

MINUTES  
ADJOURNED REGULAR MEETING OF THE  
BOARD OF DIRECTORS  
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA  
JUNE 24, 2002

**44913** 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, June 24, 2002.

The Meeting was called to order by Chairman Pace at 11:04 a.m.

**44914** Secretary Coughran called the roll. Those answering present were: Directors Ball, Blake, Brick, Coughran, Fellow, Foley, Grandsen, Harris, Hansen, Loveland, Luddy, Morris, Morse, Murray, Mylne, Pace, Rez, Stanton, Swan, Wein, and Wright.

Those not answering were: Directors Abdo, Ashley (entered 11:10 a.m.), Bannister, Brown, Castro, De Jesus (entered 11:08 a.m.), Edwards, Herman, Kwan (entered 11:20 a.m.), Lewis, Mejia, Murph, Owen, Parker, Peterson, and Troxel.

The Chair declared a quorum present.

**44915** Chairman Pace invited members of the public to address the Board on matters within the Board's jurisdiction. No member of the public responded.

**44916** General Counsel Kightlinger explained the reasons for the request of the Board to certify the Final Program Environmental Impact Report (PEIR). Under the California Environmental Quality Act, a PEIR is necessary for approval of the Quantification Settlement Agreement (QSA). Because it is a

programmatic document, it only looks at the entire program of projects under the QSA. It is not looking at or approving any single project. Every project under the QSA will have to go back for specific action by whichever board is approving it. By acting today, Metropolitan's Board is not approving any single project. When there is a program of projects under a specific plan, such as in the QSA and the California Plan, the preferred environmental approach is that you do a programmatic document that looks at cumulative impacts that all the projects put together might have. Any project that falls under the California Plan in the QSA will come back to Metropolitan's Board. The program, such as the Cadiz program, is not being approved today. The linings of the All American and the Coachella Canals are not being approved today.

Director De Jesus took his seat at 11:08 a.m.

There is a very difficult schedule in timing and the Board is being asked to act on this item today instead of waiting for the meeting in July. Because it is a programmatic document, it should come first before a project specific document. The project specific document that is coming up shortly is the San Diego County Water Authority/Imperial Irrigation District (SDCWA/IID) transfer. That document must be acted upon before July 3, the deadline date that the State Water Resources Control Board (SWRCB) has placed for that document. If Metropolitan approves the PEIR today, then Coachella Valley Water District (CVWD) will act tomorrow, SDCWA will act on Thursday, and IID on Friday. Simultaneously IID is scheduled to approve the environmental documents for their transfer program with SDCWA.

Director Ashley took his seat at 11:10 a.m.

There are a number of issues addressed in this document, one of which is the growth inducement issue to see whether there are any impacts within Metropolitan's service area. There are also water quality issues and socio-economic issues, none of which are tied into any specific project. A number of agencies had asked for a continuance on this document, and a 15-day continuance was granted by all four agencies. That took it from a 45-day comment period to a 60-day period. Additional continuance was requested but given the schedules of

SWRCB and the SDCWA/IID transfer, no further time could be granted in order to remain on the schedule as laid out.

General Counsel Kightlinger stated that Metropolitan alone did not control the process of preparing the PEIR and therefore was not able to submit the document earlier to the Board for its review. At the last minute IID had to make some critical decisions on its program and the PEIR had to reflect IID's changes.

In this PEIR there is no obligation for Metropolitan to commit to any program, approve any program, or mitigate for any program. The only mitigation obligation that Metropolitan recognizes in this document is for the actual river itself. Should the California Plan project be approved, there is going to be a change in point of diversion of up to about 400,000 acre-feet on the river which would have normally occurred down at Imperial Dam. It will now occur north of that up at Havasu. There will be slightly less water in that stretch of the river between Havasu and Imperial. That is a mitigation obligation that will be shared by Metropolitan, among other agencies, and this document reflects that. Metropolitan has been in negotiations with the Fish and Wildlife Service and the Bureau of Reclamation as to what that obligation is. That is a separate project that will have to come to Metropolitan's Board later this fall and Metropolitan would then pick up its obligation to mitigate for that.

The PEIR specifically states there is no mitigation obligation for Metropolitan in regard to the Salton Sea because Metropolitan is not a party to the programs impacting the Salton Sea.

The benefits to Metropolitan moving forward on this would show progress to the Basin States in meeting the benchmark criteria. It would show good faith that Metropolitan is taking all steps to move this program forward.

Mr. Kightlinger continued to discuss how the PEIR would work for other projects such as the canal linings, the Palo Verde program, and any other programs which would then move forward in a timely manner. The PEIR also helped to establish Metropolitan's response to growth issues. There is a great concern among environmental agencies that any programs

Metropolitan initiates to firm up the reliability of its system encourage growth, and they are proceeding to challenge these programs as growth inducing. Metropolitan has always maintained its position of having a full Colorado River Aqueduct and that maintenance of a full aqueduct takes care of the existing needs and is not a growth inducement. In the PEIR Metropolitan has put this thesis forward and has brought it before other agencies, including the federal and state wildlife agencies, so there is a significant benefit to Metropolitan.

The PEIR discusses in a cumulative way how Metropolitan will look at the Colorado River and the impacts of the river from all future programs. Metropolitan has to pick a baseline. The environmentalists want to go back pre-baseline. The PEIR says the baseline should be the existing operations today--the existing operations, the existing facilities all in place, and everything moving forward from here in terms of changes to it. Those changes are fairly nominal compared to what happened 70 years ago, so Metropolitan's obligation to mitigate is significantly shortened and curtailed by this.

