

MINUTES

ADJOURNED REGULAR MEETING OF THE

BOARD OF DIRECTORS

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

JANUARY 11, 2000

43831 The Board of Directors of The Metropolitan Water District of Southern California met in Adjourned Regular Meeting in the Board Room located in the building at 700 North Alameda Street in the City of Los Angeles, State of California, on Tuesday, January 11, 2000.

The Meeting was called to order by Chairman Pace at 9:40 a.m.

43832 The Meeting was opened with an invocation by Director Wyatt L. Troxel.

43833 The Pledge of Allegiance to the Flag was given, led by Director Peer A. Swan.

43834 Secretary Hansen called the roll. Those answering present were: Directors Abdo, Bannister, Barbosa, Barker, Battey, Blake, Borenstein, Brick, Coughran, Edwards, Fellow, Foley, Forbes, Freeman, Grandsen, Harris, Hansen, Krauel, Krieger, Lewis, Little, McMurray, Morris, Murph, Murray, Mylne, Owen, Pace, Parker, Peterson, Record, Rez, Swan, Tinker, Troxel, Turner, Wein, Witt, and Wright.

Those not answering were: Directors Castro, Herman, Koopman, Kosmont (entered 9:46 a.m.), Luddy, Moret (entered 9:55 a.m.), Morse, Rascon, Stanton, Treviño (entered 10:35 a.m.), and Watton.

The Chair declared a quorum present.

43835 Chairman Pace 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.

43836 Chairman Pace invited members of the public to address the Board on matters within the Board's jurisdiction.

On behalf of the three-fourths million customers of South Orange County and the Municipal Water District of Orange County, Director John Foley complimented Metropolitan's staff for their leadership, coordination, and cooperation with the Orange County water agencies during the recent Allen-McColloch Pipeline outage. Director Foley also commended the staff for the quick repair of the pipeline and restoring full service, besides engaging the media to get the message to the public on the need for temporary conservation measures and the status of repairs.

Director Kosmont took his seat at 9:46 a.m.

Steve Wood, citizen of the Hemet-Winchester area, spoke in favor of naming the Eastside Reservoir after the Domenigoni family and call it Lake Domenigoni.

Andy Domenigoni requested to speak when Agenda Item 9-13 is taken up.

43837 At 9:50 a.m., Chairman Pace called a public hearing to receive comments on the proposed standby charge for Eastern Annexation No. 70.

No members of the public responded; and after tabulation of the ballots was completed and with no protests filed, Chairman Paced closed the public hearing at 9:51 a.m.

43838 There being no objection, the Chair ordered the reading of the Minutes of the Meeting held December 14, 1999, dispensed with, a copy having been mailed to each Director.

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

43839 Chairman Pace thanked the past Board Vice Chairs and certain committee chairs and vice chairs for their services, as follows:

Directors Barbosa and Brick, Vice Chairmen of the Board
Director Rez, Chairman, Special Nominating Committee
Director Grandsen, Chairman, Special Audit Committee
Director Krauel, Vice Chair, Special Audit Committee
Director Wein, Chairman, Subcommittee on Organization and Personnel
Director Rascon, Vice Chairman, Subcommittee on Organization and Personnel
Director Foley, Bay-Delta Advisory Committee (BDAC) representative

Director Moret took her seat at 9:55 a.m.

Director Blake therefore moved, seconded by Director Murph and carried, approving the committee appointments as recommended by the Chair and approved by the Executive Committee, as follows:

Vice Chairs of Board

Director Helen Z. Hansen, 1st Vice Chair
Director Clayton A. Record, 2nd Vice Chair

Special Audit Committee

Director James T. Edwards, Chair
Director Larry J. Kosmont, Vice Chair

Special Nominating Committee

Director Wyatt L. Troxel, Chair
Director Anthony R. Fellow, Vice Chair

Subcommittee on Organization and Personnel

Director Joseph Parker, Chair
Director Katherine W. Moret, Vice Chair

Special Committee on Ethics

Addition of Director Betty H. Harris

Chairman Pace reminded the Board of his request to have certain special, sub-, and ad hoc committees sunset after a period of time, and stated the sunset dates of those committees, as follows:

	<u>Sunset Date</u>
Subcommittee on Communications	March 10, 2000
Special Committee on Ethics	April 12, 2000
Strategic Plan Steering Committee	May 10, 2000
Ad Hoc Committee to Develop Compensation Policy	May 16, 2000
Subcommittee on Financial Policies and Reporting	June 14, 2000

Chairman Pace stated that if any extensions of time are required, the Chair of that committee should apply for an extension.

