

MINUTES
ADJOURNED REGULAR MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
APRIL 10, 2001

44400 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, April 10, 2001.

The Meeting was called to order by Chairman Pace at 12:00 p.m.

44401 The Meeting was opened with an invocation by Director Wyatt L. Troxel.

44402 The Pledge of Allegiance to the Flag was given, led by Director Wesley M. Bannister.

44403 Secretary Coughran called the roll. Those answering present were: Directors Abdo, Ashley, Bannister, Battey, Blake, Brick, Coughran, Edwards, Foley, Grandsen, Harris, Herman, Krauel, Lewis, Little, Luddy, Mejia, Morse, Murph, Mylne, Owen, Pace, Parker, Peterson, Rez, Stanton, Swan, Troxel, Wein, and Wright.

Those not answering were: Directors Barbosa, Castro (entered 12:10 p.m.), Fellow (entered 12:42 p.m.), Hansen (entered 12:08 p.m.), Morris, Murray (entered 1:25 p.m.), and Watton.

The Chair declared a quorum present.

44404 At 12:05 p.m., the Chair called a public hearing to receive comments on the proposed standby charge for Pacific Century Homes Arboretum Annexation to Eastern Municipal Water District.

No members of the public responded; and after tabulation of the ballots was completed, and with no protests filed, the Chair closed the public hearing at 12:06 p.m.

44405 At 12:06 p.m., the Chair called a public hearing to receive comments on the proposed water standby charge for 2001-2002.

Director Hansen took her seat at 12:08 p.m.

Chief Financial Officer Thomas reported that this hearing is being held to satisfy a requirement of the Administrative Code.

Chairman Pace invited interested parties to comment on the proposed water standby charge for 2001-2002. No member of the public responded. The Chair declared the public hearing closed at 12:09 p.m., stating that the Board's final action on the proposed charge is expected to take place at its adjourned regular monthly meeting on May 15, 2001.

44406 Director Murph introduced Michael C. Harvey, the new general manager for the Compton Municipal Water Department.

Director Castro took his seat at 12:10 p.m.

44407 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.

44408 Chairman Pace invited members of the public to address the Board on matters within the Board's jurisdiction.

Several members of the public requested to speak on Agenda Item 9-8, the Cadiz Groundwater Storage and Dry-Year Supply Program, when it comes up for consideration.

44409 There being no objection, the Chair ordered the reading of the Minutes of the Meeting held March 13, 2001, dispensed with, a copy having been mailed to each Director.

Director Edwards moved, seconded by Director Hansen and carried, approving the foregoing Minutes as mailed.

44410 Director Blake moved, seconded by Director Edwards and carried, adjourning the Board Meeting of May 8 to May 15, 2001. Meetings of the committees will take place on Monday and Tuesday, May 14 and 15, 2001.

44411 The Chair reported there are no new committee appointments.

44412 Chairman Pace reported on events in which he participated on behalf of Metropolitan, as follows: In early March Directors were invited to attend an inspection trip of Diamond Valley Lake East recreation site. This tour provided Directors a visual perspective of the recreation area and the proposed museum site. On this trip stops were also made at the Badlands Tunnel to view the construction of the Inland Feeder, Cajalco Creek Dam and Detention Basin, and the Lake Mathews outlet tower. The Chair attended ACWA's Legislative Symposium and Day at the Capitol in Sacramento March 20-22. ACWA presented priority issues that are before the Legislature including CALFED, electric utility deregulation, water transfers, and water wheeling. On April 28 Metropolitan will dedicate the new E. Thornton Ibbetson Guest Quarters at Gene and invited all Directors to participate. Additionally, a presentation will be made to employee Allan Preston for the historic museum located in the Assembly Hall at Gene.

44413 General Manager Gastelum reported that the past month was a very busy one in terms of public appearances and speeches. He stated it was a good opportunity to be at these outside events and in particular to speak about the relationship of the energy crisis and our water supplies. One of the key points made was that the drought in the early '90s was a wake-up call for us and that Metropolitan did something about it. The Integrated Resources Plan was adopted, the Diamond Valley Lake was developed, and many water transfers are taking place. We moved forward on CALFED and the California 4.4 Plan.

