

APPROVED
by the Board of Directors of
The Metropolitan Water District
of Southern California
at its meeting held

FEB 11 1992


EXECUTIVE SECRETARY

MINUTES

ADJOURNED REGULAR MEETING OF THE
BOARD OF DIRECTORS

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

DECEMBER 10, 1991

39340 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, December 10, 1991.

The Meeting was called to order by Chairman Krieger at 12:55 p.m.

39341 The Meeting was opened with an invocation by Ronald E. Kennedy, Director, Information Services.

39342 The Pledge of Allegiance to the Flag was given, led by Director A. Macneil Stelle.

39343 Secretary Killefer called the roll. Those answering present were: Directors Abernethy, Barker, Blake, Boen, Brandt, Brewer, Brick, Davenport, Dunihue, Foley, Garcia, Goldsworthy, Griffen, Hill, Jones, Kazarian, Killefer, Knauft, Krauel, Krieger, Kussman, Kymla, Lowry, Madigan, Malburg, Mason, Maulding, McMurray, Miller, Milne, J. Morris, Reed, Rez, Roth, Scott, Shaw, Stamper, Stelle, Stickney, Stuart, Turney-Murph, Ward, Witt, and Wysbeek.

Those not answering were: Directors Ferguson, Gage, Ibbetson, Starkey, Watkins, and Young.

The Chair declared a quorum present.

39344 The Board observed a moment of silence in honor of the memory of late Director Brooks T. Morris, who was Foothill Municipal Water District's representative on Metropolitan's Board since 1990.

39345 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.

39346 Chairman Krieger announced that Assemblyman Richard Polanco is in attendance and invited him to address the Board.

Directors Killefer and Ward withdrew from the Meeting at 1:16 p.m.

Assemblyman Polanco expressed his concerns as stated in his December 10, 1991, written statement, requesting an explanation of Metropolitan's (1) financial reporting, and (2) lobbying activities. Assemblyman Polanco advised that he is drafting legislation, to be known as the MWD Reform Act, which would require more stringent accountability by Metropolitan.

Chairman Krieger stated for the record that her financial relationship with the firm of Best, Best & Krieger had been severed in 1976, prior to her being seated as a Director on Metropolitan's Board.

Directors Killefer and Ward returned to the Meeting at 1:26 p.m.

Jules Kimmett, Chairman, Concerned Citizens of Burbank, inquired about the current status of the relocation; and strongly urged that water rates not be increased since the consumer has diligently conserved water through these critically dry years.

Michael A. Nolan, resident in the City of Burbank and former Metropolitan Director, suggested the Board carefully review the Arvin-Edison Water Storage Interim Agreements being recommended, Agenda Item 8-1; pointing out that during this continuing critical water shortage period, storing water within Metropolitan's service area is preferable, and urged the Board allow the agreements to lapse. He advised that the 120,000 acre-feet of water to be stored under this agreement would be deducted from Metropolitan's State water entitlement.

39347 The Chair announced that consideration of the November 19, 1991, Minutes will be deferred.

39348 Chairman Krieger received and filed a Declaration from the Executive Secretary dated November 20, 1991, stating that she had posted the Notice of Adjournment of the Board of Directors Meeting of December 10, 1991, at 11:00 a.m. to December 10, 1991, at 12:30 p.m.

39349 Chairman Krieger presented to Director Doude Wysbeek a pin emblematic of his completion on December 9, 1991, of five years of service representing the City of San Fernando on Metropolitan's Board.

Directors Brandt and Scott withdrew from the Meeting at 1:43 p.m.

39350 Vice Chairman Witt moved, seconded by Director John T. Morris and carried, authorizing the preparation of a Memorial Resolution for the late Director Brooks T. Morris who had represented Foothill Municipal Water District on Metropolitan's Board since 1990.

39351 Chairman Krieger announced that Vice Chairman Kenneth H. Witt has been elected President of the Association of California Water Agencies.

39352 Director Mason reported that the Association of California Water Agencies did create the Urban Water Management Issues Section as requested by Metropolitan's Resolution 8340 adopted by the Board at its November 19, 1991 Meeting (M.I. 39327).

Director Scott returned to the Meeting at 1:45 p.m.