43840 Chairman Pace reported on events in which he participated on behalf of Metropolitan, as follows: As part of the on-going efforts to maintain an open line of communication with legislators, he and General Manager Gastelum had an informal meeting with Congressman Steve Horn representing the 38th District. The Chairman stated that it is crucial that the Board keep up to date with the latest issues in Washington, compliance with State law and legislation, and any progress in the use and potential use of the Colorado River. Chairman Pace reported that a number of Metropolitan's Directors attended the Colorado River Water Users Association conference in Las Vegas, where Secretary of the Interior Bruce Babbitt acknowledged California's efforts in coming to agreement on the Key Terms for a Quantification Settlement. Mr. Babbitt also renewed his commitment to reaching agreement among all seven basin states on the issue of surplus criteria and river reoperations. Referring to the rupture of the Allen-McColloch Pipeline (AMP), Chairman Pace personally thanked all the Metropolitan employees who participated in this challenge

and remarked that the success of our efforts was a product of real team work for Metropolitan.

Director Krauel also commended the staff for their handling of the AMP rupture, but requested the General Manager to respond to information circulating that San Diego had refused Metropolitan's request to supply some of the pipes. General Manager Gastelum responded that those were rumors. Chairman Pace noted that San Diego did make the offer but because of the differences in pipe diameters Metropolitan could not use San Diego's pipes.

43841 Strategic Plan Steering Committee Chairman Kosmont recapped the process through the most recent steering committee meeting on January 6, 2000. He then introduced both Robert Carr of the City of Anaheim and Darryl Miller of Central and West Basin Municipal Water Districts to deliver an update on the member agency process to develop a rate structure proposal that will carry out the Strategic Plan principles.

Director Treviño took his seat at 10:35 a.m.

Mr. Carr explained the conceptual rate structure principles that are being discussed in the member agency work group. He stated that discussions are constructive, but no consensus has been reached on any of the principles. Mr. Miller reviewed the conceptual tiered rate structure and associated issues. Board discussion ensued regarding their presentation.

General Manager Gastelum responded to written comments from San Diego County Water Authority regarding the role of staff in the Strategic Planning process. Mr. Gastelum explained that Metropolitan staff is ready to produce either an independent rate structure proposal, or an analysis of the member agency work group proposal, when and if requested by the Board. To date, no such proposal by staff has been developed. Committee Chairman Kosmont announced a joint meeting of the steering committee and the member agency managers on February 2 at 10:00 a.m. at Metropolitan's headquarters.

Director Hansen withdrew from the Meeting at 11:06 a.m.

43842 Regarding the Colorado River matters, General Manager Gastelum referred to his activity report for December 1999 dated January 11, 2000, which was distributed earlier, giving an update on the Colorado River negotiations.

43843 The Chair reported there is no report on the Bay-Delta related issues from the Water Planning and Resources Committee. General Manager Gastelum stated it is his understanding there are two teams assembling to begin negotiations on CALFED, and the teams are to be comprised of representatives from the Secretary of the Interior's office, the Governor's office, as well as from the Department of Water Resources. The meetings will begin on Thursday, January 13, and their intent is to infuse some new life in the CALFED process.

43844 General Manager Gastelum called on Assistant General Manager Tait who made reference to the final report on the cause of the AMP rupture, distributed earlier, and briefly commented on the AMP repair. Mr. Tait then introduced to the Board the 27 employees who were intimately involved in the repair of the pipeline.