At the invitation of the Catfish Club in San Diego, Mr. Gastelum addressed the group, along with Maureen Stapleton, General Manager of the San Diego County Water Authority. They had the opportunity to talk about Metropolitan's reliability and some of the ideas that the Authority has about the future. Mr. Gastelum stated there was a positive reception, and he is looking forward to more opportunities to go to San Diego County and talk about the very good programs Metropolitan has to offer. At a water subcommittee meeting of the California Chamber of Commerce, Mr. Gastelum, along with Christine Frahm, former director on Metropolitan's and the Authority's board, discussed the pros and cons of the Perata bill and the Costa bill on wheeling. It was a very lively discussion, and the Chamber appreciated the candid views about this legislation.

Regarding the Colorado River, Bay-Delta and CALFED matters, and the summary of District activities, General Manager Gastelum referred to his 2000-01 Business Plan-Third Quarter Update, signed April 9, 2001, which was distributed earlier. This will be reviewed in more detail at the next Executive Committee meeting.

44414 Subcommittee on Rate Structure Implementation Chair Brick reported the subcommittee, at its meeting on March 27, reviewed a progress report on the Integrated Resources Plan. The report highlighted Metropolitan's supply under a severe drought condition like that experienced in 1976-77. It is expected that the inventory of current supply resources, plus those under development, will produce about 2.06 million acre-feet in the year 2010. In addition, the risks to those supplies were also discussed. In May, as part of the "white paper", the subcommittee will discuss the development of all the basic rate implementation issues. There was considerable discussion on the various issues and how they should be properly evaluated and presented. Also presented was a methodology for looking at the pricing on Tier 1 and Tier 2 supplies and how it could particularly impact the development of additional resources and local resources, as well. The outline of the terms of the contract was also presented. At the next meeting on April 24, the subcommittee will see a definition of the terms that will actually be in the Tier 1 supply contracts. Mr. Brick stated substantial progress is being made.

44415 General Counsel Walston referred to his activity report dated March 30, 2001, which was distributed earlier.

In *Soboba Band of Mission Indians v. Metropolitan*, the parties are still negotiating and significant progress has been made. Hopefully, a settlement may be reached before the end of the year. The litigation is continuing and has not been stayed pending the settlement. The District Court denied Metropolitan's motion to dismiss the case, but it also clarified and narrowed the scope of the tribal water rights asserted in the case. The Court also held that Metropolitan can pursue a statute of limitations claim.

In *DeWayne Cargill, et al. v. Metropolitan, et al.*, the California Court of Appeals recently granted Metropolitan's petition for a Writ of Mandamus. The matter is now before the Appellate Court, an unusual step for the Court to take, but it has the effect of expediting the appeal, which is rarely granted. The oral argument is scheduled for August 21. About seventy public agency entities have filed amicus briefs in support of Metropolitan's position. This large amicus support may have been a major factor in the Court of Appeals' decision to review the case on an expedited basis.

In the CALFED litigation, Metropolitan recently filed its intervention in the State cases involved. There was a Federal case filed by the California Farm Bureau, and the United States has recently filed a motion to dismiss that case on the grounds that the case is not ripe. Metropolitan is awaiting a decision by the court; and if that case is not dismissed, Metropolitan will also intervene in that case.

General Counsel Walston commented on the successful member agency legal counsel dinner held last night, at which Catherine Mulholland was the featured speaker.

44416 The reports of the Standing Committees are as follows:

On behalf of the Executive Committee, Chairman Pace reported that the committee, at its meeting on March 27, the Subcommittee on Rules and Ethics provided a report on the Ethics Program as presented by the consultant, and a follow-up report will be presented at the next Rules meeting on April 24.

Starting at the end of the month a new item titled "Future Agenda Items" will be placed on each committee agenda. The General Manager presented his monthly activity report in detail, which will now be a regular item on the Executive Committee agenda. At the next meeting of the Executive Committee, in conjunction with the Subcommittee on Rules and Ethics, Chairman Pace will give a presentation on a new proposed format for the Board agenda and the new role of the Executive Committee.

