

**MINUTES**  
**ADJOURNED REGULAR MEETING OF THE**  
**BOARD OF DIRECTORS**  
**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**  
**APRIL 14, 1998**

**42880** The Board of Directors of The Metropolitan Water District of Southern California met in Adjourned Regular 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, April 14, 1998.

The Meeting was called to order by Chairman Foley at 11:16 a.m.

**42881** The Meeting was opened with an invocation by Director Wyatt L. Troxel.

**42882** The Pledge of Allegiance to the Flag was given, led by Director Carol W. Kwan.

**42883** In the absence of Board Secretary Murph, Chairman Foley designated Director Miller as Secretary Pro Tem.

**42884** Director Miller called the roll. Those answering present were: Directors Abdo, Bannister, Barbosa, Barker, Blake, Brick, Castro, Coughran, Dymally, Fellow, Foley, Forbes, Frahm, Freeman, Gilbert, Grandsen, Hansen, Herman, Hill, Huntley, King, Kosmont, Krauel, Kwan, Lewis, Luddy, Mayér, McCauley, McMurray, Miller, Morris, Mylne, O'Neil, Owen, Pace, Parker, Peterson, Rez, Stanton, Tinker, Troxel, Wein, Witt, and Wright.

Those not answering were: Directors Gastelum, Krieger, Mason, Moret, Murph, Rascon, and Webster.

The Chair declared a quorum present.

42885 Chairman Foley called the Meeting into a Public Hearing to receive comments on the proposed Water Standby Charge for 1998-99.

General Manager Wodraska reported that the rates for Water Standby Charges for fiscal year 1998-99 would be at the same rates and in the same manner as in prior years for the 23 member agencies which elected to retain Water Standby Charges as a means of collecting their Readiness-to-Serve charges, with the proceeds of the charges to be credited against the RTS obligations of those member agencies, and will be used to pay for capital projects or for debt service on capital projects.

Chairman Foley invited interested parties to comment on the proposed Water Standby Charge for 1998-99. No member of the public responded. The Chairman declared the Public Hearing closed at 11:25 a.m., stating that the Board's final action on the proposed charge is expected to take place at its regular monthly meeting on May 12, 1998.

42886 Chairman Foley 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.

42887 Chairman Foley invited members of the public to address the Board on matters within the Board's jurisdiction.

Gary Arant, General Manager of Valley Center Municipal Water District, requested to address Agenda Item 8-4 as soon as that item is taken up by the Board.

Donna Kiskila, property owner in the Eastside Reservoir Project area, commented on the continuing problems and litigation that her family is encountering with Metropolitan.

General Counsel Taylor responded that the Kiskilas have been relocated to Murrieta, and that the settlement offer for the Kiskila property is before the Board at today's Meeting and he will convey the Board's decision to them. Mr. Taylor stated the law firm that Metropolitan retained to handle the Domenigoni case is not the same firm handling the Kiskila case, as was reported to the Board by Mrs. Kiskila.

**42888** There being no objection, the Chair ordered the reading of the Minutes of the Meeting held February 10, 1998, dispensed with, a copy having been mailed to each Director.

Director Blake moved, seconded by Director Hill and carried, approving the foregoing Minutes as mailed.

**42889** The General Counsel's letter dated April 6, 1998, was presented, transmitting the credentials evidencing the appointment by the City of Anaheim of S. Dale Stanton as its representative on Metropolitan's Board for an indefinite term, replacing Edward G. Alario.

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

The Chair reported the Oath of Office had been administered to Mr. Stanton, and ordered the Oath filed.

Following an introduction by Mr. Alario, Mr. Stanton took his seat as a Director representing the City of Anaheim.

