

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

**44508** 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, July 10, 2001.

The Meeting was called to order by Chairman Pace at 11:09 a.m.

**44509** The Meeting was opened with an invocation by Director Gary A. Morse.

**44510** The Board observed a moment of silence in memory of Thomas M. Lovil, retired Senior Public Affairs Representative.

**44511** The Pledge of Allegiance to the Flag was given, led by Director James H. Blake.

**44512** Secretary Coughran called the roll. Those answering present were: Directors Abdo, Ashley, Ball, Bannister, Battey, Blake, Brick, Coughran, Edwards, Fellow, Foley, Grandsen, Hansen, Herman, Krauel, Little, Luddy, Morris, Morse, Mylne, Pace, Parker, Peterson, Rez, Stanton, Swan, and Wright.

Those not answering were: Directors Barbosa, Castro (entered 11:27 a.m.), Harris, Lewis, Mejia, Murph, Murray (entered 11:28 a.m.), Owen, Troxel, and Wein.

The Chair declared a quorum present.

**44513** The Chair announced the public hearing regarding the standby charge for Annexation No. 72 to Calleguas Municipal Water District and Metropolitan would be heard at the end of the meeting due to the change of meeting time.

**44514** 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.

**44515** Chairman Pace invited members of the public to address the Board on matters within the Board's jurisdiction. No members of the public requested to speak.

**44516** There being no objection, the Chair ordered the reading of the Minutes of the Meeting of June 12, 2001, dispensed with, a copy having been mailed to each Director.

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

**44517** Director Mylne moved, seconded by Director Hansen and carried, approving leaves of absence for the following Directors:

Betty H. Harris, 75 days commencing June 20, 2001  
George Wein, 30 days commencing July 7, 2001  
James H. Blake, 60 days commencing July 15, 2001  
Peer A. Swan, 30 days commencing July 20, 2001  
John T. Morris, 30 days commencing August 16, 2001

**44518** The Chair reported there are no new committee appointments.

**44519** Chairman Pace reported on events in which he participated on behalf of Metropolitan, as follows: On June 13 the Chair and Board Executive Officer Ivey attended the Mesa Consolidated graduation ceremony where members of the community participate in a water education program to learn about local, regional and state water issues within their local water agency. On June 25 the Chair was interviewed in Hemet for a segment on the Coachella Valley Community Report on Channel 10 that featured Diamond Valley Lake and the new hydroelectric generators. Communities throughout the Coachella Valley will be

able to view Metropolitan's activities at Diamond Valley Lake, which are ongoing.

On June 28 Metropolitan presented a check to Exergy Technology from the City of Irvine for their conservation efforts. Exergy Technology teamed up with Quaker Plating from the City of Whittier to conduct a field test of an innovative water reuse system that features a continuous removal of contaminants from water used in industrial processes without interrupting production. This field test was one of nine unique water-saving ideas to receive funding under Metropolitan's new Innovative Conservation Program. Members of the Board gave a total of ten checks to companies under this program at different locations.

On July 6 Metropolitan hosted an aerial tour of Diamond Valley Lake with Congresswoman Lucille Roybal-Allard, followed by a round table lunch with the Chair, Chief Executive Officer Gastelum, Directors Little and Murray, and Principal Legislative Representative Hiltscher. Also in attendance were approximately forty member agency staff and General Managers.

**44520** Subcommittee on Rate Structure Implementation Chair Brick reported that at its meeting on June 26, the subcommittee received a detailed report on the Integrated Resource Plan (IRP) review. The report highlighted Metropolitan's ability to provide an amount of firm water supplies by contract up to 2.1 million acre-feet to its member agencies. It was pointed out that level would be 100 percent reliable under severe drought conditions, such as was experienced in the last thirty years, particularly in the drought of 1987-92. The analysis also showed that with the inventory of current water supplies, Metropolitan could also deliver firm supplies by contract up to 2.1 million acre-feet even under the worst hypothetical drought condition. This exercise really was intended only to determine what amount of contract water Metropolitan could legitimately offer.