Director Kymla withdrew from the Meeting at 1:45 p.m.

39353 Special Nominating Committee Chairman Knauft submitted the committee's nomination, by a unanimous vote, of Director Marilyn L. Garcia to be reelected to serve as Vice Chairman for a second two-year term.

The Chair called for other nominations from the floor.

There being no other nominations from the floor, Director Kussman moved, seconded by Director Scott and carried, that the nominations be closed and that the Secretary

record Marilyn L. Garcia has been elected to serve as Vice Chairman for a second two-year term, commencing January 1, 1992.

39354 Special Nominating Committee Chairman Knauft submitted the committee's nomination, by a unanimous vote, of Directors Kussman, Roth, and Turney-Murph to be reelected to serve as nonofficer members of the Executive Committee, each for a two-year term beginning January 1, 1992.

The Chair called for other nominations from the floor.

There being no other nominations from the floor, Director Knauft moved, seconded by Director Barker and carried, that the nominations be closed and that the Secretary record Directors Kussman, Roth, and Turney Murph have been reelected to serve as nonofficer members of the Executive Committee each for a two-year term beginning January 1, 1992.

Director Brandt returned to the Meeting at 1:48 p.m.

Director Knauft moved, seconded by Director Blake and carried, and the Board approved the Consent Calendar Items, M.I. 39355 through M.I. 39362, as follows:

39355 Authorized the General Manager, in the purchase of Parcels 1607-2-3 and 1607-2-4 for \$187,750, to pay interest equal to the apportionment rate of earnings of the State Surplus Money Investment Fund, computed for each parcel from the date after which the District was authorized to take possession of such parcels in the case of The Metropolitan Water District of Southern California vs. Carl G. Loos, et al., San Bernardino Superior Court No. RCV052625, to the close of escrow; and amended Administrative Code Section 8200 by adding the sentence to subdivision (b)(4) thereof as shown in the Attachment to the General Manager's letter dated November 25, 1991.

39356 Authorized the General Counsel to execute contracts with O'Melveny and Myers, Robinson and Pearman, and Grant and Duncan for services as special counsel on financial matters, substantially as described in the General Counsel's letter dated November 15, 1991.

39357 Adopted two Resolutions in the form transmitted with the General Manager's letter dated November 19, 1991, providing in substance that the District elects to be allocated that additional portion of revenue from taxes levied

on redevelopment property which is attributable to either or both of the following: (1) any increase in the District's base year tax rate applied to incremental assessed value of project property, and (2) that portion of the increase in assessed valuation attributable to the annual inflation adjustment applied to the base year tax rate on the following specific redevelopment projects:

Resolution 8341 Los Altos Redevelopment Project, City of Long Beach

Resolution 8342 Central Imperial Redevelopment Project, City of San Diego

each Resolution entitled:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA ELECTING TO RECEIVE ALLOCATION OF TAXES PURSUANT TO PROVISIONS OF THE COMMUNITY REDEVELOPMENT LAW

39358 Amended the Administrative Code to (1) renumber Articles 8 and 9 of Chapter 5 of Division II to Articles 9 and 10, respectively; (2) renumber Section 2570 as 2580; (3) add new Article 8 to Chapter 5 of Division II; and (4) amend Sections 2441, 6329, and 6450, all to read as set forth in Attachment A to the General Manager's letter dated November 21, 1991, relating to the establishment of a Special Audit Committee.

39359 Amended Section 6329(c)(1) of the Administrative Code to read in accordance with Attachment A to the General Counsel's letter dated November 25, 1991, regarding expense regulation.

39360 Amended Section 6756 of the Administrative Code, effective upon adoption, to read as shown on Attachment A to the General Counsel's letter dated November 25, 1991, regarding the 1983 Deferred Compensation Plan.

39361 Approved the systematic approach to evaluating Department Head performance; and adopted the new Department Head Performance Evaluation System, as set forth in the attachment to the Organization and Personnel Committee Chairman's letter dated November 7, 1991.

39362 Authorized the General Manager to pay the District's 1991-92 dues of \$3,512 to the Utilities Telecommunications Council (representing an increase of \$1,335), as set forth in the General Manager's letter dated November 25, 1991.

