

MINUTES
ADJOURNED REGULAR MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
JUNE 15, 1993

40247 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, June 15, 1993.

The Meeting was called to order by Chairman Gage at 12:31 p.m.

40248 The Meeting was opened with an invocation by Director Larry L. Stamper.

40249 The Pledge of Allegiance to the Flag was given, led by Director Glen D. Peterson.

40250 Secretary Killefer called the roll. Those answering present were: Directors Barker, Blake, Boen, Brandt, Brick, Ferguson, Foley, Frahm, French, Gage, Goldsworthy, Grandsen, Hawkins, Hill, Ibbetson, Killefer, Krauel, Kussman, Kymla, Leach, Malburg, Mason, McMurray, Meyer, Miller, Milne, Morris, Murph, Parker, Peterson, Reed, Rez, Stamper, Stuart, Witt, and Young.

Those not answering were: Directors Abernethy (entered 12:35 p.m.), Bannister, Brewer, Davenport, Fellow, Green, Griffen, Kazarian, Krieger, Luddy (entered 12:37 p.m.), O'Neil, Scott, Shaw, Webster, and Wysbeek.

The Chair declared a quorum present.

40251 Chairman Gage 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.

Director Abernethy took his seat at 12:35 p.m.

40252 Chairman Gage invited members of the public to address the Board on matters within the Board's jurisdiction.

Mr. Lyle Hatridge, middle school math teacher at Polytechnic School in Pasadena, introduced three of his seventh grade students, each expressing concerns about the present and future quality of life in Southern California; urging that strategies be implemented to reduce the demand of water by reducing population growth.

Chairman Gage stated that the Acting General Manager will arrange for a member of staff to make a presentation to the class in response to these concerns and advise what Metropolitan's position is regarding water quality and its requirement to meet the demands of its service area.

Director Luddy took his seat at 12:37 p.m.

William S. Seelig, President, Institute of Human Engineering Sciences, Inc., requested the information contained in the brochure before each Director be reviewed; a proposal for a North American Water Transport System.

David James, Chairman of the Forest Preservation Society of Southern California, commented on Agenda Item 8-9, the La Vina Annexation, advising that litigation continues on this issue, but that the Society's concern is the obliteration of a blue line stream; requesting the Board to defer action on this annexation until the Corps of Engineers has issued a permit in connection with the alteration of the stream.

40253 There being no objection, the Chair ordered the reading of the Minutes of May 11, 1993, dispensed with, a copy having been mailed to all Directors.

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

40254 The General Counsel's letter dated June 3, 1993, was presented transmitting the credentials evidencing the reappointment by the City of Los Angeles of Helen Romero Shaw as one of its representatives on Metropolitan's Board for a four-year term, ending December 31, 1996.

General Counsel Taylor reported the credentials had been examined and found legally sufficient.

The Chair ordered the credentials, together with the General Counsel's letter, received and filed.

40255 Chairman Gage reported that the Oath of Office had been administered to Director Shaw by Executive Secretary Dorff, Notary Public, and ordered the Oath filed.

40256 The General Counsel's letter dated May 19, 1993, was presented transmitting the credentials evidencing the reappointment by the City of Los Angeles of Michael J. Gage as one of its representatives on Metropolitan's Board for a four-year term, ending December 31, 1996.

General Counsel Taylor reported the credentials had been examined and found legally sufficient.

The Chair ordered the credentials, together with the General Counsel's letter, received and filed.

40257 Chairman Gage reported that the Oath of Office had been administered to him by Executive Secretary Dorff, Notary Public, and ordered the Oath filed.

40258 Chairman Gage presented Metropolitan's Special Science Award to Natalie Gallant, a 7th grade student at St. Martin of Tours School in Los Angeles, for her outstanding water research project.

40259 Chairman Gage presented a Commendatory Resolution to former Director John E. Maulding, who had represented Upper San Gabriel Valley Municipal Water District from January 9, 1990, to February 9, 1993.

40260 Chairman Gage announced that Agenda Item E, Land Committee Chairman Kussman's letter dated May 17, 1993, regarding the meeting time of the Land Committee, has been deferred.