Based upon this report, Director Brick further stated that in terms of the next steps for the subcommittee, staff is looking ahead at the amount of system water that will be available above and beyond the 2.1 million acre-feet and how often that additional supply will be available, and how it will

be used to augment the reliability of the system through storage and other programs. The staff is also preparing a detailed report on the IRP review analysis.

The member agencies have been asked to respond by July 27 with their preliminary estimates of the amount of contract water they would like to contract for through the year 2010. Staff will report back to the subcommittee at the next meeting on the results of this initial request and on the plans of member agencies as outlined in their urban water management plan.

Director Mylne requested that at the next subcommittee meeting a presentation be made on the request of a member agency for a phased implementation program, and what the implications would be to Metropolitan in such a scenario.

Director Castro took his seat at 11:27 a.m.

Director Murray took his seat at 11:28 a.m.

**44521** Regarding the Colorado River, Bay-Delta and CALFED matters, and the summary of District activities, Chief Executive Officer Gastelum referred to his monthly activity report for June signed July 6, 2001. Not included in his report was his Business Plan for this fiscal year that the Executive Committee considered and copies mailed to all Directors. Mr. Gastelum reported on the inspection trip on June 29-30 to view Colorado River groundwater storage projects. The Coachella Valley Water District hosted a tour to view their groundwater conjunctive-use program in the lower Coachella Valley. Inspections were also made of the Hayfield, Chuckwalla, and Cadiz projects. Members of the Sierra Club also attended the inspection trip, and gave their comments, particularly on the Cadiz project. Regarding the Inland Feeder, Mr. Gastelum reported that the permit has been issued by the Forest Service and Metropolitan will now move forward with the Arrowhead East and Arrowhead West tunnels.

**44522** General Counsel Walston referred to his activity report dated June 29, 2001, which was distributed earlier.

In *San Diego County Water Authority, et al. v. Metropolitan and the City of Los Angeles* (Preferential Rights Case), Metropolitan filed a demurrer; and as a result of that demurrer, San Diego has agreed to amend its complaint and has also formally indicated that when it amends its complaint, it will name all member agencies as defendants to that complaint. After the complaint is filed, Metropolitan will file an answer or a demurrer. The demurrer is the equivalent of a motion to dismiss. If a motion to dismiss is filed, it probably will be heard around November 16 or shortly thereafter.

In *Metropolitan v. San Diego County Water Authority, et al.* (Brown Act Case), the court granted Metropolitan's motion for a preliminary injunction with conditions. The most important of the conditions is that San Diego has the right to appoint a special representative who will protect San Diego's interests in the closed sessions. The San Diego representative cannot communicate outside the hearing room anything that occurred within the hearing itself and, in particular, cannot communicate that information back to San Diego County Water Authority. This procedure was followed for the first time at yesterday's committee meeting.

General Counsel Walston also reported that Metropolitan has filed a protest in the Westlands Water District's application to the State Water Resources Control Board to appropriate about 650,000 acre-feet of water from the San Joaquin River. The basis for the application by Westlands is under the county of origin laws of California. Those laws give a priority to counties of origin where the water supply originates where the rainfall falls to the ground. This is the first time that somebody who imports water from either the federal or state project has asserted its priority under the county of origin law. Westlands is claiming a priority ahead of the state and federal water projects. This is a very significant case because if Westlands is allowed to do this, that would reduce the amount of water that the State Water Project could export to its users, including Metropolitan. Other organizations joined in filing protests; among them, the Friant Water Users Authority, the Bureau of Reclamation,

California Department of Water Resources, the State Water Contractors, and the Natural Resources Defense Council.

In reference to the Preferential Rights Case, Director Krauel stated the reason for San Diego amending its complaint is that the City of Los Angeles, in filing its answer, demanded that the rest of the member agencies be joined in the lawsuit. General Counsel Walston stated that he was not in a position to comment on why San Diego is amending the complaint, but the fact that Los Angeles requested that San Diego bring an action against all other agencies would not in and of itself require San Diego to take that course of action.