Directors Davenport, Killefer, and Ward requested to be recorded as voting no.

Director Madigan withdrew from the Meeting at 1:50 p.m.

39363 Engineering and Operations Committee Chairman Boen moved, seconded by Water Problems Committee Chairman Barker and carried, and (1) the Board reviewed and considered the EIR for the Irvine Desalter Project, and found that any changes and alterations are within the responsibility of another agency as depicted in the Orange County Water District resolution approving this project, and adopted the Incorporated Statement of Overriding Considerations; and (2) authorized the General Manager to execute an agreement with Irvine Ranch Water District, Orange County Water District, and Municipal Water District of Orange County to implement the Irvine Desalter Project, said agreement to be consistent with the major terms and conditions in the General Manager's letter dated November 26, 1991, subject to the agreement being in form approved by the General Counsel.

Directors Davenport, Morris, and Witt requested to be recorded as abstaining.

39364 Engineering and Operations Committee Chairman Boen moved, seconded by Water Problems Committee Chairman Barker and carried, and (1) the Board reviewed and considered the Initial Study and Negative Declaration for the Oceanside Desalter Project, and found that any changes and alterations are within the responsibility of another agency; and (2) authorized the General Manager to execute an agreement with the San Diego County Water Authority and the City of Oceanside to implement the Oceanside Desalter Project, said agreement to be consistent with the major terms and conditions in the General Manager's letter dated November 26, 1991, subject to the agreement being in form approved by the General Counsel.

Directors Griffen, Krauel, Mason, and Stickney requested to be recorded as abstaining.

39365 Engineering and Operations Committee Chairman Boen moved, seconded by Water Problems Committee Chairman Barker and carried, and (1) the Board reviewed and considered the Initial Study and Negative Declaration for the Tustin Desalter Project, and found that any changes and alterations are within the responsibility of another agency; and (2) authorized the General Manager to execute an agreement with the City of Tustin, Orange County Water District, and Municipal Water District of Orange County to implement the Tustin Desalter Project, said agreement to be consistent with the major terms and conditions in the General Manager's letter dated November 26, 1991, subject to the agreement being in form approved by the General Counsel.

Directors Davenport and Witt requested to be recorded as abstaining.

39366 Water Problems Committee Chairman Barker moved, seconded by Director Boen and carried, and the Board (1) consider the environmental effects of the proposed annexation as shown on the Negative Declaration prior to reaching a decision on this action; and (2) adopted **Resolution 8343** transmitted with the General Manager's letter dated November 21, 1991, granting Eastern Municipal Water District's request for consent to the concurrent annexation of Fifty-First Fringe Area Annexation to Eastern and Metropolitan, and fixing Metropolitan's terms and conditions for the annexation, including a cash payment of \$38,318.40, if completed in calendar year 1991, with the Resolution to include Metropolitan's standard provisions, said Resolution entitled:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSENTING TO THE ANNEXATION OF FIFTY-FIRST FRINGE AREA UPON CONCURRENT ANNEXATION TO EASTERN MUNICIPAL WATER DISTRICT AND FIXING THE TERMS AND CONDITIONS OF SAID ANNEXATION TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Directors Reed and Roth requested to be recorded as voting no.

Director Kymla returned to the Meeting at 1:55 p.m.

39367 Water Problems Committee Chairman Barker moved, seconded by Director Boen and carried, and the Board (1) considered the environmental effects of the proposed annexation as shown on the Negative Declaration prior to reaching a decision on this action; and (2) adopted **Resolution 8344** transmitted with the General Manager's letter dated

November 21, 1991, granting Eastern Municipal Water District's request for consent to the concurrent annexation of Fifty-Second Fringe Area Annexation to Eastern and Metropolitan, and fixing Metropolitan's terms and conditions for the annexation, including a cash payment of \$697,686.72, if completed by June 30, 1992, with the Resolution to include Metropolitan's standard provisions, said Resolution entitled:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSENTING TO THE ANNEXATION OF FIFTY-SECOND FRINGE AREA UPON CONCURRENT ANNEXATION TO EASTERN MUNICIPAL WATER DISTRICT AND FIXING THE TERMS AND CONDITIONS OF SAID ANNEXATION TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Directors Reed and Roth requested to be recorded as voting no.