**42890** Director Blake moved, seconded by Director Dymally and carried, approving the committee assignments as recommended by the Board Chairman, as follows:

Director Stanton to the Engineering and Operations and the Organization and Personnel Committees

Director Tinker to the Engineering and Operations Committee from the Legal and Claims Committee

Vice Chairman Frahm to the Legal and Claims Committee from the Budget and Finance Committee

Director Wright to the Committee on Communications and Legislation from the Legal and Claims Committee

Directors Fellow, Kwan, and Lewis to the Committee on Communications and Legislation

Directors Parker and Tinker to the Electric Industry Restructuring Ad Hoc Committee

Vice Chairman Frahm to the Strategic Plan Steering Committee

Directors Abdo and Hansen to the Legal and Claims Committee

Resignation of Director Barker from the Committee on  
Communications and Legislation

**42891** Chairman Foley presented a pin to Director Joseph Parker emblematic of his completion of five years of service as a representative of San Diego County Water Authority on April 13, 1998.

**42892** Committee on Legislation Chairman Pace reported that after due consideration by the committee, it was recommended to consolidate it with the Subcommittee on Communications to increase the efficiency, effectiveness, and coordination of the work of these two committees.

Accordingly, Director Barker moved, seconded by Director Blake and carried, modifying Section 2490, Article 9, of the Administrative Code, Committee on Legislation, as shown on Attachment A to the Committee on Legislation Chairman's letter dated March 25, 1998, and make other conforming changes to the Code which references the Committee on Legislation, as follows:

1. Expand the jurisdiction of the Committee on Legislation to include the charge of the Subcommittee on Communications;
2. Change the name to the Committee on Communications and Legislation;
3. Increase the number of committee members from 22 to 24;  
and
4. Abolish the Subcommittee on Communications.

**42893** On the Governance issue, Chairman Foley reported that as a follow-up to the Board Workshop held in San Pedro with John Carver regarding the development of a new policy governance model, Mr. Carver is scheduled to return on May 26, 1998, to assist us in crafting potential new Board operating policies. The Chair then invited John Van de Kamp to address the Board.

John Van de Kamp commented on the various bills being considered in the Legislature relating to Metropolitan and suggested that the Board members take a more active role in getting to know the members of the Legislature in Sacramento. He also stated the Board should become familiar with its own rules and regulations. Mr. Van de Kamp then commented on the draft Summary of Survey Results relating to alternative methods of allocating voting entitlement, and requested that those agencies who have not responded to do so. Mr. Van de Kamp introduced

Dennis O'Connor from the California Research Bureau of the California State Library who has been given the charge of reviewing Metropolitan and its structure by the Legislature.

**42894** In welcoming Mr. Stanton, the new Director from Anaheim, Chairman Foley commented on the new Directors' Orientation Program wherein Directors Wein and Miller will serve as Director Stanton's mentors, helping him to become familiar with the policies and practices of the Board. A new orientation video has been put together by the staff of the Communications and Human Resources Divisions. Mr. Foley reported that the next meeting of the Executive Committee will be held on Monday, May 4, 1998, at 8:00 a.m. to discuss various issues including the budgets for the Board and Executive offices.

**42895** Regarding Colorado River matters, General Manager Wodraska reported that proposed rules have been published for comment on interstate offstream storage and transfers in the Lower Basin. The Colorado River Board, as well as all the affected agencies, are submitting comments to the Department of the Interior on those rules. Mr. Wodraska stated currently there are proposed legislative changes on the Salton Sea with bills going through Congress.

**42896** Regarding the San Diego/IID transfer, General Manager Wodraska commented on the framework brought before the Board that Department of Water Resources Director Kennedy had proposed, and subsequent to that, Metropolitan had submitted a proposed MOU, with San Diego submitting a contract. Mr. Wodraska stated that a meeting was held with the Governor's chief of staff, George Dunn, Chairman Foley, Paul Cunningham, and himself. A follow-up meeting is to be held on April 21 with Messrs. Dunn and Kennedy and the technical teams of both Metropolitan and San Diego, with Mr. Wodraska to report back to the Board on the outcome of that meeting.