Mr. Tait reported on the Competitive Action Team Phase II efforts of the reorganization plan which was concluded on December 31, 1999. There were 369 employees involved in the process working on 52 work teams on all business units throughout the District. The first group identified all functions that the District currently performs and is analyzing those functions that the District should be performing. This will enable the members to work with those functions and identify an organizational structure down to the last employee. The first group analyzed 30 recommendations and others from the Phase I team, and have compiled a draft Phase II report, which is being reviewed by the General Manager and himself. It is the General Manager's intention to allow the employees to comment on that report. The Phase II team is working to finalize the draft plan and it is the General Manager's intention to present that report at the February Board Meeting. Phase III will begin on January 26 with 20 new team members from all business units.

General Manager Gastelum also stated that the Phase II team has been asked to look at the 1994 report from the Blue

Ribbon Task Force which had detailed findings from a broad cross-section of the community, and this is an opportunity for the District to look back at those recommendations to see where it stands relative to those recommendations, which will also be brought before the Board.

Assistant General Manager Tait also reported on the results of the Y2K efforts. There were 200 employees that worked the night of December 31 through the morning of January 1, 2000. There were some minor glitches but nothing affecting the critical business systems. He stated that a Y2K costing plan was developed that will be useful for the operations and business units in the event of any emergency or catastrophic event which might occur. Mr. Tait then called on Gregory Ensminger, the Y2K project manager, who commented that Metropolitan's Y2K project was the most information technology emergency response exercise that Metropolitan has ever had. This project allowed staff the opportunity to do a complete inventory on the entire network. No major problems were experienced due to the preparedness and full support of the Board, management, and the Y2K team. To date, \$3.3 million of the budgeted \$6.7 million have been spent, and it is expected that the expenditures for this project will be about \$4 million.

43845 General Counsel Taylor referred to his activity report for the month of December, dated December 30, 1999, which was distributed earlier.

43846 The reports of the Standing Committees are as follows:

Referring to the Carver policy principles, Subcommittee on Rules Chairman Barbosa reported that at the end of 1999 the subcommittee referred out to the committees of jurisdiction the remaining policy statements that had to be considered for adoption. The results have been mixed and an assessment of the process to date will be reviewed with recommendations to be brought back to the January 25 subcommittee meeting. A reassessment of what has transpired over the last thirty days will be examined, and a recommendation will be brought back to the Board on how to proceed in completing adoption of these policies.

Water Planning and Resources Committee Chairman Owen requested that Agenda Item 9-10 be added to the Consent Calendar. Director Owen reported that the committee discussed in detail Agenda Items 10-4 and 10-6. Regarding Item 10-4, the committee requested a letter be sent to Senator Tom Hayden advising him of the water use efficiency efforts in Metropolitan's service area. Regarding Item 10-6, the committee requested a joint workshop be held with the Legal and Claims Committee to discuss State Water Project contract issues.

Communications and Legislation Committee Chairman Peterson reported on the forthcoming events for the reservoir dedication. On Friday, March 17, from 6:00 p.m. to 8:00 p.m. a reception will be held at the pumping plant. The dedication ceremony will take place on Saturday, March 18, at 10:30 a.m. Invited speakers include President Clinton, Governor Davis, and Senators Feinstein and Boxer. Huell Howser has been asked to emcee the ceremony. At 12:30 p.m. to 2:00 p.m. a luncheon will take place with invited guests. On Sunday, March 19 and the following weekend, there will be an open house for the general public.

On behalf of the Legal and Claims Committee, Director Bannister reported the committee approved Agenda Items 9-8 and 9-9 and requested that they be added to the Consent Calendar.

Engineering and Operations Committee Vice Chairman Tinker stated the committee was honored to have the local television cameras present when the report on the AMP repair was given. In watching the segment on television, it was interesting to see that no mention was made of Metropolitan, but only that many people in southern Orange County were able to cope with the problem and that the agencies involved did a very good job with the repair. Director Tinker reported the committee approved Agenda Item 9-2 and requested that it be added to the Consent Calendar.

Budget and Finance Committee Chairman Bannister reported that the committee approved the appointment of Public Resources Advisory Group as financial advisor. The committee also approved Agenda Item 9-3 and Director Bannister requested it be added to the Consent Calendar.