**44523** The reports of the Standing Committees are as follows:

On behalf of the Executive Committee, Chairman Pace reported that at its meeting on June 26, the committee heard a report from the Subcommittee on Rules and Ethics. Board Executive Officer Ivey reported that interviews have been scheduled with four recruitment firms for the Ethics officer position. At the request of Director Coughran, a memo will be distributed to all employees, Directors, and member agencies regarding the Ethics Program and the recruitment of the Ethics Officer. Employees who qualify will be invited to apply for the Ethics Officer position. Agenda Items 8-8 and 8-9 regarding annexations were approved. The Chief Executive Officer gave a final report on the Business Plan activities for fiscal year 2000-01 and presented next fiscal year's Business Plan. The Executive Committee also reviewed and approved for Board consideration evaluation ratings and compensation for the Chief Executive Officer and the General Counsel, which are Agenda Items 12-1 and 12-2, to be heard later on in the meeting.

Audit, Budget and Finance Committee Chairman Bannister reported the committee approved Agenda Items 8-5 and 8-6.

Engineering, Operations and Real Property Committee Vice Chairman Grandson reported the committee approved Agenda Items 8-1 through 8-4, 9-1, 9-2, 9-5, and 9-6. He requested Items 9-1, 9-2, 9-5, and 9-6 be added to the Consent Calendar. In light of the current power crisis and significant cost impacts on Metropolitan, the committee suggested a Board workshop be scheduled to discuss energy-related issues,

including a long-term strategy. In addition, due to the complexity of Diamond Valley Lake recreation-related issues, the committee suggested a subcommittee be created to handle the issues.

Chairman Pace requested the Chair and Vice Chair of the committee name the subcommittee members to consider the Diamond Valley Lake recreation issues. Chairman Pace also stated that the energy workshop should be held as soon as possible.

Legal, Claims and Personnel Committee Chairman Morse reported the committee approved Agenda Item 8-10 with a clarifying change to the wording of the policy in the last paragraph on page 2 of the board letter to read: "To monitor contract diversity, Business Outreach will also require each *contract awarded* to a contract or vendor to identify the ethnicity and gender of firms utilized in the procurement or contract and will be tracked through the Utilization Report process." The committee also approved Agenda Items 9-4 and 9-7, and Director Morse requested they be added to the Consent Calendar.

Communications, Outreach and Legislation Committee Chair Hansen reported the committee approved Agenda Items 8-11 and 9-8, and Director Hansen requested Item 9-8 be added to the Consent Calendar. The committee heard a presentation on Agenda Item 10-3, Senate Bills 221 (Kuehl) and 610 (Costa) regarding land use and water supply. The committee did not take a position on the bills pending a workshop with Senator Kuehl and other appropriate legislative staff. Principal Legislative Representative Hiltcher reported briefly on CALFED activities in Washington.

Water Planning, Quality and Resources Committee Vice Chairman Little reported the committee heard oral reports on Bay-Delta and State Water Project matters, identification of principles for a competitive solicitation process to provide opportunities for the development of seawater desalination, groundwater conjunctive-use efforts in the service area, and progress in developing a partnership with the Kings River Water Association regarding water quality exchanges and water

management efforts. The committee also approved Agenda Items 8-7 and 9-3.

Director Morris moved, seconded by Director Blake and carried, and the Board approved the Consent Calendar Items, **M.I. 44524** through **M.I. 44541**, as follows:

**44524** The Board adopted the California Environmental Quality Act (CEQA) determination and authorized (a) increasing Appropriation No. 15365 (No. 2) by \$280,000 to a total of \$2,230,000 from the Construction Funds; and (b) the Chief Executive Officer to have all work performed to reroof the Administration Building and Service Building No. 1 at the Robert A. Skinner Filtration Plant, as set forth in the letter signed by the Chief Executive Officer on June 29, 2001.

**44525** Adopted the CEQA determination and authorized the Chief Executive Officer to amend the reimbursement agreement with the City of Industry Urban-Development Agency to exceed \$500,000 to account for the increased costs in relocating the Orange County Feeder, as set forth in the letter signed by the Chief Executive Officer on June 29, 2001.

**44526** Adopted the CEQA documentation and authorized the Chief Executive Officer to enter into a 5-year agreement with the California Department of Forestry and Fire Protection, with a yearly amount not to exceed \$600,000, to provide cost-effective weed abatement services, as set forth in the letter signed by the Chief Executive Officer on June 29, 2001.