Audit, Budget and Finance Committee Chairman Bannister reported the committee approved Agenda Items 8-3, 9-1 and 9-10 and requested that Items 9-1 and 9-10 be added to the Consent Calendar. The committee also discussed the selection of the General Auditor in closed session, and then approved reviewing the performance of the Interim General Auditor during the past six months. This review will be forwarded to an ad hoc committee to evaluate the future role of the Auditor and the filling of the General Auditor position.

Director Wein withdrew from the Meeting at 12:30 p.m.

Engineering, Operations and Real Property Committee Vice Chairman Grandsen reported the committee approved Agenda Items 8-1, 9-2, 9-3, 9-4, 9-5, and 9-6. However, in reference to Item 9-3, staff was directed to include language in the principles providing for development of a trail system that will be compatible with the Diamond Valley Lake Recreation Plan. Director Grandsen requested Items 9-2, 9-3, 9-4, 9-5, and 9-6 be added to the Consent Calendar.

Legal, Claims and Personnel Committee Chairman Morse reported the committee approved Agenda Items 8-2 and 9-7. The committee also heard in closed session the items currently in litigation.

Communications, Outreach and Legislation Committee Chair Hansen reported the committee discussed the Innovative Conservation Program, a part of the Community Partnering Program, to explore water-saving ideas. Thirty-five proposals requesting \$3.1 million in funding were received and evaluated. Recommendations for funding will be presented at a future meeting. Reports were also given on the Web Site and the various publications developed by the External Affairs group.

The committee heard the legislative reports from both the Washington and Sacramento offices.

Water Planning, Quality and Resources Committee Chairman Owen reported the committee approved Agenda Items 8-4, 9-9 and 9-11, and requested that Items 9-9 and 9-11 be added to the Consent Calendar. A status report was given on Metropolitan's demand shift agreement for the Environmental Water Account. The committee also approved Agenda Item 9-8 regarding the Cadiz project.

Director Foley moved, seconded by Director Blake and carried, and the Board approved the Consent Calendar Items, **M.I. 44417** through **M.I. 44429**, as follows:

44417 Awarded a construction contract in the amount of \$602,456 to Alcorn Fence Co. of Sun Valley, California, for construction of the planned Diamond Valley Lake Perimeter Fencing Segments N and W (Appropriation No. 15123), as set forth in the letter signed by the General Manager on March 26, 2001.

44418 Authorized the General Counsel to amend the existing agreement for an additional expenditure of up to \$50,000 with Albright, Yee & Schmit to continue ongoing Equal Employment Opportunity investigations, as set forth in the letter signed by the General Counsel on March 23, 2001.

44419 Determined that the award of contract for audit services is not subject to CEQA per Sections 15061(b)(3) and 15378(b)(2) of the State CEQA Guidelines; and authorized the General Manager to enter into a contract with the firm of Richardson and Company (with Marcia Fritz and Company and Cal Consulting Group as subcontractors) for required State Water Project-related audit services for a three-year period commencing April 1, 2001, and for a maximum amount payable of \$1.32 million, as set forth in the letter signed by the General Manager on March 26, 2001.

44420 Determined that the proposed extension of Seasonal Storage Service (SSS) shift contracts is not subject to CEQA per Section 15378(b)(4) of the State CEQA Guidelines; and extended the volume-based SSS shift contracts through April 30, 2003, or until the new rate structure is implemented, whichever is

earlier, as set forth in the letter signed by the General Manager on March 26, 2001.

