

MINUTES
ADJOURNED REGULAR MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
MAY 15, 2001

44436 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, May 15, 2001.

The Meeting was called to order by Chairman Pace at 12:14 p.m.

44437 The Meeting was opened with an invocation by Director Gary A. Morse.

44438 The Pledge of Allegiance to the Flag was given, led by Director Henry S. Barbosa.

44439 Secretary Coughran called the roll. Those answering present were: Directors Abdo, Ashley, Ball, Bannister, Barbosa, Battey, Blake, Brick, Coughran, Edwards, Fellow, Foley, Grandsen, Harris, Hansen, Lewis, Little, Luddy, Mejia, Morris, Morse, Murph, Mylne, Owen, Pace, Parker, Peterson, Rez, Stanton, Swan, Wein, and Wright.

Those not answering were: Directors Castro, Herman, Krauel, Murray (entered 12:39 p.m.), and Troxel.

The Chair declared a quorum present.

44440 At 12:19 p.m., the Chair called a public hearing to receive comments on the proposed standby charge for Annexation Nos. 69, 70, and 71 to Calleguas 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 12:20 p.m.

44441 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.

44442 Chairman Pace invited members of the public to address the Board on matters within the Board's jurisdiction.

Via videoconference, Congressman Bob Filner from Chula Vista addressed the Board and gave an update on the removal of the uranium mine tailings in Moab, Utah. In the last Congress, authorization was given to the Department of Energy taking control of this matter from the Nuclear Energy Regulatory Commission. However, no money was appropriated in last year's cycle, but there was bipartisan support of members from California, Nevada, and Utah. In this year's budget, the President did not appropriate any money for this effort. This is being attributed to newness as opposed to any opposition. Congressman Filner stated that his colleagues from all three states are working with the relevant appropriations committee, and with the administration, to make sure that when the final budget is passed, money will be included for the Moab project. The congressman thanked Metropolitan, San Diego County Water Authority, and the various groups involved for their efforts in seeing that this project is completed.

Chairman Pace thanked Congressman Filner for his continued dedication to providing solutions to Southern California water issues.

Hazel Scotto of the League of Women Voters requested documents received from outside organizations or individuals regarding the Cadiz project.

David Czamanske of the Sierra Club expressed the club's support for Agenda Item 8-6, legislative support for chromium 6 funding.

44443 Chairman Pace presented a Certificate of Appreciation to Ezuniel "Ezie" Burts, past president of the Los Angeles Area Chamber of Commerce.

44444 There being no objection, the Chair ordered the reading of the Minutes of the Meeting held April 10, 2001, dispensed with, a copy having been mailed to each Director. Pursuant to Director Swan's request, additional comments made by him were added to his statement regarding the Cadiz project.

Director Swan therefore moved, seconded by Director Blake and carried, approving the foregoing Minutes as mailed, to include the additional statement of Director Swan.

Director Murray took his seat at 12:39 p.m.

44445 The General Counsel's letter signed May 3, 2001, was presented, transmitting the credentials evidencing the appointment by San Diego County Water Authority of Harold W. Ball as one of its representatives on Metropolitan's Board for an indefinite term, replacing Mark W. Watton.

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

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

Following an introduction by Director Parker, Director Ball took his seat as a Director representing San Diego County Water Authority.

44446 Director Morris moved, seconded by Director Blake and carried, approving the Chair's appointments of Director Ball to the Communications, Outreach and Legislation Committee and the Audit, Budget and Finance Committee; and Director Ashley to the Special Committee on Museum Feasibility and Development, now renamed the Special Committee on the Museum and Water Education Center.

44447 Chairman Pace reported on events in which he participated on behalf of Metropolitan, as follows: On April 26 the Central City Association hosted its 7th Annual Treasures of

Los Angeles. In attendance were himself, Directors Luddy, Herman, and Wein, General Manager Gastelum, and Board Executive Officer Ivey. The Central City Association recognizes agencies and individuals that have contributed to the well being of the City of Los Angeles. On April 28 Directors and senior staff participated in the dedication of the E. Thornton Ibbetson Guest Quarters at the Gene facility. Local officials from the cities of Bellflower and Long Beach, and Central Basin Municipal Water District also attended the event.

