

MINUTES

ADJOURNED REGULAR MEETING OF THE

BOARD OF DIRECTORS

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

SEPTEMBER 15, 1998

43138 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, September 15, 1998.

The Meeting was called to order by Chairman Foley at 11:13 a.m.

43139 The Meeting was opened with an invocation by Board Executive Officer Gilbert F. Ivey.

43140 The Pledge of Allegiance to the Flag was given, led by Director Bill Hill.

43141 Secretary Murph called the roll. Those answering present were: Directors Abdo, Bannister, Barbosa, Barker, Blake, Brick, Castro, Dymally, Fellow, Foley, Forbes, Gastelum, Gilbert, Grandsen, Hansen, Herman, Hill, Huntley, King, Krauel, Kwan, Mason, Mayér, McMurray, Miller, Moret, Morris, Murph, Mylne, O'Neil, Pace, Parker, Rascon, Rez, Stanton, Tinker, Webster, Wein, and Witt.

Those not answering were: Directors Coughran, Frahm, Freeman, Kosmont (entered 11:20 a.m.), Krieger, Lewis, Luddy, McCauley, Owen, Peterson (entered 11:22 a.m.), Troxel, and Wright.

The Chair declared a quorum present.

43142 At 11:16 a.m., Chairman Foley called a public hearing to receive comments on the proposed standby charges for Calleguas

Annexation No. 54, Thirty-Eighth Fringe Annexation, and Guajome Annexation.

No members of the public responded; and after tabulation of the ballots were completed and with no protests filed, the Chair closed the public hearing at 11:18 a.m.

43143 Chairman Foley presented a pin to Director Charles D. Barker emblematic of his completion of thirty-five years of service as a representative of West Basin Municipal Water District on September 10, 1998.

Director Kosmont took his seat at 11:20 a.m.

Director Peterson took his seat at 11:22 a.m.

43144 Board Executive Officer Ivey announced that the American Water Resources Association board of directors has selected Chairman Foley to be the recipient of the 1998 William C. Ackermann Medal for Excellence in Water Management in recognition of Mr. Foley's leadership in guiding water management in the State of California.

43145 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.

43146 Chairman Foley invited members of the public to address the Board on matters within the Board's jurisdiction.

Terry Spragg of Spragg & Associates expressed his disappointment with Metropolitan's rejection of his water bag technology and requested that the Board allow the staff to again review his technology.

43147 There being no objection, the Chair ordered the reading of the Minutes of the Meeting held July 14, 1998, dispensed with, a copy having been mailed to each Director.

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

43148 Chairman Foley received and filed a Declaration from the Executive Secretary dated August 19, 1998, stating that she had posted the Notice of Adjournment of the Board of Directors Meeting of September 8, 1998, at 11:00 a.m. to September 15, 1998, at 11:00 a.m.

43149 Chairman Foley reported on his first meeting as Metropolitan's representative on the Colorado River Board, and stated that storage on the river is high; and he also reported on the discussion of the treatment of those people who have lived along the river and have drawn water but have no formal contracts. The latter item has been discussed over the years, but there is still no resolution.

The Chair then referred to his letter dated September 10, 1998, distributed to the Board, on the use of Metropolitan resources for campaign-related materials or events.

43150 Organization and Personnel Committee Chairman Wein moved, seconded by Director Blake and carried, approving the modifications to Administrative Code Sections 2471 and 2571 which incorporate the oversight of business development to the jurisdiction of the Organization and Personnel Committee and Special Committee on Real Property Management, as set forth in the Board Chairman's letter dated August 18, 1998.

Director Huntley requested that Section 2571(a)(11) be deleted since it is a duplication of what is already included in Section 2571(a)(2). The Chair so ordered.

43151 The Chair reported that Agenda Item 6E, the recommendations from the Diversity Steering Committee on the Business Outreach Program, has been tabled for one month by the Executive Committee.