Director Kymila requested to be recorded as abstaining.

39368 Water Problems Committee Chairman Barker moved, seconded by Engineering and Operations Committee Chairman Boen, that the General Manager be authorized to execute interim agreements with the Arvin-Edison Water Storage District and the Cross Valley Canal Exchangors for the storage and recovery of water after December 31, 1991, based upon the terms described in the General Manager's letter dated November 26, 1991, subject to the agreements being in form approved by the General Counsel.

Director Roth requested staff respond to the concerns expressed by former Director Nolan in connection with these interim agreements. Assistant General Manager Georgeson advised that Mr. Nolan's statement that the State Water Project Office will not approve water deliveries to Arvin-Edison is a temporary situation, pending a determination that there will be no adverse impact to any of the other State Water Contractors. Mr. Georgeson explained that having the authority to store water in Arvin-Edison will be useful and used only if the water situation improves in 1992, and if it does not reduce the water available for storage within Metropolitan's service area.

Director Reed expressed her continuing concern about this agreement, reemphasizing her position that it is unwise to enter into a water storage agreement with a contractor dependent on the Central Valley Project, a project which would not be under the control of the State.

Directors Dunihue, Hill, and Milne withdrew from the Meeting at 1:59 p.m.

Director Davenport asked if it is possible for Metropolitan to store water in Arvin-Edison before the Environmental Impact Report is completed. Assistant General Manager Georgeson advised the environmental documentation will be completed prior to entering into the long-term agreement. However, he said, entering into one-year water storage agreements is allowed without an EIR. If calendar year 1992 proves to be a wet year, and the Board approves entering into the interim agreements, Metropolitan would then be in a position to store from 10- to 30,000 acre-feet of water for recovery in 1993 or 1994.

Director Madigan asked (1) in actuality, is Metropolitan ever going to be able to recover water from this reservoir during our time of need; and (2) is it appropriate to have Arvin-Edison start to share some of the financial burdens presently borne solely by Metropolitan since Arvin-Edison is the beneficiary of this facility. State Water Project and Conservation Director Quinn answered that the benefit to Arvin-Edison from the interim agreement is minimal. Under the long-term agreement, he said, which would include constructing a facility, Arvin-Edison will be sharing costs. The agreements with Arvin-Edison, he said, will enable Metropolitan to capture and store surplus water which now drains into the Bay.

Director Scott suggested Directors should be provided with an executive summary on the water storage arrangement with Arvin-Edison citing benefits, risks, and viability before the Board acts on this matter.

Assistant General Manager Georgeson assured Director Stickney that the Board would be advised that water is available for storage in Arvin-Edison before actually delivering water for storage. Mr. Georgeson stated that Metropolitan's first priority is to store water within its service area.

Director Blake asked how much money has Metropolitan spent to date in connection with this water storage arrangement. State Water Project and Conservation Director Quinn said the significant cost to date has been for the engineering studies for which the Board approved less than \$2 million. Including staff time, the dollar figure would be in excess of \$2 million. Director Blake pointed out that it is anticipated about \$2 million will be spent for acreage for use

as a spreading basin, but that Metropolitan will not own the land. Mr. Quinn advised that until the Board has certified its review of the EIR, and authorized the General Manager to enter into a long-term agreement, no money is going to be spent in this connection. Mr. Quinn stated that when the agreement has been approved by the Board, Metropolitan will pay for the capital costs, and that the operating costs will be shared on an 80/20 percent basis between Metropolitan and Arvin-Edison, contingent upon the method used for delivery of the storage water. Mr. Quinn further explained that due to restrictions in the State Water Project system, a quantity of Metropolitan's entitlement water cannot be delivered to Metropolitan. That quantity of water could be stored in Arvin-Edison. Further, he explained that there is the additional benefit to Metropolitan in having the management capability to store 12(d) water in Arvin-Edison.

Director Blake concurred with the request by Director Scott that additional information on the Arvin-Edison Water Storage agreements be furnished to the Board prior to further action being taken.

Directors Griffen, Kazarian, Krauel, and Stickney withdrew from the Meeting at 2:15 p.m.