44421 The Board, by a two-thirds vote, (a) determined that the adoption of the Thirteenth Supplemental Resolution is not subject to State CEQA per Section 15378(b)(4) of the State CEQA Guidelines; additionally found that the adoption of the resolution is exempt from State CEQA by Public Resources Code Section 21080(b)(8) since it is for the purpose of obtaining funds for capital projects necessary to maintain service within existing service areas; and (b) approved the adoption of the Thirteenth Supplemental Resolution (**Resolution 8739**) to provide efficient use of interest rate swap transactions to lower debt service costs, as set forth in the letter signed by the General Manager on March 23, 2001, said Resolution entitled:

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN
WATER DISTRICT OF SOUTHERN CALIFORNIA APPROVING CERTAIN
INTEREST RATE SWAP AGREEMENTS IN CONNECTION WITH THE
ISSUANCE OF WATER REVENUE REFUNDING BONDS (THIRTEENTH
SUPPLEMENTAL RESOLUTION)**

44422 The Board (a) determined that pursuant to CEQA, the proposed actions qualify for categorical exemption (Sections 15301, 15302, 15303, and 15311 of the State CEQA Guidelines); and (b) appropriated \$2.5 million (Appropriation No. 15346, No. 4, from the Construction Funds), and authorized the General Manager to have all work performed and delegated to the General Manager the authority to award contracts for the Capital Investment Plan project described in the letter signed by the General Manager on March 28, 2001, to construct sodium hypochlorite storage and feed facilities at the Mills plant for post-disinfection and as a standby disinfectant for the new ozone facilities.

44423 The Board approved partnering principles as set forth in Attachment 1 to the letter signed by the General Manager on March 27, 2001, to guide partnering with Riverside County Regional Park & Open Space District on the development and operation of the trail system at Diamond Valley Lake (DVL); and further approved in concept a multi-phase trail program resulting in a comprehensive system providing 60 to 70 miles of multi-use trails, including DVL/Lake Skinner connections and

linkages to Riverside County's regional trail system. Staff was directed to include language in the principles providing for development of a trail system that will be compatible with the Diamond Valley Lake Recreation Plan.

44424 The Board (a) determined that the proposed action has been previously addressed in the March 2000 certified FEIR and that no further environmental analysis is required; (b) increased Appropriation No. 15318 (No. 3, from the Construction Funds), by \$8.081 million to a total of \$11.12 million; (c) awarded a construction contract to L.H. Woods & Sons, Inc., in the amount of \$6,799,999 to perform the construction of Phase 1 of the San Diego Pipeline No. 3 Bypass Project; and (d) authorized the General Manager to have all work performed to implement Phase 1 of the project, as set forth in the letter signed by the General Manager on March 27, 2001.

44425 The Board (a) determined that the proposed project is categorically exempt under the California Environmental Quality Act (CEQA), in that it consists of the repair of an existing public structure involving negligible, or no expansion of, use beyond that previously existing (State CEQA Guidelines, Section 15301); (b) authorized \$6.85 million in Appropriation No. 15367, from the Pay-As-You-Go Fund, to finance costs for design, fabrication and installation of a steel liner inside a portion of the Second Lower Feeder, and delegated authority to the General Manager to award a construction contract, as set forth in the letter signed by the General Manager on March 26, 2001.

44426 The Board authorized the General Manager to (1) accept the conditions specified by the U.S. Forest Service (USFS), consistent with those identified in the letter signed by the General Manager on March 27, 2001, for an amended Special-Use Permit to complete construction of the Inland Feeder Project's Arrowhead Tunnels; (2) execute payment in an amount not to exceed \$1.5 million for compensation to the USFS for the amended Special-Use Permit; (3) amend existing agreement with the USFS in an amount not to exceed \$1.8 million for continued compensation for USFS staff time on the project; and (4) authorize advertisement for bids to complete construction of the

Arrowhead Tunnels following review and acceptance of the amended Special-Use Permit.

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

44427 Determined that the proposed action is not subject to CEQA per Section 15378(b)(4) of the State CEQA Guidelines; and directed staff to finalize agreement terms for conjunctive-use projects with member agencies whose proposals were recommended by the Review Committee to be included in the shortlist under RFP No. WRM-2 to move towards meeting the Integrated Water Resource Plan goal for additional dry-year supplies, as set forth in the letter signed by the General Manager on March 26, 2001.

Directors Bannister and Hansen requested to be recorded as abstaining.