43152 Special Committee on Real Property Management Chairman King reported that a Temporary Occupancy Certificate for the new Headquarters Building was received on September 14 for floors 1, 2, 3, 4, and 6, as well as the parking structure and the tower roof; and the "Move Team" has been preparing for the multi-phased move which will end on January 31, 1999. On September 23 the Engineering Division will begin moving on to the third and fourth floors. Guckenheimer Enterprises, Inc., has been selected as the food services contractor for the cafeteria in the new Headquarters building, and the first day of business at the building will be on September 28, 1998. The remainder of the project is still ahead of schedule and under budget.

Regarding the La Verne Area Master Plan issues, Director King reported that the Master Plan of the Weymouth and Arrow Highway sites was completed in 1995, and with the completion of the Water Quality Laboratory Expansion, work is now in progress on the entry court landscaping and hardscaping improvements to blend the architecture of the Weymouth buildings

and the Water Quality Lab Expansion. CHCG Architects has been retained to prepare the drawings and specifications for the improvements to the Weymouth entry court. To implement many of the Master Plan's recommendations for the Weymouth site, Metropolitan has purchased the 7-acre site next to the treated water reservoir for future Metropolitan's needs.

43153 Strategic Plan Steering Committee Chairman King reported that approximately eighty percent of the Board and member agencies and sixty-five percent of the external stakeholders were interviewed by the consultant team. The interview process was extended primarily to accommodate members of the Legislature and is expected to be concluded at the end of the month. The three "white papers" to be discussed at the forthcoming workshop will focus on utility needs, Metropolitan's situational analysis, and water resource public policy and will be mailed to the Board in draft form to be discussed at the workshop on September 24 and 25 at the Embassy Suites in Santa Ana. The next meeting of the Strategic Plan Steering Committee will be held on September 29 to review the workshop results. Director King then introduced Kevin Bacon, the project officer of the consultant team.

Kevin Bacon, consultant from PriceWaterhouseCoopers, briefed the Board on the upcoming workshop and the task of building a process leading to the Board adopting a vision statement for Metropolitan for the future progress of the organization.

43154 Deputy General Manager Means stated there are no further reports on Colorado River matters and the San Diego/IID transfer.

43155 General Counsel Taylor reported that the tolling agreement with San Diego County Water Authority and Imperial Irrigation District regarding the potential CEQA challenge and other matters expires on September 25, 1998, and requested that the Board authorize its extension to protect Metropolitan's interests.

Director Blake moved, seconded by Director Barker and carried, approving the extension of the tolling agreement to October 25, 1998, and that the General Counsel take whatever appropriate action is necessary to protect Metropolitan's interests.

Directors Krauel, Mason, Parker, and Tinker requested to be recorded as abstaining.

43156 Chairman Foley commented on the material distributed to all Directors from the Chief of Communications on the status of the State legislative bills affecting Metropolitan.

43157 Deputy General Manager Means reported that General Manager Wodraska is currently attending the California Foundation of the Environment and the Economy (CFEE) water conference which is an executive level leadership forum on future water policy in California. Participants include representatives from the public and private sector, including water industry and environmental leaders, CEOs from agriculture development, banking, twenty members of the Legislature, and top officials from Governor Wilson's administration, as well as Secretary of the Interior Babbitt.

43158 By video, the Board received the following reports:

Chief of Operations Malinowski reported that during the week of August 31 electrical storms in Riverside County caused several brush fires in the area of Lake Perris but none of Metropolitan's facilities were affected. However, the electrical storms caused seven of the hydroelectric power plants to trip off-line, but the design of the power plants allowed an automatic transfer flow to an alternative flow-control device, with the systems working well. There was no interruption of water deliveries, and the lost energy revenues during the outages were minimal. Mr. Malinowski then introduced Assistant Chief of Operations Young who reported on the lower salinity level of 500 to 550 milligrams per liter within parts of Metropolitan's system which receive a blend of State project water and Colorado River water. Mr. Young also reported on the upcoming outage of the Casa Loma Canal No. 2 between September 28 and October 17 to allow the contractor to lay a portion of pipe for the Riverside pipeline south that will cross the Casa Loma No. 2. With substantial planning, there will be minimum interruption to the member agencies during the outage.

