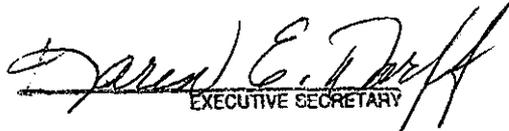


APPROVED
by the Board of Directors of
The Metropolitan Water District
of Southern California
at its meeting held

JUL 14 1992


EXECUTIVE SECRETARY

MINUTES

ADJOURNED MEETINGS OF THE

BOARD OF DIRECTORS

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

APRIL 23-25, 1992

39576 The Board of Directors of The Metropolitan Water District of Southern California met in Adjourned Workshop Meetings at the Pala Mesa Resort, Fallbrook, California, on Thursday through Saturday, April 23-25, 1992.

On Thursday, April 23, Chairman Krieger called the Meeting to order at 10:01 a.m.

39577 Present were: Directors Abernethy, Barker, Blake, Boen, Brandt, Ferguson, Garcia, Hill, Ibbetson, Jones, Kazarian, Killefer, Knauft, Krauel, Krieger, Kussman, Lowry, Madigan, Mason, McMurray, Miller, Morris, O'Neil, Rez, Shaw, Stamper, Stelle, Stickney, and Witt.

Absent were: Directors Brewer, Brick, Davenport, Foley, Frahm, French, Gage, Goldsworthy, Griffen, Kymla, Malburg, Maulding, Milne, Murph, Reed, Scott, Stuart, Ward, Watkins, Webster, Wysbeek, and Young.

39578 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.

39579 Chairman Krieger invited members of the public to address the Board on matters within the Board's jurisdiction. No member of the public responded.

39580 Assistant General Manager Balcerzak reported that yesterday's 6.2 earthquake did not damage any Metropolitan facilities.

39581 Assistant General Manager McGuire gave an in-depth slide-illustrated presentation on financial matters, including revenue requirements, sources, and assumptions; projections of future budgetary requirements, water rates, and explaining the

fluctuations in the water rate stabilization fund. He advised that the slides will be reproduced and transmitted to the Board.

Director Garcia inquired about the public hearings conducted in connection with the parcel charge. Mr. McGuire advised that five public hearings were held throughout Metropolitan's service area, with staff presently reviewing and responding to the comments received. At its May Meeting, resolutions will be presented to the Board which, if adopted, will authorize these firm sources of revenue.

Director of Planning Horne gave a slide-illustrated presentation of the capital improvement program. He advised that the slides will be reproduced and copies sent to each Director.

At 12:10 p.m., the Chair recessed the Meeting for lunch.

At 1:20 p.m., the Chair called the Meeting to order.

39582 General Counsel Vendig stated that there is a significant exposure to litigation related to the matter of office space requirements, and pursuant to Government Code Section 54956.9, Chairman Krieger called the Meeting into Closed session at 1:25 p.m.

At 3:25 p.m., the Chair called the Meeting into Open Session, announcing no action was taken in the Closed Session.

39583 Director Jones reviewed the contents of his April 22, 1992 letter, offering suggestions for the restructuring of the Special Committee on Water Quality and Environmental Compliance, and a name change for the Special Committee on Charges and Payments Under State Contract. Director Jones pointed out that he is suggesting the duties and functions for both committees should include that they act as a "clearing house" providing a forum for staff to discuss various matters, but the Board Chairman and/or Executive Committee will determine the appropriate standing committee for reporting purposes.

39584 Ad Hoc Committee to Review Meeting Schedules Chairman Blake reported a recommendation will be submitted to the Executive Committee at its May meeting presenting a schedule for meetings of the special, ad hoc, and sub-committees. The Chair emphasized the concerns expressed by

Directors that no meetings of these committees are to be held on regular committee and Board days.

Chairman Krieger stated the Board Officers are reviewing the number of special and ad hoc committees in an attempt to reduce that number.

39585 At 4:05 p.m., the Meeting was adjourned to 9:00 a.m., April 24, 1992.

39586 On Friday, April 24, 1992, Chairman Krieger called the Meeting to order at 9:01 a.m.

39587 Present were: Directors Barker, Blake, Boen, Brandt, Brewer, Brick, Ferguson, French, Garcia, Goldsworthy, Hill, Ibbetson, Jones, Kazarian, Killefer, Knauft, Krauel, Krieger, Kussman, Lowry, Madigan, Mason, McMurray, Miller, Morris, O'Neil, Rez, Shaw, Stamper, Stelle, Stickney, Stuart, Webster, and Witt.