General Counsel Kightlinger urged the Board to move forward at this time because of the timing schedule. All agencies are required to act this week. If they do not, then the SWRCB will say it cannot act on the approval, or non-approval, of the SDCWA/IID transfer petition. There will then be a domino effect. It is therefore important that Metropolitan be first in line on this process and move forward.

Director Kwan took her seat at 11:20 a.m.

Director Murray moved, seconded by Director Swan, that the Board certify the Final Program Environmental Impact Report for the Colorado River Quantification Settlement Agreement as stated in the letter signed by the Chief Executive Officer on June 10, 2002.

In light of the fact that the PEIR was not distributed to the Board in a more advanced time period, Director Mylne asked if there were any things in the document that might be controversial and requested staff to comment.

General Counsel Kightlinger responded that there were five issues of a controversial nature, some of which were not

actually in this document, but were mentioned due to the CEQA requirements. The first issue was growth inducement. There were a lot of views on this and some people felt that any projects being planned potentially create growth in Southern California. This is a very controversial issue now. The second issue was the Salton Sea, which was addressed in the PEIR. It pointed out that the SDCWA/IID transfer has the potential to impact the Salton Sea and what it does in terms of mitigation for it. One of the proposed mitigation strategies is to put water into the sea and create a fallowing program. The third issue was fallowing, which is very controversial in the Imperial Valley. Fallowing is mentioned in the PEIR as a potential strategy that SDCWA and IID could adopt to create water for their transfer. People studying this issue, especially from the valley, have identified fallowing as a potential loss of 1,400 jobs. The fourth issue, socio-economics, was related to the job losses. The fifth issue was one of air quality should less water go into the Salton Sea. In addition to impacts upon birds and wildlife, as the sea recedes, the shoreline around it exposes more soil and some of that would be very salty soil. If the wind blows it and tosses it around, turning it into dust, there will be air quality impacts and that has become quite controversial. This is an area that has been studied and will be addressed in the SDCWA/IID final EIR and their planned mitigation proposals.

Director Blake asked if the PEIR identified all projects, or those that are just currently identified, and can other projects be added that are not identified in this document.

General Counsel Kightlinger responded that this document only identifies those programs that were called for in the QSA, and it is only the QSA that is moving forward. It does not identify others that may happen. Any other programs that may be brought in later by any other parties would be under project specific documents.

Director Ball stated he was in full accord with the motion and agreed with the cautionary concerns expressed by Directors Mylne and Blake. However, he emphasized that timing was very important since there was a deadline date of December 31, 2002.

Following further questions and discussion on the distribution of the PEIR and whether there should be another meeting for final action, 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), Calleguas Municipal Water District (Dir. Grandsen, 4,611 votes), Central Basin Municipal Water District (Dir. Morse, 3,402.50 votes), Eastern Municipal Water District (Dir. Ashley, 2,314 votes), Glendale (Dir. Rez, 1,353 votes), Long Beach (Dir. Hansen, 2,045 votes), Municipal Water District of Orange County (Ayes: Dirs. Foley and Swan. Absent: Dirs. Bannister and Owen. 19,827 votes), San Diego (Ayes: Dirs. Ball and Loveland. Absent: Dirs. Lewis and Parker. 19,761 votes), Santa Ana (Dir. Coughran, 1,291 votes), Three Valleys Municipal Water District (Dir. De Jesus, 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. Kwan and Murray, 8,086 votes), Western Municipal Water District of Riverside County (Dir. Mylne, 3,627 votes). Total 33,203.50 votes.

No: Fullerton (Dir. Blake, 822 votes). Total 822 votes.

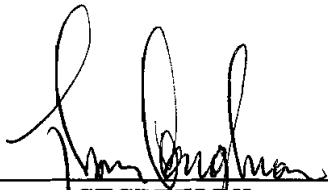
Abstain: Beverly Hills (Dir. Harris, 1,183 votes), Central Basin Municipal Water District (Dir. Pace, 3,402.50 votes), Los Angeles (Abstain: Dirs. Luddy and Wein. Absent: Dirs. Castro and Herman. 22,777 votes), Pasadena (Dir. Brick, 1098 votes), San Marino (Dir. Morris, 250 votes). Total 28,710.50 votes.

Absent: Burbank (Dir. Brown, 1,061 votes), Compton (Dir. Murph, 193 votes), Foothill Municipal Water District (Dir. Edwards, 728 votes), Inland Empire Utilities Agency (Dir. Troxel, 4,056 votes), Las Virgenes Municipal Water District (Dir. Peterson, 1,101 votes), San Fernando (Dir. Mejia, 88 votes), Santa Monica (Dir. Abdo, 1,344 votes). Total 8,571 votes.

The Chair declared the motion carried by a vote of 77,203.50 ayes, 822 no, 28,710.50 abstain, and 8,571 absent.

Chief Executive Officer Gastelum emphasized that Metropolitan was doing everything to make the QSA happen. However, Metropolitan was not in any way conceding that IID or anyone involved in the Salton Sea could turn to Metropolitan and ask us to write a blank check in order to facilitate the QSA. There would be negotiations and one is scheduled for July 1 in Los Angeles wherein Secretary Mary Nichols is bringing the parties together to try and reach closure on this matter.

**44917**      There being no objection, the Chair adjourned the Meeting at 11:30 a.m.

  
\_\_\_\_\_  
SECRETARY

  
\_\_\_\_\_  
CHAIRMAN