Chief of Planning and Resources Man reported that through its local resources programs, Metropolitan provides support to its member agencies for the development and operation of water recycling and groundwater recovery projects. Ms. Man further reported that the Santa Ana Watershed Project Authority celebrated the groundbreaking on September 1 for the Chino Basin Desalter Project in the City of Chino, whereby Metropolitan is providing financial assistance of up to \$250 per acre-foot of groundwater

recovered by the project. Ms. Man stated that Metropolitan is working with its member agencies on other local resources projects that will improve regional water supply reliability and allow Metropolitan to defer expansion of capital improvements.

Chief Financial Officer Becker reported on Metropolitan's financial condition through August of fiscal year 1998-99. Mr. Becker also reported on the recent bond sale by Metropolitan of \$260 million of General Obligation and Revenue Bonds, with the overall true interest cost for the General Obligation Bonds at 4.86% and 4.99% for the Revenue Bonds. This is the lowest rate for Metropolitan's general obligation debt since 1967, and the lowest rate ever for the fixed rate revenue bond debt

Chief Engineer Snyder reported that twenty construction projects are currently underway, representing over 1.2 billion dollars in total construction costs. Mr. Snyder commented on the recently completed history of the Colorado River Aqueduct done by an international team of students, architects, and historians working for the National Park Service. The project is part of the Historic American Engineering Record Program, which was set up to document historically significant engineering, industrial, and maritime projects throughout the United States. Mr. Snyder also reported on the tunneling at the City Creek Portal on the Arrowhead East Tunnel. He then introduced Assistant Chief Engineer Hazel who provided an update on the Alameda Corridor Project. The project is a 20-mile railroad corridor that will connect the ports of Los Angeles and Long Beach to the rail network near downtown Los Angeles. Metropolitan is involved because portions of four of Metropolitan's pipelines in at least six locations will have to be relocated, and construction is expected to start early next year.

43159 Director Dymally introduced Bob Campbell, the new General Manager of the Water Replenishment District.

43160 General Counsel Taylor reported that distributed to each Director is a list with the telephone numbers of both California Senators Boxer and Feinstein and urged Directors to relay to the Senators their support for Senator Kempthorne's amendment of his Endangered Species Act Reform Bill (S. 1180), which the Senator is attempting to attach to the Department of the Interior appropriations bill.

43161 Director Blake moved, seconded by Director Miller and carried, adding Agenda Items 8-2, 8-3, 8-5, 8-6, and 8-13 through 8-20 to the Consent Calendar.

43162 The Chair reported that Agenda Items 7-4, 8-1, and 8-4 have been withdrawn; Agenda Item 7-12 is withdrawn from the Consent Calendar; and Agenda Item 9-11 has been changed to an "action" item.

Director Mylne moved, seconded by Director Morris and carried, and the Board approved the Consent Calendar Items, M.I. 43163 through M.I. 43184, as follows:

43163 Authorized Metropolitan to provide water quality testing services to Marin County Municipal Water District pursuant to a contract not to exceed \$5,000, subject to the contract being in form approved by the General Counsel, as set forth in the General Manager's letter dated August 24, 1998.

43164 Authorized an increase of \$370,000 in Appropriation No.15282 to a total of \$2,919,000 from the Pay-As-You-Go Fund (Board Action No. 3), to complete the connection of the digital microwave presently serving the desert pumping facilities to Weymouth Filtration Plant, as set forth in the General Manager's letter dated August 18, 1998.

43165 Authorized (1) Appropriation No. 15340 (Board Action No. 1) in the amount of \$1,310,000 from the Pay-As-You-Go Fund, to finance all estimated costs for design, purchase of materials, and replacement of the current electronic messaging infrastructure; and (2) the General Manager to award a contract in the maximum amount of \$700,000 (including state sales tax) to Compaq Computer Corporation for designing and implementing an electronic messaging system, as set forth in the General Manager's letter dated August 18, 1998.

