

MINUTES
ADJOURNED REGULAR MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
AUGUST 20, 2001

44550 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 Monday, August 20, 2001.

The Meeting was called to order by Chairman Pace at 2:12 p.m.

44551 The Meeting was opened with an invocation by Director Gary A. Morse.

44552 The Pledge of Allegiance to the Flag was given, led by Director Harold W. Ball.

44553 Secretary Coughran called the roll. Those answering present were: Directors Abdo, Ashley, Ball, Bannister, Barbosa, Battey, Brick, Coughran, Edwards, Fellow, Foley, Grandsen, Hansen, Lewis, Little, Luddy, Mejia, Morse, Murph, Murray, Mylne, Owen, Pace, Parker, Peterson, Rez, Stanton, Swan, Wein, and Wright.

Those not answering were: Directors Blake, Castro, Harris, Herman, Krauel, Morris, and Troxel.

The Chair declared a quorum present.

44554 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.

44555 Chairman Pace invited members of the public to address the Board on matters within the Board's jurisdiction.

David Czamanske of the Sierra Club distributed three documents to the Board on the Cadiz project, as follows: Letter to Metropolitan's Board from the Sierra Club, signed by Mr. Czamanske and dated August 20, 2001; letter to Interior Secretary Norton dated August 1, 2001, from Senator Diane Feinstein and Congressmen Ken Calvert and Jerry Lewis; and a report entitled "Economic Evaluation of the Cadiz Groundwater Storage and Dry Year Supply Project, Metropolitan Water District of Southern California," dated July 16, 2001, prepared by The Pacific Institute for Studies in Development, Environment, and Security, under the supervision of Gary Wolff. Mr. Czamanske requested the Board review these documents.

44556 There being no objection, the Chair ordered the reading of the Minutes of the Meeting of July 10, 2001, dispensed with, a copy having been mailed to each Director.

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

44557 Chairman Pace presented to Director Judy Abdo a pin emblematic of her five years of service on Metropolitan's Board representing the City of Santa Monica since June 11, 1996.

44558 The Chair reported there are no new committee appointments.

44559 Chairman Pace reported on events in which he participated on behalf of Metropolitan, as follows: On July 11 and 12 the Chair, Directors Morse and Peterson, Vice President-State Water Project Resources Quinn, and Board Executive Officer Ivey participated in a tour of the Sacramento Valley with the Northern California Water Association. On July 19 Chairman Pace, Messrs. Quinn and Ivey attended the Subcommittee on Water and Power hearing in Washington, D.C. The Chair testified on Senator Feinstein's bill regarding CALFED, which focused on three issues with water quality being the key concern. A copy of the Chair's testimony was distributed to each Director. On July 27 the laser-guided, 220-foot long tunneling boring machine

cut through the final portion of the Badlands Tunnel to mark the breakthrough of an important milestone for Metropolitan's Inland Feeder project. The project with its 44 miles of pipeline and tunnel will secure a more reliable water supply for Southern California. More than 200 people, including the news media, turned out for this event. Video clips from various television channels were shown marking this event.

44560 Subcommittee on Rate Structure Implementation Chair Brick reported that at the last meeting of the subcommittee on June 26, staff presented the Integrated Resource Plan review. Since that meeting staff has requested the member agencies to present estimates of contract amounts. Certain member agencies have been working together on proposed alternative approaches to implement the rate structure in accordance with the principles that the Board approved last December with the rate structure action plan. Included in these alternatives are proposals coming from a consortium of different agencies, including Calleguas, Central and West Basin, Los Angeles, and Eastern, as well as an alternative by MWDOC suggesting a phased approach to the rate structure implementation. In order to gain full benefit of the discussion of these ideas and their impacts on the implementation of the rate structure, the subcommittee will have a meeting on September 10, 2001, to lay out the different alternatives. A full workshop is scheduled for Tuesday, September 25, on all the rate structure issues.

44561 A letter from the Chief Executive Officer signed August 17, 2001, was presented, reporting that the Original Certificates of the County Auditors for the six counties in which areas of the District lie are on file in the Office of the Controller, certifying the fiscal year 2001/02 assessed valuations of all property used for calculating Metropolitan's tax. There being no objection, Chairman Pace ordered the tabulations transmitted with the foregoing letter from the Chief Executive Officer setting forth the assessed valuations, percentage participation, and vote entitlement of member public agencies of The Metropolitan Water District of Southern California, as of August 20, 2001, based on certificates of assessed valuation of property taxable by Metropolitan for fiscal year 2001/02, as submitted by the various County Auditors, be filed, reported in the Minutes, and that the

Executive Secretary be directed to send a copy to each absent Director and to each member public agency.