40261 Vice Chairman Miller moved, seconded by Vice Chairman Blake and carried, authorizing the Chairman of the Board to execute an employment agreement and such other documents as are necessary for the purpose of employing John R. Wodraska as Metropolitan's General Manager, all substantially in accordance with the terms and conditions outlined in the Chairman's letter dated May 27, 1993, subject to the agreements being in form approved by the General Counsel.

40262 Director Kussman moved, seconded by Director Barker and carried, granting the requests for sixty-day leaves of absence for:

Director Wayne T. McMurray, commencing June 16
Director James M. Rez, commencing June 16

40263 Legal and Claims Committee Chairman Krauel announced there is no report on the legal issues arising out of space problems, Agenda Item K.

40264 Chief of Operations Adams gave a slide-illustrated presentation on some of the operations for the month.

Chief Engineer Snyder, using video tape and slides, presented a progress report on some of the construction projects.

Assistant General Manager Horne gave a slide-illustrated presentation reflecting the reductions in the current and projected budgets, which will have a favorable impact on future water rates; noting, among other efforts, some of the reductions are based upon improved productivity procedures.

Director of Finance Leddy gave a slide-illustrated presentation on Metropolitan's financial condition.

Assistant General Manager Georgeson reported that negotiations are continuing with San Diego Gas and Electric on elements to be considered if the contract for an available water supply is to be renewed in connection with the proposed Sun Desert Power Plant. He advised that, with the cooperation of the member agencies, strategies are being investigated that will enable storing water in the groundwater basins to be called upon during future dry years.

40265 General Counsel Taylor pointed out that before each Director is a copy of the statement he will be presenting before the House Committee on Merchant Marine and Fisheries, Subcommittee on Environment and Natural Resources, concerning Habitat Conservation Plans developed pursuant to the Endangered Species Act. He reported that members from the legal staff and Resources Division are in Boulder, Colorado, to meet with representatives of some of the Upper Colorado River users over the proposed designation of critical habitat on the Colorado River. Mr. Taylor commented on matters being litigated.

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40266 Chairman Gage announced that Agenda Item 7-5, the General Manager's letter dated May 17, 1993, regarding the exemption procedure for the water standby charge, has been deferred.

Item Director Morris moved, seconded by Director Blake and carried, and the Board approved the Consent Calendar Items, M.I. 40267 through M.I. 40290, as follows:

40267 Authorized the General Manager to execute a contract with Santa Fe Builders, Inc., for the construction of two houses at the District-owned property located at the Etiwanda Power Plant and that, conditioned upon the execution of the contract, all other bids be rejected, as set forth in the General Manager's letter dated May 27, 1993.

40268 Authorized Appropriation No. 657, in the amount of \$560,000 from the 1991 Revenue Bond Construction Fund, to finance all estimated costs in advance of award of a construction contract for remediation of the slope north of Mixing and Settling Basin No. 8 at the Robert B. Diemer Filtration Plant, as set forth in the General Manager's letter dated May 21, 1993.

40269 Authorized (1) the General Manager to have all work performed, other than consultant agreements over \$250,000, to prepare preliminary feasibility studies for the Foothill Feeder Area Study; and (2) Appropriation No. 658, in the amount of \$275,000 from the 1966 Bond Construction Fund, to finance the estimated cost of preliminary feasibility studies, as set forth in the General Manager's letter dated May 18, 1993.

40270 Authorized Appropriation No. 660, in the amount of \$400,000 from the Pay-As-You-Go Fund, to fund and to account for all activities related to the acquisition and implementation of the new Treasury Investment Management System, as set forth in the General Manager's letter dated May 19, 1993.

40271 Authorized Revision No. 1 to Appropriation No. 654, Marketing Expenses for Sale of Water Revenue Refunding Bonds, Issue of 1993, and Waterworks Refunding General Obligations Bonds, Issue of 1993, for an increase of \$91,100 to a total amount of \$591,100, to cover additional marketing expenses, as set forth in the General Manager's letter dated May 17, 1993.

40272 Amended Sections 5200 and 5201 of the Administrative Code to read as set forth in Attachment A to the General Manager's letter dated May 24, 1993, to provide reference to the new funds established by the Board in connection with the sale and issuance of the Water Revenue Refunding Bonds, 1993 Series A, and the Waterworks General Obligation Refunding Bonds, 1993 Series.