As part of a public information campaign on drinking water, in partnership with Central Basin, the Chair participated in a press conference on May 2 in East Los Angeles. The campaign is a pilot program designed in English and Spanish to inform Latino consumers about drinking water. The Chair thanked Congresswoman Lucille Roybal-Allard, Pastor Shirley Melendez from the Door of Hope Ministries, and Elsa Lopez, Executive Director of Mothers of East Los Angeles, for their joint efforts in bringing the community together to hear the important message on healthy, high quality drinking water. Chairman Pace reported that Metropolitan, along with the Raul R. Rodriguez Scholarship Foundation, hosted a VIP reception in honor of the Pio Pico Family in the courtyard at Metropolitan on May 3.

On May 14 Metropolitan hosted a reception to celebrate the signing of a historic agreement between San Bernardino Valley Municipal Water District and Metropolitan. After 72 years Metropolitan is joining with San Bernardino in an effort to continue providing reliable water supplies to both service areas. The agreement will benefit San Bernardino by providing funds to that district to develop local resources and infrastructure. The agreement also helps to mitigate high groundwater levels in the Bunker Hill area, and provides some financial return for previously unused State Project supplies. Additional benefits include emergency access to Metropolitan's Inland Feeder pipeline, improved cash flow, and dismissal of lawsuits between the two agencies. The agreement will help Metropolitan provide its customers with dependable water supplies during droughts, assist in filling the new Diamond Valley Lake, and launching storage programs along the Colorado River.

44448 Subcommittee on Rate Structure Implementation Chair Brick reported the subcommittee met on April 24 and discussed with staff the schedule, identifying a series of tasks that need to occur and be completed on parallel tracks as Metropolitan moves ahead in regard to the rate structure and implementation. Staff distributed a draft term sheet that summarized the major points and elements of the Tier 1 supply contract. There was a vigorous discussion on the draft terms identifying some fundamental issues including the take-or-pay obligation of member agencies and Metropolitan's responsibility to deliver water, the impact of preferential rights on the contract, the Water Surplus and Drought Management Plan allocations, contract adjustments and the procedure that would be used for those adjustments, growth charges and how those charges would fit within the rate structure, and the level of Tier 1 and Tier 2 supplies including the reliable quantity of Tier 1 supplies.

Director Brick announced the meeting of the subcommittee scheduled for next week has been postponed. The subcommittee will move toward holding a workshop format that can involve all members of the Board to discuss the key issues that need to be addressed.

44449 Regarding the Colorado River, Bay-Delta and CALFED matters, and the summary of District activities, General Manager Gastelum referred to his monthly activity report for April signed May 10, 2001. Mr. Gastelum gave highlights on the power update. Metropolitan is projecting to spend \$89 million for Colorado River power this year. The Diamond Valley Lake conversion of four pumps at the Wadsworth Pumping Plant has been completed and tested.

On the activities of the Colorado River Board, Director Wright reported that the Bureau of Reclamation has proposed a full domestic surplus declaration for 2002. With that full surplus, Metropolitan would be able to divert 1.25 million acre-feet in accordance with the Interim Surplus Guidelines approved by the Secretary of the Interior in January. The Coachella Valley Water District, Imperial Irrigation District, Metropolitan, and the San Diego County Water Authority have sent a letter to Senator Feinstein requesting funding be included in the Bureau's fiscal year 2002 budget for Salton Sea habitat enhancement. The letter also requests funds be included

for water management reservoirs and associated facilities near the All American Canal.

Mr. Gastelum reported that Congressman Calvert is in the process of drafting a bill on CALFED. Mr. Calvert has announced that he will oppose any appropriations for CALFED until an authorization is enacted. Senator Feinstein already has a bill out, and it is expected there will be differences between both bills. The Board will be kept apprised on this matter. Metropolitan will also be working with the business community to inform them on the CALFED legislation.

General Manager Gastelum commented on the new business titles of the Executive staff, which will be in line with today's corporate world. Chairman Pace reported that the proposed changes in titles were reported to the Executive Committee and are set forth in his memo to the Board dated April 26, 2001. The new titles are as follows:

Ronald R. Gastelum	President & Chief Executive Officer
Joseph E. Tait	Executive Vice President & Chief Operating Officer
Gilbert F. Ivey	Vice President & Board Executive Officer
Adan Ortega	Vice President - External Affairs
Timothy Quinn	Vice President - State Water Project Resources
Dennis Underwood	Vice President - Colorado River Resources
Debra Man	Vice President - Water Transfer/Exchanges
Mark Beuhler	Associate Vice President - Water Quality Strategies
Ane Deister	Associate Vice President - Conservation Strategies
Bobbi A. Becker	Special Projects Manager

44450 General Counsel Walston referred to his activity report dated April 30, 2001, which was distributed earlier.

In *San Diego County Water Authority, et al. v. Metropolitan and the City of Los Angeles* (Preferential Rights Case), that case has now been fully transferred to San Francisco and Metropolitan will move that case forward very expeditiously.

