

MINUTES  
SPECIAL MEETING OF THE  
BOARD OF DIRECTORS  
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA  
APRIL 30, 1996

41859 The Board of Directors of The Metropolitan Water District of Southern California met in Special Meeting at the Sheraton Grande Hotel located at 333 South Figueroa Street in the City of Los Angeles, State of California, on Tuesday, April 30, 1996.

The Meeting was called to order by Chairman Foley at 1:15 p.m.

41860 The Meeting was opened with an invocation by Director Gary A. Morse.

41861 The Pledge of Allegiance to the Flag was given, led by Vice Chairman Christine M. Frahm.

41862 Secretary Murph called the roll. Those answering present were: Directors Alario, Bannister, Barker, Blake, Brick, Foley, Frahm, Gambrell, Grandsen, Green, Griffen, Harry, Hawkins, Hill, Huntley, Ibbetson, King, Kosmont, Krieger, Little, Luddy, Mason, McCauley, McMurray, Meyer, Michaelson, Miller, Milne, Moret, Morris, Morse, Murph, Mylne, O'Neil, Pace, Parker, Peterson, Rez, Watton, Webster, Wein, Witt, Wright, and Wysbeek.

Those not answering were: Directors Capobianco (entered 1:24 p.m.), Fellow (entered 1:40 p.m.), Gilbert (entered 2:20 p.m.), Krauel, and Troxel.

The Chair declared a quorum present.

41863 Chairman Foley announced this Special Meeting of the Board has been called to get in-depth information on the proposal submitted by San Diego County Water Authority (Authority) in its efforts to obtain a future supply of approximately 400,000 acre-

feet of water annually by implementing an intrastate water transfer of Colorado River water, a copy of the proposal before each Director. The Chair called upon Director Mark Watton, Chairman of the Authority, to furnish information regarding this proposal. Director Watton called upon directors who sit on both the Metropolitan and the Authority Boards: Director Mason presented historical background information on the events which have led to the development of the current proposal, Director Parker spoke on the process used to develop the current proposal and the anticipated goal, and Director Frahm cited the importance of the rate refinement process.

Director Watton then introduced Maureen Stapleton, general manager of the Authority, who gave a slide-illustrated presentation outlining this water transfer proposal. In addition to highlighting specific elements of the water transfer proposal, General Manager Stapleton advised that the Authority has initiated a \$740 million capital improvement program, and is currently evaluating alternatives for an emergency storage program which could cost \$540 million, clearly demonstrating the Authority's commitment to meeting the needs of its consumers. She said the capital improvement program, the emergency storage program, coupled with the supplies to be derived from the water transfer proposal, as well as the Authority's commitment to purchase 400,000 acre-feet of 50/50 blend, or 500 ppm TDS, water annually from the Metropolitan Water District, will provide the Authority with a reliable supply of good quality water to the year 2030.

General Manager Stapleton introduced Robert Campbell, the Authority's Chief Financial Officer, who, with the aid of slides, addressed the issues of (1) capacity in the Colorado River Aqueduct as the facility to be used in the delivery of water to San Diego County from the proposed water transfer; (2) the delivery of water from the Metropolitan Water District meeting the Authority's water quality requirement of a 50/50 blend, or 500 ppm TDS; and (3) the financial benefits of the Authority's water exchange proposal by deferring or reducing capital improvement projects.

41864 Chairman Foley invited members of the public to address the Board on matters within the Board's jurisdiction relating to the Authority's proposal.

Gerald Shoaf, attorney for Coachella Valley Water District, questioned the legality of the proposed transfer.

James Bond, board member of San Diego County Water Authority and Mayor of the City of Encinitas, expressed the

need to continue to plan for a future reliable water supply.

Marilyn Stout, representing the Northridge Civic Association, quoted facts stated in the report entitled "Economic Development of The Metropolitan Water District of Southern California", from which it can be concluded that, over the years, the City of Los Angeles has expended more money for water supplies from Metropolitan than the Authority.

41865 Directors commented on the Authority's blended water requirement, which included: Director King stated there is a need to examine how the Authority's requirement for a 50/50 blend and/or the 500 ppm TDS would impact the Bay/Delta Accord. Director Miller pointed out that to achieve a 50/50 blend of water, Metropolitan would have to increase its deliveries from the State Water Project causing a significant cost increase. Furthermore, he said, the capacity of the Colorado River Aqueduct is to be fully utilized to the year 2010 to deliver water to fill the Eastside Reservoir. Director Luddy questioned who would bear the financial burden of building the facilities to accomplish the proposed blended water transfer, pointing out that the water being proposed for transfer by the Authority has a TDS level equal to Colorado River water. Director Harry stated that Metropolitan must consider the Colorado River as its primary source of water. Director Green questioned how the costs would be equalized in the Authority's proposed water exchange program if water of a lesser quality is to be exchanged.

41866 Directors requested studies be made to determine the impacts of the Authority's proposal on the current Capital Improvement Program, the Integrated Resources Program, Metropolitan's ability to provide its service area with a reliable water supply fifty years into the future, noting some of Metropolitan's agencies have made huge capital investments in facilities to provide alternate sources of water supplies thereby purchasing from Metropolitan only a supplemental supply of water.

41867 At 3:30 p.m., the Chair called the Meeting into a recess.

At 4:00 p.m., the Chair called the Meeting to order.

The Chair inquired if Directors had additional comments. Director Brick expressed the value of the Authority's proposal which serves to reemphasize Metropolitan's proactive concerns and the actions taken to meet its commitment to provide

a reliable water supply presently and into the future by adopting the Integrated Resources Program and in authorizing the Capital Improvement Program to meet this goal.

41868 The Chair recognized members of the public interested in seeking a settlement of the San Luis Rey Indian water rights issue, as follows:

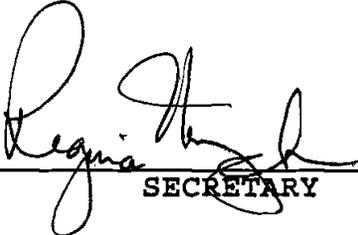
David Drake, member of San Diego County Water Authority Board representing the City of Escondido

Bob Peleyger from Boulder, Colorado, representing the San Luis Rey Indian Water Authority; and

Clyde Romney, San Luis Rey Congressional Facilitator

41869 The Chair stated that this Special Meeting has provided the opportunity for the Authority to present a framework for future discussions of the Authority's water transfer proposal, and has demonstrated a spirit of cooperation which will ensure a mutually acceptable resolution of this issue. The Regular Meeting of the Board of Directors in May will provide an opportunity to continue consideration of this matter.

There being no objection, Chairman Foley adjourned the Meeting at 4:47 p.m.

  
SECRETARY

  
CHAIRMAN