40273 Amended Sections 5200 and 5201 of the Administrative Code to read as set forth in Attachment A to the General Manager's letter dated June 3, 1993, relating to the Commercial Paper Note Payment Fund and the Iron Mountain Landfill Closure/Postclosure Maintenance Fund.

40274 Authorized the General Manager to (1) bind \$75 million of liability insurance in excess of a \$25 million self-insured retention with the American Excess Insurance Association at a net annual premium of \$760,500 for fiscal year 1993-94; and (2) consult with the Chairs of the Finance and Insurance and the Legal and Claims Committees if the premium quotation exceeds the prior year's premium (\$760,500) by more than five percent prior to binding the coverage, as set forth in the General Manager's letter dated May 25, 1993.

40275 Authorized the General Manager to pay relocation assistance benefits in the amount of \$779,166 to Embly Ranch, a California Partnership, owned by Richard E. Long, et al., MWD Parcels Nos. 144-001-41 and 143, for the purpose of relocating the egg ranch operation to Iowa, as set forth in the General Manager's letter dated May 18, 1993, subject to the agreement being in form approved by the General Counsel.

40276 Authorized the General Manager to amend the agreement with Willdan Associates for a maximum amount payable not to exceed \$350,000 for relocation assistance program services in accordance with the General Manager's letter dated May 17, 1993, subject to the agreement being in form approved by the General Counsel.

Director Reed requested to be recorded as abstaining.

40277 The Board (1) authorized the General Manager to execute the proposed agreement amending the May 13, 1947, agreement to provide for appointment of alternate representatives on the Colorado River Association Six Agency Committee, in a form approved by the General Counsel, a copy of which is attached to the General Manager's letter dated May 6, 1993; and (2) appointed Director Lois B. Krieger as the

alternate representative to the Colorado River Association Six Agency Committee.

Directors Frahm, Ibbetson, Krauel, Leach, Mason, and Parker requested to be recorded as abstaining.

40278 Expressed support, if amended to read as originally proposed, for Senate Bill 50 (Thompson), which proposes to exempt improvements to real property to add water conservation efficiency from reassessment, as recommended in the General Manager's letter dated May 25, 1993.

40279 Expressed support for Senate Constitutional Amendment No. 4 (Thompson), if amended to read as originally proposed, a companion bill to Senate Bill No. 50, as recommended in the General Manager's letter dated May 25, 1993.

40280 Expressed support for legislation enabling the U.S. Congress to appropriate funds for disinfection by-products research, as set forth in the General Manager's letter dated May 17, 1993.

40281 Authorized the General Counsel to give informed consent to the law firm of Best, Best & Krieger to represent the City of Orange in the negotiations for the acquisition of the Allen-McColloch Pipeline, as set forth in the General Counsel's letter dated June 1, 1993.

Director Brandt requested to be recorded as voting no.

40282 Authorized the General Counsel to contract for the legal services of the firm of Brand, Farrar, Dziubla, Freilich & Kolstad to represent Metropolitan on issues related to a permanent headquarters facility and other matters as may be assigned by the General Counsel under the terms and conditions set forth in his letter dated June 9, 1993, effective upon the termination date of the existing contract with Jones, Day, Reavis and Pogue.

40283 Expressed support for Assembly Bill 2014 (Cortese), if amended as suggested in the General Manager's letter dated June 11, 1993, regarding water conservation and misuse of water rights.

40284 Authorized the General Manager to direct staff to pursue appropriate legislative vehicles to assure that Metropolitan and its member agencies can legally continue the

responsible use of copper sulfate in drinking water reservoirs for the purpose of complying with the California Safe Drinking Water Act mandate to provide a reliable and adequate supply of pure, wholesome, healthful, and potable water, as set forth in the General Manager's letter dated June 2, 1993.

40285 Authorized the General Manager to amend the purchase and sale agreement for the Bolsa Chica property to extend the closing date for escrow for up to five years, in increments to be negotiated with the buyer, as set forth in the General Manager's letter dated June 4, 1993, subject to the agreement being in form approved by the General Counsel.