In *Metropolitan v. San Diego County Water Authority, et al.* (Brown Act Case), that case has also been transferred to San Francisco. The transfer is now complete and Metropolitan

will file its preliminary injunction. Oral argument is to be held on June 5, 2001.

In *Soboba Band of Mission Indians v. Metropolitan*, Metropolitan filed a Third Party Complaint against both Eastern and Lake Hemet Municipal Water Districts. The complaint against Eastern was based upon a contract whereby Eastern had promised to indemnify Metropolitan for its damages from this action. Metropolitan and Eastern have now reached an agreement whereby Eastern will pay a substantial portion of Metropolitan's legal costs and fees for this lawsuit.

In *DeWayne Cargill, et al. v. Metropolitan, et al.* (the temporary employees' lawsuit), the Court of Appeals has set August 21, 2001, for oral argument and a decision is expected before the year is over or shortly thereafter.

General Counsel Walston also reported that the Court of Claims in Washington, D.C. recently issued a decision on April 30 in *Tulare Lake Basin v. United States*. The Court held that the federal government must pay damages to some State Water Project contractors for taking their water rights pursuant to the Endangered Species Act (ESA) for the years 1992-94 when those deliveries were reduced. In that case two federal agencies, the National Marine Fishery Service and the Fish and Wildlife Service, had ordered reduction of water exports out of the Delta in order to protect two endangered species, the Delta smelt and the winter run chinook salmon. Tulare Lake Basin and Kern County Water Agency brought the action against the federal government in the Court of Claims arguing that the government had, by enforcing the ESA, unconstitutionally taken their water rights without payment of compensation. Under the 5th Amendment of the United States Constitution, the federal government must pay compensation when it takes private property rights for public use. According to the Court, it makes no difference whether the federal government takes water for the purpose of building a dam under its eminent domain power or on the other hand actually physically appropriates the water by enforcing the ESA. An appeal is expected in this case and therefore this is not a final decision. At some point in the future the Court of Claims will be required to determine the exact amount of the damages that must be paid to the State contractors. This case has sweeping impacts and it also affects Metropolitan since

Metropolitan is also a contractor with the Department of Water Resources.

44451 The reports of the Standing Committees are as follows:

On behalf of the Executive Committee, Chairman Pace reported that at its meeting on April 24, the committee heard reports from the Subcommittee on Business Outreach and Practices and the Subcommittee on Rules and Ethics. At the Rules and Ethics meeting, the subcommittee discussed briefly the formation of the Ethics Office and the qualifications and recruitment of an Ethics Officer. The final decision on the Ethics Program is currently on hold for thirty days until an ad hoc committee, consisting of Directors Battey (Chair), Brick, Coughran, and Harris, considers the qualifications for the Ethics Officer.

Director Foley gave a report on the activities of the Colorado River Board. Assistant General Manager Tait presented the proposed administrative changes to the Office of the General Manager. The Chair stated the Executive Committee approved Agenda Items 8-7, 8-8, and 9-7, and requested that Item 9-7 be added to the Consent Calendar.

Rita Pearson Maguire, Director of the Arizona Department of Water Resources, addressed the Executive Committee on the Colorado River off-stream-banking program with the Arizona Water Banking Authority. Her presentation related to Agenda Item 9-7, the Interim Surplus Guidelines Forbearance Agreement with the United States and the Arizona Department of Water Resources.

Audit, Budget and Finance Committee Chairman Bannister reported the committee approved the request of staff to defer Agenda Item 8-1 due to the need to firm up the premium insurance costs. Agenda Item 9-1 was approved and Director Bannister requested that it be added to the Consent Calendar. The committee also appointed a subcommittee to expedite review of the proposals for an outside auditing firm, consisting of Directors Grandsen (Chair), Battey, Blake, Hansen, Mejia, and Wein. Director Bannister announced the subcommittee would hold its meeting on Tuesday, May 29 at 10:00 a.m., and the Budget Workshop is scheduled for Tuesday, May 22, at 12 noon.