Absent were: Directors Abernethy, Davenport, Foley, Frahm, Gage, Griffen, Kymla, Malburg, Maulding, Milne, Murph, Reed, Scott, Ward, Watkins, Wysbeek, and Young.

39588 Chairman Krieger inquired if there were any additions to the agenda.

Director Brandt moved, seconded by Director Killefer, that yesterday's discussion of Metropolitan's finances be continued as part of today's agenda because certain matters were raised at yesterday's discussion, and after the agenda was posted, that require additional discussion today. The motion was carried by a two-thirds vote of the Board, and the discussion of Metropolitan's finances became the first order of business.

Director Krauel requested to be recorded as voting no.

39589 Chairman Krieger invited members of the public to address the Board on matters within the Board's jurisdiction. No member of the public responded.

39590 Assistant General Manager McGuire presented slides graphically illustrating current and projected financial requirements.

Director Rez expressed concerns about the revenue streams and the need for a balanced budget.

39591 General Manager Boronkay discussed the Water Transfer programs currently being investigated and evaluated by Metropolitan, including the possibility of purchasing land to obtain water rights.

Director of State Water Project and Conservation Quinn gave a slide-illustrated presentation incorporating a range of water transfer possibilities, stating that the cost of the water for the various options could range from \$75 to \$175 per acre-foot.

At 10:30 a.m., there being no objection, the Chair recessed the meeting.

At 10:45 a.m., the Chair called the meeting to order.

39592 Director Krauel discussed the requirements of the Brown Act and pointed out that in order for Metropolitan to comply, there is a need to define what constitutes a quorum. Following a discussion pointing out Metropolitan's unique situation, Director Krauel stated this matter will be considered by the Legal and Claims Committee to determine if retaining special counsel is warranted to resolve this issue.

39593 Director Krauel suggested that it is appropriate to analyze the tour program, both as to its effectiveness and who should be invited as participants.

Subcommittee on Tours Chairman Boen pointed out that one of the guidelines used by the committee in authorizing tours is that participants are to include a broad spectrum from the community in order to effectively disseminate information regarding Metropolitan.

At 11:59 a.m., the Chair called a luncheon recess.

At 1:15 p.m., the Chair called the Meeting to order.

39594 Director Barker advised that subsequent to the posting of the agenda, information received requires there be a discussion on legislative matters. Director Barker moved, seconded by Director Stickney, that, by a two-thirds vote of the Board, a discussion of legislative matters be included as an item on today's agenda. The motion was adopted by a unanimous vote of Directors present, representing more than the required two-thirds vote.

39595 Legislative Representative Corley reported on the status of several pieces of pending water-related legislation, including bills authored by Senator Presley, Assemblymen Isenberg, Katz, Kelley, and Polanco; and advised that Senator Ayala has scheduled a hearing on May 5, 1992, regarding Metropolitan's water rate increases.

39596 At 5:05 p.m., the Meeting was adjourned to 8:00 a.m., April 25, 1992.

39597 Chairman Krieger called the Meeting to order at 8:35 a.m., Saturday, April 25, 1992.

39598 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.

39599 Chairman Krieger invited members of the public to address the Board on matters within the Board's jurisdiction. No member of the public responded.

39600 Assistant General Manager McGuire reported on the methods being used to give exposure to the recently adopted Mission Statement.

39601 Legislative Representative Corley reported on the procedure followed by the Legislature in processing pending legislation.

Mr. Corley advised that Senator Presley has introduced SB 959 which, if enacted, would require urban water suppliers to fund the cleanup of groundwater basins, imposing an enormous financial burden on the member agencies. He also reported on the status of AB 3522 authored by Assemblyman Polanco to, among other provisions, amend the Metropolitan Water District Act to restructure Metropolitan's Board.

39602 The Chair adjourned the workshop at 10:30 a.m.

JOHN KILLEFER
SECRETARY

LOIS B. KRIEGER
CHAIRMAN