Director Kosmont requested to be recorded as abstaining.

43166 Authorized the General Counsel to amend Agreement No. 12856 with the appraisal firm of Mason & Mason from a maximum payable of \$250,000 to \$400,000, including expenses, for eminent domain litigation to acquire property for the Inland Feeder Project, as set forth in the General Counsel's letter dated August 20, 1998.

Directors Krauel, Mason, Parker, and Tinker requested to be recorded as voting no.

43167 Authorized the General Counsel to amend Agreement No. 15366 with the law firm of Ellison & Schneider to increase the total amount payable an additional \$200,000 under the agreement for services relating to Colorado River issues, as set forth in the General Counsel's letter dated August 20, 1998.

Directors Krauel, Mason, Parker, and Tinker requested to be recorded as abstaining.

43168 Authorized the General Manager and the General Counsel to amend Agreement No. 4645 with the law firm of Morgan, Lewis, & Bockius to increase the maximum amount payable under the agreement by \$75,000 to an amount not to exceed \$175,000 per twelve-month period, for legal services relating to labor relations for the Eastside Reservoir Project, as set forth in the letter signed jointly by the General Manager and the General Counsel dated August 14, 1998.

43169 Authorized an amendment to Agreement No. 6255 between Metropolitan and the law firm of Duncan, Weinberg, Genzer & Pembroke to increase the maximum amount payable by an additional \$475,000 to \$1,375,000, for advice and representation in legal proceedings arising out of the restructuring of the electric utility industry, as set forth in the General Counsel's letter dated August 19, 1998.

43170 Authorized the General Counsel to intervene and to take all actions necessary to protect Metropolitan's interests in the litigation entitled Spirit of the Sage Council, et al. v. Bruce Babbitt, Secretary, U.S. Department of the Interior, et al., United States District Court for the District of Columbia Case Number 98-CIV-01873, as set forth in the letter signed jointly by the General Manager and the General Counsel dated August 24, 1998.

43171 The Board (1) certified it has reviewed and considered the information provided in the Mitigated Negative Declaration for the Beverly Hills Desalter Project and adopted the Lead Agency's findings related to the project; and (2) authorized the General Manager to execute a Groundwater Recovery Program agreement with the City of Beverly Hills to implement the Beverly Hills Desalter Project consistent with the major terms and conditions contained in the General Manager's letter dated August 25, 1998, subject to the agreement being in form approved by the General Counsel.

Director Webster requested to be recorded as abstaining.

43172 Authorized the General Manager to pay Metropolitan's share of the total contribution to the Six Agency Fund in the amount of \$409,863, and Metropolitan's share of the total contribution to the Colorado River Association-Six Agency Committee in the amount of \$40,404 for fiscal year 1998-99, as set forth in the General Manager's letter dated August 25, 1998.

43173 Authorized (1) Appropriation No. 15308-E (Board Action No. 2) in the amount of \$3,219,000 from the Pay-As-You-Go Fund, to finance all estimated costs for Stage II of the System Upgrades for Server and Workstations Program; and (2) the General Manager to have all necessary work performed to complete Stage II of the three-stage System Upgrades for Server and Workstations Program, as set forth in the General Manager's letter dated August 18, 1998.

43174 To accomplish the F.E. Weymouth Filtration Plant Rehabilitation Program, the Board (1) authorized Appropriation No. 15345 (Board Action No. 1) in the amount of \$2,860,000 from the Pay-As-You-Go Fund, to finance all program costs in advance of award of a construction contract; (2) delegated to the General Manager authority to award a procurement contract for equipment, not to exceed \$350,000; and (3) authorized the General Manager to have all work performed, except for construction contracts of \$250,000 or more, as set forth in the General Manager's letter dated August 18, 1998.