**42897** General Manager Wodraska commented on the Engineering News-Record magazine (with Assistant Chief Engineer Dennis Majors on the cover) and reported on the awards presentation held in New York where Dennis Majors was the recipient of the Award of Excellence for this year's Engineering News-Record. Mr. Wodraska reported that at the forthcoming ACWA conference in Monterey, former Director E. Thornton Ibbetson will be receiving ACWA's Lifetime Achievement Award in recognition of his outstanding service to the water community. He also reported that the Board Workshop scheduled for April 21 on the rate structure will be postponed to a future date as more time is needed to get all the information together and for the Board to engage in the process

of the rate structure and the implications. He suggested that that may be the appropriate time for Los Angeles to bring forth its resolution on water pricing, and to discuss the true cost of water. Mr. Wodraska then called on Principal Legislative Representative Brad Hiltcher, who reported on the itinerary for the "Washington Day" trip scheduled for May 16-20, 1998. General Manager Wodraska reported that on Sunday, April 19, Metropolitan will be featured on Channel 2 television, where a day-long celebration on the environment will take place on the Santa Monica pier. Also, on Channel 2, Friday, May 17, station KCBS will air a "special" on water quality in Southern California where Deputy General Manager Means was interviewed.

**42898** General Counsel Taylor reported that Judge Miller of the Federal District Court in San Diego denied the motion for a preliminary injunction by the Associated General Contractors with regard to Metropolitan's project labor agreement. A motion is now scheduled to dismiss the action to be heard in two or three weeks. This case is a challenge to Metropolitan's project labor agreements at Eastside and the Inland Feeder on the basis of alleged conflict with the ERISA statute.

**42899** The Chair reported that Agenda Item 7-7 has been withdrawn from the agenda; and Agenda Items 8-5, 8-6, and 8-8 through 8-12 have been added to the Consent Calendar.

Director Hill moved, seconded by Director Blake and carried, and the Board approved the Consent Calendar Items, M.I. 42900 through M.I. 42914, as follows:

**42900** To conduct a site engineering study to establish locations and architectural guidelines for future facilities at the Robert B. Diemer Filtration Plant, the Board authorized (1) Appropriation No. 15321 in the amount of \$600,000 from the Pay-As-You-Go Fund (Board Action No. 1); and (2) the General Manager to enter into an agreement with Michael Willis and Associates, Architects, in the amount not to exceed \$340,000, and to have all work performed, as set forth in the General Manager's letter dated March 24, 1998.

**42901** Authorized the General Manager to enter into a cooperative agreement with the California Department of Water Resources regarding use of its staffing resources in the area of Bay-Delta technical support not to exceed \$300,000 per year over the next two years, as set forth in the General Manager's letter dated March 31, 1998.

**42902** . The Board (1) approved and adopted amendments to the Articles of The Metropolitan Water District of Southern California Savings Plan and Savings Plan II as shown in Attachments A-1 and A-2 to the General Counsel's letter dated March 18, 1998; and (2) authorized the General Manager, as Plan Administrator, and General Counsel to execute such amendments and take such other actions as they may deem necessary or desirable to effect such amendments.

**42903** Amended Agreement No. 16258 with P&D Consultants to fund currently anticipated efforts on the Eastside Reservoir Project Recreation Areas Specific Plan and Subsequent EIR, with the agreement value not to exceed \$850,000, as set forth in the General Manager's letter dated March 31, 1998.

Vice Chairman Frahm, Directors Krauel, Lewis, Parker, and Tinker requested to be recorded as voting no.

**42904** Authorized the General Counsel to amend Agreement No. 15366 with Ellison & Schneider to increase the total amount payable under the agreement to \$150,000, to represent Metropolitan's interests with respect to the appropriation of agricultural drainage water for beneficial use and related Colorado River issues, as set forth in the General Counsel's letter dated March 24 and revised by his letter of April 13, 1998.

**42905** Expressed support for Assembly Bill 2439 (Bowen) and seek amendments regarding the use of two-stroke engines on lakes and reservoirs that provide drinking water supplies, as set forth in the General Manager's letter dated March 26, 1998.