Engineering, Operations and Real Property Committee Vice Chairman Grandson reported the committee approved Agenda Item 9-2 and requested it be added to the Consent Calendar. The committee heard a detailed report on the Diamond Valley Lake recreation project.

Legal, Claims and Personnel Committee Chairman Morse reported the committee approved Agenda Items 8-2, 9-3, 9-4, 9-5, 9-6, and 9-7 and requested that the "9" items be added to the Consent Calendar.

Communications, Outreach and Legislation Committee Chair Hansen reported the committee approved Agenda Items 8-5 and 8-6. After discussion on Agenda Item 10-6, relating to SB 350 (Alpert) on Metropolitan Water Districts, the committee reaffirmed its opposition to the amended bill and requested this item be added to the Consent Calendar. The committee heard the legislative reports from both the Washington and Sacramento offices. Via videoconference, the committee heard a report on the energy situation from Jerry Jordan, executive director of the California Municipal Utilities Association. Senior Legislative Representative Cole gave an update on the current status of water-related legislation. Senior Legislative Representative Hiltcher reported that Congressman Calvert is circulating a draft of a CALFED funding bill that he is expected to introduce next week. Both Senators Boxer and Feinstein are still in discussions about a similar bill that Senator Feinstein is expected to introduce in the Senate. A report was given on the Hispanic Pilot Program, a joint effort between Metropolitan and Central Basin Municipal Water District to provide water quality information in both English and Spanish advising that tap water is safe to drink.

Water Planning, Quality and Resources Committee Chairman Owen reported the committee approved Agenda Items 8-3 and 9-8, and requested that Item 9-8 be added to the Consent Calendar. Regarding the Bay-Delta and State Water Project matters, a status report was given on how agencies have used the Environmental Water Account and the benefits derived to Metropolitan. The committee also heard reports on the State Water Project Initiative and the Colorado River Aqueduct Storage Programs and operating priorities. Director Owen announced the

committee will host an inspection trip to the Cadiz property in the next month or two.

Director Morris moved, seconded by Director Swan and carried, and the Board approved the Consent Calendar Items, **M.I. 44452** through **M.I. 44466**, as follows:

44452 In reference to reporting the value of employer-paid member contributions to the Public Employees' Retirement System and to implement benefits parity, the Board:

a. Determined that the proposed action is not subject to California Environmental Quality Act (CEQA) per Sections 15061(b)(3) and 15378(b)(2) of the State CEQA Guidelines;

b. In accordance with (1) the Supervisors' Association and the Management and Professional Employees Association negotiated labor agreements with Metropolitan, (2) the Association of Confidential Employees Association upcoming favored nations benefit election, and (3) Government Code Section 20636(c)(4), adopted **Resolution 8740** as set forth in Attachment 1 to the letter signed by the General Manager on April 23, 2001. This Resolution reports the value of employer-paid member contributions to the Public Employees' Retirement system for employees in classifications represented by these units, and all Unrepresented employees, effective May 27, 2001; said Resolution entitled:

RESOLUTION FOR PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS

c. In accordance with Metropolitan's philosophy of benefits parity, approved the revision of Administrative Code Section 6523 to implement a change in dental benefits for Unrepresented employees effective June 1, 2001 in line with all other employee bargaining units.

44453 Determined that the Resolutions relating to the Department of Water Resources grant proposals are not subject to CEQA per Sections 15061(b)(3) and 15378(b)(4) of the State CEQA Guidelines; and adopted the Resolutions in support of the grant proposals attached to the letter signed by the General Counsel on April 23, 2001, said Resolutions entitled:

- Resolution 8741** RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA REQUESTING FUNDING PURSUANT TO SAFE DRINKING WATER, CLEAN WATER, WATERSHED PROTECTION AND FLOOD PROTECTION ACT (PROPOSITION 13, CHAPTER 9, ARTICLE 2) FOR THE HAYFIELD GROUNDWATER STORAGE PROJECT
- Resolution 8742** RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA REQUESTING FUNDING PURSUANT TO SAFE DRINKING WATER, CLEAN WATER, WATERSHED PROTECTION AND FLOOD PROTECTION ACT (PROPOSITION 13, CHAPTER 9, ARTICLE 2) FOR UPPER CHUCKWALLA GROUNDWATER BASIN FEASIBILITY STUDY
- Resolution 8743** RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA REQUESTING FUNDING PURSUANT TO THE SAFE DRINKING WATER, CLEAN WATER, WATERSHED PROTECTION AND FLOOD PROTECTION ACT (PROPOSITION 13, CHAPTER 8, ARTICLE 6) FOR FEASIBILITY STUDY AND PILOT PROJECT TO QUANTIFY WATER REQUIREMENTS FOR LANDSCAPE URBAN CONSERVATION BMP NO. 5
- Resolution 8744** RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA REQUESTING FUNDING PURSUANT TO THE SAFE DRINKING WATER, CLEAN WATER, WATERSHED PROTECTION AND FLOOD PROTECTION ACT (PROPOSITION 13, CHAPTER 8, ARTICLE 6) FOR ASSESSMENT OF POTENTIAL CAPITAL OUTLAY PROJECTS FOR URBAN CONSERVATION