44428 Determined that funding the studies of environmental effects with the U.S. Bureau of Reclamation (Reclamation) and Coachella Valley Water District, executing the Funding Agreement for the Coachella Canal Lining Project with the California Department of Water Resources (DWR), and executing the Lead Agency Agreement and the Amendment to Agreement No. 30417 do not constitute projects under the California Environmental Quality Act (Public Resources Code Section 21065, State CEQA Guidelines Section 15378(a)) and:

a. Authorized the General Manager to enter into a Funding Agreement with DWR for the Coachella Canal Lining Project in a form approved by the General Counsel;

b. Increased the funding level in Appropriation No. 15354 by \$270,810 for use in accordance with the Coachella Canal Lining Project Advance Funding Agreement;

c. Authorized the General Manager to enter into a Cost Reimbursement Agreement with Reclamation for environmental, contractual, and legal costs associated with the proposed Secretarial Implementation Agreement in an amount not to exceed \$850,000 in a form approved by the General Counsel;

d. Authorized the General Manager to enter into a Lead Agency Agreement in a form approved by the General Counsel to designate Metropolitan as the contracting agency for the Cost Reimbursement Agreement with Reclamation reflecting costs associated with the Secretarial Implementation Agreement; and

e. Authorized the General Manager to amend Agreement No. 30417 in a form approved by the General Counsel to increase the maximum amount payable by \$450,000, as set forth in the letter signed by the General Manager on April 2, 2001.

44429 Certified the Board has reviewed and considered the information contained in the San Bernardino Valley Municipal Water District's EIR and adopted the Lead Agency's findings, and authorized entering into an agreement with San Bernardino Valley Municipal Water District to coordinate the use of facilities and State Water Project supplies, as set forth in the letter signed by the General Manager on March 23, 2001.

Director Wein returned to the Meeting at 12:40 p.m.

44430 Legal, Claims and Personnel Committee Chairman Morse moved, seconded by Director Hansen and carried, ratifying the filing of lawsuit to seek judicial clarification of Metropolitan's right to exclude San Diego County Water Authority delegates from attending closed session discussions of Metropolitan's litigation strategy in *San Diego County Water Authority v. Metropolitan Water District of Southern California*, as set forth in the letter signed by the General Counsel on April 3, 2001.

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

Director Fellow took his seat at 12:42 p.m.

44431 Regarding the approval of the Definitive Economic Terms and Responsibilities between Metropolitan and Cadiz, Inc. for the Cadiz Groundwater Storage and Dry-Year Supply Program, Chairman Pace called upon members of the public to receive their comments.

Comments in opposition to the Cadiz program were heard from the following:

Bob Ellis, Desert Survivors
 Gary Wolff, Pacific Institute
 Simeon Herskovits, Western Environmental Law Center
 David Czamanske, Sierra Club
 Hazel Scotto, League of Women Voters
 Patricia Bell Hearst, member of the public

Speaking in support of the Cadiz program were:

Randy Hill, Victor Valley Water District
 Richard K. Jemison, Sr., Southern California Water Company

Questions regarding Metropolitan's security in the program were raised by members of the Board and addressed by staff. Of concern, also, was whether the action taken today would establish a contract with Cadiz. Assistant General Counsel Kightlinger replied that it would not.

Following a lengthy discussion regarding the Cadiz program, Director Parker moved, seconded by Director Swan, that the Board delay the approval for sixty days and direct staff to return with an update of the costs.

Director Herman withdrew from the Meeting at 1:22 p.m.

The Chair called for a vote on the motion.

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

Ayes: Anaheim (Dir. Stanton, 1,952 votes), Beverly Hills (Dir. Harris, 1,036 votes), Burbank (Dir. Battey, 1,013 votes), Foothill Municipal Water District (Dir. Edwards, 681 votes), Fullerton (Dir. Blake, 766 votes), Inland Empire Utilities Agency (Dir. Troxel, 3,728 votes), Municipal Water District of Orange County (Dir. Swan, 4,541.5 votes), San Diego County Water Authority (Ayes: Dirs. Krauel, Lewis, and Parker. Absent: Dir. Watton. 18,009 votes), Western Municipal Water District of Riverside County (Dir. Mylne, 3,271 votes). Total 34,997.5 votes.