On behalf of the Executive Committee, Chairman Pace gave a status report on his first year of administration, some of which include putting together an effective management team to address the current complex issues, progress on the strategic planning process, addressing the governance issues and the eventual downsizing of the Board. The Chair remarked on the tremendous progress made so far on Colorado River matters and commended the Negotiating Team of Directors and staff for their untiring efforts in reaching a proposed settlement.

Director Blake moved, seconded by Director Bannister and carried, and the Board approved the Consent Calendar Items, **M.I. 43847** through **M.I. 43858**, as follows:

43847 Approved (1) revising the scope of the current Oxidation Retrofit Program (ORP) to a reduced ozone hydraulic capacity at the Joseph Jensen and Henry J. Mills Filtration Plants based on recently revised flow projections for each plant; and (2) implementing the required design, construction and equipment procurement activities required to reduce the ORP hydraulic capacity at each plant. This option would reduce the initial capital expenditures of the ORP by \$27 million; and when compared to Option #3, it would also provide Metropolitan with the greatest flexibility/benefits and lowest costs to meet future stages of the Microbial/Disinfection By-Products Rule, as set forth in the letter signed by the General Manager on December 28, 1999.

43848 Adopted **Resolution 8663** changing the Designation of Applicant's Agent Resolution to reflect only the Authorized Agents' official titles, which changes will allow Metropolitan's Authorized Agents to sign official applications/correspondence for financial assistance related to Federal and State funding for Federally-declared disasters, as set forth in the letter signed by the General Manager on December 28, 1999; said Resolution entitled:

DESIGNATION OF APPLICANT'S AGENT RESOLUTION

43849 Authorized the General Counsel to commence contract negotiations with the following firms to act as special bond

counsel or co-special bond counsel on the terms and conditions contained in the relevant firm's proposal and such other terms and conditions as are approved by the General Counsel: (1) the law firm of Fulbright & Jaworski LLP; Hawkins, Delafield & Wood LLP; and O'Melveny & Myers LLP to form the pool as Metropolitan's special bond counsel for the term commencing on January 1, 2000 and ending on December 31, 2002; and (2) the law firms of Robinson & Pearman LLP; Curls, Brown & Duran LLP; The Law Offices of Marilyn Garcia; and Quateman & Zidell LLP to form the pool as co-special bond counsel for the term commencing on January 1, 2000 through December 31, 2002, as set forth in the letter signed by the General Manager on December 29, 1999.

43850 Expressed support for Proposition 12, the Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Act of 2000 on the March 2000 ballot, as set forth in the letter signed by the General Manager on December 28, 1999.

43851 The Board (1) granted conditional approval, as defined in Administrative Code 3100(b), for Annexation No. 64 concurrently to Calleguas Municipal Water District and Metropolitan, conditioned upon receipt in full of annexation charge payment of \$52,712 to Metropolitan if subject annexation is completed by December 31, 2000, or if completed after said date at the then annexation current charge rate, as set forth in Attachment 1 to the letter signed by the General Manager on December 23, 1999; (2) approved Calleguas' proposed Annexation No. 64 Plan for Implementing Water Use Efficiency Guidelines set forth in Attachment 2 to the foregoing letter; and (3) approved **Resolution 8664**, the Resolution of Intention to impose water standby charges within the proposed annexation territory, substantially in the form set forth in Attachment 3 of the foregoing letter, said Resolution entitled:

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN
WATER DISTRICT OF SOUTHERN CALIFORNIA GIVING NOTICE OF
INTENTION TO IMPOSE WATER STANDBY CHARGES CONTINGENT UPON
ANNEXATION**

43852 The Board (1) certified it has reviewed and considered the information contained in the Notice of Exemption prior to reaching a decision on the project; (2) adopted **Resolution 8665**

granting Western Municipal Water District of Riverside County's request for consent to the annexation of Thirty-Ninth Fringe Area concurrently to Metropolitan and Western by establishing Metropolitan's terms and conditions for the annexation; and (3) adopted **Resolution 8666** to impose standby charges at a rate of \$9.23 per acre or per parcel of less than one acre within the proposed annexation, as shown on the attachments to the letter signed by the General Manager on December 28, 1999; said Resolutions entitled:

Resolution 8665 **RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSENTING TO WESTERN'S THIRTY-NINTH FRINGE AREA ANNEXATION CONCURRENTLY TO WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY AND THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA AND FIXING THE TERMS AND CONDITIONS OF SAID ANNEXATION**

Resolution 8666 **RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA FIXING AND ADOPTING WATER STANDBY CHARGE CONTINGENT UPON ANNEXATION OF THE THIRTY-NINTH FRINGE AREA CONCURRENTLY TO WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY AND THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

43853 Approved the amendments to Administrative Code (1) sections 2100, 2146, 2430, 2480, and 2490 to change the meeting times of the Board and four of its committees; and (2) sections 2520 and 2560 to change the compositions of the Special Nominating Committee and the Special Audit Committee, all as shown on Attachment 1 to the letter signed by the General Counsel on December 22, 1999.

43854 The Board (1) approved No. 2 in Appropriation No. 15346, an increase of \$9,700,000 to a total amount of \$15,800,000, from the Construction Funds, and delegated to the

General Manager the authority to award a contract for construction of chlorine containment and handling facilities at the F.E. Weymouth Filtration Plant; and (2) determined that the proposed project qualifies for Categorical Exemption under the California Environmental Quality Act (CEQA) because it consists of: (a) the minor alteration of existing public facilities involving negligible use beyond that previously existing; (b) the replacement or reconstruction of existing facilities located on the same site and having substantially the same purpose; (c) the construction of limited number of new small facilities; and (d) construction of minor structures appurtenant to existing institutional facilities (State CEQA Guidelines, sections 15301, 15302, 15303, 15311), as set forth in the letter signed by the General Manager on December 23, 1999.

43855 Authorized the General Manager to approve and make all payments determined to be due and payable under the terms of the State Water Service and Devil Canyon-Castaic contracts for the 2000 calendar year, as set forth in the letter signed by the General Manager dated December 28, 1999.

43856 Authorized the General Counsel to take all actions necessary to protect Metropolitan's interests with respect to the State Water Resources Control Board's final Phase 1-7 decision and the related Environmental Impact Report, including filing litigation, as set forth in the letter signed jointly by the General Counsel and the General Manager dated December 22 and December 28, 1999, respectively.

43857 Approved the recommendations contained in the General Counsel's confidential letter signed December 20, 1999, and supplemented by his confidential letter signed January 7, 2000, requesting authority to make a final settlement offer in eminent domain action entitled The Metropolitan Water District of Southern California v. Stubblefield Construction Company, et al., for the Inland Feeder Project, San Bernardino County Superior Court Case No. SCV29132.

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

43858 Adopted the "Action Principles for the CALFED Bay-Delta Program" developed jointly with the Regional Council of Rural Counties, Santa Clara Valley Water District, Southern California Water Committee, and Urban Water Institute, as set forth in the letter signed by the General Manager on December 28, 1999.

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

43859 Budget and Finance Committee Chairman Bannister moved, seconded by Director Blake and carried, and the Board:

1. Set a time for a hearing of the Budget and Finance Committee at which interested parties may present their views regarding the General Manager's recommended changes in water rates and charges. The water rates and charges for the first six months of fiscal year 2000-01 will remain unchanged; and that the rates and charges effective January 1, 2001, be set by the Board as defined in the letter of the General Manager signed December 28, 1999.

<u>Class of Service</u>	<u>Current</u>	<u>Recommended</u>
Full Service- Untreated	\$349 per AF	\$349 per AF
Full Service- Treated	\$431 per AF	\$431 per AF
Agricultural- Untreated	\$236 per AF	\$236 per AF
Agricultural- Treated	\$294 per AF	\$294 per AF
Seasonal Storage, Long-Term --Untreated	\$233 per AF	\$233 per AF
Seasonal Storage, Long-Term --Treated	\$290 per AF	\$290 per AF
Seasonal Storage, Shift --Untreated	\$266 per AF	\$277 per AF
Seasonal Storage, Shift --Treated	\$323 per AF	\$334 per AF
Reclaimed	\$113 per AF	\$113 per AF

Connection Maintenance Charge \$50 per cubic feet per second of capacity per month, not to exceed a maximum charge per connection of \$5,000 per month