**44527** Adopted the CEQA determination and authorized the Chief Executive Officer to award two service contracts, for a period of time not to exceed three years, for hazardous waste management services to Consolidated Waste Industries, Inc., and HazPak, Inc. Environmental Services, with the total annual cost not to exceed \$1.1 million collectively for the contracts including sales tax, as applicable, and in form approved by the General Counsel, as set forth in the letter signed by the Chief Executive Officer on June 29, 2001.

**44528** Adopted the CEQA determination and authorized the Chief Executive Officer to pay (a) Metropolitan's expected share of the total contribution to the Six Agency Fund for

approximately \$424,000 for fiscal year 2001-02; and (b) Metropolitan's share of the total contribution to the Colorado River Association-Six Agency Committee in the approximate amount of \$13,000 for fiscal year 2001-02, as set forth in the letter signed by the Chief Executive Officer on June 29, 2001.

**44529** Adopted the CEQA determination and authorized the Chief Executive Officer to make payments of \$502,875 for State Water Contractors member dues; \$502,875 for Monterey Amendment litigation; \$150,000 for Bay-Delta Fund; and \$24,000 for Bay-Delta Urban Fund from Metropolitan's fiscal year 2001-02 Operations and Maintenance Fund under the General District Requirement and the Water Resource Management budgets, as set forth in the letter signed by the Chief Executive Officer on June 29, 2001.

**44530** Adopted the CEQA determination and four Resolutions pertaining to acceptance of \$1.059 million in CALFED funding for three conservation projects and \$250,000 in AB 303 funding for a feasibility study of the Upper Chuckwalla Groundwater Storage Project; and authorized the Chief Executive Officer to enter into funding contracts and to designate the project directors, as set forth in the letter signed by the Chief Executive Officer on June 29, 2001, said Resolutions entitled:

**Resolution 8755** RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA ACCEPTING FUNDING PURSUANT TO CALFED FUNDS: BAY-DELTA PROGRAM (SB 23) FOR HIGH-EFFICIENCY CLOTHES-WASHER REBATE PROJECT

**Resolution 8756** RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA ACCEPTING FUNDING PURSUANT TO CALFED FUNDS: BAY-DELTA PROGRAM (SB 23) FOR THE BILINGUAL LANDSCAPE EDUCATION PROJECT

**Resolution 8757** RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA ACCEPTING FUNDING PURSUANT TO CALFED FUNDS: BAY-DELTA PROGRAM (SB 23) FOR THE REGIONAL COMMERCIAL REBATE PROJECT

**Resolution 8758** RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA ACCEPTING FUNDING PURSUANT TO LOCAL GROUNDWATER MANAGEMENT ASSISTANCE ACT OF 2000 (AB 303) FOR UPPER CHUCKWALLA GROUNDWATER BASIN FEASIBILITY STUDY

**44531** The Board adopted the CEQA determination and (a) granted conditional approval, as defined in the Metropolitan Water District Administrative Code Section 3100(b), for Annexation No. 74 concurrently to Calleguas Municipal Water District and Metropolitan, conditioned upon receipt in full of annexation fee of \$60,463.80 to Metropolitan if subject annexation is completed by December 31, 2001, or if completed after said date, at the then current annexation charge rate; (b) approved Calleguas' proposed Plan for Implementing Water Use Efficiency Guidelines; and (c) adopted **Resolution 8759**, the resolution of intention to impose water standby charges within the proposed annexation territory, as set forth in the letter signed by the Chief Executive Officer on June 12, 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.

**44532** The Board adopted (a) the CEQA determination; (b) **Resolution 8760** granting Eastern Municipal Water District's request for approval of the 68<sup>th</sup> Fringe Area Annexation concurrently to Metropolitan and Eastern, by establishing Metropolitan's terms and conditions for this annexation; and

(c) **Resolution 8761**, the resolution to impose water standby charge at a rate of \$6.94 per acre or per parcel of less than one acre within the proposed annexation, as set forth in the letter signed by the Chief Executive Officer on June 14, 2001, said Resolutions entitled:

**Resolution 8760**      **RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSENTING TO EASTERN'S 68<sup>TH</sup> FRINGE AREA ANNEXATION AND FIXING THE TERMS AND CONDITIONS OF SAID ANNEXATION TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**Resolution 8761**      **RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA FIXING AND ADOPTING WATER STANDBY CHARGE CONTINGENT UPON EASTERN 68<sup>TH</sup> FRINGE AREA ANNEXATION**

Director Ashley requested to be recorded as abstaining.