Assessed Valuations, Percentage Participation, and Vote
Entitlement of Member Public Agencies of
The Metropolitan Water District of Southern California
as of August 20, 2001

<u>Member Agency</u>	<u>Amount Certified</u>	<u>Percent of Total</u>	<u>Vote Entitlement</u>
Anaheim	\$ 21,586,539,661	1.87	2,159
Beverly Hills	11,832,948,080	1.02	1,183
Burbank	10,605,422,171	0.92	1,061
Calleguas MWD	46,109,547,245	4.00	4,611
Central Basin MWD	68,048,222,558	5.90	6,805
Compton	1,929,744,916	0.17	193
Eastern MWD	23,138,845,310	2.01	2,314
Foothill MWD	7,281,032,849	0.63	728
Fullerton	8,220,124,738	0.71	822
Glendale	13,529,491,445	1.17	1,353
Inland Empire Utilities Agency	40,563,485,634	3.52	4,056
Las Virgenes MWD	11,011,086,546	0.95	1,101
Long Beach	20,447,635,794	1.77	2,045
Los Angeles	227,767,670,362	19.75	22,777
MWD of Orange County	198,271,146,799	17.20	19,827
Pasadena	10,980,432,772	0.95	1,098
San Diego County Water Authority	197,612,285,193	17.14	19,761
San Fernando	875,264,844	0.08	88
San Marino	2,503,890,443	0.22	250
Santa Ana	12,908,647,281	1.12	1,291
Santa Monica	13,434,099,232	1.17	1,344
Three Valleys MWD	30,242,353,104	2.62	3,024
Torrance	14,069,716,589	1.22	1,407
Upper San Gabriel Valley MWD	42,964,083,620	3.73	4,296
West Basin MWD	80,860,728,741	7.01	8,086
Western MWD	36,272,496,185	3.15	3,627
TOTAL ASSESSED VALUATIONS WITHIN DISTRICT	<u>\$1,153,066,942,112</u>	<u>100.00</u>	<u>115,307</u>

The above valuations include only those which have been certified by the County Auditors, in accordance with Section 305 of the Metropolitan Water District Act, Statutes of 1969, as amended. The certified valuations have been reduced to reflect Homeowners' Property Exemptions and do not include areas excluded from the District.

44562 Audit, Budget and Finance Committee Chairman Bannister moved, seconded by Director Hansen, that the Board adopt **Resolution 8763** which fixes the District's secured property tax rate for District purposes for fiscal year 2001/02 at .0077 percent of assessed valuations and an unsecured property tax rate of .0088 percent, together with various tax rates for annexation charges due Metropolitan, thereby producing a total levy of \$106.5 million, including an allocation estimated at \$12.3 million for countywide taxes on utilities. After allowing for estimated delinquencies, allocations for redevelopment agencies and adjustments for supplemental tax collections and prior years' tax collections, this results in projected net tax revenues of \$100.8 million, as set forth in the Chief Executive Officer's letter signed August 17, 2001; said Resolution entitled:

A RESOLUTION LEVYING TAXES FOR THE FISCAL YEAR COMMENCING JULY 1, 2001 AND ENDING JUNE 30, 2002 FOR THE PURPOSES OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

The Chair called for a vote on the motion.

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

Ayes: Anaheim (Dir. Stanton, 2,159 votes), Burbank (Dir. Battey, 1,061 votes), Calleguas Municipal Water District (Dir. Grandson, 4,611 votes), Central Basin Municipal Water District (Dirs. Morse and Pace, 6,805 votes), Compton (Dir. Murph, 193 votes), Eastern Municipal Water District (Dir. Ashley, 2,314 votes), Foothill Municipal Water District (Dir. Edwards, 728 votes), Glendale (Dir. Rez, 1,353 votes), Las Virgenes Municipal Water District (Dir. Peterson, 1,101 votes), Long Beach, (Dir. Hansen, 2,045 votes), Los Angeles (Ayes: Dirs. Luddy and Wein. Absent: Dirs. Castro and Herman. 22,777 votes), Municipal Water District of Orange County (Dirs. Bannister, Foley, Owen, and Swan, 19,827 votes), Pasadena (Dir. Brick, 1,098 votes), San Diego County Water Authority (Ayes: Dirs. Ball, Lewis, and Parker. Absent: Dir. Krauel. 19,761 votes), San Fernando (Dir. Mejia, 88 votes), Santa Ana (Dir. Coughran, 1,291 votes), Santa Monica (Dir. Abdo, 1,344 votes), Three Valleys Municipal Water District (Dir. Barbosa, 3,024 votes), Torrance (Dir. Wright, 1,407 votes), Upper San Gabriel Valley Municipal Water District (Dir. Fellow, 4,296 votes), West

Basin Municipal Water District (Dirs. Little and Murray, 8,086 votes), Western Municipal Water District of Riverside County (Dir. Mylne, 3,627 votes). Total 108,996 votes.