44454 Determined that the proposed action is not subject to CEQA per Section 15378(b)(4) of the State CEQA Guidelines; and approved the operational association memberships deemed

essential to Metropolitan, as set forth in the revised letter signed by the General Manager on May 14, 2001. These aforementioned memberships do not fall into Corporate Resources, Water System Operations, or Water Resource Management fiscal responsibilities.

Directors Ball, Lewis, and Parker requested to be recorded as voting no only on the funding for the Urban Water Institute.

44455 Determined that the proposed action is not subject to CEQA per Sections 15378(b)(2) and 15061(b)(3) of the State CEQA Guidelines; and adopted legislative policy principle, supporting legislative and administrative efforts to secure funding for the purpose of studying the health effects of chromium 6 and if necessary fund treatment technology development in order to establish drinking water regulations, as set forth in the letter signed by the General Manager on April 30, 2001.

44456 Determined that the proposed financial contribution to the American Water Works Association Research Foundation (AWWARF) program is not subject to CEQA per Section 15378(b)(4) of the State CEQA Guidelines; and authorized the remaining payment of AWWARF's subscription for fiscal year 2000-01 in the amount of \$213,000, as set forth in the letter signed by the General Manager on April 19, 2001.

44457 The Board (a) determined that the proposed actions are not subject to CEQA per Sections 15378(b)(4) and 15061(b)(3) of the State CEQA Guidelines; (b) granted conditional approval, as defined in the Metropolitan Water District Administrative Code Section 3100(b), for Annexation No. 72 concurrently to Calleguas and Metropolitan, conditioned upon receipt in full of annexation charge payment of \$10,674.40 to Metropolitan if subject annexation is completed by December 31, 2001, or, if completed after said date, at the then current annexation charge rate; (c) approved Calleguas' proposed Annexation No. 72 Plan for Implementing Water Use Efficiency Guidelines; and adopted **Resolution 8745**, the resolution of intention to impose water standby charges within the proposed annexation territory for Annexation No. 72, as set forth in the letter signed by the General Manager on April 23, 2001, 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**

Director Grandsen requested to be recorded as abstaining.

44458 Determined that the Resolution relating to the water standby charge is not subject to CEQA per Section 15378(b)(4) of the State CEQA Guidelines; and approved **Resolution 8746**, the resolution to impose and extend a water standby charge, as set forth in the letter signed by the General Manager on April 20, 2001, said Resolution entitled:

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN
WATER DISTRICT OF SOUTHERN CALIFORNIA FIXING AND ADOPTING
WATER STANDBY CHARGES FOR FISCAL YEAR 2001-2002**

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

44459 The Board (a) determined that the proposed action has been previously addressed in the certified 1991 FEIR and subsequent environmental documentation for the Diamond Valley Lake Project and that no further environmental analysis is required; and (b) awarded a fixed price construction contract in the amount of \$2,214,700 to Kiewit Pacific Co. for the construction of the South Rim High Water Road at Diamond Valley Lake, as set forth in the letter signed by the General Manager on April 23, 2001.

44460 Authorized amendment to agreement with Flavell, Tennenbaum & Edwards to increase the maximum amount to be paid for appraisal services and litigation support in the eminent domain action for the Inland Feeder Project entitled *Metropolitan v. Campus Crusade for Christ*, San Bernardino Superior Court Case No. SCV34598, as set forth in the confidential letter signed by the General Counsel on April 23, 2001.

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

44461 Authorized amendment to Agreement No. 37897 for legal services with the law firm of Hunton & Williams in *Defenders of Wildlife, et al. v. Bruce Babbit, et al.*, United States District Court for the District of Columbia case number 1:00CV01544, as set forth in the confidential letter signed by the General Counsel on April 23, 2001.