**44533**      Adopted the CEQA determination and **Resolution 8762** approving the modified Business Outreach program and policy, as set forth in the letter signed by the Chief Executive Officer on June 29, 2001, with clarification of the last paragraph on page 2 of the board letter to read:

"To monitor contract diversity, Business Outreach will also require each **contract awarded to a** contractor, consultant or vendor to identify the ethnicity and gender of firms utilized in the procurement or contract and will be tracked through the Utilization Report process.";

said Resolution entitled:

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA APPROVING MODIFICATIONS TO METROPOLITAN'S BUSINESS OUTREACH PROGRAM**

**44534** Adopted the CEQA determination and approved funding of the Community Partnering Program for fiscal year 2001-02, for discretionary community activities, as set forth in the letter signed by the Chief Executive Officer on June 29, 2001.

Director Herman requested to be recorded as abstaining.

**44535** The Board adopted the CEQA determination and authorized (a) increasing Appropriation No. 15360 (No. 3) by \$2,425,000 to a total of \$3,900,000 from the Construction Funds to finance the conversion of eight pump-motor units at the Hiram W. Wadsworth Pumping Plant at Diamond Valley Lake to automated turbine generators, and upgrade four previously converted units from manual to automatic operation; and (b) authorized the Chief Executive Officer to amend the consulting agreement with Alstom Power Conversion, Inc. to a total amount up to \$800,000 for this purpose, as set forth in the letter signed by the Chief Executive Officer on June 29, 2001.

**44536** Adopted the CEQA determination and authorized the Chief Executive Officer to enter into (a) the proposed new reimbursable agreement of \$3 million per year for five years with the California Department of Water Resources (DWR) to provide services for the State Water Project operations and maintenance activities, in a form approved by the General Counsel; and (2) subcontracts pursuant to the agreement with DWR, as set forth in the letter signed by the Chief Executive Officer on June 29, 2001.

**44537** Authorized amendment of contract with Bergman, Wedner & Dacey to defend Metropolitan in *DeWayne Cargill, et al. v. Metropolitan*, L.A.S.C. Case No. BC 191881, and related lawsuits challenging the employment status of temporary workers, as set forth in the confidential letter signed by the General Counsel on June 25, 2001.

**44538** Adopted the CEQA determination and authorized the Chief Executive Officer to execute the Third Amendment to the District-Edison 1987 Service and Interchange Agreement, which will designate three widely recognized and publicized energy indices as the contractual basis for valuing Exchange Energy between Metropolitan and Southern California Edison Company in

lieu of the now defunct Power Exchange, as well as provide increased flexibility in Metropolitan's scheduling of economy energy, as set forth in the letter signed by the Chief Executive Officer on July 2, 2001.

**44539** Adopted the CEQA determination and authorized the Chief Executive Officer to execute two Transmission Service Agreements (TSAs) with the Western Area Power Administration (Western), which will provide Metropolitan with firm transmission rights from Parker to Gene Substation and, in 2003, from Yuma to Gene Substation, as set forth in the letter signed by the Chief Executive Officer on July 2, 2001. If Metropolitan determines the Yuma market has not developed as anticipated, it would have the opportunity to terminate the Yuma to Gene Substation TSA prior to the contract's effective date of June 1, 2003, so long as Western changes its transmission rate before then.

**44540** Authorized participation in litigation regarding environmental review of East Bay Municipal Utility District amended contract for Central Valley project water, as set forth in the confidential letter signed jointly by the Chief Executive Officer and the General Counsel on July 2, 2001.

**44541** Adopted the CEQA determination and authorized Metropolitan to support Assembly Constitutional Amendment 8 (Keeley-Boulder Creek) and seek amendments to include the acquisition of water for environmental uses as one of the purposes of the California Water and Land Protection Trust Fund, as set forth in the letter signed by the Chief Executive Officer on July 2, 2001.