Director Turney-Murph pointed out the possible difficulties in getting delivery of water stored in Arvin-Edison during times of extended drought.

General Manager Boronkay stated that to provide the Board with additional time to evaluate the agreements, this item will be deferred to the January 1992 Board Meeting. Mr. Boronkay stated that water to be stored in Arvin-Edison is water Metropolitan would not otherwise be able to have delivered.

Director Reed requested that included in the additional information to be provided to the Board should be a comparison between the existing Central Valley Project contracts and the changed conditions from pending legislation, which could be a dramatic change from those conditions existing in 1986 when the water storage agreement with Arvin-Edison was originally conceived.

Director Mason withdrew from the Meeting at 2:18 p.m.

Director Blake offered a substitute motion, seconded by Director Reed, that this matter be deferred for one month.

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

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

Ayes: Burbank (Dir. Stamper, 733 votes), Central Basin Municipal Water District (Ayes: Dir. Malburg. Absent: Dirs. Ferguson and Ibbetson. 4,937 votes), Compton (Dir. Turney-Murph, 129 votes), Fullerton (Dir. Blake, 636 votes), Los Angeles (Ayes: Dirs. Abernethy, Brandt, Garcia, Kussman, Scott, and Shaw. Absent: Dirs. Gage and Watkins. 17,783 votes), Municipal Water District of Orange County (Dirs. Davenport, Foley, Knauff, and Witt, 8,352.80 votes), Pasadena (Dir. Brick, 778 votes), San Diego County Water Authority (Ayes: Dir. Madigan. Absent: Dirs. Griffen, Krauel, Mason, Starkey, and Stickney. 12,389 votes), Santa Monica (Dir. Reed, 853 votes), Torrance (Dir. Brewer, 1,031 votes). Total 47,621.80 votes.

Noes: Beverly Hills (Dir. Roth, 846 votes), Calleguas Municipal Water District (Dirs. Miller and Ward, 2,768 votes), Coastal Municipal Water District (Dirs. Killefer and McMurray, 2,514 votes), Eastern Municipal Water District (Dir. Boen, 1,696 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. Kymla, 2,088.20 votes), San Fernando (Dir. Wysbeek, 67 votes), San Marino (Dir. J. Morris, 154 votes), Upper San Gabriel Valley Municipal Water District (Dirs. Jones and Maulding, 3,037 votes), West Basin Municipal Water District (Dirs. Barker, goldsworthy, and Stuart, 5,874 votes), Western Municipal Water District of Riverside County (Dir. Krieger, 2,371 votes). Total 24,931.30 votes.

Abstains: None.

Absent: Anaheim (Dir. Kazarian, 1,507 votes), Chino Basin Municipal Water District (Dirs. Dunihue and Hill, 2,795 votes), Santa Ana (Dir. Young, 1,103 votes), Three Valleys Municipal Water District (Dir. Milne, 2,191 votes). Total 7,596 votes.

Not Represented: Foothill Municipal Water District, 430 votes. Total 430 votes.

The Chair announced the substitute motion carried by a vote of 47,621.80 ayes, to 24,931.20 noes.

Director Scott urged staff to deliver the requested analysis to all Directors well in advance of the January Meeting, to allow sufficient time for a thorough review.

Director Stelle suggested that, as part of the recommendation to be presented to the Board at its January Meeting, there be a reference to the recently adopted Mission Statement.

Director Foley requested that, as a part of the forthcoming analysis, there be an explanation of Metropolitan's ability to withdraw this stored water.

39369 Finance and Insurance Committee Chairman Knauff moved, seconded by Director Blake and carried, approving a revision to the recommendation as set forth in the General Manager's letter dated November 26, 1991, thereby authorizing the General Manager to, under protest, approve and make all payments he determines to be due and payable under the terms of the State Water Service and Devil Canyon-Castaic Contracts for the 1992 calendar year.

Vice Chairman Garcia explained that the Finance and Insurance Committee revised the recommendation set forth in the foregoing letter of the General Manager to approve payment under protest as a means of documenting Metropolitan's position that, due to the lack of State Water Project facilities, delivery to Metropolitan of its full entitlement is not possible.