43175 To repair the Joseph Jensen Filtration Plant Finished Water Reservoir No. 1, the Reservoir No. 1 overflow/service connection pipeline, plus provide temporary service to the Los Angeles Department of Water and Power LA-25 service connection, the Board (1) authorized Appropriation No. 15343 (Board Action No. 1) in the amount of \$5,000,000 from the Pay-As-You-Go Fund, to finance all associated costs; (2) authorized the General Manager to have all work performed; and (3) delegated to the General Manager the authority to award a lump-sum construction contract, not to exceed \$3,500,000, for the repairs, subject to the contract being in form approved by the General Counsel, as set forth in the General Manager's letter dated August 18, 1998.

43176 Authorized the General Manager to negotiate a cost-sharing and reimbursement agreement with International Desalination Technologies, a joint venture of Parsons Corporation and Israel Desalination Engineering, Ltd., for the purpose of continuing the commercialization of Metropolitan's seawater desalination technology; with the draft agreement, as well as other options, to be brought back for the Board's deliberation

and decision, as set forth in the General Manager's letter dated September 14, revised from his letter dated August 19, 1998.

43177 The Board adopted, by a two-thirds vote, **Resolution 8597** attached to the General Manager's letter dated August 18, 1998, to condemn the property in interests described in Exhibits A and B attached to the foregoing letter, in accordance with the eminent domain law, and directing the General Counsel to commence condemnation proceedings in San Bernardino County to acquire said property interests for the Inland Feeder Project, said Resolution entitled:

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA DIRECTING THE CONDEMNATION OF CERTAIN PROPERTY SITUATED IN THE COUNTY OF SAN BERNARDINO (INLAND FEEDER PROJECT)

Directors Krauel, Mason, Parker, and Tinker requested to be recorded as voting no.

43178 The Board adopted, by a two-thirds vote, **Resolution 8598** attached to the General Manager's letter dated August 20, 1998, to condemn the properties described in Exhibits A and B attached to the foregoing letter, in accordance with the eminent domain law, and directing the General Counsel to commence condemnation proceedings in San Bernardino County to acquire said properties for the Inland Feeder Project, said Resolution entitled:

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA DIRECTING THE CONDEMNATION OF CERTAIN PROPERTY SITUATED IN THE COUNTY OF SAN BERNARDINO (INLAND FEEDER PROJECT)

Directors Krauel, Mason, Parker, and Tinker requested to be recorded as voting no.

43179 The Board adopted, by a two-thirds vote, **Resolution 8599** attached to the General Manager's letter dated August 20, 1998, to condemn property described in Exhibits A and B attached to the foregoing letter, in accordance with the eminent domain law, and directing the General Counsel to commence condemnation proceedings in San Bernardino County to acquire said property for the Inland Feeder Project, said Resolution entitled:

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN
WATER DISTRICT OF SOUTHERN CALIFORNIA DIRECTING THE
CONDEMNATION OF CERTAIN PROPERTY SITUATED IN THE COUNTY OF
SAN BERNARDINO (INLAND FEEDER PROJECT)

Directors Krauel, Mason, Parker, and Tinker requested to be recorded as voting no.

43180 The Board adopted, by a two-thirds vote, Resolution 8600 attached to the General Manager's letter dated August 20, 1998, to condemn property interests described in Exhibits A and B attached to the foregoing letter, in accordance with the eminent domain law, and directing the General Counsel to commence condemnation proceedings in San Bernardino County to acquire said property interests for the Inland Feeder Project, said Resolution entitled:

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN
WATER DISTRICT OF SOUTHERN CALIFORNIA DIRECTING THE
CONDEMNATION OF CERTAIN PROPERTY SITUATED IN THE COUNTY OF
SAN BERNARDINO (INLAND FEEDER PROJECT)

Directors Krauel, Mason, Parker, and Tinker requested to be recorded as voting no.

43181 Authorized the acquisition of property adjacent to Colorado River Aqueduct Whitewater Siphon (MWD Parcel No. 129-10-20) owned by Granite Construction Company, Inc., as set forth in the General Manager's confidential letter dated August 11, 1998.