40286 By a two-thirds vote adopted **Resolution 8407** transmitted with the General Manager's letter dated May 17, 1993, declaring the necessity for the Domenigoni Valley Reservoir Project and for the property described in Exhibits A and B attached thereto, and directing the General Counsel to commence condemnation proceedings in Riverside County to acquire the property, said Resolution entitled:

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA DIRECTING THE CONDEMNATION OF CERTAIN PROPERTIES SITUATED IN RIVERSIDE COUNTY (DOMENIGONI VALLEY RESERVOIR PROJECT)

40287 Approved the recommendation of the General Counsel as set forth in his confidential letter dated May 24, 1993, regarding the Eagle Mountain FERC Appeal.

40288 Approved the recommendation of the General Manager as set forth in his confidential letter dated May 28, 1993, to acquire property in Domenigoni Valley, Riverside County, designated as MWD Parcel No. 144-1-287, located at 30200 Boersma Road, owned by James D. Hobkirk and Britain T. Hobkirk, and Wayne A. Wilson and Carol M. Wilson.

40289 Approved the recommendation of the General Counsel as set forth in his confidential letter dated June 2, 1993, regarding retention of special counsel in the matter of MWD v. Beitler & Associates, Inc.

40290 Approved the recommendation of the General Counsel as set forth in his confidential letter dated June 14, 1993, regarding the funding for preparation of environmental documentation for San Joaquin Reservoir Improvement Project.

40291 Vice Chairman Miller reported the Executive Committee concurred with the recommendation of the Special Committee on Legislation that the legislation regarding the special district consolidation issues be monitored, revising the recommendation in the General Manager's letter dated June 8, 1993, and so moved. The motion was seconded by Vice Chairman Blake and carried.

40292 Vice Chairman Blake moved, seconded by Director Brandt and carried, and the Board expressed support for Senate Bill 778 (Dills) regarding payment of compensation to private or public entity that provides water service to an area served by the first entity, as reported in the General Manager's letter dated May 25, 1993.

40293 Vice Chairman Blake moved, seconded by Director Brandt and carried, and the Board expressed its opposition to Assembly Bill 1924 (Cortese) which would possibly affect Metropolitan's ability to use its own employees to perform public projects over \$25,000, as reported in the General Manager's letter dated June 9, 1993.

40294 Finance and Insurance Committee Chairman Mason moved, seconded by Vice Chairman Miller, that, by a two-thirds vote, the Board (1) find it necessary for the protection of District rights and properties to disseminate information concerning such rights and properties, and authorize expenditures subject to the amounts appropriated by the Board as detailed by fund type in the 1993-94 Annual Budget; (2) approve the proposed 1993-94 Budget totalling \$804.4 million; (3) appropriate \$629 million for District O&M and State Water Project operations, maintenance, power and replacement costs; Colorado River Aqueduct power costs; State Water Project capital charges; and operations and maintenance costs associated with additional Colorado River water supplies; (4) appropriate, as a continuing appropriation, \$107.2 million for debt service on District general obligation and revenue bonds; interest payments on the outstanding commercial paper notes; and payments for the Second Barrel of the First San Diego Aqueduct; and (5) appropriate, as a continuing appropriation, \$3.3 million for operating equipment and inventory supplies, as set forth in the General Manager's letter dated May 25, 1993.

The Chair called for a vote on the motion. The Chair declared that the 1993-94 Annual Budget was adopted by a unanimous vote, representing more than the required two-thirds vote.