Director Kymla suggested that due to the inability of the State to fulfill its contractual obligation to Metropolitan, arrangements should be made with the Department of Water Resources whereby Metropolitan receives a credit approximating \$50 million, to be applied to this year's budget. If the Board supports his position, staff will then be in a position to discuss with the Department of Water Resources the need to accelerate the construction of facilities, such as Los Banos Grandes.

Director Brewer suggested that any monies received from the State, as suggested by Director Kymla, be deposited into a reserve fund to be used during the next fiscal year instead of applied to the current budget.

39370 Water Problems Committee Chairman Barker moved, seconded by Finance and Insurance Committee Chairman Knauff and carried, and the Board (1) found that the rescission of the five-dollar per acre-foot reduction provided by Administrative Code Section 4401(b) constitutes a restructuring of rates which are being utilized to meet operating expenses, purchase or lease supplies, equipment or materials, meet financial reserve needs and requirements, and obtain funds for capital projects necessary to meet service within existing service areas; and (2) repealed paragraph (b) of Section 4401 of the Administrative Code, as set forth in the General Manager's letter dated November 14, 1991.

Director Knauff withdrew from the Meeting at 2:40 p.m.

39371 Water Problems Committee Chairman Barker moved, seconded by Director Boen and carried, adopting by a unanimous vote, representing more than the required two-thirds vote, Resolution 8345 transmitted with the General Manager's letter dated November 26, 1991, thereby giving notice of the potential discontinuance of service of surplus water effective January 1, 1993, said Resolution entitled:

**RESOLUTION OF DECEMBER 10, 1991 OF THE BOARD OF DIRECTORS
OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
DIRECTING THE GIVING OF NOTICE OF POTENTIAL
DISCONTINUANCE OF SERVICE OF SURPLUS WATER IN 1993**

39372 Vice Chairman Witt moved, seconded by Water Problems Committee Chairman Barker and carried, adopting the Water Transfer Policy Statement transmitted with the General Manager's letter dated December 9, revised from his letter of November 26, 1991, which will serve as a guide to future water supply acquisition activities.

Director Brewer objected to including in the Water Transfer Policy Statement the acquisition of land as a method of increasing Metropolitan's water supplies.

39373 Vice Chairman Witt moved, seconded by Water Problems Committee Chairman Barker, revising the recommendation of the General Manager as set forth in his November 26, 1991 letter, thereby supporting, in principle, S. 2016 (Seymour), the Central Valley Project Fish and Wildlife Act of 1991, and encourage all parties to continue negotiations with all members of Congress and other interests who have been and are making efforts to resolve water issues in California.

Director Reed referred to those sections of the bill which should be of great concern to Metropolitan, as follows:

(1) Section 201(f) "... all entities in the Central Valley Project service area have a right of first refusal on the same terms and conditions for the water transfers that might be negotiated by entities or agencies outside of the Central Valley Project service area...". Director Reed pointed out that, in her opinion, Metropolitan cannot support this language.

(2) Section 201(g) provides to those Central Valley Project contractors participating in the water transfer program an automatic renewal of their Central Valley Project water contracts, without setting forth the minimum amount of water to be transferred in order for the contractor to receive this benefit.

Director Reed urged the Board to take no action on this issue until all Directors have been provided with a copy of the bill.

Director Kymla asked if Metropolitan went into the Central Valley Project service area and purchased land, would it be considered one of the entities with the right of first refusal. General Manager Boronkay said that staff would review this potentiality and report back to the Board.

Director Brick stated that the Board has not been informed of the principles Metropolitan's Board is being asked to endorse. He pointed out that not only should the Board have been furnished with a copy of the bill, but also a thorough analysis. He offered his opinion that strategically, proceeding in this manner might not accomplish the desired goals in Washington, D.C.

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

Directors Brick, Davenport, and Reed requested to be recorded as voting no.

39374 Assistant General Manager McGuire reported that to advance the continuous improvement process, all Division Heads will have the opportunity to attend the one-day Total Quality Management seminar previously attended by the General Manager, the Assistant General Managers, and the Executive Assistant to the General Manager. He advised that an RFP has been prepared and distributed asking for proposals to conduct a Revenue

Design Study to meet the intent of the legislation introduced by Assemblywoman Gwen Moore.