2. Approved the following Resolutions:

a. Resolution of Intention (**Resolution 8667**) to impose the Readiness-to-Serve (RTS) charge in the form shown as Exhibit A to the foregoing letter, declaring the Board's intention (i) at its March 14, 2000 meeting to consider and act upon the General Manager's recommendation to impose an RTS charge at the current level, with an increase on January 1, 2001, and (ii) at its May 9, 2000 meeting to consider and act upon the General Manager's recommendation to impose standby charges within the territories of member agencies that have requested that charge as a means of collecting all or a portion of their RTS charge, said Resolution entitled:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA GIVING NOTICE OF INTENTION TO IMPOSE READINESS-TO-SERVE CHARGE

b. Resolution of Intention (**Resolution 8668**) to impose a New Demand Charge (NDC) at the current level and suspend collection of the charge for fiscal year 2000-01, in the form shown as Exhibit B to the foregoing letter, said Resolution entitled:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA GIVING NOTICE OF INTENTION TO IMPOSE AND SUSPEND COLLECTION OF NEW DEMAND CHARGE FOR 2000-2001

3. Found that the setting of rates and charges recommended in the foregoing letter is exempt from the California Environmental Quality Act (CEQA) by Public Resources Code Section 21080(b)(8) since it is for the purposes of: (a) meeting operating expenses, (b) purchasing or leasing supplies, equipment or materials, (c) meeting financial reserve needs and requirements, and (d) obtaining funds for capital projects necessary to maintain service within existing service areas; and,

additionally, it is exempt from CEQA under State CEQA Guidelines 15378(b)(5) since it constitutes the creation of government funding mechanisms which do not involve commitment to any specific project which may result in a potentially significant physical impact on the environment or which will be used to fund projects which have CEQA documentation or which will have CEQA documentation in place prior to construction of any facility or facilities.

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

43860 Water Planning and Resources Committee Chairman Owen reported that after review and discussion by the committee regarding strategies for implementing groundwater storage programs within Metropolitan's service area, the committee approved and amended the Hybrid Approach as set forth in the revised letter of the General Manager signed on January 10, 2000. Committee Chairman Owen therefore moved, seconded by Director Blake and carried, and the Board approved the Hybrid Approach, as set forth in the foregoing revised letter, to add:

- (a) In the first "bullet" -- Regional and Local Benefits.
- (b) In the fourth "bullet" -- No Unmitigated Negative Water Supply or Water Quality Impact.
- (c) In the fifth "bullet" -- A methodology for comparing the cost of storage programs will be developed.

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

43861 Regarding the Raymond Basin Groundwater Storage Program, Water Planning and Resources Committee Chairman Owen reported the committee amended the action to require agreements with the parties to manage risk through insurance mechanisms. Committee Chairman Owen therefore moved, seconded by Director Brick and carried, and the Board authorized the General Manager to enter into agreements with the Raymond Basin Management Board, City of Pasadena, Foothill Municipal Water District, and City of San Marino, with all agreements to be consistent with the

Agreement Term Sheet, Attachment 1 to the revised letter of the General Manager signed on January 10, 2000, and in compliance with all applicable laws and regulations. These agreements will be contingent upon satisfactory completion of all the necessary environmental documentation and parties agreeing to mitigate risk through insurance mechanisms. Terms for future agreements on groundwater programs may be different to reflect outcomes of the Strategic Plan. The Board also approved an increase in Appropriation No. 15272 (Board Action No. 4) of \$210,000 to a total amount of \$33,210,000 from the Construction Fund, to conduct initial environmental, engineering, and planning studies, as shown on Attachment 2 to the foregoing letter.

Director Morris asked if the motion was further amended to be consistent with the policy principles that have just been adopted, and Director Owen stated it was.

General Manager Gastelum stated it is not staff's intention to move ahead with this project or to spend the District's money until such time as there is a final agreement that meets the requirements as specified in the Board letter, or at least an agreement that can be presented to the Board. He is in favor of going forward with these principles.

Director Edwards requested to be recorded as abstaining.

