

MINUTES
SPECIAL MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
DECEMBER 6, 1994

41129 The Board of Directors of The Metropolitan Water District of Southern California met in Special Meeting on the third floor of the building located at 350 South Grand Avenue in the City of Los Angeles, State of California, on Tuesday, December 6, 1994.

The Meeting was called to order by Chairman Foley at 10:10 a.m.

Chairman Foley announced that at this Special Meeting of the Board, discussion, comments, and actions are necessarily confined solely to the item listed on the Notice of Meeting which is the review of Metropolitan's financial structure.

41130 The Meeting was opened with an invocation by Director Kenneth H. Witt.

41131 The Pledge of Allegiance to the Flag was given, led by Vice Chairman Patrick H. Miller.

41132 Secretary Murph called the roll. Those answering present were: Directors Alario, Bannister, Barker, Blake, Brick, Fellow, Foley, Frahm, Grandsen, Green, Griffen, Handelman, Harry, Hawkins, Hill, Ibbetson, King, Krauel, Little, Luddy, Malburg, Mason, McMurray, Meyer, Miller, Morris, Morse, Murph, O'Neil, Pak, Parker, Peterson, Rez, Stuart, Watton, Witt, Wright, and Wysbeek.

Those not answering were: Directors Brandt, Davenport, Gilbert, Krieger, Lombard (entered 10:15 a.m.), Milne, Moret, Mylne, Reed (entered 10:15 a.m.), Stamper, Troxel, Webster, and Wein.

The Chair declared a quorum present.

41133 Chairman Foley invited members of the public to address the Board on matters within the Board's jurisdiction.

Thomas H. McCauley, Burbank resident, summarized the contents of his written statement which was distributed to all Directors, setting forth the factors leading to his conclusion that Metropolitan is proposing unnecessarily high water rates; further urging that Metropolitan produce an accrual based budget.

Directors Lombard and Reed took their seats at 10:15 a.m.

41134 Deputy General Manager Horne described the proposed revenue program noting that the water rate structure being recommended for 1995-96, as set forth in the General Manager's pending letter dated December 12, 1994, is consistent with the form approved by the Board at its Meeting of December 14, 1993. He advised the four new components consist of a readiness-to-serve charge, new demand charge, connection maintenance charge, and treated water peaking charge. He pointed out that it is being recommended that each of the member agencies be offered the option of having the existing standby charge collected on its behalf as a means to meet its readiness-to-serve obligation. The rates for firm and seasonal storage classes of service as well as the treatment surcharge will remain in effect, he said. Staff is suggesting a committee be created to conduct a review and make recommendations on the system equity, he said.

Chairman Foley invited the Chairman of the San Diego County Water Authority Board and former Director on Metropolitan's Board, John M. "Mike" Leach, to present comments. Mr. Leach stated the Water Authority is committed to (1) the Capital Improvement Program, and (2) resolving unanswered issues on the rate structure. He pointed out that the proposed revenue program appears to present an issue of disparity in the charges between member agencies and is one of the major concerns of his board. He advised that the standby charge imposed in 1992 became an integral part of the financing structure adopted by the Water Authority Board and his board remains of the opinion that the standby charge must continue for an effective financial plan. Another concern of his board is the question of an assured supply in proportion to the financial contribution. Further, he stated, that his board needs to have a comprehensive picture of the long-range impacts of the new demand charge.

41135 There being no objection, at 12:35 p.m., the Chair recessed the Meeting to 1:15 p.m., designating Vice Chairman Blake to preside in his absence.

At 1:25 p.m., Vice Chairman Blake called the Meeting to order.

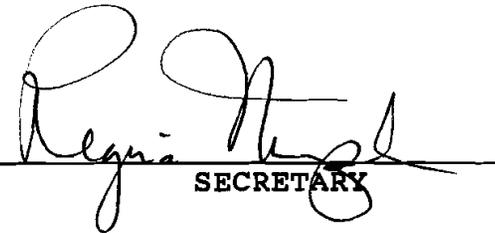
41136 Board members present: Directors Alario, Barker, Blake, Brick, Fellow, Green, Griffen, Harry, Hawkins, Ibbetson, Krauel, Little, Mason, Morris, Parker, Reed, Stuart, Witt, and Wright.

Board members absent: Directors Bannister, Brandt, Davenport, Foley, Frahm, Gilbert, Grandsen, Handelsman, Hill, King, Krieger, Lombard, Luddy, Malburg, McMurray, Meyer, Miller, Milne, Moret, Morse, Murph, Mylne, O'Neil, Pak, Peterson, Rez, Stamper, Troxel, Watton, Webster, Wein, and Wysbeek.

Vice Chairman Blake declared a quorum present.

41137 Chief of Planning and Resources Man gave a comprehensive program on water management issues.

41138 There being no objection, Vice Chairman Blake adjourned the Meeting at 2:23 p.m.


REGINA
SECRETARY


JOHN JOLLEY
CHAIRMAN