Directors Bannister and McMurray requested to be recorded as voting no.

**42906** Authorized the General Counsel to amend Agreement 10158 with the law firm of Perkins-Coie to increase the total amount payable under the agreement to a maximum of \$150,000 per year, and annual renewal thereof commencing May 1, 1998, as set forth in the General Counsel's letter dated March 26, 1998.

**42907** Authorized an exchange of land with the City of Hemet to acquire in-holdings at the Eastside Reservoir Project, and Metropolitan conveying Parcel 144-1-85C, consisting of approximately 35 acres of land, to the City in exchange for remainders in Parcels 144-1-603 and 144-1-647 with an equal amount of acreage, as set forth in the General Manager's letter dated March 26, 1998.

42908 The Board (1) certified it has reviewed and considered the information contained in the Final Environmental Impact Report (EIR) and adopt the Lead Agency's findings, statement of overriding considerations and mitigation monitoring plan related to the EIR; (2) adopted **Resolution 8579** attached as Exhibit A to the General Manager's letter dated March 24, 1998, granting Calleguas Municipal Water District's request for consent to the concurrent annexation of Annexation No. 51 to Calleguas and Metropolitan, by establishing Metropolitan's terms and conditions for the annexation; and (3) approved the plan for Implementing Water Use Efficiency Guidelines for this proposed annexation; said Resolution entitled:

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSENTING TO THE ANNEXATION OF CALLEGUAS ANNEXATION NO. 51 UPON CONCURRENT ANNEXATION TO CALLEGUAS MUNICIPAL WATER DISTRICT AND FIXING THE TERMS AND CONDITIONS OF SAID ANNEXATION TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

Directors Grandsen and Miller requested to be recorded as abstaining.

42909 The Board (1) found that the requested consent to annex is exempt under the State California Environmental Quality Act Guidelines; and (2) adopted **Resolution 8580** attached as Exhibit A to the General Manager's letter dated March 24, 1998, granting San Diego County Water Authority's request for consent to the concurrent annexation of Guajome Annexation to Metropolitan, San Diego County Water Authority, and Vista Irrigation District, by establishing Metropolitan's formal terms and conditions for the annexation; said Resolution entitled:

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSENTING TO THE ANNEXATION OF GUAJOME ANNEXATION AREA UPON CONCURRENT ANNEXATION TO SAN DIEGO COUNTY WATER AUTHORITY AND FIXING THE TERMS AND CONDITIONS OF SAID ANNEXATION TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

42910 Approved the recommendations in the confidential letter dated March 24, 1998, signed jointly by the General Manager and the General Counsel regarding the negotiations with M.A. Mortenson Company in connection with claim arising out of the Expansion No. 2 to Metropolitan's Henry J. Mills Filtration Plant; and authorized the amendment of contracts with special



counsel and consultants to finance costs of the audit and claim negotiations.

**42911** Approved the recommendation in the General Counsel's confidential letter dated March 24, 1998, regarding the eminent domain action (Metropolitan v. Eletes, San Bernardino County Superior Court Case No. SCV 44155) for the Inland Feeder Project; and authorized amendment of agreements with special counsel and the appraisal firm.

Vice Chairman Frahm, Directors Krauel, Lewis, Parker, and Tinker requested to be recorded as voting no.

**42912** Approved the recommendation in the General Counsel's confidential letter dated March 24, 1998, regarding the settlement demand in eminent domain action (Metropolitan Water District v. Ronal J. Kiskila, et al., Riverside County Superior Court Case No. 286123).

**42913** Authorized the settlement of eminent domain action entitled Metropolitan Water District v. Hafliger, Riverside County Superior Court Case No. 286921, for the Inland Feeder Project, as set forth in the General Counsel's confidential letter dated March 24, 1998.

Vice Chairman Frahm, Directors Krauel, Lewis, Parker, and Tinker requested to be recorded as voting no.