Noes: Calleguas Municipal Water District (Dir. Grandsen, 4,231 votes), Central Basin Municipal Water District (Dirs. Morse and Pace, 6,438 votes), Compton (Dir. Murph, 183 votes), Eastern Municipal Water District (Dir. Ashley, 2,092 votes), Glendale (Dir. Rez, 1,262 votes), Las Virgenes Municipal Water District (Dir. Peterson, 1,027 votes), Long Beach, (Dir. Hansen, 1,921 votes), Los Angeles (Noes: Dirs. Castro, Luddy, and Wein. Absent: Dir. Herman. 21,272 votes), Municipal Water District of Orange County (Dirs. Bannister, Foley, and Owen, 13,624.5 votes), Pasadena (Dir. Brick, 1,036 votes), San Fernando (Dir. Mejia, 82 votes), Santa Ana (Dir. Coughran, 1,197 votes), Santa Monica (Dir. Abdo, 1,223 votes), Torrance (Dir. Wright, 1,319 votes), Upper San Gabriel Valley Municipal Water District (Dir. Fellow, 4,033 votes), West Basin Municipal Water District (No: Dir. Little. Absent: Dir. Murray, 7,516 votes). Total 68,456.5 votes.

Abstains: None.

Absent: San Marino (Dir. Morris, 235 votes), Three Valleys Municipal Water District (Dir. Barbosa, 2,855 votes). Total 3,090 votes.

The Chair stated the motion failed by a vote of 34,997.5 ayes, 68,456.5 noes, and 3,090 absent.

Director Blake then requested to speak and asked that his comments be included verbatim in the record.

"Mr. Chairman, members of the Board, as you all know this--my feelings on this. I am certainly against this project for a number of reasons. I am also respectfully requesting, Mr. Chairman, that my remarks show verbatim in the record of this Board meeting.

We are all environmentalists, and thus we have concerns on many things, including this particular project. But in addition to our environmental concerns we hopefully are looking at this as a business decision. Is this something that if you have your own business, would you do in a case as this? We have no EIR certification. We have no IRP update. We are proposing a partner whose debt-to-equity ratio is 84 percent. We need to treat this as a

business. They are allowed to get 30 percent of 30,000 acre-feet of water which they may sell in our district—within the district. That's setting up a competitor in our own backyard.

The General Manager stated yesterday that if this is voted up, or is it no, the world will not end. And I will tell you if you vote no the world will not end. The full Colorado River Aqueduct will—there are many ways to ensure that. This is certainly not the only way to do it. We all believe in storage and conjunctive-use projects, but not all projects fit that mold.

I am very concerned about Cadiz and its people. All you have to read is today's L.A. Times. And I quote: "Cadiz owners, including its top official, Keith Brackpool, a key water adviser to Governor Gray Davis, stand to make substantial profits from the arrangement." This is yesterday. Six months ago they said millions. So they have not changed their minds in the way they look at it.

As Director Troxel brought up, when we first started looking at these, there were four possibilities, including Hayfield, Chuckwalla, and Coachella. Somehow this got to the top. The others were not brought up along with Cadiz. Last month for the first time I saw two of those in one of our agendas, and this month I see one in our agenda. They were not treated equally. I would ask you why. Look at this from an economic business point of view and then do your voting. Thank you very much."

Director Murray took his seat at 1:25 p.m.

Director Swan asked that the General Counsel and the General Manager reiterate that if the program is approved today, that Metropolitan would not be obligating the District to any financial obligation other than the CPI if the Board at some later time agrees not to go ahead with the contract. The General Manager and the Assistant General Counsel stated that Metropolitan does have the option to either approve or disapprove a contract with Cadiz as it sees fit when the final contract and environmental documents are brought back to the Board of Directors, and the action today does not obligate the

District to enter into contract or incur any financial obligation other than it starts the clock on CPI if the District ultimately does enter the contract.

Following further discussion, Director Murray moved, seconded by Director Luddy, that the Board authorize the General Counsel to prepare the form of a final contract consistent with the economic terms contained in Attachment 2 to the General Manager's letter signed March 26, 2001.

The Chair called for a vote on the motion.

