropolitan's transmission line road to access the site.

Director Reed advised that the dump site will not be lined; is located very near the Colorado River; and cannot exist without easement rights being granted by Metropolitan. Consequently, she urged there be a thorough investigation of this dump site.

39337 Organization and Personnel Committee Chairman Stelle reported on the success of last night's orientation dinner, and urged Directors to mark their calendars for the December 9 orientation dinner.

39338 Organization and Personnel Committee Chairman Stelle announced that the Organization and Personnel Committee is proceeding with the development of a program that will assist in establishing goals and objectives within the committee's jurisdiction. Since this program will become district-wide, he urged all Directors to attend the meeting to be scheduled in the near future. Consultants from Price Waterhouse will be assisting in the preparation of goals and objectives statements. A notice will be sent to all Directors when a date for this special meeting has been selected.

39339 At 3:10 p.m., there being no objection, the Chair adjourned the Meeting to 12:30 p.m., December 10, 1991.



 SECRETARY



 CHAIRMAN