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40295 Finance and Insurance Committee Chairman Mason moved, seconded by Engineering and Operations Committee Chairman Foley and carried, and the Board (1) adopted the Statement of Findings and Overriding Considerations and Mitigation Monitoring Plan, attached to the General Manager's letter dated May 18, 1993, as Exhibit A; certifying that the FEIR for the San Diego Pipeline No. 6 Project has been completed in compliance with the California Environmental Quality Act; and that it has reviewed and considered the information contained in the FEIR prior to approving the project; (2) approved the Central Alignment, Sub-alternative C2 for the San Diego Pipeline No. 6 Project to meet conveyance capacity needs; (3) authorized the General Manager to acquire all lands and other interest in real property required for construction, mitigation, operation, and maintenance of the San Diego Pipeline No. 6 Project; (4) authorized the General Manager to execute the Memorandum of Understanding with the Riverside County Habitat Conservation Agency for this project, subject to the MOU being in form approved by the General Counsel; and (5) authorized Revision No. 3 to Appropriation No. 558, an increase of \$44,088,800 to a total of \$47,753,800, to finance all costs for Metropolitan's portion in advance of award of construction contracts for the San Diego Pipeline No. 6 Project, with the appropriation contingent upon adoption by the San Diego County Water Authority of the Statement of Findings and Overriding Considerations and Mitigation and Monitoring Plan, and the increase of funds to be provided through the 1992 Revenue Bond Construction Financing Fund.

Director Stamper withdrew from the Meeting at 1:25 p.m.

40296 Finance and Insurance Committee Chairman Mason moved, seconded by Engineering and Operations Committee Chairman Foley and carried, authorizing Revision No. 3 to Appropriation No. 593, an increase of \$925,000 to a total of \$2,425,000 from the 1991 Revenue Bond Construction Fund, for vibration mitigation at the Olinda Pressure Control Structure, as set forth in the General Manager's revised letter dated June 7, 1993.

40297 Finance and Insurance Committee Chairman Mason moved, seconded by Engineering and Operations Committee Chairman Foley and carried, and the Board authorized (1) the General Manager to have all work performed, other than consultant agreements over \$250,000, to prepare additional feasibility studies and environmental documentation for the West Valley Conveyance Study; and (2) Revision No. 1 to Appropriation No. 599, an increase of \$718,100 to a total of

\$3,218,100 from the 1991 Revenue Bond Construction Fund, or other construction funds, as available, as shown in Table 1 to the General Manager's letter dated May 18, 1993, to complete feasibility studies and environmental documentation.

40298 Organization and Personnel Committee Chairman Rez moved, seconded by Engineering and Operations Committee Chairman Foley and carried, approving renewal of Metropolitan's contract for security and protective services with Pedus Security Services, in an amount estimated at \$2.9 million for a term of 12 months beginning July 1, 1993, and ending June 30, 1994, with the option to renew up to 36 months on a fiscal year-to-year basis, as set forth in the General Manager's letter dated June 1, 1993.

Director Stamper returned to the Meeting at 1:27 p.m.

40299 Water Problems Committee Chairman Malburg moved, seconded by Director Boen and carried, and the Board (1) prior to reaching a decision on this matter, considered the environmental effects of the proposed annexation as shown on the Negative Declaration and supporting studies transmitted with the General Manager's letter dated May 13, 1993; and (2) adopted **Resolution 8408**, as revised by the Water Problems Committee, granting Eastern Municipal Water District's request for consent to the concurrent annexation of the Fifty-Seventh Fringe Area to Eastern and Metropolitan, and fixing Metropolitan's terms and conditions for the annexation, including a cash payment of \$189,343.04, if completed by June 30, 1993, or \$485,879.32 if completed after June 30, 1993, but prior to December 31, 1993, said Resolution entitled:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSENTING TO THE ANNEXATION OF FIFTY-SEVENTH 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

Director Reed requested to be recorded as voting no.

40300 Water Problems Committee Chairman Malburg moved, seconded by Director Boen and carried, and the Board (1) prior to reaching a decision on this matter, considered the environmental effects of the proposed annexation as shown on the Negative Declaration and supporting studies transmitted with the General Manager's letter dated May 17, 1993; and (2)

adopted Resolution 8409, as revised by the Water Problems Committee, granting Eastern Municipal Water District's request for consent to the concurrent annexation of the Fifty-Eighth Fringe Area to Eastern and Metropolitan, and fixing Metropolitan's terms and conditions for the annexation, including a cash payment of \$121,759.68, if completed by June 30, 1993, or \$310,747.44 if completed after June 30, 1993, but prior to December 31, 1993, said Resolution entitled:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSENTING TO THE ANNEXATION OF FIFTY-EIGHTH 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

Director Reed requested to be recorded as voting no.