Directors Kussman, Madigan, Scott, Shaw, Witt, and Wysbeek withdrew from the Meeting at 2:50 p.m.

Director of Finance Leddy reported on Metropolitan's financial condition.

Directors Brewer, Miller, Stamper, Turney-Murph, and Ward withdrew from the Meeting at 2:51 p.m.

Assistant General Manager Balcerzak reported that the Garvey Reservoir Environmental Impact Report has been distributed and the period for public comment closes December 13, 1991. The Skinner Plant expansion has been completed and will be in service after testing, he advised.

Chief of Operations Singer presented an update of the water supply conditions.

Director Kymla suggested that if Metropolitan requests delivery of a quantity of water from the Governor's Water Bank, firm commitments should be received from the member agencies before the order is submitted to the State. General Manager Boronkay stated that in the event water is needed from the Governor's Water Bank, it will be recommended to the Board that it hold midyear hearings on a recommended water rate increase.

Assistant General Manager Georgeson reported the Governor's Water Policy Task Force has scheduled a series of public hearings on the draft of the Water Policy. The Southern California hearing will be in Santa Ana on December 16, with Metropolitan and representatives from the member agencies presenting testimony.

39375 General Manager Boronkay commended the Board for its recent action in adopting the Mission Statement. He cited the long-term needs facing Metropolitan: infrastructure, acquisitions, and operations; and pointed out that to ensure future water reliability, the Board will have to necessarily take action on major issues in the immediate future.

39376 General Counsel Vendig reported on the status of the litigation in the Azusa Landfill case, and the Legal Department activities in connection with the Bay/Delta proceedings. He advised that the State Water Contractors have authorized the retention of a Washington, D.C., legal firm to

act as special counsel on the Delta smelt endangered species issue. This could require Metropolitan's Board to approve additional funding for this effort.

39377 The following listed communications were presented for the information of the Board:

- a. Reports of the General Manager:
 - i. Activities for the month of November, dated November 29, 1991.
 - ii. Operating data for the month of October, dated November 20, 1991.
- b. Report of the General Counsel on the activities of the Legal Department for the month of November, dated November 27, 1991.
- c. Report of the Auditor on the activities of the Audit Department for the month of November, dated December 2, 1991.
- d. Letter of the General Manager dated November 26, 1991, transmitting the financial report for the month of October.
- e. Letter of the General Manager dated November 26, 1991, regarding implementation of Assembly Bill 11X (Filante) to amend the Urban Water Management Planning Act of 1984.
- f. Letter of the General Manager dated November 26, 1991, regarding H.R. 3207 (E. Torres) to remove cleanup of the Main San Gabriel Basin from the EPA's jurisdiction.
- g. Letter of the General Counsel dated November 25, 1991, reporting on legislation at 1991 Session.
- h. Letter of the General Manager dated November 25, 1991, reporting on water supply update.
- i. Letter of the General Manager dated December 6, 1991, reporting on monthly water use by member agency for fiscal year 1990-91.
- j. Letter of the General Manager dated December 2, 1991, reporting on firm revenue sources.

- k. Letter of the General Manager dated November 26, 1991, reporting on the Baja Desalination Study.

39378 Organization and Personnel Committee Chairman Stelle reported on the success of the Monday night new Directors' orientation program, and urged all Directors to attend these monthly dinner meetings.

39379 In response to requests from numerous Directors, Chairman Krieger stated each Director will be furnished with a copy of the written statement used by Assemblyman Polanco during his address to the Board.

39380 Organization and Personnel Committee Chairman Stelle announced there will be a special meeting of the committee on December 20, 1991, at 9:00 a.m., to initiate that committee's objectives and goal setting program, and urged all Directors to attend.

39381 The Board wished Director of Right of Way and Land, Jerry Chavez, the very best in his future retirement and commended him for his many years of dedicated service.

39382 Board Secretary Killefer advised that when the Meeting was called to order, 44 Directors were in attendance. At the time of adjournment, 24 Directors remained.

39383 At 3:18 p.m., there being no objection, the Chair adjourned the Meeting to 12:30 p.m., January 14, 1992.

JOHN KILLEFER
SECRETARY

LOIS B. KRIEGER
CHAIRMAN