Noes: None.

Absent: Beverly Hills (Dir. Harris, 1,183 votes), Fullerton (Dir. Blake, 822 votes), Inland Empire Utilities Agency (Dir. Troxel, 4,056 votes), San Marino (Dir. Morris, 250 votes). Total 6,311 votes.

The Chair declared **Resolution 8763** adopted by a vote of 108,996 ayes and 6,311 absent, representing more than the required two-thirds vote.

44563 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 July signed August 6, 2001.

44564 General Counsel Walston referred to his activity report dated July 31, 2001.

In *San Diego County Water Authority, et al. v. Metropolitan and the City of Los Angeles* (Preferential Rights Case), San Diego filed an amended complaint naming all member agencies as parties to the litigation. Metropolitan's response is due August 31, 2001. Two meetings have been held with the member agencies to go over the amended complaint and to develop strategies.

In *Metropolitan v. All Persons Interested* (Wheeling Case), Judge Ronald Robie of the Sacramento Superior Court granted Metropolitan's motion to dismiss the case on ground of mootness so the wheeling case is complete.

In *Soboba Band of Mission Indians v. Metropolitan*, the District Court has set trial for October 29, 2002, a fairly early trial date for a case of this complexity. The parties are now attempting to settle the case. A meeting is being scheduled with all the parties for some time in early September of this year.

In *Dewayne Cargill, et al. v Metropolitan, et al.*, oral argument is set for tomorrow, August 21, before the Appeals Court. There may be some early indication from the court about the dissolution of the case, if not an actual decision.

In *State Water Contractors v. EBMUD*, the State Water Contractors and several agencies, including Metropolitan, filed an action against East Bay Municipal Utility District (EBMUD) on the grounds that EBMUD have violated the California Environmental Quality Act by changing the diversion point from the American River to the Sacramento River without providing an adequate discussion on the Environmental Impact Report. The case is being watched very closely and further reports will be made to the Board.

44565 The reports of the Standing Committees are as follows:

On behalf of the Executive Committee, Chairman Pace reported that at its meeting on July 24, the committee heard reports on the activities of the Colorado River Board and on the Chief Executive Officer's report for the month of July. The Chair stated that five Board workshops on Energy Development, Water Quality Issues and Treatment, CALFED, Rate Structure, and Phase 8 will be scheduled for the remaining months in the year which will be included in the meeting schedules distributed to the Board. The committee approved Agenda Items 8-10 and 9-11. Vice Chair Peterson requested that Item 9-11 be moved to the Consent Calendar. The Chair then called on Director Battey for an update on the Ethics Officer recruitment.

Director Battey reported that last week the ad hoc committee interviewed two potential recruiting firms, and two more interviews will be held this Thursday. There is the possibility that another recruiter will also be interviewed on Thursday. The interview process for a recruiting firm should be completed by the end of this week.

Chairman Pace reported that at its last meeting, the Special Committee on the Water Education Center and Museum discussed the creation of a foundation to support Metropolitan's water education center and museum. The organization created will support Metropolitan's mission as it relates to educating the public about water resource management and related issues.

It is anticipated that the organization will support these goals through fund-raising and other support activities. The organization will be especially involved with the Water Education Center and Museum at Diamond Valley Lake.

Audit, Budget and Finance Committee Chairman Bannister reported the committee approved Agenda Items 6F-2, 9-4, and 9-5. He requested that Items 9-4 and 9-5 be added to the Consent Calendar. (Item 9-4 was subsequently taken off the Consent Calendar for separate action.) For the Board's information, Director Bannister reported that the committee approved the recommendation of the Audit Subcommittee to commence the recruitment process for a General Auditor utilizing an executive search firm, to consider filling the General Auditor position on an interim basis, and to retain a consulting firm to conduct a review of the Department of the General Auditor. The oral reports on the use of funds above the maximum reserve level and on insurance costs were deferred to the next committee meeting.