**42914** Authorized the settlement of eminent domain action entitled People of the State of California, etc. v. Metropolitan Water District, San Bernardino County Superior Court Case No. SCV 38053, involving the Etiwanda Pipeline, as set forth in the General Counsel's confidential letter dated March 24, 1998.

**42915** Director Blake moved, seconded by Director King and carried, authorizing funds to purchase property adjacent to Ormond Beach (MWD Parcel ORMOND1-01-100) from NM Homes Two, LLC, as set forth in the General Manager's confidential letter dated March 18, 1998, and as amended by the Engineering and Operations Committee.

Vice Chairman Frahm, Directors Krauel, Lewis, Parker, and Tinker requested to be recorded as voting no.

**42916** Water Planning and Resources Committee Chairman Brick moved, seconded by Director Dymally and carried, that the General Manager be authorized to pursue and take all actions necessary to obtain amendment of the wheeling provisions of the Water Code to

explicitly prohibit injury or cost shifting to other users of a conveyance facility involved in a wheeling transaction, if such cost shifts are not mitigated, as set forth in the letter signed jointly by the General Manager and the General Counsel dated March 17, 1998.

Vice Chairman Frahm, Directors Krauel, Lewis, Parker, and Tinker requested to be recorded as voting no.

**42917** Committee on Legislation Chairman Pace moved, seconded by Director Huntley and carried, expressing opposition to Assembly Bill 1918 (Thompson) which amends the Metropolitan Water District Act to require waterskiing, jet skiing, and windsurfing activities at the Eastside Reservoir Project, as set forth in the letter signed jointly by the General Manager and the General Counsel dated March 23, 1998.

Vice Chairman Frahm, Directors Lewis, Parker, and Tinker requested to be recorded as abstaining.

Director Krauel requested to be recorded as voting no.

Director Witt withdrew from the Meeting at 12:33 p.m.

**42918** Water Planning and Resources Committee Chairman Brick moved, seconded by Director Blake, that the Board maintain a current schedule for Mills and Jensen and within 30-90 days return to the Board with information on (1) financial strategies to mitigate impacts on the treatment surcharge as a result of accelerating the Oxidation Retrofit Program (ORP) in a manner that avoids cost shifting; (2) capital projects that were deferred through rate refinement; (3) disinfection by-products/microbial health effects information related to ozonation; and (4) alternative technology options, as amended from the recommendations contained in the General Manager's letter dated March 25, 1998.

Director Freeman offered a substitute motion, seconded by Director Morris, to add to the original motion the acceleration of the design and site planning for the Skinner, Weymouth, and Diemer plants so that if further studies suggest that they should be accelerated, then it can be done.

Director Kwan expressed support for the substitute motion, and stated that Metropolitan must be committed to achieving all DHS and EPA standards with regard to THMs and that Metropolitan will move forward with ORP with the quickest speed and in a most cost-effective manner.

Following further discussion, Director Hill moved, seconded by Director Bannister, to table this item until next month.

The Chair called for a vote to table this item. The motion did not carry.

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

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

Ayes: Burbank (Dir. McCauley, 857 votes), Eastern Municipal Water District (Dir. Gilbert, 1,803 votes), Foothill Municipal Water District (Dir. O'Neil, 551 votes), Glendale (Dir. Rez, 1,071 votes), Las Virgenes Municipal Water District (Dir. Peterson, 849 votes), Los Angeles (Ayes: Dirs. Freeman, Herman, Kosmont, Luddy, and Wein. Absent: Dirs. Gastelum and Moret. 18,099 votes), Pasadena (Dir. Brick, 882 votes), San Marino (Dir. Morris, 197 votes), Santa Monica (Dir. Abdo, 949 votes), Upper San Gabriel Valley Municipal Water District (Dir. Forbes, 1,807 votes), West Basin Municipal Water District (Dirs. Dymally and Kwan, 4,171.33 votes). Total 31,236.33 votes.