43182 Authorized the final settlement offer in eminent domain action entitled The Metropolitan Water District of Southern California v. Schouten Brothers, et al., Riverside County Superior Court Case No. 291256, for the Inland Feeder Project, as set forth in the General Counsel's confidential letter dated August 25, 1998.

Directors Krauel, Mason, Parker, and Tinker requested to be recorded as voting no.

43183 Authorized the settlement of the eminent domain action entitled The Metropolitan Water District of Southern California v. Gerald L. Preston, et al., San Bernardino County Superior Court Case No. 44872, for the Inland Feeder Project, as set forth

in the General Counsel's confidential letter dated August 21, 1998.

Directors Krauel, Mason, Parker, and Tinker requested to be recorded as voting no.

43184 Authorized the amendment of contracts with special counsel to finance costs of litigation in the cases entitled Anvar Alfi, et al. v. Metropolitan, Los Angeles County Superior Court Case No. BC 191881; Dewayne Cargill v. Metropolitan, Los Angeles County Superior Court Case No. BC 194444; and Dewayne Cargill v. Metropolitan, Los Angeles County Superior Court Case No. BS 052318, as set forth in the General Counsel's confidential letter dated August 25, 1998.

43185 General Counsel Taylor reported that this item was amended at the Organization and Personnel Committee to eliminate the affidavit that would be signed with the understanding that the normal certification that people have to make for any kind of benefits would be added in place of an affidavit and that would be keeping with the type of certification required for other PERS' benefits; and with that understanding the item was approved and any action by the Board would be subject to that amendment.

Organization and Personnel Committee Chairman Wein moved, seconded by Director Krauel and carried, authorizing the General Manager to (1) amend Metropolitan's contracts for dental, vision, life, and group accident insurance programs to permit enrollment of domestic partners; (2) amend Metropolitan's Administrative Code Sections 6229, Special Leave; and 6248, Bereavement Leave, to include domestic partners in the definition of immediate family members as detailed in Exhibit A to the General Manager's letter dated August 18, 1998; and (3) establish a new Administrative Code Section 6233, Domestic Partners, which defines the criteria outlining a domestic partnership as reflected in Exhibit B to the foregoing letter, subject to the amendment approved by the Organization and Personnel Committee.

Directors Bannister, Blake, Huntley, Mason, McMurray, Murph, Stanton, and Witt requested to be recorded as voting no.

Directors Barbosa, Foley, Hansen, and Herman requested to be recorded as abstaining.

43186 Engineering and Operations Committee Chairman Miller moved, seconded by Director Blake and carried, authorizing the General Manager to expend an additional \$4,300,000 of previously appropriated funds and to execute Extra Work Orders to the

contractor constructing the P-1 Pumping Plant of the Eastside Reservoir Project, not to exceed a cumulative total of \$9,800,000 (15.8 percent of the original contract amount), subject to the Work Orders being in form approved by the General Counsel, as set forth in the General Manager's letter dated August 25, 1998.

43187 To provide security services at various District facilities, Organization and Personnel Committee Chairman Wein moved, seconded by Engineering and Operations Committee Chairman Miller and carried, and the Board authorized the General Manager to (1) enter into a \$3,900,000 agreement with U.S. Guards, Inc., for a one-year period commencing October 1, 1998, and ending September 30, 1999, subject to the agreement being in form approved by the General Counsel; and (2) renew the agreement annually for up to 36 months at a maximum amount not to exceed five percent over the previous year maximum, as set forth in the General Manager's letter dated August 19, 1998.

43188 Water Planning and Resources Committee Chairman Brick moved, seconded by Director Mayér and carried, adopting the proposed Bay-Delta Policy Position Paper for submittal to CALFED and other interested parties, as set forth in the General Manager's letter dated August 25, 1998, with the revised attachment dated September 15, 1998.

43189 Water Planning and Resources Committee Chairman Brick moved, seconded by Director Mayér and carried, approving the Water Surplus and Drought Management (WSDM) Plan Principles included as Attachment A to the General Manager's letter dated August 25, 1998, as guidelines for development of the WSDM Plan.