Engineering, Operations and Real Property Committee Chairman Barbosa reported the committee approved Agenda Items 8-2 through 8-6, 9-1, 9-2, and 9-15. He requested Items 9-1, 9-2, and 9-15, be added to the Consent Calendar. Director Barbosa reported that Agenda Item 9-3, boating rules for Diamond Valley Lake (DVL), was deferred until next month. Staff was requested to provide more information to the committee at next month's meeting regarding: (1) Should two-stroke engines of any type be allowed on DVL; (2) In light of the proposed speed restrictions, should there be limits on the horsepower of engines allowed on DVL; (3) Should the existing Board policy be changed to permit use of MTBE-free fuel only; and (4) Development of a sanitation plan addressing restrooms and other water quality issues.

Legal, Claims and Personnel Committee Chairman Morse reported the committee approved Agenda Items 9-11, 9-13, and 9-14 and requested they be added to the Consent Calendar.

Communications, Outreach and Legislation Committee Chair Hansen reported the committee approved Agenda Items 9-10 and 9-12 and requested they be added to the Consent Calendar. Vice President & Manager of External Affairs Ortega gave a brief report on SB 350, the Alpert bill on Metropolitan's reserve

funds, and AB 901, Metropolitan's bill to require Urban Water Management Plans to include information about the water quality of source supplies. Director Hansen announced that Senator Costa has scheduled a joint state/federal legislative committee hearing in Metropolitan's Board Room on Friday, August 31, at 10:00 a.m. The focus will be the Colorado River Water Use Plan and CALFED governance issues.

Water Planning, Quality and Resources Committee Chairman Owen reported the committee heard oral reports on Bay-Delta and State Water Project matters, and the Monterey settlement negotiations. The committee approved Agenda Items 8-8, 8-9, 9-6, 9-8, and 9-9. He requested that Items 9-6, 9-8, and 9-9 be added to the Consent Calendar. Director Owen stated that Agenda Item 9-3 was heard by the Engineering, Operations and Real Property Committee and was deferred.

Director Mylne moved, seconded by Director Murph and carried, and the Board approved the Consent Calendar Items, **M.I. 44566** through **M.I. 44586**, as follows:

45566 The Board adopted the California Environmental Quality Act (CEQA) determinations; authorized Appropriation No. 15369 in the amount of \$1.88 million from the Design/Construction Funds; and delegated to the Chief Executive Officer the authority to award contracts for the recoating and relining of washwater tanks and procurement of equipment, as set forth in the letter signed by the Chief Executive Officer on July 27, 2001.

45567 Adopted the CEQA determination and authorized (a) Appropriation No. 15373 in the amount of \$920,000 from the Construction Funds; and (b) Appropriation No. 15374 in the amount of \$648,000 from the Construction Funds, both to finance cost for program planning, studies, preliminary design and preparation of environmental documentation for the four Colorado River Aqueduct (CRA) Conveyance Reliability projects and the four CRA Pumping Plant Reliability projects, respectively, as described in the letter signed by the Chief Executive Officer on August 6, 2001.

44568 Adopted the CEQA documentation and authorized the Chief Executive Officer to enter into separate three-year agreements with Moody International Inc., Robert W. Hunt

Company, and United Inspection & Testing Inc., to provide fabrication inspection, materials testing and non-destructive testing services in accordance with the competitive process under Request for Proposals No. 437, as set forth in the letter signed by the Chief Executive Officer on August 3, 2001. The total amount of all three agreements shall not exceed \$500,000 per year. The Chief Executive Officer shall have the authority to amend the contract amounts with each consultant, as needed, provided the total for all three contracts does not exceed \$500,000 per year.

44569 Adopted the CEQA determination and delegated authority to the Chief Executive Officer to award purchase contracts exceeding \$250,000 for budgeted replacement of outdated Supervisory Control and Data Acquisition equipment, with this option having the lowest overall cost, as set forth in the letter signed by the Chief Executive Officer on July 27, 2001.

44570 Adopted the CEQA determination and delegated authority to award a professional services contract exceeding \$250,000 for the Information Technology Strategic Plan (ITSP), as set forth in the letter signed by the Chief Executive Officer on August 3, 2001. This option provides negotiating leverage to achieve the best pricing and contract terms. It also expedites completion of the ITSP by enabling the Chief Executive Officer to award the contract immediately after negotiations are complete and the contract is finalized.