Noes: Anaheim (Dir. Stanton, 1,612 votes), Calleguas Municipal Water District (Dirs. Grandson and Miller, 3,386 votes), Central Basin Municipal Water District (Dirs. Castro, Mayér, and Pace, 5,711 votes), Chino Basin Municipal Water District (Dirs. Hill and Troxel, 3,251 votes), Coastal Municipal Water District (Dirs. McMurray and Owen, 2,694 votes), Fullerton (Dir. Blake, 639 votes), Long Beach, (Dir. Hansen, 1,772 votes), Municipal Water District of Orange County (Noes: Dirs. Bannister, Foley, Huntley, and King. Absent: Dir. Witt. 11,485 votes), San Diego County Water Authority (Noes: Dirs. Frahm, Krauel, Lewis, Parker, and Tinker. Absent: Dir. Mason. 13,740 votes), Santa Ana (Dir. Coughran, 1,013 votes), Three Valleys Municipal Water District (Dir. Barbosa, 2,512 votes), Torrance (Dir. Wright, 1,113 votes), Upper San Gabriel Valley Municipal Water District (Dir. Fellow, 1,807 votes), West Basin Municipal Water District (Dir. Barker, 2,085.67 votes), Western Municipal Water District of Riverside County (Noes: Dir. Mylne. Absent: Dir. Krieger. 2,665 votes). Total 55,496.67 votes.

Abstains: None.

Absent: Beverly Hills (Dir. Webster, 820 votes), Compton (Dir. Murph, 164 votes), San Fernando (Dir. Rascon, 75 votes). Total 1,059 votes.

The Chair declared the substitute motion did not carry.

The Chair called for a vote on the original motion, which carried.

42919 Gary Arant, General Manager of Valley Center Municipal Water District, commented on Senate Bill 1875 (Hayden-Brentwood and Ayala-Chino) and expressed his concern regarding Metropolitan's support of the bill, if amended, and that the authors of the bill would see that the bill has been changed dramatically. He suggested that Metropolitan oppose the bill unless amended and focus on the amendments that Metropolitan can truly get behind. He expressed his concern about some of these amendments and what it would do to the smaller agencies in Metropolitan's service area.

Director Blake commented on the language regarding Metropolitan's recommendation, and moved to use the words "express opposition, unless amended" from "express support, if amended". Director Morris seconded the motion.

After further comments on the consideration and recommendations from the committees, Director Brick offered a substitute motion, seconded by Director Dymally, that the Board support Senate Bill 1875, if amended substantially as shown in Revised Attachment B to the General Manager's letter of April 13, revised from his letter dated April 6, 1998, to make its provisions applicable to other public agencies.

Director Blake withdrew his motion.

The Chair called for a vote on the motion made by Director Brick. The motion carried.

Vice Chairman Frahm, Directors Krauel, Lewis, Parker, and Tinker requested to be recorded as abstaining.

42920 Committee on Legislation Chairman Pace moved, seconded by Director Herman and carried, expressing opposition to Senate Bill 1885 (Ayala-Chino) which would amend Section 51 of the Metropolitan Water District Act to reduce the Board of Directors of Metropolitan from its current 51 members to one member per member agency, as set forth in the General Manager's two revised letters dated April 7, 1998.

Vice Chairman Frahm, Directors Krauel, Lewis, McMurray, Parker, and Tinker requested to be recorded as voting no.

**42921** Committee on Legislation Chairman Pace moved, seconded by Director Blake and carried, expressing opposition to Senate Bill 2062 (Johnson-Irvine), as amended March 24, 1998, which would require Metropolitan to reimburse a member agency under specified conditions for Metropolitan's litigation costs paid from fees or charges for water sales to that member agency, as set forth in the letter signed jointly by the General Manager and the General Counsel dated March 31, 1998.

Vice Chairman Frahm, Directors Krauel, Lewis, Parker, and Tinker requested to be recorded as voting no.