Director Krauel reported that at the Water Planning and Resources Committee meeting yesterday the committee approved the item to include her request that the interruption of interim agricultural water customers would occur after the interruption of interruptible supplies, and asked if this is also included in the Board's action. Director Brick replied that it is included.

Directors Bannister, Huntley, King, Stanton, and Witt requested to be recorded as voting no.

43190 Committee on Communications and Legislation Chairman Pace reported that the committee, at its meeting of September 14, recommended that the Board take action on this item, and therefore moved, seconded by Director Blake, that the Board express opposition to Proposition 9 on the November 1998 ballot,

The Utility Rate Reduction and Reform Act, as set forth in the General Counsel's revised letter dated September 14, 1998.

Directors Abdo, Brick, and Peterson requested to be recorded as voting no.

Director Barbosa requested to be recorded as abstaining.

43191 The following listed communications were submitted for the information of the Board:

- a. Letter of the General Manager dated August 18, 1998, reporting on the operating data for the month of July.
- b. Letter of the General Counsel dated August 31, 1998, transmitting the activity report of the Legal Department for the month of August.
- c. Letter of the Auditor dated August 25, 1998, transmitting the activity report of the Audit Department for the month of August.
- d. Letter of the General Manager dated August 20, 1998, transmitting the Executive Financial Summary for the month of July.
- e. Letter of the General Manager dated August 18, 1998, reporting on the Capital Program Variance, June 1998.
- f. Letter of the General Manager dated August 18, 1998, submitting a status report on Phase One of the Information Systems Strategic Plan as of June 30, 1998.
- g. Letter of the General Manager dated August 25, 1998, transmitting the preliminary analysis of the 1999 Statement of Charges for the State Water Project.
- h. Letter of the General Manager dated September 1, 1998, reporting on Sale of Waterworks General Obligation Bonds, Series H, Waterworks General Obligation Refunding Bonds, 1998 Series A, and Water Revenue Refunding Bonds, 1998 Series A.
- i. Letter of the General Manager dated August 25, 1998, submitting an update on the Residential Ultra-Low-Flush Toilet Program.

- j. Letter of the General Manager dated August 25, 1998, transmitting the semi-annual status report on Metropolitan's Local Resources Program for January to June 1998.

43192 The following listed item was received as a pending item and will be discussed at a later date:

- a. Letter of the General Manager dated August 18, 1998, regarding appropriation of \$40,000,000 for chlorine containment and neutralization at all five filtration plants and the Chemical Unloading Facility; and authority to award contracts and enter into agreements.

43193 Director Pace reported that during yesterday's Plenary Session a draft Issue Brief addressing the Facilitation of Water Transfers by the Department of the Interior was distributed; and asked if there are any suggested changes to the brief, the comments should be directed to Jay Malinowski by Wednesday morning so that a final brief can be prepared in time for meetings taking place in Washington this week and next week.

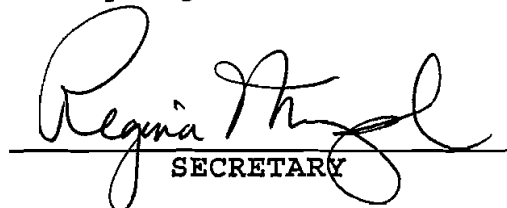
43194 Director Morris announced that on September 22, 1998, at 8:00 a.m., the Special Committee on Water Quality, Desalination, and Environmental Compliance will be meeting jointly with the Special Committee on Real Property Management to consider the Eastside Reservoir Project recreational activities and the Lake Skinner Water Quality Protection Plan.

43195 Director Peterson reported on the untimely death of the son of Assemblyman Mike Machado, and moved, seconded by Director Pace, that the Board adjourn in memory of Christopher Machado, and that the sympathy of the Board be conveyed to Assemblyman Machado.

At 12:37 p.m., Chairman Foley adjourned the Meeting to October 13, 1998, at 11:00 a.m.



 CHAIRMAN



 SECRETARY