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

43862 Director Record expressed appreciation to the Board for the confidence given him on his appointment as the second Vice Chairman. He stated that present at today's Meeting are some community leaders from the Hemet-San Jacinto area and called upon Howard Rosenthal, president of the Western Center Community Foundation. Mr. Rosenthal then introduced Gisela Gosch of the Hemet Unified School District and the Valleywide Park and Recreation District, Chuck Rogness, president of Valley Merchants Bank, Gary Aubaugh, executive director of Valley Economic Development Corporation, and Bonnie Wright of the San Jacinto Chamber. Both Ms. Gosch and Mr. Rosenthal spoke in favor of

community partnering with Metropolitan and the development of recreation for the area surrounding the Eastside Reservoir.

Director Record moved, seconded by Director Blake, that the Board (1) approve a development strategy of initiating a Request for Proposal (RFP) process while obtaining entitlements in a sequentially coordinated manner; and (2) grant authorization to establish Appropriation No. 15334 in the amount of \$12,900,000 from the Pay-As-You-Go Fund for the Eastside Reservoir Recreation Component. The requested appropriation would fund the development strategy for a 24-month period. Total long term budget costs would not exceed \$58,000,000 (present dollars). Activities to be funded would include costs of \$5,606,000 previously expended for previous recreation planning and an additional amount of \$7,294,000 for entitlement, RFP, proposed Community Park contribution, and Metropolitan staff support.

Director Swan withdrew from the Meeting at 12:00 p.m.

Rick Hoffman from the County of Riverside, and representing the Board of Supervisors and the Mayors of the cities of Hemet and San Jacinto, referred to their letter requesting Metropolitan's Board move forward with the recreation component of the Eastside Reservoir Project.

The Chair then called for the motion, which carried.

43863 Andy Domenigoni spoke in favor of the recreation component of the Eastside Reservoir Project area. In considering an official name for the reservoir, he reminded the Board of the full support by the neighboring cities and associations, both Federal and State legislators, and others to name the reservoir Lake Domenigoni.

Director Swan returned to the Meeting at 12:04 p.m.

Communications and Legislation Committee Chair Peterson reported that the Subcommittee on Communications reviewed the various recommendations for naming the reservoir and presented three options to the full committee. After full consideration by the Communications and Legislation Committee, it was recommended that the Board approve Diamond Valley Lake as the name for

Eastside Reservoir, and Hiram W. Wadsworth as the name for the pump station.

Committee Chair Peterson therefore moved, seconded by Director Blake and carried, that the reservoir be named Diamond Valley Lake, and the pump station the Hiram W. Wadsworth Pump Station, as set forth in the letter signed on January 10, 2000, from the Chair of the Communications and Legislation Committee.

Director Record commented that besides the Domenigoni family there are other well known families that have lived in the valley and, in recognition of that, he therefore moved, seconded by Director Lewis, that the West Dam be named Domenigoni Dam, the East Dam be named Searl Dam, and the Saddle Dam be named Garboni Dam.

Director Krauel withdrew from the Meeting at 12:11 p.m.

Following a discussion on whether this was the appropriate time to go forward with this naming since it was not agendaized, and the naming of other components of the reservoir to be discussed at a later time by the Subcommittee on Communications, Director Peterson moved, seconded by Director Swan and carried, to table the motion made by Director Record.

Director Lewis requested to be recorded as voting no.

43864 The following communications were submitted to the Board for information:

- a. Status report for the Eastside Reservoir Project for the month ending November 1999, signed by the General Manager on December 28, 1999.
- b. Status report for the Inland Feeder Project for the month ending November 1999, signed by the General Manager on December 28, 1999.
- c. Letter of the General Manager signed on December 23, 1999, reporting on the agreement for Financial Advisory Services.

- d. Letter of the General Manager signed on December 28, 1999, reporting on Metropolitan Regional Contributions to its Water Use Efficiency Programs.
- e. Letter of the General Manager signed on December 28, 1999, reporting on the Eastside Reservoir Project dedication.
- f. Letter of the General Manager signed on December 28, 1999, reporting on recent events affecting the State Water Project operations.

43865 There being no objection, Chairman Pace adjourned the Meeting at 12:14 p.m.

HELEN Z. HANSEN

SECRETARY

PHILLIP J. PACE

CHAIRMAN