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

Ayes: Calleguas Municipal Water District (Dir. Grandsen, 4,231 votes), Central Basin Municipal Water District (Dirs. Morse and Pace, 6,438 votes), Compton (Dir. Murph, 183 votes), Eastern Municipal Water District (Dir. Ashley, 2,092 votes), Glendale (Dir. Rez, 1,262 votes), Las Virgenes Municipal Water District (Dir. Peterson, 1,027 votes), Long Beach, (Dir. Hansen, 1,921 votes), Los Angeles (Ayes: Dirs. Castro, Luddy, and Wein. Absent: Dir. Herman. 21,272 votes), Municipal Water District of Orange County (Dirs. Bannister, Foley, and Owen, 13,624.5 votes), Pasadena (Dir. Brick, 1,036 votes), San Fernando (Dir. Mejia, 82 votes), Santa Ana (Dir. Coughran, 1,197 votes), Santa Monica (Dir. Abdo, 1,223 votes), Torrance (Dir. Wright, 1,319 votes), Upper San Gabriel Valley Municipal Water District (Dir. Fellow, 4,033 votes), West Basin Municipal Water District (Dirs. Little and Murray, 7,516 votes). Total 68,456.5 votes.

Noes: Anaheim (Dir. Stanton, 1,952 votes), Beverly Hills (Dir. Harris, 1,036 votes), Burbank (Dir. Battey, 1,013 votes), Foothill Municipal Water District (Dir. Edwards, 681 votes), Fullerton (Dir. Blake, 766 votes), Inland Empire Utilities Agency (Dir. Troxel, 3,728 votes), Municipal Water District of Orange County (Dir. Swan, 4,541.5 votes), San Diego County Water Authority (Noes: Dirs. Krauel, Lewis, and Parker. Absent: Dir. Watton. 18,009 votes), Western Municipal Water District of Riverside County (Dir. Mylne, 3,271 votes). Total 34,997.5 votes.

Abstains: None.

Absent: San Marino (Dir. Morris, 235 votes), Three Valleys Municipal Water District (Dir. Barbosa, 2,855 votes). Total 3,090 votes.

The Chair stated the motion was approved by a vote of 68,456.5 ayes, 34,997.5 noes, and 3,090 absent.

44432 The following communications were submitted to the Board for information:

- a. Status report for the Diamond Valley Lake Project for the month ending February 2001, signed by the General Manager on March 26, 2001.
- b. Status report for the Inland Feeder Project for the month ending February 2001, signed by the General Manager on March 26, 2001.
- c. Letter of the General Manager signed on March 27, 2001, submitting the semiannual report on diversity.
- d. Letter of the General Manager signed on March 26, 2001, on Implementing Metropolitan's Brackish and Seawater Desalination Policy Principles.
- e. Letter of the General Manager signed on March 26, 2001, reporting on Improvements to Metropolitan's Ultra-Low-Flush Toilet Retrofit Water Conservation Program.
- f. Revised letter of the General Manager signed on April 6, 2001, reporting on 2000-2001 Innovative Conservation Program Applicant Recommendations.

44433 Chairman Pace reported at the Museum Feasibility Committee meeting, the committee heard a presentation from the consultant on the draft foundation articles and bylaws. The committee discussed potential names for the foundation. Once the foundation name is determined, the administrative and procedural issues can be addressed. At the next meeting staff will present a final package on the foundation to include the bylaws and articles, environmental documentation, museum leases, and a selection of names. Also discussed were a draft lease and terms for the Valley-Wide group. The committee will be

discussing the specific location for the proposed museums. Staff will work with the master developer to provide some alternative locations that would provide a more premier location. Director Wein provided a draft list of architects to consider, along with the development of the Request for Qualification for the design of the museums. One architect will be selected for both museums.

Future agenda items for the Subcommittee on Museum Feasibility and Development include: (a) discussion of location for the museums; (b) the museum architect; (c) analysis of foundation articles and bylaws; (d) museum environmental documentation and lease terms; (e) discussion of names for the foundation; and (f) unresolved issues.

44434 At 2:10 p.m., there being no objection, Chairman Pace adjourned the Meeting to May 15, 2001.



SECRETARY



CHAIRMAN