44462 Authorized amendment of contract for legal services with the Law Offices of Charles S. LiMandri in *Metropolitan Water District v. Hartford Financial Services Group, et al.*, United States District Court Case No. CV-00-4040 GHK (Mcx), as set forth in the confidential letter signed by the General Counsel on April 23, 2001.

Director Edwards requested to be recorded as voting no.

44463 Authorized settlement of claim of Dominick and Brenda Vitelli regarding vibrations emanating from Olinda Pressure Control Structure, as set forth in the confidential letter jointly signed by the General Manager and the General Counsel on April 23, 2001.

44464 Determined that the execution of the Interim Surplus Guidelines Forbearance Agreement with the United States and the Arizona Department of Water Resources is categorically exempt from CEQA (Section 15301 of the State CEQA Guidelines); and authorized the General Manager to enter into the proposed Agreement in a form approved by the General Counsel, as set forth in the letter signed by the General Manager on April 23, 2001.

44465 Determined that the proposed action is not subject to CEQA per Sections 15378(b)(2) and 15061(b)(3) of the State CEQA Guidelines; approved the Seawater Desalination Action Plan; and authorized the General Manager to commence program development, as set forth in the letter signed by the General Manager on April 23, 2001.

44466 Reaffirmed its opposition to amended Senate Bill 350 (Alpert), which would (1) require Metropolitan and its member agencies to adopt guidelines for the use of surplus funds by June 30, 2002; and (2) authorize the California Research Bureau

(CRB), on or before June 30, 2002, to evaluate the recent reorganization of the Metropolitan Board, the regional and proportional equity in Metropolitan's handling of finances under the current voting structure, and any other issues deemed relevant by the CRB, as reported in the letter signed by the General Manager on May 7, 2001.

44467 The following communications were submitted to the Board for information:

- a. Revised status report for the Diamond Valley Lake Project for the month ending March 2001, signed by the General Manager on May 14, 2001.
- b. Status report for the Inland Feeder Project for the month ending March 2001, signed by the General Manager on April 23, 2001.
- c. Letter of the General Manager signed on April 28, 2001, reporting on the proposed modifications to the Business Outreach Program.
- d. Letter of the General Manager signed on April 23, 2001, reporting on fiscal year 2000-01 Innovative Conservation Program Applicant Recommendations.
- e. Letter of the General Manager signed on April 23, 2001, reporting on Final Water Surplus and Drought Management Plan Supply/Demand Report for Calendar Year 2001.

44468 Chairman Pace reported at the Museum Feasibility Committee meeting, the committee approved a motion to dedicate the overlook at Diamond Valley Lake in honor and memory of former Director Clayton A. Record, Jr. Staff has been directed to prepare a letter to Clayton Record's family and begin development of a ceremony to formally name the overlook. Additionally, a motion was also passed to approve general concepts regarding the museum and the foundation guidelines.

The Special Committee on Museum Feasibility and Development also adopted the following guidelines, to include a proposed project budget of \$16 million and the following key points:

- The water education center museum complex shall not exceed 26,000 square feet on a ten-acre parcel, given that the building is within plus or minus ten percent.
- A foundation shall be established for the specific purpose of raising funds for the development of a water education center and raising public interest in the project through such activities, exhibits, and programs for the center, which will be extensions of the existing Metropolitan's current Visitors' Center, education programs and inspection trips, and the Allan Preston museum on the Colorado River Aqueduct.
- Once completed the water education center will operate as a Metropolitan facility, staffed by the External Affairs group, and Metropolitan will enter into Memoranda of Understanding with other water agencies outside Metropolitan's service area, educational institutions and organizations interested in preservation and archiving of artifacts relating to the development of water supplies, conservation technology and their facilities in Southern California.

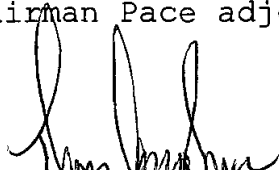
The committee meeting scheduled for May 22 has been canceled.

Director Brick announced the Subcommittee on Inspection Trips would have its final meeting immediately after today's Board Meeting.

Chairman Pace announced that the Bolsa Chica land transfer program would take place on Saturday, May 19, 2001, at 9:00 a.m. in Huntington Beach.

44469 There being no objection, Chairman Pace adjourned the Meeting at 1:39 p.m.


 CHAIRMAN


 SECRETARY