40301 Water Problems Committee Chairman Malburg moved, seconded by Director Boen and carried, and the Board (1) prior to reaching a decision on this matter, considered the environmental effects of the proposed annexation as shown on the Negative Declaration and supporting studies transmitted with the General Manager's letter dated May 17, 1993; and (2) adopted Resolution 8410, as revised by the Water Problems Committee, granting Eastern Municipal Water District's request for consent to the concurrent annexation of the Fifty-Ninth Fringe Area to Eastern and Metropolitan, and fixing Metropolitan's terms and conditions for the annexation, including a cash payment of \$72,264, if completed by June 30, 1993, or \$182,487 if completed after June 30, 1993, but prior to December 31, 1993, said Resolution entitled:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSENTING TO THE ANNEXATION OF FIFTY-NINTH 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

Director Reed requested to be recorded as voting no.

40302 Water Problems Committee Chairman Malburg moved, seconded by Director Ibbetson, that the Board adopt the revised form of Resolution before each Director which amends Resolution 8339 and reaffirms the granting of Foothill

and Metropolitan, with the added condition that a conservation easement to retain stream flow be granted and recharge credits be given to Foothill Municipal Water District or one of its subagencies, amending the recommendation contained in the General Manager's letter dated June 2, 1993.

Director Brick advised that the conservation easement referred to in the added condition refers specifically to Mallard Canyon. He advised that, on June 14, he received a letter from Friends of La Vina regarding this annexation which has been given to General Counsel Taylor, with the request for a response in a timely fashion.

Director Reed expressed concerns about the administrative process in connection with this annexation; namely, (1) the original Resolution contained a provision that, prior to the completion of the annexation, pending litigation is to be dismissed; and (2) that the annexation was to have been completed by December 31, 1992. She pointed out that there does not appear to be a formal request for an extension of time for this annexation from Foothill Municipal Water District, and that the revised Resolution before each Director makes no reference to the litigation presently before the Court of Appeals.

Director Reed recommended that this issue be referred to the Legal and Claims Committee for a review of the procedural issues, and to the Water Problems Committee for a policy review. Director Reed stated that while this review process is being conducted, there would be no prohibition to having the annexation fee deposited prior to a decision being reached.

Director Ibbetson pointed out that at the Water Problems Committee meeting of June 14, a lengthy review of the procedural issues was conducted. He then asked the General Counsel if the Board can legally approve this annexation. General Counsel Taylor answered yes. General Counsel Taylor also advised that at the time of the original Resolution, two cases were pending, one is presently on appeal; and in the case of Henry v. LAFCO dealing with the Negative Declaration, which is the litigation referred to in the original Resolution, the plaintiff dismissed the case with prejudice. Mr. Taylor pointed out since that condition was satisfied, it was not repeated in the proposed form of Resolution before the Board today for action. He stated all the other issues being raised are not within the jurisdiction of Metropolitan.

Director Mason offered a substitute motion, seconded by Director Brandt, that the La Vina Annexation issue be referred to Legal and Claims and Water Problems Committees.

Chairman Gage recognized Andrew Oliver, project manager for the La Vina development, who pointed out that Henry v. LAFCO is the only litigation which should have been referenced. With the dismissal of that case, any other pending litigation has no affect upon Metropolitan's decision regarding this annexation. Mr. Oliver stated all terms and conditions of the annexation were fulfilled prior to the December 31, 1992, termination date set forth in the original Resolution, with the expectation that the formal request would have been granted.

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

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

Ayes: Burbank (Dir. Stamper, 781 votes), Chino Basin Municipal Water District (Dirs. French and Hill, 3,002 votes), Las Virgenes Municipal Water District (Dir. Peterson, 812 votes), Los Angeles (Ayes: Dirs. Abernethy, Brandt, Gage, Kussman, and Luddy. Absent: Dirs. Green, Scott, and Shaw. 18,801 votes), Pasadena (Dir. Brick, 859 votes), San Diego County Water Authority (Ayes: Dirs. Frahm, Krauel, Leach, Mason, and Parker. Absent: Dir. Griffen. 12,926 votes), Santa Monica (Dir. Reed, 920 votes), Three Valleys Municipal Water District (Dir. Milne, 2,336 votes). Total 40,437 votes.