**42922** Committee on Legislation Chairman Pace moved, seconded by Director Blake and carried, expressing opposition to Senate Bill 1833 (Kelley-Idyllwild), which would make policy statements regarding the transfer of Colorado River water, as set forth in the letter signed jointly by the General Manager and the General Counsel dated April 7, 1998.

Vice Chairman Frahm, Directors Krauel, Lewis, Parker, and Tinker requested to be recorded as voting no.

**42923** Committee on Legislation Chairman Pace moved, seconded by Director Blake and carried, expressing opposition to Assembly Bill 1834 (Thompson-Fallbrook), and authorize staff to take necessary action to resolve these ongoing disputes regarding the Eastside Reservoir groundwater mitigation matters, as set forth in the General Counsel's letter dated April 6, 1998.

Vice Chairman Frahm, Directors Krauel, Lewis, Parker, and Tinker requested to be recorded as abstaining.

Director Huntley withdrew from the Meeting at 1:03 p.m.

**42924** Committee on Legislation Chairman Pace moved, seconded by Director Blake and carried, expressing opposition to Assembly Bill 2626 (Baldwin-El Cajon), which would require the Board to authorize all contracts for capital projects and consulting services of \$50,000 or greater, as set forth in the letter signed jointly by the General Manager and the General Counsel dated April 7, 1998.

Vice Chairman Frahm, Directors Krauel, Lewis, Parker, and Tinker requested to be recorded as voting no.

**42925** Committee on Legislation Chairman Pace moved, seconded by Director Blake and carried, expressing support, if amended to clarify the funding source in the manner described in the General

Counsel's letter dated April 8, 1998, for Assembly Bill 2299 (Escutia-Bell), regarding Urban Water Infrastructure Restoration.

42926 The following listed communications were submitted for the information of the Board:

- a. Letter of the General Manager dated March 24, 1998, reporting on the operating data for the month of February.
- b. Letter of the General Counsel dated March 31, 1998, transmitting the activity report of the Legal Department for the month of March.
- c. Letter of the Auditor dated March 31, 1998, transmitting the activity report of the Audit Department for the month of March.
- d. Letter of the General Manager dated March 13, 1998, transmitting the Executive Financial Summary for the month of February.
- e. Letter of the Auditor dated March 23, 1998, transmitting the Audited Cash Basis Financial Statements as of December 31, 1997.
- f. Letter of the General Manager dated March 24, 1998, reporting on inactive appropriations for July 1996 through December 1997.
- g. Letter of the General Manager dated March 11, 1998, reporting on the abandonment of San Joaquin Reservoir Cover Project.
- h. Letter of the General Manager dated March 31, 1998, submitting an update on the release of the Draft Programmatic Environmental Impact Report/Statement by the CALFED Bay-Delta Program.
- i. Revised letter of the General Manager and the General Counsel dated April 7, 1998, reporting on proposed Assembly Bill 2027 (Machado-Linden), relating to water transfers.
- j. Letter of the General Manager dated March 24, 1998, submitting an update on implementation of Metropolitan's Bay-Delta Outreach Strategy.

- k. Letters of the General Manager dated March 24 and April 7, 1998, transmitting the annual report on organizational memberships.
- l. Revised letter of the General Manager dated April 7, 1998, reporting on Assembly Bill 1919 (Thompson-Fallbrook), relating to governance issues.

**42927** The letter of the General Manager regarding the establishment of policy principles for selection and approval process for museum exhibit projects or programs, dated March 23, 1998, was received as a pending item and will be discussed at a later date.

**42928** Special Committee on Real Property Management Chairman King announced there will be a walk-through of the new Headquarters Building on May 21 and invited all Directors to participate.

**42929** Director Morris announced that the Special Committee on Water Quality, Desalination, and Environmental Compliance will be meeting after the Board's adjournment today to review the proposed 1998-99 budget for those divisions.

**42930** At 1:07 p.m., there being no objection, Chairman Foley adjourned the Meeting to May 12, 1998, at 11:00 a.m.

  
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SECRETARY PRO TEM

  
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CHAIRMAN