Director Ashley withdrew from the Meeting at 11:48 a.m.

**44542** Director Blake moved, seconded by Director Stanton, that the Board adopt the CEQA determination and approve the Principles of Agreement for a Land Management, Crop Rotation and Water Supply Program with Palo Verde Irrigation District, and appropriate \$500,000 in Appropriation No. 15368 for the preparation of environmental documentation and other preliminary activities for the Program, as set forth in the letter signed by the Chief Executive Officer on June 29, 2001.

Director Krauel inquired as to what would happen if any of the landowners were in breach of the contract in some respect, by not following their lands or they have taken the money and sold the property. She also asked if foreclosures would be an issue. Assistant General Counsel Kightlinger responded that Metropolitan has informed Palo Verde Irrigation District that this program will be similar to the pilot program in that there would be encumbrances that would run with the land. Each land-owning farmer would have a contract with Metropolitan. All the lands involved in the program would be encumbered and recorded with the County, and any sales of the land would be pursuant to that encumbrance remaining on the property. Chief Executive Officer Gastelum stated that foreclosure would be a last resort and would not be the message from Metropolitan's staff to the Board that Metropolitan is interested in foreclosing on agricultural lands.

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

Director Abdo requested to be recorded as abstaining.

It was noted that Director Ashley had originally requested to abstain on this item, and that he was not present during the discussion and vote on this matter.

**44543** The following communications were submitted to the Board for information:

- a. Status report for the Inland Feeder Project for the month ending May 2001, signed by the Chief Executive Officer on June 29, 2001.
- b. Letter of the Chief Executive Officer signed on June 29, 2001, reporting on the Issuance of a Request for Proposal to hire an investment management firm(s) to manage the long-term portion of Metropolitan's investment portfolio.
- c. Letter of the Chief Executive Officer signed on June 29, 2001, reporting on Senate Bill 221 (Kuehl) and Senate Bill 610 (Costa), legislation regarding Land Use and Water Supply Availability.

Director Ashley returned to the Meeting at 11:52 a.m.

**44544** Chairman Pace reported the Special Committee on the Museum and Water Education Center discussed key points about the Foundation and the naming of potential Foundation directors. In forming the Foundation, a resolution will be presented to Metropolitan's Board for adoption of the Foundation for the Southern California Water Education Center and Museum, a 501(c)(3) corporation. Chairman Pace will seek endorsement from the Board of the founding members for the Foundation, and the members shall not be less than five nor more than fifteen. The Foundation goals will be to raise funds to support the continuous development of the Center's programs and exhibits, and to raise public interest in the project through special events. A professional fundraiser will be hired to manage the fundraising activities and will report to the Foundation board. Chairman Pace stated he has sent letters to the mayors within the service area to solicit recommendation for names of individuals, business and community leaders who may be interested in sharing their time and expertise by serving as Foundation board members. The special committee also heard a presentation on the preliminary budget allocation for the initial \$2 million authorization that the Board approved on June 12.

**44545** For the Executive Committee, Vice Chair Peterson and Legal, Claims and Personnel Committee Chairman Morse reported that in closed sessions the committees considered the evaluation ratings and compensation for the Chief Executive Officer and the General Counsel at their respective committee meetings.

**44546** Director Stanton moved, seconded by Director Hansen and carried, approving the recommendation of the Executive Committee regarding the evaluation of the Chief Executive Officer and the General Counsel and their compensation, as set forth in the letter signed by the Board Chairman on July 2, 2001.

**44547** At 12:00 p.m., the Chair called a public hearing to receive comments on the proposed standby charge for Annexation No. 72 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 12:01 p.m.

**44548** Vice Chair Peterson moved, seconded by Director Swan and carried, that the Meeting be adjourned in memory of Thomas M. Lovil.

Chairman Pace then adjourned the Meeting at 12:05 p.m. to Monday, August 20, 2001, for all meetings of the standing committees and the Board. The subcommittee meetings normally held on the fourth Tuesday of the month, August 28, will be held on Tuesday, August 21 (subsequently changed to meet also on Monday, August 20, 2001.)

**THOM COUGHRAN**

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**SECRETARY**

**PHILLIP J. PACE**

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**CHAIRMAN**