Noes: Calleguas Municipal Water District (Dirs. Grandson and Miller, 2,923 votes), Central Basin Municipal Water District (Dirs. Ferguson, Ibbetson, and Malburg, 5,211 votes), Coastal Municipal Water District (Dirs. Killefer and McMurray, 2,638 votes), Compton (Dir. Murph, 140 votes), Eastern Municipal Water District (Dir. Boen, 1,835 votes), Fullerton (Dir. Blake, 676 votes), Glendale (Dir. Rez, 1,056 votes), Long Beach (Dir. Meyer, 1,855 votes), Municipal Water District of Orange County (Noes: Dirs. Foley, Kymila, and Witt. Absent: Dirs. Bannister and Davenport. 10,964 votes), San Marino (Dir. Morris, 166 votes), Santa Ana (Dir. Young, 1,143 votes), Upper San Gabriel Valley Municipal Water District (No: Dir. Hawkins. Absent: Dir. Fellow. 3,237 votes), West Basin Municipal Water District (Dirs. Barker, Goldsworthy, and Stuart, 6,105 votes). Total 37,949 votes.

Abstains: None.

Absent: Anaheim (Dir. Kazarian, 1,547 votes), Beverly Hills (Dir. Webster, 898 votes), Foothill Municipal Water District (Dir. O'Neil, 467 votes), San Fernando (Dir. Wysbeek, 70 votes), Torrance (Dir. Brewer, 1,095 votes), Western Municipal Water District of Riverside County (Dir. Krieger, 2,515 votes). Total 6,592 votes.

The Chair declared the substitute motion failed for lack of a majority.

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

Ayes: Calleguas Municipal Water District (Dirs. Grandsen and Miller, 2,923 votes), Central Basin Municipal Water District (Dirs. Ferguson, Ibbetson, and Malburg, 5,211 votes), Coastal Municipal Water District (Dirs. Killefer and McMurray, 2,638 votes), Compton (Dir. Murph, 140 votes), Eastern Municipal Water District (Dir. Boen, 1,835 votes), Fullerton (Dir. Blake, 676 votes), Glendale (Dir. Rez, 1,056 votes), Long Beach (Dir. Meyer, 1,855 votes), Municipal Water District of Orange County (Ayes: Dirs. Foley, Kymla, and Witt. Absent: Dirs. Bannister and Davenport. 10,964 votes), San Marino (Dir. Morris, 166 votes), Santa Ana (Dir. Young, 1,143 votes), Upper San Gabriel Valley Municipal Water District (Aye: Dir. Hawkins. Absent: Dir. Fellow. 3,237 votes), West Basin Municipal Water District (Dirs. Barker, Goldsworthy, and Stuart, 6,105 votes). Total 37,949 votes.

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Abstains: None.

Absent: Anaheim (Dir. Kazarian, 1,547 votes), Beverly Hills (Dir. Webster, 898 votes), Foothill Municipal Water District (Dir. O'Neil, 467 votes), San Fernando (Dir. Wysbeek, 70 votes), Torrance (Dir. Brewer, 1,095 votes), Western Municipal Water District of Riverside County (Dir. Krieger, 2,515 votes). Total 6,592 votes.

The Chair declared the original motion failed for lack of a majority.

There being no objection, the Chair ordered this matter referred to the Legal and Claims Committee and to the Water Problems Committee for a review of the administrative procedure and policy issues, with a report to be submitted to the Board at its July 13, 1993 Meeting.

Director Hill withdrew from the Meeting at 1:53 p.m.

40303 Vice Chairman Miller moved, seconded by Vice Chairman Blake and carried, adopting the Policy Options regarding the State Budget Policy Principles outlined in the General Manager's letter dated June 1, 1993, as recommended by the Special Committee on Legislation and adopted by the Executive Committee on May 25, 1993.

Director Luddy withdrew from the Meeting at 1:54 p.m.

40304 The Chair reported that Agenda Item 9-27, the letter reporting on Assembly Bill 97 (Cortese), State water transfer legislation, has been withdrawn by the General Manager.

