

**RESOLUTION OF MAY 10, 1994 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 1995**

Whereas, progress toward the completion of the State Water Project has not been adequate enough to enable it to keep pace with increasing demands by contractors for service from the Project, and this has reduced the State's ability to reliably meet the annual requirements of The Metropolitan Water District of Southern California ("Metropolitan") for State project water in dry years; and

Whereas, it is possible that California will be limited in its use of Colorado River water in 1995 and future years, with Metropolitan being the California agency most affected by such limitation; and

Whereas, due to uncertainties caused by potential operating restrictions such as proposed Environmental Protection Agency standards and enforcement of the Federal Endangered Species Act, the potential for future water supply shortages exists; and

Whereas, if there is insufficient precipitation during the winter of any future year the State Water Project water supply would be inadequate to meet the demands of contractors to the project; and

Whereas, under Section 132 of the Metropolitan Water District Act, Metropolitan may serve surplus water only if such water is in excess of the domestic and municipal needs or requirements within Metropolitan; and

Whereas, heretofore water for agriculture has been supplied on the condition that such supply can be discontinued subject to the giving of the notice required by said Section 132; and

Whereas, Section 132 of the Metropolitan Water District Act required that Metropolitan give the purchaser or user of surplus water one year's written notice that Metropolitan will discontinue the supply of surplus water; and

Whereas, it is possible that Metropolitan will not have available for delivery water that is surplus to the municipal and domestic needs or requirements within Metropolitan; and

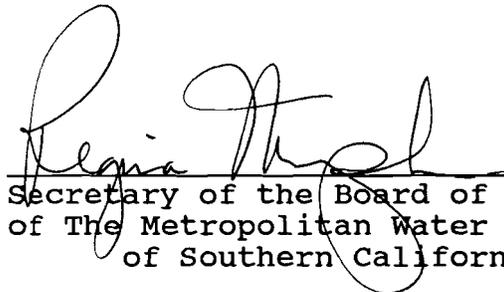
Whereas, pursuant to the Interim Agricultural Water Program approved by Metropolitan on this date, in a water shortage agricultural water deliveries may be cut back up to 30 percent prior to imposition of mandatory targets for firm deliveries; and

Whereas, metropolitan's Water Programs Committee has invited member public agencies and other interested parties to come before the Committee and present their views on a proposal to give the one year's notice called for by Section 132 of the Metropolitan Water District Act discontinuing in whole or in part the supply of surplus water from Metropolitan, and has considered those views.

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of The Metropolitan Water District of Southern California with two-thirds of the votes of its members concurring:

1. That this Board determines and declares that all or a portion of the water presently served as surplus water may be needed for domestic or municipal uses within Metropolitan between May 1995 and May 1996 and that Metropolitan may discontinue supplying surplus water in whole or in part at any time; and
2. That the General Manager is directed to give notice of such potential discontinuance to each member public agency presently receiving service of surplus water and to any user who has requested in writing to be notified by mailing a copy of this resolution forthwith; and
3. That this Board hereby delegates to the General Manager its authority to take action with respect to such discontinuance on the terms provided in the Interim Agricultural Water Program, and that any such discontinuance shall only take place upon further action of the General Manager, but without further notice to users of surplus water; and
4. That except pursuant to the Interim Agricultural Water Program such discontinuance shall only take place upon further action of this Board but without further notice to users of surplus water.

I HEREBY CERTIFY, that the foregoing resolution was adopted by a two-thirds vote of the Board of Directors of The Metropolitan Water District of Southern California on May 10, 1994.


Secretary of the Board of Directors
of The Metropolitan Water District
of Southern California