44571 Adopted the CEQA determination and (a) authorized the Chief Executive Officer to execute Water Code Section 12562(b) Funding Agreement with the Department of Water Resources; and (b) adopted **Resolution 8764** in support of the Hayfield Groundwater Storage Project, as set forth in the letter signed by the Chief Executive Officer on August 3, 2001, said Resolution entitled:

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN
WATER DISTRICT OF SOUTHERN CALIFORNIA ACCEPTING FUNDING
PURSUANT TO WATER CODE SECTION 12562(b) FOR HAYFIELD
GROUNDWATER STORAGE PROJECT**

44572 Adopted the CEQA determination and authorized increasing Appropriation No. 15301 (No. 4) by \$1,604,000 to a total of \$6,290,600 from the Pay-As-You-Go Fund, for the fifth year funding of the Desalination Research and Innovation Partnership, as set forth in the letter signed by the Chief Executive Officer on July 27, 2001.

44573 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. 75 concurrently to Calleguas Municipal Water District and Metropolitan, conditioned upon receipt in full of annexation fee of \$21,697.96 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 8765**, 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 July 27, 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

44574 The Chair reported that Agenda Item 8-11, the creation of a Foundation for the Southern California Water Education Center, has been deferred to the September meeting.

44575 Adopted the CEQA determination and authorized \$1.2 million in extra work orders for the Riverside Badlands Tunnel construction contract of the Inland Feeder Program, as set forth in the confidential letter signed by the Chief Executive Officer on July 27, 2001.

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

44576 The Board adopted the CEQA determinations and authorized (a) Appropriation No. 15371 in the amount of \$6,300,000 from the Construction Funds to finance four Capital Investment Plan projects for the Joseph Jensen Filtration Plant Improvements Program; (b) the Chief Executive Officer to have all work performed; and (c) delegated to the Chief Executive Officer the authority to award contracts for the ferric chloride retrofit, replacing washwater return pump drives, repairing Module No. 1 traveling bridges, and conducting studies and investigations as described in the letter signed by the Chief Executive Officer on July 27, 2001.

44577 Adopted the CEQA determination and authorized (a) an additional \$4 million over three years to allow Metropolitan's Commercial, Industrial and Institutional Pilot Regional Conservation Program to continue until February 2004; (b) an increase in the O&M budget of \$1.3 million for fiscal year 2001/02; and (c) the maximum incentive rates listed in Attachment 2 of the letter signed by the Chief Executive Officer on August 3, 2001.

44578 Adopted the CEQA determination and approved implementation of the Seawater Desalination Program and Administrative Guidelines, as set forth in the letter signed by the Chief Executive Officer on August 2, 2001.

44579 Adopted the CEQA determination and authorized the Chief Executive Officer to enter into an agreement with the U.S. Bureau of Reclamation and San Diego County Water Authority which establishes a funding mechanism and allocates responsibilities to the Bureau to implement the Environmental Measures for lower Colorado River water transfers as described in the letter signed by the Chief Executive Officer on August 6, 2001.

44580 Adopted the CEQA determination and authorized the Chief Executive Officer to pursue water management activities with the Kings River Water Association based on the principles in Attachment 1 to the letter signed by the Chief Executive Officer on July 27, 2001.

44581 Adopted the CEQA determination and **Resolution 8766** in support of legislation to assist in implementation of the Quantification Settlement Agreement, California's Colorado River Water Use Plan, and reclamation of the Salton Sea, as set forth in the letter signed by the Chief Executive Officer on August 6, 2001; said Resolution entitled:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA IN SUPPORT OF LEGISLATION TO ASSIST IN IMPLEMENTATION OF THE QUANTIFICATION SETTLEMENT AGREEMENT, CALIFORNIA'S COLORADO RIVER WATER USE PLAN, AND RECLAMATION OF THE SALTON SEA

44582 Adopted the CEQA determination and the proposed revisions to the Metropolitan Water District Administrative Code regarding new committee structure, contract authority, and related cleanup items, as set forth in the letter signed by the General Counsel on July 20, 2001.

44583 Adopted the CEQA determination and authorized Metropolitan to support Assembly Bill 978 (Steinberg-Sacramento), the Native American Graves Protection and Repatriation Act of 2001, as set forth in the letter signed by the Chief Executive Officer on August 3, 2001.

44584 Adopted the CEQA determination and authorized settlement of pending equal employment opportunity complaints, as set forth in the confidential letter jointly signed by the Chief Executive Officer and the General Counsel on August 10, 2001.