40305 The following listed communications were presented for the information of the Board:

- a. Reports of the General Manager
 - i. Activities for the month of May, dated May 24, 1993.
 - ii. Operating data for the month of April, dated May 21, 1993.
- b. Report of the General Counsel on the activities of the Legal Department for the month of May, dated May 28, 1993.
- c. Report of the Auditor on the activities of the Audit Department for the month of May, dated June 1, 1993.
- d. Letter of the General Manager dated June 11, 1993, transmitting the Monthly Financial Report for the month of April.

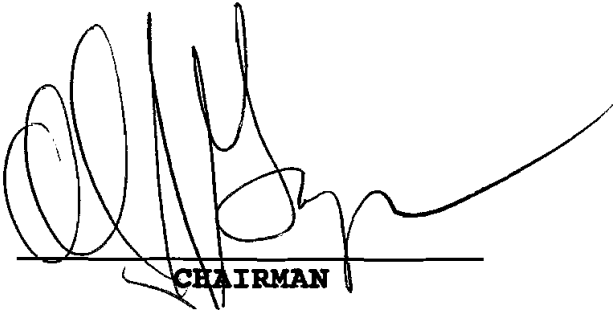
- e. Letter of the General Manager dated May 12, 1993, reporting on additional reductions to the 1993-94 proposed annual budget.
- f. Letter of the General Manager dated May 18, 1993, reporting on the Environmental, Safety and Health Programs at Metropolitan.
- g. Letter of the Auditor dated June 11, 1993, transmitting quarterly report of the Cash Basis Financial Statements as of March 31, 1993.
- h. Letter of the General Manager dated May 21, 1993, reporting on Accounts Payable productivity improvements.
- i. Letter of the General Manager dated May 25, 1993, reporting on Government Finance Officers Association Distinguished Budget Presentation Award.
- j. Letter of the General Counsel dated May 17, 1993, reporting on payment of capital costs from water sales revenue.
- k. Letter of the General Manager and the General Counsel dated May 17, 1993, reporting on connection fees and capacity charges.
- l. Letter of the General Manager dated May 25, 1993, reporting on status of water supply arrangements for San Luis Rey Indian Water Rights Settlement.
- m. Letter of the General Manager dated May 25, 1993, reporting on the United States Environmental Protection Agency proposed Bay-Delta water quality standards.
- n. Letter of the General Manager dated May 18, 1993, reporting on Central Pool Augmentation and Water Quality Project--Status of Environmental Impact Report and Mitigation Planning.
- o. Letter of the General Manager dated May 11, 1993, regarding Metropolitan's vulnerability to outbreaks of waterborne disease.

- p. Letter of the General Manager dated May 21, 1993, reporting on the responsibility for costs to monitor Metropolitan pipelines for presence of induced currents from outside sources and to mitigate their effects.
- q. Letter of the General Manager dated May 20, 1993, reporting on current personal computer use and proposed 1993/94 budget.
- r. Confidential letter of the General Manager and the General Counsel dated May 21, 1993, submitting report on potential third-party liability for extra work associated with the enlargement of the Washwater Reclamation Facility at the Diemer Filtration Plant.
- s. Letter of the General Counsel dated May 17, 1993, reporting on the Ralph M. Brown Act legislation.
- t. Letter of the General Manager dated May 20, 1993, regarding the \$3,750 contribution towards Alliance for Radon Reduction.
- u. Letter of the General Manager dated May 18, 1993, transmitting an update on the reauthorization of the Federal Endangered Species Act.
- v. Letter of the General Manager dated May 18, 1993, reporting on Senate Bill 658 (Deddeh) regarding Endangered Species.

40306 Chairman Gage announced that the Executive Committee will be meeting on June 29, 1993, at the Pasadena Hilton Hotel, at 8:00 a.m., to review the Strategic Plan and urged all Directors to attend.

40307 Director Ibbetson announced that Director Ferguson has submitted his resignation having served as a Director representing Central Basin Municipal Water District since June 14, 1977. The Board expressed its appreciation for his outstanding and dedicated service and wished him future success.

40308 There being no objection, the Chair adjourned the Meeting at 1:57 p.m.



CHAIRMAN



SECRETARY