44585 Adopted the CEQA determination and approved amendment of contract for legal services with McCutchen, Doyle, Brown & Enersen, LLP in *San Diego County Water Authority v. Metropolitan Water District, et al.*, San Francisco Superior Court Case No. 320217 (Preferential Rights), as set forth in the confidential letter signed by the General Counsel on August 8, 2001.

Directors Ball, Lewis, and Parker requested to be recorded as abstaining.

44586 Adopted the CEQA determination and authorized submittal of an offer to purchase 16,344 acres of land owned by San Diego Gas & Electric Company located in the Palo Verde Valley, as set forth in the confidential letter signed by the Chief Executive Officer on August 15, 2001.

Director Mejia requested to be recorded as abstaining.

44587 Audit, Budget and Finance Committee Chairman Bannister moved, seconded by Director Hansen, that the Board adopt the CEQA determination and adopt the modified form of Interest Rate Swap Resolution (**Resolution 8767**) to approve the execution of a \$200 million notional amount fixed to floating interest rate swap transaction. Section 2.01 of this resolution was modified to read "The 2001 Swaps shall consist of an interest rate swap agreement with Bear Stearns Financial Products Inc. and an interest rate swap agreement with UBS AG, and/or other such eligible banking firms as the Ad Hoc Committee shall in its sole discretion designate in accordance with the terms of this Resolution."; 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 CARRYING OF WATER REVENUE BONDS

The Chair called for a vote on the motion.

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

Ayes: Anaheim (Dir. Stanton, 2,159 votes), Burbank (Dir. Battey, 1,061 votes), Calleguas Municipal Water District (Dir. Grandsen, 4,611 votes), Central Basin Municipal Water District (Dirs. Morse and Pace, 6,805 votes), Compton (Dir. Murph, 193 votes), Eastern Municipal Water District (Dir. Ashley, 2,314 votes), Foothill Municipal Water District (Dir. Edwards, 728 votes), Glendale (Dir. Rez, 1,353 votes), Las Virgenes Municipal Water District (Dir. Peterson, 1,101 votes), Long Beach, (Dir. Hansen, 2,045 votes), Los Angeles (Ayes: Dirs. Luddy and Wein. Absent: Dirs. Castro and Herman. 22,777 votes), Municipal Water District of Orange County (Dirs. Bannister, Foley, Owen, and Swan, 19,827 votes), Pasadena (Dir. Brick, 1,098 votes), San Diego County Water Authority (Ayes:

Dirs. Ball, Lewis, and Parker. Absent: Dir. Krauel. 19,761 votes), San Fernando (Dir. Mejia, 88 votes), Santa Ana (Dir. Coughran, 1,291 votes), Santa Monica (Dir. Abdo, 1,344 votes), Three Valleys Municipal Water District (Dir. Barbosa, 3,024 votes), Torrance (Dir. Wright, 1,407 votes), Upper San Gabriel Valley Municipal Water District (Dir. Fellow, 4,296 votes), West Basin Municipal Water District (Dirs. Little and Murray, 8,086 votes), Western Municipal Water District of Riverside County (Dir. Mylne, 3,627 votes). Total 108,996 votes.

Noes: None.

Absent: Beverly Hills (Dir. Harris, 1,183 votes), Fullerton (Dir. Blake, 822 votes), Inland Empire Utilities Agency (Dir. Troxel, 4,056 votes), San Marino (Dir. Morris, 250 votes). Total 6,311 votes.

The Chair declared **Resolution 8767** adopted by a vote of 108,996 ayes and 6,311 absent, representing more than the required two-thirds vote.

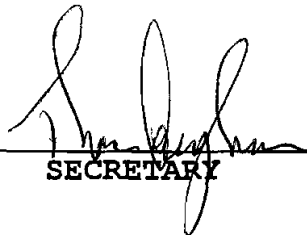
44588 The following communications were submitted to the Board for information:

- a. Status report for the Inland Feeder Project for the month ending June 2001, signed by the Chief Executive Officer on August 3, 2001.
- b. Letter of the Chief Executive Officer signed on August 3, 2001, reporting on efforts regarding FERC relicensing of the Oroville Facilities.

44589 At 3:09 p.m., the Chair called a public hearing to receive comments on the proposed standby charge for 71st Fringe Area 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 3:10 p.m.

44590 There being no objection, the Chair adjourned the Meeting at 3:11 p.m.



SECRETARY



CHAIRMAN